

Roundtable on Sustainable Palm Oil Certification

Stage-1 Stage-2 Surveillance Re-Assessment

Plantation Management/Owner : Wilmar International Limited
 Plantation Name : **Agronusa Investama POM - PT Agronusa Investama**
 Location : Semanga Village, Sejangkung Sub District,
 Sambas District, West Kalimantan Province,
 Indonesia
 Certificate Code : **MUTU-RSPO/024**
 Date of certificate issue : **22 April 2013**
 Date of expiry of certificate : **21 April 2018**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ASA-02	16 – 20 March 2015	Bukti Bagja; Naila Karima; Rudi Ramdani; Sofyan Hadi Lubis	Taufik Margani	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-02	18 Juni 2015

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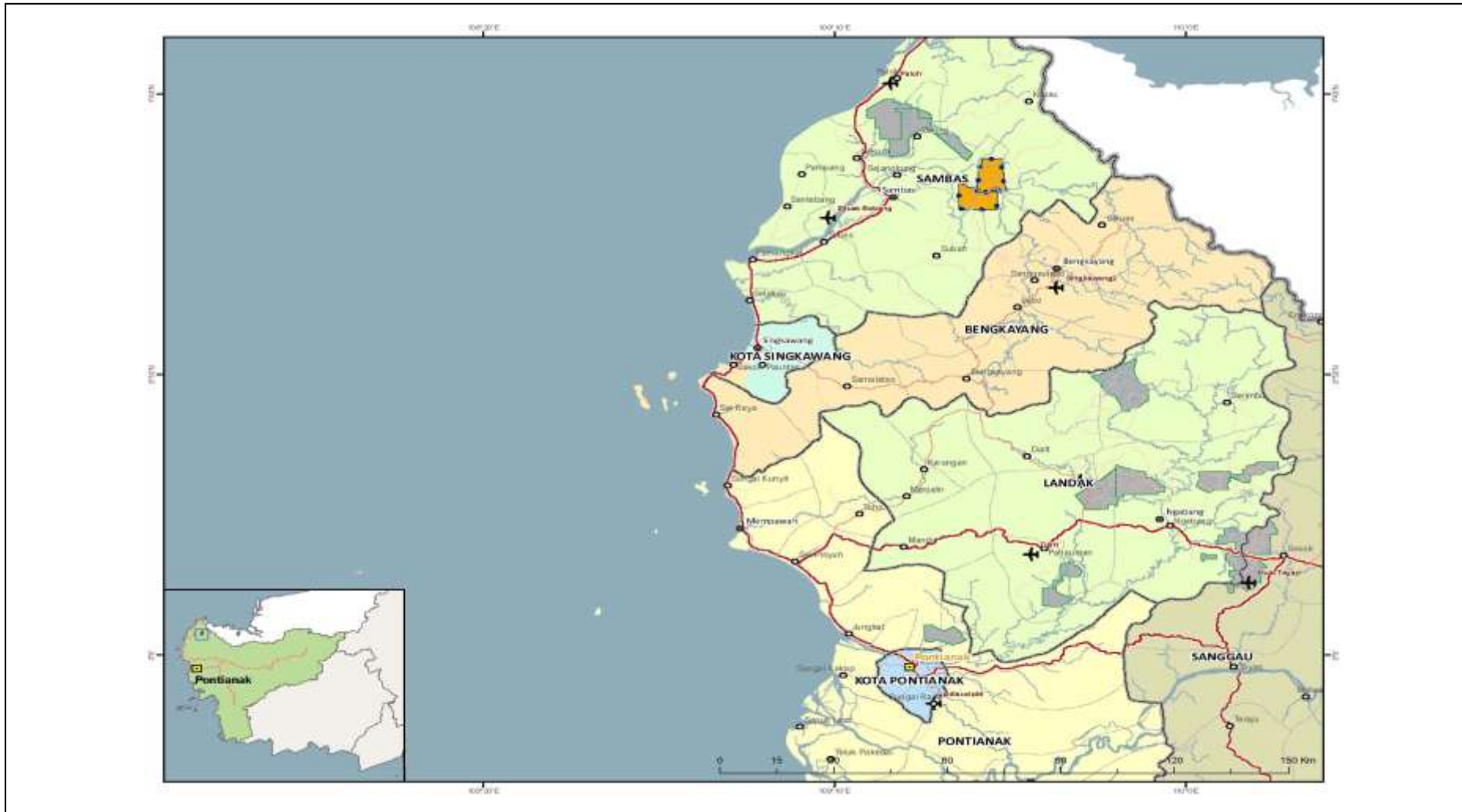
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Figure 1. Location Map of PT Agronusa Investama



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<i>National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011 for CPO Mill.</i>	
1.2	Organization Information		
1.2.1	Company name	WILMAR INTERNATIONAL LIMITED	
1.2.2	Contact person	SIMON SIBURAT	
1.2.3	Company address and site address	Head Office : 56 Neil Road, Singapore 088830 Liason Office : Sejangkung Sub District, Sambas District, West Kalimantan Province, Indonesia	
1.2.4	Telephone	(65) 6216-0244	
1.2.5	Fax	(65) 6836-1709	
1.2.6	E-mail	simonsiburat@wilmar.com.my	
1.2.7	Web page address	web: www.wilmar-international.com	
1.2.8	Company status	PMA	
1.2.9	Management Representative who completed the application for certification	Simon Siburat (Sustainability Controller Wilmar Group)	
1.2.10	Registered as RSPO member	2-0017-05-000-00 16 August 2005	
1.3	Type of Assessment		
1.3.1	Scope of Assessment	Palm Oil Mill & supply base	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT Agronusa Investama	
1.3.4	Number of management unit	1 (one) unit Palm Oil Mill (Agronusa Investama Mill) supplied by 1 (one) unit estate: ANI-Sambas Estate with 2 (two) Division (Senabah & Kumpai).	
1.4	Locations of Mill, Plantations and Area Statement		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	ANI-Sambas	Semanga Village, Sejangkung Sub District, Sambas District, West Kalimantan Province.	01° 21' 25" N 109° 30' 46" E
1.4.2	Location of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	ANI-Sambas Estate	Semanga Village, Sejangkung Sub District, Sambas District, West Kalimantan Province.	01° 19' 20" - 01° 28' 38" N 109° 27' 42"-109° 34' 33" E

1.4.3	Tenure						
	• State						7,910.93 Ha
	• Community						
1.4.7	Area Statement						
	• Total area					7,910.93	Ha
	• Mature area					6,948.95	Ha
	• Immature area					148.48	Ha
	• Nursery					2.11	Ha
	• Occupation					18.35	Ha
	• Not Plantable Area					523.17	Ha
	• Mill					4.34	Ha
	• Road, housing & drainage					247.95	Ha
	• HCV					17.58	Ha
	<ul style="list-style-type: none"> • Source of data : Area Statement of March 2015. • Adjustment area statement after deducted by the area which excluded from the management (production forest area) & adjustment area for plasma plantation of Sabung & Semanga village). 						
1.5	Description of Supply Base						
1.5.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	ANI Sambas	30	121,102.77	24,222.36	20,00	6,000.95	4.95
	<p>*Source production data of March 2014 - February 2015 ** FFB processed not the same as received because of grading and sorting results to FFB from Other Sources if not in accordance with the criteria / standard quality defined FFB, will be returned to the supplier..</p>						
1.5.2	Description of Certified Estate						
	Name Estate	Total Area (Ha)	Planted Area (Ha)	FFB (ton/tahun)	Yield (ton/ha/tahun)	Supplied to Mill	
						TBS (ton/tahun)	%
	ANI Sambas Estate	7,910.93	7,097.43	108,180.55	15.24	108,180.55	89,32
	TOTAL	7,910.93	7,097.43	108,180.55	15.24	108,180.55	89,32
	*Source production data of March 2014 – February 2015						
1.5.3	FFB description from other source						
	Name of sources	Members	Location		Supplied to Mill		
					FFB (tonnes/year)	%	
	Plasma Sentama Lestari		Sambas District, West Kalimantan Province.		2,651.57	2.19	
	Plasma Cempaka Biru	-	Sambas District, West Kalimantan Province.		651.78	0.54	
	Plasma Sentama Lestari Beringin	-	Sambas District, West Kalimantan Province.		1,797.02	1.48	
	Plasma Cempaka Biru		Sambas District, West Kalimantan Province.		119.23	0.10	
	Plasma Sentama Lestari Sepantai	-	Sambas District, West Kalimantan Province.		332.43	0.27	
	Plasma KUD Desa	-	Sambas District, West Kalimantan Province.		98.92	0.08	

Sabung				
Latif Muhfid A	-	Sambas District, West Kalimantan Province.	10.14	0.01
Latif Muhfid B	-	Sambas District, West Kalimantan Province.	143.37	0.12
Kaharudin	-	Sambas District, West Kalimantan Province.	19.22	0.02
Ketut Mardika B	-	Sambas District, West Kalimantan Province.	16.22	0.01
Rahmat Hidayat	-	Sambas District, West Kalimantan Province.	4,397.78	3.63
PT Kapuas Jaya Abadi A.		Sambas District, West Kalimantan Province.	48.41	0.04
Lina Liyani		Sambas District, West Kalimantan Province.	317.74	0.26
Koperasi Serimaram		Sambas District, West Kalimantan Province.	3,813.67	3.15
Sukarni		Sambas District, West Kalimantan Province.	346.46	0.29
Agustinus Ngadap		Sambas District, West Kalimantan Province.	361.22	0.30
Uray Indra Hidayat	-	Sambas District, West Kalimantan Province.	2,651.57	2.19
Total			15,125.16	12.48

*Source production data of March 2014 - February 2015

*All of uncertified will be audited according to Time Bound Plan, after 3 years since ANI Sambas Mill certify.

1.5.4 Product categories FFB, CPO, PK

1.6 Planting Year and Cycles

1.6.1 Age profile of planting year

Planting Year	Hectarage (Ha)
	ANI Sambas Estate
1998	528.00
1999	1,849.05
2000	344.78
2001	288.00
2005	151.49
2006	2,078.29
2007	725.25
2009	931.06
2010	53.03
2011	30.59
2012	79.13
2013	34.75
2014	4.01
TOTAL	7,097.43

Source of Data : Area Statement of March 2015

1.6.2	New Planting area after January 2010	1,857.82	Ha
1.6.3	Planting Cycle	1 st Cycle	25 Tahun

1.7 Approximate Tonnage Certified

1.7.1	Past Annual Claim Certified Product	Previous Certificate Claim (tonnes/year)	Actual certified product (tonnes/year)
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	• FFB Production		105,256.71		104,106.56		
	• CPO Production		21,649.19		20,821.31		
	• Palm Kernel (PK) Production		6,228.58		5,163.69		
	** Certificate Claim period of 22 April 2014 – 21 April 2015						
	** Actual claim period of 22 April 2014 – 18 March 2015						
1.7.2	Claim Certified of FFB						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	ANI Sambas Estate	7,910.93	7,097.43	113,590	16		
	TOTAL	7,910.93	7,097.43	113,590	16		
	*Source: Estimate production of FFB with 5% increase from FFB actual production period of March 2014 – February 2015.						
1.7.3	Claim Certified of Palm Product						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	PKS ANI Sambas	30	113,590	24,422	21.50	5,963	5.25
	*Source: Estimate production of FFB with 5% increase from FFB actual production period of March 2014 – February 2015.						
1.8	Other Certifications						
1.8.1	ISO 9001:2008			-			
1.8.2	ISO 14001: 2004			-			
1.8.3	OHSAS 18001:2007			-			
1.8.4	ISCC			-			
1.9	Time Bound Plan for Other Management Units						
	No	Management Unit	Location		Time Bound Plan	Status	
	1	Sapi (1 + 2)	Sandakan, Sabah, Malaysia		2008	Certified	
	2	Sabahmas	Lahad Datu, Sabah, Malaysia		2008	Certified	
	3	Reka Halus	Sandakan, Sabah, Malaysia		2008	Certified	
	4	Saremas (1 + 2)	Miri Serawak, Malaysia		2008	Certified	
	5	Kaminsky	Miri Serawak, Malaysia		2008	Certified	
	6	Suai	Miri Serawak, Malaysia		2008	Certified	
	7	Segarmas	Miri Serawak, Malaysia		2008	Certified	
	8	Terusan (1 + 2)	Sandakan, Sabah, Malaysia		2009	Certified	
	9	Kiabau	Sandakan, Sabah, Malaysia		2009	Certified	
	10	Ribubonus	Sandakan, Sabah, Malaysia		2009	Certified	
	11	PT. Perkebunan Milano (SDE, BSE & MBE)	North Sumatera		2009	Certified	
	12	PT. Mustika Sembuluh	Central Kalimantan		2009	Certified	
	13	PT. Kencana Sawit Indonesia	West Sumatera		2010	Certified	
	14	PT. Kerry Sawit Indonesia	Central Kalimantan		2010	Certified	
	15	PT. Tania Selatan (BT & BB)	South Sumatera		2010	Certified	
	16	Hibumas	Sandakan, Sabah		2010	Certified	
	17	Sri Kamusan	Sandakan, Sabah		2010	Certified	
	18	Sekar Imej	Sandakan, Sabah		2010	Certified	
	19	Aktif Kukuh & Koerasi	Sandakan, Sabah		2010	Certified	

20	PT. AMP Plantation	West Sumatera	2011	Certified
21	PT. Primatama Muliajaya	West Sumatera	2011	certified
22	PT. ANI (Sambas)	West Kalimantan	2012	Certified
23	PT. Buluh Cawang Plantation	South Sumatera	2012	Certified
24	PT. Tania Selatan (Bambu Kuning)	South Sumatera	2012	Certified
25	PT. Bumi Sawit Kencana	Central Kalimantan	2012	Certified
26	PT. Sarana Titian Permata	Central Kalimantan	2012	Certified
27	PT. Gersindo Minang Plantation	West Sumatera	2012	Certified
28	PT. Permata Hijau Pasaman	West Sumatera	2012	Certified
29	PT. Daya Labuhan Indah	North Sumatera	2013	Certified
30	PT. Milano (Cabang Dua Estate)	North Sumatera	2013	Certified
31	PT. Agro Palindo Sakti	South Sumatera	2014	Final Audit
32	PT. Citra Riau Sarana	Riau	2014	Not classified, shares are being divested
33	PT. Mentaya Sawit Mas	Central Kalimantan	2014	Final Audit
34	PT. Musi Banyuasin Indah	South Sumatera	2014	Final Audit
35	PT. Agronusa Investama Pahauman	West Kalimantan	2014	Planning
36	PT. Murini Sam Sam	Riau	2015	1 st Stage Audit
37	PT. Sinarsiak Dianpermai	Riau	2015	1 st Stage Audit
38	PT. Bumi Pratama Khatulistiwa	West Kalimantan	2015	Planning
39	BBPOP (Benso Plantation)	Ghana	2015	Final Audit
40	PT. Buluh Cawang Plantation	West Kalimantan	2015	Planning
41	PT. Pratama Prosentindo	West Kalimantan	2016	Planning
42	PT. Putra Indotropical	West Kalimantan	2016	Planning
43	PT. Agro Palindo Sakti	West Kalimantan	2016	Planning
44	PT. Daya Landak Plantation	West Kalimantan	2016	Planning
45	PT. Indoresins Putra Mandiri	West Kalimantan	2016	Planning
46	PT. Karunia Kencana Permaisejati	Central Kalimantan	2016	1 st Stage Audit
47	PT. Rimba Harapan Sakti	Central Kalimantan	2016	1 st Stage Audit
48	PT. Agro Indah Persada 2	Bangko - Jambi	2016	Planning
<i>*latest update of Time Bound Plan 2015 under WILMAR management.</i>				

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: www.mutucertification.com Email : agri@mutucertification.com
2.2	Assessment Team
2.2.1	Lead Auditor and Tim Auditor
ASA-02	<ol style="list-style-type: none"> Bukti Bagja (Lead Auditor). Master of Science majoring environment, Indonesia University. He had involved in RSPO assessment and HCV for GIS. The training he has followed namely ArcGIS, MAPInfo, Global Mapper, ER MAPPER, ERDAS Imagine, Indonesian Sustainable Palm Oil auditor and Awareness RSPO. At this time the surveillance activities on verifying aspects: legal, social and conflict resolution. Naila Karima (Auditor). Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She had experience working in private oil palm plantation companies in Indonesia. She had followed training such as ISPO Lead Auditor, awareness training the RSPO certification system, awareness training Occupational Health and Safety Management System (PP No. 50 year of 2012), and Integrated Management System (OHSAS 18001:2007, ISO 14001:2004, and ISO 9001:2008). Surveillance activities this time he did an assessment on the field of Safety Management System and Occupational Health. At this time the surveillance activities on verifying aspects: SMK3, cooperation with contractors, waste management and destruction, fire prevention and wages. Rudi Ramdani (Auditor). Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agricultural University. He has experienced more than two years as an operational staff in a private oil palm plantation company in Indonesia. He also followed training he namely: Indonesian Sustainable Palm Oil auditor, Awareness RSPO, Management System Certification (ISO 9001-2008) training and awareness OHSAS. Currently he works for Independent Certification Body. He had involved activities RSPO and ISPO certification assessment as an auditor. At this time perform certification activities on the aspects: long-term work plans, technical cultivation, freedom of association, equality of opportunity and gender, the existence of child labor. Sofyan Hadi Lubis (Auditor). Master of Science in Natural Resources Management and Environment, Institutut Pertanian Bogor (IPB). Participated in several environmental management workshops, climate change mitigation training and adaptation for agricultural productivity in Southeast Asia, Carbon Forum Asia Update and EIA lecture. He has also been involved as a research team at the Centre for Research, Development, and Climate Change Policy (Puspajak) Ministry of Forestry of Indonesia - Bogor and Research Team in cooperation program IPB - ETH Zurich Switzerland - NUS Singapore. Furthermore, he also worked as a staff environmental / agricultural consulting firm. He also followed training namely : Auditor ISPO, Auditor/Lead Auditor ISO 9001-2008, Awareness RSPO, GHG calculation and HCV. At this time perform certification activities on the aspects : transparency of information, water & erotion management, environmental & HCV management, and GHG emission.
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
ASA-02	Number of auditors : 4 auditor Number of days S-1 at site : 5 days Number of working days for S-1 at site : 20 Working days
2.3.2	Detail process of assessment
ASA-02	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Agronusa Investama to the requirements of National Interpretation of the Republic of Indonesia from RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008 and Scheme Smallholders

October 2009) and Supply Chain Requirement for CPO Mill (November 2011).

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) *interview*, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results S-2 delivered by the auditor MAL to the management unit and the results are the subject will be verified at the next assessment phase (S-3).

The assessment process as follows :

2.3.3	Locations of Assessment
ASA-02	<p>The sampling method was using the $0.8 \sqrt{Y}$ formula, where Y is the number of management units (estates), which being audited. PT ANI Sambas has 1 mill and 1 estate, hence the samples on the audit were 1 mill and 1 estate.</p> <p>ANI Sambas Mill</p> <ol style="list-style-type: none"> From loading ramp to dispatch. Observation related to process the FFB into CPO, mill's fire preparedness facilities and infrastructure, first aid kits company fuel, and there was no storage of fiber and shell as well as the presence of pollution. Water Treatment Plan in Mill. Flow meter of water debit was well functioning, personnel equipped with PPE, amount of salary has been inline with the regulation, housing facility, as well as clean water proficiency. Temporary hazardous waste landfill (Mill). The hazardous waste has been stored in licensed temporary hazardous waste landfill. The location of temporary hazardous waste landfill has been inline with the legal requirement. For instance the coordinate has been inline with the legal requirement, fire extinguishers are available, PPEs are provided, and there is a regular medical examination. The installation of wastewater management. Flow meter of water debit was well functioning, there was neither leakage nor puncture of waste to environment. Based on interview with internal laboratory staff, its known that company has taken the sample for waste quality examination regularly. <p>Senabah Division</p> <ol style="list-style-type: none"> Sentakul riparian area at block 044 Phase 3b Senabah Division. The riparian area was in a well-maintained condition (cover with forest). There was a riparian boundary signboard, however, the boundary mark was missing. Fertilizer warehouse. Observation on fertilizer's storage activity, the warehouse was completed with height limit (< 3 meters) and has a wood pallet base, there as a stock card for recording the in and out fertilizer, MSDS, PPE and fire extinguisher. Personnel housing Phase 3A. Observation and interview with personnel regarding the facility and infrastructure, which are provided by the company, such as: housing facility, clean water facility like pond at Block 030, lighting facility that comes from set generator, worship venue such as mosque, child care and sport facility like soccer field. Agrochemical warehouse and solar tank. Observation on pesticide and chemical material storage, there was a MSDS and work instruction, completed with chemical mixing place and emergency wash. Fuel tank. The building was completed with secondary containment, there were flowmeter and nozzle, no contamination like leakage to soil. Medical Post. Observation on medical service activity and interview with paramedic (nurses and midwives) related to medical promotion, MCU, work accident handling process, medical referral procedure as well as medical waste management. Phase 2, Block 114 B, spraying activity. Auditor conducted observation and interview with personnel from spraying division. Personnel can explain the work procedure, type of spraying activity (disc spraying & harvesting path), dose, the used material as well as the management of riparian area. Supervisor was completed with first aid box. Based on observation, spraying personnel are equipped with a sufficient PPE (spectacles, mask, cotton and rubber gloves, apron as well as boots). Personnel explained that company has implemented the latest minimum wage, conducted regular medical examination, provided medical insurance, granted freedom to join and establish union, established gender committee as well as provided the sufficient

- public facilities.
12. **Phase 3 A, Block 29 B, fertilizing activity.** Auditor conducted observation and interview related to fertilization. Personnel can explain safety work procedure. Personnel are equipped with PPE, such as: helmet, gloves and boots. Company implemented the latest minimum wage and granted the freedom to establish and joint union.
 13. **Phase 3 B, Block 25, bridge repairment activity.** Auditor conducted observation on bridge repairment activity in CR road block by using the excavator. The operator of excavator was equipped with a sufficient PPE.
 14. **Phase 4, clean water source.** Auditor conducted observation on clean water source, which was used by the personnel in housing phase 4. Visually speaking, the water was cristal clear. Company has implemented the restricted area for spraying near to water source.
 15. **Phase 3, block 24 C, harvesting activity.** Auditor conducted observation and interview related to harvesting activity. Personnel can explain the safe work procedure, the criteria for ripe palm fruit, the calculation of base, premi as well as penalty. Personnel were equipped with PPE, such as helmet, spectacles, gloves, boots. Company implemented the latest minimum wage and granted the freedom to establish and joint union.
 16. **Phase 3 B, block 24 A, empty fruit bunches application.** Auditor observed and interviewed personnel who applied the empty fruit bunches application. Personnel were equipped with sufficient PPE (mask, gloves, boots). Personnel can explain the procedure to place to empty fruit bunches and the dose for each spot application.
 17. **Phase 3 B, Block 24A, wholesale pruning activity.** Auditor observed the wholesale pruning activity, which granted to the third party/ contractor.
 18. **Phase 1, Block 7, Beneficial plant's nursery activity (Turnera sp).**
 19. **General Workshop.** The hazardous waste has been well processed, there was no oil leakage, fire extinguishers were available, firs aid box was available, and personnel were equipped with PPE. The interview with personnel revealed that company has conducted periodic medical examination.
 20. **Phase 1 Block 25 C. Final waste landfill.** Final waste landfill with open and close system showed that there was no hazardous waste and located far away from housing and water source.
 21. **Phase 3 Block 27 D.** Monitoring on land erosion.

Kumpai Division

22. **HGU stake in Kumpai Estate.** Stake sample number 019a at block 73b, 020 at block 73b, stake 031 at block 45c and 029 at block 045c. The stakes were provided for demarcating the boundary area between company area and local community's area and other companies.
23. Riparian of Anas river at block 47 Phase 5 Estate Kumpai; the riparian are was in a good condition, there was a signboard as well as the boundary of riparian area. There was a cultivation of erosion prevention plant such as angsana in Kumpai Estate
24. **Blok 070 Phase 5.** Observation and interview with spraying personnel, related to safety work procedure, PPE, MCU, spraying boundary, wage, leave entitlement for personnel and female personnel, complian mechanism, genere committee, worker union, and supervisors were equipped with first aid kits.
25. **Block 071A Phase 6.** Observation and interview with manuring personnel related to safety work procedure, PPE, MCU, wage, leave entitlement for personnel and female personnel, complian mechanism, genere committee, worker union, and supervisors were equipped with first aid kits.
26. **Blok 062B Phase 5** Observation and interview with harvesting personnel related to safety work procedure, PPE, MCU, wage, leave entitlement for personnel and female personnel, complian mechanism, genere committee, worker union, and supervisors were equipped with first aid kits.
27. **Phase 5, blok 07, spraying activity.** Auditor conducted observation and interview with personnel from spraying division. Personnel can explain the work procedure, type of spraying activity (disc spraying & harvesting path), dose, the used material as well as the management of riparian area. Supervisor was completed with first aid box. Based on observation, spraying personnel are equipped with a sufficient PPE (spectacles, mask, cotton and rubber gloves, apron as well as boots). Personnel explained that company has implemented the latest minimum wage, conducted regula medical examination, providede medical insurance, granted freedom to joint and establish union, esablished gender committee as well as provided the sufficient public facilities.
28. **Phase 6, blok 071 AB, fertilizing activity.** Auditor conducted observation and interview related to fertilization. Personnel can explain safety work procedure. Personnel are equipped with PPE, such as: helmet, gloves and boots. Company implemented the latest minimum wage and granted the freedom to establish and joint union.

- 29. **Phase 5, blok 062 B, harvesting activity.** Auditor conducted observation and interview related to harvesting activity. Personnel can explain the safe work procedure, the criteria for ripe palm fruit, the calculation of base, premi as well as penalty. Personnel were equipped with PPE, such as helmet, spectacles, gloves, boots. Company implemented the latest minimum wage and granted the freedom to establish and joint union.
- 30. **Phase 5, blok 072 A, subsidy stake for shallow peat area.** Auditor observed the subsidy stake for shallow peat area.
- 31. **Blok 276 A, management boundary area for estate.** Auditor observed the nucleus estate area, which categorized inside the forest area. Company has established the boundary for management area in a form of trench. During the observation, its known that the area was no longer managed by the company.

Stakeholders

- 32. **Community leaders in Semanga and Beringin Village.** Interview on positive and negative impact from the management unit
- 33. **The management of Plasma.** Interview on the positive and negative impact from the management unit.
- 34. **NGOs (Sawit Watch, Walhi and WWF Indonesia).** Interview on the positive and negative impact from the management unit.
- 35. **Gemawan Foundation.** Interview on the positive and negative impact from the management unit.

2.4	Stakeholder Consultation and List of Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process.
ASA-02	Public consultation with stakeholders of PT ANI Sambas conducted through : (1) Public announcement in MUTU website (www.mutucertification.com) at 23 February 2015. (2) Email & quitioner to NGOs (Sawit Watch, Walhi, WWF Indonesia) at 18 March 2015. (3) Email, quitioner & phone to local NGO (Lembaga Gemawan) at 8 March 2015. (4) Visit & interview with stakeholder in surrounding village (Semanga & Beringin Village) at 17 March 2015. Inputs from stakeholder accepted by the auditor team to be clarified by the ANI Sambas management and as input information of team auditor in surveillance 2.
2.4.2	List of stakeholder contacted
	Please find appendix 1
2.5	Determining Next Visiting
	The next visit (Surveillance 3) will be determined 1 year after Surveillance 2 .

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Agronusa Investama POM – PT Agronusa Investama, WILMAR International Limited** consisting of one (1) mill and one (1) oil palm estates.

During the assessment surveillance-2, there were four (4) Nonconformities were assigned against Major indicator; five (5) nonconformities against Minor indicator; two (2) nonconformities against supply chain requirement for Mill; and seven (7) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. Those corrective action(s) taken that consist of four (4) Major non-conformity(s) and two (2) nonconformance(s) against supply chain requirement for CPO mill had been closed out. Five (5) Minor non-conformity(s) & seven (7) opportunities for improvement shall be verified during next assessment.

MUTUAGUNG LESTARI found that Agronusa Investama POM – PT Agronusa Investama – Wilmar International Plantation complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and/or Supply Chain Certification Standard, November 2011.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.	
<p>Based on document's review on SOP No. 52/WIP-KB/1/0911 regarding the information grant for the external and internal party, its known that the record for information request as well as the response are stored for 3 (three) years. In case there is information request from stakeholders, then the response will be granted by the Bina Mitra Department at least 07 (seven) days after the department received the request.</p> <p>Based on observation on incoming letter logbook in mill and estate from January 2014 to March 2015, its known that there was no information request from stakeholder within S2 period, hence there was no response as well. The incoming letter logbook records the request such as grant proposal, service, invitation and other information.</p> <p>Consultation with stakeholder near company's area (Semanga and Beringin) showed that communication with company has been conducted by oral and written, eventhough was considered not optimal. Company's officer was represented by Bina Mitra officer for communication as well as receiving the information.</p>	
	Status: Fulfilled
1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	

Based on SOP document No. 52/WIP-KB/1/0911 regarding the information grant, company has categorized the accesable infomation for stakeholder into 2 categories, such as:

- Document with the unlimited of access: environmental impact assesment document, company's annual report, company's policy, business license permit and other related permits. Mill and estate monthly production report, the broad of mill and estate operational area, river map in estate area, estate and mill operation procedure, company's organigram, HCV report, magazine/ company's buletin, data of personnel, data of expatriate, data of land use, data of plasma production, the implementation of company's CDP and CSR, SOP for estate and mill.
- Document with a limited access (prior to General Manager's approval): legal document of company's establishment and its revision, profit and loss report, company's balance sheet, wage, identity of the cmpany's owners, identity of head of operational staff and personnel, list of company's assets, list of land and company's area, community development plan, land release data, complain and objection, wildlife distribution map whitin the conservation area, data of plasma budget utilization, charity from third party.

Based on information transparancy letter from the management of PT ANI to stakeholders in PT ANI No. 024/Ani-BM/EXT/IV/2011 on 4th April 2011, its known that the accessible document for stakeholders such as: company's legal document (information on company's area, pre-survey document, project proposal document, location permit, extension for location permit, estate business license, revision on IUP license, approval on environmental impact assessment document, environmental monitoring plan and environmental management plan); environment impact assessment document (Status of forest area within the location permit, building establishment permit); company's operational legal documents (SITU, TDP, license for medical service, distortion permit (clinic), permit to use the lifting and transporting vehicle, company's annual report, mill and estate monthly production report, broad of estate and mill operation area as well as the map, river distribution map within the area, mill and estate operational procedure, company's organigram and company's policy documents.

Record for information request and the response are being kept for 3 (three) years. If there is information request from stakeholders, then the response will be granted by the Bina Mitra Department at least 07 (seven) days after the request is received by company.

Status: Fulfilled

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

There is compliance with all applicable local, national and ratified international laws and regulations.

Based on document's review and field visit, company has tried to obey the applicable regulation, reated to the management of palm oil plantation, such as:

- Examination on the quality of surface water (river) based on government decree No. 82 in 2001 regarding the management for water quality and water pollution management.
- Examination on liquid waste management, which comes from mill, is based on Ministry of Environmental Decree No. 51 IN 1995 regarding the standard quality for liquid waste for industrial activity.
- The management of hazardous waste management based on government regulation No. 18 in 1999 regarding the management for hazardous and poisonous waste.
- Company has the bussines title that inline with the Law No. 05 in 1969 regarding the basic regulation on agriculture.
- Company has implemented the wage that inline with the decree from Kalimantan Barat Governor No. 518/NAKERTRANS/2014 on 12th November 2014 regarding the implementation of district minimum wage (UMK) as well as district sectoral minimum wage (UMSK) Sambas in 2015. The district minimum wage is IDR. 1,650,000,- the sectoral minimum wage/sub sectoral palm oil plantation is categorized within the CPO industry is IDR 1,735,000,-
- Company had the environment impact assesment document in 2000 No. 635/Menhut-II/2001 on 01st May 2001 based on the Ministry of Environment Decree No. 05 in 2012 regarding the type of business plan and or the activity, which is mandatory to has the analysis on environment impact analysis.
- Company has conducted examination on air's quality based on Ministry of Environment Decree No. 21 in 2011 regarding the standard of emission quality for thermal electricity source.

- Interview with personnel in temporary hazardous waste landfill, Boiler, IPAL, water treatment plan, fertilizer warehouse in Anis Sambas mill and spraying personnel in block 114-B, fertilization at block 29-B, harvesting at block 24-C, and so forth. Its known that personnel salary has been in accordance with the minimum wage.
- Interview with personnel who work in IPAL pond, its known that the management unit has been periodically took a sample for liquid waste examination and handed to the accredited laboratory for further examination. Personnel also stated that there is no complain from local community related to liquid waste management in mill.

Company has the SOP for identifying the legal aspect and evaluation mechanism for related applicable legal aspects (No. 02/WIP-KB/1/0911). Related to this matter, the company has the law register as company's effort to obey the applicable regulation. However, the law register has not covered the applicable legal regulation from 2013 to 2015.

Non-compliance No.2015.01 with a minor category 2.1.1

Minor 2.1.1	Status: Non-compliance No. 2015.01
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**2.2
The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights**

PT ANI does not have Land Use Title due to the ongoing process, during the surveillance audit two. Records of the land legality is as follows:

- a. Evidence of company's progress on registering its legal aspect, such as:
 - Oil plantation permit/ location permit, such as:
 - Decree from Sambas Reagent Number 61 in 2005, on 7th April 2005, with an area of 12,000 Ha
 - Decree from Sambas Reagent Number 46 in 2006, on 14th March 2006, regarding the revision on location permit on behalf of PT. Agronusa Investama from 12,000 Ha to 12,500 Ha (Revision I).
 - Decree from Sambas Reagent Number 269 in 2009, on 30th June 2009, regarding the extension of location permit with the broad revision from 12,500 Ha to 12,440 Ha. Valid until 14th March 2010 (Revision II).
 - Soil survey on 8th-10th October 2007 by the National Land Agency of Kalimantan Barat and the installation of temporary stake in 2007, as well as the installation of permanent stake in 2009. Hence, the land dispute has been settled.
 - Decree from Head of Balai Pemantapan Kawasan Hutan (BPKH) area III number S.160/VII/BPKH-II/2009, on 24th April 2009, which explain that the entire area of PT. ANI is under the other utilization area (APL) and not inside the forest area.
 - Revision on measurement photo on 28th December 2009 from ± 9,558 Ha to ± 8,040 Ha
 - Land assessment committee meeting - B for gaining the business title (HGU) on behalf of PT. Agronusa Investama, which started from February 2013. The meeting stated that the total area that can be processed into business title was ± 7,000.12 Ha
 - There is an issue regarding the problem to gain the business title in 2014, such as the decree from Ministry of Forestry number: 6018/IMenhut-VII /PSDH/2013 on 13th November 2013, which pointed the area of PT. ANI is within the moratorium area of new title.
 - Related to this issue, PT ANI has sent the objection letter to Ministry of Forestry through a letter number: 015/ANI-M/HTN/III/2014 on 25th March 2014. Based on the communication result between company and Forestry Agency in Kalimantan Barat Province, it can be concluded that the objection from PT Agronusa Investama will be included in the laboratory revision in November 2014.
 - In 2015, company is waiting for the revision on moratorium map for peat area clearing, hence the business title is expected to be issued soon.
- b. Legality of plantation business
 - As a legality of the plantation, company had the plantation business title through Sambas Reagent Decree number 37 in 2005, on 10th March 2005, regarding the grant of plantation business title for PT. Agronusa Investama with an area of 12,500 inside the area 14,000 Ha.
 - Revision through Sambas Reagent Decree number 372 in 2008, on 19th December 2008, regarding the

revision on Sambas Reagent Decree over the area of 12,500 Ha inside the 14,000 Ha and palm oil mill with a capacity of 60 Ton FFB/Hours.

Legal boundary area (temporary) that was available in the estate during the S2 audit was the boundary stake that was built based on kadastral soil map in PT. ANI by the National Land Agency, which is stated in soil map number 072-14.02-2011. National Land Agency issued soil map on 16th August 2011. Based on land map, the Kumpai estate has 91 temporary stakes, and Senabah estate has 85 stakes.

Stake maintenance was based on the SOP number 001/SOP/GIS/2014 regarding the installation and monitoring of boundary stakes. SOP explains the three-months monitoring schedule and the three-months missing-stake maintenance. As part of the implementation of SOP, company conducted periodic three-months stakes monitoring by the survey and mapping division. The latest monitoring result is available for December and March 2015.

Evaluations on the demarcated legal boundary in the field during the S2 audit have been conducted in:

- Estate Senabah stake number 133 and S16 at block 013/13A, S15 at block 013/13B, 128 at block 008/8A, and 127 at block 022/22 A. The entire stakes were available, even though some of them were in damaged condition and poorly maintained. In order to assist the demarcation of land boundary, company used road as a boundary between company's area and local community's plantation area.
- Estate Kumpai stake number 019a at block 73b, 020 at block 73b, at block 031 at block 45c and 029b at block 045c. The entire stakes were available and for the demarcation of company's plantation area, company has established the boundary trench as a demarcated mark between company's plantation area and local community's plantation area and other company's plantation areas.

Based on interview with the management of PT. ANIS (estate manager), during the S2 audit, there was no land tenure case between company and local community and other parties. This finding was also supported by the document of public consultation with local community in Semanga Village and Beringin Village.

for land tenure case, there is an evidence for land tenure resolution, which is accepted by all parties, such as:

- Land conflict resolution with local community in Sajingan Kecil Sub-village, Semanga Village, Kumpai Division in 2008 through the land compensation meeting.
- Conflict resolution with community in Beringin Village, Sajad Sub-district, Sambas District on 22nd September 2008.
- Record for the conflict resolution with the local community in Senabah Sub-village, Semanga Village, Sejangkung Sub-district, Sambas District with PT ANI in 2008 through the negotiation and compensation payment.

Company presented the evidence of FPIC implementation in the land acquisition process for the plantation, as can be seen on the records below:

- The implementation evidence of socialization and negotiation for land acquisition and negotiation on land acquisition.
- Agreement letter to utilize the land between PT Agronusa Investama and local community in Sajingan Kecil Sub-village, Semanga Village, Sejangkung Sub-district on 24th November 2008.
- There is an agreement document, dated 24th November 2008 for land utilization between PT Agronusa Investama with local community in Sajingan Kecil Sub-village, Semanga Village, and Sejangkung Sub-district. The entire meeting records have been completely and well stored.
- The compensation payment receipt for community's land (Semanga Village, Sepantai Village, Beringin Village, Sabung Village) such as: minutes of payment, acknowledgement letter for land acquisition, land measurement result, as well as the invoice of land compensation payment.

Status: Fulfilled

2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

Consistent with the result of previous audit in PT. ANI Sambas plantation area, there were no communal indigeneous or traditional right within company's plantation area. The plantation area came from land acquisition from community surround the plantation area. The compensation process has been settled in 2008 (refers to the Major indicator 2.2.3) which involved related parties and approved by the local government in September 2008.

Based on information from Village administrators and community leaders during the public consultation Main Assessment, surveillance 1, and surveillance 2, over the land in PT ANI Sambas, there were no communal indigeneous or traditional right within company's plantation area. Issues related to land acquisition and land compensation can be traced at criteria 2.2.

Status: Fulfilled

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

Company has a work plan document from 2014 to 2019. The document consists of information on financial work plan, work plan for processed FFB, FFB cost of production and so forth.

Parameters	Unit	Projection				
		2015	2016	2017	2018	2019
Yield per hectare	Mt/ha	18.6	20.6	22.0	22.6	23.6
FFB Processed	Mt	170,600	186,100	208,400	216,500	226,800
COP Production	Mt	35,826	39,081	43,764	45,465	47,628
OER	%	21.0	21.0	21.0	21.0	21.0
KER	%	5.0	5.0	5.0	5.0	5.0

The management unit had the preventive action to ensure the FFB, CPO and OER production are inline with the work plan, such as the company's fertilizing, transporting and grading based on the applicable SOP. Moreover, the management unit also conducted the work evaluation, which is recorded in monthly and annually report.

Related to replanting, it is known that there is no replanting program from 2015 to 2019. The oldest cultivation year is in 1998 with the plantation age 17 years old and the production age will last until 25 years old.

Status: Fulfilled

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

PT ANI Sambas has the SOP Standard Operation Procedure for estate, from Land Clearing to harvesting activity, which stated in the document: Agriculture Manual & Standards Operating Procedure for Oil Palm, that was approved by Executive Director (2007). Moreover, there is an SOP for cultivation practice as well as the management of plantation production, which consists of information such as: SOP for mill (sortation, Loading ramp, Sterilizer, Thresher, Digester, Press, Vibrating screen, sludge descended pump, rotary strainer, sludge centrifuge, vacuum dryer, transfer pump deprecaper, Nut silo, Ripple Mill, Clay descended Silo, Boiler, Generator, Turbine and WTP). Based on interview with sortation staffs in mill's loading ramp station, its known that the sortation process was conducted not inline with the applicable FFB's acceptance procedure.

There is also a procedure for supply chain traceability, which stated in SOP for COP and PK product traceability (SOP11/ADM-ANI/(01)/0314), effective since 1st March 2014 and has covered the entire elements of SCCS requirement Module E Mass Balance.

PT ANI Sambas has the evaluation mechanism for mill and estate operation activity. There are samples of documentation for evaluation and observation on mill and estate activity, such as:

Estate:

- FFB monthly grading: regarding the ripe of fruit in TPH and at Mill ramp. For instance: FFB daily grading report on 2nd March 2015, no filed 939 A, covers an area of 7.82 Ha, cultivation years 2009, Estate Kumpai, Division II/Plasma CB, with a production: number of bunches, which were attacked by rat are 108 (40.60 kg), number of long bunches 29 (10.9 kg), the average weigh of bunches 9.31 kg.
- Monthly QAMS (Quality assurance Management System): audit on loose fruit at estate block, from day one to the maximum day 5 after the harvesting. For instance: report on 7 March 2015, for the latest harvesting date on 2nd March 2015, No field 067-267 B, cultivating year in 2000-2008, from Kumpai Estate, Division/Phase II/V, with observation coverage of 3.58 Ha at TPH block 067, with a result: number of clean circle disc was 180, number of medium disc (the height of weed 5-10 cm) was 208, number of dirty disc (the height of weed +15 cm) was 0; loose fruit in circle and path was 28.94 kg/ha, loose fruit at the midrib and spiral 0, loose fruit at TPH was 3.3 kg, number of loose fruit not being collected was 32.23 kg/ha, number of uncollected bunches was 9.22 kg/ha, the estimation of loose fruit's weight from ditched bunched was 5.71 kg/ha, the estimation number of total uncollected loose fruit was 37.95 kg/ha.
- Manager Agronomic presented the evidence of FFB's grading and QAMS audit report submission to estate management through email on 11th March 2015.

Field observation result:

- **Phase 6, block 071 AB** its known that the fertilization personnel can explain the dose, application method, as well as safe work procedure. Personnel were equipped with sufficient PPE, such as: helmet, gloves, and boots. Company has implemented the latest minimum wage to the entire personnel and granted freedom to establish and join union.
- **Phase 5, block 062 B** its known that the harvesting personnel understood the safe work procedure, criteria for ripe fruit, base calculation, premi as well as penalty. Personnel were equipped with sufficient PPE, such as: helmet, gloves, and boots. Company has implemented the latest minimum wage to the entire personnel and granted freedom to establish and join union.

Mill:

Documentation of evaluation and monitoring activity over mill's operation, for instance:

Mill present the Report of PT ANI SAMBAS-Mill for audit period 19 – 26 September 2014, number 006/SDC/Kalimantan 1/IX/2014 by 6 team members with finding such as: cash, daily report, inter division, sounding CPO, store. Sample of finding regarding the sounding meters for waved CPO. Mill's follow up action was by replacing the sounding meters by establishing PR No 4010004527 on 30th September 2014.

Company shows the record of work performance as well as the evaluation:

- WIP Estate report in February 2015, which stated: area statement, crop production, grading, harvesting, unripe bunches report, restan analysis and OER, weeding, drains, road path bridges, pest and disease, manuring application, and so forth.
- Monthly production report of Ani Sambas Mill, which stated the production, FFB's acceptance, grading, product quality, stock, control process, vehicle's maintenance, workforces, expenditure, and so forth.

Status: Fulfilled

4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Company sets that the periodic soil analysis will be conducted every 5 months. The latest periodic soil analysis was conducted in 2008. Lack of evidence that showed the soil analysis has been conducted every 5 years. **Non-compliance N0. 2014.02 with a minor category.**

Based on the aforementioned non-compliances, company sets the root cause, curative actions and preventive actions as below:

Root cause: the soil analysis has not been conducted every 5 years.

Curative Actions: conducting the soil analysis activity every 5 years

Preventve Actions: ensuring the soil analysis activity is conducted every 5 years.

Auditor's observation on 17th March 2015

Company presents the document of soil analysis result from EMU laboratory, CKP Wilmar International Plantation, on 19th January 2015 for 24 soil samples from PT Agronusa Investama, which covers the parameters, such as: Ph, C organic, N total, P, K, Mg, Ca, Na, CEC, basa, sand, silt, clay. Based on the submitted curative actions, thus the non-compliances No. 2014.02 have been fulfilled.

Leaf analysis: there is a foliar analysis report documents from EMU laboratory Wilmar International Plantation, laboratory received the sample on 6th June 2014 and the result issuance on 18th August 2014 for 78 samples from Senabah and 118 samples from Kumpai, from leaf midrib number 17 for the parameters, such as: N, P, K, Mg, Ca, B. for instance: Senabah estate block 003, in 1998 with a result: N 2.37% DM, P 0.176% DM, K 0.93% DM, Mg 0.27% DM, Ca 0.92% DM, B 0.92 ppm on DM; Kumpai estate for instance for block 237, TT 2009, with a results: N 2.6% DM, P 0.175 % DM, K 0.71% DM, Mg 0.46% DM, Ca 0.62% DM, B 21.05 ppm on DM.

Visual analysis:

- There is a sample document of field observation card in PT Ani Senabah, cultivation year in 1998/1999, for the flat topography of harvesting path and clean disc, on 13th May 2014 for block 101, which informs about the symptom of leaf with lack of coloration, medium orange frond, medium orange spots, no Boron deficiency, less deficiency of CU (peat yellow), less white spears, the condition of palm tree: good pruning, good disposal, good flowering, older rat attacks, less weed.
- There is a sample of field observation card in PT Ani Kumpai, cultivation year was in 2011, block 930, informed the leaf symptom such as: less coloration, medium orange spots, good disposal, dirty disc, medium weed.

Based on information from the Agronomy manager, its known that the visual and leaf analysis result became the basis to draft the fertilization recommendation in 2015.

Documentation of company's activity on enhancing and sustaining soil fertility, such as: set the recommendation for fertilization in 2015, followed by addition treatment with Cu (Cu SO4 fertilizer) in estate block. For instance at block 036, Division 1 Senabah Estate with a CUSO4 fertilizer amount 0.15 kg in March 2015.

- Not conducting liquid waste application in the field because the operation area is peat. The liquid waste from mill will dispose to river after the waste quality standard in accordance with the applicable regulation.
- Using soft weed as a cover crop, such as Nephropholis SP in a dead disc.
- Monitoring the erosion.
- Monitoring peat subsidence and monitoring the water level in peat area.

For managing sandy area, the company applies empty fruit bunches. Company has the EFB application program for sandy area in 2015 amount 30 block with total application plan amount 1,688.39 Ha and volume 44,433.60 m3 with a dose 40 m3/ha/year.

Status: Fulfilled

4.3

Practices minimize and control erosion and degradation of soils.

Based on soil survey by Param Agricultural Survey, the entire groups show a tendency of less fertile soil. particularly Group B showed a marginal sandy type and, which required proper management treatment in order to increase its productivity. Information on soil type is supported by the land condition map, such as: 1) soil type map based on semi detail soil survey result, with a scale of 1: 50,000 by Param Agricultural Soil Surveys (M) SDN. BHD; 2) peat zone map in Kumpai Division and Senabah based on survey on 10th November 2012; 3) topography map based on sloping SRTM data.

Sloping area in plantation was dominated by slope 0-6% (\pm 98%) with a minor area with slop > 6%. However, the company has the strategy for land management for cultivation in certain sloping area, which is stated in Agricultural Manual & Standard Operating Procedure in 2011 Chapter 3 regarding the Land Clearing and Preparation (part 1 regarding the Undulating to Steep Land and part 2 regarding the Tidal Swamp and Low Lying Areas). The SOP explains the policy and *zero burn stacking* process in some certain sloping areas. SOP shows that the cultivation in marginal soil (certain sloping) should be supported by: establishment on terrace for sloping 12-25%, monitoring on soil

erosion with sloping >25° (establishing the erosion control by building sand packs, establishing erosion monitoring spot.

Company shows the documentation for monitoring the erosion level at PT ANI at block 27 D phase 3, Division Rayon Selatan, Estate Senabah for 5 monitoring stakes in sloping area <25 degree (coordinate N 0335790 and E 0148425. Latest measurement has conducted on 3rd September 2014 with the result, stake 1 (one) 48.7 cm (0.3 cm decrease), stake 2 (two) 50.6 cm (decrease 2.2 cm), stake 3 (three) 50.6 cm (decrease 1 cm), stake 4 (four) 50.2 cm (decrease 0.3 cm), stake 5 (five) 51.49 cm (decrease 1.56 cm). Follow up action for the measurement result such as: cultivating the vertiver grass surrounding stake erosion area amount 200 trees at block 27d phase 3A on 31st January 2015, to decrease the erosion pace. Moreover, company also maintains the individual terrace and arranges the midrib near sloping area like the arrangement at block 27d phase 3A Estate Senabah.

For road construction, the company has the SOP for road pavement and maintenance, which stated in the SOP Agricultural Manual & Standard Operating Procedure in 2011 especially in Chapter 3 regarding the Land Clearing and Preparation (part 1 regarding the Undulating to Steep Land and part 2 regarding the Tidal Swamp and Low Lying Areas), and Chapter 10 regarding the Graveling and Maintenance.

The SOP explains the standard for road construction by considering the environment aspect on hilly area and standard for road construction by considering the environment in peat area. Another SOP such as SOP no. 40/WIP-KB/(0)/2011 in 2011 regarding the policy for road maintenance which explains the type of maintenance, light road maintenance, local pavement, total pavement, as well as constructing new road.

Company presents documents:

- Program and realization for road construction for period January - December 2014 for Senabah estate, for instance road maintenance in January 2014 for MR 7D 300 m and CR4C along 500 m. using the excavator and Kumpai estate in January 2014 for field 048D using the excavator along 700 m, using grader in January 2014 for Collection Road (CR) field 4A Senabah along 500 m.
- Road maintenance program in 2015 for Senabah Estate, for instance at block 26 Senabah in January by using excavator along 940 m in Main Road (MR) and Kumpai estate in January 2015 in MR block 144 and 525 using the excavator along 500 m.

Based on field visit, its known that the company has done repairing the access road to ANI Sambas mill.

For protecting the peat area, there is an SOP for peat area management, which stated in SOP No. SA 02/WIP-KB/0/2010 regarding the management and monitoring of peat area for cultivating palm oil. As a result of the implementation, there area some records, such as: 1) peat distribution map and the depth of peat within PT. ANI Sambas area; 2) map for stake location to measure the subsidence; 3) the result of peat subsidence measurement in Senabah and Kumpai from 2011 to 2014; 4) the record of water level measurement (water level) which is conducted in a monthly basis in 30 water level monitoring spots and 44 monitoring spot in Senabah; 5) record over the number of total plan per hectare in peat area based on the SOP, such as 148 stand per ha; 6) record for the establishment of water management facilities in a peat area, such as water gate, canal; and so forth.

Field observation at phase 4 Block 40 A shows that the water level in peat area was 60 cm from soil surface during the dry season. Company also measures the subsidence periodically (annually), the subsidence measurement result on date 19 in 2014 showed that the peat subsidence stake in a shallow area was 8 cm, medium peat 13 and depth peat 6 cm. company undertake the management practice in order to ensure the surface level of peat water remains at the average level by installing the water dam facility, sand sack, canal as well as conducting the daily monitoring.

Status: Fulfilled

4.4

Practices maintain the quality and availability of surface and ground water.

Protection over peat area

Based on field observation in phase 4 Block 40 A its known that the level of peat water was 60 cm from soil surface during the dry season. Company also measures the subsidence periodically (annually), the subsidence measurement result on date 19 in 2014 showed that the peat subsidence stake in shallow area was 8 cm, medium peat 13 and

depth peat 6 cm.

Company undertake the management practice in order to ensure the surface level of peat water remains at the average level by installing the water dam facility, sand sack, weirs, canal as well as conducting the daily monitoring.

Protection over riparian area

Based on field observation on riparian area, its known that the protection and maintennce over the riparian area was conducted by company, such as establishing the spraying boundary mark along 50 meter at the right and left side of the river, installing the prohibition *sign board* for using chemical material, conducting monitoring for the quality of river's water, and cultivating the hard wood tree.

Based on interview with local community in Semanga and Beringin Village, its known taht the quality of river's water is poor (turbin water and sometimes the color of the water become dark). Related to this issue, the company has conducted examination over the quality of water in Anas River, Senapit River, Sandian River and Mak Nyari River on 30th December 2014. The examination was conducted by the health laboratory, health department of Kalimantan Barat by refers to quality of Government Decree No. 82 in 2001 class II. The examination result shows that there are some parameters that are not inline with the maximum environment limit, such as TSS, Turbidity, color, DO and Total Phospat based on Government Decree No. 82 in 2001. However, there is no sufficient evaluation over this examination result. **Non-compliance No.2015.1 with a minor category 4.4.1**

In order to ensure the quality of surface water is not contaminated with the mill's waste, then company conducted the examination over water quality periodically. The examined parameters such as BOD₅, COD, TSS, oil & fat, Total Nitrogen and pH) which was conducted by the Baristan Laboratory - Pontianak. Based on the examination result from November 2014 to January 2015 its known that the examined parameters are inline with the environment standard quality (ministry of Environment Decree No. 51 in 1995).

Company has examined mill's liquid waste at inlet and outlet pond periodically, which is recorded in monthly liquid waste examination report (LHU). The examined parameters such as pH, BOD₅ and COD with a standard refers to the Ministry of Environment Decree No. 51 in 1995. Based on the examination, its known that the quality of mill's liquid waste is inline with the environment standard quality. The interview result with the management of EHS stated that the company has conducted the liquid waste examination and submit the report periodically to Environment Bureau in Sambas District (for instance on 09th February 2015) as well as there is no issue and report which comes from other parties regarding the negative impact toward environment due to company's activity.

Based on document review, its known that the company has monitored the water utilization through flowmeter monitoring in mill's WTP. The average water utilitation on from January 2014 to February 2015 was amount 1.24 m³/ton FFB with the average water utilization budget amount 1.54 m³/ton FFB. Based on the afor mentioned data, its known tht the water utilization for mill per ton FFB was under the planned budget.

Based on field observation in Mill's WTP, its known that the flowmeter is well functioning. Moreover, the WTP officers have been equipped with the PPE, received proper wage, got housing facility and clean water.

Minor 4.4.1	Status: non-compliance No. 2015.2	
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**4.5
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.**

Company shows the document of detection program – palm oil pest and disease detection for Senabah Estate and Kumpai Estate in 2015. Based on information from the agronomic manager and field interview with the maintenance assistance, its known that the detection on pest was started from the field observation by staff and field officers, this furthermore followed up by the pest census. Programmatically speaking, each division or phase had the integrated pest control, under the responsibility of maintenance assistance in each phase/ division.

Company presents the documentation for the pest and disease control, such as: minus of meeting for monitoring form filling and detection for pest at block 264 on 6th September 2014 by the Agronomy Manager and EMU admin.

Company has not presented the realization of monitoring on other type of pests and diseases, such as: rats, termites,

beetle, boar, ganoderma, and other diseases since January 2014. **Non-compliance No. 2015.03 with a minor category.**

Based on the before mentioned non-compliances, company sets the root cause, curative actions and preventive actions as below:

Root cause: non conducting census: rats, termites, beetle and so forth.

Curative Actions: conducting a complete census: evidence for the detection result, census result, as well as pest control.

Preventive Actions: conducting monitoring over the implementation of census has been implemented based on the program and SOP.

Auditor's observation on 17th March 2015

Company present the document of pest and disease detection result in PT Agronusa Investama for period May - December 2014 and January – February 2015 which covered the pest detection for pocket caterpillar, free caterpillar, rat attack, soil termites, ganoderma, beetle new attack, boar attack. Based on the improvement evidence, its known that the non-compliance No. 2014.03 is fulfilled.

Based on field observation, the document's review over the census and interview with pest supervisor in Division 2, Kumpai its known that the detection activity as well as census over pest disease have been well implemented, furthermore, the pest condition is under control.

Company has been consistently conducted the monthly monitoring over the utilization of active material per Ha in pest control material, for instance for the utilization of Glysohate in February 2015 amount 0.01 L/ha.

Status: Fulfilled

4.6

Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

Company has the agrochemical justification document list in 2015 PT ANI Sambas, which consist of 7 herbicides, 2 fungicides, 8 insecticides, 1 rodenticides as well as 2 pheromone, which entirely have the distribution permit. Moreover, company showed the recommendation document number 560/759/STKT/2014 regarding the utilization of chemical material like pesticide from Social and Manpower Department in Sambas District on 18th August 2014.

Company has consistently conducted the monitoring over the agrochemical utilization document based on work plan in 2015 for Senabah and Kumpai Estate, for instance the Kumpai Estate in February 2015 has used the Glystate on its circle and path spraying activity amount 427 l for an area of 647.55 Ha, with the average usage was 1.5 l/Ha.

Company also showed the minutes of spraying best practice training on 18th December 2014 at block 14J MR 11 Kumpai by the EHS staff and attended by 15 personnel from spraying division with a module about spraying management in riparian area and occupational health and safety aspect.

Company did not use the pesticide with an active paraquate material to prevent rat attack in 2011, company used pesticide with an active brodifacoum material, which is categorized in WHO 1A, moreover, the research division recommends the utilization of tikumin with an active coumatetralyl material (categorized in 1B WHO. Based on documents review over the data in warehouse per December 2014 and February 2015 its known that there is no outlay of tikumin pesticide for rat control.

Field observation on temporary hazardous waste landfill showed that the used packages were stored more than the legal storage duration (≥ 90 days). **Non-compliance No.2015.03 with a major category 4.6.4.**

Based on the before mentioned non-compliances, company sets the root cause, curative actions and preventive actions as below:

Root cause: transport license for the collector (the PT. Primanru Jaya's license has been expired).

Curative actions:

1. Replace PT. Primanru Jaya to PT. Mitra Karya Surya Kencana. Attached the work agreement and license for Mitra Karya Surya Kencana.
2. Transporting the hazardous waste by PT. Mitra Karya Surya Kencana for the stored hazardous waste in ANI's Mill and Kumpai temporary landfill on 20th April 2015

Preventive Actions:

1. Updating the license to the third party
2. Ensuring the transportation of hazardous waste should be done before the expiration of standard threshold of 90 days.

Auditor's observation on 18th May 2015

Company has presented the improvement evidence in a form of minutes of pesticide package's hand over to collector (PT Mitra Karya) on 20th April 2015, the manifest is available. Based on the improvement evidence, the non-compliance No. 2015.03 with a major category 4.6.4 has been fulfilled.

On Surveillance-1 activity, there were some non-compliances, such as lack of evidence that the company has conducted followed up action over the medical examination in January 2014 **non-compliance No. 2014.04 with a minor category.**

Root cause: the MCU result in January 2014 has not been issued:

Curative actions: company will undertake action based on the MCU result. Evidence: mutation letter, further examination, and so forth.

Preventive Actions: ensuring the MCU result will be followed up.

Auditor's observation on 17th March 2015

The management unit presents the evaluation over MCU result for personnel, who have medical impairment and they will take further medical examination in state hospital, especially personnel with hearing impairment and mutation to manual maintenance division for personnel with light to medium poisonous symptom. Based on the above explanation, thus the non-compliance No. 2014.04 with a minor category 4.6.2 has been fulfilled.

Company has consistently implement the prohibition for pregnant and lactating female workers to work on spraying related activity. This can be seen on the observation result at block 070 Phase 5 Division Kumpai and interview with female personnel shows that there is no pregnant nor lactating female personnel are working on spraying related activity. In addition, female personnel are aware on the prohibition to work in spraying related activity when they are pregnant and lactating.

Status: Fulfilled

4.7

An occupational health and safety plan is documented, effectively communicated and implemented.

Policy and SOP for occupational health and safety, which are owned by company since Surveillance-2 did not have any revision. Meanwhile the organogram of Mill and Estate's guiding committee for occupational health and safety unit have been revised and has been reported to the Social Manpower and Transmigration Agency in Sambas District in October 2014. Secretary of guiding committee for occupational health and safety has had the appointment letter for occupational health and safety expert No. KEP.8612/M/DJPPK/IX/2014 on 23rd September 2014, which valid for 3 years. Guiding committee for occupational health and safety has periodically hold meetings to discuss the occupational health and safety issues. For instance on 29th December 2014, the meeting was attended by the guiding committee for occupational health and safety board with an agenda to discuss the safety inspection and house keeping result. The guiding committee for occupational health and safety activity has been reported periodically in a form of guiding committee for occupational health and safety three-months report that has been submitted to Social Manpower and Transmigration Agency in Sambas District, or instance the guiding committee for occupational health and safety report for period October – December 2014 that has been submitted to the Social Manpower and Transmigration Agency in Sambas District on 13th January 2015 based on the receipt document letter No. 004/PKS-ANII/2015.

Company has consistently registering the entire personnel into labor health insurance or BPJS, for instance the evidence of labor health insurance payment from January to February 2015, which have been paid on 09 February and 07 March 2015.

The record of risk analysis has consistently been reviewed periodically every year. For mill's operation, the risk analysis has been reviewed for period August 2014 – July 2015 and for estate is reviewed on 12th January 2015. In general, the risk analysis has been covered the entire activity in mill and estate.

At Surveillance-1 activity, there are 3 non-compliance with a minor category, and based on field observation on Surveillance-2, the company has conducted the improvement action.

- **Non-compliance No. 2014.04 with a minor category 4.7.2.** Lack of evidence, which shows that company has followed up the medical examination result in January 2014

Root Cause: the medical examination result has not been issued yet in January 2014.

Curative Actions: company will undertake appropriate action over the medical examination result. Evidences: mutation letter, further examination, and so forth.

Preventive Actions: ensuring the medical examination will be followed up.

Auditor's observation on 17th March 2015

The management unit shows that evaluation result over the medical examination result. For personnel with medical problem will take further medical examination in state hospital and for personnel with hearing impairment will be mutated to manual maintenance division. Based on the aforementioned explanation, thus the **non-compliance No. 2014.04 with a minor category 4.7.2 has been fulfilled.**

- **Non-compliance No. 2014.05 with a minor category 4.7.6**

a Based on field observation in ANI mill and estate (Kumpai and Senabah) its known that the fire extinguishers are in a well-maintained condition, not expired yet and in a proper pressure.

b Based on field observation in ANI mill, there was no *emergency wash* (for instance: eye wash, shower and so forth) in hazardous waste warehouse.

Root cause: lack of monitoring over the fire extinguisher

Curative Actions: conducting identification for the entire fire extinguisher: expired, pressure, and so forth: fire extinguisher report.

Preventive Actions: conducting periodic monitoring over the fire extinguisher. At least once a month.

Auditor's observation on 17th and 18th March 2015

a. Based on field observation in ANI mill and housing (Kumpai and Senabah) its known that the fire extinguishers are in a ready to use condition and company has conducted periodic monthly monitoring by the EHS team.

b. Based on field observation in ANI mill's temporary hazardous waste landfill, it known that there was a ready to use emergency wash.

Based on the aforementioned explanation, thus **non-compliance No. 2014.05 with a minor category 4.7.6 has been fulfilled.**

- **Non-compliance No. 2014.06 with a minor category 4.7.4.** Lack of evidence to prove that the welder at ANI mill has the welder certificate, which was issued by the related institution.

Root cause: there was no vendor who provided the training.

Curative Actions: certification evidence for welders at mill: welder certificate/ license.

Preventive Actions: ensuring the welders have welder certificate/license.

Auditor's observation on 17th March 2015

The management unit presents the certificate for welder class III on behalf of Sopian No. S.572/JL/PNK3/V/14, which was issued by Ministry of Manpower of Republic of Indonesia on 08th May 2014. Based on the improvement evidence, thus the **non-compliance No. 2014.06 has been fulfilled.**

Interview with spraying supervisor at block 070 Phase 5 Division Kumpai and Manuring supervisor at block 071A Phase 6 Division Kumpai shows that the supervisor has earned the first aid training as well as understood the mechanism of first aid.

Company has consistently documented the work accident in a form of work accident investigation and curative advices (FRM01.SOP 06(1)0909), which are stored and reviewed periodically. The recapitulation of work accident

from January to December 2014 has been documented, such as for mill, there is no work accident meanwhile in estate, there are 60 cases (4 serious injury with lost time \geq 3 days, 27 mild injury with lost time \leq 2 days, 29 cases of medical treatment/ first aid with no lost time) with total 25 days of lost time.

The management units present the minutes of medical check in 2015, which has been conducted in collaboration with the hyperkes & occupational safety in West Kalimantan Province, with number of examined personnel from mill were 37 persons. This fact is considered a lack of evidence that company has examined the high-risk personnel periodically in 2015. Based on the aforementioned explanation, thus rise the **non-compliance No. 2015.4 with minor category 4.7.2**

Minor 4.7.2	Status: non-compliance No. 2015.4
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4.8 All staff, workers, smallholders and contractors are appropriately trained.

Company has a training program for staff and personnel based on their competency in each position in a form of training program in 2015 for mill and estate, for instance motivation training and Plantation Culture training for staff, meanwhile training for personnel such as Best practices harvesting, best practices manuring, spraying and agrochemical handling training, which is scheduled in March, June and October 2015.

The management unit presents the training record, which is documented in high competency and training record (FRM 02/SOP 50/WIP-KB/(0)/0810). For instance, on behalf of Nislam (Field Conductor –Kumpai Division) the training such as manuring, harvesting standard, maintenance, FFB Grading at TPH on 9th and 10th September 2014.

Apart from the training for staff and personnel, company also drafted training for contractor, such as environment training and occupational health and safety training, in order to ensure that contractor understand the requirement for occupational health and safety and in order to prevent pollution toward environment due to operation activity. For instance socialization on RSPO principles to construction contractor in both estate and mill.

	Status: Fulfilled
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PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

PT ANI Sambas has the environment impact analysis document in 2000, which has been approved by head of capital environment impact analysis commission on behalf of Ministry of Forestry No. 635/Menhut-II/2001 on 01st May 2001 regarding the approval on environment impact analysis document, environment management plan, environment monitoring plan for estate and mill in PT Agronusa Investama (d/h PT Bantanan Eka Jaya) in Sambas District Kalimantan Barat Province, which cover and area of 15,000 ha (location permit has been inline with decision letter from Sambas Reagent No. 269 in 2009) with mill capacity amount 60 tons/hour.

PT Bantanan Eka Jaya *take over* to Wilmar International Plantation in 2004 from usaha Sinar Mas group with the name of PT Agronusa Investama. Refers to letter from Head of Local Environment Bureau on behalf of Kalimantan Barat Governor No. 660.1/887/Bapedalda-A on 10th June 2008, point 1 stated that PT ANI Sambas does not need to conduct the new environment impact analysis for its environment management and monitoring. PT ANI Sambas only need to make a letter stated that it has the ability to deliver its responsibilities, which are stated in environment impact analysis document, environment management plan and environment monitoring plan of PT Bantanan Eka Jaya.

Type of managed and monitored impacts, consist of:

- (1) Physical and Chemical componen, such as increase on erosion pace, degradation on water quality and potency of land fire.
- (2) Biological Component, such as destruction toward wildlife and natural vegetation

(3) Social, Economic and Cultural Component, such as land acquisition, work opportunity, type of partnership, environmental's health as well as community's health.

Company has reported the impementation of its environment management plan, environment monitoring plan for semester I (January to July 2014) to Local Environment Bureau in Sambas District, which recorded in the receipt on 08th December 2014. During the ASA-02 audit, company had has the draft of environment management plan, environment monitoring plan report for semester II in 2014. Based on document's review, its known that the company had implemented the environment impact analysis plan, such as:

Increase the erosion pace.

Company has installed the soil erosion stakes with a sloping survey on sloping area with > 25 degree. Furthermore, company undertake the periodic measurement (March & September 2014). Based on these measurements, its known that there was an erosion on stake number 2 (two). Based on this fnding, the company has taken the currative action in order to minimized the erosion, such as: arrange the midrib horizontally with the erosion flow, cover the surface of land by using the *elativ* material such as emphy bunches, cultivate *covercrops* and prohibit the weed spray near to location with high probability of ersion, establish individuala terrace and periodic monitoring.

Degradation over water quality

Company has the examination result of surface and river water quality (Anas River, Senapit River, Sandian River and Mak Nyirih River) on 30th December 2014. The examinatin was undertaken by medical laboratory, Health Department in Kalimantan Barat Province by refers to standard quality stated in Government Decree No. 82 in 2001 Class II. However, there is a parameters, which are non inline with the maximum threshold such as: TSS, Color, DO, and total Phospat.

Field Fire

Company has implemented the zero burning concept, conducting the patrol in prone areas and establihes fire monitoring tower in phase Kumpai.

Natural Vegetation & Wildlife

Company conducted identification, survey, interview and socialization on protected natural vegetation and wildlife for personnel and local community.

Work Opportunity

PT ANI recruited 1,528 personnel. These personnel come from Kalimantan Barat Province as well as from outside Kalimantan Barat Province.

Environmental and local community's health

Company is monitoring local communitys health by conducting pregnant check and imunization in a collaboration with Sejanjung integrative medical service, hygiene socialization, listing the type of disease and medical care in clinic and hospital.

Interview with community leader in Semanga Village and Beringin Village shows that the management unit has implemented the environment management plan as well as environment monitoring plan that inline with the guidance in environment impact analysis matrix. Such as examination over the quality of surface water (Anas River, Senapit River, Sandian River, Mak Nyirih River) and providing work opportunity and entrepreneur opportunity for local community as well as conducting socialization over protective natural vegetation and wildlife.

Status: Fulfilled

5.2

The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

There is an identification document for the protected, rare, endangered wildlife and natural vegetation as well as high conservation value areas, such as:

1. environment impact analysis document in 2000 shows that within the operation area of ANI Sambas there are protected wildlife based on Government Decree No. 7 in 1999 and Law No. 5 in 1990 from mammal type (beaver, hedgehog, land squirrel, tree squirrel), primates (*Macaca irus*), Aves (*Copshycus saulans*, white head eagle (*Enalus hypolencus*), prenjak (*Orthotomus ruticeps*), kedasi hitam (*Surniculus lugubris*)).
2. Identification on HCV in 2011 identified the HCV within the operation area of ANI Sambas:
 - HCV 3 – specific ecosystem such as freshwater peat forest (*based on soil survey in September 2011 – peat area > 3 m – ± 34% from 3,176.02 ha, which being identified as a peat area*).
 - HCV 4.2 – riparian area, which functioning as erosion control and sedimentation control, prevent chemical contamination and fire layer.
 - HCV 5 – source of livelihood for local community (Semanga Village, Senabah Village, Semakaun Village, Beringin Village) in a form of hard wood plantation and field. The entire area is located inside the additional estate but outside the production area.

The HCV area has been mapped with a scale of 1:75,000, there are also minutes of meeting and attendance sheet, which show that there was a public consultation on 30th April 2009. Total participant were 42 stakeholders that represent local community, local government (from Sub-village level to Sub-district level), related institutions (Local Environment Agency, Forestry and Plantation Agency).

Related to the cancellation of some part of HCV 3 area that located near block 55 Division 2 Kumpai as a follow up from the present of local community because the area has been planted (minutes of HCV examinations with MEC team – Malaysian Environmental Consulting on 29th September 2010), Company has submitted the revision over the document of HCV 2011 (the replacement of HCV 2010 document) for related institutions, such as: Investation and Integrative Service Agency, Forestry Agency, Environment Agency, BPD Sabung, Head of Sepantai Village, Head of Semanga Sub-village, and Head of Beringin Sub-village.

Based on verification over the realization of Program Management Plant HCV in 2014 and field assesment, company has undertaken several prevention actions to protect the HCV area, such as:

1. Socialization on HCV area and wildlife as well as natural vegetation for personnel and local community. The socialization for personnel has been conducted in 2013 and for local community on 13th March 2014 such as for local community in Beringin and Semanga Village.
2. Drafting the SOP for the management of riparian area (riparian belt), which stated in document number SOP 17/WIP-KB/(0)/0610
3. Installing the information board of HCV area, amount 8 board which represent each river flow and HCV area.
4. Installing signboard for wildlife and natural vegetation protection.
5. Training HCV for operation personnel has been conducted in March 2014, which attended by 11 staff, person in charge and EHS
6. Identify/ monitor wildlife and natural vegetation in March 2014. There are 80 type of wildlife, such as birds, mammals, reptile, fish, amphiby. Moreover, there are 33 types of natural vegetation and 4 of 33 types are the protected type from *Dipterocarpaceae* and *Nephenteceae*.
7. Managing the riparian area by establish signpost, marking the line of riparian area and installing the riparian signboard, training/ socialization of riparian's management for personnel, picking water sample, and cultivating wood tree.

In genenal, company's efforts have been inline with the applicable regulation specially Law No. 5 in 1990 regarding the conservation of natural resource and its ecosystem, Presidential decree No. 7 in 1999 realted to the protection of rare and endangered species in Indonesia as well as several related legal regulation.

Poster of rare species can be found in areas that usually passes by local community, for instance personnel's housing phase 5 Division Kumpay block 64, estate boundary at block 45; hunting prohibition board in HCV areas, estate boundary at block 93, and so forth; as well as the prohibition to fire forest area at block 45, housing at block 64A, and so forth.

Field visit to Senabah and Kumpai Estate shows that there are posters of protected wildlife and natural vegetation, however the condition of these posters are damaged and need to be repaired (observation).

Company has appointed special and trained officer in charge to monitor the HCV management, both in Head office as well as in the field. In the field, officer in charge is Mizan – appointed as special officer to monitor the HCV based on decree from Human Resources Region (HRR) Kalimantan Barat # 922/ANI-HRR/SK-VI/2011 on 27th June 2011. His main responsibility, such as: (1) regularly monitors the entire HCV area within PT ANI Sambas's area; (2) ensures the management and monitoring over HCV area; drafts the sustainable improvement plan and conducts HCV socialization.

Status: Fulfilled

5.3

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

Estate has identified source of waste and pollution, which is recorded on the identification report, evaluation and environment impact report. There are 21 waste source being identified, such as: 1) herbicide spray (waste in a form of chemical leakage, rinse water from PPE's tool and spraying tool's wash, used package of spraying tools; (2) fertilization (used fertilizer sack, plastic from fertilizer sack, and fertilizer's spill over); (3) operation and generator maintenance (used filter, dirty oil from oil trap, used oil, used accu, seal and used packing, used grease package); 4 clinic (medicines, syringe, infus, cotton and bandage); 5 collection and transportation of hazardous waste and so forth.

Mill has identified source of waste and pollution, which recorded on the identification, evaluation and environment impact. There are 21 source of waste being identified, such as: 1) warehouse, 2) IPAL, 3) maintenance activity, 4) Sterilizer, 5) Thresher, 6) Pressing, 7) clarification, 8) Boiler, 9) Engine Room and so forth.

Company has the waste and pollution management plan, which stated in identification report, evaluation and environment impact. For instance:

- Chemical management plan (herbicide) such as by washing the poisonous package and the management of waste water from ashing as well as the storage of hazardous waste in temporary landfill.
- Management plan on fertilization activity, such as by fertilizing the riparian area and washing the used fertilizer packages.
- Management plan on hazardous and poisonous material, such as providing the chemical warehouse, fertilizer warehouse, spraying tools' warehouse as well as delivering formal training for officer in charge on warehouse, chemical and fertilizer management.
- Management plan for hazardous waste such as storing the hazardous waste on temporary hazardous waste landfill ≤ 90 days, handed the hazardous waste to third party on time and so forth.
- Management plan for domestic waste, such as providing the waste bin in office and housing, furthermore to be delivered to final landfill for further treatment.
- Management plan for medical waste, such as by collecting the waste in a special place and handed to Elisabeth hospital for termination.

Based on observation result in temporary hazardous waste landfill and estate, it is known that the hazardous waste has been collected on licensed temporary hazardous waste landfill. The location for temporary hazardous waste landfill has been referred to the applicable regulation stated in the license. For instance the coordinate spots are correct, has the fire extinguishers, has first aid box, Air Wash, label and symbols. Moreover, the temporary hazardous waste landfill officers have been equipped with PPE and periodically undertake the medical examination. However, based on:

- a. Field observation on temporary hazardous waste landfill both in mill and estate, it is known that the hazardous waste has been stored ≥ 90 days
- b. The temporary hazardous waste landfill building has a leakage, which potentially will pollute the environment.
- c. Field observation in generator house in Kumpai Division shows that the used majun fiber has not been managed as hazardous waste.

Non-compliance No. 2015.5 with a minor category 5.3.2

Based on the before mentioned non-compliances, company sets the root cause, curative actions and preventive actions as below:

Root cause:

- a. License for transporter PT. Primanru Jaya is under extension.
- b. The condition of hazardous waste warehouse in the mill just renewed and the construction has not been finished yet.
- c. The generator officer does not understand the management of hazardous waste.

Curative Actions:

- a. Company has transported the hazardous waste on 20th April 2015 (Refers to CAR No.2015.03).
- b. Improving the wall near the floor of temporary hazardous waste landfill in ANI's mill.
- c. Deliver training to generator operator regarding the management of hazard souse waste

Preventive Actions:

Ensure the management of hazardous waste has been inline with the applicable regulation and procedure.

Auditor's observation on 18th May 2015

Company presents the evidences, such as:

- a. Minutes of hazardous waste hand over to collector (PT Mitra Karya) and Manifest for each hazardous waste, on 20th April 2015.
- b. Documentation on the improvement of landfill wall near to the damaged floor.
- c. Delivering training for generator operator regarding the management of hazardous waste as well as providing the selection of hazardous waste in generator house before stored at the licensed temporary hazardous waste landfill.

Based on the before mentioned improvement actions, thus the **CAR No. 2015.05 with a major category 5.3.2 has been fulfilled.**

Based on observation on general workshop at Senabah, its known that there was no hazardous waste that been thrown to environment, there was no oil leakage, the fire extinguisher were available, first aid box is available, and personnel were equipped with the sufficient PPE. Interview with personnel revealed that company has periodically implemented the medical examination for its personnel and personnel salary has been inline with the applicable regulation.

The management plan for hazardous waste such as herbicide is using the temporary hazardous waste landfill, furthermore to be handed to the third party.

Company has the monitoring record for waste that is generated by mill and estate, such as:

Liquid waste in Mill

Based on observation in liquid waste flowmeter record, the PT ANI Mill is monitoring the liquid waste (POME to water body), for instance: March 2015 amount 316,906 m³, February 2015 amount 12,924 m³, January 2015 amount 16,699 m³, December 2014 amount 13,787 m³, November 2014 amount 09,586 m³ dan September 2014 amount 9,007 m³.

Based on field observation on IPAL, its known that the flow meter is well functioning and there is no waste leakage to environment. Based on interview with personnel, its known that sample picking has been periodically conducted for further examination on liquid waste quality.

Fibre and Shell Waste

based on review on shell and fiber production document in PT ANI mill period January - December 2014, its known that the shell production amount 9,011 ton and fiber amount 15,447 ton. These fiber and shell production are 100 % utilized as boiler's fuel.

Clinical Waste

Company manages the clinical waste (Senabah and Kumpai) at Elisabeth State Hospital – Sambas. Company handed the waste on 09th November 2014 with type of waste, such as: medicine, plastic spur, ampul, vial, rubber gloves, and so forth amount 5.5 kg. The clinical waste has been reported to Environment Agency in Sambas District on 13th November 2014.

Hazardous and poisonous waste

Based on hazardous waste balance (mill's unit) period September to October that the generated hazardous waste by the management unit has been stored at the licensed temporary hazardous waste landfill, furthermore handed to the licensed collector (PT Primanru Jaya) on 09th November 2014. Type of hazardous waste that handed such as: used oil amount 18 Drums, used filters amount 104 pcs, Air Clener amount 10 Kg, used Oil Filter amount 70 kg, contaminated packages 51.5 kg. Basd on field observation at temporary hazardous waste landfill, its known that the stored hazardous waste is used oil for amount 1,090 liter, Oil Filter 56 pcs, Air Cleaner 18 pcs, Fuel Filter 103 pcs, used accu 15 pcs.

Based on hazardous waste balance (estate unit) period September - October that is generated by the management unit, the waste is stored in licensed temporary hazardous waste store and furthermore to be handed to the licensed collector (PT Primanru Jaya) on 09th November 2014. Type of hazardous waste that handed such as: used oil 1,375 liter, used oil filter 117 psc, and so forth. Based on field observation at temporary hazardous waste landfill in mill, its known that the stored hazardous waste such as used oil (390 liter), majun fiber (191 pcs), used gloves (150 pcs), used filter (57 pcs), used bulb (20 pcs), used Gerycan (5 pcs), used Nalco basin (3 pcs), used paint can (177 pcs) and Accu (15 kg).

remarks:

- Temporary hazardous waste landfill in Kumpai estate (ANIS Rayon Utara) is located in estate area in ANI Sambas with coordinate N 01° 20' 57.5" and E 109° 30' 35.5' (inline with the decree from Sambas Reagent No. 49 in 2012 on 21st February 2012 (valid for 5 years).
- Temporary hazardous waste landfill in Senabah estate (ANIS Rayon Selatan) and mill that located in ANI Sambas mill with a coordinate N 03° 34' 22.2" and E 01° 49' 18.7" (inline with the Sambas reagent decree No. 169 in 2011 on 23rd May 2011 (valid for 5 years).
- There is a license for hazardous waste collector PT Primanru Jaya (Deree from Ministry of Environment No. 234 in 2011 on 08th November 2011 (valid for 5 years).
- Company has reported the management of hazardous waste (balance & manifest) including the clinical waste for periode November (IV) to Environemnt Agency in Sambas District on 13th November 2014.

Interview with community leader in Semanga and Beringin Village revealed that until now, there is no issue and report from local community related to the negative impact toward environment due PT Anis Sambas mill and estate operation.

Status: Fulfilled

5.4

Efficiency of energy use and use of renewable energy is maximized.

Company has reviewed the utilization of renewable energy (fiber and sheel) that is used as boiler fuel at PT ANI Sambas mill. Based on observation on the monitoring document of renewable energy in 2014, its known that from period January to December 2014 there was kWh amount 7,685 with total processed FFB 128,727 ton. The efficiency of generated energy was 0.059 kWh/ton FFB (0.30 kWh/ton CPO).

Based on the above data, its known that there is an increase on energy efficiency by company, for instance in October 2014 the total energy efficiency was amount 0.061 kWh/TBS, November 2014 amount 0.063 kWh/TBS and December amount 0.064

Based on field observation in mill, its known that the fiber and sheel have been utilized for boiler's fuel and there were neither cumulation not pollution.

Company has reviewed the utilization of fossil fuel (solar consumption on PT ANI mill). Total fossil fuel utilization for period January - December 2014 amount 193,165 liter. With the utilization of renewable energy (fibre and shell) hence, the company has saved fossil fuel in January – December 2014, amount 193,165 liter or similar to IDR 2,086,182,000 (with the average price IDR 10,800).

Status: Fulfilled

5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

There was no replanting activity in PT Agronusa Investama until the implementation of surveillance audit. However, the company has a policy for environment – Wilmar International that was signed by Group CSR Head and Group Plantation Head in September 2010, point 3 – implement the *zero-burning* approach on the entire estate activity and waste disposal, except in a certain condition as stated on the ASEAN guideline for *zero-burning* activities. Moreover, there is also Wilmar International Agricultural Manual 2011 – Chapter 3 – point 4.0 the implementation of green stacking (zero burn) as a part of commitment toward environment. Company has not planned the replanting activity because the age of plants are young.

Based on field visit to housing Phase 6 Estate Kumpai, its known that the company has separated the organic waste from the un-organic waste, as well as installed the prohibition signboard to burn waste.

Fire and forest fire preparedness procedure (PTD 03/WIP-KB/(0)/2011) is available, covers the preparedness and box, fire extinguisher, fire extinguisher team and evacuation.

The structure of fire extinguisher team at PT ANI Sambas, such as: chairman, vice of chairman, consist of: fire extinguisher division (group A 11 persons, group B 15 persons), security and information division 18 persons, logistic and transportation division 7 persons, consumption division 6 persons, investigation and communication division 3 persons, medical and evacuation division 2 persons that is assisted by the security guard.

Company presented the documentation of fire training and fire simulation on 18-20th July 2014 at PT BPK in a collaboration with Manggal Agni Kalimantan Barat, where PT ANI sent its representative such as 6 personnel from estate and 4 personnel from mill, as well as minutes of meeting for fire extinguisher on 21st November 2014 in front of Phase 5 Kumpai office.

List of inventory for fire extinguisher tools at PT Agronusa Investama – Sambas Rayon Utara (Kumpai)

- Chainsaw: 2 pcs
- The eye of chainsaw: 2 pcs
- Flashlights: 40 pcs
- Fire extinguisher helmets: 8 pcs
- Fire extinguisher uniform: 20 pcs
- Gloves: 11 pcs
- Battery: 32 pcs
- Mask: 12 pcs
- Garrity flashlight: 3 pcs
- Rope: 1 roll
- Hoe: 20 pcs
- Knapsack sprayer: 20 pcs
- Crowbar: 10 pcs
- Axe: 9 pcs
- Machete: 20 pcs
- Robin pump: 6 pcs
- Nozzle: 6 pcs
- Bucket: 37 pcs
- Fire hose 1 ½ Inch x 20 meter: 3 roll
- Fire hose copling 1 ½ x 20 meter: 20 roll
- Fire hose lama: 27 roll
- Plastic nozzle 1½ inch x 10 meter: 3 roll
- Plastic nozzle 1½ inch x 4 meter: 1 roll
- Palanquin: 3 pcs
- Fire extinguisher tank with a capacity of 3,500 liter: 2 pcs

In addition, there is a daily monitoring report at PT ANI Sambas until 17th March 2015, which shows that there is no fire in the field. Based on field visit its known that the fire signboard in Kumpai and Senabah Estate office are in a damaged condition (the color turned yellow).

Status: Fulfilled

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

Palm oil Mill has identified pollution and emission on the waste and green house gas identification document on 15th January 2014.

Source of Waste	The Generated Waste	Type of GRK
Oil warehouse	Oil leakage	CO ₂
Installation of waste water	Liquid waste	CH ₄
Machine maintenance activity	Leakage/leakage from used oil and fuel	CO ₂
Boiler and Generator	Smoke	CO ₂

Company has monitored the quality of emission through the examination of air's quality, for instance:

The examination of emission from boiler No.1

Company has examined the air's emission from Boiler with the examined parameters such as NH₃ ((0.001 mg/m³), Cl₂ (14.5 mg/m³), HCL (0.114 mg/m³), HF (0.540 mg/m³), NO₂ (59.7 mg/m³), Opasitas (30 mg/m³), particle (49.8 mg/m³) and SO₂ (4.80 mg/m³). The examination is conducted by the Baristan laboratory in Pontianak on 05th February 2015 with the standard quality refers to the Ministry of Environment Decree No. 07 in 2007. The examination result is inline with the applicable maximum standard.

Examination on generator emission

PT Ani Sambas has conducted the examination on air's emission on generator with the examined parameters such as NO₂ (352 mg/m³), CO (71.8 mg/m³), particulate (35.2 mg/m³), SO₂ (38.5 mg/m³) and Opasitas (10 mg/nm³). The examination has conducted by the Baristan laboratory in Pontianak on 05th February 2015 with standard quality refers to Ministry of Environment Decree No. 21 in 2008. The examination has been inline with the applicable maximum standard quality.

Company has undertake some efforts to reduce the emisison as stated in mitigation document and green house gas reduction for period January - December 2014. Company's effort and plan to reduce emission, such as: periodically maintaining boiler and generator, periodically maintaining machines, cultivating trees, conducting socialization, utilizing fiber and shell as well as the mitigation of emission through air's quality examination, for instance: examination on boiler's No.1 and examination on generator's emission.

Company has an installation of liquid waste management at GMP POM that consist of 10 ponds, such as: pond No. 1 with a volume of 1,005.00 m³, pond No. 2 with a volume of 2,205.00 m³, pond No. 3 with a volume of 7,999.25 m³, pond No. 4 with a volume of 7,403.00 m³, pond No. 5 with a volume of 3,063.00 m³, pond No. 6 with a volume of 3,537.25, pond No. 7 with a volume of 6,202.00 m³, pond No. 8 with a volume of 6,999.88 m³, pond No. 9 with a volume of 3,942.00 m³, and pond No. 10 with a volume of 6,223.00 m³.

Company has conducted monitoring on the management of POME, such as: recorded the number of liquid waste that comes from IPAL pond through flowmeter at Inlet, outlet and conducted the examination on liquid waste quality in mill and the quality of surface water which still in accordance with the standard threshold for environmEnt quality. In addition, company also submitted its report periodically to Environment Agency in Sambas District (for instance on 09th February 2015).

Based on field observation in mill's liquid waste management area, its known taht the management has been well conducted and obey the environmental friendly procedure, for instance: waste management tools are well functioning such as flow meter, there is no leakage and spill over of liquid waste. Interview with IPAL officer shows that there is no issue or report from local community regarding to pollution toward environment due to POME's activity.

Status: Fulfilled

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

Similar to previous audit, there is a record for the implementation of social impact analysis in a form of:

1. social impact analysis document in 2000, which has been approved by head of capital social impact analysis commission on behalf of Minister of Forestry No. 635/Menhut-II/2001 on 01st May 2001. Type of monitored and managed impact based on the document such as: social unrest due to land acquisition, work opportunity, partnership type as well as community health.
2. social impact evaluation document, which was conducted in 2011 in a collaboration with The Indonesian Resource Institute. This document identifies 13 impacts, such as: work opportunity, occupational health and safety, facilities and benefit for personnel, consultation and communication, workforce stability, entrepreneurship opportunity, local revenue, domestic revenue, organization, company's perception, social and cultural change, personnel and community's health as well as tenurial. The analysis was accompanied with the draft of social impact management plan and social impact monitoring plan. There is an evidence for the participatory implementation, such as by involving local community.

As an evidence for the implementation of social impact management, company has drafted the environment management report and environment monitoring report, which have been periodically submitted every 6 months. The structure of environment management report and environment monitoring report have been inline with the Ministry of Environment report and completed with the evaluation on the impacts. However, the environment management report and environment monitoring report had not have: the implementation evidence for the periodic monitoring on social impact by using participatory approach such as involving participation from local community. **Hence, there is a non-compliance No. 2015.6 with a minor category 6.1.1**

Based on interview and document's verification, company has implemented the plasma plantation scheme especially in surrounding Villages since 2006/2007. In order to establish the plasma plantation scheme, the company has conducted socialization for local community as presented in the minutes of socialization for plasma smallholder in the entire Villages that near to company's area.

Impact from the establishment of estate and plasma plantation scheme have been covered in environment impact analysis as well as in social impact analysis. For the smooth operation of plasma plantation, company provides the room for cooperative staff who is incharge to record the management of plasma plantation. The appointed staff will submit the periodic report to cooperative especially the report on the cost for maintaining estate.

Minor	Status: non-compliance No. 2015.6
6.1.1	

6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

PT. Agronusa Investama has the SOP for information grant to external party (transparence), document number: SOP 52/WIP-KB/(1)/0911. This procedure regulates the mechanism for communication with stakeholders. Officer in charge to conduct the consultation and communication with local community is Staff from Bina Mitra (BM), which is inline with the response flow over the information request.

To ensure that local community has understood the communication and consultation SOP and procedure, company delivered socialization on communication and consultation procedure as can be seen on the minutes of socialization and attendance sheet in 2013.

Field observation shows that the communication process between local community and company has run smoothly, this can be seen from the relatively transparent management on plasma plantation scheme. The smooth communication can also be seen on the conflict resolution, which used the dialogue mechanism, for instance the dialogue process to settle the tree retribution cost in local Villages.

For a more effective communication process ahead, company's has list of main stakeholders that related to plantation operation. The list of stakeholders is update periodically each year to anticipate the change on each contact or additional stakeholders.

Number of listed stakeholder in 2015, such as: 9 institutions in Kalimantan Barat Province, 6 institutions in Sambas District, 2 Head of Sub-district, police, and 4 head of Villages, community leader from 4 Villages, 4 contractor and 122 supplier from local Village, 5 hospitals in Sambas District, 2 NGO in Sambas and Kalimantan Barat, and company near PT. ANI.

Company has recorded community's aspiration through two documents, such as in log book for incoming letter and proposal monitoring book. Responses on incoming aspiration are recorded in log book for outgoing book. In 2014, there are 19 incoming letter from local community related to grant proposal, invitation, plantation security and so forth. The entire incoming letter has been responded as can be seen in the logbook for outgoing letter.

In accordance with the applicable SOP, the entire leaders at PT. ANI is responsible to give positive contribution toward communication and consultation. Especially officer in charge on communication and consultation with local community which is the staff from Bina Mitra, based on the response flow over the incoming information request as stated in SOP 52/WIP-KB/(1)0911.

Based on organogram in 2015, officer in charge from bina mitra for estate is Mr. Gerson Boy (Department Bina Mitra), meanwhile officer in charge for mill is Mr. Surya Supriadi (EHS Mill). Based on the applicable job description, officer in charge to conduct the communication and consultation with local community after had a coordination with the manager and leader at PT. ANI.

Status: Fulfilled

6.3

There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

PT. Agronusa Investama has the mechanism to receive complain and to settle conflict effectively as seen from the SOP for complain acceptance and conflict resolution outside the legal court (Document no: SOP 04/WIP-KB/(0)0610). This SOP is completed with the acceptance form for complain from local community and personnel.

As the implementation evidence over the mechanism, there is an evidence for conflict / dispute resolution between company and local community through discussion mechanism and the agreement on compensation. Public consultation reveals that in general there is no acute dispute, however the company is encouraged to monitor and record complain from community and personnel in order to improve the social performance of the company.

In accordance with the SOP for accepting the complain and conflict resolution, particularly dispute outside the legal court, complain and objection are recorded in complain form, which attached to the incoming logbook and proposal monitoring book. Response over the aspiration is recorded in the outgoing logbook.

Apart from complain/ written aspiration, local community usually submit their complain through oral communication with company's staff. In order to bridging this phenomena, company has appointed officer in charge to assist the estate manager in a communication and consultation process with local community.

In 2014, there are 19 incoming letters from local community related to grant proposal, invitation, plantation's security and so forth. The entire incoming letter have been responded, which can be seen from the outgoing letter logbook.

Sample of conflict resolution:

- Local community in Sabung Village has been waiting for the decision on the establishment of plasma plantation

scheme since 2007. The deadline for this request was in February 2014. If there is no follow up action from company and there is no realization over the plasma plantation scheme, then the entire community in Sabung Village will destruct PT ANI activities that located within their Village. This complain has been identified by the company and the entire management within the Sabung Village, hence there was a meeting to settle this dispute on 20th February 2014, which followed up with participatory measurement and mapping on 14th March 2014.

- Community in Semanga Village requested assistance for road pavement, which connecting the Semanga Village and plantation area. Company has responded in 2014 and 2015 by granted the assistance for road pavement.
- Request for Village retribution for each trees that lay in Sambas River, Semanga Village. Over this request, there was a discussion hold in February 2015, which decided there will be a payment for Village retribution for each trees.

Identification and calculation for the affecting party is based on the procedure to calculate a fair compensation for legal and tradition land acquisition as stated on the SOP for technical guideline for land acquisition, document number: SOP 01/WIP-KB/(0)0610, valid since June 2010.

To ensure the understanding over several SOP and procedures, there is a minutes of SOP socialization, including the technical guideline for land acquisition by PT. Agronusa Investama for local community along with photos and attendance sheet.

Status: Fulfilled

6.4

Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

There is an identification procedure, calculation and compensation that stated in SOP for technical guideline for land acquisition, document number: SOP 01/WIP-KB/(0)0610, valid since June 2010. As the implementation sample, there is a record for land acquisition in a form of minutes of agreement between PT. Agronusa Investama with landowner that witnessed with official party (head of Sub-district and head of Village) as well as land handover evidence to PT. Agronusa Investama Sambas from each landowner.

During the land acquisition process, there is an identification proces over the recipients of land compensation, for instance can be seen in the documents, such as:

1. Minutes of land acquisition between local community and company
2. Socialization and land measurement, for instance
 - Meeting for land acquisition resolution in Senabah Sub-village, Semanga Village, Sejangkung Sub-district, Sambas District with PT ANI. On 22nd September 2008. Community representative such as: Mr Arifuddin, MS, SH (Head of Semanga Village) and Mr Kasdi (Head of Senabah Sub-village).
 - Meeting for land acquisition resolution in Setambah Sub-village and Semakuan Sub-village, Semanga Village, Sejangkung Sub-district, Sambas District with PT ANI. On 22nd September 2008. Community representative such as Mr. Arifuddin, MS, SH (Head of Semanga Village), Mr. Bul'ie (Head of Semako'an Sub-village), Mr. Maas Dara (Head of Setambah Sub-village).

Company presents the evidence over the negotiation process for land acquisition compensation, which can be seen from documents:

- Minutes of land acquisition in surrounding villages. For instance minutes of meeting on **Senabah Sub-village Semanga Sub-district, Sejangkung District**, Sambas with PT ANI. On **22nd September 2008**. Community's representative: Mr. Arifuddin, MS, SH (Head of Semanga Village) and Mr Kasdi (Head of Senabah Sub-village).
- Concern letter over land acquisition, for instance agreement letter in Senabah Sub-village, Semanga Village, Sejangkung Sub-district, on 22nd September 2008. Over an area of **± 3,594 Ha**. The concern letter is known and signed by: Head of Semanga Village, Head of local land agency in Semanga Village, Head of Senabah Sub-village, Head of Sejangkung District and Manager of PT ANI.

Summary for PT. ANI's land provider:

Land Status	Senabah Sub-	Setambah Sub-	Sajingan Kecil	Sepantai Village	Beringin Village	Sabung Village	Total (Ha)

	village	village Semakuan Sub-village	Sub-village				
Sub-district	Sejangkung				Sajad	Subah	
Year GRTT	2008	2008	2008	2008	2008	2006	
Ex. Sinarmas (PT BEJ)	1,542	885	-	-	586	-	3,013
Enclave	80	780	300	-	-	-	1,160
PT ANI (GRTT)	1,577	816	769	136	200	462.5	3,960.5
PT ANI (Plasma)	395	204	472	34	100	-	1,205
<i>Total</i>	<i>3,594</i>	<i>2,685</i>	<i>1,541</i>	<i>170</i>	<i>886</i>	<i>462.5</i>	<i>9,338.5</i>

The entire data has been completed with minutes of measurement, location map, estate map, attendance sheet, and acknowledgement letter over land acquisition, and compensation evidence over land acquisition and witnesses from related parties (head of Sub-village, head of Village, the management of PT ANI, Sub-district, Forestry and Plantation Agency, Local Planning and Development Bureau).

Status: Fulfilled

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

PT Agronusa Investama has consistently implemented the applicable payment system based on the minimum wage from Kalimantan Barat Governor Decree No. 518/NAKERTRANS/2014 on 12th November 2014. The decree stated that the sectorial minimum wage for Sambas District for palm oil plantation including the CPO industry is amount IDR. 1,735,000. Based on observation over the recorded wage and interview with mill and estate personnel, its known that the salary for personnel has been inline with the legal regulation and the applicable minimum wage standard. Furthermore, there was a field interview with contractor for pruning work in Phase 3B, Block 24A Senabah who mentioned that within a month, personnel received salary was in accordance with the standard minimum wage.

PT Agronusa Investama has two documents that regulate personnel responsibility and right, such as company's Decree that is applicable at mill and mutual work agreement between company and PUK SPSI for Estate unit. On Surveillance-2 activity, the management unit presents the company's decree and the latest mutual work agreement for period 2015 – 2017. The company's decree and the latest mutual work agreement have been inline with the labor regulation and have been approved by social, labor and transmigration agency in Sambas District No. KEP.73/STKT-C/2015 on 03rd March 2015 and No. KEP.560/35/STKT/2015 on 13th February 2015 which valid for 2 years. Interview with head of PUK SPSI Senabah unit revealed that company has granted the fair opportunity and fair treatment for the entire personnel, with no discrimination against race, caste, religion, gender and age.

Company has provided the clean water facility that comes from pond water pump phase 5 Kumpai, thus company has undertake water quality examination. However, based on clean water examination in phase 5 Kumpai, there are some parameters that not inline with the clean water standard quality (Ministry of Health Decree No. 416 in 1990). Such as: turbid, color, ammonia and PH. **Non-compliance No. 2014.08 with a minor category 6.5.1**

Based on the aforementioned non-compliances, company sets the root cause, curative actions and preventive actions as below:

Root cause:

The used water source is not fulfilling the standard quality for clean water because the water comes from pond in peat area with poor standard quality.

Curative Actions: conducting study in order to improve the quality of water, however company's effort failed. Furthermore, company will search for the alternative water source that inline with the Ministry of Health Decree No. 416 in 1990. After the program plan finish, thus company will take the sample for further examination.

Prevention Actions: ensure the quality of clean water is inline with the Ministry of Health Decree No. 416 in 1990 by conducting the water quality examination periodically.

Auditor's Observation on 17th March 2015

The management unit presented the minutes of water sample acceptance on 3rd March 2015, which has been sent to the laboratory of Health Agency in Pontianak amount 8 samples (Water pump pond Phase 1, Water pump pond Phase 2, Water pump pond Phase 3A, Water pump pond Phase 4, pond ANI 1, Water pump pond Phase 5, Ex pond Phase 5, Water pump pond Phase 6). However, until the ASA-2 activity, the unit management could not present the result of the examination. Based on the aforementioned explanation, there was lack of evidence that company has undertaken evaluation effort in order to provide sufficient clean water. Non-compliance No. 2014.08 with a minor category earns into major category and should be settled within 60 working days (18th May 2015).

Auditor's Observation on 18th May 2015

The management unit present the water examination report for pond Phase 5, which explain:

- The water pond has been processed with ash soda and alum with latest examination in March 2015, however the examination result has not been inline with the applicable standard quality (Ministry of Health Decree No. 416 in 1990). Furthermore the management unit present the documented evidence on the installation of information board in personnel housing Phase 5, that consist of information not to consume the water pond.
- Documentation on establishment new pond MR13 (6mx3mx2m) at block 72C (1 Km from housing), hence the water quality examination has been conducted at laboratory at Health Agency in Pontianak in April 2015 and the examination result showed that the standard quality has been inline with the applicable regulation (Ministry of Health Decree No. 416 in 1990).
- Documentation for work plan in May – August 2015 for water pump installation in a new pond MR13 and pipe installation to housing Phase 5.

Based on improvement evidence, thus the non-compliance No. 2014.08 has been fulfilled and furthermore will be observed on ASA-3 activity.

Company as stated in mutual work agreement has required obedience toward manpower regulation, such as membership on manpower social insurance. However, lack of evidence that the company has undertaken the evaluation on contractor's obedience. **Non-compliance No. 2015.7 with a minor category 6.5.2**

Minor 6.5.2	Status: non-compliance No. 2015.7
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6.6
The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

Based on interview result with head of PUK SPSI Senabah Unit, its known that the company has not consistently granted freedom for establish and join union for the entire personnel. PUK SPSI is acted as the media to receive aspiration and complain for its member related to industrial relationship between personnel and company. Communication between PUK SPSI with the management unit has been well established. Internal meeting PUK SPSI has been periodically conducted with the management party (LKS Bipartite) for instance the drafting of mutual work agreement, the regulation on harvesting wage, and to settle industrial dispute. Aspiration and complain from the member of PUK SPSI have been submitted to the management unit and have been responded by the management unit and company.

	Status: Fulfilled
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6.7
Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.

The management unit has consistently implement the manpower regulation in accordance with the legal regulation such as not recruiting children (under 18 years old). Based on observation on personnel list in February 2015 and field visit to Senabah and Kumpai division and ANI's mill, its known that there were no personnel under 18 years old. There is an information board about the prohibition to recruit or hire personnel under 18 years old in mill office, Kumpai and

Senabah division office, personnel housing complex.	
	Status: Fulfilled
6.8	
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	
The management unit presented the personnel data record in February 2015, its known that personnel came from various ethnic, religion, gender, personnel come from local people and people from outside company's operation area. Interview with head of PUK SPSI, Senabah unit mentioned that company granted fair opportunity for personnel with no discrimination against race, cast, religion, gender and age.	
	Status: Fulfilled
6.9	
Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	
Company has consistently implemented the sexual harassment prevention policy as well as protection over reproductive rights. Interview with gender committee at PT ANI revealed that there was no sexual harassment report toward personnel and the implementation of menstrual leave H1 and maternal leave H2 for female personnel have been implemented in accordance with the applicable regulation.	
	Status: Fulfilled
6.10	
Growers and mills deal fairly and transparently with smallholders and other local businesses.	
Company can present the evidence of FFB's price information submission to Plantation Agency in Kalimantan Barat Province for plasma smallholders (plasma cooperative), for instance:	
<ul style="list-style-type: none"> • Minutes of the appointment of index K and FFB's price in Kalimantan Barat Province in February 2015, on 13th February 2015, which regulates the FFB's price based on plant age, for instance plant age 6 years old is amount IDR.1,464.89/kg and plant age 7 years old is amount IDR.1,566.01/kg. • Representative from the board of Cempaka Biru Cooperative in Sajingan Kecil Sub-village shows that the calculation of trade for plasma smalholder period February 2015 with a detail such as: plan age 6 years old, amount 36,062 kg with price IDR.1,464.89/kg and plant age 7 years old amount 8,849 kg with price IDR.1,566.01/kg thus total FFB's sale is amount IDR. 66,684,485.67. Total plasma plantation operation cost is amount IDR.236,939,080.35 (maintenance cost, harvesting cost, transportation, material, general cost), hence the plasma has a deficit amount IDR.170,254,594.68. The cooperative board understood that the mechanism to calculate the trade. <p>Moreover, based on field observation, it's known that the information about the applicable FFB's price is stated in information board near weighting station. While the FFB's payment flow is following the minutes of process and the complete of supporting documents.</p> <p>ANI Sambas Mill has the mechanism on set the FFB's price based on the procedur to purchase FFB (SOP/TBS/VIII/2008, on 1st September 2008) that applicable for FFB's purchase from other source apart from plasma smallholders. Part 5.2 explains the calculation for main price for purchasing FFB, such as:</p> <ul style="list-style-type: none"> - The calculation cost of FFB purchase is conducted in a daily basis by the head of local logistic division and FFB's trading division POM Head Office. - The calculation was conducted by inputting the data of CPO/PK price, processing cost, rendement extimation, transporation cost into computerizing. - The calculation result in a form of HPP Franco Mill and HPP Franco TPH/Camp is informed to the operation department in local office at the same day. <p>Part 5.3 FFB's purchase agreement</p> <ul style="list-style-type: none"> - Based on HPP TBS, the operation personnel or FFB trading personel POM (Head Office) conducted the negotiation with supplier in order to set the price, quality, delivery time, requirement for payment and other conditions. - Based on negotiation result from both party, hence the logistic division made a decision to purchase FFB from suppliers. - Logistic division in local office made an agreement letter in a form of purchase contract and forwarded to both 	

parties for signature.

- After signed, copy of purchase agreement forwarded to FFB's Acc and Trading department POM Head Office.

Based on sample of agreement document with external FFB's supplier (for instance: No. 001/LM-ANI/TBS//2014, on behalf of Latif Muhlid) it's known that there is no agreement between both parties (company and FFB's Supplier), hence the contract is not fair, legal and transparent. Meanwhile in period 2nd January – 19th February 2014, the supplier provided the FFB amount 1,211,751 kg. **Non-compliance No. 2014.09 with minor category 6.10.1**

Based on the aforementioned non-compliances, company sets the root cause, curative actions and preventive actions as below:

Root cause: there is an additional new clausal at the agreement, which has not been socialized to supplier. Subsequently, supplier has not approved the contract yet.

Curative Actions: deliver socialization for supplier in order to understand the new clause at the agreement. Supplier has signed agreement letter for FFB's purchase.

Preventive Actions: ensuring the entire work agreement for FFB's purchase is valid and supplier understand the content of agreement.

Auditor's Observation on 17th March 2015

Company present the agreement letter for fresh fruit bunches trade, document number: 001/SPK-ANI Senabah/PB-TBS//2014 between Latif Muhid with head of Operational PT Agronusa Investama, on 2nd January 2014 for period agreement until 31st December 2014 and has been agreed by both parties.

Based on field observation in mill, its known that there is a documentation in a form of photos of FFB's price in mill.

Company present the agreement letter for fresh fruit bunches trade, document number: 001/SPK-ANI Senabah/PB-TBS//2014 between Latif Muhid with head of Operational PT Agronusa Investama, on 2nd January 2014 for period agreement until 31st December 2014 and has been agreed by both parties. Subsequently **non-compliance No. 2014.09 has been fulfilled.**

Payment receipt for FFB's purchase from supplier that has been agreed in contract cannot prove that the payment has been disbursed on time. For instance: payment receipt for supplier on behalf of Latif Muhlid on 5th February 2014 amount 500 bunches (3,168 kg). **Non-compliances No. 2014.10 with a minor category 6.10.2**

Based on the aforementioned non-compliances, company sets the root cause, curative actions and preventive actions as below:

Root cause: copy of payment receipt for supplier was not stored in mill, but in LO office in Pontianak Division Operational.

Curative Actions: Copy of FFB's payment to supplier should be available in mill. Sample of on time FFB's payment (based on work agreement: 14 days since the FFB was accepted in mill). Provided invoice of FFB's claim on behalf Latif Muhlid for payment on 16th March 2015 to prove the payment has been made on time and not more than 14 days as stated n the work agreement.

Preventive Actions: ensuring the FFB's payment has been disbursed on time, such as 14 days since the acceptance of FFB in mill.

Auditor's Observation on 17th March 2015

Company present the sample of transfer document on 16th March 2015 from PT Agronusa Investama to FFB's supplier on behalf of Latif Muhlid. However, lack f evidence that the payment has been disbursed according to the time limit stated in work agreement. Hence non-compliance No. 2014.10 has not been fulfilled. Non-compliance No. 2014.10 with a minor category rose at ASA-1 has not been fulfilled until ASA-2 activity, thus based on the RSPO Certification System annex 4.2.2.4, non-compliance No. 2014.10 with a minor category turns into major category and should be settle within 60 days at the latest (18th May 2015).

Auditor's Observation on 18th May 2015

The management unit showed the recapitulation on FFB's bill on 10th March 2015 PT Agronusa Investama, for supplier on behalf of Latif Muhlid with FFB's acceptance period 5th – 6th March 2015 amount 15,131 Kg. Based on

improvement evidence, its known that the payment has been disbursed on time and not more than 14 days as stated in the work agreement. Based on the aforementioned improvement explanation, thus non-compliance No.2014.10 has been fulfilled.

Status: Fulfilled

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Company has granted contribution for local development, such as:

- Payment of building tax periodically, for instance payment on 17th December 2014 through Indonesian Bank (BRI) amount IDR. 1,108,530,590
- Involving local community as a local contractor, for instance on behalf of Mr. Sukija, Sungai Deden Village, for Pruning work in phase 3B with total accepted amount IDR. 13,369,995 and on behalf of Mr. Guruja, Senabah Village for Raking work in phase C4 with total accepted amount IDR. 7,428,431.
- Assistance on road construction in Semakuan Setambah Sub-village on 03rd January 2014 amount IDR 100,000 with the assistance to construct pathway amount IDR. 2,000,000.
- Assistance for sport activity in 2015 amount IDR. 700,000.
- Assistance for education and religious activity.
- Assistance to improve local community's economic condition through plasma plantation scheme and local community recruitment as personnel at PT Ani Sambas's mill and estate .

Interview result with community leader in Semanga and Beringin Village reveal that local community are benefitted by the presence of company, such as company gave assistance on education, road construction, sport facilities, plasma plantation scheme and the empowerment of local contractor. However, local community area expected the realization of CSR program can be enhanced in the future.

Status: Fulfilled

PRINCIPLE #7 Responsible development of new plantings

7.1

A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

PT ANI Sambas has the environment impact analysis document in 2000, which has been approved by head of capital environment impact analysis comission on behalf of Ministry of Forestry No. 635/Menhut-II/2001 on 01st May 2001 regarding the approval on environment impact analysis document, environment management plan, environment monitoring plan for estate and mill in PT Agronusa Investama (d/h PT Bantan Eka Jaya) in Sambas District Kalimantan Barat Province, which cover and area of 15,000 ha (location permit has been inline with decision letter from Sambas Reagent No. 269 in 2009) with mill capacity amount 60 tons/hour.

The environment impact analysis has covered the positive and negative aspects of environment and social which comes from mill and estate activity, such as the increase on erosion pace, the decrease on water quality, field fire, wildlife and natural vegetation, work opportunity, local community health and environment aspect.

Company has submitted the environment management plan and environment monitoring plan report in semester I (January - July 2014) to local environment agency in Sambas District that is recorded in hand over document on 08th December 2014. During the ASA-02 audit, the company has the draft of environment management plan and environment monitoring plan semester II in 2014. Based on observation on the doocuemnt, its known that the implementation of environment impact analysis has been conducted by the company such as: the increase on erosion pace, the decrease on water quality, field fire, wildlife and natural vegetation, work opportunity, local community health and environment aspect.

Company has conducted the Focus Group Discussion (FGD) with questioner as tool to investigate local community's perception on environment and social aspect. The result from the questioner can be seen in the environment management plan and environment monitoring plan for semester I (January - July 2014) and has ben submitted to Environment Agency in Sambas District on 08th December 2014. Company has the record for questioners which are stated in the environment management plan and environment monitoring plan for semester II (July - December 2014),

however, lack of evidence that the implementation of social monitoring through questioner has represent the participation from related affected parties.

Company has conducted socialization and training for plasma smallholder under the management of PT. ANI Sambas as stated in the minutes of coordination meeting with plasma cooperative in PT. ANI, on 23rd February 2012. Meeting agenda, such as: 1) explanation on the mechanism of plasma plantation management; 2) discussion on operational work plan/Budgeting 2012 for plasma plantation; 3) preparation for the annual meeting of cooperative members in book 2011; 4) submission of production data and cost in plasma plantation KSU Sentama Lestari until January 2012.

Status: Fulfilled

7.2

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

Since PT Agronusa Investama earned the RSPO certificate on 22nd April 2013, there is no new land clearing for plantation, replanting, nor embroider activity.

There is a semi detail soil analysis for PT Agronusa Investama (Soil of PT Agronusa Investama in April 2008 by PARAM Agricultural Soil Surveys (M) SDN. BHD for Kumpai and Senabah explains the type of soil, sloping and weather.

There is an area statement data, which is revised every month in monthly management report.

Status: Fulfilled

7.3

New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

Based on planting year document, the planted area within PT. ANI Sambas after 2005 covers 4,400 hectare. Cultivation in new area has been inline with the applicable regulation, such as:

- Planted within the other area (non forest area) as presented in Head of Badan Pemantapan Kawasan Hutan (BPKH) Wilayah III Decree number S.160/VII/BPKH-II/2009, on 24th April 2009. The decree states that the status of PT. Agronusa Investama location that covers and area of 12,440 Ha, is entirely located within the other area and outside the forest area.
- Company has a bussines title for the entire plantation area, including for plantation after 2000 as stated in the indicator 2.2.1.
- Company has conducted the environemnt impact analysis in 2000 and has been approved by Head of environment impact analysis commission in national government on 01st May 2001.
- Company has conducted identification, appointed and delinated the HCV area in 2011, hence provided the HCV management plan and implementation report. Field observation in Kumpai and Senabah division shows that company has delinated the boundary line in HCV area, such as riparian area. For the riparian area which had been cultivated with palm oil, thus company implement the management action such as by prohibiting the chemical treatment and conducted the perioicd plantation enrichment.
- Company conduded the social impact analysis as can be seen from The Indonesian Resource Institute (IndRI) March 2011.

There is a map with scale 1 : 75,000, which describes the distribution of HCV area within ANI Sambas operation area. In addition, there is also an areal statement map, which present the cultivation location in the entire plantation area as well as the information for each planting year. The HCV area has been dicided as non-productive area, which no longer for poduction.

Field observation in Kumpai and Senabah Division shows that the company had delinated the boundary in HCV area, such as riparian area. Part of the riparian area has been cultivated, subsequently, as a compensation, company undertake the periodic enrichment activities. Refers to buffer zone management plan, the riparian area no longer being cut off during the replanting activity and will keep as a green area.

Status: Fulfilled

7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

Company has a soil map, which explain the soil condition of PT. ANI, such as:

- Map of soil type with scale 1:75,000, on 16th November 2009, Map. Ref. No: M309, which comes from semi detail soil map with scale 1: 50,000 Param Agricultural Soil Surveys (M) SDN. BHD and field survey result in May 2008, there are 14 soil types such as Bakri, Banar, DLD, Erong, Kemahang, Kilas, Lunas, Malau, Seratok, Serdang, Sibuga, Silantek, Tika, No Data.
- Peat Zonation map in Kumpai division with scale 1: 43,000 on 10th November 2012. Depth of the peat: 0-150 cm; 151-300 cm; 201-400 cm. peat zonation: Saprik (124,55 Ha); Hemic (1,196.62 Ha); Fibrik (808.69 Ha).
- Peat Zonation map in Senabah division with scale 1: 37,000 on 10th November 2012. Depth of the peat: 0-150 cm; 151-300 cm; 201-400 cm. peat zonation: Saprik (45.81 Ha); Hemic (725.17 Ha); Fibrik (273.18 Ha)
- Topography map with scale 1: 80,000, on 30th October 2012.

Based on soil analysis by Param Agricultural Survey, the area within PT. ANI Sambas is divided into 4 categories; such as group A, B, C, and D. The entire group shows the tendency toward infertile soil especially in Group B that show the marginal soil type/ sandy soil (Saratok type of soil (Kambisol Hapic/Sandy loam),Tka (Regosol Kwarsik/Sand), Silantek/Slk (Podzol Humic/ Loose sand), Sibuga (Podsol Humic/ Loose sand).

For marginal soil like sandy soil, company has implemented the soil and water conservation, such as: company establish the terrace for 12-25%, marginal sloping area, monitoring over soil erosion for sloping 25%-40%, establish erosion buffer and sand sack stacking on the edge of terrace, establish the erosion monitoring spot (for instance at block D 27), cultivation of beneficial plant, arrange the midrib as errosion buffer, and fertilization techniques that suit for sandy soil.

For peat soil, company arranges the water management to ensure the surface water level to be inline with the procedure in SOP, which is 60-80 cm. Monitoring over peat destruction has been conducted by installing the subsidiency monitoring stake.

Status: Fulfilled

7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Company has the social and environmental impact analysis document, which consist of positive and negative impact analysis toward environment and social condition by involving participation from the affected-local community, such as:

- (1) environmental impact analysis in 2000 that has been approved by head of environmental impact analysis comission in national government on 01st May 2001. The monitored and managed impact consist of: physical and chemical component, biological component and social economic and cultural component such as land acquisition, work opportunity, parthnership type, environmental and local community health.
- (2) Identification on HCV area in 2011.
- (3) Social impact analysis as conducted by The Indonesian Resource Institute (IndRI) in March 2011 presents the positive and negative impact from the presence of company as well as the management plan.

For the acquired area, company can present the evidence of socialization proces in land clearing, as stated in the previous minor indicator 2.2.1. record that shows the socialization, such as:

1. Attendance sheet for negotiation and compensation agreement for Diani land on 16th January 2010.
2. Socialization and negotiation proces with the entire local community near the plantation area. For instance with local community in Sajingan Sub-village, Semanga Village, such as:
 - Meeting with local community and administrator in Semanga Village, Sepantai Village, and Beringi Village on 23rd February 2009, which was attended by head of Village and representative from Sub-district office.
 - Panel meeting to settle the land acquisition in Sajingan Kecil Sub-village on 20th March 2007.
 - Minutes of dialogue between local community from Sajingan Kecil Sub-village and PT. Agronusa Investama, on 9th September 2008.

Record that present the agreement after the socialization and negotiation can be seen from:

1. Agreement letter to utilize area between PT Agronusa Investama with local community from Sajingan Kecil Sub-village, Semanga Village, Sejangkung Sub-district on 24th November 2008
2. Document of work agreement between PT Agronusa Investama with local community from Sajingan Kecil Sub-village, Semanga Village, Sejangkung Sub-district on 24th November 2008. The entire evidence is well stored and complete.

Status: Fulfilled

7.6

Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

The company has a document of recipient identification process for the areas, which were become part of plantation, such as:

- Minutes of area measurement, which become a part of plantation are that was witnessed by the measurement team in Senabah Sub-district (head of Semanga Village and head of Senabah Sub-village);
- Minutes of measurement over the area that became part of plantation area, which is known and witnessed by: measurement team from Sepantai Village (Head of Sepantai Village, head of Satai Sub-village, local land agency); the measurement team from PT ANI (Bina Mitra and Surveyor); measurement team from PEMDA SAMBA
- Minutes of measurement over the area that became part of plantation area, which is known and witnessed by temporary measurement team: measurement team from Beringin Village (Head of Beringin Village, head of Village team, local land agency); measurement team PT ANI (Bina Mitra and Surveyor); measurement team from local government in SAMBAS (head of Sajad Sub-district, Forestry and Plantation Agency, Local planning and development Bureau). Minutes of meeting has been recorded and registered on 01st May 2009 by Notaris HARDIANSYAH, SH with document number: 40/DAFTAR/V/2009.

The identification procedure for stakeholders, who received the compensation are stated in the SOP for technical guideline for land acquisition, document number: SOP 01/WIP-KB/(0)0610, valid since June 2010. SOP explains the land acquisition through socialization, the decision on who will receive the compensation, up to the compensation payment.

There is an identification process for stakeholders, who received the compensation for the entire plantation area, including the planted area after 2005, as stated in:

1. Minutes of land tenure resolution between local community and company
2. Socialization and land measurement for local community's land that become part of company's plantation area, for instance:
 - Meeting for land acquisition settlement in Senabah Sub-village Semanga Village, Sejangkung Sub-district Sambas District with PT ANI. On 22nd September 2008. Representative from local community: Mr. Arifuddin, MS, SH (Head of Semanga Village) and Mr. Kasdi (Head of Senabah Sub-village).
 - Meeting on land acquisition settlement between Setambah and Semakuan Sub-village, Semanga Village. Sejangkung District Sambas and PT ANI. On 22nd September 2008. Representative from local community: Mr. Arifuddin, MS, SH (head of Semanga Village), Mr. Bul'ie (head of Semako'an Village), Mr. Mas Dara (Head of Setambah Village).

Record for land acquisition calculation and compensation is complete. The calculation of compensation was conducted through negotiation and meeting between land owner and representative of PT. ANI. The calculation result is in a form of agreement letter for land acquisition (refers to previous indicators). For instance, record for the disbursement of compensation payment in a form of invoice for land compensation amount 8.51 Ha at block 17 C, D Phase 3B IDR. 22,000,000 from PT. Agronusa Investama to Diani Mat Kicap, on 3rd Feb 2010.

Company provided attention toward local community as stated in social impact analysis report of PT. Agronusa Investama, March 2011. Company empowers local community through plasma plantation scheme, and until now, there are 2 KUDs, such as KUD Sentama Lestari that covers Semanga Village, Beringin head of and Sepantai Village (Semakuan Sub-village, Setabah Sub-village and Setambah Sub-village and KUD Cempaka Biru that covers Sajingan Kecil Sub-village (Semanga Village). Company also provides work opportunity for local community.

Document's verification for the compensation process and its claim are available for public access. There is a procedure in a form of SOP for technical guideline for land acquisition, document number: SOP 01/WIP-KB/(0)0610, valid from June 2010. There also documents for minutes of SOP socialization, including the SOP for technical guideline for land acquisition of PT. Agronusa Investama for local community, photos and attendance sheet.

Status: Fulfilled

7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

There is no replanting activity in PT Agronusa Investama until the implementation of surveillance audit. However, company has a policy for environment management – Wilmar International, which was signed by the Head of CSR Group and head of Group Plantation in September 2010, point 3 – implment *zero-burning* on the entire activity in plantation establishment and waste disposal, except for certain situation as stated in ASEAN guidelines for *zero-burning* activities. In addition, there is a Wilmar International Agricultural Manual 2011 – Chapter 3 – point 4.0 the implementation of green stacking (zero burn) as a commitment toward environment agreement. Until now, the company does not has a plan to conduct the replanting activity because the oil palm tress age is still young.

Based on field visit to housing Phase 6 Estate Kumpai, its known that the company has separated the organic and inorganic waste, as well as installed the prohibition board to burn waste.

Procedure for fire emergency preparedness in field and forest (PTD 03/WIP-KB/(0)/2011) is available, and covers the preparedness procedure and contact, fire control, fire extinguisher team and evacuation.

The structure of fire extinguisher team at PT ANI Sambas, such as: chairman, vice of chairman, consist of: fire extinguisher division (group A 11 persons, group B 15 persons), security and information division 18 persons, logistic and transportation division 7 persons, consumption division 6 persons, investigation and communication division 3 persons, medical and evacuation division 2 persons that is assisted by the security guard.

Company presented the documentation of fire training and fire simulation on 18-20th July 2014 at PT BPK in a collaboration with Manggala Agni Kalimantan Barat, where PT ANI sent its representative such as 6 personnel from estate and 4 personnel from mill, as well as minutes of meeting for fire extinguisher on 21st November 2014 in front of Phase 5 Kumpai office.

List of inventory for fire extinguisher tools at PT Agronusa Investama – Sambas Rayon Utara (Kumpai)

- Chainsaw: 2 pcs
- The eye of chainsaw: 2 pcs
- Flashlights: 40 pcs
- Fire extinguisher helmets: 8 pcs
- Fire extinguisher uniform: 20 pcs
- Gloves: 11 pcs
- Battery: 32 pcs
- Mask: 12 pcs
- Garrity flashlight: 3 pcs
- Rope: 1 roll
- Hoe: 20 pcs
- Knapsack sprayer: 20 pcs
- Crowbar: 10 pcs
- Axe: 9 pcs
- Machete: 20 pcs
- Robin pump: 6 pcs
- Nozzle: 6 pcs
- Bucket: 37 pcs
- Fire hose 1 ½ Inch x 20 meter: 3 roll

- Fire hose copling 1 ½ x 20 meter: 20 roll
- Fire hose lama: 27 roll
- Plastic nozzle 1½ inch x 10 meter: 3 roll
- Plastic nozzle 1½ inch x 4 meter: 1 roll
- Palanquin: 3 pcs
- Fire extinguisher tank with a capacity of 3,500 liter: 2 pcs

In addition, there is a daily monitoring report at PT ANI Sambas until 17th March 2015, which shows that here is no fire in the field. Based on field visit its known that the fire signboard in Kumpai and Senabah Estate office are in a damaged condition (the color turned yellow).

Status: Fulfilled

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

Company has conducted the environment management, which is stated in the implementation report of environmental management plan and environmental monitoring plan for semester I in 2014, such as examination on the quality of liquid waste, examination on air emission (Boiler), examination on air emission (generator), examination on ambient air's quality, examination on noise. Company has submitted the report of environmental management plan and environmental monitoring plan for semester I in 2014 to Environmental Agency in Sambas District on 08th December 2014.

Interview with community leader in Semanga and Beringin Village reveals that until now there is no issue and report from local community related to the negative impact on company's presence on environment.

Company has conducted the internal RSPO audit as part of mill and estate monitoring activity to earn the real improvement. There is an internal RSPO audit report at PT ANI Sambas, which was conducted on 25 – 28 November 2014.

Status: Fulfilled

3.2. Summary of Assessment Report of Supply Chain

Clause	(Module E) CPO Mills - Mass Balance Requirements
1	Documented Procedures
<p>1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements.</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p>	
<p>Company has a procedure or written guideline to ensure the implementation of the entire element within the supply chain requirement, such as:</p> <ol style="list-style-type: none"> SOP for CPO and PK traceability with a document number SOP11/ADM-ANI/(01)/0314, effective since 1st March 2014. The document contains the entire required element in SCCS Module E Mass Balance for completing the document of SOP Mas Balance including the simulation document and calculation in case there is a request for certified product (CSPO). SOP for Mass Balance number SOP 12/ADM-ANI/(00)0112, effective since 01st January 2012, which explains the recording mechanism in mass balance procedure. SOP for FFB's acceptance (SOP 02/SRT-ANI/(01)/0113, rev. 01, effective since 8th January 2013 and SOP for accepting external FFB (SOP 03/SRT-ANI/(00)/0211, effective since 1st February 2011. 	
Status: Fulfilled	
<p>1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	
<p>Company has a documented procedure for accepting and processing the certified and non-certified FFB, such as:</p> <ol style="list-style-type: none"> SOP of Mass Balance number SOP 12/ADM-ANI/(00)0112 effective since 01st January 2012, which explains: <ol style="list-style-type: none"> The process of inputting FFB, including the inputting data of FFB's acceptance from nucleus plantation as well as from external/ outsider FFB with a Sustainable FFB status (certified) and Non Sustainable FFB (non certified) in a correct column. The inputting process from FFB's data into supervisor production report and the generated CPO/PK report from sounding report in order to figure out the OER/KER and physical stock of CPO/PK at a correct column. Inputting the deliverance data of CPO/PK from mill that inline with its status (Sustainable or Non-Sustainable CPO/PK) in a correct column. <ul style="list-style-type: none"> - Accepting and evaluating the status of DO from Trading Head Office (CSPO or non CSPO request). - Based on DO's request and the condition of stock balance, hence type of CPO/PPK deliverance will be decided. - Filling the number of CPO/PK deliverance based on amount and status in a dispatch table as well as updating the condition of stock balance based on the ration between incoming and dispatch. SOP for FFB's acceptance (SOP 02/SRT-ANI/(01)/0113, rev. 01, effective since 8th January 2013 and SOP for accepting external FFB (SOP 03/SRT-ANI/(00)/0211, effective since 1st February 2011. SOP for the traceability of CPO and PK's product (SOP11/ADM-ANI/(01)/0314), effective since 1st March 2014, explains that the facility, which processing the FFB into CPO and PK comes from the certified and non-certified sources (mixed), however in the administration/ stock report there is a separation between the Mass Balance or separated between certified CPO/PK stock and the non-certified. 	
Status: Fulfilled	
2	Purchasing and goods in

2.1

The facility shall verify and document the volumes of certified and non-certified FFBs received.

Company has documented the volume of accepted certified and the non-certified FFB in below procedures:

1. The entire FFB's acceptances are accompanied by fruit delivery letter, which states the name of estate, acceptance date, phase, block number, number of bunches, the estimation of weight (ton), and estate weight. Minutes of selection is used to figure out the quality of incoming fruit.
2. Weighbridge Slip as verification on the incoming FFB's weight. The weighbridge slip consists of reference number: date, DO's number: Phase 1, relation code: good's code; Status: purchase; vehicle number; fruit acceptance number; driver name; description; incoming and outgoing house; Mill's bruto; Tarra; Mill's Netto; Dura; number of bunches; BJR; and type of fruit.
3. Daily report on mill's activity, including the recapitulation of incoming FFB in each estate. The report consists of information such as: balance of received FFB, CPO and PK's production, Extraction rate, Quality, and dispatches.
4. Monthly report on mill's activity, including recapitulation on received and processed FFB, extraction rates, dispatch, quality, lossess, and mill's performance
5. Mass Balance report, which prepared by special officer in charge on SCCS. Report consists of monthly and three-month recapitulation for certified and non-certified fruit.

Even though there is a documentation on incoming FFB through work agreement and weighbridge ticket, however, in fruit acceptance there is no evidence on verification process to differentiate fruit from certified and non-certified sources.

Non-compliance No. 2015.8

Based on the aforementioned non-compliances, company sets the root cause, curative actions and preventive actions as below:

Root cause: there is no facility for verification, such as list of suppliers as a tool to identified certified and non-certified supplier.

Curative Actions: make a list of RSPO certified and non-certified suppliers.

Preventive Actions: ensuring the list of suppliers is available and update in mill.

Auditor's observation on 18th April 2015

for verifaying the incoming FFB, company has listed the list of certified suppliers, which is offically issued by the management of PT. ANI. The list is used as an official guideline in mill to execute the SCCS system, especially to identified and calculate the certified FFB. Based the currative actions, thus the non-compliance No. 2015.8 has been fulfilled.

Status: Fulfilled

2.2

The facility shall inform the CB immediately if there is a projected overproduction.

Agronusa Investama Mil earned the RSPO certificate on 22nd April 2013. Deadline to submit the CSPO claim for period 2014 – 2015 as stated in attachment 1 certificate MUTU-RSPO/024 in 2014 is amount 21,649.19 ton CPO. Based on FFB and CPO's document review from period May 2014 to February 2015, the accepted FFB was amount 104,106.56 ton. Meanwhile the CPO production from 22nd April 2014 to 18th March 2015 is 20,821.31 ton. Subsequently thre was no production excess during the period. However, the Mass Balance procedure number SOP 12/ADM-ANI/(00)0112 has regulated that the excess of CPO production will be reported to Certification Body.

Status: Fulfilled

3

Record keeping

3.1

The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.

In general, the entire latest document along with related report with the SCCS requirement has been completely recorded, validated, and easily accessed. In line with the tracebility procedure for CPO and PK product (SOP 11/ADM-ANI/(00)0111 with record such as:

- Weighting officer reports the acceptance of FFB in a daily basis to Mill Head.
- Weighting officer will perform the weighting for the entire incoming and outgoing CPO and PK's truck as well as submitting

the weighting report to logistic division.

- The processing department will process the FFB into CPO and PK, furthermore reports the processed FFB's data to logistic division in **Daily Mill Production Report**.
- Logistic officer calculates the production of CPO and PK (daily production report) as well as reports to Mill Head.
- Logistic officer ensures the availability of CSPO and non-CSPO product stock based on stock balance to ensure whether the delivery is certified or non-certified.
- The logistic division makes a delivery report for CPO and PK every day.
- The logistic and weighing officer make a daily *traceability* report.
- The logistic officer makes a report for CPO and PK's closing stock every 3 months and reports it to Mill Head.
- The used method in traceability procedure is the mass balance procedure.

Status: Fulfilled

3.2

Retention times for all records and reports shall be at least five (5) years.

On the CPO and PK's traceability procedure (SOP 11/ADM-ANI/(00)/0111 and SOP Mass Balance number SOP 12/ADM-ANI/(00)0112, there is no specific explanation about the standard storage period for documents. The storage period is regulated in SOP logistic (SOP 01/ADM-ANI/(00)/0211 effective since 1st February 2011, which explain the document's storage period is maximum 10 years for certain document. Company also uses the SAP system (System Application & Product in data processing) to manage the entire records.

Status: Fulfilled

3.3

- (a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.
- (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- (c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.

Based on company's record and electronic recording system, company has not sold CPO with RSPO scheme in 2014-2015. However, company shows the balancing evidence of the entire accepted certified-FFB and CPO/PK deliverance. The evidence reveals that the entire certified FFB and three-monthly CPO/PK delivery have been inline with the applicable SOP for Mass Balance. For instance, the balancing resume in 2014 is:

Period	TBS	Certified CPO	
		Production	Dispatch
April – June	25,924,420	5.224.118	-
July – Sept	25,762,340	5.098.201	-
Oct - Dec	32,584,450	6.592.509	-

Status: Fulfilled

3.4

The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.

Based on company's record and RSPO electronic record system, company sales the CPO with RSPO scheme in 2014-2015, the used trade mark in some documents, such as sale contract is undiversified.

However, company has a procedure to use the supply chain scheme in CPO trade such as in the implemented simulation in documents:

1. Delivery Order CSPO No: 4052115265. Date: 20.01.2014

2. WB Slip No: 1269574-75480. Date: 19/02/2014. CPO trade. There is a mark of CPO/MB Cert. No. Mutu RSPO/024.	
	Status: Fulfilled
3.5 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	
Not Applicable. ANI POM does not have the KCP within its mill's location.	
	Status: Not Applicable
4	Sales and goods out
4.1 The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information: (a) The name and address of the buyer (b) The date on which the invoice was issued (c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance) (d) The quantity of the product delivered (e) Reference to related transport documentation	
Based on company's record and RSPO electronic recording system, company does not sale the CPO with RSPO scheme in 2014-2015, thus the verification on bill for RSPO certified product sale can not be done. However, the SOP Mass Balance regulates the issuance of bill to be inline with the RSPO guideline in case there is sale for the certified oil palm. Company also presents the evidence for invoice issuance in case there is a request for certified-product from PT. ANI Sambas.	
	Status: Fulfilled
5	Training
5.1 The facility shell specifies and provides the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	
ANI POM delivered training related to SCCS matter to related officer in mill on 21 st February 2014. Training material consists of SCCS Module E Mass Balance for personnel, who directly work with the supply chain activity/ including the supply chain system, operator weighbridge, logistic division. However, for period 2014 – 2015, lack of evidence that the training has been delivered for the entire staff who work on SCCS implementation, including themutated mill's manager in ANI POM. Non-compliance No. 2015.9	
Based on the aforementioned non-compliances, company sets the root cause, curative actions and preventive actions as below: Root cause: there are some staff who have not received SCCS training, including the manager in ANI Sambas Mill. Curative Actions: delivers SCCS training for mill's manager, Mr. Sutarno and logistic staff Mr. Dedi Sanjaya who being identified have not received the SCCS training. Preventive Actions: ensuring the entire related staff with SCCS system has been trained and understand the supply chain system. Auditor's observation on 18th April 2015 To ensure that mill's understand the implemnetation of SCCS, company has delivered training for staff work with SCCS, including mill's manager (named Sutarno) on 14-15th April 2015 based on the minutes of training and attendance sheet.	
	Status: Fulfilled
6	Claims
6.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance	

with the RSPO Rules for Communications and Claims.

Based on company's record and rsपो electrobic recording system, company does not sale CPO with the RSPO scheme in 2014-2015, thus the claim verification can not been done. However, in CPO and PK product treacibility (SOP11/ADM-ANI/(01)/0314), which effective since 1st March 2014, it has been explained in point 5.17 that "in case there is a direct selling for certified CPO/PK outside the group, thus should be based on *RSPO Rules for Communication and Claims* by stated the RSPO logo on the product.

Status: Fulfilled

3.3. Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-02	Since the Agronusa Investama mill earned the RSPO certificate on 22 nd April 2013, there is no sale over the certified CSPO product yet. Thus there is no usage over the certificate and logo	NA
	Status: Complied	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-02	Since the Agronusa Investama mill earned the RSPO certificate on 22 nd April 2013, there is no sale over the certified CSPO product yet. Thus there is no usage over the certificate and logo	NA
	Status: Complied	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-02	Since the Agronusa Investama mill earned the RSPO certificate on 22 nd April 2013, there is no sale over the certified CSPO product yet. Thus there is no usage over the certificate and logo	NA
	Status: Complied	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-02	Since the Agronusa Investama mill earned the RSPO certificate on 22 nd April 2013, there is no sale over the certified CSPO product yet. Thus there is no usage over the certificate and logo	NA
	Status: Complied	

3.4. Summary of RSPO Partial Certification.

Management unit(s) observed :		
<ul style="list-style-type: none"> • PT Rimba Harapan Sakti • PT Buluh Cawang Plantations 		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	Based on results of verification in 2 units as an examples of the assessment, company has complied with the regulation.	√
	Status: Complied	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	Based on documents verification there is available legal documents of land use right and there is no land conflict in each sample units.	√
	Status: Complied	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	There is available several procedure : <ul style="list-style-type: none"> • Standard Operational Procedure of Communication, Consultation and Coordination (No. PRO-BM.BEN-001) • Standard Operational Procedure of Land Acquisition (No. SOP-IJIN LAHAN&OPS-006) • Standard Operational Procedure of Conflict Resolution Mechanism (No. PRO-BNM-004) 	√
	These procedures was implemented and already socialization to stakeholder.	
	Status: Complied	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	Based on verification is available evident of land acquisition and compensation in each management unit. These process was documented and the document is signed by all parties related on compensation process.	√
	Status: Complied	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	Based on verification there is not primary forest replaced and the management unit is still on process to identification the High Conservation Value Area.	√
	Status: Complied	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	There is no new plantings	√
	Status: Complied	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	There is no new plantings	√
	Status: Complied	

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at Surveillane-01 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
2014.01	Major 4.1.2	<p>Implementation of FFB Grading/Sortation Procedure</p> <p>Based on field visit and interview with the Grading/Sortation Officer in Loading Ramp of ANI Mill, the sortation is conducted virtually.</p> <p>It does not comply with SOP of FFB receipt SOP (SOP 02/SRT-ANI/(01)/0113), rev. 01 on point 4(d) that mentions the sortation is conducted using sample which is the sortation for all FFB in the vehicle transport. The requirement for sortation:</p> <ul style="list-style-type: none"> • Vehicle transport with capacity of 5 ton, sample 50 bunches • Vehicle transport with capacity • The third party is in contract, sample 1 car every 10 cars. 	Mill	Major	April 20, 2014	The mill must ensure that the implementation of FFB receipt procedure is conducted correctly and complies with the regulated working description.	<p><i>Roof of problem:</i></p> <p><i>The condition of loading ramp area is not possible to conduct grading based on SOP.</i></p> <p><i>Corrective action:</i></p> <p><i>Doing grading based on SOP; evidence: fruit sortation report document.</i></p> <p><i>Preventive action:</i></p> <p><i>Arrange the schedule for grading when the loading ramp is not full.</i></p> <p><i>PIC : Pranodi</i></p> <p><i>Dateline : February 28, 2014</i></p> <p><u>April 17, 2014</u></p> <p>ANI Sambas Mill has presented the improvement evidence in form of Minute of FFB Sortation in Loading Ramp for Estate; Smallholder plantation and Independent Grower. Those documents are:</p> <ol style="list-style-type: none"> 1. Minute of Estate Sortation, Date: February 24, 2014 (Senabah 	Closed	17/04/2014

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>{phase 1A, Block 3CB) and March 7, 2014 (Kumpai, Phase 6D, Block 087D)</p> <p>2. Minute of Smallholder Sortation. Date: March 4, 2014 (Plasma Cempaka Biru Blok 939 ABC, 941C) & (Plasma Sentama Lestari, Beringin Blok 904 CBC).</p> <p>3. Minute of Outsiders/Independent Grower. Date February 24, 2014 (on behalf of Kaharudin, PT KJA, Sukarni).</p> <p>Each evidence from minute of sortation has adjusted to fruit standard settled by ANI Sambas Mill. The non-conformity standard for Outsiders/Independent Grower and Smallholder charged with the reduction of tonnage sanction.</p> <p>Based on the improvement evidence, the auditor team concludes the Major Non conformity 4.1.2 is CLOSED.</p>		
2014.02	Minor 4.2.1	<p>Record of periodic soil analysis</p> <p>The company settled that soil analysis is conducted every 5 year. The last soil analysis is conducted on 2008.</p> <p>There is not enough evidence that the soil analysis is conducted based on every 5 year period.</p>	Estate	Minor	S-2	The company must ensure the periodic soil analysis result based on the schedule settled.	<p>Root of problem:</p> <p>The soil analysis is not yet conduted in every 5 years.</p> <p>Corrective Action:</p> <p>Analyzing the soil each 5 years: evidence of the soil analysis for period of 2014 – 2019.</p>	Closed	17/03/2015

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>Preventive Action: Ensuring routine soil analysis.</p> <p>Auditor Observation on March 17th 2015 The company shows the document of the result of soil analysis from EMU Labolatory, CKP Wilmar International Plantation, on January 19th 2015 for 24 samples of soil from PT Agronusa Investama which covers the parameters of Ph, C organic, N total, P, K, Mg, Ca, Na, CEC, basa, sand, silt, clay.</p>		
2014.03	Minor 4.5.1	<p>Record of Integrated Pest Management Monitoring Area</p> <p>The company cannot present the realization of pest and other plant disease monitoring such as: rat, termite, beetle, wild boar, Ganoderma and other diseases since January 2014.</p>	Estate	Minor	S-2	The company must ensure that the monitoring record of Integrated Pest Management (IPM) area conducted in accordance to the program settled.	<p>Root of problem: There is no census of rat, termit and beetles, etc.</p> <p>Corrective Action: Conducting full census, evidence of the result of the census and the pest control.</p> <p>Preventive Action: Conducting monitoring of the program referring the SOP.</p> <p>Auditor Observation on March 17th 2015: The company is able to show the result of the pest and disease detection of PT Agronusa Investama for period of May –</p>	Closed	17/03/2015

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							December 2014 and January to February 2015. It covers the detection on bagworm, nettle caterpillar, termit, ganoderma, beetle attack, and hogs attack.		
2014.04	Minor 4.6.2 4.7.2	Periodic Health Check for high risk employee Based on medical check up on January 2014, it is identified worker with hearing disturbance and cholinesterase, but no enough evidence that the company has to follow up the medical result.	Estate and Mill	Minor	S-2	The company must present the evidence of health disturbance handling for high risk worker.	Root of problem: The result of MCU on January 2014 is not yet issued Corrective Action: The next program shall be conducted referring the result of MCU such as mutation, etc Preventive Action: Ensuring that MCU shall be followed up. Auditor Observation on March 17th 2015 The management unit shows the evaluation of the MCU for the workers whom experience medical problem in form of mutation or further medical check up.	Closed	17/03/2015
2014.05	Minor 4.7.6	Evidence of OHS equipment and First Aid Kit in working area a Based on field observation in ANI Mill and Estate (Kumpai and Senabah) found that Light Fire Extinguisher Equipment is inappropriate condition, e.g. expired and has no pressure. b Based on field observation in ANI Mill, the emergency wash is not	Estate and Mill	Minor	S-2	The company must ensure the availability of OHS equipment in working area.	Root of problem: The lack of monitoring over fire extinguisher poperness Corrective Action: Identifying all fire extinguishers Preventive Action: Conducting regular fire extinguisher monitoring.	Closed	17/03/2015

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		available (e.g.: eye wash, shower etc.) in hazardous waste storage.					<p>Auditor Observation on March 17th – 18th 2015</p> <p>c. According to the result of field observation at ANI POM and housing complex, the fire extinguishers are ready use. It is monitored by EHS Team routinely.</p> <p>d. According to the result of observation in ANI POM hazardous waste storage, there is an emergency wash.</p>		
2014.06	Minor 4.7.4	<p>Record of OHS training or workshop.</p> <p>There is not enough evidence that the welder of ANI Mill has appropriate certificate as required issued by concerned institution.</p>	Mill	Minor	S-2	The company must present the evidence of training record for welder issued by concerned institution.	<p>Root of problem: There is no vendor which provide training.</p> <p>Corrective Action: Certifying the welding expert at POM.</p> <p>Preventive Action: Ensuring the welding expert to has the certificate of competence.</p> <p>Auditor Observation on March 17th 2015 The management unit shows the certificate of the welding expert class III on behalf of Sopian Number S.572/JL/PNK3/V/14. It was issued by RI Manpower Ministry on May 8th 2014. According to the evidence of the corrective action. The NC Number 2014.06 is closed.</p>	Closed	17/03/2015

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
2014.07	Major 5.1.2 Minor 6.1.2	<p>Record of environmental management report and environmental management and monitoring plan.</p> <p>Environmental management and monitoring plan arranged and reported has not mentioned:</p> <ol style="list-style-type: none"> Record of erosion monitoring in accordance with EIA document requirement especially for main road and main drainage erosion monitoring. Flora and fauna monitoring record Social impact record by community participation. 	Estate and Mill	Major	20 April 2014	Company must ensure the environmental management and monitoring plan has complied EIA requirement.	<p><i>Root of problem:</i></p> <ol style="list-style-type: none"> There is not yet realization of road and main drain monitoring Flora and fauna monitoring is not conducted systematically and methodically Monitoring of social impact on community perception is not directly conducted, only the statement from the company. <p><i>Corrective action:</i></p> <p>Environmental management and monitoring conducted by the company has met the requirement of environmental management and monitoring plan. As an evidence, for semester 1 year 2014 there were transport road and river erosion monitoring, identification of flora and fauna including the identification method and participative community perception monitoring.</p> <p><i>Preventive action:</i></p> <p>Giving instruction to EHS team to ensure the report of environmental management and monitoring plan conformed with environmental management and monitoring plan within the EIA document.</p>	Closed	17/04/2014

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>Auditor observation: April 17, 2014</p> <p>Based on the presented proof, the company has showed the effort to fulfill the all EIA requirement. Effort conducted to complete EIA document that is categorized as corrective actions are:</p> <ol style="list-style-type: none"> 1. The installation of measuring and monitoring river sedimentation level 2. Monitoring of flora and fauna 3. Conducting FGD as part of environmental monitoring and create participatory environmental monitoring report. <p>On the next stage there will be verification to ensure the consistency of monitoring and report within environmental management and monitoring plan.</p> <p>Based on the correction, the auditor team concludes the non conformity Major 5.1.2 and Minor 6.1.2 is CLOSED.</p>		
2014.08	Minor 6.5.1	<p>The providence of proper clean water facility</p> <p>The company has provided clean water facility sourced from pond water pump phase 5 Kumpai and has tested the water quality</p> <p>However, based on the clean water analysis in phase 5 Kumpai, some</p>	Estate	Minor	S-2	The company must ensure the proper clean water facility for worker is in accordance with regulated quality standard.	<p>Root of problem: The improper water source due to the water is taken from the swamp or peat area.</p> <p>Corrective Action: Attempting to improve the water quality and then finding the new proper water source. The water should comply the quality threshold as written on Health Ministry</p>	Closed with Observation	18/05/ 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		parameters have not complied with clean water quality standard (Regulation of Ministry of Health No. 416 year 1990). For example: turbidity, color, ammoniac and pH.					<p>Regulation number 416 year 1990.</p> <p>Preventive Action: Ensuring the water quality to comply the Health Ministry Regulation number 416 year 1990 and conducting regular water quality test.</p> <p>Auditor Observation on March 17th 2015 The management unit shows the official record of the water sample handover on March 3rd 2015 to Laboratory of the Health Agency of Pontianak. There were 8 samples from several places. However, the management unit is not able to show the result of the test. Therefore, NC Number 2014.08 as Minor category is not yet closed. Therefore, according to RSPO Certification System annex 4.2.2.4, NC Number 2014.08 as Minor category turns to Major and it has to be corrected within 60 days (May 18th 2015).</p> <p>Auditor Observation on March 18th 2015 The management unit shows the report of water study at pond phase 5 as follows:</p> <ul style="list-style-type: none"> The soda and alum have been applied on the pond and the test has been conducted on March 2015. However, it is not complying the quality threshold yet. Therefore, the management unit shall show the evidence of the documentation of signboard installation at housing 		

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>complex of Phase 5 which contains the suggestion to not drink the water.</p> <ul style="list-style-type: none"> Documentation of the new pond construction of MR13 (6mx3mx2m) in Block 72C (the distance is 1 Km from the housing complex) and the water has been tested on the Laboratory of Health Agency referring the Health Ministry Regulation number 416 year 1990. Documentation of the work plan for period of August 2015 for the installation of waterpump in new pond of MR13 and pipe installation to housing complex of Phase 5. <p>According to the evidence of the corrective action, the NC Number 2014.08 is closed and it shall be observed on ASA-3.</p>		
2014.09	Minor 6.10.1	<p>Fail, Legal and Transparent Contract Agreement</p> <p>In accordance with sample of agreement document with outside FFB supplier (e.g.: No. 001/LM-ANI/TBS/I/2014, on behalf of Latif Muhlid) revealed that there is no agreement between both parties (company and FFB supplier) therefore, the contract is not yet fair, legal and transparent. Meanwhile, during the period of January 2 to February 19, 2014, the supplier has supplied FB as much as</p>	Mill	Minor	S-2	Mill must ensure all agreements or contracts with all parties are fair, legal and transparent.	<p>Root of problem:</p> <p>There is an additions new clause on the agreement which is not yet socialized to the suppliers. Therefore, the suppliers are not yet agree.</p> <p>Corrective Action:</p> <p>Conducting socialization to the supplier.</p> <p>Evidence: cooperative agreement letter of the FFB purchasing which has been signed by suppliers.</p>	Closed	17/03/2015

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		1,211,751 kg.					<p>Preventive Action: Ensuring that all cooperative agreement letter is valid and the suppliers aware of the contract.</p> <p>Auditor Observation on March 17th 2015 The company shows the cooperative agreement letter of FFB purchasing number: 001/SPK-ANI Senabah/PB-TBS/I/2014 between Latif Muhid and the head Operasional PT Agronusa Investama, dated January 2nd 2014 till the period of December 31st 2014.</p>		
2014.10	Minor 6.10.2	<p>The agreed payment has to paid on time.</p> <p>Evidence of FFB payment for cooperative supplier with ANI Mill Sambas and has been agreed in regard to the contract, has not presented that the payment has been conducted on time. For example: payment invoice on behalf of supplier Latif Muhlid on February 5, 2014 as many as 500 bunches (3,168 kg).</p>	Mill	Minor	S-2	Mill must ensure that the payment has agreed must be on time.	<p>Root of problem: The copy of the document of FFB payment to the supplier is not maintained at mill but at the LO office of Pontianak.</p> <p>Corrective Action: The copy of the FFB payment must be available at mill. Evidence: Sample of one of the FFB payment. Providing invoice over the claim of FFB from Latif Muhlid for the payment on March 16th 2015 to prove the payment is no longer than 14 days.</p>	Closed	18/05/2015

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>Preventive Action: Ensuring that all FFB payment is conducted on time (within 14 days).</p> <p>Auditor Observation on March 17th 2015 The company shows the example of the transfer document for period of March 16th 2015 from PT Agronusa Investama to FFB supplier on behalf of Latif Muhlid. However, there is no enough evidence that the payment is conducted within 14 days. Therefore, NC Number 2014.10 is not yet closed and it turns out to be Major.</p> <p>Auditor Observation on March 18th 2015 The management unit shows the recapitulation of the FFB bill on March 10th 2015 to PT Agronusa Investama, from the supplier of FFB on behalf of supplier Latif Muhlid during March 5th – 6th 2015 for 15,131 Kg. therefore, the NC Number 2014.10 is closed.</p>		
2014.11	SCCS 1.1.a	<p>Complete and Current procedure includes the implementation of all elements into the requirement</p> <p>SCCS procedure created by ANI Sambas Mill has not included the implementation of all element of Module E requirement- CPO Mills: Mass Balance. For example:</p>	Mill	Major	20 Maret 2014	Mill has ensured the established supply chain procedure has included the implementation of all elements of supply chain module E – CPO Mills requirement: Mass Balance.	<p><i>Root of problem:</i> <i>The company has not run SCCS system properly.</i></p> <p><i>Corrective action:</i> <i>Providing SCCS documents:</i></p>	Closed	19/03/2014

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		certified and non certified processing procedure, three monthly mass balance report , supply chain model on the purchasing and selling document, etc..					<p>1. SOP concerning SCCS</p> <p>2. Three monthly Mass Balance Report since April 23, 2013 – February 22, 2014</p> <p>3. Conducting certified CPO selling simulation.</p> <p>Preventive action: Ensuring all SPO concerns with SCCS is complete and applied.</p> <p>PIC : Edward Tarigan. Dateline March 17, 2014.</p> <p>March 19, 2014</p> <p>Within the SOP of CPO and PK product traceability (SOP11/ADM-ANI/(01)/0314), effective by March 1, 2014 has covered all elements of SCCS Module E Mass Balance requirement, including simulation document if there is a request for certified product. Therefore, The auditor team concludes non conformity clause SCCS Module E 1.1.a. is CLOSED.</p>		
2014.12	SCCS 1.2	Documented procedure of certified and non certified FFB receipt and	Mill	Major	March 20,	Mill must ensure the certified and non certified	<p>Root of problem: There is no certified and non certified FFB</p>	Closed	19/03/2014

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		<p>processing.</p> <p>ANI Mill has a FFB receipt procedure (SOP 02/SRT-ANI/(02)/0213) rev.02, effective by February 20, 2014) explaining the certified and non certified source identification. However, the certified and non certified FFB procedure is not available yet.</p>			2014	FFB receipt and procedure is documented.	<p><i>procedure available.</i></p> <p><i>Corrective action:</i> <i>Arranging SOP of certified and non certified FFB processing.</i></p> <p><i>Preventive action:</i> <i>Ensuring SOP of certified and non certified FFB processing is available.</i></p> <p><i>PIC : Edward Tarigan, Eka Amana</i> <i>Dateline : March 1, 2014.</i></p> <p><u>March 19, 2014</u></p> <p>Within SOP document of CPO and PK product traceability (SOP11/ADM-ANI/(01)/0314), effective by March 1, 2014 explained in point 5.8 that Processing Department processes FFB into CPO and PK mixed from certified and non certified source, however, the stock report using Mass Balance or separate between certified and non certified CPO and PK stock.</p> <p>In regard to the corrective action evidence, auditor team decides that ANI Sambas Mill has conformed SCCS Module E clause 1.2 requirement.</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
2014.13	SCCS 3.3.a	<p>FFB receipt and three monthly base certified product dispatch</p> <p>ANI Sambas Mill has not presented FFB receipt report and 3 monthly base certified product dispatches since certified by RSPO on April 22, 2013.</p>	Mill	Major	March 20, 2014	<p>Mill must ensures 3 monthly reports of FFB receipt and certified CPO and PK product dispatch are recorded and documented.</p>	<p><i>Root of problem:</i></p> <p><i>Mass Balance three monthly based report of FFB receipt and certified CPO dispatch is not yet made.</i></p> <p><i>Corrective action:</i></p> <p><i>Make Mass Balance three monthly reports since April 23, 2013 to February 22, 2014.</i></p> <p><i>Preventive action:</i></p> <p><i>Ensuring the Mass Balance Three Monthly Reports is available and up dated.</i></p> <p><i>PIC : Dedy Sanjaya (logistic)</i></p> <p><i>Dateline : March 17, 2014.</i></p> <p><u>March 19, 2014:</u></p> <p>Processing unit of ANI Sambas Mill presents the proof of <i>CPO Products Daily and Monthly Movement Summary Report Year 2013</i>. The report is updated every 3 months. Available information within the report are: FFB number (Div. Senabah; Div. Kumpai; Outsiders), processed FFB, CPO production, OER, production (sustainable, non sustainable), dispatch (sustainable, non sustainable), stock (sustainable, non sustainable).</p>	Closed	19/03/2014

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							Based on corrective action evidence, auditor team concluded the processing unit of ANI Sambas Mill conforms SCCS in regard to Module E Mass Balance clause 3.3.a.		
2014.14	SCCS 3.4	<p>Supply Chain Model for purchasing and selling product</p> <p>The mill has no simulation document (purchasing or selling) of certified material with the inclusion of clear supply chain model.</p>	Mill	Major	20 Maret 2014	Mill must ensures each document of purchasing and selling material of certified product should mention supply chain model clearly	<p><i>Root of problem:</i> <i>There is no certified product selling yet.</i></p> <p><i>Corrective action:</i> <i>Conducting purchasing and selling of certified product</i></p> <p><i>Evidence:</i></p> <ol style="list-style-type: none"> DO request for CPO RSPO WB Slip of CPO stamped with CPO/MB <p><i>Preventive action:</i> <i>Ensuring the record of purchasing and selling certified product is available.</i></p> <p><u>March 19, 2014</u></p> <p>Corrective action against clause 3.4 SCCS Module E in form of DO sample for CSPO product and Weighbridge Slip and CPO dispatch.</p> <p><i>Example:</i></p> <ol style="list-style-type: none"> CSPO delivery order No.: 4052115265. 	Closed	19/03 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>Date: 20.01.2014</p> <p>2. WB Slip No.: 1269574-75480. Date: 19/02/2014. CPO selling. There is a mention of CPO/MB Cert. No. Mutu RSPO/024.</p> <p>Based on corrective action, auditor team concludes non conformity clause 3.4 SCCS Module E is CLOSED.</p>		
2014.15	SCCS 4.1.c	<p>Supply chain model on invoice issued for RSPO certified product</p> <p>ANI Sambas Mill has not presented document simulation regarding the statement of supply chain model on invoice issued for RSPO certified product if there is any certified product.</p>	Mill	Major	20 Maret 2014	<p>Mill must ensure implemented supply chain model should be stated in each invoice issued for RSPO certified product.</p>	<p><i>Root of problem:</i></p> <p><i>There is not yet certified CPO request from the customer.</i></p> <p><i>Corrective action:</i></p> <p><i>Conducting simulation by making CPO selling invoice that is CPO/MB stamped</i></p> <p><i>Preventive action:</i></p> <p><i>Inserting CPO/MB stamp on invoice if there is certified CPO selling.</i></p> <p><u>March 19, 2014</u></p> <p>Document simulation proof if there is a certified product request showed by ANI Sambas Mill processing unit. Some of documents are:</p> <p>Weighbridge Slip</p>	Closed	19/03 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							1. No: 1269574-75480. 2. Date: 19/02/2014. 3. Ref. No. : INF20140201955 4. DO No. : 4052115263 5. Contract No.: 4031101525 6. Destination: WILMAR CAHAYA INDONESIA ,Tbk. 7. Address: Pontianak 8. Type of good: CPO 9. Status: sale 10. Vehicle No.: KB 9362 P 11. Quantity: 330 kg (netto) There is a statement of CPO/MB Cert. No. Mutu RSPO/024. ANI Sambas Mill has not sold any certified (CPO/PK) product; therefore, invoice document is only in a form of weighbridge slip. In regard to corrective action proof, the auditor team concludes non conformity clause 4.1.c SCCS Module E is CLOSED .		
2014.16	SCCS 6.1	Claims The reference against RSPO Rules for Communication and Claims has been specified in Mass Balance SOP, SOP	Mill	Major	March 20, 2014	Mill must ensure the established supply chain procedure conforming RSPO Rules for Communications and	<i>Root of problem:</i> <i>There is no direct selling to buyer which is not Wilmar Group yet.</i>	Closed	19/03/2014

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		No. 12/ADM-ANI/(00)0112 and CPO and PK product traceability (SOP 11/ADM-ANI/(00)/0111)				Claims.	<p><i>Corrective action:</i></p> <p><i>Inserting clause regarding with provision will apply RSPO Rules for Communications and Claim for CPO product traceability if selling directly to customer other than Wilmar Group.</i></p> <p><i>Preventive action:</i></p> <p><i>Ensuring the compliance against RSPO Rules for Communications and Claims if conducting direct selling.</i></p> <p><i>PIC : Edward Tarigan, Eka Amana</i></p> <p><i>Dateline: March 17, 2014.</i></p> <p><u>March 19, 2014</u></p> <p>Explained in point 5.7 within the CPO and PK product traceability SOP document (SOP11/ADM-ANI/(01)/0314) effective by March 1, 2014 that if certified CPO/PK sold directly to costumer other than Group (direct selling), it will follow <i>RSPO Rules Communication and Claims</i> by inserting the RSPO logo on the product.</p> <p>Regarding the corrective action, the auditor team concludes non conformity clause 6.1 SCCS Module E is CLOSED.</p>		

3.5.2 Identification of Findings, Corrective Actions and Observations at Surveillance-02 Assessment

CAR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Actions	Observation	Status	Closing Date
2015.1.	Minor 2.1.1	<p>information on legal requirement and regulation Company has law register as an effort to obey the applicable regulation and its revision.</p> <p>however the current list has not covered the regulation for period 2013-2015.</p>	Estate and Mill	Minor	ASA - 3	Company should present the revision evidence over the mandatory legal requirement and regulation for plantation bussines.	<p>Roof of problem:</p> <p>Corrective Action:</p> <p>Preventive Action:</p>		
2015.2.	Minor 4.4.1	<p>Pengujian Air Sungai Examination result in December 2014 showed that there are no environment parameters above the maximum regulation, such as TSS, Turbidity, color, DO and Total Phospat are inline with Government Decree No. 82 in 2001.</p> <p>However, lack of evidence to show that company has taken evaluation over the examination result.</p>	Estate	Minor	ASA-3	Company should present the evaluation evidence over the river's water examination result, which was not inline with the applicable maximum environment parameters.	<p>Roof of problem:</p> <p>Corrective Action:</p> <p>Preventive Action:</p>		
2015.3.	Major 4.6.4	<p>The management of used-pesticide packages field observation in temporary hazardous waste landfill showed that the used packages have been stored more that the allowed storage period (≥ 90 days)</p>	Estate	Major	18 th May 2015	Company should present the evidence that the hazardous waste as well as used pesticide packages has been managed based on the applicable regulation.	<p>Root of problem: Transporter license has been expired (PT. Primanru Jaya).</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> Replacing PT. Primanru Jaya to PT. Mitra Karya Surya Kencana. Attached wok 	Closed	18 th May 2015

CAR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Actions	Observation	Status	Closing Date
							<p>agreement and license for Mitra Karya Surya Kencana.</p> <p>2. Transporting hazardous waste by PT. Mitra Karya Surya Kencana for hazardous waste, which has been stored in temporary hazardous waste landfill in ANI and Kumpai mill on 20th April 2015</p> <p>Preventive Action:</p> <p>3. Updating third party 's license</p> <p>4. Ensuring the hazardous waste is transported before the deadline (90 days).</p> <p>Auditor's Observation on 18th May 2015</p> <p>Company has presented the curative evidence in a form of minutes of used pesticide packages handover to collector (PT Mitra Karya) on 20th April 2015. The Manifest</p>		

CAR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Actions	Observation	Status	Closing Date
							is also available. Based on the curative evidence, thus CAR No. 2015.03 with a major category 4.6.4 has been closed.		
2015.4.	Minor 4.7.2	Medical examination for high risk personnel The management units presented minutes of medical examination in 2015 with total examined personnel were 37 persons. Hence, lack of evidence that company implemented periodic medical examination for the entire high risk personnel especially in 2015.	Mill	Minor	ASA-3	Company should present the evidence of periodic medical examination for the entire high risk personnel in mill.	Root of problem: Corrective Action: Preventive Action:		
2015.5.	Major 5.3.2	Implementation of hazardous waste management. d. Field observation in temporary hazardous waste landfill in mill and estate revealed that the hazardous waste has been stored ≥ 90 days e. The temporary hazardous waste landfill building has a hole that cause a leakage, which is potentially pollute environment f. Field observation in generator house at Kumpai Division showed that the use majun fibers have not been managed as hazardous waste.	Estate and Mill	Major	18 th May 2015	Company should present the evidence that the hazardous waste has been managed based on hazardous waste management procedure and related applicable regulations.	Root of problem: d. The transporter license of PT. Primanru Jaya is under extension process. e. The temporary hazardous landfill at mill is newly renovated and it still under the reconstruction process. f. The generator operator has not understood the management for	Closed	18 th May 2015

CAR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Actions	Observation	Status	Closing Date
							<p>hazardous waste.</p> <p>Corrective Action:</p> <p>d. Company has transported the hazardous waste on 20th April 2015 (Refers to CAR No.2015.03).</p> <p>e. Repairing the damaged wall near to the floor in temporary hazardous waste landfill at ANI's mill.</p> <p>f. Delivering training for generator operator especially on managing hazardous waste.</p> <p>Preventive Action:</p> <p>Ensuring the management for hazardous waste has been inline with the applicable regulation and law.</p> <p>Auditor's Observation on 18th May 2015</p> <p>Company present the curative evidences, such as:</p>		

CAR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Actions	Observation	Status	Closing Date
							<p>a. Minutes of hazardous waste – used pesticide packages- hand over to collector (PT Mitra Karya) along with the manifest for each hazardous waste on 20th April 2015.</p> <p>b. Documentation on the repair of the damaged temporary hazardous landfill wall.</p> <p>c. Delivering training for generator operator, especially about the hazardous waste management as well as providing the location for selecting hazardous waste before stored in the licensed temporary hazardous waste landfill.</p> <p>Based on the aforementioned curative actions, thus the CAR No. 2015.05 with a major category 5.3.2 has been closed.</p>		

CAR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Actions	Observation	Status	Closing Date
2015.6.	Minor 6.1.1	Monitoring over social impact lack of evidence the the monitoring over social impact has been conducted participatorily by involving affected-parties.	Estate and Mill	Minor	ASA-3	Company should present the evidence that the social impact monitoring has been conducted participatorily by involving the affected-parties.	<i>Root of problem:</i> <i>Corrective Action:</i> <i>Preventive Action:</i>		
2015.7.	6.5.2	Evaluation on contractor compliances on the requirements. Company requires contractors to fulfill the required manpower regulation such as manpower social insurance, which is stated clearly on the work agreement. However, lack of evidence that the company has undertakes evaluation on contractors.	Estate	Minor	ASA-3	Company should present the evidence over contractors' evaluation in term of their compliance toward manpower regulation.	<i>Root of problem:</i> <i>Corrective Action:</i> <i>Preventive Action:</i>		
2015.8.	SCCS butir 2.1 (Modul E Ver. Nov. 2011)	Verification on certified and noncertified FFB lack of evidence that company has verified the source of certified and non-certified FFB on FFB's acceptance process.	Mill	NC	18 th April 2015	Company should present the evidence that it has conducted verification during the FFB's acceptance, wheter the FFB comes from certified or non-certified soources.	<i>Root of problem:</i> the absence of verification facilities, such as list of supplier as a tool to identified certified and non-certified source. <i>Corrective Action:</i> develops list of RSPO certified and non certified supplier	Closed	18 th April 2015

CAR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Actions	Observation	Status	Closing Date
							<p>Preventive Action: ensuring the list of supplier is available in mill and always updated.</p> <p>Auditor's Observation on 18th April 2015 for the verification of the incoming certified FFB, PT. ANI has drafted and issued list of supplier. The list could be used as the official guide for mill's staff to implement the SCCS system, especially to identify and calculate the certified FFB.</p>		
2015.9.	SCCS point 5.1 (Modul E Ver. Nov. 2011)	Training on the implementation of SCCS lack of evidence that the training has been delivered to the entire staff who work on the implementation of SCCS, including mill's manager at ANI POM mill.	Mill	NC	18 th April 2015	Company should present the evidence that the training has been conducted for the entire staff who work on the implementation of SCCS	<p>Root of problem: there are some staffs who have not received the SCCS training, including the manager at ANI Sambas Mill.</p> <p>Corrective Action: Delivering SCCS training to mill's manager, Mr. Sutarno and logistic staff, Mr. Dedi Sanjaya who were identified have not received the SCCS</p>	Closed	18 th April 2015

CAR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Actions	Observation	Status	Closing Date
							<p>training.</p> <p>Preventive Action: ensuring the entire related-staff has received the SCCS training and they understand the supply chain system.</p> <p>Auditor's Observation on 18th April 2015 in order to ensure the understanding of personnel, company has conducted training for related staff including for mill's manager (Mr. Sutarno) pada on 14-15th April 2015 based on minutes of training as well as attendance sheet.</p>		

3.5.4 Opportunity for Improvement

No	Ref Std	Descriptions
1	Minor 4.3.4	Company has a chance to improve the maintenance over peat subsidies stakes and to record peat surface water's level from the installed peat water monitoring stake inside estate's blocks.
2	Minor 4.7.6	Company has a chance to improve its performance in term of proficiency first aid kits as well as compliance toward occupational health and safety, such as: a. Providing minimum stock for PPE b. Providing first aid kits based on work risk and recommendation from company's paramedics.
3	Major 5.2.2.	Company is encouraged to improve the quality for HCV management through a more observable planning and monitoring.
4	Minor 5.2.1.	field visit to Senabah and Kumpai Estate showed that the wildlife and natural vegetation signboard are available, however the condition are damaged. Hence it is needed to have a renewal plan to ensure the socialization runs well (observation).
5	Minor 6.10.1	Company has a chance to evaluate the involvement of plasma cooperative on drafting the monthly work plan for plasma plantation scheme.
6	Minor 5.5.2	Company has a chance to ensure the proficiency of field fire facilities and infrastructures have been inline with the risk.
7	Minor 6.3.1.	Company has to ensure that its personnel understand the complain mechanisms and its submission procedure based on the agreed procedure.

3.5.5 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	Company has a commitment to manage the palm oil plantation in a sustainable way, which stated in RSPO and ISPO certification.
2	-	Company has a partnership work agreement with local community through Sentama Lestari and Cempaka Biru Cooperative.
3	-	Mill and Estate personnel at PT ANI Sambas have the competency based on their position.

3.6 Summary of Arising Issues from Public, Management and Auditor Response

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
<p>Tuesday, 17th March 2015 Community at Semanga Village</p> <ol style="list-style-type: none"> 1. Agustina (Village's secretary) 2. Igantius Joko (LPM) 3. Deniansyah (Head of government Division) 4. Darman (Head of neighbourhood 8) 5. Mohlis (Head of neighbourhood III) 6. Latif Muhlid (FFB'S Supplier) 7. Kasino (Head of Development Division) 8. Alpian (Head of Semakun Sub-village) 9. Rahmad (LPM) 10. Mathan (Community) <p>Consultation Results:</p> <ol style="list-style-type: none"> 1. Community asking for the follow up of construction of roof which connecting Semanga Village with PT. ANI's estate. Currently, many of PT. ANI's personnel come from Semanga Vilage, however they face a problem to go to work especially during rainy season because the road access to estate is broken. Most of personnel have to use boat and deart early in the morning. 2. Administrator office from Semako'an Sub-village asking the grant for Semako'an Sub-village administrators. At the moment, there is no grant for the Semako'an Sub-village administrator, meanwhile other Sub-villages received grant from company. 	<ol style="list-style-type: none"> 1. In January 2014, company has implemented the CSR program in a form of road construction using concrete with a total budget of IDR. 100,000,000,- (a million rupiah) as company's CSR activity in 2013. From the aforementioned program, thus 500 meters road has been established with 1,300 meters road left to construct. furthermore, PT. ANI Sambas received the proposal to continue the roaad construction in July 2014. Since the proposal was submitted in 2014, then the realization will be taken place in 2015. 2. Insentive for Village administrators is not the responsibility of company, thus company would not disbursed budget, partiularly when the budget will most likely to be used by few ellipse group. 3. Dialogue and communication about mill's liquid waste quality has been conducted between PT ANI, Head of Beringin Village and community's representative on 13th March 2014 (minutes of meeting is attached). In the future, company will conduct meeting with other Villages. 4. Company assists the education for Villages in a sequences. For instance, in 2011, company gave education assistance to Semanga Village in a form of 1 unit computer. In 2013, education assistance is given to elementary school in Senabah Sub-village, Semanga Village, in a form of book and experiement tools. In 2014, company gave education assistance to Sabung Village in a form of 1 unit computer, 1 unit printer and 1 unit projector. 	<ol style="list-style-type: none"> 1. Construction of road access was come form community's aspiration, which has been agreed by company. Moreover, by constucted road access, compnay also gain a benefit because it also improves personnel access to enter estate. Company is encouraged to ensure the implementation of this program and avoided dissatisfaction from local community. 2. In order to increase the shared-benefit and contribution for surrounding village, company will find alternative for its CSR activity based on the actual need from local community. Positive contribution through CSR that has been implemented will be sustained and improved based on company's ability 3. The quality of river's water is a main concern from surrounding villages, which use the river as source of water for daily use, such as for bathing and washing. The decreased quality of water can be easily identified by local community. Hence company needs to ensure the water management has been optimum and inline with standard quality for water by using an innovative technology. Company is encouraged to assist local community by providing clean water. 4. Company should ensure the agreement is well implemented, including the social impact issue and "ponton standard cost" and monitor the social impact by using the participatory and effective approach. 5. Based on public consultation, plasma plantation scheme is the biggest hope from local community to improve their

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
<p>3. River is the source of life for community in Semanga Village. River is used for taking bath, washing, daily use as well as source of drinking water for some part of community. at the moment, community does not known about the envirmment impact from the presence and company's operation. most of community percieve that pal oilplantation is polluting river. The indications such as: increase on river's turbidity, river more smelly, reduce n the number of fish, skin disease, and river's water become unconsumable.</p> <p>4. In education, at the moment there is no contribution frm cpany. Company gave computers and books in 2011, however this activity has been stoped.</p> <p>5. Community asking about company's contribution (CSR) for Village, because its been a while there is no grant nor assistance from copany for local community.</p> <p>6. Company operates ponton for transporting CPO and kernel. Most of the time, ponton causes environmental and social problme, such as damaging community's fish net squease houses and yard as well as damaging the water. However, company never asks a permit from local community for the ponton's operation (whether passes by or idle ponton) within Semanga Village. Community argue that it would be better if company provides social contribution for the passes ponton on Village area.</p> <p>7. smallholders/ FFB's suppliers were complaining about Mill's attitude, which preffer to use contractor from outside Semanga Village. Purchasing price and grading for other suppliers seemed more flexible compare to community</p>	<p>5. Idem with No 1.</p> <p>6. Port for PT ANIS's ponton has a legal permit from Department of Transportation, hence ponton would not distructed environment or community's yard. So far, when Ponton is operating, company always gave contribution amount IDR. 600,000 to Senabah Subvillage. Furthermore, on 3rd February 2015 there was an agreement between PT ANIS with Village to increase the cost for ponton contribution into IDR. 1.000.000,- with distribution such as IDR. 600,000,- for Senabah Subvillage and IDR.400,000,- for Semanga Village.</p> <p>7. There is no discrimination in FFB's grading, which comes from inside or outside supplier in Semanga or other Villages. Total FFB and FFBs price is set by operation department , which based on the broad of estate, planting year as well as the weight of FFB per se.</p> <p>8. FFB's production from Plasma plantation is not maximum yet, thus resulted on the low profit sharing. Company gave IDR 100,000 for each household as a protection scheme from company, because based on the calculation between profit and operational cost, there was no profit yet.</p> <p>9. PT. ANI has provided transportation by using water transport for personnel from Semanga Village who work in Kumpai Division. Hence for personnel who work in senabah, company has provided land transport by using dump truck.</p> <p>10. Company has given contribution for community in Semanga Village, such as:</p> <ul style="list-style-type: none"> • On 25th May 2007 assisance in a form of 33 sack of 	<p>living condition. Hence company is encouraged to ensure the positive contribution for local community livelihood through a productive and sustainable plasma plantation scheme.</p>

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
<p>from Semanga Village. Moreover, company has three suppliers from Semanga Village, thus apart from these suppliers should be restricted by mill.</p> <p>8. The contribution of plasma plantataion scheme is was considered low for local economic development. The latest profitshare was IDR. 100.000,- per household for three months. Plasma does not guarantee the wellbeing of local smallholders. The reson behind the low profit share is because the high of maintenance cost.</p> <p>9. Total household are 1,085, and amount 373 persons have become personnel in PT. ANI. In general, personnel income who work at PT. ANI is sufficient, however the land transportation is so bad. In 2014 company promised to repair road and will be started in January 2015, but this promise has not been imlemented yet.</p> <p>10. Some part of community mention that they will conduct demonstration if there is no real contribution from cmpany to increase comunity's wellbeing.</p> <p>11. At the moment, there is no community from Semanga Village who work at the company that hold higher position, for instace as supervisor. All personnel from Semanga Village have a low level position such as labour. It is expected that company promotes the empowerment of personnel from Semanga Village.</p>	<p>cement, 55 box of ceramic, 25 kg of oil paiint, 4 psc brush, with total IDR. 3,770,000,- (ANI Mill)</p> <ul style="list-style-type: none"> • On 02ND July 2008 sport assitance in a for of 1 volley ball, establising ball's stick, 4 Pcs hose, with total IDR. 1,469,000,-. (ANI Mill)) • On 20th July 2009 company coducted normalization over Anas river by using heavy equipment, excavator, along 9,931 meters with total budget IDR. 121,000,000. The normalization of river has been benefiial for local community in Semanga, such as no more flood and land transportation has become more normal, and local personnel can go to work by using land transport (ANI Estate). • On 27th October 2009, the education assistance for elementary school 17 Senabah in a form of 426 books, 7 set table and chair for teachers, 2 unit of book selves, 2 unit computers, 1 unit printer, 2 unit UPS, electricity cable and pole, with total amount IDR. 20,053,620,- (ANI Mill). • On 12th October 2010, company gave 100 pcs of waved-iron sheeting for repairing communtiy's house in Semanga Village, Senabah Sub-village because due to tornados with the total budget IDR. 4,200,000,- (ANI Estate). • On 30th July 2010, company gave grant for road construction along 1,600 meters in Setambah Sub-village, Semanga Village by using heavy equipment such as excavator with a total budget of IDR. 88,000,000,- • On 06th July 2010 company constructed trench with a 	

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
	<p>size of 1x1 meter along 1,850 meter in Senabah Sub-village, Semanga Village by using heavy equipment such as excavator with a total budget IDR 27,500,000,- (ANI Estate)</p> <ul style="list-style-type: none"> • On 08th June 2010 compnay conducted river's washing along 2,654 meter with a total budget of IDR 88,000,000,-. Some of the benefit from this activity such as the reduction of flood and improvement on the road access to enter estate area (ANI Estate) • On 26th April – 11 May 2010, company conducted Sandian river's washing along 3,326 meter in Senabah Sub-village, Semanga Village, with total cost of IDR. 82,500,000,-. (ANI Estate) • On 01st March – 01st May 2010, company conducted Senapit river's washing in Semakuan Sub-district, Semang Village, along 10,344 meter with toal cost IDR. 379,500,000,-. Some of the benefit from this activity such as the reduction of flood and improvement on the road access to enter estate area (ANI Estate) • On 30th July 2010, company constructed road with a concrete material in Senabah Sub-village, Semanga Village along 1,550 meter with a wide of 2 meter with total cost IDR. 150,000,000,- Some of the benefit from this activity can be felt by local community in Senabah Sub-village (ANI Estate) • On 08th September 2010 comppany gaev assistance for poor families in Semanga Village, in a form of rice, sugar, coffee, oil, syrup, with a total cot of IDR. 4,021,000,- (ANI Mill). 	

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
	<ul style="list-style-type: none"> • On 23rd May 2011, company gave 3 truck of sands to construct cemetary road in Setambah Sub-village, Semakuan Village Semanga District with total cost of IDR. 1,000,000,- (ANI Estate) • On 13th April 2011, company constructed concrete bridge in Setambah Sub-village, Semakuan village with toal cost of IDR. 50,000,000,-. (ANI Estate) • On 25th May 2011, company constructed mosque Al Jihad in Sajingan Kecil Sub-village, Semanga Village with total cost of IDR. 200,000,000,- (ANI Estate) • On 28th September 2011 company gave educational assistance to elementary school 16 Senabah, elementary school 12 Semakuan, junior high school 1 atap Sejangkung in a form of 108 books, 3 unit computers, 2 unit printers, 3 unit UPS with total cost of IDR. 14,039,868,-. (ANI Estate) • On the early January 2012, company gave flood assistance for Semanga Village in a form of food supply, such as: rice, instant noodle, sugar and coffee. • On 19th July 2012, company gave 2 unit computer and 1 unit printer cannon, 120 school books and 15 Set of school table and chair, with total cost of IDR. 50,000,000, (ANI Mill). • On 20th December 2013, company gave assistance in a form of education support facilities and infrastructureS for elementary school 16 Senabah in a form of library with a size of 4x6 meter and books with total cost of IDR. 37,871,250,- (ANI Mill) 	

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
	<ul style="list-style-type: none"> • On 03rd January 2014, company gave grant to construct road in Semakuan Sub-village Setambah Village, Semanga District with total cost of IDR. 100,000,000,- • On 25th November 2014, company constructed path way in Senabah Village Semanga District with total cost of IDR.2,000,000,- (ANI Mill) • On 14th January 2015, company gave grant to support national sport olympic activity for student (O2SN) in Senabah Village and Sejangkung Sub-village in 2015 with total cost of IDR. 700,000,-. (ANI Mill) • Total CSR budget of PT. ANI Sambas, which has been granted to Semanga Village is IDR. 1,415,784,870,- <p>12. Personnel profile, who comes from Semanga Village with a position similar to supervisor. There are 8 supervisors (Maspuad, Abdillah, Syar'l, Parhadi, Waldi, hariani M, Efendi, Rapizal) clerk 3 persons (Rudi Hartono, Budiman, Zamhari).</p>	
<p>Beringin Village: Candra Carma Aprianto (Head of Beringin Village)</p> <p>Consultation Results: In general, relationship between village and company runs well. There is neither problem nor issue related to land legality and land tenure for nucleus estate.</p> <p><u>Environment impact:</u></p>	<ol style="list-style-type: none"> 1. Beringin Village submitted proposal for clean water tank amount 34 Units and has been included in company's CSR/CD in 2015 and in health program, the village asked for 50 units of pinguin with a size of 2,100 liter, with total cost of IDR. 115,000,000,- 2. CD/ CSR activity in 2013 – 2014 will be focused in Sabung and Semanga Village, such as construction of church in Sabung Village and road construction in 	<ol style="list-style-type: none"> 1. The quality of river's water is a main concern from surrounding villages, whichuse the river as source of water for daily usage, such as bath and wash. The decreased quality of water can be easily identified by local community. Hence company needs to ensure the water management has been optimum and inline with the standar quality of water by using an innovative technology.

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
<p>Environmentally side: the presence of PT. ANI palm oil plantation in Seri Maram and other plantations in river's headwater has created clean water deficiency, especially during dry season. Community faces problem to get clean water because water source in river's head waters have been disappeared, for instance in Sentakul, moreover there is a river's silting, deficiency of river's water, fish become rarely available, hence river's water creates skin problem if community use the river's water for bath, washing. Furthermore, community will get stomachache if they consume river's water. Over the lack of clean water, local community has reported this issue to company and urge company to provide PAH or water tank in Beringin Village amount 34 units for 17 neighbourhoods in Beringin Village. But until now, there is no clarity from company.</p> <p><u>CSR:</u> CSR side: Beringin Village has received rant for constructing Village office, amount IDR. 50,000,000 in 2011. Community did not receive any CSR for period 2012 – 2014. Hence, company's response over Village proposal was considered very slow. Hence community is expecting company to be transparent on its CSR activity and company can allocate budget for Village annually or discussion to identified community's need. So far, the CSR program usually comes from community's request and there is no clarify which program will be approved and implemented by the company.</p>	<p>Semanga Village. Due to numerous supported villages by PT ANI Sambas, thus each village should be queing.</p> <p>3. Company is embracing proposal for the CSR and CD activity, however company have to prioritize each proposal based on community's need as well as company's available budget.</p>	<p>Company is encouraged to assist local community by providing their basic need, such as clean water.</p> <p>2. In order to improve the shred-benefit, company is encouraged to find an alternative for its CSR activity based on th actual need of local community. Assistance in education can be chosen as a priority apart from clean water and infrastructure. Positive contribution through csr which has been implemented should be sustaned and improved based on company's ability.</p>

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
<p><u>Plasma management:</u> Beringin Village has a plasma plantation amount 100 Ha that has been established since 2011 and under the supervision of an autonomous business unit within the KUD Sentama Lestari cooperative. Village administrators argue that the management over plasma plantation scheme has not been maximal, such as lack of transparency over monthly work plan and realization of work performance. In addition, Beringin Village is expecting the establishment of independent plasma plantation outside the Sentama Lestari Cooperative in the future, in order to maximize the management and promote independence, thus reduce membership cost and other mandatory cost with Sentama Lestari Cooperative. Apart from that, recruitment from Beringin Village community in plasma plantation is considered low because of the damage on road access from Beringin Village to plasma plantation area. Local community has submitted a request to PT ANI Sambas to overcome this situation. The request was submitted in 2013 regarding the establishment of personnel housing at plasma plantation area in Beringin Village. However, there is neither clarity nor follow-up actions from company. Moreover, there is no training program for plasma smallholder.</p>		

Public Issue (Institution/NGO/Community)	Management Respond	Auditor Respond
<p><u>Infrastructure:</u> Village administrators and local community in Beringin Village are expected assistance from company to build road access, which connecting Setambah Sub-village (Semanga Village) to Jambu Sub-village (Beringin Village) along ±5 Km and assistance to build warehouse for Beringin Village.</p>		
<p>NGOs (Sawit Watch, Walhi and WWF Indonesia). Consultation was conducted through questioner, electronic mail, and phone conversation on 18th March 2015; However, there is no response yet.</p>	-	-
<p>Gemawan Foundation. Consultation has been conducted by delivering questioner through electronic mail and phone conversation, on 18th March 2015; However, there is no response yet.</p>	-	-

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

PT AGRONUSA INVESTAMA - SAMBAS
Management Representative of WILMAR
International, Ltd



SIMON SIBURAT
18 May 2015

Mutuagung Lestari
Lead Auditor



BUKTI BAGJA
18 May 2015

Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
01	Tokoh Masyarakat Desa Semanga	Kecamatan Sejangkung, Kabupaten Sambas Provinsi Kalimantan Barat, Indonesia	-	Konsultasi langsung	17 Maret 2015	✓	
02	Tokoh Masyarakat Desa Beringin	Kecamatan Sejangkung, Kabupaten Sambas Provinsi Kalimantan Barat, Indonesia -	-	Konsultasi langsung	17 Maret 2015	✓	
03	NGOs (Sawit Watch, Walhi dan WWF Indonesia).	-	-	Surat dan Kuisisioner Via Email	18 Maret 2015.		✓
04	Lembaga Gemawan	Jl. Batas Pandang Kompleks Kelapa Hijau No. 18, Pontianak 78117, Kalimantan Barat	+62-561-586891 +62-561-586891 www.gemawan.org	Surat dan Kuisisioner Via Email dan Telpon	18 Maret 2015		✓
05	Serikat Pekerja	Kecamatan Sejangkung, Kabupaten Sambas Provinsi Kalimantan Barat, Indonesia		Konsultasi langsung	17 & 18 Maret 2015		✓

Appendix 2. Assessment Program			
DATE		16th – 20th March 2015	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 16th March 2015			
05.20 – 06.55	05.20 – 06.55	Flight from Jakarta to Pontianak	ALL TEAM
07.00 – 17.00	07.00 – 18.00	Traveling Pontianak – PT AGRONUSA INVESTAMA at Sambas Regency	
Tuesday, 17th March 2015			
08.00 – 09.00	08.00 – 09.00	Opening Meeting	BB
09.00 – 12.00	09.00 – 12.00	Review of Previous Visit Non-conformance (ASA-01 & ST-02) and Confirmation/Preparation for Field Visit and Stakeholder Consultation	BB, NK, RR, SHL
12.00 - 14.00	12.00 - 14.00	<u>Break & Lunch</u>	BB, NK, RR, SHL
14.00 - 17.00	14.00 - 17.00	Field observations (ANI POM): <ul style="list-style-type: none"> • SCCS Verification • Production Processing, Fire Protection & Emergency Team (Interview & Simulation). • Workers interview (Worker Rights: payments, complaint mechanism, etc) and POME waste management (Hazardous, emission, pollution, POME, etc) and Water management. 	BB NK SHL
14.00 - 17.00	14.00 - 17.00	Stakeholder consultation with the nearest village	RR
Wednesday, 18th March 2015			
08.00 - 12.00	08.00 - 12.00	Stakeholder consultation with local NGO Field observations: <ul style="list-style-type: none"> – Senabah Division (North): <ul style="list-style-type: none"> • Legal boundary, HCV management area, land fire, etc. • Manuring, Spraying, Harvesting, IPM, Workers safety, etc. • Workers facilities (housing, worship, health care, school, union, etc) and Waste management (hazardous storage, solid waste, landfill, sanitary, etc). 	SHL BB RR
12.00 - 14.00	12.00 - 14.00	<u>Break & Lunch</u>	NK
14.00 - 17.00	14.00 - 17.00	Verification of field visit findings and completing checklist	BB, NK, RR, SHL
Thursday, 19th March 2015			
08.00 - 12.00	08.00 - 12.00	Field observations: <ul style="list-style-type: none"> – Kumpai Division (South): <ul style="list-style-type: none"> • Legal boundary, HCV management area, land fire, etc. • Manuring, Spraying, Harvesting, IPM, Workers safety, etc. • Workers facilities (housing, worship, health care, school, union, etc). • Waste management (hazardous storage, solid waste, landfill, sanitary, etc). 	BB RR NK
12.00 – 14.00	12.00 – 14.00	Break & Lunch	SHL
14.00 – 17.00	14.00 – 17.00	Closing Meeting	BB, NK, RR, SHL
Friday, 20st March 2015			
07.00 - 15.00	07.00 - 15.00	Traveling to Pontianak	ALL TEAM
17.45 – 19.15	17.45 – 19.15	Flight Pontianak - Jakarta	

Appendix 3. Glossary

AMDAL	:	Analisis Mengenai Dampak Lingkungan (<i>Social and Environmental Impact Assessment</i>)
APD / PPE	:	Alat Pelindungan Diri (<i>Personal Protection Equipment</i>)
ASEAN	:	Association of South East Asian Nations
AVP	:	Assisstant Vice President
B3	:	Bahan Beracun dan Berbahaya (<i>Hazardous Material Waste</i>)
BOD	:	Biological Oxygen Demand
CEO	:	Chief Executive Officer
CPO	:	Crude Palm Oil
CBD	:	Convention on Biodiversity
GMP	:	Gersindo Minang Plantation
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha. (<i>Land Use Permit</i>)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IUP	:	Izin Usaha Perkebunan. (<i>Plantation Operation Licence</i>)
IPAL / WWTP	:	Instalasi Penyaluran Air Limbah / <i>Waste Water Treatment Plant</i>
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja (<i>Social Assurance of Labor</i>)
Jankos / EFB	:	Janjangan Kosong / Empty Fruit Bunch
K3 / OHS	:	Keselamatan dan Kesehatan Kerja / <i>Occupational Health and safety</i>
KER	:	Kernel Extarction Rate
LC	:	Land Clearing
MB	:	Mass Balance
NC	:	Non Comformance
OER	:	Oil Extarction Rate
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja (<i>Occupational Safety and Health Committee</i>)
PHP	:	Permata Hijau Pasaman
PHT / IPM	:	Pengendalian Hama Terpadu / <i>Integrated Pest Management</i>
PK	:	Palm Kernel
PKS / POM	:	Pabrik Kelapa Sawit / Palm Oil Mill
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan. (<i>Environmental Management Plan/ Environment Monitoring Plan</i>)
SOP	:	Standart Operational and Procedure
ST 1	:	Stage 1
ST 2	:	Stage 2
TBS / FFB	:	Tandan Buah Segar / <i>Fresh Fruit Bunches</i>
UKL/UPL	:	Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan. (<i>Environmental Management Efforts/ Environmental Monitoring Efforts</i>)