

***Roundtable on Sustainable Palm Oil Certification
R S P O***

[] Stage-1 [] Stage-2 [✓] Surveillance [] Re-Certification

Name of Management :
 Organisation : ANJA Siais POM – PT ANJA Siais subsidiary of Austindo Nusantara Jaya Agri
 Plantation Name : Lembah Subur Utara Estate and Lembah Subur Selatan Estate
 Location : Pardomuan Village, Angkola Selatan Sub District, Tapanuli Selatan District,
 Sumatera Utara Province, Indonesia
 Certificate Code : **MUTU-RSPO/046**
 Date of Certificate Issue : 25 September 2014 Date of License Issue : 25 September 2017
 Date of Certificate Expiry : 24 September 2019 Date of License Expiry : 24 September 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	10 – 14 July 2017	Leonada (Lead Auditor witnessed), Y. Wisnu Rahmanto (Lead Auditor witnessing), Rizliani Aprianita Hsb, Affiffuddin	Octo H.P.N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	26 September 2017

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FIGURE

Figure 1. Location Map of PT ANJA Siais

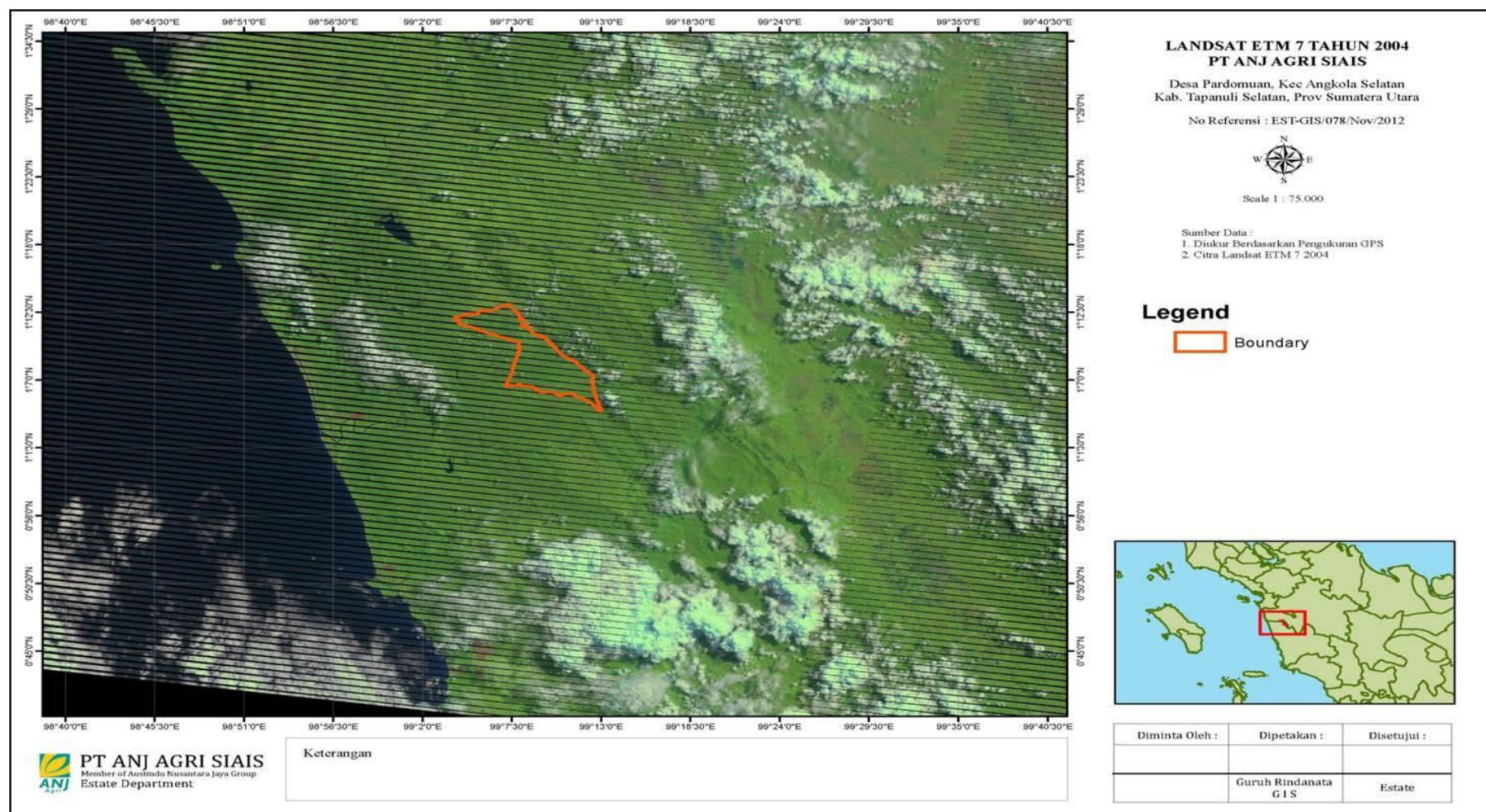
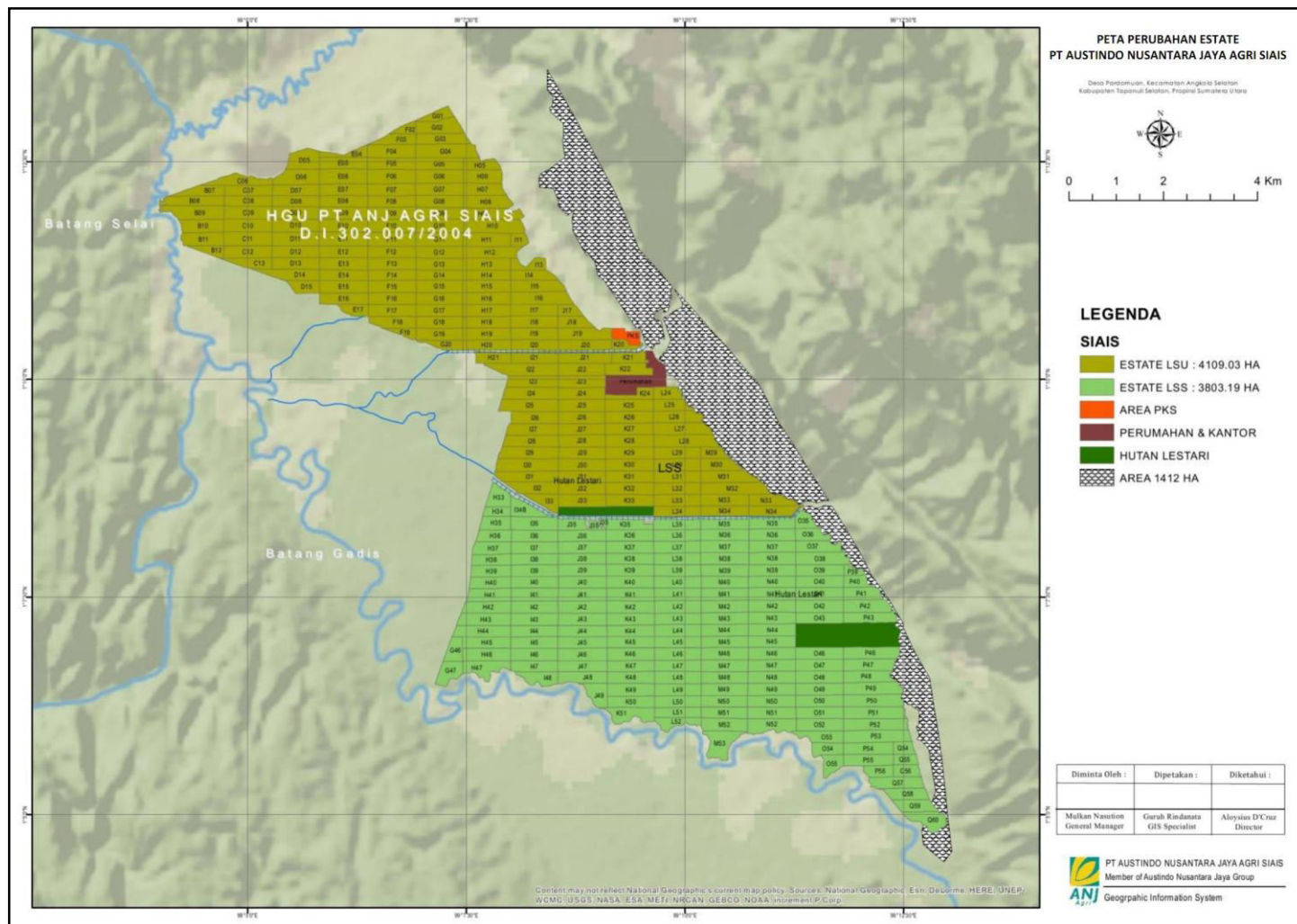


Figure 2. Operational Map of PT ANJA SiaIs



Glossary

ANDAL	:	Environmental Impact Assessment
ANJA	:	PT Austindo Nusantara Jaya Agri
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJN	:	Badan Pertanahan Nasional (National Land Agency)
CH	:	Certificate Holder
CPT	:	Circle, path dan TPH / Circle, path and FFB collecting place
CSR	:	Corporate Social Responsibility
CPO	:	Crude Palm Oil
EFB	:	Empty Fruit Bunch
EHS	:	Environmental Health and Safety
FFB	:	Fresh Fruit Bunches
GHG	:	Green House Gases
GM	:	General Manager
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha (Land Use Permit)
HRO	:	Human Resources Officer
IPM	:	Integrated Pest Management
IUCN	:	International Union for Conservation of Nature
KER	:	Kernel Extraction Rate
LSS	:	Lembah Subur Selatan
LSU	:	Lembah Subur Utara
LUCA	:	Land Use Change Analysis
MSDS	:	Material Safety Data Sheets
NGO	:	Non-Government Organizations
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RaCP	:	Remediation and Compensation Plan
RKL	:	Rencana kelola lingkungan (Environment Management Plan)
RPL	:	Rencana pemantauan lingkungan (Environment Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SIA	:	Social Impact Assessment
SCCS	:	Supply Chain Certification System
SOP	:	Standard Operating Procedure
UKL-UPL	:	Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan (Environment management and Monitoring Plan)
WTP	:	Water Treatment Plant
WWTP	:	Wastewater Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
	<ul style="list-style-type: none"> <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th September 2016.</i> <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> <i>RSPO Certification System (approved by RSPO Executive Board 26 June 2007)</i> 		
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	AUSTINDO NUSANTARA JAYA AGRI SIAIS	
1.2.2	Contact person	Antoperis Tarigan	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> RSPO registered company: Sinarmas Land Plaza 7th floor – Jl. Pangeran Diponegoro No. 18, Medan, Sumatera Utara 20152, Indonesia. Liaison Office: Atrium Mulia, 3A Floor, Suite 3A-02 H.R. Rasuna Said Street Kav. B10-11 Jakarta 12910, Indonesia. 	
1.2.4	Telephone	(62 61) 453 7480	
1.2.5	Fax	(62 61) 453 8366	
1.2.6	E-mail	antoperis.tarigan@ani-group.com	
1.2.7	Web page address	www.anjagri.com	
1.2.8	Management Representative who completed the application for certification	Mulkan Nasution (General Manager) +62-21-29926000	
1.2.9	Registered as RSPO member	1-0032-07-000-00 27 February 2007	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : ANJA Siais POM, Lembah Subur Utara Estate and Lembah Subur Selatan Estate.	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	ANJA Siais POM	Pardomuan Village, Sub District of South Angkola, District of South Tapanuli, Province of Sumatera Utara.	N 01° 10' 29.29" E 99° 09' 22.85"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude

	Lembah Subur Utara Estate	Pardomuan Village, Sub District of South Angkola, Distirct of South Tapanuli, Province of Sumatera Utara.	N 01° 11' 44.68"	E 99° 06' 52.45"	
	Lembah Subur Selatan Estate	Pardomuan Village, Sub District of South Angkola, Distirct of South Tapanuli, Province of Sumatera Utara.	N 01° 07' 21.50"	E 99° 06' 40.72"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State	9,412.42 Ha			
	• Community	- Ha			
	* HGU owned by CH is 9,171.82 Ha and there is 240.60 Ha HGU in Process				
1.5.2	Area Statement				
	• Total area	9,412.42 Ha			
	• Mature area	7,911.62 Ha			
	• Emplasment, Oil Mill , etc	88.38 Ha			
	• HCV	*1,171.82 Ha			
	• Others	**240.60 Ha			
	*There is a reduction of HCV area from ASA-2 report (1,639.82 ha) because the area that can be processed by HGU is only 1,171.82 ha (see indicator 2.2.1) and				
	**240.60 ha is planned for plasma plantation and not included in the scope of certification.				
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Lembah Subur Utara Estate	Lembah Subur Selatan Estate	Total	
	2005	525.16	-	525.16	
	2006	3,292.85	-	3,292.85	
	2007	290.42	1,074.54	1,364.96	
	2008	-	1,574.82	1,574.82	
	2009	-	1,153.83	1,153.83	
	TOTAL	4,108.43	3,803.19	7,911.62	
1.6.2	New Planting area after January 2010		- Ha		
1.6.3	Planting Cycle		1 st Cycle		
1.7	Description of Mill and Supply Base				
1.7.1	Description of Mill				
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (ton) Extraction (%)	Palm Kernel Out put (ton) Extraction (%)
	ANJA Siais	60	249,844.28	55,247.49 22.11	11,642.81 4.66
	* Source of production data July 2016 s.d. June 2017				
	** There was a difference between the accepted FFB and FFB processed FFB of 124.42 ton due to the FFB processed leftover.				
1.7.2	Description of Certification Scope of Supply Base				

	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Lembah Subur Utara	4,196.81	4,108.43	91,042.98	22.16	91,042.98	100
	Lembah Subur Selatan	4,975.01	3,803.19	98,783.39	25.97	98,783.39	100
	TOTAL	9,171.82	7,911.62	189,826.37	23.99	189,826.37	100
	<i>* Source of production data July 2016 to June 2017</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	UD Boru Namora (Non Certified)	Independent smallholders	Tapanuli Selatan District, Sumatera Utara Province, Indonesia	6,618.09			
	CSR-Janji Matogu (Non Certified)	Independent smallholders	Tapanuli Selatan District, Sumatera Utara Province, Indonesia	16,084.12			
	Transit Tank Pargarutan(Non Certified)	Independent smallholders	Tapanuli Selatan District, Sumatera Utara Province, Indonesia	24,349.48			
	UD RIRI (Non Certified)	Independent smallholders	Tapanuli Selatan District, Sumatera Utara Province, Indonesia	13,090.65			
	TOTAL						60,142.34
	<i>* Source of production data July 2016 to June 2017</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8 Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 25 September 2016 to 24 September 2017 (tonnes/year)		Actual certified product 25 September 2016 to 11 July 2017 (tonnes/year)		
	• FFB Production		203,648		138,615		
	• CPO Production		45,821		31,566		
	• Palm Kernel (PK) Production		9,164		6,679		
1.8.2	Product selling						
	Tonnage of selling product		Actual selling product period 25 September 2016 to 11 July 2017				
	• CSPO		20,000				
	• CSPK		1,799				
	• CPO under other scheme trading (e.g ISCC, RFS)		-				
	• CPO under conventional trading (if any)		11,566				
	• PK under other scheme		-				
	• PK under conventional trading (if any)		4,880				
1.8.3	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Lembah Subur Utara	4,196.81	4,108.43	94,500	23.0		

Lembah Subur Selatan	4,975.01	3,803.19	102,500	27.0
TOTAL	9,171.82	7,911.62	197,000	25.0

**Estimated data Period of 25 September 2017 to 24 September 2018*

1.8.4 Estimate of Certified Palm Product Claim

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Model
			Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
ANJA Siais	60	197,000	44,522	22.6	9,653	4.9	Mass Balance

**Estimated data Period of 25 September 2017 to 24 September 2018*

1.9 Other Certifications

ISO 14001: 2004	12 November 2014 – 11 November 2017 (No. 08 04 K 14070)
SMK3	14 May 2014 – 13 May 2017 (Reg SMK3.2014.SK-400)
ISPO	ISPO certificate from Mutuagung Lestari No: MUTU-ISPO/037

1.10 Time Bound Plan Austindo Nusantara Jaya Agri updated 3 November 2016

1.10.1 Time Bound Plan for Other Management Units

Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
MILL	Time Bound Plan				
ANJA Siais (PT ANJA Siais)	2014	Lembah Subur Utara	2014	South Tapanuli District, North Sumatera Province, Indonesia	Certified
		Lembah Subur Tengah	2014		
		Lembah Subur Selatan	2014		
Jangkang (PT.Sahabat Mewah Makmur)	2009	Jangkang	2009	East Belitung District, Bangka Belitung Province, Indonesia	Certified
		Balok	2009		
		Ladang Jaya	2009		
		Sari Bunga	2009		
		Air Ruak	2009		
Binanga (PT ANJ Agri)	2012	Estate Wilayah Timur	2012	Padang Lawas Utara District, North Sumatera Province	Certified
		Estate Wilayah Tengah	2012		
		Estate Wilayah Barat	2012		
Kasai (PT.Kayung Agro Lestari)	2016	Sungai Gemilang Tedu 1 (SGT-1)	2016	Ketapang District, Province of West Kalimantan	Stage-2
		Sungai Gemilang Tedu 2 (SGT-2)	2016		
		Gunung Sejahtera Tumbuh 2 (GST-2)	2016		
		Gunung Sejahtera Tumbuh 3 (GST-3)	2016		
-	-	PT.Galempa Sejahtera Bersama	2019	Empat Lawang District, South Sumatera,	NPP
-	-	PT.Putera Manunggal Perkasa	2019	South Sorong District, West Papua,	NPP

	-	-	PT.Permata Putera Mandiri	2019	South Sorong District, West Papua,	NPP
	<i>Data source: Progressive time bound plan certification activity of PT ANJ Agri</i>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	-					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-3	<ul style="list-style-type: none"> • Leonada (Lead Auditor Witnessed). Bachelor of Agricultural Cultivation Department of Agriculture, Faculty of Agriculture, Department of Plant Breeding and Seed Technology, Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and Sustainability in the company private Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, Lead Auditor ISO 9001; 2008, ISO 14001; 2005, Training Management Development Program Agronomy, training analysis base solution for operation, training integrated Pest Management (IPM), training Use of limited Pesticides, Training Management of Waste Pesticides and Fertilizers, training mediation and conflict resolution, general safety specialist training General specialist and Health and safety management system (SMK3) Auditor. In this audit He conducted an assessment on Legal, social and land dispute. • Yudwi Wisnu Rahmanto (Lead Auditor Witnessing). Indonesian citizen graduated as Bachelor of Forestry with major study on Silviculture background in 2006. Previous working experiences i.a: Agronomy Assistant in one of plantation company for 8 months and pharmacy business for 6 months afterwards. In 2010 began work as auditor in one of international certification body and became as RSPO Lead Auditor in 2013. Several training and audit activities for other certification schemes that have been involved including Organic Standard scheme (JAS, USDA-NOP, EU); Sustainability Coffee (C.A.F.E Practices - Starbucks); Sustainability of Forest Management (FSC-FM/CoC, CW); Sustainability of Oil Palm Plantations (RSPO, ISPO). A preferred aspects during auditing in sustainable certification schemes i.e: Land Tenure, HCV/Conservation, Social Community and Supply Chain. Having communication ability in local language (Javanese, Sundanese), Bahasa Indonesia, Malay and English (moderate fluent). During this audit, he conducted an assessment on HCV, SCCS and GHG emission. • Rizliani Aprianita Hsb. Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as lead Auditor ISO 9001;2008, ISO 14001;2004, OHSAS 18001, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During this audit, she conducted an assessment on transparency and Environmental. • Afiffuddin. Indonesian citizen, Diploma III majoring Palm Oil Plantation. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely : Basic Plantation Management Program , Indonesian Sustainable Palm Oil (ISPO), OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015). He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspek. During this audit, he verified BMP, Management Plan, safety and worker welfare.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors: 4 auditor</p> <p>Number of days for Surveillance-3 at site: 5 days</p> <p>Number of working days for Surveillance-4 at site: 20 Working days</p>
2.2.2	Assessment Process
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. ANJA Siais to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).</p>

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 **ASA-3** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-4**). Improvement of findings from main assesment findings were observed by auditors at this **ASA-3** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-3**.

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-3	<p>Number of units in this certification activity is three estates, which supply the raw material (FFB) to ANJA Siais palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (ANJA Siais POM) and two estates (Lembah Subur Utara Estate and Lembah Subur Selatan Estate).</p> <p>Lembah Subur Utara Estate</p> <ol style="list-style-type: none"> 1. HGU Pole No. 1 Block B08. Observation of legal boundaries. 2. HGU Pole No. 2 Block B07. Observation of legal boundaries. 3. Peat Area Block G10 Pieziometer. Observation of peat management. 4. Peat Area Block G11 Waterlevel. Observation of peat management. 5. Peat Area Block F12 Subsidency Pole. Observation of peat management. 6. Riparian Area Aek Lobu Block B07. Observation of riparian management and conservation 7. Clinic. Observation and interviews related to hazardous waste management, employee health care, wages and employment. 8. Daycare. Observation and interviews related to employee welfare facilities, wages, employment and domestic waste management. 9. Central Housing. Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities. 10. Fertilizer warehouse. Observation and interviews related to hazardous management, waste management and implementation OHS. 11. Fire extinguisher equipment store. Observation for emergency responses and facilities 12. Chemical Warehouse. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS. 13. Rinse house for spray team. Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling. 14. Landfill block L25 Division 4. Observation for domestic waste management. 15. Weeding Manual, Division I, block G3. Observation of manual weeding activities and interviews related to tasks and responsibilities (job description), work procedures, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers. 16. Termite Census, Division III, block F13. Observation of termite census activities and interviews related to tasks and responsibilities (job description), work procedures, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers. 17. Manuring, Division III, block G16. Observation of manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers. 18. Harvesting, Division III, block H18. Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE. <p>Lembah Subur Selatan Estate</p>

1. **HGU Pole No. 064 Block G48.** Observation of legal boundaries.
2. **HGU Pole No. 065 Block G48.** Observation of legal boundaries.
3. **Peat Area Block K37 Water Gate.** Observation of peat management
4. **Peat Area Block I39 Subsidence Pole.** Observation of peat management
5. **Riparian Area Sibarabara Block I33.** Observation of riparian management and conservation
6. **Housing division 9.** Observation of the availability of infrastructure such as employee housing facilities and domestic waste management.
7. **Termite Census, Division VI, block M36.** Observation of termite census activities and interviews related to tasks and responsibilities (job description), work procedures, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
8. **Herbicide Application, Division VI, block L41.** Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
9. **Manuring, Division VIII, block J46.** Observation of manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
10. **Harvesting, Division X, block L51.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.

ANJA Siais POM

1. **Security Post.** Auditor was verify recording of FFB, CPO and PK trucks. In addition, an auditor was interview wages and overtime system for security.
2. **Loading Ramp Station.** Observations and interviews with officers sorting FFB. Based on the interview, the officer can explain the criteria FFB decent though, demonstrating how sorting FFB, employment aspect, OHS aspect and working procedures specified.
3. **Sterilizer Station.** Observation and interviews with operator Sterilizer regarding employment aspect, OHS aspect and working procedures specified.
4. **Pressing Station.** Observation and interviews with operator Press regarding employment aspect, OHS aspect and working procedures specified.
5. **Clarification Station.** Observation and interviews with station operator clarification regarding employment aspect, OHS aspect and working procedures specified.
6. **Boiler Station.** Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified.
7. **Power House Station.** Observation and interviews with power house station operator regarding employment aspect, OHS aspect and working procedures specified.
8. **Weightbridge.** Observation on FFB receiving activity and interview with key personnel related to implementation of SCCS requirement.
9. **WTP.** Observation of water treatment activities and the use of chemicals. Interview related to wages, implementation OHS and complaint mechanism.
10. **Workshop.** Observation and interviews related to the competence of workers, medical check up, implementation OHS, wages, waste management and complaint mechanism.
11. **Hydrant no. 6.** Observation emergency response procedure.
12. **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, wages, medical check up and complaint mechanism.
13. **Chemical Warehouse.** Observation and interviews related to chemical containers management, OHS implementation, wages and complaint mechanism.
14. **WWTP.** Observations and interviews related to the management of the WWTP effluent ponds and wastewater pond conditions.
15. **Composting area.** Observation and interview related to EFB management and leachate water.

Surrounding villages

	<ol style="list-style-type: none"> Janji Matogu Sub Village. Interview of social aspect, legal boundaries issue and cooperation of FFB purchased. Binasari Sub Village. Interviews related to the company's operational impact. Paraupan Sub Village. Interviews related to the company's operational impact.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT ANJ Agri Siais was held by:</p> <ol style="list-style-type: none"> Public announcement at web www.mutucertification.com on 3 July 2017. Consultation meeting and interview with locals of the nearby village (Binasari Sub Village, Paraupan Village, Sub Village Janji Matogu) on 11 July 2017. Consultation meeting and interview with Internal Stakeholder (labour union, gender committee, cooperative and contractor local) on 11 July 2017. Consultation with NGO on 6 July 2017 <p>Numbers of input from stakeholders were clarified by PT ANJA Siais.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-4) will be determined one year after this ASA-3 .

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of ANJA Siais POM – PT ANJA Siais, PT Austindo Nusantara Jaya Agri operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicator(s); three (3) nonconformity(s) were assigned against Minor Compliance Indicators; and one (1) nonconformance(s) against supply chain requirement for CPO mill and eleven (11) opportunity(s) 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 actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record). Those corrective actions taken that consist of five (5) Major non-conformities and three (3) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that ANJA Siais POM – PT ANJA Siais, PT Austindo Nusantara Jaya Agri complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1; 1.1.2	<p>Certificate Holder has the list of stakeholder for PT ANJ Agri Siais in 2017. The list of stakeholder consist of agencies, villages, suppliers, farmer groups, cooperatives, contractors, educational institutions, press, customary leaders, communities. The provision of information mechanism to the stakeholder explained in SOP communication and provision of information (Document number: SOP-Leg-02 revision 4 on September 1 2015). Provision of information related to data breakdown for the results of farmers assisted each month. OFI</p> <p>The external relation officer is responsible for communicating to external parties related to such rejection and / or acceptance both orally and in writing, and updating the status in the log book of communication and providing external information. Based on the SOP communication, information requests are recorded in the communication logbook. Based on the observation of the document log book of communication and the provision of information, all incoming letters have been responded well in accordance with established procedures.</p> <p>Certificate Holder also has SOP of documentation system (Document No. SOP-SCD-01, rev.01/03 on November 10 2014). The SOP explains document controls including: document approval level, departmental code, document code, document identity, document control, record control, document information completeness and mailing numbering system.</p>	
1.1.1	Status: Opportunity of Improvement	

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.		
1.2.1		
<p>Certificate Holder has determined the publicly-accessed documents on the SOP of communication and information provision (Document No. SOP-Leg-02, Revision 4 dated April 1st September 2015). The SOP described in detail the type of information that can be shared to external. The mean of information provision to the external party included the company document that can be publicly access by external with management approval. For example:</p> <p>External Information</p> <p>Any information relating to the company without exception but not limited to oral and / or written information provided to other third parties outside the company (government, NGOs, mass media and the public). For example: Documents related to Social Activities, Employment, Environment and Occupational Health and Safety.</p> <p>The results of interviews with representatives of the sub villages of Binasari and Paraupan are known the mechanism of communication. Communication is usually done through a company representative. Communities can access information by first submitting applications and approved by the company.</p>		
	Status: Comply	
1.3		
Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1		
<p>Certificate Holder has a written policy that contains a commitment to the code of integrity and ethical conduct contained in the Business Conduct Code of Ethics dated January 1, 2014. In the document there is a statement to comply with all applicable laws and regulations in the territory of the Indonesian republic and company's operating territory.</p> <p>The code of ethics is made in bahasa which is understood by all parties working in the company and has been socialized. Interviews with workers and contractors, such as harvesters, warehouse workers, sprayers are known that the company has socialized the company code of ethics through morning briefing. Workers also know the values / ethical behavior of the company.</p>		
	Status: Comply	
PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS		
2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1; 2.1.2		
<p>Certificate Holder has up date and applicable laws and regulations list in period 2017 full with copied document. That documents available in estate and mill offices. Procedure to make sure implemented regulations is contained in Rule Compliance Evaluation Procedures (SOP Leg-01, Edisi 01, Rev 03) 30 March 2015. Based on the Fulfillment Regulation Evaluation Procedure, it is known that the person that responsible for managing the legal requirements documents is the Legal Department which evaluates the list of regulations once a year and Informed to External Relation Officer in each unit.</p> <p>Update list of local regulation. OFI</p>		
2.1.3; 2.1.4		
<p>Certificate Holder has mechanisms that ensure compliance with the law in the SOP Rule Compliance Evaluation Procedures (Dok SOP Leg-01, Edisi 01, Rev 03) 30 March 2015. Mechanism to ensure compliance with the law conducted every year and documented in the form of Evaluation of Regulatory Compliance Report 2017. The evaluation of 2017 regulatory compliance was conducted on March 22, 2017 with no. Document FRM-SOP leg 01-02 edition 01, revision 03. Based on the SOP, regulatory identification using several methods such as direct request to regulatory agencies, identification through official website, through seminars / socialization / workshops conducted by regulatory agencies, seeking information from accredited institutions related to up date regulations and etc.</p>		
2.1.2	Status: Opportunity for Improvement	

2.2

The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

2.2.1 Major

CH has owned land rights in the form of HGU (Land Use Right) for an area of 8,000 Ha (HGU No. 123 / HGU / BPN / 2004 dated 28 October 2004). In previous surveillance it was known that the company is applying HGU for an area of 1,639.06 Ha which is planned as a conservation area. The area is based on the measurement of Cadastral Land Agency of North Sumatra Province which is shown in the land map No. 047-02-10-2008 dated 23 June 2008. However, the extent of the area was revised back to 1,412.42 Ha with the issuance of land map. No. 003-02-10-2014 dated 21 February 2014. This is because there were public claims of 84.22 Ha (enclave), the establishment of forest area by the government of 35.42 Ha (SK No. 201 / Menhut-II / 2006) and new license delays From the government 120.19 Ha (Inpres No.06 of 2016).

Currently CH has obtained HGU area of 1,171.82 Ha (HGU No. 52 / HGU / Kem-ATR / BPN / 2016 dated 2 September 2016). For the remaining area of 240.60 Ha (intended for communities plantation), it is currently waiting for the agenda of Committee B of Land Agency North Sumatra Province and the name of the prospective farmer of plasma. This becomes an opportunity for improvement (OFI) and will be observed in the next surveillance.

2.2.2 Minor

CH has a legal boundary map with a scale of 1: 25,000. Based on the map, it is found that there are 93 legal stake routinely monitored every 6 months. From the results of monitoring stake of second semester of 2016 and first semester of 2017 known all the stake in the condition maintained. From the result of field observation in LSU Estate, stake no. 1 block B08 and stake no. 2 block B07 found in good condition and maintained. However, based on the results of field visits at the point of legal stake No. 065 block G48 LSS Estate is not found. And from the result of field observation on the stake No. 064 block G48 LSS estate found overplanted area (**NC 2017.1**).

2.2.3 Minor, 2.2.4 Major, 2.2.5 Minor & 2.2.6 Major

Based on the results of interviews with the surrounding community, Sub village Binasari, Paraupan Napa and Janji Matogu there were no significant land disputes or land conflicts. CH is also committed not to use mercenaries and paramilitaries in the process of securing corporate activities.

2.2.1	Status: Opportunity for Improvement	Open
2.2.2	Status: Nonconformity no. 2017.01 with Minor category	

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.

2.3.1 Major, 2.3.2 Minor, 2.3.3 Minor & 2.3.4 Major

Since the previous surveillance up to ASA 3, The Company did not undertake land acquisition / new land clearing. The results of public consultations with the surrounding communities of Sub village Binasari, Paraupan Napa and Janji Matogu are known that there is no communal or customary land in the operational area of PT ANJ Agri Siais. The Company's territory is a state land and belongs to individuals who have been reimbursed and mutually agreed.

	Status: Comply	
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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.

3.1.1

The certificate holder has drawn up the long-term planning contained in the 5 Year Financial Projection 2017 - 2021 Statement of Operation Projection document. The document has been prepared including:

- Hectare statement : area mature, immature, total planted
- FFB production: yield, production FFB-ex estate, purchase-FFB external, total FFB processing
- Extraction rate: Oil Extraction Rate (OER) own estate, OER external, Kernel Extraction Rate (KER) own estate, external KER

- Oil and kernel production
- Sales and inventory
- CPO and kernel sales (tonnes)
- Estimated CPO and kernel prices (usd per tonne)
- Sales (usd per ton)
- Estate expenditure, mill expenditure
- Taxes and profit estimates.

In detail, there has also been estimated annual production per year and productivity per hectare (yield) until 2022. The certificate holder also evaluates the annual budget achievements made each month and is included in the Monthly Management Report document.

The certificate holder shows the recording of Management Review Report conducted on July 6, 2017 which was attended by 17 meeting participants with discussions on the results of internal audit, communication from external parties and others.

There is no smallholder scheme at PT ANJA Sia's. Cooperation in the form of plasma farmers managed by company (Binasari cooperatives) - is the concept of conflict resolution.

Year of planting for oil palm planted in ANJA Sia's plantation is 2005, 2006, 2007, 2008 and 2009. Therefore no replanting program/activities were applied, so that drainability assessment was not yet required to conduct. However, the management of peatlands has been carried out by the company by applying water management equipped with maps, including the making of main trenches, trench branches, stop bunds, mounting tools for measuring water levels, fixing the stakes to measure subsidized rates and conducting periodic washing activities.

The certificate holder has a "Peta Rawan Banjir" and performs flood control efforts through the installation of pumps, for example in block E-17, Division 3 LSU, due to overflow of water from Batang Gadis River and Aek Lobu River.

3.1.2

The certificate holder represents the 5-year Replanting Plan document of PT ANJ AGRI - SIAIS, approved by the General Manager dated January 10, 2017, which describes the division, planting year, annual planting area and replanting plan of 2017 to 2021. Based on the document, it is known that there is no plan of replanting for the next 5 years because now the oldest planting year in PT ANJ - SIAIS is year 2005 (age 12 years).

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The certificate holder has a documented procedure for the mill and estate. The estate procedure starts from the procedure of plant material, then the technique of nursery, fertilization, weed control, integrated pest management to harvesting and transporting it contained in the document of Standard Operating Procedure (SOP) of Agronomy, document number 07 / AGR / IM / IA / 08 / 13, dated August 1, 2013 signed by Chief Executive Officer and Estate Director. The certificate holder also has a procedure for the process of receiving fresh fruit bunches to dispatch the CPO and kernels. Operational procedures in general have been socialized to all employees in accordance with their respective fields of work.

Based on field observations at Lembah Subur Utara Estate and Lembah Subur Selatan Estate, on harvesting, fertilizing and spraying activities were found that employees can demonstrate how to work in accordance with existing procedures. Mill employees during field visits such as sterilizer operators, boiler operators and press operators can also explain tasks and responsibilities in accordance with existing work procedures.

4.1.2

The certificate holder routinely conducts activities of inspection or monitoring of activities in accordance with the operating procedures performed once a year. The certificate holder has trained workers at various levels, such as preventive maintenance conveyor chain training, on 16 February, 2017 at the Mill Meeting Room, attended by 12 participants and

Refreshment Training of Harvest Quality, on 16 January, 2017 on block I16 in Lembah Subur Utara Estate with 24 participants attending.

Internal surveillance ranging from the smallest scope is done by the foreman to the manager level and beyond. Internal operational audits regularly supervise the implementation of SOPs that have been set at least once a year, for example, conducted in Lembah Subur Utara Estate dan Lembah Subur Selatan April 2017 for the 2017 period.

4.1.3

The certificate holder owns and demonstrates the results of the monitoring activities along with the evaluation and follow-up contained in one form namely the Final Report of Quality Assurance Review and Recommendation, Quality Assurance Department, Quality Harvest Quality Inspection, FFB Transportation, IPM, Area Condition, Fruit Set & Water Level Month Of April 2017, number 02 / QA / ANJA Siais / April / 2017. For example, record of corrective actions that are also listed in the same document, such as the associated yield per hectare that is still below the budget for example in divisions 3, 4 and 8. So the action that the company indicates is anticipation of stealing fresh fruit bunches at the periphery by routine patrol, 2 frond that support the bunches, the mounding, termite pest control and repair of embankments in the flood area.

4.1.4 Major

ANJ Agri Siais POM receive FFB from own estate and third party that have been documented well. Sources of FFB from third parties are: CSR Janji Matogu, UD Riri, UD Boru Namora and Transit Tank. Procedures related to the FFB supplier are regulated in the SOP of FFB suppliers requirements (ANJA-F & A-SOP 31 on 2016) and are conducted on the basis of cooperation agreement with suppliers.

Status: Comply

4.2

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

4.2.1

The certificate holder already has a procedure related to fertilization activities contained in the procedure of Fertilizer and Fertilization of Oil Palm (No. Doc. SOP-AGR-11) which includes technical fertilization, empty fruit bunch application and compost application on Immature plants and mature plants. The procedure also explains when and how the application of fertilizer in the field.

Implementation of the SOP is monitored periodically once a year with an operational internal audit. In addition, the implementation of fertilization supervised by the foreman, assistant and re-evaluation by the manager. From the results of the visit in the field of Lembah Subur Utara Estate block G16, found manuring work with manual system dosage refers to fertilizer recommendations, such as Kieserit fertilizer with dose 1.5 kg / palm. The foreman records the results of the work in accordance with the actual work of the day.

4.2.2

The certificate holder has documented the use of fertilizer in each estate, such as Urea fertilizer, MOP, TSP and Kieserit. For example, based on recommendation documents and fertilizer realization of first semester PT ANJ Agri Siais (until June 2017), the realization of fertilization on June 2017 ie TSP has not been realized, Urea 159,173 kg, MOP 404,257 kg and Kieserit 111,642 kg.

4.2.3

The certificate holder has a SOP related sampling soil and leaf for analysis as the basis for determining the fertilizer recommendation for next year. Based on SOP shown, the soil sampling conducted 7 years with the provisions taken at a depth of 0 – 40 cm by 300 grams at three sample points are among the stem, inter row and in a pile of frond by using a ground drill. The leave sampling was done every year, provision of sample of the immature plant is taken from the 9th frond and sample of frond for mature plant taken from the 17th.

The certificate holder shows the soil samples taken by PT. Nusa Pusaka Kencana Analytical & QC Laboratory (Asian Agri Grup), among others, the soil analysis test report dated April 21, 2013 and the report of plant analysis year 2016 taken by Centre De Cooperation Internationale En Recherche Agronomique Pour Le Developpement (CIRAD).

4.2.4

The certificate holder recycles the nutrients by applying the composting which is produced from processing/mixing EFB and POME for a few time. Compost application in field refer to Work Instruction Compost Application that approved by Estate Director (IK-SOP AGR 11 – 07 applied since March 1st 2016). Based on the document, it was determined that the application dose was 150 kg / palm and applied in conjunction with organic fertilizer (Mycoriza). The certificate holder shows the compost delivery submission document from January to April 2017 for LSU and LSS with total compost delivered in January of 249,500 kg, February 3,997,720 kg, March 3,175,240 kg and April 1,131,750 kg.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Maps of fragile soils in the CH are available, namely "Peta Lahan Marginal PT. ANJA Siais Skala 1:65,000". This map describing type of marginal soils that consist of Peat soil, Lateric soil, Acid sulphate soil, Sandy soil, Saline soil and Kaolin soil. Siais plantation majority categorize as Peat soil. Also, the CH has slope class level as follow:

Kelas Kelerengan	Luas (Ha)	%
0 - 8%	7.824,19	81,17%
8 - 15%	40,33	0,42%
25 - 40%	220,30	2,29%
> 40%	1.554,18	16,12%
Total	9.639,00	100%

4.3.2

A management strategy for plantings in peatland using water drainage and always monitored through subsidence level. While, the CH also has procedure for planting in slope area and its covered within "SOP Penanaman Kelapa Sawit ANJA Group (SOP-AGR-09, 01.Rev.04, 1 April 2016) Hal. 7 tentang Pemancangan Terasan: Pembuatan Terasering (terracing) untuk Lahan Miring < 40%. However, even though the CH has 16.12% area with slope > 40%, there is no plantings within. That area is preserved for conservation area and not planted at all.

4.3.3

A road maintenance program is available for Lembah Subur Utara Estate and Lembah Subur Selatan Estate and verified by the auditor for period March-April 2016. Based on field observation in Block L50-L51 Div. LSS, auditor sight the heavy equipment (road compactor and road grader) was doing road maintenance.

4.3.4

Subsidence of peat soils has been monitored in "Data Penurunan Laju Subsidence PT. ANJ AGRI Siais period 2015 upto 2017. The result of peat soils subsidence has been minimized, it was clearly measures within last 3 years. Average of subsidence per year is: 2015 (5.9 cm/yr); 2016 (1.26 cm/yr); 2017 (0.35 cm/yr).

4.3.5

Year of planting for oil palm planted in ANJA Siais plantation is 2005, 2006, 2007, 2008 and 2009. Therefore no replanting program/activities were applied, so that drainability assessment was not yet required to conduct.

4.3.6

A management strategy for peatland soils are well maintained by water management and always monitored periodically (monthly basis).

Status: Comply

4.4
Practices maintain the quality and availability of surface and ground water.
4.4.1; 4.4.2

All of water sources identification and management plan are listed water management document. The document describes the water management plans and realization that have been done. Certificate Holder also has SOP related to watershed area management contained in SOP soil and water conservation no. SOP-OPR-005 and SOP for management of high conservation value and riparian no. Doc: SOP-SDD-02.

Based on the results of field visit in block G11 (peat management) it is known that the Certificate Holder has conducted a peatland water management by installing a tool to measure the water level. The water level is maintained between 50-70 cm. In addition, the results of field visit in riparian of Aek Lobu block B07 and Sibarabara block 133 are known that the company has been managing the riparian, for example put on a banner not applying chemicals, electrocuting, put on banner of HCV area and etc. Based on that field visit, It is known that the company has managed the watershed in accordance with the mechanisms it possesses.

4.4.3

Waste water produced by mill is processed at waste water treatment plant (WWTP) first until it reaches the environmental quality standard will be channeled to the water stream in accordance with the permit (decree of environmental agency Tapanuli Selatan Regent No. 596/kpts/2014 valid until November 2017). Effluent has been monitored every months and monitoring period January-March 2017 sighted that all of effluent testing parameters is compliant to the standards quality, for example BOD March 2017 99,2 mg/l (< 100 mg/l). Effluent management was reported and submitted regularly every 3 month to environmental agency of Tapanuli Selatan Regency.

4.4.4

Standards of water usage for FFB process recorded in 2 no. Rek-SIAIS-Mill-13 no. revisi 1, budget projected 2.0 m³/ton FFB process. Water usage monitoring was done periodically and recorded, for example on June 2017 FFB process was 19,145 ton, process water usage 25,290 m³, and water usage efficiency was 1.32 m³/tonne FFB process. Ensure the renewal of Surface Water and Utilization Permit. (OFI)

4.4.4	Status: Opportunity For Improvement
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4.5
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.
4.5.1

The CH has monitoring of Integrated Pest Management (IPM) plan 2016 and 2017 following the own procedure "SOP Integrated Pest Management, Rev. 01, dated 1 April 2016". According to the record of Pest Monitoring since 2014 upto 2017, potential pest's infestation in the plantation area are Termite, Rats and Rhino beetle. Records of majority pest infested in the plantation is termite, as presented as below:

Year	Number of infested crops	Hectarage of palm infested (Ha)	Infested average (palm/Ha)	Palm Infested percentage (%)	Chemical used (Liter)	Average chemical used (Ltr/Ha)
2014	3,519	6,347.97	0.44	0.34	54.92	0.0087
2015	51,377	81,787.00	0.63	0.42	849.00	0.0104
2016	34,416	57,398.54	0.50	0.38	584.34	0.0102
Upto June 2017	17,305	32,636.55	0.53	0.33	291.79	0.0089

4.5.2

Refreshment training for IPM was conducted in 7 April 2016 with 30 participants (workers).

	Status: Comply
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4.6
Pesticides are used in ways that do not endanger health or the environment

4.6.1

Based on documents verifications and observation to central chemical storage at LSU Estate has shown evidence that the used pesticides have received permission from the government. To ensure pesticide used are in accordance with the target the company conducted study on selecting an effective pesticide to control disease and weed. PPE used properly is one of way to minimize the negative impact apart from pesticide application. Document's review and field observation at pesticide warehouse showed that company used registered-pesticide. In order to reduce the utilization of pesticide, company has combined the control mechanism by using mechanic, biology and chemical approach. Mechanic control was conducted by using manual method, the biology control was using natural predators.

4.6.2,

The CH has documented the pesticide toxicity monitoring result in the documents of recapitulation of pesticide used in each estate. The documentation explains the type of pesticide, active material, and number of utilization per hectare, number of utilization per ton FFB. There is a personnel updated the monitoring report over pesticide toxicity every month.

4.6.3

Integrated pest management program was implemented by the CH are monitored and evaluated every month. The evaluation is in the form of a Matrix of pest infestation that describes the type of pest; infested average; analysis of the infestation level to the threshold; conclusion to determine control techniques if needed. Pesticide only used for last option to control pest and disease.

4.6.4

The result of document review, field visit and observation on pesticide storage, it is known that the CH still used pesticide with active ingredient of paraquat, WHO 1A and WHO 1B. Eventhough the CH used Paraquat, trend of reducing for this pesticide was sighted by the auditor team as a commitment of the company.

4.6.5; 4.6.7; 4.6.9

Pesticide usage is applied by trained personnel which is in accordance with pesticide usage best practices

- a. Company already had MSDS (*Material Safety Data Sheet*) for each agrochemical substance (Pesticide) that describes handling and storage guidance, treatment when accident occurs (First Aid Measures), hazard identification, measures against spillage and leakage, personal protection equipment, physical and chemical characteristics, reactivity and stability, Toxicology information, Ecology information, waste disposal and transport.
- b. Related to pesticide usage doses, company refers to recommended doses which are described on the label of each pesticide type. Result of document inspection reveals that usage doses applied by company is in accordance with its recommendation
- c. Based on field observation of Circle spraying and path in Block L41, Div. 6 (LSS Estate), it is revealed that pesticide operator have been equipped with safety equipment such as mask, gloves, apron and safety shoes that are appropriate with incurred hazard identification and MSDS. After work, the sprayer and PPE are stored in a special storehouse at the Estate.
- d. Result of interview with workers finds information that the workers already have knowledge of potential hazard that may arise and its compulsory preventive measures and All workers have been trained, and have understood safe work practices, including prohibition of spraying on river or water bodies, and understanding emergency response in the event of an accident.
- e. Based on field observations and interview with foreman and manager in LSU and LSS obtained information's Pesticide are mixed in pesticide warehouses and transported by special vehicles.

4.6.6 ; 4.6.10

According to the document review, Certificate Holder has the procedure related to handling of pesticide waste. Pesticide waste management activities are explained in SOP of Pesticide Waste handling and its Management documen no. SOP-AGR-18 valid from 1 August 2013. Its contents include about:

- Classification of pesticides
- Proper use of pesticides.
- Storage of pesticides.
- Pesticide poisoning and symptoms.
- First aid against pesticide poisoning.

In addition, Certificate Holder also has procedures of hazardous waste management on the SOP of hazardous waste management (Document No. SOP-EHS-009 dated 31 August 2016). In the SOP explained that the packaging of pesticide used should not be used to hold water, use for garbage and flowerpot. Based on the results of the interview with the hazardous waste warehouse officer, has understood the management of hazardous waste. Hazardous waste will be transported by licensed hazardous waste collectors (CV Amindy Barokah). Observation results in housing complex, there was no reuse of pesticide containers used for garbage cans, clean water containers or flower pots.

Ensure procedures of hazardous Waste Management in accordance with the identification of hazardous waste produced.
(OFI)

4.6.8

Based on document's review and interview with estate operation's personnel, there were no pesticide aerial applications.

4.6.11

The certificate holder shows the latest list of pesticide operators as of July 2017 as follows :

Lembah Subur Utara Estate : 35 female sprayers

Lembah Subur Selatan Estate : 30 female sprayers, 27 male sprayers

The certificate holder shows the annual medical surveillance records for all pesticide operators among them shown as follows :

- Recapitulation Document of Lembah Subur Selatan Estate and Lembah Subur Utara Estate Sprayer Medical Examination 2017 from 16 to 17 June 2017 in the form of blood pressure, nutrition, physical examination, pregnancy / lactation checks and employee suggestions for 80 workers.
- Document Recapitulation Result of Medical Check Up Employee of PT ANJA Siais in January 2017 such as cholinesterase examination to 62 workers. It is known that there are some employees who have interference that has been evaluated and followed up by the company by doing the transfer (mutation) employees to the work which are not at risk of exposure to chemicals

Based on interviews with a sample of pesticide operators (4 CPT sprayers and 1 insecticide sprayer) in the Division 6 of Lembah Subur Selatan Estate, it is known that there are 3 pesticide operators who claimed to have not received regular health checks. Meanwhile, based on document verification, there are still 1 pesticide operator that has not received medical examination.

In this case, the certificate holder has not presented evidence of recording of annual health examination results for all pesticide operators and evidence of follow-up to the results of the examination.

This becomes **Non-Conformity No.2017.2**

4.6.12

The certificate holder shows a policy on not employing pregnant and lactating women (up to 9 months old infants) on chemicals-related activities. This is stated in the Internal Memo of the General Manager dated September 6, 2012.

The certificate holder shows the latest list of pesticide operators as of July 2017 as follows :

Lembah Subur Utara Estate : 35 female sprayers

Lembah Subur Selatan Estate : 30 female sprayers

Based on the field observation on the spraying activities, it is known in Lembah Subur Selatan Estate there are 4 female sprayer and 2 male.

The certificate holder conducts pregnancy and lactating checkups for female pesticide operators every month by the foremen in the field then examined by the company doctor to confirm this. Based on interviews with female spray workers in LSU and LSS Estate, it is known that the mechanisms related to the examination of female workers are conducted monthly. Examples of such checks are on June 16th at LSU and June 17th at LSS.

The certificate holder shows evidence indicating that pregnant and lactating women are not allowed to handle pesticides, for example, based on the results of a June 17 examination in the LSS, it is known that one employee is found to be pregnant. Then the doctor makes a letter of recommendation to the Assistant for the Division for his work to be diverted to a job that uses no chemicals. Based on the results of field observations to spray workers d LSU and LSS, it is known that workers have known the policy and implemented in the field.

4.6.11 Status: Nonconformity No. 2017.2 with Major category

Open

4.7

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

4.7.1

The certificate holder establishes the Environmental, Occupational Safety and Health Policy established on January 9, 2017 by the General Manager, President Director and Chairman of the Bipartite Cooperation Institution. The Policy includes the implementation of all regulations and procedures pertaining to the Environment, Occupational Safety and Health, reducing the number of occupational accidents and zero accident and providing a safe workplace and means of personal protective equipment and training. Based on the results of field observations and interviews with workers, it is known that workers know and understand the policy such as the obligation of the use of Personal Protective Equipment. Guiding Committee of Occupational Safety & Health has prepared a work program in 2017 that includes safety training activities, fire extinguishers checks, personal protective equipment checks, fire fighting training, health checks, maintenance of safety and health checks, chemical storage checks, inspection of hazardous waste material storage, safety meeting and first aid training. Some of these programs have been realized until June 2017. Based on the results of document review and interviews during field observation it is known that the inspection of personal protective equipment, the checking of fire extinguisher, health check and monthly meeting of Guiding Committee of Occupational Safety & Health.

The certificate holder through the Environment, Health and Safety teams, corporate doctors and unit managers, has monitored the effectiveness of health and safety plans, for example related to health checks that have been done by Prodia Laboratories and also by company doctors. The company physician will recommend the mutation of work to another job if there is a decrease / increase in health conditions.

4.7.2

The certificate holder has reviewed the risks that may threaten the safety and health of all work operations listed in Hazard Identification and Risk Assessment (HIRA) Estate, HIRA Polyclinic, HIRA GMO, HIRA Civil and mill documents. Based on the results of field observations on plant and garden activities and the HIRA document review shown, it is known that risk assessment includes all organizational processes and activities, for example weighing activities by weighing operators there are slippery hazards on the floor, potential slip hazards, falls and potential risk of seriously injury or minor injuries.

Based on the result of document review of Hazard Identification and Risk Control Procedure No. SOP-EHS-019, known in identifying hazards, considers the accident occurring in the field to determine risk assessment and risk control.

The certificate holder has also implemented prevention measures referring to product labels, as seen during field observations in chemical warehouses and toxic mixing sites where MSDS is placed as a guide in chemical handling.

Based on interviews with spraying workers it is also known that the foreman in the field understands the procedures in case of work accidents as well as instructions in the MSDS each product has been applied to the employees.

Identify all potential risks in all operational activities and evaluate MSDS placement in fertilizer warehouse. (OFI)

4.7.3

The certificate holder has training records of safe work practices provided to workers, including:

- Permit System Training (lockout) and work accident, March 3, 2017 at Mill Workshop with EHS team speaker and attended by 17 participants.
- Training on standard work tools, PPE, safe working procedures on June 20, 2016 was attended by 60 harvest and maintenance workers.

Based on the results of the study of PPE handover documents at LSU Estate, LSS Estate and ANJA Siais Mill, it is known that the company has provided PPE to workers, such as harvest workers, fertilizers and sorting workers. However, there

is a non conformities in the form of:

- Based on field observations and interviews with workers on fertilization activities at LSU and LSS estates, it is known that the PPE workers provided by the company are masks, shoes, gloves and glasses. While on the HIRA Estate document review, it is known that PPE fertilizers are shoes, masks, gloves, long sleeves and trousers.
- PPE spray team in LSS Estate block L41 Division 6 is not in accordance with Work Instruction document on personal protective equipment and tools, document number IK-CP-HR & QA-027-01, for example work clothes.
- Field observation at LSU Estate (3 of 5 harvests, 2 of 8 manual weeding workers, 2 of 9 fertilizers) and LSS Estate (3 of 6 harvests, 2 of 7 fertilizers) were found damaged shoe PPE. This is not yet in accordance with Working Facilities Instructions for Personal Protective Equipment and Work Equipment (IK-CP-HR & QA-027-01, revision 02).

This becomes a **Non Conformity No.2017.3 with a Major Category.**

4.7.4

The certificate holder already has a certified Occupational Safety and Health Expert pursuant to certificate No. 13.14003 / AK3 / U / III / 2015 and also has a Guiding Committee of Occupational Safety & Health accordance with the decree of the Head of the Department of Labor South Tapanuli, KEP. 560/468/2016, dated March 6, 2016.

Guiding Committee of Occupational Safety & Health also regularly meets once a month to consider the concerns of health, safety and welfare of workers, for example a meeting on June 16, 2017 which was attended by 18 officials Guiding Committee Of Occupational Safety & Health discuss the Safety Index in May 2017, to consider modification of safety helmets by adding mica to the face and about the leak of heater kernel no. 4.

Based on the results of interviews with fertilizer labor in Division VIII LSS Estate, it is known that for representatives of Guiding Committee Of Occupational Safety & Health meetings and Bipartite Cooperation Institution from Division VIII are the foreman representatives.

4.7.5

The certificate holder has procedures relating to workplace accidents and emergencies, including Emergency Procedures, No. SOP-EHS-015 and Emergency Response Team Procedures, No. SOP-EHS-026. Based on interviews with workers both in the field and in housing, it is known that the company conducts training and simulation of land and housing fire handling, for example fire fighting training, jobdesc of each team of Emergency Response Team and simulation of fire prevention, on September 22, 2016 With facilitators Occupational Safety and Health Expert and corporate doctors attended by 42 workers. However, based on observations and field simulations at the factory, it is known that the Hydrant nozzle at the Clarification Station is not working properly. In this case, the company does not have a good and effective emergency response system in ensuring that the condition of emergency equipment is functioning properly and ready to use. This becomes a **Non-conformity No.2017.4 with a minor category.**

The certificate holder also has personnel who have attended the First Aid Training and certified in the field, such as certificate No.14.13-PK3-P3K / II / 2014 and No. 14.22-PK3-P3K / II / 2014. Based on field observations in estates Lembah Subur Utara and Lembah Subur Selatan, it is known that the company provides first aid equipment submitted to frontman. Based on field observation in the factory, it is known that the company has provided first aid box at stations according to risk analysis at each station.

The certificate holder has a policy related to the recording and reporting of accidents listed in the Work Accident Reporting Procedure, No. SOP-EHS-020. There are work accidents that have been recorded, investigated and reported by the company to the relevant agencies, for example Employment Accident Reporting Letter Phase I to the Head of Regional Manpower Agency, number 007 / HRO / ANJA-Slais / IM / III / 2017, in March 2017.

4.7.6

The certificate holder has the policy to involve his employees in the Labor Social Assurance program in accordance with the laws and regulations, as set forth in Company Regulations PT. ANJ Agri 2015-2017 Chapter IX Article 28 Paragraph 1 stating that the company includes all workers in the program of employment insurance, death insurance and old-age benefits.

It is poured in every employment agreement with employees, such as letter of employment agreement No. 001 / HRO-AJ / SPK / 2-17 dated February 20, 2017, explaining in Article IV in respect of Wages and Facilities stated in paragraphs 2 and 3 that workers are registered as Workers Social Security Agency Employment and Workers Social Security Agency Health with details of contributions listed.

The certificate holder shows an example of a jamsostek claim, for example in the period 2016 of claim no. JKK_B031405GKK100021_1 received benefits for reimbursement of medical expenses and disability benefits dated 28 April 2016. From the results of investigations of occupational accidents known to have fallen on the job accident on the field.

The Company also presented a letter to the Workers Social Security Agency Employment of Padang Sidempuan related Workers' Social Security Agency Employment Claim on June 7, 2017.

The company showed evidence of depositing Workers Social Security Agency for Health in June 2017 dated July 6, 2016 with VA number 8988890000230080. Based on interviews with workers in Lembah Subur Utara and Lembah Subur Selatan Estates on harvesting, fertilization and spraying activities, it is known that the company has registered workers in the Workers program Social Security Agency Employment as well as members of his family in the Workers Social Security Agency Health program.

4.7.7

The certificate holder has recorded all workplace accidents in the period 2016 to 2017 listed in the Employee Name Document of PT ANJA Sia's who had an accident and there were 10 accident cases within that timeframe.

The certificate holder has also investigated the workplace accident and reported it to the Labor Office and the Workers Social Security Agency for Employment, as on January 3, an accident occurred in Division 2 of 1 FFB helper loaded with brondolan on his eyes while loading FFB.

4.7.2 Status: Opportunity for Improvement

4.7.3 Status: Nonconformity No. 2017.3 with Major category

4.7.5 Status: Nonconformity No. 2017.4 with Minor category

Open

4.8

All staff, workers, smallholders and contractors are appropriately trained.

4.8.1

The certificate holder shows the training program stated in the Training Need Analysis document of PT ANJA Sia's 2017 which is divided into several programs such as soft skill, hard skill estate, hard skill mill, EHS & RSPO (sustainability) and medical training. The certificate holder has documentation of all training and formal training needs that workers follow, for example :

- Training on Analysis and Sampling (Laboratory Department), May 22, 2017 at Lab Mill, attended by 8 participants
- Preventive Maintenance Conveyor Chain Training, February 16, 2017 at the Mill Meeting Room attended by 12 participants
- Spraying Training, February 20, 2017 in Division 4 block I23 / 24 which was attended by 9 participants.
- Refresh Training of Fertilization Training, dated 23 January 2017 in LSU Division 3 block I16 which was attended by 10 participants.
- OHS Training for Harvesters prevented the fall of fruit and the danger of working tools used, February 2, 2017 in Division 3 which was attended by 41 participants.

Based on field observations and interviews with workers on harvesting, fertilization and spraying activities in LSU and LSS and workers at ANJA Sia's Mill, it is known that workers have been trained in technical related work as well as aspects of RSPO principles and criteria.

4.8.2

The certificate holder documents every training activity followed by the worker such as attendance list, training notes and activity photos. Individual training records such as the training of heavy equipment, boiler operators and others are also stored and maintained properly. The certificate holder shows training documentation such as fertilizing, spraying, harvesting and operator training and well-maintained documentation.

Status: Comply

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.		
5.1.1; 5.1.2; 5.1.3 <p>PT ANJA Siais unchanged the total area, activities and mill capacity, so environmental document that use is the old one. Certificate Holder possess two Environmental Impact Assessment (EIA) document covering different area consist of ANDAL on 2003 and UKL-UPL on 2009. Both the EIA documents explained all activities for pre construction, construction, operation, and post operation covered the palm oil mill, lembah subur utara estate, and lembah subur selatan estate. In 2015 company has develop a new composting plant, regarding to this PT ANJ Agri Siais possess another EIA (UKL-UPL for composting plant in 2015).</p> <p>Certificate Holder has an environmental management and monitoring plan to mitigate the negative impacts contained in the RKL-RPL document. Planning and Implementation in accordance with environmental permit is explained in the RKL-RPL Implementation Report, which delivered routinely 3 months to the authorized institution.</p>		
	Status: Comply	
5.2 The status of rare, threatened or endangered species and other 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 operations managed to best ensure that they are maintained and/or enhanced		
5.2.1; 5.2.2 <p>There are no changes for the HCV Identification assessment that was conducted in 2013. All the RTE species was identified by the RSPO approved assessor. RTE species that were identified based on regular monitoring in 2017 and referred to IUCN Redlist are:</p> <p>EN: White-winged Duck, White-winged Wood Duck/Mentok Rimba (<i>Cairina scutulata</i>); Sambar Deer/Rusa sambar (<i>Cervus unicolor</i>); Hairy-nosed Otter/Berang-berang (<i>Lutra sumatrana</i>); Southern Pig-tailed Macaque/Beruk (<i>Macaca nemestrina</i>) status VULNERABLE/Rentan. Siamang (<i>Symphalangus syndactylus</i>); Owa (<i>Hylobates sp.</i>); False Gharial/Buaya senyulong (<i>Tomistoma schlegelii</i>).</p>		
5.2.3 <p>Programs to socialize the status of protected, rare, threatened or endangered (RTE) to all workers, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species was conducted periodically with monthly basis. Records are available in place for January, February and March 2017.</p>		
5.2.4 <p>The CH has had management plan for HCV and Conservation for year 2017. This management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs to the Sustainability Manager and Top management. The results of monitoring are to be used to follow-up on the improvement of the management plan.</p>		
5.2.5 <p>According to interview with surrounding villagers (Dsn. Janji Matogu and Dsn. Paraupan Napa) there is no HCV areas that overlapped with an identified local community's land.</p>		
	Status: Comply	
5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		

5.3.1; 5.3.2;

All waste and pollutions sources from mill and estate are identified and recorded on document no. FRM-SOP EHS 09-070 revision 00 dated 10 August 2015. Results of visits in hazardous waste warehouse are found that pesticide containers are stored properly and recorded in logbook of hazardous waste and will be submitted to licensed collector and transporter. In relation to the collection of hazardous waste, Certificate Holder cooperates with licensed third party for the management of hazardous waste in accordance with the Cooperation Agreement no. 194/ANJASIAIS-ABS/SPK-LB3/VI/2017 dated 1 June 2017. The company needs to ensure the WWTP embankment retaining and ensure mechanism of management empty fruit bunch (OFI)

5.3.3

Certificate Holder has SOP Waste management Plan with no. SOP-EHS-008 edition 02 revision 00 date of effect August 10, 2015. The SOP describes the objectives, scope, method, identification of sources of waste, waste utilization. In addition, the company has a waste identification assessment risk in 2017 that describes the activities, potential waste, types of waste / emissions generated, risk level scores, risk control, risk security and guidance control documents.

The results of observations in the storage of chemicals and warehouse of spray was known, there were hazardous waste containers. Warehouse conditions are known have limited access and are only allowed to be opened by the officers concerned. Interview with the warehouse officer, that the hazardous waste containers were reused to transport chemicals and water from washing of spray tools. Based on this, it is known that there is not yet a system that explains the utilization of hazardous waste (chemical containers) and its management in accordance with the prevailing regulations (Regulation No 2/2008). **Nonconformity no. 2017.04**

5.3.1 Status: Opportunity for Improvement
5.3.3 Status: Nonconformity No. 2016.04 with minor category
Open
5.4
Efficiency of fossil fuel use and the use of renewable energy is optimised.
5.4.1

Certificate Holder had planned and implemented the use of fiber and shell for fossil fuels substitution. Realization of renewable energy have been monitored every day and documented on monthly report for fiber and shell usage. On June 2017, the usage of fiber about 2.393 ton and shell about 1.149 ton with efficiency for shell about 0,06 ton/FFB and fiber about 0,12 ton/FFB.

Status: Comply
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.
5.5.1

As a commitment to implement zero burning, the CH has had SOP Land Clearing with Zero Burning (No. Dok: SOP-OPR-003, Rev.01, dated 28 January 2005) and Environmental Policy on March 2015.

5.5.2

As the evidence that CH implementing Zero Burning policy during Land Clearing was recorded in "Berita Acara Pemeriksaan Hasil Pekerjaan Period 25 Juli – 25 Agustus 2008, No. 148/BAPP/OPM/VIII-2008". Type of activity is under brushing in Block G.43; G.44; H.43; H.44 with total area 52.86 Ha.

Status: Comply
5.6
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.
5.6.1; 5.6.2 ; 5.6.3

All waste including emissions and pollutions sources from mill and estate are identified and recorded on document no. FRM-SOP EHS 09-070 revision 00 dated 10 August 2015. In addition, the company has a waste identification assessment risk in 2017 that describes the activities, potential waste, types of waste / emissions generated, risk level scores, risk control, risk security and guidance control documents.

Monitoring for emission and pollutants (air emission, ambient, noise, vibration) from estate and mill was done periodically every 3 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. There are several implementations conducted by the company as an effort to reduce pollution and emissions, such as:

- Conduct the realization of tree planting at the WWTP area
- Utilize shells and fibers as boiler fuel and periodically recorded by designated officers.
- Perform regular monitoring of immovable emission sources submitted through RKL-RPL implementation reports.
- Monitoring the quality of waste water.
- Monitoring the provision of PPE and periodic health checks for high-risk jobs.
- Conducting HCV management.
- etc

Certificate Holder has calculated its GHG e mission using Palm GHG Calculator Version 3.1 with the result:

Summary of Net GHG Emissions

Emission per product	tCO ₂ e/t product
CPO	5.35
PK	5.35

Extraction	%
OER	21.96
KER	4.64

Land Use	Value
Planted area	7911.62
Conservation Area	228.17
Planted area on Peat	3781.01

Summary of plantation / field emissions and sinks

Emission source	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/FFB
Land coversion	70040.29	8.85	0.38
CO ₂ emission from fertilizer	2204.91	0.28	0.01
N ₂ O Emission	32425.54	4.1	0.17
Fuel consumption	1836.72	0.23	0.01
Peat oxidation	206441.51	26.09	1.11
Crop Sequestration	-74066.48	-9.36	-0.4
Sequestration Area	-2079.3	-0.26	-0.01
Total	236803.19	29.93	1.27

Summary mill emission and credit

Emission source	tCO ₂	tCO ₂ e/t FFB
POME	34850.73	0.14
Fuel consumption	2423.09	0.01
Grid eleticity	0	0
Credit		
Export exess electricity to housing & grid	0	0
Sale of PKS	0	0
Sale of EFB	0	0
Total	37273.82	0.15

Status: Comply

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.	6.1.1 Major, 6.1.2 Major & 6.1.5 Minor CH has established The documented of SIA on 2013 by involving the participation of local communities and stakeholders. Records of meetings in the preparation of SIA documents are well documented. SIA has covered all the potential social impacts caused by plant and plant operations. Aspects of study in the document include infrastructure, social economy, social culture, environmental society health and company operations. In The assessment, there is no impact on smallholders farmers because the company does not have a smallholders scheme. 6.1.3 Major & 6.1.4 Minor CH has documented the management of social impacts in the 2016 and 2017. The document describes the sources of impact, management, timeliness, expected results and evaluation. Management review is conducted annually as an example of evaluation on 15 June 2017. The management review involves stakeholders by collecting information such as the example dated 2 June 2017. CH has also developed a management plan to follow-up on an annual evaluation supported by budget and responsible officers in its implementation. From the results of interviews with the surrounding community (Sub Village Binasari and Paraupan Napa) it is known that the community is involved in social impact review and can express their opinions freely.	
	Status: Comply	
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.	6.2.1; 6.2.2; 6.2.3 Certificate Holder has the list of stakeholder for PT ANJ Agri Siais in 2017. The list of stakeholder consist of agencies, villages, suppliers, farmer groups, cooperatives, contractors, educational institutions, press, customary leaders, communities. The provision of information mechanism to the stakeholder expalained in SOP communication and provision of information (Document number: SOP-Leg-02 revision 4 on September 1 2015). Updating list of stakeholder for internal stakeholders. (OFI) Officers appointed to communicate and consult with the surrounding community is CSR officers (department External Affairs). Based on Job description, CSR officers have a duty, one of them to conduct intensive communication with stakeholders. Based on the observation of the document log book of communication and the provision of information, all incoming letters have been responded well in accordance with established procedures. The results of interviews with representatives of the villages of Binasari and Paraupan are known that they understood the mechanism of communication. Communication is usually done through a company representative.	
	6.2.3 Status: Opportunity for Improvement	
6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is Implemented and accepted by all affected parties.	6.3.1 Procedure for conflicts, complaints, grievance has been maintained and contained in documents as follows : <ul style="list-style-type: none"> • Internal memo 77/GM/RS/10-2012 about procedure and monitoring for workers grievance • SOP-LEG-02 about communications and informations • Company policy 022/HR&GA/CP/06-09 2009 for land conflicts solving mechanism In addition, the company has also regulated the secrecy of the information / whistle blower. The Company guarantees in full, the confidentiality of the identity of the information / whistle blower communicating confidential communications to the company whether it is confidential / non-confidential. 6.3.2	

Workers complaints are recorded in the list of workers complaints monitoring contained name, date of delivery, oral and written submission, subject, company response, result, completion date and initials. All complaints have been addressed by the company. While external complaints recorded in communication log book and provision of external information. The verification result of the document is known that there are no external complaints. Documenting all workers complaint submitted verbally. (OFI)

6.3.2 Status: Opportunity for Improvement

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.

6.4.1 Major, 6.4.2 Minor & 6.4.3 Major

CH have SOP of Land Acquisition which approve by director and Corporate Services Director on June 2009. The SOP described about the mechanisms to identify and calculate the land compensation. In this procedure was explained that the process of land identification is involved the community and the village government. Since the previous surveillance to ASA 3, known that CH did not undertake land acquisition / new land clearing. The results of public consultations with the surrounding communities of sub village Binasari, Paraupan Napa and Janji Matogu are known that there is no communal or customary land in the operational area of PT ANJ Agri Siais. The Company's territory is a state land and belongs to individuals who have been reimbursed and mutually agreed.

Status: Comply

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.

6.5.1

The certificate holder shows the minimum wage determination document based on the Decree of the Governor of North Sumatera, No. 188.44 / 42 / KPTS / 2017 concerning sectoral minimum wage of South Tapanuli Regency for oil palm plantation sector, which was established on February 3, 2017 and effective from 1 January 2017. The decision becomes the reference of certificate holder in making decisions Internal Memorandum dated February 13, 2017 Ref No. 014 / ANJ Agri / IM / II / 2017 from the Head of Human Resources Shared Services West Area regarding the minimum wage of daily employees of PT ANJAS 2017 and fixed monthly employee wages in 2017. Wage decisions for contract workers are made based on the Governor's decree and Internal Memorandum, for example, is contained in SPK no. 001 / HRO-AJ / SPK / 2-17 in article IV.

In addition, the certificate holder also explains the overtime work which briefly describes that the hourly wage calculation is 1/173 multiplied by the monthly wage and the calculation of overtime wages in accordance with government regulations, such as overtime work done on weekdays, for the first overtime paid equal to 1.5 multiplied wages 1 hour, the next paid wages equal to 2 multiplied wages 1 hour.

The certificate holder shows the wage documentation for each employee at ANJA Siais Mill, Lembah Subur Utara Estate and Lembah Subur Selatan Estate from April to June 2017, for example:

- ID AS / AS22 / 0908/384, fixed monthly employee status, which explains basic salary, overtime and others.
- ID AS / AS22 / 0811/374, fixed daily employee status, which explains basic salary, overtime and others.

Based on the results of document review and interviews with workers in the field, both maintenance workers and harvests at LSU Estate and LSS Estate, it is known that the company has implemented payroll in accordance with applicable regulations, there is no breach of payment related to wages and force the work. Payment of harvested wages is adjusted to the results of work, the achievement of tonnage targets and the provision of overtarget premiums if exceeded the target.

6.5.2

The certificate holder represents an employment agreement (work contract) in Bahasa Indonesia that the worker understands and is legally signed by both parties. Salaries and working conditions are described in the employment contract, for example in the letter of employment agreement No. 001 / HRO-AJ / SPK / 2-17 and No. 002 / HRO-AJ / SPK / 2-17 describing acceptance and tenure, scope of work, rights and obligations, wages and facilities (Workers Social

Security Agency Employment and Health) and the term of the agreement.

Based on the results of field observation, document verification and interviews with the picker in Lembah Subur Utara Estate (4 persons) and Lembah Subur Selatan Estate (4 persons), the worker did not have a written working relationship with the company. This becomes **Non-Conformity No.2017.6**

6.5.3

Based on the results of the document list of facilities and infrastructure provided by the certificate holder, it is known that the certificate holder provides housing, sports facilities, religious facilities, school buses, polyclinics, cooperatives, schools and water treatment. Based on the results of field observations on facilities and infrastructure in Lembah Subur Utara Estate and Lembah Subur Selatan Estate, it is known that the houses are concentrated in the Lembah Subur Utara Estate. However, there is also a small part of housing in Lembah Subur Selatan Estate which is currently under construction for new housing.

Based on the results of interviews with workers, the certificate holder provides electricity facilities that are set hours of operation and also provides clean water that is always there throughout the year. The certificate holder shows internal memos related to the order of use of water and electrical energy.

The certificate holder also has a polyclinic and if the sick employee has to be referred, the certificate holder will deliver with the company car.

For educational facilities, secondary schools are available in the Pardomuan sub-districts, for elementary school level there are private enterprise-owned and are free of charge for workers 'dependents and companies provide school bus facilities for school transportation of employees' children. Also available employee welfare facilities such as sports fields and religious facilities.

Implementation of plans for improvement and construction of housing facilities and infrastructure (OFI).

6.5.4

The certificate holder shows the real effort to help the workers to get adequate and affordable food sources such as with the support of cooperative establishment in accordance with Internal Memo GM PT ANJ Agri Siais, Ref. 25 / GMO / Siais / IM / IV / 2013 dated April 1, 2013 on the establishment of an employee cooperative and Internal Memo from the General Manager dated July 13, 2013 Ref. 52B / GMO / Siais / IM / VII / 2013 on the provision of building facilities for employee cooperatives. Based on the results of interviews with estate workers and mill, it is known that food sources are available in the cooperative as well as there are also sellers of staple goods that come from outside which allowed the company to sell in employee housing.

6.5.2	Status: Nonconformity No. 2017.6 with Major category
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Open

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.

6.6.1

The certificate holder has issued a statement in the Indonesian language to recognize the employee's right to freedom of association in the form of Internal Memo General Manager of PT ANJA SIAIS. 72 / GM / srs / 09-2012, dated September 24, 2012 on Freedom of Association. Socialization related to freedom of association was conducted, among others, on May 10, 2017 by CID Anja Siais, in Division 3 Block I16 which was attended by 76 participants.

Based on interviews with internal stakeholders of the Serikat Buruh Perkebunan Indonesian (Serbundo), it is known that unions have been ratified on 29 August 2016.

The certificate holder also has a bipartite institution approved by decree of Head of Manpower and Transmigration Office of Social Affairs of South Tapanuli Regency, No. KEP. 560/406/2016, regarding the inauguration and ratification of members of the bipartite cooperation institution in the company, dated March 15, 2016 (valid 2 years), consisting of 12 representatives of employers and 12 employee representatives.

The certificate holder shows the document of Minutes of Bipartite Cooperation Board Meetings on April 28, 2017, attended by 17 meeting participants discussing the proposed price of harvesting and pickers, PPE and entertainment.

6.6.2

The certificate holder represents the document of Minutes of the Bipartite Cooperation Board Meeting on April 28, 2017, attended by 17 meeting participants discussing the proposed price of harvesting and pickers, PPE and entertainment.

Status: Open

6.7

Children are not employed or exploited.

6.7.1

The certificate holder represents the policy on the age requirements of workers listed in article 9 of the Company Regulation for the period 2015 - 2017, the age of retirement is 56 years and the working hours of 7 working hours per day or 40 working hours per week. In addition, the certificate holder also showed Internal Memo General Manager No. 18 / GMO / Siais / IM / III / 2013, dated March 4, 2013 on Ban on Employing Children under 18 years of age.

Based on the results of the Database of employees of PT ANJA Siais June 2017, no workers under 18 years old were found. Based on field observations and interviews with workers in ANJA Siais Mill, Lembah Subur Utara Estate and Lembah Subur Selatan Estate, it is known that no workers are under 18 years of age.

Status: Comply

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.

6.8.1 & 6.8.2

The certificate holder has a policy document on equal opportunity and treatment for employment opportunities listed in Internal Memo GM PT ANJA SIAIS, No 36 / GMO / Siais / IM / V / 2013, on Gender Equality and Anti Discrimination in Employee Reception, 14 May 2013.

Based on the review of Employee Database PT ANJA Siais June 2017 and interviews with workers in mill and estates, it is known that workers come from various tribes, religion, sex and race and never happened discrimination between employees with company.

6.8.3

The certificate holder has a company policy on Guidelines of Admission & Appointment & Mutation / Promotion / Employee Demosion No.018 / HR & GA / CP / 05-2009 which among others explains the selection and acceptance of employees based on the fulfillment of prerequisites eg administration and promotion evaluated directly by the employee's supervisor with evaluation material covering the employee's field of work.

Based on the results of interviews with the harvesters, it is known that the acceptance process begins with the submission of a job application letter by attaching administrative requirements such as self-identity and education history. Then, if declared meet the requirements then performed a medical examination and made a Time Specific Employment Agreement. Performance (work) and absenteeism become the assessment of the supervisor (foreman and assistant), then if it meets the criteria it will be proposed to be permanent employees with issued Letter of Appointment of permanent employees.

Status: Comply

6.9

There is no harassment or abuse in the work place, and reproductive rights are protected.

6.9.1

The certificate holder has a policy to prevent all forms of harassment and sexual violence through Internal Memo General Manager of PT ANJA Siais, no. 43 / GMO / Siais / IM / V / 2013 dated May 30, 2013 on the procedures for the prevention of sexual harassment case and organizational structure of the Committee on Sexual Problem Problems and Schemes of the procedure of settling sexual harassment case of PT ANJA Siais. The latest organizational structure has been established based on Internal Memo from the General Manager dated March 15, 2016. 18 / GMO / Siais / IM / II / 2016.

The Committee on the Control of Sexual Harassment shows a list of training and socialization programs provided to workers including maternal and infant health check-up and socialization of menstruation and maternity leave.

6.9.2

The certificate holder has a policy to protect women's reproductive rights including Internal Memo General Manager No. 63 / GM / srs / 09-2012 on the Protection of Women's Reproductive Rights on September 6, 2012, which includes the prohibition of employing pregnant and lactating women for sprayer and other work related to chemical contamination. In addition, there is also Internal Memo No. 22 / GMO / Siais / IM / VI / 2015 dated June 1, 2015 regarding Menstruate Leave (H1). In the memo mentioned that the company does not require to work to female workers if during the menstrual period of pain on the first day and the second day by notifying the company and evidenced by a certificate from the doctor or head of the estate polyclinic. In Company Regulation article 22 mentioned birth break / miscarriage for women who give birth for 3 months and 1.5 month miscarriage break. One proof of socialization related to the above is shown in the recording of April 30, 2016 which was attended by 30 employees.

Based on interviews with female spraying and fertilizer workers in LSU and LSS estate, and the weighbridge operator at the mill, it is known that female workers have known policies regarding the protection of reproductive rights such as H1 and H2 leave and the prohibition of working on chemicals.

6.9.3

The certificate holder has a special grievance mechanism that respects anonymity and protects that is set out in company regulations of article 48. Then described again in Internal Memo GM No. 77 / GM / srs / 10-2012 on Procedures and Monitoring of Employee Complaint Handling, dated October 11, 2012 and there is a Flowchart handling of employee complaints authorized by GM ANJ Agri Siais and prepared by HRO effective date October 11, 2012.

Based on the results of interviews with representatives of the Committee on the Control of Sexual Issues and Workers Union Representatives and interviews with workers in field, there were no complaints related to harassment or abuse received by workers.

Status: Comply

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

6.10.1 Minor

CH set the price of FFB through commercial Department which were subsequently published and placed / posted on the entrance of Estate and Mill ANJA - Siais. There are also FFB Purchase Affairs procedure (No. Document: Anja - F & A-SOP 07, dated in 2003, Rev. 1 March 2010). Pricing mechanisms for FFB determined internally by Head Office - commercial department. In interviews with the FFB supplier (CSR janji matogu) stated that the price can be determined easily by the supplier, and also does not have any complaints regarding the price set by the company.

6.10.2 Major & 6.10.4 Minor

CH showed documentary proof of FFB payment purchased as examples dated 5 July 2017. The pricing mechanism does not account for the services of an agent / intermediary. Prices were determined considering the market price and the estimated costs. Prices set is included empty bunch so no refund or compensation given to empty fruit bunches. In interviews with the FFB supplier also recognized that the pricing mechanism TBS has been submitted by the company and understand by FFB supplier and no complaints related to the time of payment

6.10.3 Minor

CH showed FFB purchase agreement between the company and the FFB suppliers that specify criteria for FFB, FFB sources not derived from FFB stolen or obtained in violation of the law. The agreement was kept by both parties and from interviews with FFB suppliers acknowledged that the suppliers has to understand the contents of the contract agreement and the contract is fair and transparent for both parties.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Certificate Holder has a local development program contained in the report of Community involvement activities of PT ANJ Agri SIAIS. The document is also attached to the report of the CSR team visit to the surrounding villages with photographs of the implementation. The results of interviews with villagers Binasari and Paraupan known that the company has realized some assistance in accordance with the demand / needs of the village. As for some forms of

assistance as well as contribution to local development in 2017 which is shown in the form of implementation report, and photograph the implementation among others:

- Free community treatment around the plantation
- Incentive of teachers coached by PT ANJ
- Contribution of religious events
- Road repair at laba Lasiak alley
- Student scholarship
- etc

6.11.2

There is no smallholder scheme at PT ANJA Siais. Cooperation in the form of plasma farmers managed by company (Binasari cooperatives) - is the concept of conflict resolution.

Status: Comply	
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6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2 & 6.12.3

The certificate holder has an employee recruitment policy that clearly does not support forced labor or human trafficking in the company's policy of Employee Admission Guidance No.018 / HR & GA / CP / 05-2009.

The type of work has been described on the letter of agreement of each worker. Based on employee lists and interviews with employees and surrounding communities unidentified foreign workers, migrants, forced labor or labor trade.

Based on the results of document review and interviews with workers in the field, both maintenance workers and harvests at LSU Estate and LSS Estate, it is known that the company has implemented payroll in accordance with applicable regulations, there is no breach of payment related to wages and force the work. Payment of harvested wages is adjusted to the results of work, the achievement of tonnage targets and the provision of overtarget premiums if exceeded the target.

Based on the result of document review of Contract Work Agreement, there is no indication of forced labor. The letter of agreement has made it clear that if the worker wants a termination / resignation before the employment agreement expires then the first party (the company) is not obligated to provide any compensation fees and no financial penalties. Based on the results of field observation and interviews with workers at LSU Estate and LSE Estate and ANJA Siais Mill, it is known that there is no indication of it.

Status: Comply	
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6.13

Growers and millers respect human rights

6.13.1

The certificate holder has a policy to respect the human rights listed in Internal Memo dated June 2, 2015, ref. No 23 / GMO / Siais / IM / VI / 2015 on the Protection of Human Rights, signed by the General Manager. Internal memos include explaining that the company protects the rights or basic principles of workers and families within the corporate environment. The certificate holder has socialized the policy on 26 April 2017 attended by 83 workers. Socialization is related to human rights policy, freedom of association, complaints of employees, policy of sexual harassment committee, does not employ minors and other HR policies.

Based on interviews with workers in both the estates and the mill, it is known that the workers have been informed about the human rights policy and stated that there are no cases of human rights violations.

Status: Comply	
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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.

7.1.1; 7.1.2 & 7.1.3

Based on documents verification, field observation and interview with stakeholders known that since previous surveillance to ASA 3, PT ANJ Agri Siais did not expand or conduct new planting.

Status: Comply

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.

7.2.1; 7.2.2

There is no new planting in ANJA Siais. Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation has been taken in 2007. This result are taken into account in plans and operations upto 1 cycle palm oil crops.

Status: Comply

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.

7.3.1; 7.3.2

Disclosure of Liability for ANJ Agri has been submitted to the RSPO on 16th July 2014. LUCA has been submitted on 24th August 2015. RaCP for ANJA Siais unit has been submitted to the RSPO and according to email from RSPO Compensation dated 25th July 2017, clearly mentioned that LUCA still ongoing review process with RSPO. Since this is a certified unit and the company has shown a commitment to complete the RaCP, the certification process can be continued.

7.3.3

As the evidence that CH implementing Zero Burning policy during Land Clearing was recorded in "Berita Acara Pemeriksaan Hasil Pekerjaan Period 25 Juli – 25 Agustus 2008, No. 148/BAPP/OPM/VIII-2008". Type of activity is under brushing in Block G.43; G.44; H.43; H.44 with total area 52.86 Ha.

7.3.4; 7.3.5

Regarding HCV, please refer to Criteria 5.2

Up date information of RACP approval process (OFI)

7.3 Status: Opportunity for Improvement

7.4

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

7.4.1; 7.4.2

Maps of fragile soils in the CH are available, namely "Peta Lahan Marginal PT. ANJA Siais Skala 1:65,000". This map describing type of marginal soils that consist of Peat soil, Lateric soil, Acid sulphate soil, Sandy soil, Saline soil and Kaolin soil. Siais plantation majority categorize as Peat soil. Also, the CH has slope class level as follow:

Kelas Kelerengan	Luas (Ha)	%
0 - 8%	7.824,19	81,17%
8 - 15%	40,33	0,42%
25 - 40%	220,30	2,29%
> 40%	1.554,18	16,12%
Total	9.639,00	100%

A management strategy for plantings in peatland using water drainage and always monitored through subsidence level. While, the CH also has procedure for planting in slope area and its covered within "SOP Penanaman Kelapa Sawit ANJA Group (SOP-AGR-09, 01.Rev.04, 1 April 2016) Hal. 7 tentang Pemancangan Terasan: Pembuatan Terasering (terracing) untuk Lahan Miring < 40%. However, eventhough the CH has 16.12% area with slope > 40%, there is no plantings within. That area is preserved for conservation area and not planted at all.

Subsidence of peat soils has been monitored in "Data Penurunan Laju Subsidence PT. ANJ AGRISIAIS period 2015 upto

2017. The result of peat soils subsidence has been minimized, it was clearly measures within last 3 years. Average of subsidence per year is: 2015 (5.9 cm/yr); 2016 (1.26 cm/yr); 2017 (0.35 cm/yr).

Year of planting for oil palm planted in ANJA Sia's plantation is 2005, 2006, 2007, 2008 and 2009. Therefore no replanting program/activities were applied, so that drainability assessment was not yet required to conduct.

Status: Comply

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.

7.5.1 major

Based on documents verification, field observation and interview with stakeholders known that since previous surveillance to ASA 3, PT ANJ Agri Sia's did not expand or conduct new planting.

Status: Comply

7.6

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

7.6.1 Major, 7.6.2 Major, 7.6.3 Major, 7.6.4 Minor, 7.6.5 Minor & 7.6.6 Minor

Based on documents verification, field observation and interview with stakeholders known that since previous surveillance to ASA 3, PT ANJ Agri Sia's did not expand or conduct new planting.

Status: Comply

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.

7.7.1

As a commitment to implement zero burning, the CH has had SOP Land Clearing with Zero Burning (No. Dok: SOP-OPR-003, Rev.01, dated 28 January 2005) and Environmental Policy on March 2015.

7.7.2

As the evidence that CH implementing Zero Burning policy during Land Clearing was recorded in "Berita Acara Pemeriksaan Hasil Pekerjaan Period 25 Juli – 25 Agustus 2008, No. 148/BAPP/OPM/VIII-2008". Type of activity is under brushing in Block G.43; G.44; H.43; H.44 with total area 52.86 Ha.

Status: Comply

7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

7.8.1; 7.8.2

Based on documents verification, field observation and interview with stakeholders known that since previous surveillance to ASA 3, PT ANJ Agri Sia's did not expand or conduct new planting.

Status: Comply

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.

8.1.1

The certification unit shows documents resulting from the implementation of continuous improvement / improvement of the business, such as RSPO Internal Audit Result Report Document PT. ANJA Sia's, conducted on 29 May - 2 June 2017. Based on the results of the internal audit, found 11 non-conformities identified. The management unit has made

improvements to all findings, such as June 15, 2017 related to the findings of Indicator 4.7.2 regarding the APAR in the engine house Division 6, the pressure conditions are in the red line, but in written monitoring good condition and dynamo condition of electric generator machine in Division 6 is not closed. The unit has shown improvement to the internal audit team in the form of training to the responsible officer.

However, based on the results of the auditor team's assessment on the Surveillance-3 assessment, it is known that the certificate holder has not been able to demonstrate a commitment to continuous improvement overall with the recurrence of RSPO ASA 2 non-compliance that appears on the same indicator (indicator 4.7.3, 5.3.3 and 6.5 .2). This becomes **Non-Conformity No.2017.7.**

8.1.1	Status: Nonconformity No. 2017.7 with Major category	Open
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3.2 Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Based on the result of documents verification and field observation at the factory, it is known that PT. ANJ Agri Siais POM is using RSPO supply chain mass balance module (E) because CH still receives uncertified FFB from communities.</p>
	Status: Comply
E.2	Explanation

E.2.1

The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.

The estimate tonnage in periode of 25 September 2016 – 24 September 2017:

- CPO: 45,821 ton
- PK: 9,164 ton
- FFB: 203,648 ton

Actual periode 25 September 2016 – 11 Juli 2017:

- CPO: 31,566 ton
- PK: 6,679 ton
- FFB: 138,615 ton

Status: Comply

E.2.2

The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

CH meet all registration and reporting requirments for appropriate supply chain:

- RSPO IT Platform member registration number: RSPO_PO1000001992

There is no CPO certified selling physically. CH sold on book and claim

- **Certified CPO sold to each buyer period of 25 September 2016 – 11 Juli 2017**

Date	Buyer	Volume
8 Mei 2017	Salim Lim	10,000
10 Juli 2017	Salim Lim	10,000
Total		20,000

- **Certified Palm Kernel sold to each buyer period of 25 September 2016 – 11 Juli 2017**

Date	Buyer	Volume
16 February 2017	Mandau Kernel Crushing Plant	399.93
16 February 2017	Mandau Kernel Crushing Plant	399.67
16 January 2017	Mandau Kernel Crushing Plant	399.33
7 December 2016	Mandau Kernel Crushing Plant	299.82
7 December 2016	Mandau Kernel Crushing Plant	299.59
Total		1798.34

Status: Comply

E.3

Documented procedures

E.3.1

The site 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:

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;
- 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 site procedures for the implementation of this standard.

ANJ Agri Siais POM has had SOP of Mass Balance which described the duties and responsibilities of each part; determination of supply chain format compilation, procedure to deal with overproduction. The results of interviews with security and the weightbrige operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS.

	Status: Comply			
E.3.2				
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.				
ANJ Agri Siais POM has had SOP of Mass Balance, among others, described about the process of FFB reception from the supplier. The results of field visits and document review showed that the FFB received by the mill comes from the estate that has been certified with RSPO and the estate that has not been certified with RSPO. To find the source of FFB comes from the estate that has been certified with RSPO and then it's labeled on the Delivery Order Letter in the form of RSPO stamp.				
	Status: Comply			
E.4	Purchasing and goods in			
E.4.1				
The site shall verify and document the volumes of certified and non-certified FFBs received.				
Certified and non-certified FFB received period of 25 September 2016 – 11 Juli 2017				
	Month	FFB		
		RSPO Certified	Non Certified	Total
	25 – 3 September 2016	2,659.32	974.59	3,633.91
	October 2016	14,568.06	5,822.58	20,390.64
	November 2016	12,966.66	5,733.53	18,700.19
	December 2016	11,867.05	5,180.13	17,047.18
	January 2017	13,604.400	4,962.546	18,566.946
	February 2017	14,819.940	3,962.460	18,782.400
	March 2017	17,992.320	4,738.630	22,730.950
	April 2017	8,906.140	4,768.130	13,674.270
	May 2017	18,362.190	3,300.480	21,662.670
	June 2017	14,309.580	4,765.535	19,075.115
	1 – 11 July 2017	7,574.950	3,703.861	11,278.811
	Status: Comply			
E.4.2				
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.				
Estimation on Period 25 September 2016 – 24 September 2017:				
- CPO: 45,821 ton				
- PK: 9,164 ton				
Actual period 25 September 2016 – 11 Juli 2017 Still appropriate and not past the estimate::				
- CPO: 31,566 ton				
- PK: 6,679 ton				
However, based on estimation period 25 September 2015 – 24 September 2016:				
- CPO: 43,002 ton				
- PK: 7,818 ton				
Actual production in this period is over produced:				
- CPO: 42,426.12 ton				
- PK: 8,854.13 ton				
Based on the description, there are known an over production of CPO and PK certified for the period of 25 September 2015 – 24 September 2016, but the company has not shown the report to CB related to the over production. NC 2017.8				
	Status: Non-compliance with Major category			

E.5 Record keeping
E.5.1

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK 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 site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

CH records and balances all the acceptable FFB and CPO and PK receipts. During the 25 September 2016 – 24 September 2017 licensing period, CH did not conduct physical sales of CPO and PK certified. Below are CPO and PK shipping data

Period	CPO Production			Despatch CPO		
	Cert	Non	Total	Cert	Non	Total
25-30 Sept 2016	594.20	217.89	811.78	-	1,076.03	1,076.03
Oct 2016	3,129.63	1,250.85	4,380.49	-	4,383.53	4,383.53
Nov 2016	2,712.12	1,199.23	3,911.36	-	3,607.01	3,607.01
Dec 2016	2,438.48	1,064.43	3,502.92	-	3,623.34	3,623.34
Jan 2017	2,736.604	1,071.033	3,900.091	-	4,124.000	4,124.000
Feb 2017	3,259.664	897.416	4,156.117	-	4,086.020	4,086.020
Mar 2017	4,162.315	1,096.227	5,258.542	-	1,104.983	1,104.983
Apr 2017	3,421.642	1,831.864	5,253.506	-	1,849.886	1,849.886
May 2017	4,190.520	753.218	4,943.737	-	777.141	777.141
June 2017	3,236.539	1,077.868	4,314.408	-	1,071.623	1,071.623
1-11 Juli 2017	1,683.957	823.391	2,507.348	-	2,456.270	2,456.270
	31,565.68	11,283.42	42,940.29	-	28,159.83	28,159.83

Period	PK Production			Despatch PK		
	Cert	Non	Total	Cert	Non	Total
25-30 Sept 2016	123.21	43.76	166.97	-	153.85	153.85
Oct 2016	663.41	265.15	928.56	-	797.29	797.29
Nov 2016	582.58	257.60	840.18	-	857.00	900.21
Dec 2016	517.05	225.70	742.75	-	824.92	824.92
Jan 2017	608.26	221.88	830.14	-	742.98	742.98
Feb 2017	709.79	189.78	899.57	-	193.86	193.86
Mar 2017	861.38	226.86	1,088.24	-	228.24	228.24
Apr 2017	720.33	385.65	1,105.98	-	389.79	389.79
May 2017	843.77	151.66	995.43	-	158.20	158.20
June 2017	678.18	225.85	904.03	-	225.38	225.38
1-11 Juli 2017	371.14	172.09	543.23	-	563.07	563.07
	6,679	2,366	9,045		2,501.524	2,501.524

Status: Comply
E.5.2

In cases where a mill outsources activities to an independent (not owned by the same organization) 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.

ANJ Agri Siais POM does not perform activities of palm kernel crushing to the independent palm kernel crushers.

Status: Comply

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-3	PT ANJA Siais has logo and certificate approval/permit from MUTU	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-3	The Company does not use the logo on-product and off-product in the scope of PT ANJA Siais	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-3	The Company does not use the logo on-product and off-product in the scope of PT ANJA Siais	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-3	The Company does not use the logo on-product and off-product in the scope of PT ANJA Siais	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of ANJA against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

ANJA Time Bound Plan (TBP) is explaining in table section 1. ANJA has run four (4) mills and seven (7) management unit Estates in Indonesia. All mills and estates are operated in Indonesia. ANJA has informed the TBP progress through head office in Indonesia.

MUTU has verified partial certification for un-certified unit's subsidiary of ANJA based on their Time Bound Plan. . There are three (3) uncertified management unit of ANJA. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company statement : The company are already doing internal audits.</p> <p>Auditor verification:</p> <ul style="list-style-type: none"> • PT Kayung Agro Lestari has been conducted initial assessment on September 2016 • Internal Audit for PT Putera Manunggal Perkasa and PT Permata Putera Mandiri has been conducted on September 2015.
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p>Auditor Verification : ANJA and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 24, 2015. The validation progress of Remediation and Compensation Plan (RaCP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP Procedure will be observed again on the next visit audit.</p>
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>company statement: NPP has been applied</p> <p>Auditor Verification :</p> <ul style="list-style-type: none"> • PT Galempa Sejahtera Bersama, NPP date of notification on May 2, 2014

		<ul style="list-style-type: none"> PT Putra Manunggal Perkasa, NPP date of notification on 24 July 2014 PT Permata Putra Mandiri, NPP date of notification on September 29, 2014
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p>Auditor verification : The company has had a mechanism for addressing land conflicts, described in the SOP of Handling Differences Opinion with the Community and Dispute Tenure (SOP-Leg-03, Issue 01, dated 1 September 2015),</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company statement: There is no labour disputes</p> <p>Auditor verification : The company has a mechanism for grievance described in SOP Handling of Differences of Opinion with Public and Land Dispute (Document No. SOP-EAD-01; Issue 01/00) dated August 1, 2013. A policy related to confidentiality of informant (whistle-blower) regulated in the SOP of Communication and Provision Information (Document No. SOP-Leg-02, Issue 01/04, dated 1 September 2015), it's mentioned in the section 6 of tis SOP. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company statement: All legal requirement for palm oil plantation has been comply</p> <p>Auditor verification : PT Kayung Agro Lestari</p> <ul style="list-style-type: none"> Ketapang Regent Decree No. 103 year of 2004 (26 April 2004) concerning of location permit for Oil Palm Plantation Development Purposes of ± 29,400 ha and Ketapang Regent amendment by decree No. 116 year of 2007 (March 22, 2007) on location permit changes to 20,000 Ha Issued by Ministry of Forestry through Ministerial Decree No.: SK.643 / Menhut-II / 2009 (October 13, 2009) on release of Production Forest Convertible Area of 17986.90 ha West Kalimantan Governor Decree No.: 123/BLHD/2010 on the environmental feasibility of plantation activities (total area 18754.9 hectares) and palm oil processing mill (capacity of 85 ton FFB/hour) The total area of 10,920.36 ha, based on Decree No. 33/HGU/BPN.RI/2014, dated February 4, 2014

		<ul style="list-style-type: none"> Buildings Use Title (HGB) for mill, offices, housing and other facilities, based on National Land Agency (BPN) decree No.: 1/HGB/KEM-ATR/BPN/2016 <p>PT Galempa Sejahtera Bersama</p> <ul style="list-style-type: none"> Status of PT GSB based on Forest Area Indicated (TGHK) is Non Forest Designated Area (Area Penggunaan Lain) Location Permit No. 525/535/KEP/HUTBUNTAMBEN/2012, 20 April 2012 Plantation Permit No. 525/423/KEP/HUTBUNTAMBEN/2013, 08 May 2013 Environment Permit No. 211, 2013, dated 06 May 2013 SEIA No. 210, 2013, dated 1 May 2013 <p>PT Putera Manunggal Perkasa</p> <ul style="list-style-type: none"> Location Permit No. 522/30/II/2011, dated 09 February 2011. Total area \pm 22,195.28 Ha Change Location Permit No. No. 522.2-6/206/10/2012, dated 12 October 2012. Total area \pm 22,195.28 Ha Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.606/MENHUT-II/2012, dated 31 October 2012 Plantation Business Permit, According to West Papua Governor Decree No. 525/90/V/2011, dated 10 May 2011 for 25,159 Ha and 60 Ton FFB/Hours plant. Adjustment of plantation area According to West Papua Governor Decree No. 525/584/GPB/2013, dated 30 April 2013 for 23,424.38 Ha and 60 Ton FFB/Hours plant <p>PT Putra Permata Mandiri</p> <ul style="list-style-type: none"> Location Permit No. 83/2010, dated 30 April 2010. Total area \pm 40,000 Ha Change Location Permit No. 522.2/118/BSS/August Tahun 2010, dated 11 August 2010. Total area \pm 40,000 Ha Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.731/MENHUT-II/2011, dated 21 December 2011 Plantation Business Permit, According to West Papua Governor Decree No. 95 tahun 2010, dated 28 June 2010 for 40,000 Ha and 3 x 60 Ton FFB/Hours plant. Cadastral map from National Land Body of Republic Indonesia No. 021-33.05-2014, dated 26 March 2014 for 32,025.14 Ha
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1.4 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2016.1	1.1.1	<p>Providing adequate information on issues relevant to RSPO Criteria to stakeholders</p> <p>Not yet available evidence of providing adequate information on issues relevant to RSPO Criteria to stakeholders.</p>	PT ANJ Agri Siais	Minor	ASA - 3	The company shall provide adequate information on issues relevant to RSPO Criteria to stakeholders	<p>Root cause: The Company have not yet submitted information regarding the use of the concession to the relevant agencies.</p> <p>Corrective action (+evidence) 24 August 2016 The Company has submitted a report related to the utilization of the concession to the National Land Agency (BPN) on 1 August 2016.</p> <p>Preventive action: Legal department added HGU reporting to the relevant agencies in monitoring external report</p> <p>Auditor conclusion: 24 August 2016 The Company showed a letter to BPN associated with reports of the use of the concession and has been accepted by the BPN province of North Sumatra on 3 August 2016.</p> <p>Based on the corrective action, NC</p>	Closed	24 August 2016

SPO – 4006a.7 (August 2016)

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							No. 2016.1 is closed		
2016.2	4.1.4	Traceability of third party FFB The company could not show SOP for third-party FFB sourcing.	PT ANJ Agri Siais	Major	21 Septemb er 2016	The company should provide SOP for third-party FFB sourcing	Root cause: The Company do not have procedures which regulates FFB supplier selection. Corrective action (+evidence) 24 August 2016 The company has made the procedures which regulates the selection of the FFB supplier contained in SOP of requirements into FFB supplier (ANJA-F & A-SOP31) Preventive action: The company ensures implement of procedures that regulate the selection of the FFB supplier. Auditor conclusion: 24 August 2016 Procedure requirements into FFB supplier (ANJA - F & A - SOP 31) on 2016 which explains the head of sales and commercial department ensure that the FFB supplier which accepted must meet requirements such as FFB comes from sources	Closed	24 August 2016

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							that can be accounted for. Based on the corrective action, NC No. 2016.2 is closed		
2016.3	4.6.1	Justification of all pesticides used The company could not show the procedure of procurement of pesticides used.	PT ANJ Agri Siais	Major	21 Septemb er 2016	The company should provide the procedure of procurement of pesticides used.	Root cause: The company could not show the procurement procedures of pesticides used. Corrective action (+evidence) 24 August 2016 The company has made the procedures of procurement of pesticides that explained in Internal Memo No. 43 / GMO / Siais / IM / VIII / 2016 on 1 August 2016. Preventive action: Purchasing Officer Company through monitoring of pesticides used in accordance with applicable regulations. Auditor conclusion: 24 August 2016 The Company has demonstrated an internal memo which regulates the procurement of pesticides. Based on the document noted that: <ul style="list-style-type: none"> • The pesticide used on the 	Closed	24 August 2016

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>recommendation of agronomy / Research and Development Department</p> <ul style="list-style-type: none"> Pesticides used should be listed in the registration book of agriculture and forestry pesticides. If permission list / distribution of pesticides expires, the supplier can demonstrate the process to obtain a license extension. Purchasing officer is obliged to monitor the chemicals used each year and if there new pesticides to be used. <p>Based on the corrective action, NC No. 2016.3 is closed</p>		
2016.4	4.7.3	PPE Provision Based on verification of PPE Facility procedure No. CP-HR&GA-027 known that PPF provided by company, if damage occurs before the lifetime, employee must repair or replace the APD worth remainder of the age of the APD price. The procedure is not able to ensure the	PT ANJ Agri Siais	Major	21 Septemb er 2016	The company should provide procedure and implementation PPE provision to workers and PPE provision if damage, include the use of PPE for contractors who work in the company's operation area.	Root cause: <ul style="list-style-type: none"> The company has not provided PPE (boots) for workers. The Company has not been able to show the rules for use of PPE to the CPO transporter. Corrective action (+evidence) 24 August 2016 <ul style="list-style-type: none"> The company provides 	Closed	8 September 2016

SPO – 4006a.7 (August 2016)

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<p>provision of safety equipment to employees if it is damaged, including not been set related to the use of safety equipment in the workplace companies by workers CPO contractors such as transport workers.</p> <p>According to interviews with the harvest workers, fertilizer, spraying and pest officers stated that they did not get safety equipment (shoes) from the company. The management also can not show evidence has provided footwear PPE to employees are concerned, where as the use of shoes safety procedure No.SOP SOP - EHS - 016 set that footwear PPE provided by the company.</p>					<p>footwear PPE for workers.</p> <ul style="list-style-type: none"> The Company has an obligation to use PPE for contractors of Transport CPO that set out in the Safety Manual Operations are Palm Oil (MAN-EHS-003) and has been disseminated to the contractor. <p>Preventive action:</p> <ul style="list-style-type: none"> The company ensures employees acquire PPE provided by the company. Manager Estate & EHS Officer responsible for it. Company ensures transporter that working in the area of companies using PPE. HRD and security responsible for it. <p>Auditor conclusion: 24 August 2016 The Company showed manual for safety operation of the POM (Doc No. Man-EHS-003) for all contractors, guests, employees etc. who entered the mill area should use PPE and follow the rules of safety of the company.</p>		

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>The Company showed evidence of socialization dated 1 August 2016 to the driver of CPO and kernel related to the use of PPE and safety SOP.</p> <p>Based on the explanations above, has not been demonstrated:</p> <ul style="list-style-type: none"> • Mechanism for the provision of PPE to employees and ensure the provision of PPE if damaged. • Proof of PPE (shoes) handover have been distributed to employees. <p>Therefore NC No. 2016.4 not yet closed.</p> <p>2 September 2016</p> <p>The Company showed evidence handover APD boots examples dated 29 August 2016 received directly by employees.</p> <p>Company shows work instruction for PPE Facilities and Work Equipment (WI) document No. IK-CP-HR & QA-027-01 is valid from 1</p>		

SPO – 4006a.7 (August 2016)

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>August 2016. WI mention a few things such as:</p> <ul style="list-style-type: none"> • In Chapter II (definition and limitation) No. 3 that: "The company provides PPE free basis to workers based on hazards and risks in the workplace". • In Chapter III (Procedure) No. 2, namely "... If the PPE is damaged before the lifetime expires, the worker is responsible for repairing or replacing the PPE worth of the rest of lifetime of the PPE price ..." • In Chapter III (Procedure) No. 4, namely: "... If there is PPE damage so the employee reports to the Estate Manager to do the analysis of the causes of damage then create a replacement order to logistis ..." <p>From some point in WI, it remains unclear related to replacement mechanism if the PPE is damaged through no fault of the worker, so in this case the management unit can</p>		

SPO – 4006a.7 (August 2016)

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>not guarantee that the PPE provided to employees free basis if it is broken. So NC No. 2016.4 not yet closed.</p> <p>8 September 2016 Company shows WI for PPE Facilities and Work Equipment document No. IK-CP-HR & QA-027-01 apply from 1 September 2016. In the WI mention The company provides PPE free basis. Equipment damage due to the use of appropriate functions and purposes, the company will provide a replacement PPE, but if the damage is due to negligence and irregularities so the labor require to replace it.</p> <p>Based on the corrective action, NC No. 2016.4 is closed</p>		
2016.5	5.3.3	<p>Waste management by responsibly</p> <p>Field visit in housing shows that ex chemical containers used to trash can. Based on document review and interview is known that the ex</p>	PT ANJ Agri Siais	Minor	ASA-3	The company should provide system to manage utilization and procurement for material categorized as hazardous waste	<p>Root cause: Companies do not have a system that regulates procurement of hazardous waste category (eg, trash receptacles found derived from used packaging agrochemicals)</p>	Closed	24 August 2016

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<p>chemical containers purchased from outside.</p> <p>Companies already have mechanism for hazardous waste management, but the procedure for utilization and procurement for material categorized as hazardous waste still not available.</p>					<p>Corrective action (+evidence) 24 August 2016 The company has had SOPs set Hazardous Waste Management (SOP-EHS-009) which states that the prohibition of using the ex pesticide containers to hold water or other purposes, including the use of bins and flowerpots.</p> <p>Preventive action: The company carries out monitoring of the material used as the trash does not come from hazardous waste material.</p> <p>Auditor conclusion: 24 August 2016 The company has had SOPs set Hazardous Waste Management (SOP-EHS-009) which states that the prohibition of using the ex pesticide containers to hold water or other purposes, including the use of bins and flowerpots.</p> <p>Based on the corrective action, NC No. 2016.5 is closed</p>		

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2016.6	6.5.2	Work agreement In interviews with the harvester during field visits and interviews with management recognized that there is a system called "family gang" in which the harvester to take his wife as a harvester helper but they do not have a written employment relationship with the company. This system is also shown by the internal memo General Manager No. 38 / GMO / Siais / IM / VII / 2016 dated 10 June 2016. In this case there are workers who work for companies without letters agreement.	Estate	Major	21 Septemb er 2016	The company should provide work agreement to each workers who work for companies.	Root cause: The company run family system in harvest activity where harvest helper have not had labor relations with the company. Corrective action (+evidence) 24 August 2016 The company makes systems where harvest helper must have a written employment relationship with the company that set out in Internal Memo No. 46 / GMO / Siais / IM / VIII / 2016 concerning Mechanism Family Gang as Harvest Helper issued on 22 August 2016. Preventive action: Harvest helper that employed must have a contract with the company. Auditor conclusion: 24 August 2016 The company makes systems where harvest helper must have a written employment relationship with the company that set out in Internal Memo No. 46 / GMO / Siais / IM / VIII / 2016 concerning	Closed with observati on	24 Agustus 2016

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2

No.	Ref Std/ Indikator	Nonconformity	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>Mechanism Family Gang as Harvest Helper issued on 22 August 2016. it will be observed again when the next surveillance for other harvest helpers in overall.</p> <p>Based on the corrective action, NC No. 2016.6 is closed with observation</p>		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-3

NCR No.	: 2017.1	Issued by	: Leonada
Date Issued	: 14 July 2017	Time Limit	: ASA 4
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<ul style="list-style-type: none"> - Based on the result of field visit on the HGU stake No. 064 block G48 LSS Estate indicated the existence of planting area beyond the legal limit. In this case the company has not been able to show proof to ensure the area of governance in accordance with the right of land use legally. - Based on monitoring care of HGU stakes in the second semester of 2016 and first semester of 2017, it is known that all the stakes are in good condition and well maintained. However, based on the results of field visits at the point of HGU stakes No.065 block G48 LSS Estate are not found The stake 			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2017.2	Issued by	: Afiffuddin
Date Issued	: 14 July 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	: 8 September 2017
Standard Ref. & Requirement	4.6.11 A record of annual health examination results for the operator and evidence of follow-up to the results of the examination should be available.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<p>Based on interviews with a sample of pesticide operators (4 CPT sprayers and 1 insecticide sprayer) in the Division 6 of Lembah Subur Selatan Estate, it is known that there are 3 pesticide operators who claimed to have not received regular health checks. Meanwhile, based on document verification, there are still 1 pesticide operator that has not received medical examination.</p> <p>In this case, the certificate holder has not presented evidence of recording of annual health examination results for all pesticide operators and evidence of follow-up to the results of the examination.</p>			
Root Cause Analysis (filled by organization audited):			

There is not yet an introductory letter from the Estate that lists the names of employees of chemical applicators who will follow the medical examination so that the polyclinic can not ensure that all employees of employees who use chemicals have been examined health.

Correction *(filled by organization audited):*

Polyclinic PT. ANJ Agri Siais has conducted health checks to employees who work using chemicals that have not done a health check. The number of LSS Estate employees conducted by periodical inspection in June 2017 was 46 employees and in July 2017 there were 68 employees and the total of LSS Estate was 114 employees (Annex 2.3 & Annex 2.2).

Corrective Action *(filled by organization audited):*

1. Polyclinic PT. ANJ Agri Siais has developed a periodic health examination work program for employees working on chemicals in the Polyclinic Work Program.
2. The company has listed a list of employees working on chemicals to ensure that all workers using chemicals have a medical examination.
3. The company has listed list of employees working on chemicals to ensure that all workers using chemicals have health check up and currently there are 48 Employee Spraying LSS employees, Fertilizer Employees 43 employees and 23 employees of total employees 114 employees. (Annex 2.4).

Assessor Evaluation and Conclusion *(filled by auditor):*

Verification on 22 August 2017

PT ANJ Agri Siais has presented evidence of improvement, as follows:

- Polyclinic work program of PT. ANJ Agri Siasi July 2017, which states that periodic health checks for pesticide operators are conducted twice a year
- Regular Health Check of LSS Estate July 2017 against 68 workers

Based on the evidence presented and the root cause analysis of the problem and the corrective action sent, there are still some things that require further explanation and evidence to be submitted. So this indicator is still not comply (**Open**).

Verification on 8 September 2017

PT ANJ Agri Siais has presented evidence of improvement, as follows:

- Recapitulation of Employee Health Check of LSS Estate Pesticide Applicator of 2017 which describes result of health examination of 46 pesticide operators and recommendation of doctor of company.
- List of Pesticide Operators LSS Estate 2017 as of July 2017

Based on the evidence presented, the root cause analysis and the corrective action submitted, then the non-conformity No.2017.2 is declared as being **closed**.

Verified by : **Afifudin**

NCR No.	2017.3	Issued by	Afiffuddin
Date Issued	14 July 2017	Time Limit	12 September 2017
NC Grade	Major	Date of Closing	11 September 2017

Standard Ref. & Requirement	4.7.3 Records of Safety and Health (OHS) program training (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis should be available to all workers.
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i></p> <p>Based on the results of the study of PPE handover documents at LSU Estate, LSS Estate and ANJA Siais Mill, it is known that the company has provided PPE to workers, such as harvest workers, fertilizers and sorting workers. However, there is a non conformities in the form of:</p> <ul style="list-style-type: none"> Based on field observations and interviews with workers on fertilization activities at LSU and LSS estates, it is known that the PPE workers provided by the company are masks, shoes, gloves and glasses. While on the HIRA Estate document review, it is known that PPE fertilizers are shoes, masks, gloves, long sleeves and trousers. PPE spray team in LSS Estate block L41 Division 6 is not in accordance with Work Instruction document on personal protective equipment and tools, document number IK-CP-HR & QA-027-01, for example work clothes. Field observation at LSU Estate (3 of 5 harvests, 2 of 8 manual weeding workers, 2 of 9 fertilizers) and LSS Estate (3 of 6 harvests, 2 of 7 fertilizers) were found damaged shoe PPE. This is not yet in accordance with Working Facilities Instructions for Personal Protective Equipment and Work Equipment (IK-CP-HR & QA-027-01, revision 02). 	
<p>Root Cause Analysis <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> Lack of understanding of Estate Staff regarding HIRA / PPE Matrix 2017. Lack of maintenance of PPE used by employees. Employees still use personal clothing brought from home. 	
<p>Correction <i>(filled by organization audited):</i></p> <p>3.1 Provide Long Sleeves and Trousers for Fertilizer a). The Company has provided PPE in the form of long sleeves and trousers to the fertilizer employees in accordance with the evidence in Appendix 3.1.1 Letter of Introduction of Long Sleeve T-shirt and Training Pants for Fertilizer b). The Company has provided PPE Long Sleeve T-shirt and Training Pants to the fertilizer employee in accordance with the evidence in Appendix 3.1.2 Receipt Evidence Long Sleeve Shirt and Training Trousers.</p> <p>3.2 Providing Cuff To Pesticide Applicator a). The Company has provided cuffs for pesticide operators in accordance with the evidence in Appendix 3.2.1 Letter of Introduction to Custody Purchases for Pesticide Operators b). The Company has performed the handover of the cuff to the spray employees in accordance with the evidence in Appendix 3.2.2 The cuff transfer receipt.</p> <p>3.3 Provide Boot Shoes To Employees who have Damaged PPE a). The Company has provided boots for employees in accordance with the evidence in Appendix 3.3.1 purchase letters of boots. b). The Company has provided the boots to employees according to the evidence in Appendix 3.3.2 of the handover of the boots.</p> <p>3.4 The company has socialized to the employees that the PPE is to be used when working in accordance with the type of work and requested the employee to care for the PPE in accordance with Internal memo, number 36 / GMO / Siais / IM / VII / 2017. (Appendix 7.2)</p> <p>3.5 The company conducts monthly PPE monitoring with evidence of PPE Monitoring (fertilizer) Division 8 in July 2017, PPE Monitoring (harvesting, maintenance, spraying) Division 1 in July 2017.</p>	

Corrective Action *(filled by organization audited):*

3.1 c). To ensure consistency of the use of PPE to fertilizer employees, conducted by monitoring monthly as evidenced in Annex 3.1.3 Monitoring PPE of fertilizer employees

3.2 c). To ensure consistency of PPE use in pesticide operators, conducted by monthly monitoring as evidenced in Annex 3.2.3 Monitoring PPE of pesticide operators.

1. To ensure consistency of use and the conditions of PPE on employees, conducted by monitoring monthly as evidenced in Annex 3.1.3 & 3.2.3 Monitoring PPE employees.
2. Conducted training understanding of HIRA / Matrix APD to Estate Staff on August 31, 2017 to improve understanding related to the standard types of PPE used. (Annex 3.4)
3. Published Internal Memorandum No. 36 / GMO / Siais / IM / VII / 2017 on Sustainable Improvement Commitment Implementation of Use of PPE, Waste Management of Hazardous and Toxic Material and Handling of Helper Harvest where point 1 is submitted that employees are required to use and care for PPE in accordance with the type of work and EHS Officer are required to report to GM each month as a basis for taking action and decisions. (Appendix 7.1)
4. Socialization of Internal Memorandum No. 36 / GMO / Siais / IM / VII / 2017 to employees on August 31, 2017. (Appendix 7.2)
5. To anticipate the use of PPE that is used for other needs outside of work, the company has to socialize to employees that the PPE to be used when working in accordance with the type of work and asked employees to care for PPE in accordance with the Internal memo. 36 / GMO / Siais / IM / VII / 2017 (Annex 7.2) and the company conducts monthly PPE monitoring with evidence of PPE Monitoring (fertilizer) Division 8 in July 2017, PPE Monitoring (harvesting, maintenance, spraying) Division 1 in July 2017.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 26 Agustus 2017

PT ANJA Siais has presented evidence of improvement, as follows:

- Monitoring PPE (harvest, maintenance, spraying) Division 1 in July 2017
- Monitoring PPE (fertilizer) Division 8 in July 2017
- Purchase Letters (188 sets), Long Sleeves (117 pc) and Training Trousers (117 pc) on August 15, 2017
- Documentation of PPE Use Fertilizer and Sprayer on August 22, 2017
- Document the handover of PPE APD fertilizer and sprayer :
 - Division 1 (4 pairs of cuffs, 11 pairs of pairs of clothing and pants)
 - Division 2 (6 pairs of cuffs, 10 pairs of pairs of clothing and pants)
 - Division 4 (7 pairs of cuffs, 10 pairs of pairs of clothing and pants)
 - Division 5 (6 pairs of cuffs, 10 pairs of pairs of clothing and pants)
 - Division 6 (14 pairs of cuffs, 9 pairs of pairs of clothing and pants)
 - Division 7 (11 pairs of cuffs, 8 pairs of pairs of clothing and pants)
 - Division 8 (8 pairs of cuffs, 5 pairs of pairs of clothing and pants)
 - Division 9 (14 pairs of cuffs, 13 pairs of pairs of clothing and pants)
 - Division 10 (17 pairs of cuffs, 13pairs of pairs of clothing and pants)
- The handover of PPE of fertilizer (clothes and pants) to 10 workers and pesticide operators (rubber gloves) to 6 operators in division 5 dated 22 August 2017.
- Monitoring of PPE (harvesters, fertilizers, pesticide operators and integrated pest control) Division 03 in July 2017
- Proof of purchase of harvester boots in Division 10 on July 24, 2017
- Proof of handover of PPE boots Division 3 to 1 harvester, 1 fertilizer, 1 pesticide operator and 3 fresh fruit bunches loader on August 1, 2017
- Proof of handover of PPE boots employee fertilizer in Division 8 dated July 29, 2017
- Proof of handover APD boots as much as 3 pcs in Division 10 dated July 26, 2017

- Monitoring of PPE harvester in Division 10 dated July 28, 2017 with result there are 31 harvester using complete APD (safety helmet, boots, safety cover of harvest tools)

Verification on 8 September 2017

PT ANJA Sia's has presented evidence of improvement, as follows:

- Evidence of Matrix APD and HIRA training on 31st August 2017 to PT ANJA Sia's staff.
- Records of the socialization of the use and maintenance of PPE, Waste Management of Hazardous and Toxic Materials and Handling of Helper Harvest dated July 31, 2017 in Division 3 and Division 10, which explains that employees must use and care for PPE and only used at the time of work, the type of PPE that must be used in every work and damaged PPE can be requested replacement to the supervisor.
- Internal Memorandum No. 36 / GMO / Sia's / IM / VII / 2017 on Sustainable Improvement Commitment Implementation of Use of PPE, Waste Management of Hazardous and Toxic Material and Handling of Helper Harvest

Verification on 11 September 2017

The company has explained the indication of PPE used for other needs outside of work. Therefore, the company issued Internal Memo as a guide that PPE to be used when working in accordance with the type of work and asked employees to care for PPE. This is also reinforced by regular monitoring of PPE every month.

Based on the evidence of improvement that is sent, the root cause analysis and corrective action submitted, then this indicator is stated has been closed with observation.

Verified by : **Afifudin**

NCR No.	:	2017.4	Issued by	:	Afiffuddin
Date Issued	:	14 July 2017	Time Limit	:	ASA 4
NC Grade	:	Minor	Date of Closing	:	8 September 2017
Standard Ref. & Requirement	:	4.7.5 Should be available emergency and work accident procedures in Bahasa Indonesia and available workers who have received first aid training at work area.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on observations and field simulations at the factory, it is known that the Hydrant nozzle at the Clarification Station is not working properly. In this case, the company does not have a good and effective emergency response system in ensuring that the condition of emergency equipment is functioning properly and ready to use.					
Root Cause Analysis <i>(filled by organization audited):</i> Nozzle hydrant does not work during fire simulation at the Clarification Station where the use of extinguishers by employees for Mill cleaning process due to lack of understanding of the employees of the Hydrant tool function which is only used for Emergency needs and is not allowed for other activities. In addition, hydrant is very easy to reach by all employees to be used for other activities because the place is not locked and the entire side is made of iron.					
Correction <i>(filled by organization audited):</i> Mill of PT. ANJ Agri Sia's has substituted and ensured the fire fighting preparedness equipment functioned in					

accordance with the standard as evidenced in Appendix 4.1 Hydrant Mill Repair Record.

Corrective Action (filled by organization audited):

1. Mill PT. ANJ Agri Sia's has conducted monthly monitoring to ensure that the fire extinguishers are in good condition as well as the monitoring that was conducted on July 20, 2017 and 12 August 2017 as attached. (Appendix 4.2)
2. Changing the standard where the fire extinguishers are previously made of iron and not locked, then the storage place is replaced by using glass and locked so as not easy to use for other than its function (Annex 4.1)
3. Socialization to Mill employees about the function of fire extinguishers for emergency and simulation needs and Hydrant can not be used for other activities. (Appendix 4.4)

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 22 Agustus 2017

PT ANJ Agri PT ANJA Sia's has presented evidence of improvement, as follows:

- Hydrant repair documentation at Mill on July 20, 2017 (hose and nozzle completeness, hydrant checking and testing, Hydrant box making with glass on the front)
- Hydrant Mill Inspection Report dated August 12, 2017
- Hydrant Mill Inspection Report dated July 20, 2017
- Document of handling operational mismatch (Fire Extinguisher)

Based on the evidence presented, the root cause analysis and the corrective actions sent, there are still some things that require further explanation. So this indicator is still not fulfilled (Open).

Verification on 8 September 2017

PT ANJ Agri PT ANJA Sia's has presented evidence of improvement, as follows:

- Record of socialization regarding the use of fire extinguishers (hydrant) on 28 August 2017 which was attended by 17 factory workers.

Based on the evidence presented, the root cause analysis and the corrective action that was sent, the non conformity No. 2017.4 is declared comply and will be re-observed on the next visit (Closed with observation).

Verified by : Afifudin & Wisnu

NCR No.	2017.5	Issued by	Rizliani Aprianita Hsb
Date Issued	14 July 2017	Time Limit	ASA 4
NC Grade	Minor	Date of Closing	
Standard Ref. & Requirement	5.3.3 A waste management plan should be available that is documented and implemented to avoid and reduce pollution.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The results of observations in the storage of chemicals and warehouse of spray was known, there were hazardous waste containers. Warehouse conditions are known have limited access and are only allowed to be opened by the officers concerned. Interview with the warehouse officer, that the hazardous waste containers were reused to transport			

chemicals and water from washing of spray tools. Based on this, it is known that there is not yet a system that explains the utilization of hazardous waste (chemical containers) and its management in accordance with the prevailing regulations (Regulation No 2/2008).

Root Cause Analysis (filled by organization audited):

Hazardous waste is used for transporting chemicals and water from washing of spray tools due to lack of understanding of the foreman / employee about the management of hazardous waste.

Correction (filled by organization audited):

PT. ANJ Agri Siais has done replacement of chemical and water from washing of spray tools container with new container on July 27, 2017 proved by report of purchase of container and Photos attached. And then, delivering hazardous waste to Hazardous waste Warehouse on July 27, 2017.

Corrective Action (filled by organization audited):

1. PT. ANJ Agri Siais monitors the management of hazardous waste in the work program of EHS to ensure that all hazardous waste produced is sent to hazardous waste warehouse in accordance with SOP EHS 009 about hazardous waste management.
2. Conducting training on August 29, 2017 to spraying officers and warehouse officers so that hazardous waste is not used for transport chemical and water from washing of spray tools. Pesticide containers are sent to hazardous waste warehouse.

Assessor Evaluation and Conclusion (filled by auditor):

Verify on August 25, 2017

The Company showed SOP hazardous waste management with no. SOP-EHS-009 edition 02 revision 01 on August 10, 2016. SOP explained that the pesticide containers is strictly prohibited to hold water or other necessities including usage for bins and flower pots. There is also a memo of demand for goods with no. 006538 on July 29, 2017 in the form of water containers of 20 pieces to transport chemicals and water from washing of spray tools. The Company also showed the photo of hazardous waste handover to hazardous waste warehouse on 27 July 2017.

Verify on September 5, 2017.

The Company showed evidence of improvement including:

- Socialization of the use and maintenance of PPE, the management of hazardous waste and the use of harvester's helper on July 31, 2017, which was attended by 58 participants.
- Training of hazardous waste management on August 29, 2017 addressed to the spraying foreman, warehouse officer and hazardous waste officer.
- The socialization of PPE users and maintenance, the management of hazardous waste and the use of harvester's helper on July 31, 2017 addressed to the foreman and employees attended by 66 participants.
- Monitoring of delivery of hazardous waste to the central workshop on July 2017.

Based on the above explanation, nonconformity is stated fulfilled.

Verified by : Rizliani

NCR No.	2017.6	Issued by	Afiffuddin
Date Issued	14 July 2017	Time Limit	12 September 2017
NC Grade	Major	Date of Closing	12 September 2017
Standard Ref. & Requirement	6.5.2 Collective labor agreements / Company regulations in accordance with labor regulations, are available in clear language and described by management or labor unions to workers.		

Non-Conformance Description & Evidence observed *(filled by auditor):*

Based on the results of field observation, document verification and interviews with the picker in Lembah Subur Utara Estate (4 persons) and Lembah Subur Selatan Estate (4 persons), the worker did not have a written working relationship with the company.

Root Cause Analysis *(filled by organization audited):*

- The company only has working relationship with harvester
- The company does not yet have a clear mechanism if there are non-harvesting loose fruit collector

Correction *(filled by organization audited):*

The company makes cooperation by using contractor services for loose fruit collector. (Annex 6.1)

Corrective Action *(filled by organization audited):*

The company established a mechanism of controlling the harvesting helper with the work of loose fruit collector using contractor services in accordance with internal memo 021 / HRD-ANJA Siais / IX / 2017 dated September 9, 2017 issued by Human Resource Officer ANJ Agri Siais.

Socialize to the Division Staff on September 9, 2017 about the mechanism of controlling the harvest helper, if the Division requires loose fruit collector to arrange the harvest rotation, then it is advisable to open a citation work with a contract using contracting services.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 8 September 2017

The company shows Internal Memo dated September 5, 2017 044 / IM / ANJA Group / IX / 2017 is known by the Head of Manpower Office of Kab. South Tapanuli. Fill in the memo :

1. The company does not require harvesters to use harvest helper for loose fruit collector
2. If harvesters need loose fruit collector, the harvester and loose fruit collector shall comply with the terms and conditions stipulated by ANJ management
3. As a form of social responsibility, loose fruit collector will be provided with PPE and Workers Social Security Agency facilities
4. In order to avoid misconceptions, the term harvest helper be replaced to be a loose fruit collector
5. With the internal memo being published, all internal memos relating to the family gank are declared null and void.

Verification on 11 September 2017

PT ANJ Agri PT ANJA Siais has presented evidence of improvement, as follows:

- Internal Memo from Human Resource Officer of ANJ Agri Siais, number 021 / HRD-ANJA Siais / IX / 2017, dated September 9, 2017 regarding the Work Order of Loose Fruit Collector which is briefly described to ensure that the workforce of the company has a contract with the company and if the Division requires a work of loose fruit collector for the need to regulate the rotation of the harvest then appealed by how to open the work loose fruit collector use contractor services.
- Record of socialization related to Internal Memo of Work Order of Loose Fruit Collector on September 9, 2017 to the Estate Staff who briefly explained to make sure the workforce working in the company has a work contract with the company and if the Division requires of loose fruit collector for the need to regulate the rotation of harvest then appealed by way to open a loose fruit collector job using contracting services.

- Work Agreement, number 01 / EM-ANJ / SIAS / SPK / IX-17, dated September 9, 2017 between PT ANJ Agri Siais with CV. Abadi Jaya to undertake the loose fruit collector of palm oil at PT ANJ Agri Siais area in Division 4 of Lembah Subur Utara. Things that become points of agreement are :
 - Maximum job value is Rp. 50,000,000, - for the price paid is equal to Rp. 130/ kg.
 - Payments are made on the basis of progress of the work with the issuance of the Progress Report which has been examined, accepted and set forth in the Progress Report based on joint examination between the first and second parties.
 - The term of the agreement is September 6, 2017 s.d. 30 September 2017 and is effective as of this agreement signed by the parties.
 - The first party is entitled to a list of names of workers employed by a second party
 - The second party is obliged not to employ underage workers (under 18 years of age) or in accordance with applicable laws and regulations
 - The second party states agree and provide protection to all its workers by including in the Workers Social Security Agency Program Health and Workers Social Security Agency Employment in accordance with provisions / regulations applicable
 - The second party binds to the first party to always apply the safety system according to the Standards of Operation Procedure of Environmental Health & Safety, including but not limited to, the second party is obliged to provide safety equipment / Personal Protective Equipment (PPE) in accordance with the type of work shall be done by referring to the provision of OHS which has been established by the first party.
 - Standard technical work, the loose fruit crop must be transported entirely to the collection point, loose fruit neatly arranged as much as 6 kg per pile using a bucket of calibrated dosage and placed on the sack, loose fruit harvest that day should also be delivered to the place collection of results, loose fruits prepared at the collection site must be ascertained that the condition is clean from the waste and if the loose fruit is not standardized then the work will not be paid and the contractor is asked to immediately evaluate the work result.

Verification on 12 September 2017

The company presents evidence of improvements in the form of a Cooperation Agreement with the 3rd Parties for the work of loose fruit collector Division 1 to Division 10 along with the field implementation monitoring plan. Based on these results, then this discrepancy can be stated has been met with observation (**closed with observation**)

Verified by : **All Team**

NCR No.	2017.7	Issued by	Afiffuddin & Rizliani
Date Issued	14 July 2017	Time Limit	12 September 2017
NC Grade	Major	Date of Closing	12 September 2017
Standard Ref. & Requirement	8.1.1 A monitoring action plan based on consideration of environmental and social impact assessments, and regular evaluations for plantation and palm oil mill activities are available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of the auditor team's assessment on the Surveillance-3 assessment, it is known that the certificate holder has not been able to demonstrate a commitment to continuous improvement overall with the			

recurrence of RSPO ASA 2 non-compliance that appears on the same indicator (indicator 4.7.3, 5.3.3 and 6.5 .2).

Root Cause Analysis *(filled by organization audited):*

The commitment of continuous improvement related to the use of PPE, Waste Management of Hazardous and Toxic Material and Handling of Helper Harvest has not been fully run by employees of PT. ANJ Agri Siais due to lack of understanding by employees and the need for monitoring for the affirmation and actions for employees who commit violations.

Correction *(filled by organization audited):*

The company made Internal Memorandum No. 36 / GMO / Siais / IM / VII / 2017 on Sustainable Improvement Commitment Implementation of Use of PPE, Waste Management of Hazardous and Toxic Material and Handling of Helper Harvest is required all employees are required to use and care for PPE in accordance with their type of work, manage hazardous waste well and documented and ensure Internal Memo about the harvest being run. Requested to EHS, HRO and sustainability Officer report to GM for its implementation every month as a basis for taking action and decisions. (Appendix 7.1)

Corrective Action *(filled by organization audited):*

To socialize Internal Memo number 36 / GMO / Siais / IM / VII / 2017 on Sustainable Improvement Commitment Implementation of Use of PPE, Waste Management of Hazardous and Toxic Material and Handling of Helper Harvest. (Appendix 7.2)

Assessor Evaluation and Conclusion *(filled by auditor):*

Verification on 8 September 2017

PT ANJ Agri PT ANJA Siais has presented evidence of improvement, as follows:

- Internal Memorandum No. 36 / GMO / Siais / IM / VII / 2017 on Sustainable Improvement Commitment Implementation of Use of PPE, Waste Management of Hazardous and Toxic Material and Handling of Helper Harvest
- Records of the socialization of the use and maintenance of PPE, Waste Management of Hazardous and Toxic Materials and Handling of Helper Harvest dated July 31, 2017 in Division 3 and Division 10, which explains that employees must use and care for PPE and only used at the time of work, the type of PPE that must be used in every work and damaged PPE can be requested replacement to the supervisor.

Verification on 11 September 2017

PT ANJ Agri PT ANJA Siais has presented evidence of improvement, as follows:

- SOP Documents for Handling Non-Conformities, Corrective Action and Precautions, number SOP-SDD-10, which explains :
 - Methods to ensure non-occurrence of non-conformity with investigation, corrective action and preventive action.
 - Method of problem solving with some tools: analysis process, SWOT, 4W + 1H, 5W, Fishbond / CED (Cause Effect Diagram), Brainstorming, Pareto Analysis.
 - Responsible: All Managers and heads of departments are responsible for implementation, Quality Assurance is responsible for the implementation and sustainability of its course, the designated Steering Committee is responsible for establishing preventive measures and ensuring that such actions are effective.

- Any other items included in the SOP

Verification on 12 September 2017

The company has demonstrated plans and evidence of improvements to the non-conformities of ASA-3, so that the non-conformities can be declared comply (closed)

Verified by : **All Team**

NCR No.	:	2017.8	Issued by	:	Leonada
Date Issued	:	14 July 2017	Time Limit	:	12 September 2017
NC Grade	:	Major	Date of Closing	:	8 September 2017
Standard Ref. & Requirement	:	SCCS E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Known that estimation period 25 September 2015 – 24 September 2016: - CPO: 43,002 ton - PK: 7,818 ton However, actual production in this period is over produced: - CPO: 42,426.12 ton - PK: 8,854.13 ton Based on the description, there are known an over production of CPO and PK certified for the period of 25 September 2015 – 24 September 2016, but the company has not shown the report to CB related to the over production.					
Root Cause Analysis <i>(filled by organization audited):</i> The realization of kernel production exceeded the kernel production estimate on the certificate where the company did not report to CB in accordance with SCCS mechanism.					
Correction <i>(filled by organization audited):</i> PT. ANJ Agri Siais has reported to CB (PT Mutu Agung Lestari) related to the overproduction of Kernel PT. ANJ Agri Siais to RSPO Certification Production Estimates for the period 2015 - 2017 based on letter No. 169 / ANJ Siais / External / VII / 2017.					
Corrective Action <i>(filled by organization audited):</i> Mill PT. ANJ Agri Siais monitors the actual production of CPO and Kernel certified against production estimates in certificates every month to ensure that if CPO and Kernel production will exceed estimates will be reported to CB.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 25 August 2017 The Company shows attachment letter notification to CB (PT. Mutuagung Lestari) No 169 / ANJ Siais / External / VII / 2017 sent by Email dated August 9, 2017 and has been received by CB on the same date.					

Verification on 8 September 2017

The company has re-analyzed the root cause and shows the actual production monitoring. Based on this non-conformity can be declared comply (Closed).

Verified by : **Leonada**

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	1.1.1	Provision of information related to data breakdown for the results of farmers assisted each month
2	2.1.2	Update list of local regulation
3	2.2.1	HGU progression of plasma plantation 240,60 Ha
4	4.4.4	Ensure the renewal of Surface Water and Utilization Permit
5	4.6.10	Ensure procedures of hazardous Waste Management in accordance with the identification of hazardous waste produced
6	4.7.2	Identify all potential risks in all operational activities and evaluate MSDS placement in fertilizer warehouse
7	5.3.1	The company needs to ensure the WWTP embankment retaining and ensure mechanism of empty fruit bunch
8	6.2.3	Updating list of stakeholder for internal stakeholders
9	6.3.2	Documenting all workers complaint submitted verbally
10	6.5.3	Implementation of plans for improvement and construction of housing facilities and infrastructure
11	7.3	Up date information of RACP approval process

3.5.4 Noteworthy Positive Components

No	Descriptions
1	ISO 14001: 2004 Environmental Management System, Certificate No. 08.04 K 14070 is valid until 11 November 2017.
2	Implementing an external audit of OHS
3	Management of HCV areas
4	Composting Instalation in waste management
5	Processing TBS fully automatic

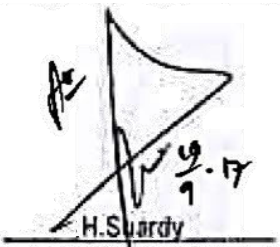

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Plantation and farms Agency of Tapanuli Selatan District <ol style="list-style-type: none"> 1. Relation between the company and plantation and farms agency of Tapanuli Selatan Districts is quite good. Reporting has been reported routinely and on time, such as reporting of plantation business development. Beside that communication and information gone smoothly. Request of information always respond. 2. The company has been compiled and implement CSR program to communities around and the benefit has been perceived. The government institution expect CSR geared towards improving the quality of the community's economy. 3. The company have conservation area which managed well and maintained 4. During 2016 – 2017 there is no negative issue from other parties to companies. 5. There is no report of fire in operation area of PT ANJA Siais on 2016 – 2017 6. There is no new permit for develop new area (expansion of the operational area). 	<p>In accordance with criteria 1.1; 1.2; 2.1; 5.2; 5.5; 6.2; 6.11 and principle 7</p>
Manpower, Transmigration and Social Agency of Tapanuli Selatan District <ol style="list-style-type: none"> 1. The company has a good relationship and a very cooperative with agency. 2. The Company has been carrying out its obligations regarding the payment of minimum wage to workers. 3. During 2016 to 2017 there has been no report related to industrial relations problems between the company and its employees 4. Reporting has been reported routinely and on time such as OHS guiding committee report. 5. There is no issue related to underage worker 	<p>In accordance with criteria 1.1; 2.1; 6.2; 4.7; 6.5 and 6.7</p>
Environmental bodies of Tapanuli Selatan District <ol style="list-style-type: none"> 1. The company has a good relationship with agency and Request of information always respond. 2. Obligation of reporting has been reported routinely and on time such as implementation report of RKL-RPL. 3. The company has had permit to dispose effluent to water body which valid for 3 years. 4. The company has had agreement with licensed transporter and licensed collector of hazardous waste 5. There is no issue of environmental issue caused by company operation 6. There is no report of fire in operation area of PT ANJA Siais 	<p>In accordance with criteria 1.1; 2.1; 4.4; 5.2; 5.3; 5.5; and 6.2.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>on 2016 – 2017</p> <p>7. HCV area in Sibara-bara riparian in a good condition and there are special officer who conduct patrol on the HCV area</p>	
<p>Employee Cooperative Zulham (Chairman of the Cooperative)</p> <ul style="list-style-type: none"> Annual Meeting of Members 2016 was conducted in March 2017 A list of 1,229 member cooperative members consisting of staff and employees The certificate holder provides buildings for Cooperatives (called Pujasera) and 5 outlets of business premises One month payday market is no longer allowed for security reasons Main co-operative fee Rp. 50.000, - and monthly Rp. 20,000, - The term of office of the board is 5 years agreed upon by vote selection. Employee cooperatives provide basic foods, loans and goods purchase credits. Coaching / training was conducted by the South Tapanuli Regency Office in 2016. Cooperatives cooperate with cooperatives in surrounding villages in the provision of goods. 	<p>Based on the review of Annual Meeting of Members 2016 documents, field observations and interviews with workers, it is known that employees feel helped by the existence of cooperative employees in terms of provision of basic foods, loans and goods purchase credit.</p>
<p>Serbundo (Indonesian Plantation Trade Union)</p> <ul style="list-style-type: none"> - Solihin Simamora (Chairman) - Iyasman (Secretary) <ul style="list-style-type: none"> Validation on August 29, 2016 Members list of + - 400 people (380 people already have membership card) There are still some things that have not been relevant regarding the implementation of sustainability palm oil by the company, including : <ul style="list-style-type: none"> Health checks for sprayers done once a year Provision of extrafooding is not given immediately when it will start work or after work The spray mask uses a cloth mask On the payroll slip, deduction of donations of misfortune is included in the cooperative debt-cutting column, making it difficult for employees Not all employees get PPE Provision of work equipment not yet in accordance with procedure (life and replacement) Knapsack sprayer has leakage Harvest bridges, ccircle and path are in desperate need of attention from companies so that production is not hampered 	<p>The auditor has verified the issues submitted by Serbundo representatives through document review, field observation and interviews with field workers and management representatives.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> ○ Harvesting of the payment is combined with monthly salary so that the worker does not know the crop of his contents ○ There are still wives and children (dependents) of employees who have not entered the Workers Social Security Agency Health program ○ There has never been a meeting between Serbundo and the company 	
Local Contractor <ul style="list-style-type: none"> - Ali Marbun Koperasi Mekar Jaya (Contractor for washing trenches, heavy equipment, transporting FFB and civil) - Efendi Holo CV. Abadi Jaya (manual weeding contractor) • There is no delay in payment • Related to the provision of PPE and social security (Workers Social Security Agency), borne by the contractor • The certificate holder keeps monitoring and inspection and conducts socialization related to RSPO implementation • Cooperation with the company is based on work agreement with one month contract period and extended monthly. 	<p>Based on the results of the interview, it can be seen that the relationship of cooperation with the company is done well in accordance with the work agreement made together. With the existence of such cooperation, has opened job opportunities / business for the surrounding community.</p>
Gender Committee Yeni Ekasari (Secretary) <ul style="list-style-type: none"> • Menstruation rights and maternity leave rights may be made in accordance with the results of a doctor / nurse examination. These rights are contained in the company's policies and regulations. • There are no cases of sexual harassment • Socialization to workers is done through morning apples, film screenings at employee centers and during Bipartite Cooperation Institution meetings. 	<p>Based on the results of field interviews, it is known that the effectiveness of the delivery and socialization related to the Gender Committee needs to be reviewed and improved again.</p>
Binasari Sub Village <ul style="list-style-type: none"> • CH has realized some assistance such as assistance for mosques, education, religious events, and etc. • There is no local people and local wisdom. • There is no conflict or dispute with the surrounding communities. • There is no negative issues related operations such as fire and environmental pollution. • Cooperation in the form of plasma farmers managed by company (Binasari cooperatives) - is the concept of conflict resolution. And until the audit takes place there is no dispute with the communities. • CH has informed related to data for the results of farmers assisted each month 	<ul style="list-style-type: none"> • Based on interview with surrounding villlage representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1 and 6.4. • The company has CSR program and evidence of implementation. It refer to criterion 6.11.

Public Issues (Institution/ NGO/Community)	Auditor Verification
Paraupan Sub village. <ul style="list-style-type: none"> • There is no conflict or dispute with the surrounding communities. • There is no negative issues related operations such as fire and environmental pollution. • CH has realized some assistance such as assistance for mosques and religious events. 	<ul style="list-style-type: none"> • Based on interview with surrounding villlage representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1 and 6.4. • The company has CSR program and evidence of implementation. It refer to criterion 6.11..
FFB Supplier as CSR of Janji Martogu <ol style="list-style-type: none"> 1. The supplier already has a copy of work agreement and work agreement renewed every year. Moreover before signed, work agreement is studied in advance by the supplier. 2. The plantation area that became FFB supplier located around PT ANJA such as Binasari and Janji Matogu 3. FFB selling paid every day 4. The company provides guidance related to became good plantation 5. Payments are made on time 6. Companies give cash incentives if production to meet targets and the money used for the public 7. FFB is not in accordance with company standards are returned to the supplier 8. Communication goes well between supplier and companies. 9. There was never been a conflict between the villagers with wildlife. 10. There was never been a conflict between the villagers with companies. 11. The company has made a CSR related to the community eg construction of schools, mosques, mass circumcision, free medical care, etc. 12. No expansion of the company's operations 	<p>In accordance with criteria 1.3; 2.2; 5.2; 6.2; 6.10; 6.11 and Principle 7</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>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.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>Company Name General Manager</p>  <p>H. Suardy 12 September 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Leonada 12 September 2017</p> </div> </div>

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
1.	Plantation and farms Agency	Tapanuli Selatan Districts	-	Interview by phone	11 July 2017	√	
2.	Manpower, Transmigration and Social Agency	Tapanuli Selatan Districts	-	Interview by phone	11 July 2017	√	
3.	Environmental Agency	Tapanuli Selatan Districts	-	Interview by phone	11 July 2017	√	
4.	Paraupan Sub Village	Pardomuan Village	-	Interview	11 July 2017	√	
5.	Binasari Sub Village	Pardomuan Village	-	Interview	11 July 2017	√	
6.	Janji Matogu Sub Village (FFB Suplier)	Pardomuan Village	-	Interview	11 July 2017	√	
7.	Employee Cooperative	Tapanuli Selatan Districts	-	Interview by phone	11 July 2017	√	
8.	Serbundo (Indonesian Plantation Trade Union)	Tapanuli Selatan Districts	-	Interview by phone	11 July 2017	√	
9.	Gender Committee	Tapanuli Selatan Districts	-	Interview by phone	11 July 2017	√	
10.	Local Contractor	Tapanuli Selatan Districts	-	Interview by phone	11 July 2017	√	
11.	Konsorsium Pembaruan Agraria	-	kpa@kpa.or.id	email	6 July 2017		√
12.	Jaringan Kerja Pemetaan Partisipatif	-	seknas@jkpp.org	email	6 July 2017		√
13.	HUMA	-	huma@cbn.net.id	email	6 July 2017		√
14.	Forest people Programme	-	info@forestpeoples.org	email	6 July 2017		√
15.	Rainforest	-	ran@ran.org	email	6 July 2017		√
16.	Sawit Watch	-	info@sawitwatch.or.id	email	6 July 2017		√
17.	AMAN	-	rumahaman@cbn.net.id	email	6 July 2017		√
18.	3 female and 1 male spraying workers	Lembah Subur Selatan Estate		Interview	11-13 July 2017	√	
19.	4 harvester	Lembah Subur Selatan Estate		Interview	11-13 July 2017	√	
20.	4 harvester	Lembah Subur Utara Estate		Interview	11-13 July 2017	√	
21.	9 female manuring workers	Lembah Subur Utara Estate		Interview	11-13 July 2017	√	
22.	2 female insecticide control	Lembah Subur Selatan Estate		Interview	11-13 July 2017	√	
23.	8 female manual weeding	Lembah Subur Utara		Interview	11-13 July	√	

	workers	Estate			2017		
24	6 female termite census	Lembah Subur Utara Estate		Interview	11-13 July 2017	√	
25	2 female and 9 male mill workers	ANJA Siais Mill		Interview	11-13 July 2017	√	

Appendix 2. Assessment Program

DATE		10 – 15 July 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 10 July 2017			
06.45 – 09.00	06.45 – 09.00	JAKARTA → SIBOLGA	• YWR / LEO / RAH / AFN
09.00 – 16.00	09.00 – 16.00	SIBOLGA → PT. AUSTINDO NUSANTARA JAYA AGRI – SIAIS	
16.00 – 17.00	16.00 – 17.00	Opening meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	• YWR / LEO / RAH / AFN
Tuesday, 11 July 2017			
08.00 – 12.00	08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations.	• RAH
08.00 – 14.00	08.00 – 14.00	Stakeholders consultation to related agencies in South Tapanuli Regency (by phone) Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier PT. Austindo Nusantara Jaya Agri – Siais	• YWR • AFN
08.00– 12.00	08.00– 12.00	<ul style="list-style-type: none"> Review of previous (Initial assessment) findings Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan 	• LEO
12.00 – 14.00	12.00 – 14.00	BREAK	
14.00 – 17.00	14.00 – 17.00	Field observation to ANJA Siais Mill : <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) 	• AFN/LEO • RAH/YWR
Wednesday, 12 July 2017			
08.00 – 12.00	08.00 – 12.00	Field observation to Lembah Subur Utara Estate: <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management,) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Implementation of Legal Aspect (Land Ownership, Legal Boundaries & Conservation) 	• AFN • RAH • AFN • AFN • YWR/LEO • RAH

DATE		10 – 15 July 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> Observation of Workers Facilities (Housing, School, Worship Place). 	
12.00 – 14.00	12.00 – 14.00	BREAK	
14.00 – 16.00	14.00 – 16.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	• YWR / LEO / RAH / AFN
16.00 – 17.00	16.00 – 17.00		
Thursday, 13 July 2017			
08.00 – 12.00	08.00 – 12.00	Field observation to Lembah Subur Selatan Estate : <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management.) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Implementation of Legal Aspect (Land Ownership, Legal Boundaries & Conservation) Observation of Workers Facilities (Housing, School, Worship Place). 	<ul style="list-style-type: none"> • AFN • RAH • AFN • AFN • YWR/Leo=O • RAH
12.00 – 14.00	12.00 – 14.00	BREAK	
14.00 – 16.00	14.00 – 16.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	• YWR / LEO / RAH / AFN
Friday, 14 July 2017			
08.00 - 09.30	08.00 - 09.30	<ul style="list-style-type: none"> Preparing for Closing Meeting (auditor team discussion) 	• YWR / LEO / RAH / AFN
09.30 – 11.00	09.30 – 11.00	Closing Meeting: <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions 	
14.00 - 17.00	14.00 - 17.00	Travelling from audit location to Padang Sidempuan.	
Saturday, 15 July 2017			
10.00 – 10.30	10.00 – 10.30	SIBOLGA → JAKARTA (return Flight)	• YWR / LEO / RAH / AFN