

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

**[ ✓ ] Re-Certification**

Name of Management Organisation : ANJA Siais Palm Oil Mill – PT Austindo Nusantara Jaya Agri Siais Subsidiary of PT Austindo Nusantara Jaya Agri

Plantation Name : PT Austindo Nusantara Jaya Agri Siais, Lembah Subur Utara Estate and Lembah Subur Selatan Estate

Location : Village of Pardomuan, Sub District of Angkola Selatan, District of Tapanuli Selatan, Province of Sumatera Utara, Indonesia

Certificate Code : **MUTU-RSPO/046**

Date of Initial Registration : 25 September 2014

Date of Last Issued : 07 November 2019      Date of License Issue : 25 November 2019

Date of Certificate Expiry : 24 September 2024      Date of License Expiry : 24 September 2020

| Assessment | Assessment Date    | PT Mutuagung Lestari Auditor   | Reviewed by        | Approved by |
|------------|--------------------|--|--------------------|-------------|
| RC         | 15 to 18 July 2019 | Andi Pratama Pasaribu (Lead Auditor), Mohamad Amarullah, Rindu Galih Rezza Rachmansyah, Steve Mualim | Ganapathy Ramasamy | Ardiansyah  |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| RC         | 07 November 2019                  |

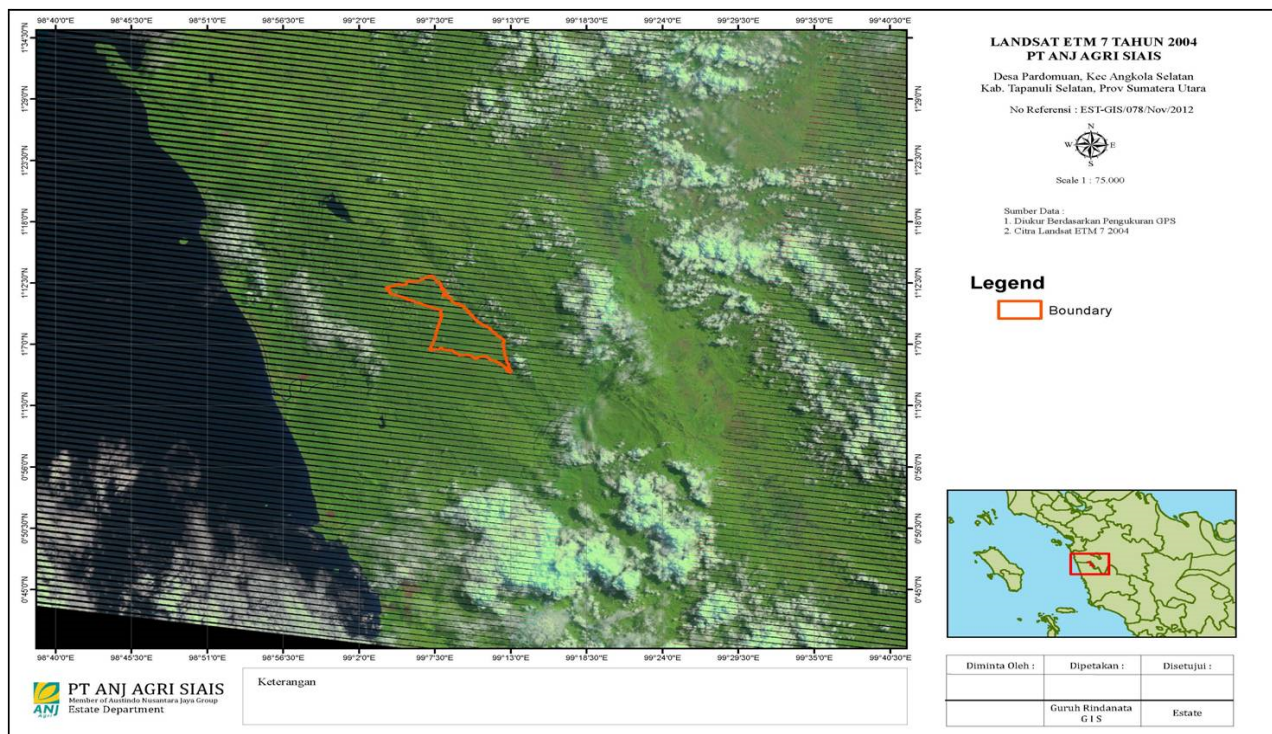
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 on March 12<sup>th</sup>, 2014 with registration number *ASI-ACC-055*

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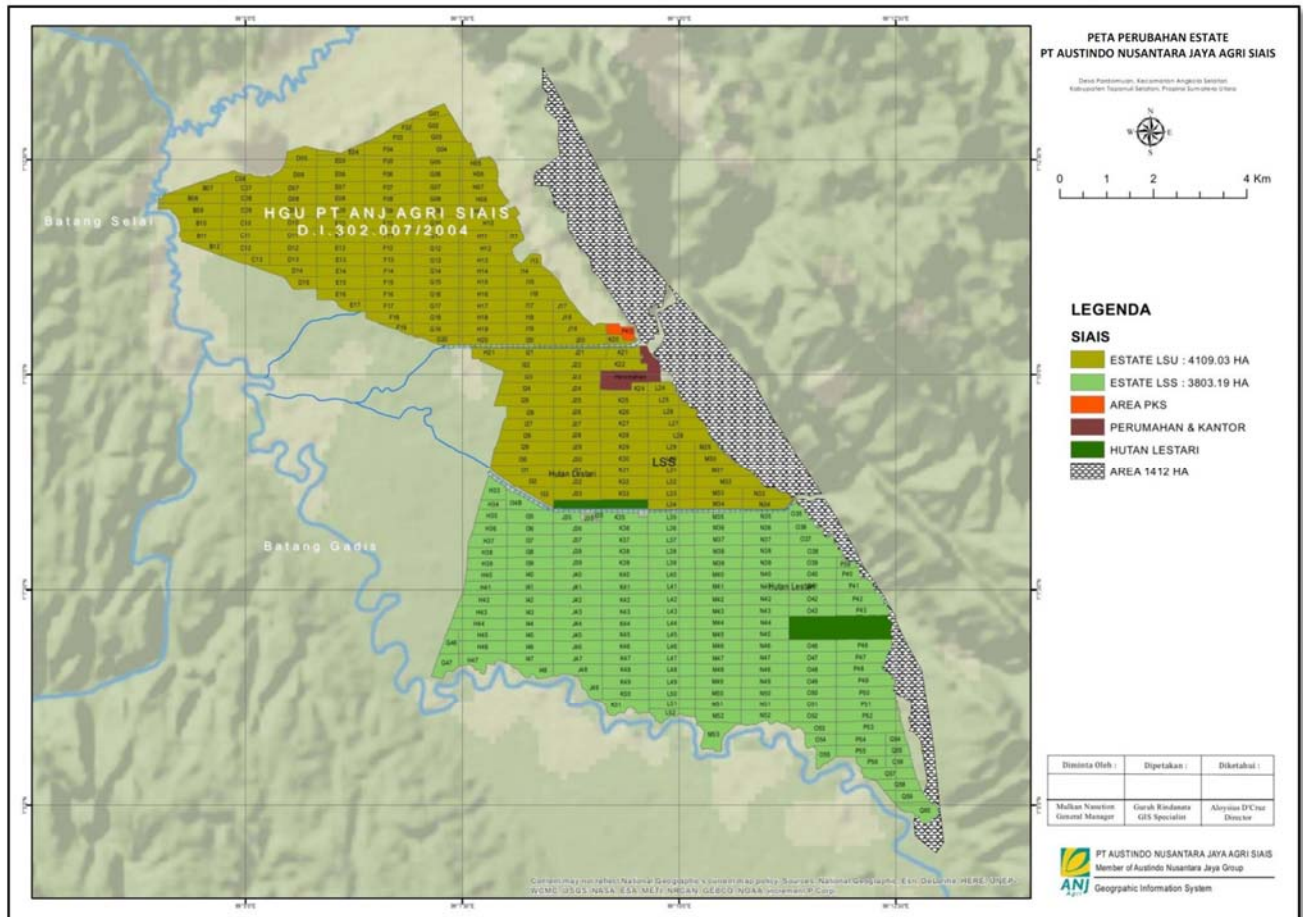
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Figure 1. Location Map of PT. Austindo Nusantara Jaya Agri SiaIs



**Figure 2. Operational Map of PT. Austindo Nusantara Jaya Agri Siais**



**Abbreviations Used**

|         |   |  |
|---------|---|--|
| ANDAL   | : | Environmental Impact Assessment  |
| ANJA    | : | PT Austindo Nusantara Jaya Agri  |
| ASA     | : | Annual Surveillance Assessment   |
| BOD     | : | Biological Oxygen Demand   |
| BPN     | : | <i>Badan Pertanahan Nasional</i> (National Land Agency)                                      |
| CH      | : | Certificate Holder   |
| CPT     | : | <i>Circle, path dan TPHI</i> 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  |
| GMO     | : | General Manager Office   |
| HCV     | : | High Conservation Value  |
| HGU     | : | <i>Hak Guna Usaha</i> (Land Use Permit)  |
| HIRA    | : | Hazard Identification Risk Assessment  |
| HIRAC   | : | Hazard Identification Risk Assessment Control  |
| HIRADC  | : | Hazard Identification Risk Assessment Determining Control                                    |
| 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     | : | <i>Rencana kelola lingkungan</i> (Environment Management Plan)                               |
| RPL     | : | <i>Rencana pemantauan lingkungan</i> (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 | : | <i>Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan</i> (Environment management) |

|      |   |                            |
|------|---|----------------------------|
|      |   | and Monitoring Plan)       |
| WI   | : | Work Instruction           |
| 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"><li>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 30<sup>th</sup> September 2016.</li><li>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill).</li><li>RSPO Certification System for Principles and Criteria, 14 June 2017.</li></ul> |                                  |
|       |   |   |                                  |
| 1.2   | Organisation Information  |   |                                  |
| 1.2.1 | Organisation name listed in the certificate                               | PT Austindo Nusantara Jaya Agri   |                                  |
| 1.2.2 | Contact person  | Antoperis Tarigan   |                                  |
| 1.2.3 | Organisation address and site address                                     | <ul style="list-style-type: none"><li>RSPO registered company:<br/>Sinar Mas Land Plaza 7<sup>th</sup> Floor<br/>Jl. Pangeran Diponegoro, No. 18<br/>Medan, Sumatera Utara, Indonesia, 20152</li><li>Liaison Office:<br/>Atrium Mulia, 3A Floor, Suite 3A-02 Jl. H.R. Rasuna Said, Kav. B10-11, Jakarta 12910, Indonesia</li></ul>  |                                  |
| 1.2.4 | Telephone   | (62 61) 453 7480  |                                  |
| 1.2.5 | Fax   | (62 61) 453 8366  |                                  |
| 1.2.6 | E-mail  | <a href="mailto:antoperis.tarigan@anj-group.com">antoperis.tarigan@anj-group.com</a>  |                                  |
| 1.2.7 | Web page address  | <a href="http://www.anj-group.com">www.anj-group.com</a>  |                                  |
| 1.2.8 | Management Representative who completed the application for certification | Taupan Sibarani (General Manager)   |                                  |
| 1.2.9 | Registered as RSPO member   | 1-0032-07-000-00 on 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:<br>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                       |
|       |   |   | LatitudeLongitude                |
|       | ANJA Siais POM  | Village of Pardomuan, Sub District of Angkola Selatan, District of Tapanuli Selatan, Province of Sumatera Utara, Indonesia  | N<br>01° 10' 29"E<br>99° 09' 23" |
|       |   |   |                                  |

|  |  |  |                             |                  |
|--|--|--|-----------------------------|------------------|
| 1.4.2  | Location of Certification Scope of Supply Base   |  |                             |                  |
|  | Name of Supply Base  | Location   | Coordinate                  |                  |
|  |  |  | Latitude                    | Longitude        |
|  | Lembah Subur Utara Estate  | Village of Pardomuan, Sub District of Angkola Selatan, District of Tapanuli Selatan, Province of Sumatera Utara, Indonesia | N<br>01° 11' 45"            | E<br>99° 06' 52" |
| Lembah Subur Selatan Estate  | Village of Pardomuan, Sub District of Angkola Selatan, District of Tapanuli Selatan, Province of Sumatera Utara, Indonesia | N<br>01° 07' 22"   | E<br>99° 06' 41"            |                  |
|  |  |  |                             |                  |
| 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                 |                  |
|  | • Emplasmnt, Oil Mill , etc  |  | 88.38 Ha                    |                  |
|  | • HCV  |  | 1,171.82 Ha                 |                  |
|  | • Others (HGU on process)  |  | 240.60 Ha                   |                  |
| Source: area statement PT. ANJA SiaIs per July 2019                    |  |  |                             |                  |
|  |  |  |                             |                  |
| 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         |
|  | Source: area statement PT. ANJA SiaIs per July 2019  |  |                             |                  |
| 1.6.2  | New Planting area after January 2010   |  | - Ha                        |                  |
| 1.6.3  | Planting Cycle   |  | 1 <sup>st</sup> Cycle       |                  |
|  |  |  |                             |                  |
| 1.7  | Description of Mill and Supply Base  |  |                             |                  |
| 1.7.1  | Description of Mill  |  |                             |                  |



|       | Name of Mill  | Capacity<br>(tonnes/ hour)             | FFB Processed<br>(tonnes/year)                           | CPO                     |   | Palm Kernel          |                   |
|-------|---|--|--|-------------------------|---|----------------------|-------------------|
|       |   |  |  | Out put<br>(tonnes)     | Extraction<br>(%)                                     | Out put<br>(tonnes)  | Extraction<br>(%) |
|       | ANJA Siais  | 60                                     | 267,802  | 57,302                  | 21.40   | 12,579               | 4.70              |
|       | Source: Production data period July 2018 to June 2019                   |  |  |                         |   |                      |                   |
| 1.7.2 | Description of Certification Scope of Supply Base                       |  |  |                         |   |                      |                   |
|       | Name of Estate  | Total Area<br>(Ha)                     | Planted Area<br>(Ha)                                     | FFB<br>(tonnes/year)    | Yield<br>(tonnes/ha/year)                             | Supplied to Mill     |                   |
|       |   |  |  |                         |   | FFB<br>(tonnes/year) | %                 |
|       | Lembah Subur Utara  | 4,196.81                               | 4,108.43   | 94,021                  | 22.88   | 94,021               | 100               |
|       | Lembah Subur Selatan  | 5,215.61                               | 3,803.19   | 85,963                  | 22.60   | 85,963               | 100               |
|       | TOTAL   | 9,412.42                               | 7,911.62   | 179,984                 | 22.75   | 179,984              | 100               |
|       | Source: Production data period July 2018 to June 2019                   |  |  |                         |   |                      |                   |
|       |   |  |  |                         |   |                      |                   |
| 1.7.3 | FFB description from other source                                       |  |  |                         |   |                      |                   |
|       | Name of<br>sources/Organisation<br>(RSPO certified / non-<br>certified) | Type of Organisation                   | Number of<br>smallholders                                | Production<br>Area (Ha) | Supplied to Mill                                      |                      |                   |
|       |   |  |  |                         | FFB<br>(tonnes/year)                                  |                      |                   |
|       | Koperasi Petani Binasari<br>(Plasma)                                    | Smallholder scheme (non-<br>certified) | 81   | 157.50                  | 3,923   |                      |                   |
|       | Koperasi Petani Binasari  | Independent smallholders               | -  | -                       | 16,271  |                      |                   |
|       | UD Boru Namora<br>(Non Certified)                                       | Independent smallholders               | -  | -                       | 41,473  |                      |                   |
|       | CSR – Janji Matogu<br>(Non Certified)                                   | Independent smallholders               | -  | -                       | 21,509  |                      |                   |
|       | Transit Tank Pargarutan<br>(Non Certified)                              | Independent smallholders               | -  | -                       | 1,444   |                      |                   |
|       | UD RIRI<br>(Non Certified)  | Independent smallholders               | -  | -                       | 3,198   |                      |                   |
|       | TOTAL   |  |  |                         |   | 87,818               |                   |
|       | * Source of production data July 2018 to June 2019                      |  |  |                         |   |                      |                   |
| 1.7.4 | Product categories  |  |  | CPO, PK                 |   |                      |                   |
|       |   |  |  |                         |   |                      |                   |
| 1.8   | Tonnage of Product  |  |  |                         |   |                      |                   |
| 1.8.1 | Past Annual Claim Certified Product                                     |  | Last Year Projected<br>Certified Volume<br>(tonnes/year) |                         | Last Year Actual<br>Certified Volume<br>(tonnes/year) |                      |                   |
|       | • FFB Production  |  | 201,594  |                         | 179,984   |                      |                   |
|       | • CPO Production  |  | 44,351   |                         | 37,710  |                      |                   |
|       | • Palm Kernel (PK) Production   |  | 10,080   |                         | 8,373   |                      |                   |
|       |   |  |  |                         |   |                      |                   |
| 1.8.2 | Product selling   |  |  |                         |   |                      |                   |

|        |   |                         |                             |  |   |                        |                |                     |
|--------|---|-------------------------|-----------------------------|--|---|------------------------|----------------|---------------------|
|        | Tonnage of selling product  |                         |                             | Period of actual selling product for period last year (MT)                                     |   |                        |                |                     |
|        | • CSPO sold as RSPO certified product                                   |                         |                             | 0  |   |                        |                |                     |
|        | • CSPK sold as RSPO certified product                                   |                         |                             | 6,820  |   |                        |                |                     |
|        | • CSPO sold under other scheme  |                         |                             | 0  |   |                        |                |                     |
|        | • CSPK sold under other scheme  |                         |                             | 0  |   |                        |                |                     |
|        | • CSPO sold as conventional   |                         |                             | 28,574   |   |                        |                |                     |
|        | • CSPK sold as conventional   |                         |                             | 0  |   |                        |                |                     |
|        |   |                         |                             |  |   |                        |                |                     |
| 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   | 101,660   | 24.74                  |                |                     |
|        | Lembah Subur Selatan  |                         | 5,215.61                    | 3,803.19   | 92,840  | 24.41                  |                |                     |
|        | TOTAL   |                         | 9,412.42                    | 7,911.62   | 194,500   | 24.58                  |                |                     |
|        | *Estimated certified product for 25 September 2019 to 24 September 2020 |                         |                             |  |   |                        |                |                     |
|        |   |                         |                             |  |   |                        |                |                     |
| 1.8.4  | Estimate of Certified Palm Product Claim                                |                         |                             |  |   |                        |                |                     |
|        | Name of Mill  | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO  |   | Palm Kernel            |                | Supply Chain Module |
|        |   |                         |                             | Out put (tonnes)   | Extraction (%)  | Out put (tonnes)       | Extraction (%) |                     |
|        | ANJA Siais  | 60                      | 194,500                     | 40,845   | 21.00   | 9,725                  | 5.00           | MB                  |
|        | *Estimated certified product for 25 September 2019 to 24 September 2020 |                         |                             |  |   |                        |                |                     |
|        |   |                         |                             |  |   |                        |                |                     |
| 1.9    | Other Certifications  |                         |                             |  |   |                        |                |                     |
|        | ISPO  |                         |                             | ISPO certificate from Mutuagung Lestari No: MUTU-ISPO/037 valid 30 April 2015 to 29 April 2020 |   |                        |                |                     |
|        | ISO 14001: 2004   |                         |                             | 12 November 2017 to 11 November 2020 (No. 08 04 K 14070)                                       |   |                        |                |                     |
|        | OHSAS   |                         |                             | -  |   |                        |                |                     |
|        |   |                         |                             |  |   |                        |                |                     |
|        |   |                         |                             |  |   |                        |                |                     |
| 1.10   | Time Bound Plan Austindo Nusantara Jaya Agri updated March 2019         |                         |                             |  |   |                        |                |                     |
| 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   | Tapanuli Selatan District, Sumatera Utara Province, Indonesia | Certified              |                |                     |
|        |   |                         | Lembah Subur Tengah         | 2014   |   |                        |                |                     |
|        |   |                         | Lembah Subur Selatan        | 2014   |   |                        |                |                     |
|        | Jangkang  | 2009                    | Jangkang                    | 2009   |   | Certified              |                |                     |

|        |  |      |   |      |   |           |
|--------|--|------|---|------|---|-----------|
|        | (PT.Sahabat Mewah Makmur)  |      | Balok   | 2009 | Belitung Timur District, Bangka Belitung Province, Indonesia    |           |
|        |  |      | Ladang Jaya   | 2009 |   |           |
|        |  |      | Sari Bunga  | 2009 |   |           |
|        |  |      | Air Ruak  | 2009 |   |           |
|        | Binanga (PT ANJ Agri)  | 2012 | Estate Wilayah Timur                                      | 2012 | Padang Lawas Utara District, Sumatera Utara Province, Indonesia | Certified |
|        |  |      | Estate Wilayah Tengah                                     | 2012 |   |           |
|        |  |      | Estate Wilayah Barat                                      | 2012 |   |           |
|        | Kasai (PT Kayung Agro Lestari)   | 2019 | Gunung Sejahtera Tumbuh Mitra (GST Mitra)                 | 2019 | Ketapang District, Kalimantan Barat Province, Indonesia         | Re-Audit  |
|        |  |      | Gunung Sejahtera Tumbuh 1 (GST-1)                         | 2019 |   |           |
|        |  |      | Gunung Sejahtera Tumbuh 2 (GST-2)                         | 2019 |   |           |
|        |  |      | Sungai Gemilang Teduh 1 (SGT-1)                           | 2019 |   |           |
|        |  |      | Sungai Gemilang Teduh 2 (SGT-2)                           | 2019 |   |           |
|        | -  | -    | PT Galempa Sejahtera Bersama                              | 2022 | Empat Lawang Distict, Sumatera Selatan Province, Indonesia      | -         |
|        | -  | -    | PT Putera Manunggal Perkasa                               | 2020 | Sorong Selatan District, Papua Barat Province, Indonesia        | -         |
|        | -  | -    | PT Permata Putera Mandiri                                 | 2020 | Sorong Selatan District, Papua Barat Province, Indonesia        | -         |
|        | -  | -    | PT Austindo Nusantara Jaya Tbk (ex PT Pusaka Agro Makmur) | 2024 | Sorong Selatan District, Papua Barat Province, Indonesia        | -         |
|        | Document of revision of certification time-bound statement of PT ANJA and its subsidiaries on March 2019, with justification i.e: <ul style="list-style-type: none"> <li>- Certification progress for Kasai Mill – PT. Kayung Agro Lestari is still awaiting for LUCA approval from RSPO to closed NC Major on stage 2 (stage 2 held on 5 – 10 September 2016), Re-audit plan conducted on 2019.</li> <li>- PT Galempa Sejahtera Bersama (GSB), the land compensation process has not yet been completed so that the construction of plantations and mill is postpone.</li> <li>- PT Permata Putera Mandiri (PMM) and PT Putera Manunggal Perkasa (PMP), the land compensation process due to conflicts between clans has not been completed and is still ongoing so that the construction of plantations and mill is postpone.</li> <li>- PT ANJT is ex PT Pusaka Agro Makmur, on 2017 not registered as ANJA subsidiary has been reported on ACOP to be certified on 2024, PT PAM legally become PT ANJT on 2015, for further activities will be use entity as PT ANJT.</li> </ul> |      |   |      |   |           |
| 1.10.2 | <b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>   |      |   |      |   |           |

|  |  |
|--|--|
|  | <p>Until this Recertification audit, the Koperasi Petani Binasari cannot be included in the scope of certification because of legal requirements that are not met.</p> |
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|              |  |
|--------------|--|
| <b>2.0</b>   | <b>ASSESSMENT PROCESS</b>  |
| <b>2.1</b>   | <b>Assessment Team</b>   |
| <b>RC</b>    | <p><b>1. Andi Pratama Pasaribu (Lead Auditor).</b> Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training related to sustainability palm oil audit such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS, lead auditor RSPO supply chain by BMTRADA etc. He has some experiences of RSPO audit in Indonesian palm oil in aspect of best management practices, land legality, environmental, social and worker welfare aspect. During this assesment has verify legal, social, worker welfare and supply chain aspect.</p> <p><b>2. Mohamad Amarullah (Auditor).</b> Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has been attended several trainings such as Lead Auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. Has been conducted several ISPO audit scheme as an Auditor since 2014 in BMP, environment, conservation and OHS aspect. Fluent in Bahasa, Malay and English. During this assesment has verified BMP, long term management plan, transparency and OHS aspect.</p> <p><b>3. Steve Mualim (Auditor).</b> Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as an environmental management consultant in 2012 and Sustainable palm oil assurance auditor since 2013. Has been attended several trainings i.e. : ISCC in house training, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, and ISO 9001:2008. Has been conducted several audits for RSPO, ISPO and MSPO scheme since 2013 for best management practices, conservation, and environmental management. Fluent in Bahasa and Chinese Mandarin. At the time of audit has appointed to verify social, transparency, HCV and environmental aspect. During this assesment has verified environment, conservation and GHG aspect.</p> <p><b>4. Rindu Galih Rezza Rachmansyah (Trainee Auditor).</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 1 year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on BUMN Indonesia as Assistant. Training which had attended including Training Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, Training Lead Auditor ISPO, Training Lead Auditor RSPO, RaCP and NPP awareness for RSPO, OHSAS 18001 : 2007. He has been involved in several audit activities related to sustainable palm oil certification since 2017 covering Best Management Practices aspect, OHS aspect social aspect and worker welfare aspect. During this assesment he support verify worker welfare and OHS aspect.</p> |
| <b>2.2</b>   | <b>Assessment Methodology, Assessment Process and Locations of Assessment</b>  |
| <b>2.2.1</b> | <b>Figure of person days to implement assessment</b>   |
| <b>RC</b>    | <p>Number of auditors: 3 auditor and 1 auditor trainee</p> <p>Number of days for RC at site: 4 days</p> <p>Number of working days for RC at site: 12 working days</p>  |
| <b>2.2.2</b> | <b>Assessment Process</b>  |
| <b>RC</b>    | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. ANJ Agri Siais to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised June 2017 (Module E for CPO Mill).</p> <p>Auditor team traveling on Monday, 15 July 2019 using direct flight from Jakarta to Sibolga and picked up by management in Pinangsoni Airport. It take time approximately 4 hours from Sibolga (Pinangsoni Airport) to site of PT. ANJA Siais. Opening meeting has been held on the same days in meeting room of General Manager Office PT. ANJA</p>   |

|       |  |
|-------|--|
|       | <p>Siais. It attended by auditor team and management representatives. Document verification conducted in the same place. Closing meeting held on Friday 19 July 2019. There is no diverging opinion that delivered by auditee during the closing meeting.</p> <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.</p> <p>Some opportunities for improvement of the results Recertification delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.1).</p> <p>Improvement of findings from ASA-4 assessment findings were observed by auditors at this Recertification assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification.</p> <p>The assessment program please find Appendix 2.</p>  |
| 2.2.3 | <b>Locations of Assessment</b>   |
| RC    | <p><b>ANJA Siais POM – 16 July 2019</b></p> <ul style="list-style-type: none"> <li>• <b>Security Gate.</b> Observation and interview with security officer regarding of receive and dispatch procedure, labour issue etc.</li> <li>• <b>Weighbridge.</b> Observation and interview with weighbridge operator regarding of receive and dispatch procedure, recapitulation, labour issue etc.</li> <li>• <b>Sterilizer (vertical) Station.</b> Observation and interview with 2 Operators on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Thresher Station.</b> Observation and interview with 1 Operator, on his understanding towards technical, OSH, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Clarification Station.</b> Observation and interview with 2 Operators, on their understanding towards technical, OSH, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Kernel Station.</b> Observation and interview with 1 Operator, on his understanding towards technical, OSH, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Engine Room or Power House Station.</b> Observation and interview with 1 Operator, on his understanding towards technical, OSH, Labor and environment aspects, as well as facilities provided by the company. There were 1 unit of Generator with capacity 500 kVA and another 2 units with capacity 400 kVA. It was informed that the mill has Licensed General Electrical Expert.</li> <li>• <b>Boiler Station.</b> Observation and interview with 2 Operator, on their understanding towards technical, OSH, Labor and environment aspects, as well as facilities provided by the company. There were 2 units of Boiler with capacity 35 and 40 ton/hour. All operators has valid Boiler Class 1 License.</li> <li>• <b>Press Station.</b> Observation and interview with 2 Operators, on their understanding towards technical, OSH, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Effluent Plant (IPAL).</b> Observation for waste management</li> <li>• <b>Composting Plant.</b> Observation for waste cycling</li> <li>• <b>Hazardous Waste Storage.</b> Observation for hazardous waste management</li> <li>• <b>Workshop Mill.</b> Observation for OHS and worker welfare</li> <li>• <b>Central Workshop Technic.</b> Observation for OHS, workers welfare, and hazardous material management</li> <li>• <b>Water Treatment Plant.</b> Observation for water usage monitoring</li> <li>• <b>Effluent Pond.</b> Observation for OHS and waste management</li> <li>• <b>Effluent Outlet.</b> Observation for OHS and waste management</li> <li>• <b>Chemical Store.</b> Observation for OHS and material handling</li> <li>• <b>Lubricants Store.</b> Observation for hazardous material management</li> <li>• <b>Logistic Store.</b> Observation for PPE stock</li> <li>• <b>Empty Bunch Area.</b> Observation for EFB management</li> </ul> |



- **Sortation Station.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Loading Ramp Station.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Laboratory.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Hydrant No. 2 & No. 6.** Observation related to simulation of emergency procedure.

#### Lembah Subur Utara Estate (LSU) – 16 July 2019

- **Division 5 Block M30.** Observation to **manual weeding** activities and interview with Foreman and 10 workers (7 females and 3 males) which also **Fertilizer Applicators**, on their understanding towards technical, premium calculation, daily work base, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.
- **Division 4 Block I19.** Observation to **EFB-compost mulching** on mineral soil area. Dosage recommended was 75 kg/palm/year or about 9-10 ton/ha/year.
- **Division 3 Block I16.** Observation to **harvesting** activities and interview with Foreman, 3 Harvesters and 1 Helper, on their understanding towards technical, premium calculation, daily work base, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.
- **Division 1 Block F7.** Observation to **pesticide application** (Amophosate+Trendy+Agristic) and interview with Foreman, 3 Pesticide Applicators (all female) and 1 Helper, on their understanding towards technical, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.
- **Division 1 Block G7.** Observation to Barn Owl Nest (*Gupon*) which expected to covers rat population in radius about 50 ha.
- **Division 5 Block M30.** Observation to **Barn Owl (*Tyto alba*) Sanctuary** on “Pusat Penelitian Lingkungan Hidup (PPLH)” or “Center of Environment Research” which developed for Barn Owl taken from the outside of estate fields area.
- **Division 5 Block OHS0/31.** Observation to **road and bridge maintenance** by excavator.
- **Division 5 Block L31.** Observation to **Piezometer** which installed on shallow peat area. Record of water table monitoring was available on site, ranged between 50-70 cm.
- **Division 5 Block OHS1.** Observation to **Subsidence Pole** which installed since 2013. According to field measurement, it was known that subsidence rate on these particular Block was about 3.17 cm/year.
- **Division 5 Block L34.** Observation to **Water Gate** which used for water management in Division 5, 6 and 7. The Water Gate was connected to Sibara-bara River.
- **BPN pole OPM019 Block I3 Div 3.** Observation for operational legal boundary
- **BPN pole ANJ036 Block F18 Div 3.** Observation for operational legal boundary
- **BPN pole ANJ031 Block D15 Div 3.** Observation for operational legal boundary
- **Conservation forest Block B3.** Observation for operational legal boundary
- **Paraupan Riparian Block I20.** Observation for HCV management
- **Paraupan River Downstream Block H20 Div 4.** Observation for HCV management
- **Paraupan River Upstream Block K20 Div 4.** Observation for HCV management

#### Lembah Subur Selatan Estate (LSS) – 17 July 2019

- **Division 6 Block M36.** Observation to **pesticide application** (Amophosate+Trendy+Agristic) and interview with Foreman and 4 Pesticide Applicators (3 females and 1 male), on their understanding towards technical, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.
- **Division 6 Block L40.** Observation to **harvesting** activities and interview with Foreman, 1 Harvester and 1 Helper, on their understanding towards technical, premium calculation, daily work base, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.
- **Division 9 Block P46.** Observation to **Barn Owl Nest (*Gupon*), Piezometer and EFB-compost mulching**, as well as interview with Contractor (CV Zebua), Foreman and 3 Workers (all females), on their understanding towards technical, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.

Contract agreement extended/renew annually. The compost placed on inter palm with dosage recommended was 75 kg/palm/year.

- **Division 9 Block Q48.** Observation to **Sentosa Baru Housing Complex** and interview with 3 occupants (all female), on their facility provided by estate management.
- **Division 9 Block O48.** Observation to **Fire Monitoring Tower** with height about 15 m.
- **Division 7 Block K41/42.** Observation to permanent **Bridge Construction** activities.
- **Division 6 Block L41.** Observation to **Subsidence Pole** which installed since 2015. According to field measurement, it was known that subsidence rate on these particular Block was about 2.75 cm/year.
- **Division 9 Block L42/43.** Observation to **Water Gate** which used for water management in Division 6 to Division 9. The Water Gate was connected to Manin Drain which flows to Sibara-bara River.
- **BPN pole ANJ091 Block M53 Div 10.** Observation for operational legal boundary
- **BPN pole ANJ 090 Block M53 Div 10.** Observation for operational legal boundary
- **BPN pole ANJ 134 Block O35 Div 6.** Observation for operational legal boundary
- **HCV Bukit Sembaur Block O35.** Observation for HCV management
- **HCV Block O35 Sibara-bara River Upstream.** Observation for HCV management
- **Chemical Warehouse.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Fertilizer Warehouse.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Fire Fighting Warehouse.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Central/General Warehouse.** Observation related to emergency procedure and material handling.
- **PPE Rinse Storage.** Observation related to spraying work equipment handling and PPE storage.
- **Solar Tank.** Observation related to emergency procedure and material handling.
- **Fire Fighting Simulation.** Observation related to simulation of emergency procedure.
- **Clinic.** Observation and Interview with workers related to employee facility, implementation of OHS, training from company and worker welfare.
- **Daycare.** Observation and Interview with workers related to employee facility, implementation of OHS, training from company and worker welfare.
- **Central Housing Complex.** Observation related to employee facilities, management of domestic waste, emergency response facilities, provision of clean water and electricity.
- **Landfill in Block L 25/26.** Observation related to domestic waste management.

#### **Public Consultation with Stakeholders:**

##### **External Stakeholders**

- Agriculture Agency of Tapanuli Selatan District (15 July 2019)
- Labor Agency of Tapanuli Selatan District (15 July 2019)
- Environment Agency of Tapanuli Selatan District (15 July 2019)
- Local Contractor – CV Winanta (16 July 2019)
- Local Contractor – CV Grup Zebua (16 July 2019)
- Local Contractor – CV Kasih Abadi (16 July 2019)
- Village representatives from Pardomuan Village (Binasari, Janji Matogu and Paraupan Subvillage) and previous land owner (16 July 2019)

##### **Internal Stakeholders**

- Labor Union – SERBUNDO of PT ANJA SIAIS (16 July 2019)
- Worker Cooperative ANJA Lestari (16 July 2019)
- Gender Committee – Women & Child Protection Organization (16 July 2019)

|              |  |
|--------------|--|
| <b>2.3</b>   | <b>Stakeholder Consultation and Stakeholders Contacted</b>   |
| <b>2.3.1</b> | <b>Summary of stakeholder consultation process.</b>  |
| <b>RC</b>    | <p>The public consultation with stakeholders to PT ANJA Sia's done through:</p> <ul style="list-style-type: none"> <li>• Public announcement on RSPO website on 1 June 2019.</li> <li>• Conduct a public announcement on the CB website (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 1 June 2019.</li> <li>• Conducting visits and direct interviews with stakeholders (National Land Agency; Environmental Agency; Labor Agency; and Agriculture Agency of Tapanuli Selatan District, Sumatera Utara Province) on 15 July 2019.</li> <li>• Conduct consultations via email questionnaire to NGOs (World Wide Fund, Wahana Lingkungan Hidup Indonesia, Sawit Watch and Aliansi Masyarakat Adat Nusantara) on 5 June 2019.</li> <li>• Village representatives from Pardomuan Village (Binasari, Janji Matogu and Paraupan Subvillage) and previous land owner (16 July 2019)</li> <li>• Conducting visits and direct interviews with stakeholders (Local Contractor, Labor Union, Gender Committee and Worker Cooperative) on 16 July 2019.</li> </ul> |
| <b>2.3.2</b> | <b>Stakeholder contacted</b>   |
|              | <i>Please find appendix 1</i>  |
|              |  |
| <b>2.4</b>   | <b>Determining Next Assessment</b>   |
|              | The next visit ( <a href="#">ASA1.7</a> ) will be conducted eight (8) not nine (9), after date of certificate.   |

### 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 Austindo Nusantara Jaya Agri operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were five (5) nonconformances against major, five (5) nonconformances against, and 5 (five) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record & photographic).

MUTUAGUNG LESTARI found that ANJA Siais POM – PT Austindo Nusantara Jaya Agri complied with the requirements of 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 30<sup>th</sup> 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 E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

| Ref Std.                                       | VERIFICATION RESULT of MUTU-Certification  |  |
|--|--|--|
| <b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b> |  |  |
| <b>1.1</b>                                     | <b>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.</b>  |  |
| <b>1.1.1 and 1.1.2</b>                         | <p>PT Austindo Nusantara Jaya Agri Siais or PT ANJA Siais shows list of stakeholders dated 01 January 2019, which informed stakeholder type and category, name of contact person, role in project, contact number, and analyzing of importance level. The stakeholder is consist several representatives from District of Tapanuli Selatan Agencies; Tapanuli Selatan District Legislative (DPRD); Police, Army, Attorney and Court Officers of Tapanuli Selatan District, Sub-District and surrounding Village areas; contractors; community elders; NGO, Press-media and other organizations; as well as Internal stakeholder such as Cooperative, Labor Union and Gender Committee.</p> <p>Procedure of communication and information delivery to stakeholders is presented in document No. SOP-Leg-02 (Rev. 04) dated 01 September 2015. Since 01 April 2013, information requested were recorded in Form No. FRM-SOP Leg 02-02 (Rev. 01/01). Furthermore, procedure of document handling and management on this matters is presented in document No. SOP-SCD-01 (Rev. 01/03) dated 10 November 2014. Socialization of this procedure has been delivered to all external and internal stakeholders on 02 June 2016 in PT ANJA Siais Club House. The procedure mentioned that type of information is divided into three category, e.g.: internal information, external information and confidential information. Company management stated that all periodic compulsory report related to government institutions has also could be accessed by public. Request of information which not listed on the procedure shall be after permitted by top management. Record of information request was checked and updated by Relation Manager every month. Every information requested will be delivered to the General Manager and External Relation Manager at least maximum for three days. Meanwhile, response on request will be delivered maximum for three months. For example, information request and its response is presented as follows:</p> <ul style="list-style-type: none"> <li>Letter from Indonesian Student Youth Movement Organization No. 040.PC-XXXI.U-01.02-040.A-I.01.2019 dated 17</li> </ul> |  |

January 2019 about funding proposal has been responded by the company by phone on 19 January 2019 with conclusion to be rejected.

- Letter from local NGO namely Environment Care Society (KUMPUL) through Letter No. 028.Pan-Pel.VIII/01/2019PSP/SU dated 28 January 2019 about training cooperation has been responded on 13 February 2019 with conclusion to support the training activities.
- Letter from "Badan Pengelola Keuangan Pendapatan dan Aset Daerah" or Financial and Asset Agency No. 937/1391/2019 dated 09 July 2019 about PT ANJA Sia's Tax Report has been responded through report delivery on 10 July 2019.

Based on interview with representative from surrounding communities of PT ANJA Sia's, Environment Agency, Agriculture Agency and Labor Agency of Tapanuli Selatan District, it was known that company management is considered cooperative in providing information/data requested and/or data which presented in periodic compulsory report.

Status: Comply

## 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

Procedure No. SOP-Leg-02 (Rev. 04) dated 01 September 2015 informed that type of information is divided into three category, describes as follows:

- Internal information included company policy, procedures, operational records related to technical, environment, safety and Labor.
- External information included CSR, social, and another information related to environment, Labor, occupational safety and health, etc.
- Confidential information included legal documents, human resources, corporate financial, etc.

Company management stated that all periodic compulsory report related to government institutions has also could be accessed by public. Request of information which not listed above shall be after permitted by top management.

PT ANJA Sia's management is able to shows evidence of compulsory information/report delivery to several government institutions. For example, report of Land Fire Quarter-2 2019 and Business Development Period 2018 had been delivered to Agricultural Agency on 15 March 2019 and 05 February 2019, respectively. In general, it was known that the company has monitor compulsory periodic report and deliver it on time.

Status: Comply

## 1.3

**Growers and millers commit to ethical conduct in all business operations and transactions.**

### 1.3.1

The company has a Code of Ethics Policy dated January 1, 2014 which contains a commitment to the code of integrity and ethical behavior at work. The policy contained a statement of the company to comply with all applicable laws and regulations in the territory of the Republic of Indonesia and the area of the company's operations, especially the substance and soul of the regulation. In addition, there are also statements to respect fair business practices, prohibition of all forms of corruption, bribery, fraud and disclosure of information in accordance with statutory regulations.

The Company Code of Ethics Policy is made in Indonesian, which is the language that is appropriate for the workers' everyday language. The company has also disseminated the policy to workers and also contractors / suppliers who work with companies, including:

- Company Policy socialization on January 16, 2019 to contractors and suppliers attended by 25 participants
- The socialization of company policies on January 31, 2019 which was attended by 44 participants.

According to the interview with local contractor on 16 July 2019 informed that the contractor has known that the company



has had RSPO certificate holder. It implied that the third parties shall complies with the company's ethical code, national regulation etc. For example, all contractor shall respect in human rights and legal regulation such as minimum payments for their workers, registering their worker in health insurance (BPJS Kesehatan) and worker insurance (BPJS Ketenagakerjaan) etc.

**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**

The company can show evidence that it has implemented relevant government regulations in the operations of plantations and mills, including:

##### **Land Legality**

The company has had land title as follows:

- Land title (HGU) certificate No. 1 year 2004 for area 8,000 Ha located in Pardomuan Village on behalf PT Ondop Perkasa Makmur. Valid until 27 October 2039.
- Land title (HGU) certificate No. 223 year 2016 for area 1.83 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 224 year 2016 for area 5.42 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 225 year 2016 for area 11.30 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 226 year 2016 for area 13.19 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 227 year 2016 for area 11.69 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 228 year 2016 for area 4.02 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 229 year 2016 for area 267.38 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 230 year 2016 for area 583.92 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 231 year 2016 for area 273.07 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.

**Total of land titled area: 9,171.82 Ha**

##### **Land Permit**

PT. ANJA Siais has had plantation permit as follows:

- Plantation permit for agronomies activity (IUP-B) based on Decree of Tapanuli Selatan Head District No: 525.26/1527/K/2003 dated 8 September 2003. According to the permit, hectare coverage is 8,000 Ha.
- Plantation permit for processing activity (IUP-P) based on permit from Head of Tapanuli Selatan District No: 14/IZIN/2010 dated 22 July 2010. According to the permit, capacity that allowed is  $\pm 60$  tonnes FFB/hour.
- Plantation permit for agronomies activity (IUP-B) based on permit from Head of Tapanuli Selatan District No: 15.A/IZIN/2010 dated 28 July 2010. According to the permit, hectare coverage is 1,639.06 Ha.

**Total of plantation permit: 9,639.06 plantation area and mill capacity  $\pm 60$  tonnes FFB/hour.**

##### **Worker welfare**

- The company has implemented a minimum wage in the wage system and is in accordance with Regulation of Labor Ministry No. 07 of 2013 concerning Minimum Wages



- The company has a structure and wage scale for each level of workers and is in accordance with Regulation of Labor Ministry No. 01 of 2017 concerning Wage Structure and Scale
- The company has reported regularly the Labor Obligation Report annually and is in accordance with Regulation of Labor Ministry No. 18 of 2017 concerning Mandatory Reporting of Workers

#### **Occupational Health & Safety (OHS)**

- The company has workers with licenses / certificates for jobs that require special expertise in accordance with the requirements in the legislation, including:
  - ❖ OHS License as a Backhoe Loader Operator with license No. 89020-OPOHS-LT / PAA / V / 2017 dated May 22, 2017 to Rico Perdian Sembiring which is valid for 5 years.
  - ❖ OHS License as Excavator Operator with license No. 89022-OPOHS-LT / PAA / V / 2017 dated 22 May 2017 to Abdul Rahman NST which is valid for 5 years.
  - ❖ OHS license as a Tractor Operator with license No. 89021-OPOHS-LT / PAA / V / 2017 dated May 22, 2017 to Yudi Ismanto which is valid for 5 years.
  - ❖ OHS License as a First Aid Officer with license No. DTK-TR / SU / XI / 2016 dated 30 November 2016 to Sugandi Tua Sihotang which is valid for 3 years.
  - ❖ OHS License as a First Aid Officer with license No. DTK-TR / SU / XI / 2016 dated 30 November 2016 to Rustam Simanjuntak which is valid for 3 years.
  - ❖ Certificate of Class 1 Welding Officer with certificate No. S.625 / JL / BINWASOHS-PNOHS / VII / 2018 dated July 13, 2018 given to Ismail Harahap.
  - ❖ Certificate of Class 1 Welding Officer with certificate No. S.623 / JL / BINWASOHS-PNOHS / VII / 2018 dated July 13, 2018 given to Harun Hasibuan.
  - ❖ OHS License as a OHS Expert for Electrician with license No. 5970 / AOHS-LIST / VIII / 2018 dated 16 August 2018 given to Sugeng Raharso.
  - ❖ OHS License as a Class 1 Boiler Operator with license No. 147 / OPOHS / B.I / I / 2015 dated 19 January 2015 to Nandra which is valid for 5 years.
  - ❖ OHS License as a Class 1 Boiler Operator with license No. 610 / OPOHS / B.I / V / 2018 dated May 21, 2018 to Rahmadsyah Harahap which is valid for 5 years.
- The company has a Medical Clinic License along with doctors and paramedics who have participated in Hiperkes training in accordance with applicable regulations, including:
  - ❖ Permit Letter of the Head of PM & PTSP Agency (Investment and Integrated Licensing Services at the One Door) of Tapanuli Selatan District No. 503/02 / SIKL / I / 2018 dated January 26, 2018 for the Clinical License of PT Austindo Nusantara Jaya Agri Siais, which is valid for 3 years.
  - ❖ Decree on Appointment as Doctor of Health Checker No. KEP.83 / BINWASOHS-PNOHS / KK / IV / 2017 dated 20 April 2019 from the Director General of Labor & Oversight Supervision Development to dr. Erwan Taufik (doctor) who is valid for 3 years.
  - ❖ Hiperkes Certificate No. 18,871 / DH-I / 08 issued in April 2008 by the Minister of Labor and Transmigration of the Republic of Indonesia to Dr. Erwan Taufik (doctor).
  - ❖ Hiperkes Certificate No. 23,615 / DBOHS-PM / 11 / VII / 2017 issued in November 2017 by the Director General of Development, Labor Inspection & OHS to Sortauli Pangaribuan (paramedic).

During the audit, auditor identify some fact i.e

- Based on the results of field visits and interviews with engine room operator, it is known that workers do not yet have a license for Power and Production Operators. This is in line with the results of a review of the OHS license monitoring document owned by the company that for all engine room operators owned by the company, they do not yet have a license of the Power and Production Operator in accordance with Regulation of Labor Ministry No. 38 of 2016.
- Based on the results of interviews with the Tapanuli Selatan District Labor Office and Local Contractors working with the company, it is known that both the contractor and the company have not registered their contractor along with their work agreement with the office until now in accordance with Regulation of Labor Ministry No. 19 of 2012.
- Based on the results of the document review of the cooperation agreement between the company and the contractor it is known that the company already has a cooperation agreement with PT Nawakara Perkasa Nusantara for security work, but the cooperation agreement cannot be shown for cooperation with CV Winanta, CV Kasih Abadi, CV Zebua

Group and CV Abadi Jaya. This is not in accordance with Law No. 13 of 2003 and Regulation of Labor Ministry No. 19 of 2012.

The company has not been able to demonstrate compliance with all applicable laws, regulations, both local, national and international that have been ratified. **Non-Conformity No. 2019.01**

#### **2.1.2; 2.1.3 & 2.1.4**

The company has a list of legal requirements (legal documents) on a regional, national and international scale that have been ratified to support the operations of plantations and mills including:

- Legal Aspect of Company with 27 regulations.
- Legal Aspect of Land, Forestry and Plantation with 64 regulations.
- Legal Aspect of Environmental with 107 regulations.
- Legal Aspect of Employment with 51 regulations.
- Legal Aspect of Taxation with 6 regulations.
- Legal Aspect of Occupational Health and Safety (OHS) with 58 regulations.

Based on the description above it can be seen that the company currently has 313 regional, national and international regulations which are divided into 6 different legal aspects.

The company has a procedure to track legal changes every year and is listed in the Regulatory Compliance Evaluation Procedure (No. Doc: SOP Leg-01, Edition 01, Rev. 03) on March 30, 2015. The procedure explains how to identify regulations using several methods such as direct requests to regulatory issuing agencies, identification through the official website, through seminars / outreach / workshops conducted by regulatory issuing agencies, seeking information from accredited institutions related to regulatory updates. The company has also appointed a PIC that is responsible for identifying, evaluating and tracking changes and fulfilling the laws and regulations, which is the Legal Department which is carried out annually.

The company has conducted an evaluation of legal compliance conducted in January 2019 by the Legal Department. The result is that there are regulatory updates in 2019 including the following:

- Minister of Agriculture Regulation No. 05 of 2018 concerning Opening and / or Processing of Plantation Land without Burning.
- Decree of the Governor of North Sumatra No. 188.44 / 1457 / KPTS / 2018 dated 21 November 2018 concerning the Determination of the Minimum Wage for Tapanuli Selatan District in 2019 amounting to IDR 2,675,368.48 as of January 1, 2019.

Based on this, the company evaluations are conducted to see the implementation that has been carried out by the company of the new regulations that will be applied or that have been applied by the company. If there are regulations that are no longer relevant, the company will remove them from the list of regulations. After evaluating, the list of regulations along with their implementation will be informed / given to the External Relations of each unit.

|              |   |  |
|--------------|---|--|
| <b>2.1.1</b> | <b>Status:</b><br><b>Non-Conformity No. 2019.01 with Major Category</b> |  |
|--------------|---|--|

#### **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**

The company has had land title as follows:

- Land title (HGU) certificate No. 1 year 2004 for area 8,000 Ha located in Pardomuan Village on behalf PT Ondop Perkasa Makmur. Valid until 27 October 2039.
- Land title (HGU) certificate No. 223 year 2016 for area 1.83 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 224 year 2016 for area 5.42 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais.

Nusantara Jaya Agri Siais. Valid until 2 September 2051.

- Land title (HGU) certificate No. 225 year 2016 for area 11.30 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 226 year 2016 for area 13.19 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 227 year 2016 for area 11.69 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 228 year 2016 for area 4.02 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 229 year 2016 for area 267.38 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 230 year 2016 for area 583.92 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.
- Land title (HGU) certificate No. 231 year 2016 for area 273.07 Ha located in Pardomuan Village on behalf PT Austindo Nusantara Jaya Agri Siais. Valid until 2 September 2051.

Total of land titled area: **9,171.82 Ha**

In addition, 240.60 Ha area is currently in process to obtaining land title (HGU). So, the total of certification scope is **9,412.42 Ha**. Those area covered by plantation permit below.

#### **Plantation Permit**

PT. ANJA Siais has had plantation permit as follows:

- Plantation permit for agronomies activity (IUP-B) based on Decree of Tapanuli Selatan Head District No: 525.26/1527/K/2003 dated 8 September 2003. According to the permit, hectare coverage is 8,000 Ha.
- Plantation permit for processing activity (IUP-P) based on permit from Head of Tapanuli Selatan District No: 14/IZIN/2010 dated 22 July 2010. According to the permit, capacity that allowed is  $\pm 60$  tonnes FFB/hour.
- Plantation permit for agronomies activity (IUP-B) based on permit from Head of Tapanuli Selatan District No: 15.A/IZIN/2010 dated 28 July 2010. According to the permit, hectare coverage is 1,639.06 Ha.

**Total of plantation permit: 9,639.06 plantation area and mill capacity  $\pm 60$  tonnes FFB/hour.**

#### **2.2.2**

The company has had the procedure related to boundary poles monitoring and maintenance that signed by top management since 1 April 2016. Boundary poles monitoring and maintenance conducted every 6 month by the division where poles located.

Based on the last verification report on 18 January 2019 known that 89 poles in LSU and 89 poles in LSS (all in good condition. Some poles that observed randomly by auditor as follows:

- Boundary poles OPM01 (Block I3), ANJ036 (Block F18), ANJ031 (Block D15) all in Division 3 LSU.
- Boundary poles ANJ091 and ANJ090 (Block M53) Division 10, ANJ134 (Block O35) Division 6 LSS.

#### **2.2.3; 2.2.4; 2.2.5**

Based on public consultation with related government agencies of Tapanuli Selatan District and village representatives (sub-village Paraupan, Janji Matogu and Binasari) known that there is no land dispute case for the last 5 years.

During field visit, auditor observe random area and not sighted land dispute area. Based on that fact, auditor concluded that there is no land dispute case in PT. Austindo Nusantara Jaya Agri Siais.

#### **2.2.6**

Austindo Nusantara Jaya Agri has had sustainability policy (last updated on 5 July 2019). Those document stated that the company will not use violence or paramilitary approach to handling dispute cases.

Based on public consultation with related government agencies of Tapanuli Selatan District and village representatives (sub-village Janji Matogu, Paraupan and Binasari) known that the company always maintaining peace in case of land dispute. There is no intimidation by the company or paramilitary to handling any dispute case.

**Status: Comply**

### 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; 2.3.2; 2.3.3 and 2.3.4

Based on HCV and SIA assessment that conducted by Sonokeling Akreditasi Nusantara on 2013 known that there is no customary right inside the concession area of PT. Austindo Nusantara Jaya Agri Siais. All concession area originates from state land that compensated from local communities based on mutual agreement. All the record of compensation process are in place.

During the audit, auditor also interviewed previous land owner from Pardomuan Village (subvillage of Paraupan, Binasari and Janji Matogu) informed that there is no customary land inside the company's concession. Event Austindo Nusantara Jaya Agri Group took over this concession from PT Ondop Perkasa Makmur, local people has well-informed regarding to the company's commitment on land rights. All acquisition process conducted in transparent and fair bases. The community represent themselves during that process and witnessed by local leader and government representatives. All document and material written in Bahasa.

**Status: Comply**

### **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 company has long term management plan for period 2018 to 2022 which already evaluated and currently presented in document of "Financial Projection 2019-2022 and Statement of Operation Projection", issued by Director and Head of Accounting on 26 April 2019. The projection has covers planting program, hectare statement, FFB production, extraction rates, oil and kernel production, sales, inventory, income, expense, costs, operating profit, profit after tax, cash flow operations, cash available for debt service and shareholder and cash ending balance. For example, projection of yield, total FFB processed, total CPO production, total Kernel production, CPO price and kernel price for period 2022 are 28.53 ton/ha/year; 320,000 ton; 69,036 ton; 15,506 ton; USD 625/ton; and USD 469/ton, respectively. Company management stated that longterm management plan are subjected to be changed and reviewed every month by the respective management through monthly management report meeting, which considering actual trends and dynamic situation which predicted could be changed in the future. Record on last meeting from January to June 2019 in both estates were available. The longterm management plan was extracted more details in annual budget plan which prepared by the Estate Manager. Regarding peat management, the current water management has considered satisfactory. Furthermore, company management also informed that there is no plan of land expansion for production area and increment of mill processing capacity in the near future, which currently stick on 7,912 ha and 120 ton FFB/hour, respectively. There is smallholder's scheme in PT ANJA Siais operational areas. This scheme has starts since 2005 for area covers 145.00 ha. However, there is no plan for further expansion of smallholder areas.

#### 3.1.2

Procedure No. SOP-AGR-28 dated 01 August 2013 about replanting mentioned that replanting shall be conducted with consideration of productivity per hectare area of the block (based on management decision, approved by Director), one cycle of cultivation (25 years) and due to tall palm (>18 m). According to year of planting data and information from estate management, it was known that palms in PT ANJA Siais were still on the first cycle that planted during 2005 to 2009. Hence based on one cycle of cultivation only, replanting is expected to be carried out as earliest on 2030. Thus, replanting will not be planned and conducted in the near future and not included on the current longterm management plan.

**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**

Estate and mill management informed that there were no additional and revision of the existing technical procedure and work instruction. Estate management shows list of procedure (SOP) which presented in document No. SOP-AGR-01 to No. SOP-AGR-28 which issued by the Chief Executive Officer (CEO) through letter No. 07/AGR/IM/IA/08/13 dated 01 August 2013. Up to re-certification audit, latest revision (4<sup>th</sup> revision) has carried out in 01 April 2016. Furthermore, there is several Work Instruction (WI) which describes the SOP more detail. For example, WI No. IK-SOP OPR 004-001 dated 01 June 2013 has describes water level monitoring and measurement on peat area, as well as peat subsidence. Moreover, mill management shows 24 related SOP's of oil palm processing which presented in document No. ST.0/Eng-STR to ST.24/Eng-LAB. All SOP and WI above were available in Bahasa. Master list of procedure for estate and mill were keeps by Head of Research and Development and Head of Engineering, respectively. Document control of SOP was conducted by General Manager of Administration and SOP Management Compliance. Based on SOP document review, it could be concluded that all SOP's and WI's were still relevant with current situation and covers all aspect of best management practices in the estates and mill.

Procedure of safe working practices towards pesticide application is presented in several documents such as Manual of OSH No. MAN-EHS-001 issued by EHS Manager on 10 August 2015; procedure No. FRM-SOP-SDV 01.001 dated 10 August 2015 about environment health and safety; procedure No. SOP-EHS-001 to No. SOP-EHS-031; Material safety data sheet (MSDS) of agrochemicals; and Hazard identification risk assessment determining control (HIRADC).

Based on field observation and interview with Harvesters in Division 3 Block I16 LSU and Division 6 Block L60 LSS; with Pesticide Applicators in Division 1 Block F7 LSU and Division 6 Block M36 LSS; Fertilizer Applicators in Division 5 Block M30 LSU; as well as Operators in all Processing Stations of ANJA Siais POM, it was known that the workers were able to explain and demonstrate its job in accordance with the procedure, such as standard of work quality, safe working practices, training and medical check up and testing to be conducted regularly by company management.

**4.1.2**

Update and distribution of SOP and WI to all units is carried out by General Manager of Administration and SOP Management Compliance. For monitoring of procedure implementation consistency, some mechanism had been carried out by unit management, which presented in several documents such as Estate Head monthly report; RSPO Internal audit which had conducted in 11 to 15 February 2019; Group Internal Audit No. 30/GIA-REG/ANJAS/2018 dated 27 July 2018; Financial statements of PT ANJA Siais report dated 31 December 2018; Quality Assurance and Recommendation Assessment report which presented in document No. 01/QA/ANJA-Siais/Maret/2019 dated March 2019 and No. 01/QA/MILL/ANJA-SIAIS/Maret/2019 dated March 2019 for Estates and Mill, respectively; Agronomy report by "Centre De Cooperation Internationale En Recherche Agronomique Pour Le Developpement (CIRAD)", presented in document No. 005/AGR/INT/01/19 dated 29 January 2019; Maintenance book; etc.

The company also had quality assurance officer to ensuring field implementation are in line with the procedure. Quality assurance reporting their result to General Manager for improvement or evaluation.

**4.1.3**

Estates and mill management operational activities has recorded, monitored, evaluate regularly and reported in several documents, such as daily work plan, Foreman notes, monthly estate and mill manager, internal audit and quality assurance report. For example, as reported in Quality Assurance report on March 2019 as follows:

- ANJA Siais Mill: in order to enhance mill performance indicator, advisor has recommending several action such as to conduct immediate maintenance on digester body No. 2 to No. 4; condensate pipe on Sterilizer Station; Pipe Softener No. 1; and Heater Nut Silo No. 1.
- Estate: estate management to take attention on potential ganoderma attack in 2019. Palm isolation shall be



conducted once it was detected. Furthermore, census on termites and rats to be continued as scheduled. Moreover, in order to enhance polication level, reparation of *Eladobious* sp. cage need to be carried out immediately.

- Internal audit which had conducted in 11 to 15 February 2019, presented in document No. FRM-SOP SDD 03-02 (Rev. 00). The audit has identified 12 major, 9 minor and 1 supply chain non conformity which all has been fully comply on 30 May 2019. Furthermore, there is also 10 OFI. Action plan and PIC for every issues during internal audit were available.

Based on explanation above, it could be concluded that monitoring and evaluation of SOP and WI implementation has satisfactory carried out by estate and mill management unit.

#### 4.1.4

Procedure of FFB acceptance from another sources is presented in document No. ANJA-F&A-SOP31 dated 01 April 2016, which mentioned that all FFB delivered to ANJA Siais Mill shall came from legal and responsible sources. This points has also mentioned in work agreement document. Checking and monitoring of FFB legality from external sources is carried out by the Head of Sales and Commercial Department. Up to re-certification audit, ANJA Siais POM has received external FFB from 6 (six) sources which all were still RSPO Non-Certified sources, e.g. KT and CSR Janji Matogu, UD RIRI, UD Boru Namora, Transit Tank and ANJA Siais Smallholder (Plasma KT Binasari). Agreement of FFB procurement shows through Work Agreement FFB Suppliers, for example as follows:

- Agreement No. 1231/COM/ANJAS/2018 dated 11 December 2018 with UD RIRI.
- Agreement No. 1232/COM/ANJAS/2018 dated 11 December 2018 with UD Boru Namora.
- Agreement No. 1233/COM/ANJAS/2018 dated 11 December 2018 with KT Janji Matogu.
- Agreement No. 1234/COM/ANJAS/2018 dated 11 December 2018 with KT Binasari.

All agreement mentioned above were valid until 31 December 2019.

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| <b>Status: Comply</b> |
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#### 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

Procedure related to soil fertility management is presented in several procedure, such as: No. SOP-AGR-08 about planting of cover crop (legumes); No. SOP-AGR-11 about fertilizer and manuring; No. SOP-AGR-12 about manuring in immature area and cover crop; No. SOP-AGR-23 about leaf sampling unit; No. SOP-AGR-26 about soil analysis; No. IK-SOP-AGR-011-01 about compost fertilizer; and No. IK-SOP-AGR-011-007 about compost application. Based on observation and interview with Fertilizer Applicators in Division 5 Block M30 LSU, it was known that the applicators were able to explained and demonstrate several technical implementation such as time of application, macro and micro nutrient fertilizer placement, prohibited areas to be applied with fertilizer (i.e. conservation and riparian areas) and PPE used. Furthermore, based on field observation, it was found several strategy had implemented which aims to enhance soil fertility, i.e.: fertilizer application as recommended by Agronomist; EFB-compost mulching as seen in Division 4 Block I19 LSU and Division 9 Block P46 LSS; as well as selective weeding which aims for water and soil conservation.

##### 4.2.2

Estate management is able to shows fertilizer application monitoring record for period up to May 2019. Among fertilizer applied are Urea, MOP, RP, Kieserita and mycogold. According to fertilizer application record, it was known that in general estate management has conducting fertilizer application in accordance with schedules given by Agronomist. Most of fertilizer were aims to provide macro nutrient needs (N, P, K and Mg), since there is no micro nutrient deficiency identified during annual leaf sampling analysis. Thus, this performance is considered very satisfactory.

##### 4.2.3

Procedure of Leaf and Soil sampling for manuring recommendation are presented in document No. SOP-AGR-23 and No. SOP-AGR-26, respectively. The procedure mentioned that leaf and soil analysis shall be conducted annually and every five years, respectively. Last SSU conducted in May 2019. Leaf analysis was conducted by third party Laboratory namely *Centre De Cooperation Internationale En Recherche Agronomique Pour Le Developpement* (CIRAD) in France, while soil



analysis was conducted by PT Nusa Pusaka Kencana Analytical and QC Laboratory (Asian Agri Group). For example, latest leaf and soil analysis was presented in document No. CIRAD-PERSYST/UPR 34 dated March 2019 and document Ref. No. 046/RD-EXT/S/JUN/19 dated 03 June 2019, respectively. Parameters measured on leaf analysis are dry matters content of macro (N, P, K, Mg, Ca) and micro (B, Cu, Zn) nutrients on. Meanwhile, parameters measured in soil sampling analysis are soil texture, pH, C-Organic, N-Total, C/N Ratio, Total and Available P, Cation Exchange Capacity (CEC) and nutrient content (Ca, Mg, K, Na, P, K, Fe, Cu, Zn and Mn). Apart from leaf and soil sampling analysis, nutrient status of palms has also accessed through visual assessment of palm vigour and field condition by Agronomy visit, presented in Agronomy Annual report.

#### 4.2.4

Apart from chemical fertilizer, estate management has also implementing EFB-Compost mulching as strategy of nutrient cycle, which aims to provide more nutrient K supply on the field. Dosage recommended was 75 kg/palm/year or about 9-10 ton/ha/year, placed on the inter palm. This is confirmed during observation to Division 4 Block I19 LSU and Division 9 Block P46 LSS. Map and record of EFB-Compost mulching were available. For example, up to June 2019, the EFB-compost has been mulched for about 2,760.62 ton in Division 1 LSU and 2,810.03 ton in Division 6 LSS, which covers area for about 281.78 ha and 283.97 ha, respectively.

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| <b>Status: Comply</b> |
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### 4.3

#### Practices minimize and control erosion and degradation of soils.

##### 4.3.1

The company has soil map with scale varies from 1:23,984 to 1:75,000 which derived from semi detail soil survey report conducted by CIRAD dated 01 January 2015. According to soil distribution analysis, it was known that alluvial clay soils has dominated estate operational areas which cover about 51.01 %, followed by peat and organic soils (muck) which covers about 45.85 %. There is small portion of red yellow podzolic for about 3.14 %. All peat soils were shallows with depth less than 3.00 m. There is no fragile soils but there is marginal which mostly due to the presence of muck and shallow peat which covers about 45.85 % or 3,627.40 ha. The particular area has also prone to flooded and has a poor drainability soil property. Based on explanation in the former, it could be concluded that estate management has a proper soil map which informed the presence of marginal area.

##### 4.3.2

Based on Slope Map analysis, it was known that slope condition in PT ANJA Siais were dominantly flat to undulating which covers about 81.59 % from total area. Soil limitation on this area was due to poorly drained soil properties and prone to flooded area. To overcome this situation, estate management has conducting field drains system with pattern 1:1 to 1:8, depends on filed condition and flooded severity level. Furthermore, there were area with slope condition steep to very steep which covers about 16.12 % of total area. Currently those particular areas were managed as HCV area.

##### 4.3.3

Program of road maintenance is presented in annual budget document of "Road Maintenance Program for Period 2019". Activities included are grading, compaction, patching and maintenance of bridge and culvert. Those activities was conducted by estate management and contractor namely CV Tiga. Progress has been updated every month. For example, according to the record on June 2019, it was informed that road maintenance program has achieves about 30-64 % and inline with schedule. For road maintenance purposes, currently estate management has 1 unit Motor Grader and 1 unit Compactor Roller. Furthermore there were several units of Excavators and Dump Trucks which could be use for road maintenance activities. Based on field observation to Division 5 Block OHS0/31 LSU and Division 7 Block K41/42, it was found new permanent bridge installation to replace the old by Excavator. Overall, it could be concluded that road conditions in LSU and LSS were considered satisfactory and easily passable for fruits extraction.

##### 4.3.4

Procedure of oil palm cultivation on peat area is presented in several document, as follows:

- No. SOP-AGR-04 dated 01 August 2013 about planting and management on peat area.
- No. SOP-AGR-05 dated 01 April 2016 about soil and water conservation.

- No. IK-SOP-OPR 004-001 dated 01 June 2013 about work instruction for water level and peat subsidence rate measurement.
- No. IK-SOP-AGR-05-001 dated 01 June 2015 about work instruction for water management (Watergate, overflow, stop bund, piezometer, subsidence pole and water level).

**Water Management and Subsidence Monitoring**

All procedure requires that water level shall be maintain between 60-80 cm. Both LSU and LSS has monitor water level and water table of the field which the record had reported every month. Water level in both estate were controlled through watergate and stopbund. Estate management explained that there were 3 units of watergate and 520 units of stopbund in LSU and 2 units of Watergate and 116 stopbunds in LSS. This in confirmed through observation to Water Gate in Division 5 Block L34 LSU and Divison 9 Block L42.43. Both Water Gate were connected to Sibara-bara River. According to estate monitoring record, it was known that water level managed in between 60 to 80 cm, which aims to minimizing peat subsidence rates. In order to monitor water table inside the field, estate management has installing Piezometer, as observed to Division 5 Block L31 LSU and Division 6 Block L41 LSS. LSU and LSS has 96 and 141 pcs of piezometer, respectively. Record of monitoring were available on-site, as managed as in accordance with procedure.

Estate management has conducting peat subsidence monitoring which could be important parameter for effectiveness of water management evaluation. For example, explanation of subsidence rate in both estate is presented as follows:

- During 2019, subsidence rate on 9 monitoring point in LSU were ranged between 1.05-1.60 cm/year. This figure was better compare to the last year which about 2.55-3.40 cm/year. As observed to Subsidence Pole in Division 5 Block OHS1 LSU which installed since 2013, it was known that according to field measurement, subsidence rate on these particular Block was about 3.17 cm/year.
- During 2019, subsidence rate on 6 monitoring point in LSS were ranged between 1.20-2.05 cm/year. This figure was better compare to the last year which about 2.40-3.80 cm/year. As observed to Subsidence Pole in Division 6 Block L41 LSS which installed since 2015, it was known that according to field measurement, subsidence rate on these particular Block was about 2.75 cm/year.

According to explanation above, it could be concluded that in general, average of subsidence rates in both estates were still bellow limits as required by Regulation of Minister of Environment No. 7 in 2006 (35 cm per 5 year or about 7 cm/year). This figure indicates that water management has satisfactory implemented in estates operational areas.

**4.3.5**

According to hectare statement 2019, it was known that palms in PT ANJA Siais were planted between 2005 to 2009. Hence based on one cycle of cultivation, replanting is expected to be carried out as earliest on 2030. Thus, replanting will not be planned and conducted in the near future. In general, average subsidence rates in PT ANJA Siais were ranged between 1.05 to 2.05 cm/year, which indicate that both estate management has satisfactory implementing water management on peat areas. Furthermore, estate management mentioned that in order to overcome floods during wet seasons, installation of water pump in Block E17 Division 3 LSU was adopted to minimized the negative effect of floods where comes from Sibara-bara, Batang Air Gadis and Aek Labu River. Study on peat area including drainability assessment has conducted by Consultant from Wetland International on 25 to 27 June 2015, with recommendation as follows:

- To update peat area distribution, revitalization of drainage system and measurement of carbon stock.
- To anticipate el-nino phenomenon through block watergate which aims to preserve more water on the field.
- To keep monitoring on water level, water table, subsidence rate and GHG emission.

Based on that concluded that ANJA Siais concession is still profitable for the next cycle.

**4.3.6**

Procedure of estate management strategy/technique on fragile and marginal areas is presented in document No. SOP-OPR-006 (Rev. 00) dated June 1<sup>st</sup> 2009. Based on field observation, it could be concluded that several strategy which already implemented by estate management to overcome soil limitation associated with the presence of peat soil, hilly to steep slope area, lowlying (flood prone) and very low soil fertility areas is presented as follows:

- To conduct water management on peat areas through watergates and stopbunds monitoring and operations which

aims to maintain water level and water table in between 60 to 80 cm. Hence, peat subsidence could be minimize as low as possible.

- To conduct installation of water pump in Block E17 Division 3 LSU which aims to minimize the negative effect of floods where comes from Batang Air Gadis and Aek Labu River during wet seasons.
- Slope above 40 % (very steep) is prohibited to be planted and currently managed as HCV area.
- Selective weeding which aims to enhance organic matter and retaining soil moisture.
- Soil texture and nutrient recovery through EFB-compost mulching in mineral sandy texture areas, with dosage recommended about 75 kg/palm/year or 9-10 ton/ha/year.
- To overcome low fertility soils, estate management has conducting fertilizer application based on leaf and soil nutrient analysis, which recommended by Agronomist team.

**Status: Comply**

#### **4.4**

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

##### **4.4.1**

Based on field visits on block water gate block L34 LSU found that companies managed peat land by maintaining water level at 60-80 cm based on peat management best management practices procedures. For riverine for examples on Sibarabara river upstream block O35, shown companies have marked buffer zone, perform revegetation with woody plants, and HCV signboard placement. During field visit also found riparian condition were naturally forested well and there is no chemical activity indications on those riparian that become audit samples.

Water sources identification and management plan are listed on 2019 water management document that consists of peat soils water management, stop bund installation, water usage monitoring on mill, surface water quality analysis for Batang Gadis, Aek Lobu, Paraupan and Sibarabara river, water gate installation and monitoring, and HCV areas management.

##### **4.4.2**

Management for water courses, peat land, and riparian was done based on soil and water conservation procedure (SOP-OPR-005) and HCV and riparian procedure (SOP-SDD-02). PT ANJ Agri Sia's have been identified water courses and wetland based on HCV Assessment and the implementation for those procedure has been explained at 4.4.1 indicators. Main riverine found on PT ANJ Agri Sia's are Batang Gadis riverine, and other sub watersheds streaming on estate are Paraupan river and Sibarabara river. All of main watershed/sub watersheds has been mapped with 1:65000 scale.

Field visit on Sibarabara river upstream block O35, shown companies have marked buffer zone, perform revegetation with woody plants, and HCV signboard placement. During field visit also found riparian condition were naturally forested well and there is no chemical activity indications on those riparian that become audit samples.

##### **4.4.3**

Mill effluent produced by ANJ Agri Sia's mill processed at effluent pond based on procedure SOP-EHS-008, until it complying to standards before it distributed into water stream based on decree of environmental agency Tapanuli Selatan Regent 503/870/DPMPPYTSP/2017 valid until 2020. Mill effluent has been monitored every months and monitoring period Jan-April 2019 shows that all of outlet palm oil mill effluent testing parameters are compliant to the standards quality, for example BOD on April 2019 were 98.9 mg/l (< 100 mg/l). Mill Effluent management also was reported and submitted quarterly to environmental agency of Tapanuli Selatan District.

##### **4.4.4**

Standards of water usage for FFB process recorded on year 2019 budget projected 1.89 m<sup>3</sup>/mt FFB process. Water usage monitoring was done periodically and recorded, for example on June 2019 FFB processed was 23104 mt, process water usage 33050 m<sup>3</sup>, and water usage efficiency was 1.43 m<sup>3</sup>/mt FFB process. Field visit on ANJ Agri Sia's POM also found records for water usage are done based on flowmeter reading by WTP officer on daily basis.

**Status: Comply**

#### **4.5**

##### **Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

#### 4.5.1

Estate management units has committed to adopting integrated pest management (IPM) which presented in several document, e.g. procedure No. SOP-AGR-20 dated 01 April 2016 about IPM; No. SOP-AGR-21 dated 01 August 2013 about rat control by barn owl; No. SOP-AGR-24 dated 01 August 2013 about rat control through chemical baiting; No. SOP-AGR-27 dated 01 August 2013 about termites control; work instruction No. IK-SOP AGR-02 dated 01 September 2015 about Oryctes control, etc. In general, main objective of the procedure was to minimize the use of pesticides through implementing early warning system, detection, census, pesticide usage control and biological method for pest population control. Among object of pest mentioned in the procedure are leaf eating caterpillars, rat, termite, oryctes, ganoderma, etc. Realization of IPM program is presented as follows:

##### Early Warning System (EWS) and Census Analysis

Record of census is presented in document No. Rek-Siais-QA-01 (Rev. 01/01) and for rat and No. Rek-Siais-QA-02 (Rev. 01/01) for termite, which signed by QA, QA Assistant and General Manager. Agronomist and estate management mentioned that according to early warning system, pest attack which identified and considered need to be further check by census was termite and rat attack. Thus, census analysis shows by both estates, for example results of census is summarized as follows:

- Based on census of termites in June 2019, it was known that incidence in LSU and LSS were ranged between 0.06 to 0.32 %. Termites population control by fipronil were taken to overcome this situation. However, there is no threshold limit for termites attack.
- Based on census of rats in April 2019, it was known that rats attack more than threshold limit (>5 %) was detected on Division 1 LSU, Division 3 LSU and Division 9 LSS. Thus, rat bait is recommended on those particular areas. However, stock of Bait are not ready on the Store, whid lead to delayed in application. Estate management explained that in period 2017/2018, there is no usage of ratbait, as conformed through record data. The rat-baiting is finally been implemented on July 2019. Estate management is encourage to monitor readiness of rat bait on the Store, to anticipate rat incidence outbreaks. **OFI**.

##### Biological Method for Pest Population Control

- Both estate management has conducting beneficial plants such as *Turnera subulata*, *Cassia cobanensis*, *Cassia tora* and *Antigonon leptopus* for leaf eating caterpillar and bagworm population control. This in confirmed during field observation along the edge of main road and collection road.
- Estate management has adopting Barn Owl (*Tyto alba*) for rat population control which projected to covers area for about 30-50 ha. This is confirmed during observation to Division 1 Block G7 LSU and Division 9 Block P46 LSS. Up to April 2019, average occupation level of Barn Owl Nest (*Gupon*) was 6.31 % with the highest was identified in Division 5 LSU for about 25.00 %. Furthermore estate management has develop barn owl sanctuary in *Pusat Penelitian Lingkungan Hidup* (PPLH, located at Division 5 Block M30 LSU since February 2018. Estate management is encourage to breeds barn owls which taken from barn Owl Nest (*Gupon*) from estate fields. **OFI**.

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Amiphosate 480 SL (Isoprophyl Amine Glyphosate) could be substitute and/or mixed with Trendy 20 WG (Methyl Messulfuron).

#### 4.5.2

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards integrated pest and disease management, for example as follows:

- Training of rat management has conducted on 20 September 2018, attended by 88 participants from LSU and LSS.the training was provided by rat bait produsen, PT Bayer Indonesia.
- Training of integrated pest management has conducted in 02 May 2019 in Division 6 LSS, attended by 9 participants, and in 22 June 2019 in Division 7 LSS, attended by 59 participants.
- Training of agrochemicals (pesticide) application and its safety aspect for pesticide applicators iwas conducted on 17 June 2019, attended by 14 pesticide applicators from LSU.

- Training of knapsack calibration has conducted on 28 February 2019 attended by 13 pesticide applicators and training of agrochemicals (pesticide) application and its safety aspect was conducted on 04 March 2019, attended by 4 pesticide applicators from Division 8 LSS.

Based on field observation and interview with Foreman and Pesticide Applicators in Division 1 Block F7 LSU and Division 6 Block M36 LSS, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (ex. Riparian and HCV area), PPE's to be used, as well as its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals.

**OFI**  
**4.5.1**      **Status: Comply**

#### 4.6

#### Pesticides are used in ways that do not endanger health or the environment

##### 4.6.1

Procedure No. SOP-AGR-20 dated 01 April 2016 has mentioned that the use of agrochemical should be based on census analysis evaluation when the level of incidence is more than economic threshold. Furthermore, procedure of agrochemical uses and safety is presented in document No. SOP-AGR-19 dated 01 August 2013. In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micrantha*, the use of Amiphosate 480 SL (Isoprophyl Amine Glyphosate) could be substitute and/or mixed with Trendy 20 WG (Methyl Messulfuron).

According to record of pesticide usage for period /2019, as well as observation to Pesticide Store, it was known that there were eight brands of herbicide, three brands of insecticide and one reodenticide. Those pesticides mentioned above were listed in Pesticide and Fertilizer Directorate through [http://pestisida.id/simpes\\_app/rekap\\_formula\\_nama.php](http://pestisida.id/simpes_app/rekap_formula_nama.php). For biological control purposes, estate management has conducting planting of beneficial plants (*Turnera subulata*, *Antigonon leptopus* and *Cassia cobanensis*) for leaf eating caterpillar and bagworm population control. This in confirmed during field observation along the edge of main road and collection road. Furthermore, estate management has adopting barn owl (*Tyto alba*) for rat population control through nest instalation, as observed to Barn Owl Nest in Division 1 Block G7 LSU and Division 9 Block P46 LSS. The nest is expected to covers rats population in radius 30-50 ha. Up to April 2019, average occupation level of Barn Owl Nest was 6.31 % with the highest was identified in Division 5 LSU for about 25.00 %. Furthermore estate management has develop barn owl sanctuary in PPLH, located at Division 5 Block M30 LSU since February 2018.

Based on field observation and interview with Foreman and Pesticide Applicators in Division 1 Block F7 LSU and Division 6 Block M36 LSS, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (ex. Riparian and HCV area), PPE's to be used and its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals.

##### 4.6.2

Record of pesticide applied is presented in document of "Agrochemicals Report" and "Agrochemicals Toxicity Report". For example, recapitulation for period January to May 2019 is presented in the following Table:

| Pesticide<br>(active substance)                    | LD-50**<br>(mg/kg) | LSU       |          | LSS       |          |
|--|--------------------|-----------|----------|-----------|----------|
|  |                    | (l or kg) | (as/ha)* | (l or kg) | (as/ha)* |
| Amiphosate 480 SL<br>(Isoprophyl Amine Glyphosate) | >5,000             | 1,914.12  | 0.16     | 1,760.93  | 0.15     |
| Trendy 20 WG<br>(Methyl Metsulfuron)               | >2,000             | 128.32    | 0.003    | 100.87    | 0.004    |



|  |             |        |       |        |       |
|--|-------------|--------|-------|--------|-------|
| Rhodiumine 865 SL<br>(2, 4-D Dimethyl Amine) | >700        | -      | -     | 1.00   | 0.035 |
| Lindomin 865 SL<br>(2, 4-D Dimethyl Amine)   | >700        | 95.67  | 0.048 | -      | -     |
| Herling 150 SL<br>(Ammonium Glufosinat)      | >2,000      | 122.50 | 0.268 | -      | -     |
| Agent 50 SC<br>(Fipronil)                    | 2,863-2,995 | 20.32  | 0.004 | 107.36 | 0.055 |
|  |             |        |       |        |       |

(Note: \*as = active substance; LD-50\*\* = acute oral)

The company has satisfactory records and monitor the used of pesticides.

#### 4.6.3

Program and realization of pest management was presented in monthly report which describes EWS and census analysis, biological control and pesticide application, for example as follows:

##### Early Warning System (EWS) and Census Analysis

- Based on census of termites in June 2019, it was known that incidence in LSU and LSS were ranged between 0.06 to 0.32 %. Termites population control by fipronil were taken to overcome this situation. However, there is no threshold limit for termites attack.
- Based on census of rats in April 2019, it was known that rats attack more than threshold limit (>5 %) was detected on Division 1 LSU, Division 3 LSU and Division 9 LSS. Thus, rat bait is recommended on those particular areas.

##### Biological Method for Pest Population Control

- Both estate management has conducting beneficial plants such as *Turnera subulata*, *Cassia cobanensis*, *Cassia tora* and *Antigonon leptopus* for leaf eating caterpillar and bagworm population control. This in confirmed during field observation along the edge of main road and collection road.
- Estate management has adopting Barn Owl (*Tyto alba*) for rat population control which projected to covers area for about 30-50 ha. This is confirmed during observation to Division 1 Block G7 LSU and Division 9 Block P46 LSS. Up to April 2019, average occupation level of Barn Owl Nest (*Gupon*) was 6.31 % with the highest was identified in Division 5 LSU for about 25.00 %. Furthermore estate management has develop barn owl sanctuary in *Pusat Penelitian Lingkungan Hidup* (PPLH, located at Division 5 Block M30 LSU since February 2018.

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Amiphosate 480 SL (Isoprophyl Amine Glyphosate) could be substitute and/or mixed with Trendy 20 WG (Methyl Messulfuron).

#### 4.6.4

Since 2019 period, estate management has no more to use paraquat Dichloride for field upkeep (weeding). This is confirmed during field observation Pesticide Store, record of pesticide application and information from pesticide applicators. However, there is still usage of rodenticide which listed on WHO Appendix 1B with active substance Coumatetralyl. In order to minimize the usage this pesticide, since February 2018 estate management has develop barn owl sanctuary in PPLH where located at Division 5 Block M30 LSU.

#### 4.6.5

Procedure of agrochemical waste, includes pesticide containers used and washed water used is presented in several document, such as procedure No. SOP-EHS-011 (Rev. 01/01) dated 30 November 2009 about agrochemical waste and used pesticide containers management; No. SOP-EHS-008 (Rev. 02/00) dated 10 August 2015 about waste management plan; No. SOP-AGR-18 dated 01 August 2013 about pesticide used handling and its management; No. SOP-EHS-009 (Rev. 02/01) dated 10 August 2016 about hazardous waste management; MSDS of all pesticides has also used as reference for chemical handling (all MSDS of pesticides were available on Pesticide Store; and HIRAC. The Company has conducting



several trainings which aims to maintain workers knowledge and skills towards pesticide handling, as well as its management, for example as follows:

- Training of agrochemicals (pesticide) application and its safety aspect for pesticide applicators was conducted on 17 June 2019, attended by 14 pesticide applicators from LSU.
- Training of knapsack calibration has conducted on 28 February 2019 attended by 13 pesticide applicators and training of agrochemicals (pesticide) application and its safety aspect was conducted on 04 March 2019, attended by 4 pesticide applicators from Division 8 LSS.

Based on observation and interview with Foreman and Pesticide Applicators in Division 1 Block F7 LSU and Division 6 Block M36 LSS, it was known that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example riparian and HCV area), as well as PPE's to be used and its management (placement). Furthermore, pesticide applicators also explained that breastfeeding and pregnant women were strictly prohibited to works related with agrochemicals. Pesticide Applicators has equipped with appropriate PPE's such as face shield helmet, respirator mask, apron, boots and rubber gloves in accordance with the risk identification. The PPE could be replaced when broken or inappropriate to be used.

#### **4.6.6**

Procedure of agrochemicals storage is presented in document No. SOP-AGR-19 dated 01 August 2013 about chemicals safety guidelines. Furthermore, procedure of agrochemicals waste management is presented in several documents such as procedure No. SOP-EHS-011 (Rev. 01/01) dated 30 November 2009 about agrochemical waste and used pesticide containers management; No. SOP-EHS-008 (Rev. 02/00) dated 10 August 2015 about waste management plan; No. SOP-AGR-18 dated August 2013 about pesticide used handling and its management; No. SOP-EHS-009 (Rev. 02/01) dated 10 August 2016 about hazardous waste management; and MSDS of all pesticides has also used as reference for chemical handling. All MSDS of pesticides were available on Pesticide Store in LSU and LSS Estate.

Record of hazardous wastes including disposal pesticide containers were presented in Indicator 5.3.2. Based on observation to LSU and LSS estate, it could be concluded that hazardous wastes had stored in the permitted hazardous waste warehouse (storeroom). Balance of hazardous waste record and manifest were available during the audit. Hazardous waste were next to be sent to licensed collector, namely CV Amindy Barokah. Furthermore, store condition were equipped with MSDS, eyewash, shower, alarm, first aid kit, PPE, fire extinguisher and oil trap.

Based on interview with the worker's family known that usage of ex-container of agrochemical if strictly prohibited for all purpose. If any hazardous waste shall be transferred to the temporary hazardous waste storage near to the Central Workshop and Technic area. Estate management has provide a building for agrochemicals storage, included pesticide. Based on observation to Central Pesticide Store, it was known that the Store were satisfactory in term of design, air circulation, lighting, and equipped with emergency devices, as well as hazard symbols.

#### **4.6.7**

Procedure of pesticide application has refers to work instruction No. IK-SOP AGR 17-001 dated 01 May 2015, Material Safety Data Sheet (MSDS) of pesticide products and Hazard Identification Risk Assessment Control (HIRAC) for estate. Procedure has covers scope of management, technical procedure, moving, storage, delivery and distribution, transportation to the field, safety, mixing, , emergency action, recording management control and disposal. The Company has conducting several trainings which aims to maintain workers knowledge and skills towards pesticide management, for example as follows:

- Training of agrochemicals (pesticide) application and its safety aspect for pesticide applicators was conducted on 17 June 2019, attended by 14 pesticide applicators from LSU.
- Training of knapsack calibration has conducted on 28 February 2019 attended by 13 pesticide applicators and training of agrochemicals (pesticide) application and its safety aspect was conducted on 04 March 2019, attended by 4 pesticide applicators from Division 8 LSS.

Based on field observation and interview with Foreman and Pesticide Applicators Division 1 Block F7 LSU and Division 6

Block M36 LSS, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example riparian and HCV area), as well as PPE's to be used and its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals. Furthermore, based on field observation to Pesticides Store in all sampled estates, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level were displayed properly. Furthermore there are special place used for pesticide mixing and PPE's place in all estates. Moreover, based on observation to employees housing complex area, it was known that there is no reuse of used pesticide containers for household purposes.

During the audit, auditor also found that the pesticide applicator bring their lunch in a box. To minimize the risk, company providing handsoap and clean water to ensuring all applicator are safe. Pesticide application supervisor also ensure all applicator released their PPE's before lunch.

#### **4.6.8**

Based on field observation, information from estate unit management, surrounding communities and Agriculture Agency of Tapanuli Selatan District, it was known that there is no aerial pesticide application in PT ANJA Siais. All pesticides were applied conventionally.

#### **4.6.9**

Estate has conducting several continual training of pesticide handling and application, which aims to maintain workers knowledge and skills, for example as follows:

- Training of agrochemicals (pesticide) application and its safety aspect for pesticide applicators was conducted on 17 June 2019, attended by 14 pesticide applicators from LSU.
- Training of knapsack calibration has conducted on 28 February 2019 attended by 13 pesticide applicators and training of agrochemicals (pesticide) application and its safety aspect was conducted on 04 March 2019, attended by 4 pesticide applicators from Division 8 LSS.

The company has smallholders' scheme which fully managed by estate management. Training for smallholders has also been given to smallholder employees, together with LSU training. Based on interview with pesticide applicators in Division 1 Block F7 LSU and Division 6 Block M36 LSS, it could be concluded that the workers were able to explain and demonstrate pesticide handling technique such as storage, mixing, handling of used containers on the Hazardous Waste Store, can't be reused for domestical purposes, PPE to be used, emergency action of pesticide incidence and cholinesterase testing which conducted once a year.

#### **4.6.10**

All evidence for ex agrochemical disposal for examples "*berita acara pengiriman bekas kemasan pestisida*" to related transporter are available and verified by auditor. Both estates, LSU & LSS estate were implemented proper ways for waste disposal based on procedure SOP-AGR-18.

Traning and socialization related agrochemicals waste management last conducted on February 2019. Field visit on Central chemical store and mixing store shown that agrochemicals containers are disposed based on MSDS i.e cleanly washed on pesticides optimalization storehouse and regularly submitted to PT Amindy Barokah (last shipment was conducted on June 2019). Meanwhile ex fertilizer sack were cleanly wash on fertilizer sack washing areas and then reused again for loose fruit on estate.

#### **4.6.11**

PT ANJA SIAIS has 37 Pesticide Operators at LSS (11 men and 26 women) and 31 LSS (3 men and 28 women) at LSU. The operator data has been well documented by each unit. The company has a routine medical surveillance record (health check) for all workers who work with chemicals in each unit. Health checks are carried out routinely every year, the following are inspection activities that have been carried out by companies that work together with the Laboratory of Kimia Farma on 11-12 July 2019 with the target of workers being inspected as many as 183 workers (sprayers, fertilizers, generator operators, workshop workers, plant operators and others), but only 129 workers were inspected and 54 workers

were absent at the time of the inspection (leave, pregnancy, childbirth, illness and stop). The examination carried out is a complete hematological examination, complete urine, chest radiograph, liver function (SGOT & SGPT), kidney function, immunology (Hepatitis B), audiometry and spirometry. Based on the results of inspections conducted on 129 workers, it is known that all workers examined did not experience any abnormalities due to work and were declared fit (fit to work).

In addition to conducting routine inspections and obtaining results, the company also conducts socialization to workers who have participated in routine inspections related to the results of these inspections. This is in line with the results of interviews with spray and fertilizer workers who stated that they were aware of the results of the examination that had been carried out directly from the company doctor when the results were obtained by the company.

#### **4.6.12**

The company shows a policy of not hiring pregnant and breastfeeding women (until the baby is 9 months old) on chemical-related activities. This was stated in the Internal Memo from the General Manager on September 6, 2012. In the Internal Memo it was also emphasized to the manager, the head of the department and the doctor to ensure that this could work in accordance with these provisions. The company currently has a list of workers who work as pesticide operators and currently there are 54 female workers who work as spraying officers.

The company has a system to identify pregnant and breastfeeding women so they do not work in jobs that use chemicals, this is done by checking the pregnancy every month. Pregnancy checks are performed at the clinic and examined by the company doctor every month. Based on interviews with female workers in spraying activities it is known that the company has carried out routine pregnancy checks every month to ensure that there are no pregnant / breastfeeding mothers and if pregnant / breastfeeding mothers are found then these workers will be transferred by the company to lighter and lighter jobs or work that is not related to chemicals. Also at the time of the interview there were no female workers who were pregnant / breastfeeding.

|                       |
|-----------------------|
| <b>Status: Comply</b> |
|-----------------------|

#### **4.7**

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

##### **4.7.1**

The company has OHS Policy which was approved by the President Director on October 17, 2017 and is written in Indonesian. The policy contains several things such as:

- Pay attention to OHS in every activity or activity of the company.
- Comply with and implement statutory regulations and mandatory requirements relating to OHS.
- Prevent and reduce the number of accidents and occupational diseases (PAK) to a minimum.
- Prepare, implement, evaluate and carry out continuous improvement of the OHS program to achieve the Zero Accident and PAK targets.
- Provide a safe workplace.
- Monitor employee health by providing occupational health facilities and implementing preventive programs.

Based on interviews with harvest, fertilizer, spray worker and mill operators', it is known that the company has routinely socialized OSH policies when the muster morning is held and the socialization is usually combined with other company policies. In addition to being verbally socialized, the company also has several OSH policy warnings found in estate offices and in several other locations, so that workers are very easily aware of this.

The company has a plan for applying OHS which is listed in the EHS Management Plan in 2019 and has several activities in it including:

- General data: review, socialization, implementation of EHS SOP
- Fulfillment of equipment certification: monitoring tests for testing of lightning suppliers, pressure vessels, storage tanks, chain blocks, conveyors, conveyor chains, tractors, diesel engines, generators, steam boilers, and steam airplanes.
- OHS Management System: P2OHS approval, P2OHS regular meetings, HIRA preparation, internal audit.

- Emergency preparedness: compliance with fire exams, fire extinguisher inspection, fire patrol, emergencies
- Inspection of work locations and work / production tools
- Environmental health: MCU periodically spraying, mill, CWT, IPM and fertilizer workers periodically.
- Environmental monitoring and management plan: liquid waste, hazardous waste, emissions testing, river water quality
- Reports: monthly, quarterly, hazardous waste management, RKL-RPL (environment management and monitoring report).
- Management of hazardous material, hazardous and domestic waste
- Awareness promotion
- Compliance with laws and regulations

In carrying out the OHS work program in 2019, the company has shown evidence of activities that have been carried out routinely every month, namely:

- OHS inspection results in the estate and factory in 2019 describing the OHS management inspection activities in the company and actions taken to improve / maintain good OSH implementation.
- 2019 accident investigation report that informs the sources of the accident, the chronology of the accident, until the evaluation results so that the accident does not recur.
- Records of OSH socialization to all workers, including contractor workers who work at the company, this is done to provide workers with OSH knowledge so that it can be properly complied and applied.

#### **4.7.2 & 4.7.3**

The company has conducted hazard identification and risk assessment as outlined in the HIRA Estate document, HIRA Polyclinic, HIRA GMO (General Manager Office), HIRA Civil and Mill up to date every year. The document covers the activities and work carried out by the company by identifying potential hazards, potential risks which are then assessed at risk level and carried out risk control until the risk can be tolerated. The HIRA document was evaluated on 01 January 2019 and was approved and endorsed on 02 May 2019 by the General Manager. Activities included in the HIRA document include fertilization, spraying, pest & disease, manual weeding, harvesting, pruning, transportation, infrastructure, heavy equipment operation, fire, land clearing, planting, replanting, vehicle operations, vehicle maintenance, warehouse operations, office operations and other activities.

The company has OHS inspection procedure that is carried out every month to find out the sources of danger and to monitor emergency response equipment that it has. In addition, the company has a work accident investigation procedure that is used to find out the initial identification of the accident, cause of the accident, analysis and actions taken. Based on the results of the document review, it is known that all accidents that occur in the company have been investigated and reported to the relevant agencies.

In the event of a work accident the company will conduct an accident investigation to be able to carry out evaluation activities and find the root cause of the accident. Then the company will conduct socialization related to accidents that occur to all workers. This is done so that workers become more careful and prevent the same accident.

The company has a training program for all workers in which it explains the techniques / safe working methods for each job. The training was given by the assistant along with the OHS Expert who was the P2OHS secretary. Trainings related to safe work practices that have been carried out by the company, including:

- The socialization of the use of PPE on 29 June 2019 which was attended by 29 June 2019 which was attended by 30 participants.
- OHS socialization for contractor workers on May 29, 2019 which was attended by 11 participants.
- OHS socialization for contractor workers on May 24, 2019 which was attended by 10 participants.
- Socialization of Work Instructions and PPE on July 5, 2019 which was attended by 66 participants
- Fire and Emergency Training on April 9, 2019 which was attended by 74 participants.
- First aid training on July 12, 2019 which was attended by 13 participants

**Evidence Observed**

1. Based on the results of visits and interviews with plantation and factory workers, several facts are obtained, namely:
  - PPE safety shoes or boots are only provided once a year. If the PPE is damaged or is not suitable for use, the relevant worker needs to provide it/buy himself.
  - Factory workers using boots that are not in accordance with the PPE Matrix version of February 2018 which requires the use of Safety Boot.
  - There are three (3) TBS transport drivers and one (1) document delivery person who enters the factory area / mandatory PPE area, but does not use the PPE that has been required.
2. Results of interviews with factory workers (sorting, dismantling and laboratory workers), Lembah Subur Utara (harvester) and Lembah Subur Selatan (sprayer and harvester) note that workers do not understand the associated PPE replacement system if damaged due to work, workers only understand that PPE given by the company is only once a year and if it is damaged then workers will take the initiative to buy PPE themselves.

The company has not been able to ensure that the PPE given is in accordance with the results of HIRA (Hazard Identification & Risk Analysis) and is available for all workers. **Non-Conformity No. 2019.02**

**4.7.4**

The company already has a P2OHS organization that functions as an organization that implements and implements OHS in the plantation or factory operational environment. The company has submitted the change in the organizational structure of P2OHS for 2019 to the Labor Supervision Implementing Unit Region VII of the Department of Labor and Transmigration of North Sumatra Province on June 15, 2019 with changes in the Chair, Deputy Chair and Secretary and several members. The P2OHS secretary currently has the license as a General OHS Expert, but currently his appointment as General OHS Expert at PT ANJA SIAIS from the Minister of Labor is still in management according to the certificate from the North Sumatra Provincial Labor Office dated 09 July 2019 which stated that the appointment as a General OHS Expert was still being managed at the Ministry of Labor. Based on this, this becomes Opportunity For Improvement (OFI)

In addition, the company has sent the P2OHS Report for Quarter 1 of 2019 to the Labor Inspection Unit Region VII of the Sumatra Utara Province Labor Office. The P2OHS report explains the P2OHS management structure, minutes of meetings, the application of OHS in the company, work accidents and other matters.

P2OHS management meetings are held routinely once a month to discuss, implement and evaluate the implementation of OSH that has been done every month. The company has carried out P2OHS meetings regularly every month and has been well documented (minutes, documentation and attendance available). The meetings that have been held include:

- The P2OHS routine meeting on 19 March 2019 was attended by 16 participants who discussed the application of OHS the previous month, work accidents, property damage, environmental pollution, and other discussions.
- The P2OHS routine meeting on February 5, 2019 was attended by 37 participants who discussed the application of OHS the previous month, the use of PPE for harvest workers, the condition of the bridge that has begun to decline, and other discussions.
- The P2OHS routine meeting on January 17, 2019 was attended by 26 participants who discussed the application of OHS the previous month, work accidents, property damage, environmental pollution, and other discussions.

**4.7.5**

PT ANJA SIAIS has procedures to handle accidents and emergencies if they occur in the operational areas listed in several SOPs, including:

- SOP Emergency No. SOP-EHS-015 and SOP Emergency Response Team No. SOP-EHS-026 in August 10, 2015 made by the EHS Officer and approved by the EHS Manager Department.
- SOP for Land Fire Control No. SOP-EHS-005 in August 10, 2015 made by the EHS Officer and approved by the EHS Manager Department.
- SOP Reporting on work accidents No. SOP-EHS-020
- SOP on handling work accident victims No. SOP-EHS-030



- SOP Investigation & Rehabilitation SOP of work accident No. SOP-EHS-031

The procedures above are used as a basis for handling and prevention in the event of an accident and an emergency at the company. These procedures have been socialized to workers using a matrix installed in the form of warnings at several locations in the field. This makes it easier for workers to understand it and as a reminder if at any time these conditions occur.

The company has a work accident investigation that is part of the evaluation of the application of OSH in the company. The following are records of work accident investigations that can be shown by the company, including:

- Report on work accidents on February 1, 2019 on behalf of harvester who had a work accident fell from a motorcycle. The report explains the identity of the victim, the chronology of the accident, analysis of the incident, limbs injured, result of the accident, conclusions, suggestions / recommendations and verification. After the accident happened to the worker, the company carried out safety driving socialization to the workers.
- Report on work accident on June 17, 2019 for loader who had a work accident suffered from FFB on the right thigh due to fruit bouncing on the midrib. The report explains the identity of the victim, the chronology of the accident, analysis of the incident, limbs injured, result of the accident, conclusions, suggestions / recommendations and verification. After the accident happened to the worker, the company carried out safety driving socialization to the workers.

The company routinely reports work accidents to relevant agencies in accordance with applicable regulations for claims made for work accidents. The following is the documentation of the report made by the company, namely: Reporting of Work Accident Cases Phase I, II and III to the "BPJS Ketenagakerjaan" for one of harvester with a case of an eye smashed by work tools on February 12, 2018. Claim process the worker has finished and received compensation from the BPJS on June 30, 2018.

Based on the results of field observations in factories, housing and offices, it is known that the company has warnings related to the evacuation route in each room / location that makes it easy for workers to understand and carry out these instructions when an emergency occurs. These warnings cover gathering areas, evacuation routes, and other things. The company also always provides a safety briefing for each guest / worker who has just entered the company area so that the guest / new worker understands the emergency procedures owned by the company.

The company has a list of first-aid bags / boxes available in each unit and is routinely monitored every month in relation to the availability / condition of the 21 items in it. For the field, first aid bags are always carried by the foremen to be used if needed and first aid kits available in the room. Based on the results of the monitoring document of first aid bag / box in January-June 2019, it is known that all conditions and the number of items available in the first aid bag / box are in good condition.

The company routinely conducts first aid training for first aid officers and workers so that they can understand the functions and procedures for using first aid during an accident. The company has also conducted a first aid Training on July 12, 2019 which was attended by 13 first aid officers. The certificate of first aid officer are in place.

Based on the results of field observations and interviews with the foreman harvest, fertilizer and spray who served as first aid officers, it is known that the number of items in the first aid kit is 21 items and is available in good condition. Workers and officials can also simulate the functions and procedures for using the first aid box.

#### **4.7.6**

The company has registered all workers in the "BPJS Kesehatan dan Ketenagakerjaan" program in accordance with government regulations in force in Indonesia. The company can also show proof of payment of routine "BPJS" contributions which are paid monthly for all workers in each plantation and factory unit, including:

- "BPJS Kesehatan" payment for July 2019 for 1,246 PT ANJA Siais workers on July 8, 2019 through Bank Mandiri.
- "BPJS Kesehatan" payment for the period June 2019 for 1,238 PT ANJA Siais workers on June 14, 2019 through Bank Mandiri.



- “BPJS Ketenagakerjaan” Payment for the June 2019 period for 17 PT ANJA Sia's Bulking Station workers on July 15, 2019 through Bank Mandiri.
- “BPJS Ketenagakerjaan” payments for the June 2019 period for 1,149 PT ANJA Sia's plantation workers on July 15, 2019 through Bank Mandiri.
- “BPJS Ketenagakerjaan” Payment for the June 2019 period for 89 PT ANJA Sia's mill workers on July 15, 2019 through Bank Mandiri.
- “BPJS Ketenagakerjaan” Payment for May 2019 for 17 PT ANJA Sia's Bulking Station workers on June 14, 2019 through Bank Mandiri.
- Payment of the BPJS Employment for the May 2019 period for 1,150 PT ANJA Sia's plantation workers on June 14, 2019 through Bank Mandiri.
- “BPJS Ketenagakerjaan” Payment for the period of May 2019 for 90 PT ANJA Sia's mill workers on June 14, 2019 through Bank Mandiri.

In addition to involving workers in the BPJS Health and Employment program, the company can show proof of payment of BPJS Health and Labor owned by contractor workers who work in the company's operational environment, including:

- “BPJS Kesehatan” Payment for the period June 2019 for 65 security workers from PT Nawakara Perkasa Nusantara on June 11, 2019
- “BPJS Ketenagakerjaan” Payment for May 2019 for 65 security workers from PT Nawakara Perkasa Nusantara on June 20, 2019
- “BPJS Ketenagakerjaan” Payment Period March - June 2019 for 110 workers of PT Ginstak Engineering (fabricated steel frame bridge work) on March 6, 2019.
- “BPJS Ketenagakerjaan” Payment Period March - July 2019 for 50 employees of PT Ginstak Engineering (thresher drum work) on March 6, 2019.

The company routinely reports work accidents to relevant agencies in accordance with applicable regulations for claims made for work accidents. The following is the documentation of the report made by the company, namely: Reporting of Work Accident Cases Phase I, II and III to the BPJS Employment for Supto workers (harvest workers) with a case of an eye smashed by work tools on February 12, 2018. Claim process the worker has finished and received compensation from the BPJS on June 30, 2018.

Based on the document review, it is known that the company can show that all of its workers and contractor workers (PT Nawakara Perkasa Nusantara and PT Ginstak Engineering) have been included in the “BPJS Kesehatan dan Ketenagakerjaan” program, but for workers from other contractors such as CV Winanta, CV Kasih Abadi, CV The Zebua Group and CV Abadi Jaya have not all been proven to have been registered in the program.

The company has not been able to show that all contractor workers working in the company's operational areas are protected in health services and occupational accident insurance (“BPJS Kesehatan dan Ketenagakerjaan”). **Non-Conformity No. 2019.03**

#### 4.7.7

The company has a record of work accidents using the Lost Time Accident (LTA) matrix as a reference to determine and calculate the total workday loss, severity rate and frequency rate of all accidents that occur in the company. The following is a recording of work accidents that occurred during the past year (January - June 2019) using LTA matrices, including:

| Total Incident | Lost Time | Severity Rate | Frequency Rate |
|----------------|-----------|---------------|----------------|
| 3              | 28        | 22.5          | 6.3            |

Based on the above table, it is known that during the period January - June 2019 there were 3 accidents that occurred with a total loss of working days is 28 days for all units.

|       |  |  |
|-------|--|--|
| 4.7.3 | Status:  |  |
| 4.7.6 | Non-Conformity No. 2019.02 with Major Category |  |
|       | Non-Conformity No. 2019.03 with Minor Category |  |

**4.8**

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

**4.8.1 & 4.8.2**

The company has a training program for all factory and plantation workers that has been prepared annually. The estate and mill training program in 2019 is as follows:

**Technical Training - Internal (as many as 33 training)**

- SOP training for each job
- Skill Training for each station in the factory
- Training in harvesting, spraying and fertilizing techniques

**Technical Training - External (as much as 2 training)**

- Medical training / seminar
- Paramedic certification training

**Softskill Training - Internal (as many as 37 training)**

- OHS training and socialization for all workers and contractor workers
- Training permit system
- Drug education training

**Certification Training (16 trainings)**

- Welder certification training
- Hyperkes certification training
- ISO 14001 certification training

Furthermore, sustainability staff also delivering company policy, OHS and Environment awareness to contractor workers. As example, there is OHS socialization for contractor worker for engineering project in mill on 24 Mei 2019 that attended by 7 participants.

The identification of training needs for each worker has been included in the 2019 Training Matrix document available in the estate and mill. The matrix explains the training needs for each job, including:

- Foremen harvest requires training on crop quality, Collective Labor Agreement socialization, emergency response training, first aid training, PPE socialization and others.
- Mechanics require training in work procedures, first aid, PPE, OHS, ISPO, RSPO socialization and others.
- Nurses need first aid training, PPE, accident investigation, ISPO, RSPO, social impact management and others.

The company can show evidence of the realization of the training that has been carried out in accordance with the training program they have, including:

- Company Policy socialization on January 16, 2019 to contractors and suppliers attended by 25 participants
- The socialization of company policies on January 31, 2019 which was attended by 44 participants.
- GPS usage training on January 28, 2019 which was attended by 10 participants.
- SOP socialization of the company's mess arrangement on April 6, 2019 which was attended by 6 participants.
- Fertilization training on 11 March 2019 which was attended by 12 participants.
- Harvest training on February 02, 2019 which was attended by 32 participants.
- Loss fruit quality and calibration training on February 22, 2019 which was attended by 27 participants.
- Calibration training and spraying techniques on 29 February 2019 attended by 13 participants.
- The socialization of the use of PPE on 29 June 2019 which was attended by 29 June 2019 which was attended by 30 participants.
- OHS socialization for contractor workers on May 29, 2019 which was attended by 11 participants.
- OHS socialization for contractor workers on May 24, 2019 which was attended by 10 participants.
- Socialization of Work Instructions and PPE on July 5, 2019 which was attended by 66 participants
- Fire and Emergency Training on April 9, 2019 which was attended by 74 participants.
- First Aider training on July 12, 2019 which was attended by 13 participants

Based on observations and interviews with harvester, pesticide and fertilizer applicator it is known that the workers have

a good understanding of their duties and responsibilities in accordance with procedures owned by the company. They can explain and demonstrated related to their duties in safe working practices. Furthermore, sustainability staff also delivering company policy, OHS and Environment awareness to contractor workers. As example, there is OHS socialization for FFB, CPO and PK transporter on 16 January 2019 that attended by 25 participants as recorded in minutes of meeting.

Based on the results of the document review, it is known that the company has records of attendance, materials and documentation for training activities that have been carried out internally or externally for all workers.

The company has not been able to show the training records (training records) that have been followed for each plantation and factory worker. **Non-Conformity No. 2019. 04**

|              |   |
|--------------|---|
| <b>4.8.2</b> | <b>Status:</b><br><b>Non-Conformity No. 2019.04 with Minor Category</b> |
|--------------|---|

**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**

Certificate Holder possess two Environmental Impact Assessment (EIA) document covering different area consist of AMDAL on 2003 (covered 8000 ha estate areas and 45-60 mt FFB per hour mill capacity) and UKL-UPL (covered 1,639.05 Ha areas) 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. Document review shown last progress for this new EIA development are still on technical meeting stage (on March 2018). Regarding this team auditors enhance company to monitored progress of this new EIA document development.

**5.1.2**

PT ANJ Agri siais already has environmental management plan that outlined on RKL/RPL document. Based on document review found that implementation for environment management were done based on current management plan for examples regarding surface water quality, air ambient, biogas plant activities and etc. 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). Last update on 2018 found that company has develop new EIA document (regarding organization name changes and biogas plant).

**5.1.3**

Company have plan which includes monitoring protocol outlined in the RKL-RPL document and implemented to monitor the effectiveness of the management activities to mitigate negative impact and enhance positive impacts. Review of this plans has been developed on June 2018. Results of monitoring are listed on regular environmental monitoring and management report, and monitoring results for examples second semester 2018 report shown environmental management related to waste water, surface water quality, land fires, peat subsidence are still comply with regulation and monitoring plan.

|  |                       |
|--|-----------------------|
|  | <b>Status: Comply</b> |
|--|-----------------------|

**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**

There are no changes for the HCV Identification assessment, since that was conducted in 2013. All HCV and the RTE species was identified by the RSPO approved assessor. RTE species that were identified based on regular monitoring and referred to IUCN Redlist are: EN: *Tapir (Tapirus indicus)* White-winged Duck, White-winged Wood Duck (*Cairina scutulata*); Sambar Deer (*Cervus unicolor*); Hairy-nosed Otter (*Lutra sumatrana*); Southern Pig-tailed Macaque (*Macaca*

*nemestrina*) status Vulnerable, Siamang (*Symphalangus syndactylus*); Owa (*Hylobates sp.*); False Gharial/Buaya senyulong (*Tomistoma schlegelii*). HCV identifying process conducted by using HCV identification guides in Indonesia on June 2008 and involved affected parties by public consultation with related affected parties for examples Paraupan, Binasari, lorong ANJ Siais, Labalasiak and Janji Matogu community on 21 December 2012. The identification results indicate that there are HCV 1.1; 1.2; 1.3; 1.4; 2.3; 4.1; 4.3 with an area of  $\pm 1230.17$  ha.

*Notes : There is different between HCV area on summary and basic info. This because total HCV 1,230.17 Ha consist of HCV area excludes on planted area i.e 1,171.82 ha (Bukit Sembaur and Bukit Bina Sari), meanwhile the rest 58.35 ha are included and counted as planted area such as riparian of Sibarabara River, riparian of Paraupan River and etc.*

#### 5.2.2 & 5.2.3

Interviews with the spraying team shown they have deep awareness of HCV area as a protected area and they have also known a ban for chemical use in riparian. Workers also have known about the protected species, a ban on hunting of protected species and sanctions.

Field visit on riparian of Sibara-bara River block O35 LSS and riparian of Paraupan River in LSU show that riparian condition has been overgrown by natural vegetation and there is no chemical activity indications on those riparians. Evidence for workforce educations related to RTE species protected are available, for examples on January 2019 for LSU and LSS workers. Based on observation to workers housing areas in LSU and LSS, it also found that there were no RTE species which kept by the occupants.

Company established HCV management plan to maintain the HCV areas in operation area of PT ANJA Siais, listed on Management plan HCV 2019 documents. HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, patrolling around HCV area, monitoring of flora and fauna, enrichment in riparian.

#### 5.2.4

Program and realization to socialize the status of protected, rare, threatened or endangered (RTE) to all workers were available for examples HCV/RTE socialization on January 2019 for LSU and LSS workers. Monitoring for RTE species and HCV are conducted every day on each estate and summarized on HCV monthly report. Based on monitoring result period May 2019 shows that there is no illegal logging, hunting, chemical use on riparian. The species that found during this monitoring i.e wild boar, jurung fish, and macaca fascicularis. Monitoring results for May 2019 also found there is occupant on company areas on block G47 (batang gadis riparian) by local people. Regarding this as monitoring output company has done investigation and planned socialization enhancement related HCV areas protections to related community since 2nd semester 2019.

#### 5.2.5

HCV identification results shows that there are no local communities right adjacent to the company HCV area of PT ANJ Agri Siais. According to interview with surrounding villagers (Paraupan, Janji Matogu and Binasari) found there is no HCV areas that overlapped with an identified local communities land.

|                |
|----------------|
| Status: Comply |
|----------------|

### 5.3

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

#### 5.3.1

All waste and pollutions sources from mill and estate are identified and recorded on waste identification risk assessment 2018 such as effluent are managed at waste water treatment plant before it distributed to water stream, hazardous waste were kept at hazardous waste storehouse, and etc.

#### 5.3.2

Document review shown that company has sent all hazardous waste (including medical waste) to PT Amindy Barokah (licensed collector by decree of national environmental minister) on June 2019. Observation during audits at temporary hazardous waste storage shown that all of hazardous waste are compliant with the periods in permit.

Inventory for all chemicals usage and it containers are available on chemicals store / temporary hazardous storage. All ex chemicals containers were kept on temporary hazardous storage at *CWT (Central Workshop Technic)* and the company has a permit for hazardous waste storage issued by decree of Head of Tapanuli Selatan regent No no. 503/217/DPMPTSP/2017, valid until 2020. Based on document review and interview with management representative, shown all ex pesticide containers on estates are managed by washing them, and regularly submitted to licensed transporter.

All settlements waste are not disposed using open fire, certificate holder are provides landfill for domestic waste management. Field observation on LSU workers housing for example, found that companies managed settlements/housing domestic waste by provide landfill on housing.

Company already has mechanism related to hazardous waste management, listed on procedures SOP-EHS-009 on 2015 and waste management plan procedures SOP-EHS-008 on 2018. All of this procedures stated that all of hazardous waste produced by company must be kept on hazardous waste store and delivered / disposed to other third parties.

Field observation on LSU still found ex lubricants containers are disposed on landfill, besides that field observation on Sentosa Baru workers housing (LSS) also found ex chemical containers are being used as trash bin. During audit company has shown correction regarding this matter by hazardous waste collection on workers housing and submission to temporary hazardous waste store.

Company are not able to shown effective root cause analysis and corrective action to prevent reccuring on this matter on next audit. Therefore this become **NC 2019.05 as Major Category**

### 5.3.3

There is no waste management plan changes since last audits. All waste has identified and managed in accordance with management plan. Result of field visit to ANJ Siais Mill, it is known that mill effluent were processed on effluent pond until it comply with standard before being discharge to water bodies; empty fruit bunch are collected in the empty bunch areas and then reused again as nuttrient cycle on composting plan, shell and fiber are utilized as a renewable fuel for boiler, chemical containers including pesticide containers have been stored at licensed scheduled waste storage. Meanwhile, field visit on workers housing on LSU and LSS found that domestic waste (organic / inorganic) are disposed by zero burning method to domestic landfill areas on each estates.

Company has established waste management plan listed on procedures SOP-EHS-008 on 2018, this procedures explained that all domestic waste are managed by waste sorting and dumping on landfill area. Field observation on LSU landfill area block L25/26 and sentosa baru workers housing (LSS) found company are not shown proper ways to managed domestic waste and landfill area are not managed well. During audit company has shown correction regarding this matter by sanitation management on landfill and workers housing area in LSU and LSS

Company are not able to shown effective root cause analysis and corrective action to prevent reccuring on this matter on next audit. Therefore this become **NC 2019.06 as Minor Category**

|                        |  |  |
|------------------------|--|--|
| <p>5.3.2<br/>5.3.3</p> | <p><b>Status :</b><br/><b>Non-Conformity No. 2019.05 with Major category</b><br/><b>Non-Conformity No. 2019.06 with Minor category</b></p> |  |
|------------------------|--|--|

## 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



January-June 2019 periods, the usage of fiber and shell for boiler resulted average energy efficiency for electricity about 135.78 kWh/MT CPO meanwhile fossil fuel usage energy efficiency were 0.77 litre/mt CPO.

**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

Policy of zero burning is presented in procedure No. SOP-EHS-005, issued by Environment Health and Safety (EHS) Manager on 10 August 2015. The procedure has mentioned fire preventive management through mapping, monitoring, and maintenance of fire insulation, signboard installation and socialization. Furthermore, in term of agronomy implementation, zero burning has also mentioned in procedure No. SOP-OPR-003 (Rev. 01) dated 28 January 2005 and No. SOP-AGR-03 dated 01 August 2013 about land clearing through zero burning methods. Training of fire fighting has conducted in 09 April 2019, attended by 74 emergency team members. The company has reporting fire monitoring which had delivered to Department of Forestry and Agriculture Agency on 15 March 2019.

Based on observation to estate areas, it was known that there were no marks of fire and/or open burning activities within estate operational areas. Furthermore, estate has installing fire monitoring tower in 4 (four) locations. Moreover, as informed by Agriculture Agency and Environment Agency of Tapanuli Selatan District, as well as information from representative surrounding Villages, it was known that there is no burning activities for land clearing in PT ANJA Siais. Last time in 2009/2010, land preparation is conducted mechanically by heavy equipments.

### 5.5.2

There is no use of fire for pest management purposes. Estate management prefer to control pest population by biological method instead of chemicals. This matter is further explained in Criteria 4.5 and 4.6. Based on long term management plan, it was know that there is no plan for replanting in the near future. The coming replanting is expected to be carried out in 2030 in LSU Estate.

**Status: Comply**

## 5.6

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

### 5.6.1 & 5.6.2

To reduce pollution and emissions, the company has identified the source of pollution and greenhouse gases and measurement to manage them. The efforts made by the management unit to reduce the pollution and GHG emissions through the activities including engine maintenance, effluent management and waste utilization, conduct fertilization according to the doses, conduct pesticide application according to the procedure, etc. Field visits in the mill showed that the shell and the fiber has been used as a boiler fuel, therefore its reducing the use of diesel fuel for generators. Waste water also has been monitored every months and monitoring period Jan-May 2019 shown that all of waste water testing parameters is compliant to the standards quality (see indicator 4.4.3). meanwhile company also conduct regular emission testing for semester basis, 2<sup>nd</sup> semester 2018 testing results indicates boiler emission for examples opacity has been met with standard quality.

### 5.6.3

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 month, second Semester 2018 testing result indicates all parameters related to emission are still comply with standard quality, except noise level. Regarding this, company shown preventive ways with providing ear muff on high risk station on mill.

Monitoring of fertilizer, pesticide and chemical use was conducted through record of fertiliser, pesticide and chemical use quantity. The monitoring was conducted to evaluate the management plan of which has been done by management unit.



ANJ Agri Siais POM conduct GHG calculation and its monitoring using RSPO palm GHG calculator V3.0.1 for its supply base. Summary of GHG emission for ANJ Agri Siais POM for Jan to Dec 2018 periods are listed as follows :

| Emissions per Product | tCO <sub>2</sub> e/t Product |
|-----------------------|------------------------------|
| CPO                   | 5.49                         |
| PK                    | 5.49                         |

| Production    | ton/year   |
|---------------|------------|
| FFB processed | 278,819.95 |
| CPO produced  | 58,189.72  |

| Land Use           | Ha       |
|--------------------|----------|
| Total planted area | 7,911.61 |
| OP planted on peat | 3,781.01 |
| Conservation       | 228.17   |

| Extraction | %     |
|------------|-------|
| OER        | 20.87 |
| KER        | 4.71  |

#### Summary of Field Emissions and Sinks

| Description                                | Own Crop           |                       |                          | 3rd party          |                       |                    |
|--|--------------------|-----------------------|--------------------------|--------------------|-----------------------|--------------------|
|  | tCO <sub>2</sub> e | tCO <sub>2</sub> e/ha | tCO <sub>2</sub> e/t FFB | tCO <sub>2</sub> e | tCO <sub>2</sub> e/ha | tCO <sub>2</sub> e |
| Land Conversion                            | 70,040.29          | 8.85                  | 0.37                     | 0                  | 0                     | 0                  |
| *CO <sub>2</sub> Emissions from Fertilizer | 6,017.32           | 0.76                  | 0.03                     | 0                  | 0                     | 0                  |
| **N <sub>2</sub> O Emissions               | 38,728.17          | 4.9                   | 0.2                      | 0                  | 0                     | 0                  |
| Fuel Consumption                           | 1,191.52           | 0.15                  | 0.01                     | 0                  | 0                     | 0                  |
| Peat Oxidation                             | 206,441.51         | 26.09                 | 1.08                     | 0                  | 0                     | 0                  |
| Sinks                                      |                    |                       |                          |                    |                       |                    |
| Crop Sequestration                         | -74,066.48         | -9.36                 | -0.39                    | 0                  | 0                     | 0                  |
| Conservation Sequestration                 | -2,079.3           | -0.26                 | -0.01                    | 0                  | 0                     | 0                  |
| <b>Total</b>                               | <b>246,273.03</b>  | <b>31.13</b>          | <b>1.29</b>              | <b>0</b>           | <b>0</b>              | <b>0</b>           |

#### Summary Oil Mill Emissions and Credits

| Remarks                              | tCO <sub>2</sub> e | tCO <sub>2</sub> e/t FFB |
|--------------------------------------|--------------------|--------------------------|
| Emissions sources                    |                    |                          |
| POME                                 | 30,908.56          | 0.11                     |
| Fuel consumption                     | 771.63             | 0                        |
| Grid electricity                     | 0                  | 0                        |
| Credits                              |                    |                          |
| Export of grid electricity (housing) | 0                  | 0                        |
| Sales of PKS                         | 0                  | 0                        |
| Sales of EFB                         | 0                  | 0                        |
| <b>Total</b>                         | <b>31,680.19</b>   | <b>0.11</b>              |

**Palm Oil Mill Effluent (POME) Treatment**

|                                   |     |
|-----------------------------------|-----|
| Divert to compost (%)             | 0   |
| Divert to anaerobic digestion (%) | 100 |

**POME Divert to Anaerobic Digestion**

|  |     |
|--|-----|
| Divert to anaerobic pond (%)                           | 100 |
| Divert to methane capture (flaring) (%)                | 0   |
| Divert to methane capture (electricity generation) (%) | 0   |

Company has conduct calculation to estimate GHG emission using RSPO GHG Calculator V3.0.1 for periods Jan-Dec 2018, with total emission are 5.49 tCO<sub>2e</sub>/t Product. Document review for GHG emission calculation shown data input for HCV areas was 228.17 ha. Meanwhile total conservation area on company operational areas was 1,230.17 ha that consist of conservation forest and riparian.

Company are not able to shown that all data input for GHG calculation are in accordance with actual operational areas. Therefore this become **NC 2019.07 as minor Category**

**Assessor Evaluation and Conclusion:**

Company has shown updated block details that contains HCV areas and total HCV areas that listed on GHG data input are 1,230.17 ha. Company also conduct recalculation for GHG estimation using RSPO GHG Calculator V3.0.1 and net emission for periods January-December 2018 are 5.24 tCO<sub>2e</sub>/t Product.

**Based on this explanation, therefore NC 2019.07 are considered to be closed**

|                       |
|-----------------------|
| <b>Status: Comply</b> |
|-----------------------|

**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, 6.1.2 and 6.1.5**

There is no changes for SIA since last assessment. PT ANJ Agri Sia's has established Social Impact Assessment 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 company operations. Aspects of study in the document include infrastructure, social economy, social culture, local wisdom, workers facilities, and environmental society health and company operations. In SIA assessment, also has covered scheme smallholder's activities (majority of Binasari community). Evidence for local community participation on social impact assessment were available i.e focus group discussion on 16 December 2012 for local community of Paraupan napa, binasari, Janji Matogu, Pardomuan, and etc.

Based on consultation with Paraupan and Binasari community found that local community has been involved when company conduct SIA, and interview with local community shown that major impacts has been identified and managed by company.

**6.1.3 and 6.1.4**

Company developed a management plan to follow-up on an annual evaluation/review supported by budget and responsible officers in its implementation. This plan has been informed the positive and negative impact including management plan time frame and the person in charge for the activity, such as: community perception, workers facilities,

local employment opportunities, industrial relations. PIC for social management and monitoring are community involvement and development officer.

From the results of interviews with the surrounding community (Paraupan and Binasari) acquired information that the community were involved in social impact review and can express their opinions freely on stakeholders meeting 2018. PT ANJ Agri Siais has documented the management plan for social impacts on 2018. The document describes the sources of impact, management, timelines, expected results and evaluation. Management review is conducted annually for examples on April 4, 2018.

Stakeholders consultation with affected parties (Paraupan and Binasari) community found the main issues that still presence until now is related local workers acceptance. Regarding this based on document review shown more than 30% of PT ANJ Agri Siais workers were originates from those local areas. Company has also conveying job opportunities on regular basis with villager head. Based on this explanation, company are driven to enhance stakeholders understanding related local workers acceptance. **OFI**

**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 and 6.2.3

Procedure of communication and information delivery to stakeholders is presented in document No. SOP-Leg-02 (Rev. 04) dated 01 September 2015. Since 01 April 2013, information requested was recorded in Form No. FRM-SOP Leg 02-02 (Rev. 01/01). Furthermore, procedure of document handling and management on this matters is presented in document No. SOP-SCD-01 (Rev. 01/03) dated 10 November 2014. Record of information request was checked and updated by Relation Manager every month. Time of response should be less than 3 months and managed by External Relation Officer. Socialization of this procedure has been delivered to all external and internal stakeholders on 02 June 2016 in PT ANJA Siais Club House. PT ANJA Siais shows list of stakeholders dated 01 January 2019, which informed stakeholder type and category, name of contact person, role in project, contact number, and analyzing of importance level. List of stakeholder is consist of representatives from District of Tapanuli Selatan (Tapanuli Selatan) Agencies; Tapanuli Selatan District Legislative (DPRD); Police, Army, Attorney and Court Officers of Tapanuli Selatan District areas; Sub-District and surrounding Village areas; Contractors; Communities Elders; NGO, Press-media and other organizations; as well as Internal stakeholder such as Cooperative, Labour Union and Gender Committee.

Record of information request was checked and updated by Relation Manager every month. Every information requested will be delivered to the General Manager and External Relation Manager at least maximum for three days. Meanwhile, Responses on request will be delivered maximum for three months. For example, information request and its response is presented as follows:

- Letter from Indonesian Student Youth Movement Organization No. 040.PC-XXXI.U-01.02-040.A-I.01.2019 dated 17 January 2019 about funding proposal has been responded by the company by phone on 19 January 2019 with conclusion to be rejected.
- Letter from local NGO namely Environment Care Society (KUMPUL) through Letter No. 028.Pan-Pel./VIII/01/2019PSP/SU dated 28 January 2019 about training cooperation has been responded on 13 February 2019 with conclusion to support the training activities.
- Letter from “Badan Pengelola Keuangan Pendapatan dan Aset Daerah” or Financial and Asset Agency No. 937/1391/2019 dated 09 July 2019 about PT ANJA Siais Tax Report has been responded through report delivery on 10 July 2019.

Based on interview with surrounding communities of PT ANJA Siais, Environment Agency, Agriculture Agency and Labor Agency of Tapanuli Selatan District, it was known that company management is considered cooperative in providing data requested and/or data which presented in periodic compulsory report.

### 6.2.2

Person in charge (PIC) for public communication and consultation is conducted by External Affairs Department and CSR. Job description of PIC are to communicate surrounding communities aspiration to the top management if necessary, to conduct and monitor CSR program, to conduct socialization and positive approach with stakeholder communities towards smallholder partnership and target achievements. Process of communication could be conducted through several communication media such as communication (conversation), Official Letter, Suggestion Box, Email, etc. Coordination with other Division might be needed for communication purposes. Based on interview with representative from Pardomuan Village, it was known that company PIC for public relation were familiar with village societies. Communication so far is considered satisfactory.

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| <b>Status: Comply</b> |
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**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**

Until this recertification audit known that there is no changes related documented system for dealing with complaints and grievance. Company have Procedure for conflicts, complaints, grievance has been maintained and contained in documents as follows:

- 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. Interview with HCV officer for examples shown that company are ensuring anonymity of whistleblower and workers complaints mechanism are implemented well.

Based on interview with village representatives from Pardomuan Village especially from sub-village of Paraupan, Binasari and Janji Matogu known the company provides an access to all of their stakeholder to submit their complaint related to the company's operational activity. All complaint will be responded timely.

**6.3.2**

According to the complaint log book known that there is no complaint submitted since the previous audit. However, through the interview with local stakeholder known that village representatives usually submitted their request or proposal (not complaint) directly to the public affair staff which will be responded quickly.

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| <b>Status: Comply</b> |
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**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; 6.4.2 and 6.4.3**

*There is no change of information since previous audit (ASA-4)*

The company has had land acquisition procedure that approved by top management of Austindo Nusantara Jaya Agri Group since 1 June 2009. This procedure explained that the process of land identification is involved the community and the village government. Since the previous surveillance (ASA 4), known that the company did not have any land acquisition / land expansion. The results of public consultations with the surrounding communities Pardomuan Village especially from sub-village of Paraupan, Binasari and Janji Matogu are known that there is no communal or customary land in the operational area of PT ANJ Agri Siais. All concession area originates from state land that compensated from local communities based on mutual agreement.

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| <b>Status: Comply</b> |
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**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 & 6.5.2**

The company has a Company Regulation (PP) as the basis for running the employment system in accordance with the laws in the company. The company regulation has been approved by the North Sumatra Province Labor Office in accordance with Decree No. 245-6 / DTK / 2018 dated January 31, 2018 and valid until January 10, 2020. The Company Regulation explains the company's authority, recruitment, appointment of workers, probation, promotion, demotion, wage regulation, facilities, benefits, rewards, employment rewards & health social security programs, work discipline, and other regulations.

The company still has 1 worker with contract worker (PKWT) status that was newly registered in July 2019, accordance with Work Agreement No. 001 / ANJA-SIAIS / HRO / SPK / VII / 2019 dated July 8, 2019 as an Air Conditioner Technician and the employment agreement is valid until July 31, 2020. The work agreement explains several things, namely the agreement period, scope, work time, overtime, leave, wages, rights & obligations, facilities and other things.

The company has a wage documentation for each worker listed in the salary slip / wage issued every month and given to all workers to be signed and approved as proof of wages each month. The following is the wage documentation that has been shown by the company, including:

- Harvester from Lembah Subur Selatan Estate who received wages in June 2019 in the amount of IDR 6,484,764 with details in the form of basic wages, tenure benefits, NATURA benefits, premiums and other details.
- Pesticide applicator from Lembah Subur Utara Estate who received wages in June 2019 of IDR 3,248,454 with details in the form of basic wages, tenure benefits, NATURA benefits, premiums and other details.
- Operator from Clarification Station of ANJA Siais POM who received wages in June 2019 amounting to IDR 8,607,898 with details in the form of basic wages, tenure benefits, NATURA benefits, overtime and other details.

The company has stipulations related to the minimum wage set by the government and internal company, the stipulations include:

- Decree of the Governor of North Sumatra No. 188.44 / 1457 / KPTS / 2018 dated 21 November 2018 concerning the Determination of the Minimum Wage for South Tapanuli District in 2019 amounting to IDR 2,675,368.48 as of January 1, 2019.
- Decree of the Governor of North Sumatra No. 188.44 / 1575 / KPTS / 2018 dated 31 December 2018 concerning the Establishment of Sectoral Minimum Wages in South Tapanuli District in 2019 amounting to IDR 2,800,944.48 as of January 1, 2019.
- Internal Memorandum No. 009 / ANJA / HOHRSS / IM / II / 2019 dated February 14, 2019 concerning the Imposition of Region 1 & 2 Permanent Daily Employee Wage Scales approved by the HR Director. In the memorandum explains that there is a salary scale for KHT workers in accordance with the work period of each employee starting from the time workers have worked for 1-5 years, 5-10 years, 10-15 years, 15-20 years and workers who exceed the period work for 20 years. This provision shall come into force as from January 1, 2019.
- Determination of Non Staff Wage Scale (Permanent Monthly Employees) which was endorsed by the HR Director on April 4, 2019 and came into force on January 1, 2019. The stipulation describes the wage scale consisting of 4 levels, namely the AD level and at each level there is a range of salaries from the lowest (minimum), middle (medium) and highest (maximum).
- Internal Memo No. 006 / GMO / Siais / IM / I / 2018 dated 30 January 2018 concerning Provisions for Employee Activity Premiums which are endorsed by the General Manager. In the memo explained about the amount of premiums given to workers in accordance with their respective work activities such as spray premiums, employee premiums, compost premiums and others.
- Internal Memo No. 151 / GMO / Siais / IM / VII / 2019 dated July 8, 2019 concerning the Harvest Base - July 2019 which was approved by the General Manager. The memo explains the base stock and premiums for each division according to the previous month's production.

Based on the review of wage documents in all units, it is known that the current wage conditions for company workers are

in accordance with regulations / requirements set by the government, such as setting minimum wages, overtime calculation and payment, and other workers' conditions / rights. This is in line with the results of interviews with harvest workers, sprayers, fertilizers and factory operators who state that the company has implemented wage conditions in accordance with applicable laws and regulations such as minimum wages and overtime payments.

Based on interviews with the South Tapanuli District Labor Office and union officials, it is known that during the past year there have never been any events / issues related to violations committed by the company to its workers, this is because the company has implemented labor regulations in accordance with applicable regulations.

The company regulation has been explained by the company with socialization to workers. It has been confirmed with the documentation of company regulation socialization that take place with socialization of company policy in 31 January 2019.

The interview result with gender committee, labour union and workers in the field, the workers has been know about their rights/obligation in the company such as salary, deduction, insurance, leave, and the other rights/obligation.

There has been change in workers policy such as minimum wage from 2018 to 2019, wage structure & scale in 2019, and the others.

The deduction/penalty it written in the company memorandum and has been socialized by company to workers. Based on the interview with harvesting workers, labour union and the others workers it has been know about deduction in the company memorandum and it has been socialized to workers.

During the audit, auditor identify some issues as follows:

- Based on the results of interviews with contractors for lose fruit picker and maintenance activities it is known that all contractor workers have a work agreement with the contractor, but based on the document review results only contractor workers for the lose fruit picker activities only have a work agreement while maintenance workers do not have a work contract with the contractor.
- Based on the results of interviews with contractor workers (lose fruit picker and compost applications) in the LSS and LSU estates, it is known that workers do not understand well the work agreements and workers also do not have the work agreements that each worker has signed.
- The company has not been able to show that contractor workers working in the company's operational area have been given wages in accordance with the stipulation of the minimum wage set by the government.

The company has not been able to prove that the work requirements for all workers in the company's operational area are in accordance with the applicable labor provisions. **Non-Conformity No. 2019.08 with Major category**

### **6.5.3**

The company has an inventory of welfare facilities in the form of housing for its workers in each unit according to their needs. The following are housing facilities found in each unit, including: Employee Homes (G1, G2 and G6), Water Storage Tank, Electrical installation, Employee Hall, Polyclinic, Employee & Guest Mess, Bus stop, Mosque, Church, Food Court, School, School Buses and others. Based on the results of field visits at the Central Housing Complex it is known that the company has provided adequate welfare facilities for workers such as housing, availability of clean water, availability of electricity (PLN), availability of health facilities in the form of clinics managed by doctors and paramedics (nurses and midwives), Daycare, worship facilities for workers. In addition, the company also provides educational facilities in the form of kindergarten to elementary school within the company environment and the provision of school buses for transportation of children of workers. All of these facilities can be easily accessed by all workers and their families.

Based on the results of visits and interviews with residents at the LSS estate employees' housing locations, it is known that the condition of public facilities in the form of toilets / bathrooms that are available entirely in damaged / unfit condition so that workers and families find it difficult to carry out MCK activities and must carry out these activities in the surrounding rivers.

The company has not been able to show that all workers and their families have received adequate housing and public



facilities that can be accessed easily. **Non-Conformity No. 2019.09 with Minor category.**

#### 6.5.4

The company has made it easier for workers and their families to obtain food sources by providing employee cooperatives that sell the daily needs of workers and provide access to vegetable traders to sell in the workers' housing area. In addition there are also workers who open small business stalls to sell daily necessities in each housing.

Based on interviews with workers, trade unions and gender committees, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities and there are vegetable vendors who are given access to sell at home. In addition, workers can buy these needs into markets around the area of the company with access that is not too difficult.

|       |   |  |
|-------|---|--|
|       | <b>Status:</b>  |  |
| 6.5.1 | <b>Non-Conformity No. 2019.08 with Major Category</b> |  |
| 6.5.3 | <b>Non-Conformity No. 2019.09 with Minor Category</b> |  |

#### 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 & 6.6.2

There is only one labor union namely Indonesian Plantation Labor Union (SERBUNDO) in PT ANJA Siais. Currently SERBUNDO has 380 members who are workers from estate and mill. As a labor union organization and has a strong organized legal basis, SERBUNDO has been officially registered as a labor union at the Labor and Transmigration Agency, District of Tapanuli Selatan in accordance with Decree No. PEM. 560/406/2016, 15 March 2016.

The company has documentation and minutes of union meetings with the company including:

- A meeting on December 11, 2018 between the company and the union that discussed good communication relations, discussion of employee mutations, deductions from wages for union contributions and other discussions.
- Meeting on 14 February 2019 between the company and the union which discussed the mutation of workers, the mutation of workers who were transferred and other discussions.

Based on the results of interviews with union officials, it is known that the company strongly supports the formation of trade unions in the company and every worker is given the freedom to join in it. In the formation and activity of trade unions so far there has been no intervention from the company, this is because all the activities and the formation of trade unions are carried out independently from the workers without the intervention of the company.

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|  | <b>Status: Comply</b> |  |
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#### 6.7

**Children are not employed or exploited.**

##### 6.7.1

The company has an Internal Memo General Manager No. 18 / GMO / Siais / IM / III / 2013, dated March 4, 2013 concerning the Prohibition of Employing Children Under the Age of 18 and a Sustainability Policy on November 28, 2016 in which explains commitment to human rights with norms for no violence, sexual harassment and exploitation.

Based on the results of the document review of the list of workers and field observations not found any workers who are less than 18 years of age at the time of recruitment of workers. This was also reinforced by the results of interviews with trade unions and gender committees which stated that within the scope of the company there were no workers aged less than 18 years.

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#### 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 & 6.8.3**

The company has a policy on non-discrimination and job opportunities listed in Internal Memo General Manager No. 36 / GMO / Siais / IM / V / 2013 dated May 14, 2013 concerning Gender Equality and Anti-Discrimination in Employee Reception. In the memo explained that the company prohibits acts of discrimination in the company environment and always provides equal opportunities to work for all company workers. Specifically, this policy aims not to discriminate against sex, race or ethnicity, disability, sexual orientation, age or creed; but to develop a global workforce that has the ability based on objective assessment.

To ensure the implementation of the auditor's review of the employee registration document, it is known that the workers recruited have diverse educational, ethnic and religious backgrounds. Also based on field observations it is known that workers come from a variety of ethnicities, religions, races, and genders. The company has one recruitment in 2019 for AC technician, and the recruitment based on the worker skill for technician. It has been shown in the worker record that worker has been passed the test for health, qualities and skill for the work (AC technician).

Based on interviews with workers, trade unions and gender committees, it is known that the recruitment of workers is based on the needs of the company regardless of ethnic, religious, racial and group background. All prospective employees are entitled to the opportunity to work according to their scientific background and company needs. During 2018-2019 there were no issues regarding discrimination against workers. In addition, the results of interviews with villagers around the company are also known that so far there has not been any act of discrimination within the company or surrounding areas. The company also always provides equal opportunities to the surrounding community to work in the company in accordance with the provisions and requirements set.

**Status: Comply**

**6.9**

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

**6.9.1; 6.9.2 & 6.9.3**

The company has a policy to prevent all forms of sexual harassment and violence contained in the Internal Memorandum of General Manager No. 003 / GMO / Siais / IM / I / 2018 dated January 9, 2018 to all employees of PT. ANJA Siais regarding the Committee for the Protection of Women and Children to revise the name of the committee as well as the organizational structure of the Committee for the Management of Sexual Harassment Problems in Internal Memorandum No. 15 / GMO / SIAIS / IM / III / 2017 dated March 20, 2017. The revised results have been submitted through the Internal Memorandum from General Manager No. Ref. 61 / GMO / Siais / IM / II / 2019 dated February 26, 2019 to all employees of PT. ANJ Agri Siais about the Committee for the Protection of Women and Children to revise the structure of the committee for the Protection of Women and Children. The organizational structure is made by the head of the field, known by the Chair of the Committee, and approved by the General Manager. The policy socialization was carried out on January 31, 2019 and was attended by 44 participants.

The company has a work program for the Protection of Women and Children Committee in 2019 with activities such as regular meetings of the management every semester, conducting gender socialization, socialization related to the prohibition of sexual harassment, monitoring of pregnancy and breastfeeding mothers, socialization of hygiene and others.

Based on the results of interviews with women workers in spray and fertilizer activities it is known that the workers have known the management of the Committee for the Protection of Women and Children and have received socialization related to women's rights (gender). In addition, during the past year there had never been any sexual harassment / violence that occurred in the operational area.

The company has formed a Committee for the Protection of Women and Children which has the following organizational structure consist of management and worker representatives. The organization chart are in place.

The company has a policy to protect all reproductive rights, especially for women including the Internal Memo General Manager No. 63 / GM / SRS / 09-2012 concerning protection of the reproductive rights of female employees, dated

September 6, 2012, containing a prohibition on hiring pregnant and breastfeeding women for spray work and other work related to chemical contamination. In addition there is also an Internal Memo No. 22 / GMO / Siais / IM / VI / 2015 dated June 1, 2015 concerning Menstruation Leave (H1). In the memo stated that the company does not require to work for women workers if during menstruation feels sick on the first day and second day by notifying the company and evidenced by a certificate from a doctor or head of the estate polyclinic. The policy socialization was carried out on January 31, 2019 and was attended by 44 participants.

The company prohibits women who are pregnant and breastfeeding from working in jobs related to chemicals and the company has procedures to regulate this. In addition to the company also gives special time to women workers who are breastfeeding effectively.

Based on interviews with the gender committee it is known that the company gives special time and permission for breastfeeding workers to breastfeed their children at work so as not to interfere with the activities of breastfeeding female workers. The company also has a policy of granting H1 (menstrual leave) and H2 (maternity leave) leave for all female workers who work in the company. The company can also show evidence that the policy has been implemented properly.

**Status: Comply**

#### 6.10

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

##### **6.10.1; 6.10.2; 6.10.3; 6.10.4**

PT. ANJA Siais had an agreement with scheme smallholder named *Koperasi Petani Binasari*. Pricing mechanism of plasma's FFB paid using national regulation when the price is align with local government price on FFB (i.e plantation agency).

Based on public consultations with the surrounding communities Pardomuan Village especially from sub-village of Paraupan, Binasari and Janji Matogu who also a member of smallholder cooperative member known that the payments of their plasma are in time.

ANJA Siais Mill also received FFB from local farmer/trader. Agreement of FFB procurement shows through Work Agreement FFB Suppliers, for example as follows:

- Agreement No. 1231/COM/ANJAS/2018 dated 11 December 2018 with UD RIRI.
- Agreement No. 1232/COM/ANJAS/2018 dated 11 December 2018 with UD Boru Namora.
- Agreement No. 1233/COM/ANJAS/2018 dated 11 December 2018 with KT Janji Matogu.
- Agreement No. 1234/COM/ANJAS/2018 dated 11 December 2018 with KT Binasari.

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 FFB pricing mechanism has been submitted by the company and understand by FFB supplier and no complaints related to the time of payment. Auditor has verify the record of FFB payment. For example, payslip for period on 28 June 2019.

Other local partnership such as hardening road, upkeep and loose fruit picker. Based on interview with the contractors known that there is no issues regarding on payments. All work completed has been paid on time.

**Status: Comply**

#### 6.11

#### **Growers and millers contribute to local sustainable development wherever appropriate.**

##### **6.11.1**

The company has carried out identification of local development needs and priorities for affected communities around the company through the Stakeholder Meeting. Stakeholder meeting in 2018 was held on April 10, 2018 which aims to find out stakeholder aspirations, determine CSR programs, and others. Stakeholders who attended the meeting included South Tapanuli District Agencies, Labor Unions (SERBUNDO), Sironcitan Head of Environment, Head of Lorong Binasari, Makmur Jaya Cooperative, Conservation International representative Padang Sidempuan, leader of Al-Abdor Islamic Boarding School, community leaders from Janjimatogu Village, Simanorop, Binasari and Dolok Manunggal.

The company has a local development program contained in PT ANJA SIAIS Community Involvement Development activities report. The document contains the CSR activity program and is also attached to the realization of the implementation as well as the Report of the CSR team's visit to the surrounding villages completed with photos of the implementation. In general the Community Involvement Development program for the 2019 period includes:

- Health Sector: promotion of clean and healthy behavior, assistance of poor people's medicines, free treatment of the community around the plantation in the company's clinic
- Education Sector: contribution of ANJ fostered school facilities and infrastructure, Madrasah Diniyah Awaliyah Al-Ikhlas operational contributions, high achieving student awards for high school and college, ANJ Agri foundation school education development
- Economy: empowering honey bee cultivation and empowering independent oil palm farmers
- Social and Religious Affairs: Ramadan safaris, social, cultural and sporting event contributions, animal sacrifice, Christmas celebrations
- Infrastructure: maintenance of facilities and infrastructure, maintenance and repair of built village roads
- Media: media visits, media gatherings, and CSR program publications
- Binasari Paraupan Environment Fire Farmers Group (KTPA) consisting of 40 people and has been approved by the South Tapanuli district plantation office

The company can show the realization of CSR programs that have been prepared and intended for the surrounding village community (photo and handover evidence attached to the realization), including:

- Assistance to honorary teachers in Madrasah Diniyah Awaliyah in Paraupan since March 2019.
- Assistance in the form of free medical treatment to the Labalingak community and Batang Gadis River in March 2019
- Counseling and Coordinating Point for oil palm plantations to farmers who are members of the Janjimatogu Farmers Group (KTJM) and Tani Binasari Cooperative (Koptansari) in March 2019.
- Management education to the Janjimatogu Farmers Group (KTJM) related to guidance to carry out farmer group operations conducted in March 2019.
- Development of Fire Control and Signboard Installation by the Fire Care Farmers Group (KTPA) in March 2019.
- Assistance for the construction of a small mosque in Janjimatogu Village in March 2019.

Based on the program and realization presented above, it is known that the company has implemented the CSR program in accordance with its objectives and can be shown proof of realization in the form of photos, minutes and other evidence. Based on the results of interviews with the surrounding village community, it is known that so far the company has carried out CSR activities in each village and the village community has felt that it is sufficient to assist the development and growth of village communities. In addition, there are also many villagers who work in the company and information related to job vacancies is always given to the surrounding community when the company needs workers.

#### **6.11.2**

The company has a list of plasma farmers and independent smallholders who supply ANJA Siais POM's supply base, in accordance with Decree of South Tapanuli District Head No. 470 / KPTS / 2012 dated June 25, 2012 concerning the Inauguration of the Villages of Binasari Residents as Participants in the Oil Palm Commodity Plantation Partnership with PT ANJA SIAIS. In the decree, it was stated that there were 81 heads of families who obtained a palm oil field in the PT ANJA SIAIS plasma area.

The company has activities to help improve the farming practices (Best Management Practices) of independent smallholders around the company each year, including:

- Extension and Training of Oil Palm Cultivation to independent smallholders in Binasari Village on September 28, 2018, which was attended by 17 independent smallholders.
- Creation of a plot to apply a proper and correct fertilizer dose in the community's oil palm plantation in Sihuk-Huik Village on October 1, 2018 as a pilot to independent smallholders in the South Angkola Sub-District.

**Status: Comply**

#### **6.12**

**No forms of forced or trafficked labour are used.**
**6.12.1; 6.12.2 & 6.12.3**

The company has a recruitment and promotion procedure with document No. 18 / HR & GA / CP / 05-2009 which explains that the recruitment of workers conducted by companies must be in accordance with the provisions of the applicable laws in Indonesia. One of the labor provisions in Indonesia is to prohibit illegal workers, human trafficking, and other violations. Provisions related to hiring workers, promotions, probation and others have been regulated therein.

Based on the results of the study of work contract documents and a list of workers, it is known that there are no foreign workers who work at the level of implementing workers up to the manager's position. Foreign workers only exist at the top management level. In addition, there are no workers from trade or illegal workers or contract substitution because all workers have a working relationship with the company. This is in line with the results of interviews with harvest, fertilizer, spray and factory operator workers who stated that so far no use of forced labor, child labor, or family members who helped employees. All workers have work ties with the company.

**Status: Comply**
**6.13**
**Growers and millers respect human rights**
**6.13.1**

The company has a Code of Ethics for Business Conduct dated January 1, 2014 which states that in order to comply with all applicable laws and regulations in the territory of Indonesia and the area of operations of the company, especially the substance and soul of these regulations. In addition, the company has an Internal Memo dated June 2, 2015 No. 23 / GMO / Siais / IM / VI / 2015 concerning Protection of Human Rights signed by the General Manager. The memo stated "based on Law No. 39 of 1999 concerning human rights and the company's commitment to implement the company's core values of respecting fellow human beings and the environment, the company protects the basic rights or principles of workers and families in the company environment.

The company has disseminated the policy to all workers, socialization is carried out in each unit at the morning of the morning. Following are the socialization that has been given by the company to its workers, including:

- Company Policy socialization on January 16, 2019 to contractors and suppliers attended by 25 participants
- The socialization of company policies on January 31, 2019 which was attended by 44 participants.

Based on the results of interviews with trade unions and gender committees, it is known that so far there have never been cases of human rights violations committed by companies. This is also the same as the results of interviews with the surrounding villages, namely that there have never been cases of human rights violations committed by the company to the surrounding community.

**Status: Comply**
**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, and 7.1.3**

Based on documents verification, field observation and interview with stakeholders known that since previous surveillance to Re-CERT, PT ANJ Agri Siais did not expand or conduct any new planting or new development. Social Impact Assessment and Environmental Impact Assessment for current company operational areas were able to seen on indicator 5.1 and 6.1

**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 and 7.2.2**

There is no new planting area or expansion or new additional areas in PT ANJA Siais. The palms were planted in 2005 to 2009. Thus, information towards soil properties, as well as suitability class for oil palm cultivation were still remain the same as described in Indicator 4.3.1. Furthermore, information on agronomy input due to topography (slope) consideration were still remain the same as refers to procedure No. SOP-AGR-09.01 (Rev.04) dated 01 April 2016 and No. SOP-AGR-05 (Rev. 3) dated 01 April 2016, which describes in Indicator 4.3.2.

**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**

Company has conducted Disclosure of Liability for ANJ Agri, that has been submitted to the RSPO on 16<sup>th</sup> July 2014 meanwhile while LUCA has been submitted to RSPO on 24<sup>th</sup> August 2015.

PT ANJ Agri Siais has conducted disclosure of liability and LUC analysis in accordance with RSPO template on 2015. During 2016-2019, company shown intense communications with RSPO compensation panel related LUCA progress for PT ANJ Agri Siais. As confirmed thorough RSPO communication record with the respective re-certified unit (PT ANJA), it was known that LUC analysis was still ongoing review process.

Company are not able to shown evidence that RaCP for PT ANJ Agri Siais has been approved by RSPO. Therefore this become **NC 2019.10 as Major Category**

##### **7.3.3, 7.3.4, and 7.3.5**

The results of document review, field visits and interviews found that PT ANJ Agri Siais did not expand or conduct new planting or new development since last assessment. HCV management and monitoring plan for current operational activities are able to seen on indicator 5.2

7.3.1 **Status: NC 2019.10 as Major Category**

#### **7.4**

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

##### **7.4.1 and 7.4.2**

There is no new planting area or expansion or new additional areas in PT ANJA Siais. The palms were planted in 2005 to 2009. Currently palms were planted on flat to undulating areas. Information on fragile and marginal soils, as well as its management strategy is explained in Criteria 4.3

**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.**

There is no new planting area or expansion or new additional areas in PT ANJA Siais. The palms were planted in 2005 to 2009.

According to the interview with village representatives from Pardomuan Village, especially from sub-village of Paraupan, Binasari and Janji Matogu known that there is no new land expansion / new clearing conducted by the company since previous assessment.

**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.**

According to the interview with village representatives from Pardomuan Village, especially from sub-village of Paraupan, Binasari and Janji Matogu known that there is no new land expansion / new clearing conducted by the company since previous assessment.

**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 and 7.7.2**

Policy of zero burning is presented in procedure No. SOP-EHS-005, issued by EHS Manager on 10 August 2015. Based on observation to estate areas, it was known that there were no marks of fire and/or open burning activities within estate operational areas. Furthermore, the company has installing fire monitoring tower in 4 (four) locations throughout the estate operational areas.

There is no new planting in PT ANJA Sia's. Palms in PT ANJA Sia's were planted during 2005 to 2009. Hence based on one cycle of cultivation, replanting is expected to be carried out as earliest on 2030 in LSU Estate. Estate management stated that the company has commits to adopting zero burning method for land clearing and planting purposes. This is confirmed during observation to estate operational areas. At the moment of the first land clearing and planting, it was known that estate management has implementing zero burning, for example as shows through document of Work Agreement Letter No. 001/OPM-PKPL/2007 dated 03 April 2007 about land clearing with contractor namely PT Dwi Putra Indo Kayu, which mentioned that all method listed in the agreement were conducted through mechanical method. This is comply with official contractor works checking report No. 059/BAPP/OPM/V-2007 dated 05 May 2007. Furthermore, as informed by Agriculture Agency and Environment Agency of Tapanuli Selatan District, as well as information from representative surrounding Villages, it was known that there is no burning activities for land clearing in PT ANJA Sia's. Land preparation is conducted mechanically by heavy equipments.

**Status: Comply**

**7.8**

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

**7.8.1 & 7.8.2**

Based on documents review, interview and field visits, shown that certificates holders did not expand /develop any new operational area since January 2015 and there is no more land clearing activity since the last assessment (2018). GHG emission calculations for existing operational areas result are able to seen on Indicator 5.6

**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.**

**RSPO Internal Audit**

RSPO Internal audit which had conducted in 11 to 15 February 2019, presented in document code No. FRM-SOP SDD 03-02 (Rev. 00) dated April 2019. The audit identified 12 major, 9 minor and 1 supply chain non conformity. Management review meeting was held on 15 April 2019 attended by 26 participants in meeting room GMO. Those NC's has been fully comply on 30 May 2019. Furthermore, there is also 10 OFI has noted by Internal Auditor.

**Continuous Improvement**

In term of best management practices aspect, several notes which recently conducted by estate management and considered as continuous improvement is presented as follows:

- Since May 2019, estate management has implementing digitation recording on harvesting activity through barcode system by application namely "Electronic Plantation Mobile System" or EPMS.
- Since 2019, there is no more use of Paraquat Dichloride for weeding activities.
- Since February 2018, estate management has developing Barn Owl (*Tyto alba*) Sanctuary in "*Pusat Penelitian Lingkungan Hidup* (PPLH)" or "Centre of Environment Research" located on Division 5 Block M30 LSU.

|                       |
|-----------------------|
| <b>Status: Comply</b> |
|-----------------------|

**3.2. Summary of Assessment Report of Supply Chain Requirement**
**3.2.1 General chain of custody requirements for the supply chain**

| Clause     | Requirement  |
|------------|--|
| <b>5.1</b> | <b>Applicability of the general chain of custody requirements for the supply chain</b>   |
| 5.1.1      | <p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Facility handling their own RSPO certified palm oil product and does not have any outsource contractors.</p>   |
|            | <b>Status: Comply</b>  |
| 5.1.2      | <p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Facility proceed their own certified FFB (Lembah Subur Selatan and Lembah Subur Utara) and uncertified FFB from independent out grower (Transit Tank Pargarutan, Koperasi Petani Binasari, CSR Janji Matogu, UD Boru Namora, UD. Riri etc.).</p>  |
|            | <b>Status: Comply</b>  |
| 5.1.3      | <p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>ANJA Siais POM - PT Austindo Nusantara Jaya Agri Siais, subsidiary of Austindo Nusantara Jaya has registered in RSPO membership 1-0032-07-000-00 (registered since 27 February 2007).</p> <p>ANJA Siais POM has been registered in IT platform palm trace RSPO <a href="https://palmtrace.rspo.org/web/rspo/member-directory">https://palmtrace.rspo.org/web/rspo/member-directory</a> which information as follows:</p> <ul style="list-style-type: none"> <li>• Member Name: ANJA Siais POM - PT Austindo Nusantara Jaya Agri Siais</li> <li>• Account UID: RSPO_AC1000002011</li> <li>• Core Product: Palm Oil</li> <li>• Member ID: RSPO_PO1000001992</li> <li>• Type of Business: Oil Mill</li> </ul> |
|            | <b>Status: Comply</b>  |
| 5.1.4      | <p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There is no processing aids in ANJA Siais POM.</p>   |
|            | <b>Status: Comply</b>  |
| <b>5.2</b> | <b>Supply chain model</b>  |
| 5.2.1      | <p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -&gt; Segregated -&gt; Mass Balance.</p>  |

|  |                                |
|--|--------------------------------|
| The mill are implementing Module E (Mass Balance). Further information of supply chain will be explained in indicator E.5.1 – Record Keeping (Module E).   |                                |
|  | <b>Status: Comply</b>          |
| <b>5.2.2</b>   |                                |
| The site can use one (1) or a combination of supply chain models as audited and certified by the CB.   |                                |
| Facility only implementing Module E – Mass Balance during this certification period.   |                                |
|  | <b>Status: Comply</b>          |
| <b>5.3</b>   | <b>Documented procedures</b>   |
| <b>5.3.1</b>   |                                |
| The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.   |                                |
| Facility has had traceability procedure in document Standard Operational Procedure of Product Traceability (SOP-SCD-05) that approved by top management since 2 October 2017. Those document has covering the implementation of supply chain model (Module E – Mass Balance) including record keeping of all incoming product, daily report of processing and dispatch and mass balance record.  |                                |
| This procedure also described the personnel in charge of traceability procedure as follows:  |                                |
| <ul style="list-style-type: none"> <li>• Harvesting clerk responsibility is to calculate, record and create FFB delivery note to mill.</li> <li>• Weighbridge clerk responsibility is to weighing all FFB transport and record in SAP.</li> <li>• Mill clerk responsibility is to manage all FFB received and dispatch data. He/she also responsible to input mass balance data in coordination with mill laboratory staff.</li> <li>• Mill manager responsibility is to monitoring dispatch product according to the delivery order note. He also managed certified product selling not over the allowed quota. If mill wants to sell over the quota, mill manager shall coordinated with compliance department.</li> </ul> |                                |
| During the audit, auditor has interviewed security officer who received incoming FFB at the first and weighbridge operator. Based on interview session known that they can described the separation of certified or non-certified product and mass balance record.   |                                |
| <i>Consideration to update traceability procedure refer to the RSPO latest system and standards. OFI</i>   |                                |
| <b>OFI</b>   | <b>Status: Comply</b>          |
| <b>5.3.2</b>   |                                |
| The site shall have a written procedure to conduct annual internal audit   |                                |
| The company has had Internal Audit System Management No SOP-SCD-03 Rev 03 dated 27 November 2017. Internal audit will be conducted every year before external audit visit.   |                                |
| The latest internal audit RSPO (including supply chain aspect) has been conducted dated 11 – 15 February 2019. There is 21 findings (12 Major and 9 Minor) during the audit. Unit management has conducted management review meeting on 15 April 2019 to follow up the issues. Based on corrective action that submitted to the internal auditor, all findings has closed as per 30 May 2019.  |                                |
|  | <b>Status: Comply</b>          |
| <b>5.4</b>   | <b>Purchasing and goods in</b> |
| <b>5.4.1</b>   |                                |
| The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier   |                                |

There is no oil palm product purchase from third parties. Facility only proceed their own certified FFB (Lembah Subur Selatan and Lembah Subur Utara) and uncertified FFB from independent out grower (Transit Tank Pargarutan, Koperasi Petani Binasari, CSR Janji Matogu, UD Boru Namora, UD. Riri etc.).

**Status: Comply**

#### 5.4.2

**The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents**

There is no oil palm product purchase from third parties. Facility only proceed their own certified FFB (Lembah Subur Selatan and Lembah Subur Utara) and uncertified FFB from independent out grower (Transit Tank Pargarutan, Koperasi Petani Binasari, CSR Janji Matogu, UD Boru Namora, UD. Riri etc.).

**Status: Comply**

#### 5.5

**Outsourcing activities**

##### 5.5.1

In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

Due to accessibility to the mill location, facility create a transit tank (named as Transit Tank Pargarutan) to simplify their selling process. During this audit, known that facility using third parties (subcontractor) to transfer their palm product from mill to Transit Tank Pargarutan (palm oil product selling point). According to the document review, known that facility has had several contract with transporter as follows:

- KSU Makmur Jaya
- CV. Mandiri
- CV. Winanta
- CV. Abadi Jaya

**Status: Comply**

##### 5.5.2

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

Facility uses an independent third parties (subcontractor) to transfer their palm product from mill to Transit Tank Pargarutan (palm oil product selling point). All record of names and contact details of all contractors are in place.

Those third parties has signed the statement to provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.

**Status: Comply**

##### 5.5.3



|  |                                     |
|--|-------------------------------------|
| The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.   |                                     |
| Facility uses an independent third parties (subcontractor) to transfer their palm product from mill to Transit Tank Pargarutan (palm oil product selling point). All record of names and contact details of all contractors are in place.  |                                     |
|  | <b>Status: Comply</b>               |
| <b>5.5.4</b>   |                                     |
| The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products   |                                     |
| Facility uses an independent third parties (subcontractor) to transfer their palm product from mill to Transit Tank Pargarutan (palm oil product selling point). All record of names and contact details of all contractors are in place.  |                                     |
|  | <b>Status: Comply</b>               |
| <b>5.6</b>   | <b>Sales and goods out</b>          |
| <b>5.6.1</b>   |                                     |
| The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer   |                                     |
| According to the selling status in palm trace and mill's record, ANJA Siais – through Bulking Station Pargarutan, sold their oil palm product in RSPO Mass Balance, Book and Claim and conventional. CPO product usually sold in Book and Claim and conventional. PK Product usually sold in RSPO Mass Balance scheme. All of sale agreement are in place. All palm product dispatch has completed with data of contract, product description, quantity, transporter documentation, declaration of product status etc.   |                                     |
|  | <b>Status: Comply</b>               |
| <b>5.7</b>   | <b>Registration of transactions</b> |
| <b>5.7.1</b>   |                                     |
| Supply chain actors who:   |                                     |
| <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries; and</li> <li>• take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>   |                                     |
| Facility has shown their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there is a record of certified product sold as RSPO certified product, book and claim or conventionally (noncertified).  |                                     |
|  | <b>Status: Comply</b>               |
| <b>5.7.2</b>   |                                     |
| The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:  |                                     |
| <ul style="list-style-type: none"> <li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>• Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul> |                                     |

Based on document verification, facility has documented record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All of these transactions are recorded in the RSPO IT Platform. Based on interviews with related staff, information was obtained that data related to sales was the authority of the Commercial Department in Medan Office in coordination with Sustainability and Compliance Department. Example of transaction below:

**Finalized Transactions**

| Transaction ID    | Transaction Date | Buyer Reference Number | Product | Volume | Supply Chain Model | Quality | Transaction Type | Status    |
|-------------------|------------------|------------------------|---------|--------|--------------------|---------|------------------|-----------|
| TR-190fc9f2-03df  | 16-05-2019       |                        | CSPK    | 400    | Mass Balance       |         | Shipping         | Confirmed |
| TR-94779533-3804  | 08-04-2019       |                        | CSPK    | 700    | Mass Balance       |         | Shipping         | Confirmed |
| TR-ba6de354-d540  | 20-03-2019       |                        | CSPK    | 600    | Mass Balance       |         | Shipping         | Confirmed |
| TR-1888914a-c481  | 20-03-2019       |                        | CSPK    | 1.300  | Mass Balance       |         | Shipping         | Confirmed |
| TR-a2f933ec-d3b0  | 20-03-2019       |                        | CSPK    | 500    | Mass Balance       |         | Shipping         | Confirmed |
| TR-74854cc7-968c  | 10-10-2018       |                        | CSPK    | 200    | Mass Balance       |         | Shipping         | Confirmed |
| TR-4ce282a5-239c  | 10-10-2018       |                        | CSPK    | 200    | Mass Balance       |         | Shipping         | Confirmed |
| TR-5dcf7a86-d428  | 10-10-2018       |                        | CSPK    | 200    | Mass Balance       |         | Shipping         | Confirmed |
| TR-db78fdc1-068f  | 10-10-2018       |                        | CSPK    | 300    | Mass Balance       |         | Shipping         | Confirmed |
| TR-4cd88a86-90a0  | 10-10-2018       |                        | CSPK    | 300    | Mass Balance       |         | Shipping         | Confirmed |
| TR-1b16876a-Deddb | 23-08-2018       |                        | CSPK    | 400    | Mass Balance       |         | Shipping         | Confirmed |
| TR-4fe23ad0-8658  | 23-08-2018       |                        | CSPK    | 400    | Mass Balance       |         | Shipping         | Confirmed |
| TR-0e8f4a5e-a9de  | 23-08-2018       |                        | CSPK    | 300    | Mass Balance       |         | Shipping         | Confirmed |
| TR-ced74718-6062  | 23-08-2018       |                        | CSPK    | 300    | Mass Balance       |         | Shipping         | Confirmed |

**Stock Transactions**

| Stock Transaction ID | Date       | Product | Supply Chain Model | Transaction Type            | Volume   |
|----------------------|------------|---------|--------------------|-----------------------------|----------|
| ST-TR-3ef3b811-5eb1  | 19-11-2018 | CSPO    | Mass Balance       | Credit Allocation           | 20.000   |
| ST-TR-1b576542-f400  | 26-03-2019 | CSPO    | Mass Balance       | Credit Allocation           | 10.000   |
| ST-TR-2ded8d29-d89c  | 12-07-2019 | CSPO    | Mass Balance       | Remove From Certified Stock | 8.001,47 |
| ST-TR-786c81c8-4e8b  | 12-07-2019 | CSPO    | Mass Balance       | Remove From Certified Stock | 3.746,05 |

\*Volume in MT

**Status: Comply**

**5.8**
**Training**
**5.8.1**

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

Compliance and Sustainability Department has set the annual training program of sustainability training (including supply chain). The last refreshment training for staff has been held on 2 – 4 October 2018 attended by 47 staff. The next will conduct on 1 – 5 October 2019.

**Status: Comply**

**5.8.2**

Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed

Refreshment training for security officer was held on 17 July 2019 in meeting room ANJA Sia's POM. Attended by 5 security officer. Based on interview with related officer (security and weighbridge operator) known that they have well demonstrated on supply chain implementation (separation of certified and uncertified product, record keeping of mass balance etc).

**Status: Comply**

**5.9**
**Record keeping**
**5.9.1**

The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements

Facility has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to-date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales.

**Status: Comply**

**5.9.2**

Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock

According to the procedure of system documentation (SOP-SCD-01) that approved by head of sustainability since 10 November 2014, known that retention time for all document related to certification is 5 year. Based on document review known that facility still kept the document according to the procedure. There is a FFB delivery note and weighbridge ticket on 5 February 2015 and delivery order for CPO/PK on 7 August 2015.

**Status: Comply**

**5.9.3**

The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.

Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.

| Product | Quota of Certified Product (MT) | Actual Production July 2018 – June 2019 (MT) | Estimate production of the next license period (MT) |
|---------|---------------------------------|--|---|
| FFB     | 201,594                         | 179,984                                      | 194,500   |
| CPO     | 44,351                          | 37,710                                       | 40,845  |
| PK      | 10,080                          | 8,373  | 9,725   |

*Source: production data 12 months before audit certification period (July 2018 – June 2019)*

**Status: Comply**

**5.10**
**Conversion factors**
**5.10.1**

Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website

|   |                   |
|---|-------------------|
| (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries   |                   |
| Facility did not using conversion rate.   |                   |
|   | Status: Comply    |
| 5.10.2  |                   |
| Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.  |                   |
| Facility did not using conversion rate.   |                   |
|   | Status: Comply    |
| 5.11  | Claims            |
| 5.11.1  |                   |
| The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.   |                   |
| Facility did not using conversion rate.   |                   |
|   | Status: Comply    |
| 5.12  | Complaints        |
| 5.12.1  |                   |
| The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.  |                   |
| The company has SOP communication and provision of information (Document number: SOP-Leg-02 revision 4 on September 1 <sup>st</sup> 2015). Based on document verification and interview with mill manager, there is no complaint from stakeholder (FFB supplier, transporter or buyer) related to oil palm product.   |                   |
|   | Status: Comply    |
| 5.13  | Management review |
| 5.13.1  |                   |
| The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken   |                   |
| The company has had Internal Audit System Management No SOP-SCD-03 Rev 03 dated 27 November 2017. Internal audit will be conducted every year before external audit visit.  |                   |
| The latest internal audit RSPO (including supply chain aspect) has been conducted dated 11 – 15 February 2019. There is 21 findings (12 Major and 9 Minor) during the audit. Unit management has conducted management review meeting on 15 April 2019 to follow up the issues. Based on corrective action that submitted to the internal auditor, all findings has closed as per 30 May 2019. |                   |
|   | Status: Comply    |
| 5.13.2  |                   |
| The input to management review shall include information on:  |                   |
| <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>         |                   |

The latest annual management review of overall system implementation including was held in 15 April 2019, attended by related staff who involves in RSPO supply chain implementation. Sighted in the minute of meeting that the topic discussed namely: RSPO Supply Chain internal audit result, customer feedback, status of corrective action and preventive action, other changes to management system and recommendation for improvement.

**Status: Comply**

**5.13.3**

The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

It was documented in management review document as written in preventive action.

**Status: Comply**



**3.2.3 (Module E) CPO Mills - Mass Balance Requirements**

| Clause  | Requirement   |  |   |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
|---------|---|--|---|--|---|-----|---------|---------|---------|-----|--------|--------|--------|----|--------|-------|-------|
| 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 sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply 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>Facility proceed their own certified FFB (Lembah Subur Selatan and Lembah Subur Utara) and uncertified FFB from independent out grower (Transit Tank Pargarutan, Koperasi Petani Binasari, CSR Janji Matogu, UD Boru Namora, UD. Riri etc.). Based on that, ANJA Siais Mill implementing Module E (Mass Balance).</p>   |  |   |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
|         | Status: Comply  |  |   |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
| E.2     | Explanation   |  |   |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
| E.2.1   | <p>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&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p> <p>Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.</p> <table><tr><th>Product</th><th>Quota of Certified Product (MT)</th><th>Actual Production July 2018 – June 2019 (MT)</th><th>Estimate production of the next license period (MT)</th></tr><tr><td>FFB</td><td>201,594</td><td>179,984</td><td>194,500</td></tr><tr><td>CPO</td><td>44,351</td><td>37,710</td><td>40,845</td></tr><tr><td>PK</td><td>10,080</td><td>8,373</td><td>9,725</td></tr></table> <p>Source: production data 12 months before audit certification period (July 2018 – June 2019)</p> | Product                                      | Quota of Certified Product (MT)                     | Actual Production July 2018 – June 2019 (MT) | Estimate production of the next license period (MT) | FFB | 201,594 | 179,984 | 194,500 | CPO | 44,351 | 37,710 | 40,845 | PK | 10,080 | 8,373 | 9,725 |
| Product | Quota of Certified Product (MT)   | Actual Production July 2018 – June 2019 (MT) | Estimate production of the next license period (MT) |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
| FFB     | 201,594   | 179,984                                      | 194,500   |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
| CPO     | 44,351  | 37,710                                       | 40,845  |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
| PK      | 10,080  | 8,373  | 9,725   |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
|         | Status: Comply  |  |   |  |   |     |         |         |         |     |        |        |        |    |        |       |       |
| E.2.2   | <p>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).</p> <p>ANJA Siais POM - PT Austindo Nusantara Jaya Agri Siais, subsidiary of Austindo Nusantara Jaya has registered in RSPO membership 1-0032-07-000-00 (registered since 27 February 2007).</p> <p>ANJA Siais POM has been registered in IT platform palm trace RSPO <a href="https://palmtrace.rspo.org/web/rspo/member-directory">https://palmtrace.rspo.org/web/rspo/member-directory</a> which information as follows:</p> <ul style="list-style-type: none"><li>Member Name: ANJA Siais POM - PT Austindo Nusantara Jaya Agri Siais</li><li>Account UID: RSPO_AC1000002011</li><li>Core Product: Palm Oil</li><li>Member ID: RSPO_PO1000001992</li><li>Type of Business: Oil Mill</li></ul>   |  |   |  |   |     |         |         |         |     |        |        |        |    |        |       |       |

|  | <b>Status: Comply</b>          |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--------------------------------|-------|----------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <b>E.3</b>   | <b>Documented procedures</b>   |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>E.3.1</b><br><b>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:</b> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><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.</b></li> </ol>  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <p>Facility has had traceability procedure in document Standard Operational Procedure of Product Traceability (SOP-SCD-05) that approved by top management since 2 October 2017. Those document has covering the implementation of supply chain model (Module E – Mass Balance) including record keeping of all incoming product, daily report of processing and dispatch and mass balance record.</p> <p>This procedure also described the personnel in charge of traceability procedure as follows:</p> <ul style="list-style-type: none"> <li>Harvesting clerk responsibility is to calculate, record and create FFB delivery note to mill.</li> <li>Weighbridge clerk responsibility is to weighing all FFB transport and record in SAP.</li> <li>Mill clerk responsibility is to manage all FFB received and dispatch data. He/she also responsible to input mass balance data in coordination with mill laboratory staff.</li> <li>Mill manager responsibility is to monitoring dispatch product according to the delivery order note. He also managed certified product selling not over the allowed quota. If mill wants to sell over the quota, mill manager shall coordinated with compliance department.</li> </ul> <p>During the audit, auditor has interviewed security officer who received incoming FFB at the first and weighbridge operator. Based on interview session known that they can described the separation of certified or non-certified product and mass balance record.</p> <p><i>Consideration to update traceability procedure refer to the RSPO latest system and standards. OFI</i></p> |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>OFI</b>   | <b>Status: Comply</b>          |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>E.3.2</b><br><b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs</b>   |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <p>ANJ Agri Siais POM has Procedure Mass Balance No. SOP-SDD-06 Revision 2, dated 21 October 2014 which described the duties and responsibilities of each part; determination of supply chain format compilation, procedure to deal with overproduction. There are also others procedure related to SCCS, such as:</p> <ul style="list-style-type: none"> <li>Traceability Procedure No. SOP-SDD-05 dated 1 November 2013.</li> <li>CSPO and CSPK Selling System Procedure No. ANJA-F&amp;A-SOP 29.</li> </ul>   |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | <b>Status: Comply</b>          |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>E.4</b>   | <b>Purchasing and goods in</b> |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>E.4.1</b><br><b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b>  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <p>In accordance with supply chain procedure as explained in clause E.3.1 above, facility has demonstrated the documentation of record keeping and processing of certified FFBs.</p> <p><b>Certified and non-certified FFB received period of July 2018 to June 2019 (twelve month)</b></p> <table border="1"> <thead> <tr> <th>Month</th><th>FFB (MT)</th></tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>  |                                | Month | FFB (MT) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Month  | FFB (MT)                       |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |                                |       |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|              | RSPO Certified | Non-Certified | Total          |
|--------------|----------------|---------------|----------------|
| July 18      | 22,314         | 6,647         | 28,961         |
| August 18    | 22,221         | 5,666         | 27,887         |
| September 18 | 16,462         | 6,703         | 23,165         |
| October 18   | 12,969         | 7,382         | 20,351         |
| November 18  | 11,551         | 7,435         | 18,986         |
| December 18  | 14,299         | 5,843         | 20,142         |
| January 19   | 12,662         | 7,139         | 19,801         |
| February 19  | 11,265         | 7,070         | 18,335         |
| March 19     | 14,289         | 9,296         | 23,584         |
| April 19     | 12,422         | 9,546         | 21,967         |
| May 19       | 12,686         | 8,898         | 21,584         |
| June 19      | 16,846         | 6,193         | 23,038         |
| <b>Total</b> | <b>179,984</b> | <b>87,818</b> | <b>267,802</b> |

**Status: Comply**

#### E.4.2

**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.

| Name of Mill | Capacity (tonnes/hour) | Supply Chain Model | Annual Volume According to Certificate (Tonnes)                         |        |        |
|--------------|------------------------|--------------------|---|--------|--------|
|              |                        |                    | FFB   | CPO    | PK     |
| ANJA Siais   | 60                     | Mass Balance       | 201,594   | 44,351 | 10,080 |
|              |                        |                    | Actual Volume for 12 month before audit (July 2018 – June 2019 (Tonnes) |        |        |
|              |                        | Mass Balance       | 179,984   | 37,710 | 8,373  |
|              |                        |                    | Estimated Volume (Tonnes)   |        |        |
|              |                        | Mass Balance       | 194,500   | 40,845 | 9,725  |

Source: production data 12 month before audit (July 2018 – June 2019)

**Status: Comply**

#### E.5

**Record keeping**

##### E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- 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.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

Based on document verification informed that facility only received FFB from certified area and sold as RSPO certified.

| Period | CPO Production (MT) | Total | Cert CPO Dispatch (MT) | Total |
|--------|---------------------|-------|------------------------|-------|
|--------|---------------------|-------|------------------------|-------|

|       | Cert   | Non Cert |        | RSPO | Conventional | Other Scheme |        |
|-------|--------|----------|--------|------|--------------|--------------|--------|
| Total | 37,710 | 18,466   | 57,302 | -    | 28,574       | -            | 28,574 |

| Period | PK Production (MT) |          | Total  | Cert PK Dispatch (MT) |              |              | Total |
|--------|--------------------|----------|--------|-----------------------|--------------|--------------|-------|
|        | Cert               | Non Cert |        | RSPO                  | Conventional | Other Scheme |       |
| Total  | 8,373              | 4,065    | 12,579 | 6,820                 | -            | -            | 6,820 |

|  |                |  |  |  |  |  |  |
|--|----------------|--|--|--|--|--|--|
|  | Status: Comply |  |  |  |  |  |  |
|--|----------------|--|--|--|--|--|--|

**3.3. Conformity Checklist of Certificate and Trademark Use**

|           |   |              |
|-----------|---|--------------|
| <b>1.</b> | <b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>             | <b>X or√</b> |
| <b>RC</b> | There is no logo use  | √            |
|           | <b>Status: Comply</b>   |              |
| <b>2.</b> | <b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use</b> | <b>X or√</b> |
| <b>RC</b> | There is no logo use  | √            |
|           | <b>Status: Comply</b>   |              |
| <b>3.</b> | <b>Implementation of Certificate and Trademark is not used on product</b>   | <b>X or√</b> |
| <b>RC</b> | There is no logo use  | √            |
|           | <b>Status: Comply</b>   |              |
| <b>4.</b> | <b>Controlling of Certificate and Trademark, including withdrawing inappropriate logo.</b>  | <b>X or√</b> |
| <b>RC</b> | There is no logo use  | √            |
|           | <b>Status: Comply</b>   |              |



### 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 4.5.4. A summary of findings is as stated below.

ANJA Time Bound Plan (TBP) is explaining in table section 1.10.1 ANJA has run four (4) mills and eight (8) management unit/company 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 five (5) 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   |
| 2.1.1                              | Did the company conduct an internal audit? If so, has a positive assurance statement been produced?  | <p><b>Company statement :</b><br/>The company are already doing internal audits.</p> <p><b>Auditor verification:</b><br/>Internal Audit for uncertified management unit</p> <ul style="list-style-type: none"> <li>• PT Kayung Agro Lestari has been conducted Internal Audit on 08 to 12 April 2019.</li> <li>• PT Galempa Sejahtera Bersama has been conducted Internal Audit on 12 to 16 November 2018</li> <li>• Internal Audit for PT Putera Manunggal Perkasa has been conducted on 29 June to 10 July 2019.</li> <li>• PT Permata Putera Mandiri, has been conducted on 29 June to 10 July 2019.</li> <li>• PT Austindo Nusantara Jaya Tbk has been conducted on 29 June to 10 July 2019.</li> </ul> |
| 2.1.2                              | <p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul> | <p><b>Company statement:</b><br/>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><b>Auditor Verification :</b><br/>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</p>  |

|       |   |   |
|-------|---|---|
|       |   | <p>with RaCP Procedure will be observed again on the next visit audit.</p> <p><b>PT Austindo Nusantara Jaya Agri – ANJ Siais POM,</b><br/>Email from RSPO Secretariat on 21 October 2019 about RaCP Progress for <b>PT Austindo Nusantara Jaya Agri – ANJ Siais POM</b>, stated “after the internal review of the case and the request from ANJA SIAS, the Secretariat agrees to allow the extension for 12 months to close the NC. This means that the compensation plan should be approved by the next surveillance audit”</p> <p><b>PT Kayung Agro Lestari</b><br/>The company has conducted LUCA and sent to RSPPO along with other supporting data, the last submission was on 21 August 2019. Based on the RSPO email on 30 August 2019, stated that “RaCP case for PT KAL would be deemed closed”, however, there are remediation areas required for palm oil planted on peat and riparian buffer zones. PT KAL shall identify and demarcate the required remediation areas, and develop and implement the remediation plan as per the RSPO requirements, following the RSPO BMPs. The remediation plan would be checked by the auditors according to the certification and P&amp;C requirements</p> |
| 2.1.3 | Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.   | <p><b>company statement:</b><br/>NPP has been applied</p> <p><b>Auditor Verification :</b></p> <ul style="list-style-type: none"> <li>• PT Galempa Sejahtera Bersama, NPP date of notification on May 2, 2014</li> <li>• PT Putra Manunggal Perkasa, NPP date of notification on 24 July 2014</li> <li>• PT Permata Putra Mandiri, NPP date of notification on September 29, 2014</li> <li>• PT Austindo Nusantara Jaya Tbk, NPP preparation on process – HCV Assessment review by HCV RN</li> </ul>  |
| 2.1.4 | 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><b>Company statement:</b><br/>There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p><b>Auditor verification :</b><br/>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>  |
| 2.1.5 | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.  | <p><b>Company statement:</b><br/>There is no labour disputes</p> <p><b>Auditor verification :</b><br/>The company has a mechanism for grievance described in SOP Handling of Differences of Opinion with Public and</p>   |

|       |  |  |
|-------|--|--|
|       |  | <p>Land Dispute (Document No. SOP-EAD-01; Issue 01/00) dated August 1, 2013.</p> <p>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.</p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries</p>   |
| 2.1.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | <p><b>Company statement:</b><br/>All legal requirement for palm oil plantation has been comply</p> <p><b>Auditor verification :</b><br/>PT Kayung Agro Lestari</p> <ul style="list-style-type: none"> <li>• Ketapang Regent Decree No. 103 year of 2004 (25 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</li> <li>• 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</li> <li>• 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) on march 1<sup>st</sup> 2010</li> <li>• The total area of 10,920.36 ha, based on Decree No. 33/HGU/BPN.RI/2014, dated February 4, 2014</li> <li>• 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</li> </ul> <p>PT Galempa Sejahtera Bersama</p> <ul style="list-style-type: none"> <li>• Status of PT GSB based on Forest Area Indicated (TGHK) is Non Forest Designated Area (Area Penggunaan Lain)</li> <li>• Location Permit No. 525/535/KEP/HUTBUNTAMBEN/2012, 20 April 2012</li> <li>• Plantation Permit No. 525/423/KEP/HUTBUNTAMBEN/2013, 08 May 2013</li> <li>• HGU on process</li> <li>• Environment Permit No. 211, 2013, dated 06 May 2013</li> <li>• SEIA No. 210, 2013, dated 1 May 2013</li> </ul> <p>PT Putera Manunggal Perkasa</p> |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• Location Permit No. 522/30/II/2011, dated 09 February 2011. Total area ± 22,195.28 Ha</li> <li>• Change Location Permit No. No. 522.2-6/206/10/2012, dated 12 October 2012. Total area ± 22,195.28 Ha</li> <li>• Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.606/MENHUT-II/2012, dated 31 October 2012</li> <li>• Environment Permit No. 660.1/58/II/2012 TAHUN 2012, dated 16 Feb 2012, for 22.195 Ha, Mill Capacity 60 TPH</li> <li>• 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.</li> <li>• 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</li> </ul> <p>PT Putra Permata Mandiri</p> <ul style="list-style-type: none"> <li>• Location Permit No. 83/2010, dated 30 April 2010. Total area ± 40,000 Ha</li> <li>• Change Location Permit No. 522.2/118/BSS/August Tahun 2010, dated 11 August 2010. Total area ± 40,000 Ha</li> <li>• Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.731/MENHUT-II/2011, dated 21 December 2011</li> <li>• Environment permit No. 525/76/BSS/IV/2011, dated 25 April 2011.</li> <li>• 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.</li> <li>• Cadastral map from National Land Body of Republic Indonesia No. 021-33.05-2014, dated 26 March 2014 for 32,025.14 Ha</li> </ul> <p>PT Austindo Nusantara Jaya, Tbk.</p> <ul style="list-style-type: none"> <li>• Location Permit No. 12/2011, dated 6 oct 2012. Total area ± 40,000 Ha</li> <li>• Extention of Location Permit No. 74 Tahun 2014, dated 2 sept 2014. Total area ± 40,000 Ha</li> <li>• Converted forest area release by the Republic Indonesia Ministry of Forestry Number No. 131.09/118/B.MBT/2011, Tgl. 12 Oktober 2011</li> <li>• Plantation Business Permit, According to West Papua Governor Decree No. 525/101/5/2013 Tahun 2013 for 40,000 Ha and 2 x 60 Ton FFB/Hours plant.</li> <li>• Environment Permit PKS 60 X 2 TPH, No. 660/147/7/2013 TAHUN 2013, dated 18 Juli 2013</li> </ul> |
|--|---|

|  |  |  |
|--|--|--|
|  |  | <ul style="list-style-type: none"><li>• SK HGU (Inti), Number. 03/HGU/KEM-ATR/BPN/2015 dated 02 April 2015, 30.515,75 Ha</li></ul> |
|--|--|--|



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

#### 3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

|  |  |                        |                      |
|--|--|------------------------|----------------------|
| <i>NCR No.</i>   | : 2018.1   | <i>Issued by</i>       | : Trismadi Nurbayuto |
| <i>Date Issued</i>   | : 26 July 2018   | <i>Time Limit</i>      | : 25 October 2018    |
| <i>NC Grade</i>  | : Major  | <i>Date of Closing</i> | : 7 September 2018   |
| <i>Standard Ref. &amp; Requirement</i>   | <b>General Chain of Custody</b><br><b>5.7.2</b><br><b>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</b> <ul style="list-style-type: none"><li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li><li>• Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li><li>• <b>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</b></li><li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li></ul> |                        |                      |
| <i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i><br>The certificate holders can't be shown that all of RSPO Certified Product transaction were recorded on RSPO IT Palm Trace.<br>Based on mass balance document verification period of 25 September 2017 to 21 July 2018, there are information as follows:<br><u>CSPO</u> <ul style="list-style-type: none"><li>- Credit allocations: 30,000.00 mt; Credit Sold: 18,086.00 mt; Remaining Credits: 11,914.00 mt.</li><li>- CSPO sold as Conventional: 24,705.91 mt.</li></ul> <u>CSPK</u> <ul style="list-style-type: none"><li>- CSPK sold as claim RSPO: 5,200.00 mt.</li><li>- CSPK sold as Conventional: 1,000.12 mt.</li></ul><br>However, the management unit can't be shown that all CSPO and CSPK sold as Conventional were updated (removed) on RSPO IT Palm Trace. |  |                        |                      |
| <b>Root Cause Analysis (filled by organization audited):</b><br>Lack of knowledge regarding CSPO & CSPK sales as conventional removed on the RSPO IT Palm Trace.   |  |                        |                      |
| <b>Correction (filled by organization audited):</b><br>Removing CSPO and CSPK sold as conventional on the RSPO IT Palm Trace.  |  |                        |                      |

**Corrective Action** *(filled by organization audited):*

1. Mass Balance monitoring by officer, if any CSPO & CSPK sold as conventional will be removed on the RSPO IT Palm Trace.
2. Internal Memo from General Manager Number IM 066/GMO/SIAIS/IX/2018 about Supply Chain Certification System (Mass Balance) Officer.
3. Annual SCCS (Mass Balance) training program to all workers.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification on 7 September 2018**

The certification unit was shown several evidences, such as:

1. RSPO products sold as conventional has been removed on the RSPO IT Palm Trace CSPO: 6,619.91 MT and CSPK: 1,000.12 MT
2. Management system training record dated 6 September 2017, including SCCS key persons.
3. Internal Memo from General Manager No. 066/GMO/SIAIS/IX/2018 dated 3 September 2018, about: SCCS (MB) PIC, such as: Commercial Manager, Mill Manager and Sustainability Compliance Manager.
4. Management system training program on fourth week of September 2018.

Auditor Conclusions:

Based on above evidence, this nonconformity has been closed.

**Verified by** : **Trismadi N**

|  |   |  |                        |   |                           |
|--|---|--|------------------------|---|---------------------------|
| <i>NCR No.</i>   | : | <b>2018.2</b>  | <i>Issued by</i>       | : | <b>Trismadi Nurbayuto</b> |
| <i>Date Issued</i>   | : | <b>26 July 2018</b>  | <i>Time Limit</i>      | : | <b>25 October 2018</b>    |
| <i>NC Grade</i>  | : | <b>Major</b>   | <i>Date of Closing</i> | : | <b>7 September 2018</b>   |
| <i>Standard Ref. &amp; Requirement</i>   | : | <b>General Chain of Custody<br/>5.9.1<br/>The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.</b> |                        |   |                           |
| <i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i><br>The record keeping (Mass Balance) that has been created by the management unit is not yet accurate at the time audit, the certificate holder shown record keeping monitor for RSPO certified product and sales. Based on document analysis sighted that the formula is only calculates the reduction of CSPO/CSPK stocks sold by Credit Allocations and Physical Sold (Claim). However the CSPO & CSPK sales as Conventional has no been included in the formula. So the current physical stock of CSPO and CSPK is not accurate yet. |   |  |                        |   |                           |
| <b>Root Cause Analysis (filled by organization audited):</b><br>Mass Balance formula on excel is not covering the CSPO & CSPK stocks which sold as conventional.   |   |  |                        |   |                           |
| <b>Correction (filled by organization audited):</b><br>Revision of excel formula about RSPO Certified Products Mass Balance.   |   |  |                        |   |                           |

**Corrective Action** (filled by organization audited):

1. Mass Balance monitoring by officer, if any CSPO & CSPK sold as conventional will be removed on the RSPO IT Palm Trace.
2. Internal Memo from General Manager Number IM 066/GMO/SIAIS/IX/2018 about Supply Chain Certification System (Mass Balance) Officer.
3. Annual SCCS (Mass Balance) training program to all workers.

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

**Verification on 7 September 2018**

Certification unit was shown RSPO Certified Products record keeping, such as:

**RSPO Product Monitoring**

| Month          | FFB Processing (Kg) |                  |                   | CPO Production (Kg) |                  |                  | PK Production (Kg) |                 |                  |
|----------------|---------------------|------------------|-------------------|---------------------|------------------|------------------|--------------------|-----------------|------------------|
|                | Certified           | Non Certified    | Total             | Certified           | Non Certified    | Total            | Certified          | Non Certified   | Total            |
| July 2017      | 24,130.12           | 7,539.67         | 31,669.79         | 5,315.92            | 1,655.66         | 6,971.59         | 1,115.01           | 340.90          | 1,455.91         |
| August 2017    | 22,224.15           | 7,110.62         | 29,334.77         | 4,943.47            | 1,577.30         | 6,520.77         | 1,053.10           | 337.25          | 1,390.35         |
| September 2017 | 18,624.26           | 5,907.71         | 24,531.96         | 4,088.51            | 1,293.90         | 5,382.41         | 926.82             | 287.73          | 1,214.55         |
| October 2017   | 15,137.81           | 5,981.65         | 21,119.46         | 3,453.08            | 1,375.55         | 4,828.63         | 738.47             | 292.93          | 1,031.40         |
| November 2017  | 12,939.98           | 6,531.45         | 19,471.44         | 2,802.32            | 1,416.71         | 4,219.03         | 637.74             | 322.13          | 959.87           |
| December 2017  | 13,619.94           | 6,967.59         | 20,587.53         | 2,909.54            | 1,486.82         | 4,396.36         | 676.67             | 344.66          | 1,021.33         |
| January 2018   | 10,641.30           | 7,880.70         | 18,522.01         | 2,262.45            | 1,671.68         | 3,934.13         | 502.16             | 372.45          | 874.61           |
| February 2018  | 12,837.50           | 6,993.08         | 19,830.58         | 2,798.22            | 1,524.96         | 4,323.18         | 611.20             | 330.81          | 942.01           |
| March 2018     | 15,675.86           | 8,799.64         | 24,475.50         | 3,371.09            | 1,891.94         | 5,263.02         | 776.11             | 434.97          | 1,211.08         |
| April 2018     | 17,213.64           | 7,574.55         | 24,788.19         | 3,734.61            | 1,648.82         | 5,383.43         | 825.29             | 363.57          | 1,188.86         |
| May 2018       | 17,008.13           | 7,956.02         | 24,964.15         | 3,506.35            | 1,630.03         | 5,136.38         | 810.59             | 378.57          | 1,189.16         |
| June 2018      | 15,642.88           | 7,411.10         | 23,053.98         | 3,256.51            | 1,523.50         | 4,780.01         | 760.88             | 360.92          | 1,121.80         |
| <b>Total</b>   | <b>195,695.58</b>   | <b>86,653.78</b> | <b>282,349.36</b> | <b>42,442.07</b>    | <b>18,696.88</b> | <b>61,138.94</b> | <b>10,556.73</b>   | <b>4,448.39</b> | <b>15,005.12</b> |

**RSPO Product Monitoring**

| Month          | FFB Processing (Kg) |               |           | CPO Production (Kg) |               |          | PK Production (Kg) |               |          |
|----------------|---------------------|---------------|-----------|---------------------|---------------|----------|--------------------|---------------|----------|
|                | Certified           | Non Certified | Total     | Certified           | Non Certified | Total    | Certified          | Non Certified | Total    |
| July 2017      | 24,130.12           | 7,539.67      | 31,669.79 | 5,315.92            | 1,655.66      | 6,971.59 | 1,115.01           | 340.90        | 1,455.91 |
| August 2017    | 22,224.15           | 7,110.62      | 29,334.77 | 4,943.47            | 1,577.30      | 6,520.77 | 1,053.10           | 337.25        | 1,390.35 |
| September 2017 | 18,624.26           | 5,907.71      | 24,531.96 | 4,088.51            | 1,293.90      | 5,382.41 | 926.82             | 287.73        | 1,214.55 |
| October 2017   | 15,137.81           | 5,981.65      | 21,119.46 | 3,453.08            | 1,375.55      | 4,828.63 | 738.47             | 292.93        | 1,031.40 |
| November 2017  | 12,939.98           | 6,531.45      | 19,471.44 | 2,802.32            | 1,416.71      | 4,219.03 | 637.74             | 322.13        | 959.87   |
| December 2017  | 13,619.94           | 6,967.59      | 20,587.53 | 2,909.54            | 1,486.82      | 4,396.36 | 676.67             | 344.66        | 1,021.33 |
| January 2018   | 10,641.30           | 7,880.70      | 18,522.01 | 2,262.45            | 1,671.68      | 3,934.13 | 502.16             | 372.45        | 874.61   |
| February 2018  | 12,837.50           | 6,993.08      | 19,830.58 | 2,798.22            | 1,524.96      | 4,323.18 | 611.20             | 330.81        | 942.01   |
| March 2018     | 15,675.86           | 8,799.64      | 24,475.50 | 3,371.09            | 1,891.94      | 5,263.02 | 776.11             | 434.97        | 1,211.08 |
| April 2018     | 17,213.64           | 7,574.55      | 24,788.19 | 3,734.61            | 1,648.82      | 5,383.43 | 825.29             | 363.57        | 1,188.86 |
| May 2018       |                     |               |           |                     |               |          | 810.59             | 378.57        | 1,189.16 |

|  |                   |                  |                   |                  |                  |                  |                  |                 |                  |
|--|-------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
|  | 17,008.13         | 7,956.02         | 24,964.15         | 3,506.35         | 1,630.03         | 5,136.38         |                  |                 |                  |
| June 2018  | 15,642.88         | 7,411.10         | 23,053.98         | 3,256.51         | 1,523.50         | 4,780.01         | 760.88           | 360.92          | 1,121.80         |
| <b>Total</b>   | <b>195,695.58</b> | <b>86,653.78</b> | <b>282,349.36</b> | <b>42,442.07</b> | <b>18,696.88</b> | <b>61,138.94</b> | <b>10,556.73</b> | <b>4,448.39</b> | <b>15,005.12</b> |
| <p>Auditor conclusions:</p> <p>Based on above document, this non conformity has been closed.</p> |                   |                  |                   |                  |                  |                  |                  |                 |                  |
| <p><b>Verified by : Trismadi N</b></p>   |                   |                  |                   |                  |                  |                  |                  |                 |                  |

**3.5.2 Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment**

|   |  |                        |                         |
|---|--|------------------------|-------------------------|
| <i>NCR No.</i>  | : 2019.01  | <i>Issued by</i>       | : Andi Pratama Pasaribu |
| <i>Date Issued</i>  | : 18 July 2019   | <i>Time Limit</i>      | : 15 October 2019       |
| <i>NC Grade</i>   | : Major  | <i>Date of Closing</i> | : 02 September 2019     |
| <i>Standard Ref. &amp; Requirement</i>  | 2.1.1<br>Evidence of compliance with relevant legal requirements shall be available. |                        |                         |
| <b>Evidence observed</b> (filled by auditor): <ul style="list-style-type: none"><li>Based on the results of field visits and interviews with engine room operator, it is known that workers do not yet have a license for Power and Production Operators. This is in line with the results of a review of the OHS license monitoring document owned by the company that for all engine room operators owned by the company, they do not yet have a license of the Power and Production Operator in accordance with Regulation of Labor Ministry No. 38 of 2016.</li><li>Based on the results of interviews with the Tapanuli Selatan District Labor Office and Local Contractors working with the company, it is known that both the contractor and the company have not registered their contractor along with their work agreement with the office until now in accordance with Regulation of Labor Ministry No. 19 of 2012.</li><li>Based on the results of the document review of the cooperation agreement between the company and the contractor it is known that the company already has a cooperation agreement with PT Nawakara Perkasa Nusantara for security work, but the cooperation agreement cannot be shown for cooperation with CV Winanta, CV Kasih Abadi, CV Zebua Group and CV Abadi Jaya. This is not in accordance with Law No. 13 of 2003 and Regulation of Labor Ministry No. 19 of 2012.</li></ul> |  |                        |                         |
| <b>Non-Conformance Description</b> (filled by auditor): <p>The company has not been able to demonstrate compliance with all applicable laws, regulations, both local, national and international that have been ratified.</p>   |  |                        |                         |
| <b>Root Cause Analysis</b> (filled by organization audited): <ul style="list-style-type: none"><li>The company is not yet aware of the company's obligations for all engine room operators required to have an OHS License Operator for Power and Production according to Regulation of Labor Ministry No.38 of 2016.</li><li>The company does not yet know the obligation to report the contractor along with its work agreement to the Labor Office in accordance with Regulation of Labor Ministry No.19 of 2012.</li><li>The company has just issued a Temporary Work Order for a work contract with a local contractor.</li></ul>  |  |                        |                         |
| <b>Correction</b> (filled by organization audited): <ul style="list-style-type: none"><li>Register an Operator Engine room to take part in the OHS License Training of Power and Production Operators</li><li>Facilitating the Contractor to report the Contractor working in the company along with the Work Agreement to the Labor Office.</li><li>Issue Work Agreement for local contractors.</li></ul>  |  |                        |                         |
| <b>Corrective Action</b> (filled by organization audited): <ul style="list-style-type: none"><li>OHS License monitoring for all jobs, including Operator Engine Room</li><li>Monitoring the registration of contractors working with companies along with their Work Agreement to the Labor Office</li><li>Monitoring Work Agreement availability before work begins.</li></ul>   |  |                        |                         |
| <b>Assessor Evaluation and Conclusion</b> (filled by auditor):  |  |                        |                         |
| <b>Verification on August 26, 2019</b> <p>The company has determined the root of the problem, corrective and corrective actions in accordance with the existing discrepancies, in addition to that there is also some evidence of improvement to support these matters including:</p> <ul style="list-style-type: none"><li>Work Agreement with CV Winanta for the activities of Transporting Compost, Compost Applications, and others.</li><li>SOP of Goods and Services Procurement Policy Manual (MAN-SCM-001).</li><li>Contracting Compliance Monitoring PT Austindo Nusantara Jaya Agri.</li><li>Contractor Monitoring Mechanism in accordance with Internal Memo No. 180 / GMO / ANJAS / IM / VIII / 2019 on August 20, 2019.</li><li>Certificate No. 176 / KET / SR-MDN / VII / 2019 dated July 25, 2019 from PT Safindo Raya as PJOHS stating that PT Austindo</li></ul>   |  |                        |                         |

Nusantara Jaya Agri had registered 2 of its workers to take part in the initial mover certification training on August 26-29, 2019 and the certificate would be issued after the training is finished.

Based on the above evidences of improvement, there are still some shortcomings of evidence of improvement needed by the work agreement, including:

- Work agreement with other contractors.
- Evidence facilitates the contractor to do reporting to relevant agencies.
- OHS license monitoring for all work updates.

Based on this, the incompatibility No. 2019.01 declared Not Yet Fulfilled.

#### Verification on September 2, 2019

The company has sent additional corrective evidence to respond to the root of the problem, the corrective and corrective actions determined, as follows:

- Work Agreement between the company and CV Abadi Jaya for compost transportation.
- Work Agreement between the company and Zebua Group CV for composting, mounding and weeding applications for manual work.
- Work Agreement between the company and CV Kasih Abadi for compost application, lose fruit picker, and manual weeding.
- Monitoring competency of workers who have special expertise (OHS license and other competencies) updated in August 2019.
- Assistance in facilitating the registration of contractor reporting to the South Tapanuli District Labor Office in the form of a vehicle review for the contractor to coordinate and register.
- Evidence of contractor registration with the South Tapanuli District Labor and Transmigration Office for contractors of the Zebua Group, CV Abadi Jaya, CV Kasih Abadi and CV Winanta.

Based on the evidence of the above improvements, **the non-conformity No. 2019.01 has been declared fulfilled and will be re-observed at the time of the next assessment activity.**

|             |                         |
|-------------|-------------------------|
| Verified by | : Andi Pratama Pasaribu |
|-------------|-------------------------|



|  |   |                        |                     |
|--|---|------------------------|---------------------|
| <i>NCR No.</i>   | : 2019.02   | <i>Issued by</i>       | : Mohamad Amarullah |
| <i>Date Issued</i>   | : 18 July 2019  | <i>Time Limit</i>      | : 15 October 2019   |
| <i>NC Grade</i>  | : Major   | <i>Date of Closing</i> | : 02 September 2019 |
| <i>Standard Ref. &amp; Requirement</i>   | <b>4.7.3</b><br><b>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</b> |                        |                     |
| <b>Evidence observed (filled by auditor):</b><br>1. Based on the results of visits and interviews with plantation and factory workers, several facts are obtained, namely: <ul style="list-style-type: none"> <li>PPE safety shoes or boots are only provided once a year. If the PPE is damaged or is not suitable for use, the relevant worker needs to provide it/buy himself.</li> <li>Factory workers using boots that are not in accordance with the PPE Matrix version of February 2018 which requires the use of Safety Boot.</li> <li>There are three (3) FFB transport drivers and one (1) document delivery person who enters the factory area / mandatory PPE area, but does not use the PPE that has been required.</li> </ul> 2. Results of interviews with factory workers (sorting, dismantling and laboratory workers), Lembah Subur Utara (harvester) and Lembah Subur Selatan (sprayer and harvester) note that workers do not understand the associated PPE replacement system if damaged due to work, workers only understand that PPE given by the company is only once a year and if it is damaged then workers will take the initiative to buy PPE themselves. |   |                        |                     |
| <b>Non-Conformance Description (filled by auditor):</b><br>The company has not been able to ensure that the PPE given is in accordance with the results of HIRA (Hazard Identification & Risk Analysis) and is available for all workers.  |   |                        |                     |
| <b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Management inconsistencies with regard to employee PPE fulfillment.</li> <li>Employee understanding of PPE replacement systems is still lacking.</li> <li>The unavailability of safety shoes at the security post for drivers / guests entering mill area.</li> </ul>  |   |                        |                     |
| <b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Disseminating information on Internal Memo regarding Provisions on the provision of Personal Protective Equipment (PPE) Number 155 / GMO / ANJAS / IM / IV / 2019 dated June 1, 2019.</li> <li>Perform boots replacement for work in the Mill that is not in accordance with the PPE Matrix.</li> <li>Regulate mill guests (Drivers and documentaries) to use the appropriate PPE to enter the mill by providing PPE (Shoes and Helmets) at POS Security.</li> </ul>  |   |                        |                     |
| <b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Conduct routine socialization on Provisions on the provision of Personal Protective Equipment (PPE) Number 155 / GMO / ANJAS / IM / IV / 2019 dated June 1, 2019.</li> <li>Always provide PPE stock at the warehouse.</li> <li>Provides PPE at POS Security for guests entering mill.</li> <li>Providing information to Security to ensure all guests at mill use Safety.</li> <li>Give Sanctions to Guests / Drivers who enter the mill area not to use Safety according to the SOP EHS Manual EHS Number MAN-EHS-.003.</li> </ul>  |   |                        |                     |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><br><b>Verification date is August 26, 2019</b><br>The company has determined the root of the problem, corrective and corrective actions in accordance with the existing discrepancies, in addition to that there is also some evidence of improvement to support these matters including: <ul style="list-style-type: none"> <li>Internal Company Memo regarding Provisions for the Provision of Personal Protective Equipment (PPE).</li> <li>Personal Protective Equipment SOP (PPE) established on August 1, 2019.</li> </ul>  |   |                        |                     |

- Evidence of Socialization and Training related to PPE to all employees in Division 06.
- Evidence of Socialization and Training related to PPE to all employees in Division 08.
- Evidence of Socialization and Training related to PPE to all employees in Division 02.
- Evidence of Socialization and Training related to PPE to all employees in Division 05.
- Evidence of Socialization and Training related to PPE replacement to all employees in the plantations and factories.
- Letter of Warning for OHS Violations at the Factory given to the parties concerned.
- Minutes of PPE handover at the factory Security Post intended for transport drivers who enter the factory area.
- Dissemination of mandatory use of PPE to security and transportation drivers entering the factory.

Based on the above evidences of improvement, there are still some shortcomings of evidence of improvement needed by the auditor, including:

- Proof of providing PPE stock in warehouses.
- Minutes of replacement / submission of PPE to workers in the factory in accordance with corrective actions.

Based on this, the incompatibility No. 2019.02 declared Unfulfilled.

#### Verification on September 2, 2019

The company has sent additional corrective evidence to respond to the root of the problem, the corrective and corrective actions determined, as follows:

- Minutes of PPE replacement to factory workers who have been damaged.
- List of PPE (shoes) stocks in August at the warehouse to replace damaged PPE.
- List of PPE stockpiles (helmets) for August at the warehouse to replace damaged PPE.
- List of PPE (Apron) stocks in August at the warehouse to replace damaged PPE.
- List of PPE (sunglasses) stocks in August at the warehouse to replace damaged PPE.
- List of PPE (gloves) stock in August at the warehouse to replace damaged PPE.

Based on the evidence of the above improvements, **the non-conformity No. 2019.02 declared to have been fulfilled and will be re-observed at the time of the next assessment activities.**

|             |   |                   |
|-------------|---|-------------------|
| Verified by | : | Mohamad Amarullah |
|-------------|---|-------------------|

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| <i>NCR No.</i>  | : 2019.03  | <i>Issued by</i>       | : Andi Pratama Pasaribu |
| <i>Date Issued</i>  | : 18 July 2019   | <i>Time Limit</i>      | : Next Surveillance     |
| <i>NC Grade</i>   | : Minor  | <i>Date of Closing</i> | :                       |
| <i>Standard Ref. &amp; Requirement</i>  | <b>4.7.6</b><br><b>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</b> |                        |                         |
| <b>Evidence observed (filled by auditor):</b><br>Based on the document review, it is known that the company can show that all of its workers and contractor workers (PT Nawakara Perkasa Nusantara and PT Ginstak Engineering) have been included in the "BPJS Kesehatan dan Ketenagakerjaan" program, but for workers from other contractors such as CV Winanta, CV Kasih Abadi, CV The Zebua Group and CV Abadi Jaya have not all been proven to have been registered in the program. |  |                        |                         |
| <b>Non-Conformance Description (filled by auditor):</b><br>The company has not been able to show that all contractor workers working in the company's operational areas are protected in health services and occupational accident insurance ("BPJS Kesehatan dan Ketenagakerjaan").  |  |                        |                         |
| <b>Root Cause Analysis (filled by organization audited):</b>  |  |                        |                         |
| <b>Correction (filled by organization audited):</b>   |  |                        |                         |
| <b>Corrective Action (filled by organization audited):</b>  |  |                        |                         |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b>  |  |                        |                         |
| <i>Verified by</i>  | :  |                        |                         |

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| <i>NCR No.</i>   | : 2019.04   | <i>Issued by</i>       | : Andi Pratama Pasaribu |
| <i>Date Issued</i>   | : 18 July 2019  | <i>Time Limit</i>      | : Next surveillance     |
| <i>NC Grade</i>  | : Minor   | <i>Date of Closing</i> | : 11 September 2019     |
| <i>Standard Ref. &amp; Requirement</i>   | <b>4.8.2</b><br><b>Records of training for each employee shall be maintained.</b> |                        |                         |
| <b>Evidence observed (filled by auditor):</b><br>Based on the results of the document review, it is known that the company has records of attendance, materials and documentation for training activities that have been carried out internally or externally for all workers.   |   |                        |                         |
| <b>Non-Conformance Description (filled by auditor):</b><br>The company has not been able to show the training records (training records) that have been followed for each plantation and factory worker.   |   |                        |                         |
| <b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Employee Training Database is available, but has not been recorded in the HR Department.</li> </ul>  |   |                        |                         |
| <b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Creating a Database Training for all employees</li> </ul>   |   |                        |                         |
| <b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Monitoring Employee Database Training</li> </ul>   |   |                        |                         |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><br><b>Verification September 11, 2019</b><br>The company has determined the root of the problem, corrective and corrective actions to correct the discrepancy, in addition the company also shows evidence of corrections in the form of: <ul style="list-style-type: none"> <li>Procedure (SOP No. 014 / HR &amp; GA / CP / Training / 07-2007) for monitoring the training that has been carried out for each worker.</li> <li>Database training for all workers in estates and mill during 2018 and 2019.</li> <li>Results of monitoring employee training databases in 2018 and 2019 conducted in September 2019.</li> </ul> Based on the evidence of the above improvements, <b>the non-conformity No. 2019.04 has been declared as fulfilled and will be re-observed at the time of the next assessment activity.</b> |   |                        |                         |
| <i>Verified by</i>   | : Andi Pratama Pasaribu   |                        |                         |

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| <b>NCR No.</b>   | <b>:</b> | <b>2019.05</b>   | <b>Issued by</b>       | <b>:</b> | <b>Steve Mualim</b>    |
| <b>Date Issued</b>   | <b>:</b> | <b>18 July 2019</b>  | <b>Time Limit</b>      | <b>:</b> | <b>15 October 2019</b> |
| <b>NC Grade</b>  | <b>:</b> | <b>Major</b>   | <b>Date of Closing</b> | <b>:</b> | <b>25 August 2019</b>  |
| <b>Standard Ref. &amp; Requirement</b>   | <b>:</b> | <b>5.3.2</b><br><b>There shall be evidence that all chemicals and their empty containers are disposed of responsibly</b> |                        |          |                        |
| <b>Evidence observed (filled by auditor):</b><br>Company already has mechanism related to hazardous waste management, listed on procedures SOP-EHS-009 on 2015 and waste management plan procedures SOP-EHS-008 on 2018. All of this procedures stated that all of hazardous waste produced by company must be kept on hazardous waste store and delivered / disposed to other third parties.<br>Field observation on LSU still found ex lubricants containers are disposed on landfill, besides that field observation on sentosa baru workers housing (LSS) also found ex chemical containers are being used as trash bin.<br>During audit company has shown correction regarding this matter by hazardous waste collection on workers housing and submission to temporary hazardous waste store.  |          |  |                        |          |                        |
| <b>Non-Conformance Description (filled by auditor):</b><br>Company are not able to shown effective root cause analysis and corrective action to prevent reccuring on this matter on next audit   |          |  |                        |          |                        |
| <b>Root Cause Analysis (filled by organization audited):</b><br>Our investigation shown, the company workers are lack of awareness regarding hazardous waste management  |          |  |                        |          |                        |
| <b>Correction (filled by organization audited):</b><br>Conduct investigation and foreclosure for hazardous waste found by auditor team   |          |  |                        |          |                        |
| <b>Corrective Action (filled by organization audited):</b><br>Develop new mechanism related hazardous and non hazardous waste and set up regular schedule related hazardous waste management for all housing workers   |          |  |                        |          |                        |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><b>Verification on 25 August 2019</b><br>During audit company has shown correction regarding hazardous waste management by inspection and foreclosure for hazardous waste found by auditor, besides that company has conduct socialization for all housing residence related non hazardous and hazardous waste management.<br><br>As preventive action, company has develop new mechanism listed on procedures non B3 SOP-EHS-039 on 1 August 2019. This procedures has explained revision of waste identification on estate/mill, mechanism related waste management, preaction for pollution, and related PIC.<br><br>Based on auditor justification, this procedures that develop by company has shown strong control mechanism to prevent this matter happen again, therefore NC 2019.05 were <b>Closed with observation</b> |          |  |                        |          |                        |
| <b>Verified by</b>   | <b>:</b> | <b>Steve Mualim</b>  |                        |          |                        |

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| <b>NCR No.</b>  | <b>:</b> | <b>2019.06</b>   | <b>Issued by</b>       | <b>:</b> | <b>Steve Mualim</b>      |
| <b>Date Issued</b>  | <b>:</b> | <b>18 July 2019</b>  | <b>Time Limit</b>      | <b>:</b> | <b>Next Surveillance</b> |
| <b>NC Grade</b>   | <b>:</b> | <b>Minor</b>   | <b>Date of Closing</b> | <b>:</b> | <b>12 September 2019</b> |
| <b>Standard Ref. &amp; Requirement</b>  | <b>:</b> | <b>5.3.3</b><br><b>A documented waste management plan to avoid or reduce pollution and its implementation shall be available</b> |                        |          |                          |
| <b>Evidence observed (filled by auditor):</b><br><p>Company has established waste management plan listed on procedures SOP-EHS-008 on 2018, this procedures explained that all domestic waste are managed by waste sorting and dumping on landfill area.</p> <p>Field observation on LSU landfill area block L25/26 and sentosa baru workers housing (LSS) found company are not shown proper ways to managed domestic waste and landfill area are not managed well.</p> <p>During audit company has shown correction regarding this matter by sanitation management on landfill and workers housing area in LSU and LSS</p>  |          |  |                        |          |                          |
| <b>Non-Conformance Description (filled by auditor):</b><br><p>Company are not able to shown effective root cause analysis and corrective action to prevent reccuring on this matter on next audit</p>   |          |  |                        |          |                          |
| <b>Root Cause Analysis (filled by organization audited):</b><br><p>PIC for domestic waste were changes, therefore new PIC were not have deep understanding related current procedures.</p>  |          |  |                        |          |                          |
| <b>Correction (filled by organization audited):</b><br><p>Immediate cleaning up the domestic waste landfill area.</p>   |          |  |                        |          |                          |
| <b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Trained and socialized procedure for new related PIC</li> <li>• Provides 2 types of trash bin that consist of organic and non organic waste</li> <li>• Established plastic waste reducing plant for all workers/staff housing</li> <li>• Updating procedures related waste management</li> </ul>  |          |  |                        |          |                          |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><b>Verification on 12 September 2019</b><br><p>During audit company shown corrective action by conduct imidiate cleaning up and house keeping on landfill and workers housing area. Besides that company were also shown socialization regarding procedures implementation for hazardous and non hazardous waste management.</p> <p>As preventif action, company has established new procedures related non hazardous waste management listed on SOP-EHS-039 on 1 August 2019. This procedures has explained related new mechanism for waste source identification, reducing plan, and landfill management. As anorganic waste reducing management plan, company has develop internal memo from ANJA Siais General Manager No 61/GMO/Siais/IM/III/2019 on 18 March 2019. Based on auditor justification, this procedures that develop by company has shown strong control mechanism to prevent this matter happen again, therefore NC 2019.056 were <b>Closed with observation.</b></p> |          |  |                        |          |                          |
| <b>Verified by</b>  | <b>:</b> | <b>Steve Mualim</b>  |                        |          |                          |



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| NCR No.  | : | 2019.07   | Issued by       | : | Steve Mualim      |
| Date Issued  | : | 18 July 2019  | Time Limit      | : | Next Surveillance |
| NC Grade   | : | Minor   | Date of Closing | : | 25 August 2019    |
| Standard Ref. & Requirement  | : | 5.6.3<br>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available. |                 |   |                   |
| Evidence observed (filled by auditor):<br>Company has conduct calculation to estimate GHG emission using RSPO GHG Calculator V3.0.1 for periods Jan-Dec 2018, with total emission are 5.49 tCO <sub>2e</sub> /t Product.<br>Document review for GHG emission calculation shown data input for HCV areas was 228.17 ha. Meanwhile total conservation area on company operational areas was 1230.17 ha that consist of conservation forest and riparian. |   |   |                 |   |                   |
| Non-Conformance Description (filled by auditor):<br>Company are not able to shown that all data input for GHG calculation are in accordance with actual operational areas.   |   |   |                 |   |                   |
| Root Cause Analysis (filled by organization audited):<br>There is no update by company related block details that included on HCV areas for GHG calculations   |   |   |                 |   |                   |
| Correction (filled by organization audited):<br>Conduct re calculating for RSPO GHG calculator V3.0.1 for periods Jan-Dec 2018   |   |   |                 |   |                   |
| Corrective Action (filled by organization audited):<br>Updating block details that contains HCV areas regularly before submitted to GHG PIC  |   |   |                 |   |                   |
| Assessor Evaluation and Conclusion (filled by auditor):<br>Verification on 25 August 2019<br>Company has shown updated block details that contains HCV areas and total HCV areas that listed on GHG data input are 1230.17 ha. Company also conduct re-calculation for GHG estimation using RSPO GHG Calculator V3.0.1, and net emission for periods January-December 2018 are 5.24 tCO <sub>2e</sub> /t Product.                                      |   |   |                 |   |                   |
| Based on this explanation, therefore NC 2019.07 are considered to be closed.   |   |   |                 |   |                   |
| Verified by  | : | Steve Mualim  |                 |   |                   |

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| <i>NCR No.</i>  | : 2019.08  | <i>Issued by</i>       | : Andi Pratama Pasaribu |
| <i>Date Issued</i>  | : 18 July 2019   | <i>Time Limit</i>      | : 15 October 2019       |
| <i>NC Grade</i>   | : Major  | <i>Date of Closing</i> | : 02 September 2019     |
| <i>Standard Ref. &amp; Requirement</i>  | 6.5.1<br>Documentation of pay and conditions for employees based on the existing Labor regulations shall be available. |                        |                         |
| <b>Evidence observed</b> (filled by auditor): <ul style="list-style-type: none"><li>Based on the results of interviews with contractors for lose fruit picker and maintenance activities it is known that all contractor workers have a work agreement with the contractor, but based on the document review results only contractor workers for the lose fruit picker activities only have a work agreement while maintenance workers do not have a work contract with the contractor.</li><li>Based on the results of interviews with contractor workers (lose fruit picker and compost applications) in the LSS and LSU estates, it is known that workers do not understand well the work agreements and workers also do not have the work agreements that each worker has signed.</li><li>The company has not been able to show that contractor workers working in the company's operational area have been given wages in accordance with the stipulation of the minimum wage set by the government.</li></ul>   |  |                        |                         |
| <b>Non-Conformance Description</b> (filled by auditor): <p>The company has not been able to prove that the work requirements for all workers in the company's operational area are in accordance with the applicable labor provisions.</p>  |  |                        |                         |
| <b>Root Cause Analysis</b> (filled by organization audited): <ul style="list-style-type: none"><li>The contractor has not yet made a Work Agreement between the contractor and its members for work other than lose fruit picker.</li><li>The contractor has not yet socialized the contents of the employment agreement to its members.</li><li>The company has not yet made a simulation of contract work contract prices</li></ul>   |  |                        |                         |
| <b>Correction</b> (filled by organization audited): <ul style="list-style-type: none"><li>Request a Contract of Work (SPK) contractor with its members for maintenance work.</li><li>Contractors conduct outreach to their members on the contents of their work contracts.</li><li>Calculation of simulation of contract work payment.</li></ul>   |  |                        |                         |
| <b>Corrective Action</b> (filled by organization audited): <ul style="list-style-type: none"><li>Monitoring work agreement Contractors with their members.</li><li>Require the contractor to provide a work agreement copy between the contractor and its members when signing the contract with the company.</li><li>Document the calculation of the contract payment simulation.</li></ul>  |  |                        |                         |
| <b>Assessor Evaluation and Conclusion</b> (filled by auditor):<br><br><b>Verification on September 2, 2019</b> <p>The company has determined the root of the problem, corrective and corrective actions in accordance with the existing discrepancies, in addition to that there is also some evidence of improvement to support these matters including:</p> <ul style="list-style-type: none"><li>Monitoring the compliance of contractors in cooperation with the company and its members.</li><li>Simulation of calculation of contractor workers' wages for manual maintenance work in accordance with minimum wage stipulations and job fulfillment standards per day.</li><li>Simulation of the calculation of contractor workers' wages for loose friut work in accordance with minimum wage stipulations and job fulfillment standards per day.</li><li>Simulation of the calculation of contractor workers' wages for compost application work in accordance with minimum wage stipulations and job fulfillment standards per day.</li><li>Socialization to contractor workers on 15 and 27 August 2019 related to the explanation of the work contract between the contractor and his workers.</li></ul> |  |                        |                         |

- Work Agreement between the contractor and the contractor for manual work at the company.
- Proof of handover of Work Agreement Letters to CV Group Zebua contractor workers, CV Abadi Jaya, CV Kasih Abadi and CV Winanta.

Based on these improvements, **the non-conformity No. 2019.09 has been fulfilled.**

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| <i>Verified by</i> | : | <b>Andi Pratama Pasaribu</b> |
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| <i>NCR No.</i>  | : 2019.09   | <i>Issued by</i>       | : Andi Pratama Pasaribu |
| <i>Date Issued</i>  | : 18 July 2019  | <i>Time Limit</i>      | : Next Surveillance     |
| <i>NC Grade</i>   | : Minor   | <i>Date of Closing</i> | : 02 September 2019     |
| <i>Standard Ref. &amp; Requirement</i>  | <b>6.5.3</b><br><b>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.</b> |                        |                         |
| <b>Evidence observed (filled by auditor):</b><br>Based on the results of visits and interviews with residents at the LSS estate employees' housing locations, it is known that the condition of public facilities in the form of toilets / bathrooms that are available entirely in damaged / unfit condition so that workers and families find it difficult to carry out toilets activities and must carry out these activities in the surrounding rivers.   |   |                        |                         |
| <b>Non-Conformance Description (filled by auditor):</b><br>The company has not been able to show that all workers and their families have received adequate housing and public facilities that can be accessed easily.  |   |                        |                         |
| <b>Root Cause Analysis (filled by organization audited):</b><br><ul style="list-style-type: none"> <li>Lack of maintenance of public facilities in the form of employees' toilets / bathrooms in new Sentosa housing.</li> </ul>  |   |                        |                         |
| <b>Correction (filled by organization audited):</b><br><ul style="list-style-type: none"> <li>Improve public facilities such as suitable toilets / bathrooms.</li> </ul>  |   |                        |                         |
| <b>Corrective Action (filled by organization audited):</b><br><ul style="list-style-type: none"> <li>Make maintenance schedules for public facilities</li> </ul>  |   |                        |                         |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><br><b>Verification on September 2, 2019</b><br>The company has determined the root of the problem, corrective and corrective actions in accordance with the existing discrepancies, in addition to that there is also some evidence of improvement to support these matters including: <ul style="list-style-type: none"> <li>Minutes of handover of a new building in the form of 4 bathrooms and 1 unit of water storage tub in the LSS estate employee housing.</li> <li>Monitoring of housing facilities for all plantation units and factories in August 2019.</li> <li>Housing facilities maintenance program in 2019 for all plantation and factory units.</li> </ul> Based on these improvements, <b>the non-conformity No. 2019.10 has been declared fulfilled.</b> |   |                        |                         |
| <i>Verified by</i>  | : Andi Pratama Pasaribu   |                        |                         |

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| <b>NCR No.</b>   | <b>:</b> | <b>2019.10</b>   | <b>Issued by</b>       | <b>:</b> | <b>Steve Mualim</b>                       |
| <b>Date Issued</b>   | <b>:</b> | <b>18 July 2019</b>  | <b>Time Limit</b>      | <b>:</b> | <b>Next Surveillance</b>                  |
| <b>NC Grade</b>  | <b>:</b> | <b>Major</b>   | <b>Date of Closing</b> | <b>:</b> | <b>Open until next surveillance audit</b> |
| <b>Standard Ref. &amp; Requirement</b>   | <b>:</b> | <b>7.3.1</b><br><b>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</b> |                        |          |   |
| <b>Evidence observed (filled by auditor):</b><br>PT. ANJ Agri Siais has conducted disclosure of liability and LUC analysis in accordance with RSPO template on 2015. During 2016-2019, company shown intense communications with RSPO compensation panel related LUCA progress for PT ANJ Agri Siais. Until Re-cert based on company communication with RSPO shown that LUC analysis for are still on review process.  |          |  |                        |          |   |
| <b>Non-Conformance Description (filled by auditor):</b><br>Company are not able to shown evidence that RaCP for PT ANJ Agri Siais has been approved by RSPO.   |          |  |                        |          |   |
| <b>Root Cause Analysis (filled by organization audited):</b><br>The company has had intensive communication regarding to LUCA process with RSPO certificate. However, according to the information it still on review process.   |          |  |                        |          |   |
| <b>Correction (filled by organization audited):</b><br>Conducting intensive communication with RSPO secretariat.   |          |  |                        |          |   |
| <b>Corrective Action (filled by organization audited):</b><br>Not opening new land before identifying HCV area.  |          |  |                        |          |   |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><b>Verification 21 October 2019</b><br>Austindo Nusantara Jaya Group and Mutuagung Lestari has asked the status of LUCA process of ANJA Siais after the audit. According to the email on 21 October 2019, Biodiversity Manager stated that <i>"The Secretariat agrees to allow the extension for 12 months to close the NC. This means that the compensation plan should be approved by the next surveillance audit"</i> . |          |  |                        |          |   |
| <b>Auditor Conclusion on 21 October 2019</b><br>Based on that information, this Non Conformity No. 2019.10 is <b>open until next surveillance audit</b> .  |          |  |                        |          |   |
| <b>Verified by</b>   | <b>:</b> | <b>Andi Pratama Pasaribu</b>   |                        |          |   |

**3.5.3 Opportunity for Improvement**

| No | Ref. Std. | Description  |
|----|-----------|--|
| 1  | 4.5.1     | <ul style="list-style-type: none"> <li>Ensuring the availability of rat poison in the Pesticide Warehouse.</li> <li>Developing owls coming from the land to captivity PPLH in Division 5 LSU.</li> </ul>   |
| 2  | 4.7.4     | <ul style="list-style-type: none"> <li>Ensure that the approval of the new P2OHS management has been completed by the relevant agency.</li> <li>Ensuring that the Decree on Appointment as Expert on OHS of the company has been implemented.</li> </ul> |
| 3  | 6.1.3     | Company are driven to enhance stakeholders understanding related local workers acceptance  |
| 4  | 5.3.1 CoC | Consider updating the product traceability procedure according to the latest RSPO supply chain system and standards.   |

**1.5.4 Noteworthy Positive Components**

| No | Ref Std | Descriptions  |
|----|---------|---|
| 1  | -       | The company's commitment to protecting conservation areas.  |
| 2  | -       | Estate management has implemented digitization of FFB production records using the EPMS (Electronic Plantation Mobile System) application since May 2019.             |
| 3  | -       | Plantation management has not used Parakuat since 2019.   |
| 4  | -       | Plantation management has developed the <i>Tyto alba</i> captive breeding at the Center for Environmental Research (PPLH) located in Division 5 of the M30 LSU Block. |



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



| Public Issues<br>(Institution/ NGO/Community)   | Auditor Verification  |
|---|---|
| <b>Plantation Agency of Tapanuli Selatan District.</b> <ul style="list-style-type: none"> <li>The company has a Plantation Business Permit (IUP) for the Oil Palm Plantation Activity covering an area of 8,000 Ha, which was approved by the Regent of Tapanuli Selatan in 2003.</li> <li>The company has a Plantation Business Permit (IUP) for Palm Oil Mill Processing Activities with a capacity of 60 Tons of FFB / Hour which was approved by the Regent of Tapanuli Selatan in 2010.</li> <li>The Plantation Business Assessment has been carried out by the agency for PT ANJA SIAIS in November 2017 with the results of getting a Class 1 plantation assessment and will be re-assessed in November 2020.</li> <li>Mandatory reports to agencies have been routinely reported by companies including the Plantation Business Development Report, CSR Realization Report, and Firefighting Management Report.</li> <li>In the last one period there were no reports related to disputes and land claims received by the agency.</li> <li>Communication relations between agencies and companies are fairly well established.</li> <li>All operational areas of the company already have Land Permit (HGU) and there are no operational areas within the forest area.</li> <li>In the past year, there has never been any information or fire incidents in the company's operational areas.</li> </ul> | <p>The company already has a Plantation Business Permit (IUP) for oil palm plantation and processing activities in accordance with applicable laws and regulations.</p> <p>Submission of information on a regular basis to the relevant agencies in the form of mandatory reports has been carried out by the company in accordance with their respective time periods.</p> <p>During the past year there were no information or issues related to land claims / conflicts made by the community to the company.</p>  |
| <b>Labor Agency of Tapanuli Selatan District.</b> <ul style="list-style-type: none"> <li>The company have Company Regulation that has been verified by the agencies.</li> <li>The company has routinely reported mandatory reports to the agency manually in the form of the 2018 Compulsory Labor Report and for the 2019 report will be reported online.</li> <li>The minimum wage applied today is the District Minimum Sectoral Wage for Plantations in 2019</li> <li>The last Labor development carried out by the agency to the company was in April 2019 with discussions related to the "BPJS" Program.</li> <li>The company has a partnership with the contractor for the operations of the plantation and mill, but this has not been reported to the relevant agencies.</li> <li>Communication relations between agencies and companies are fairly well established.</li> <li>The company has a wage scale for workers</li> <li>The company doesn't have any contracts workers</li> <li>The company has labour unions which have been registered by the Labor Agency</li> </ul>  | <p>Regarding the registration of the contractor with the Labor Agency, this has been explained in indicator 2.1.1 and becomes a Non-Conformity.</p> <p>The company has implemented minimum wages and other labor regulations in accordance with applicable regulations and is explained in the 2.1.1 and 6.5.1 indicators</p> <p>Mandatory reports to relevant agencies are explained in criteria 1.1</p> <p>The entire labour union has been registered in the agencies.</p> <p>Based on the results of interviews and document studies, it is known that to date there have never been violations of human rights, child labor and discrimination in the company operational area</p> |

| Public Issues<br>(Institution/ NGO/Community)   | Auditor Verification  |
|---|---|
| <ul style="list-style-type: none"> <li>The company has included workers in the "BPJS Kesehatan dan Ketenagakerjaan" program</li> <li>Over the past year there have been no issues related to child labor, discrimination and human rights violations in the company operational area.</li> <li>The labor union structure of company does not consist of management representatives such as manager, but all of the labour union structure is all from workers.</li> </ul>   |   |
| <b>Environment Agency of Tapanuli Selatan District</b> <ul style="list-style-type: none"> <li>The company has environmental permit documents such as EIA and Environmental Management/Monitoring Plan.</li> <li>Other environmental permits held are still valid today such as Hazardous Waste Temporary Warehouse Permit and Land Application Permit (LA).</li> <li>The company has routinely reported mandatory reports in accordance with their respective periods such as the Environmental Management/Monitoring Plan Report, Hazardous Waste Management Report, and Liquid Waste Management Report.</li> <li>During the past year there have been no reports or issues related to environmental pollution caused by plantation operations and factories.</li> <li>Environmental control has been carried out by the agency in early 2018 and for 2019 it has not been carried out.</li> <li>On 10 - 12 July 2019 there was a visit to the Company from the Law Enforcement Ministry of Environment &amp; Forestry related to the opening of new land in the forest area.</li> </ul> | <p>Based on the results of the Law Enforcement Ministry of Environment &amp; Forestry, it was found that the company was not proven to clear new land in the forest area and the allegations related to it had been well clarified by the ministry.</p> <p>The company has documents related to environmental permits required by the government, this is further explained in criteria 4.1.</p> <p>Reports must be reported regularly by the company to the relevant agencies in accordance with applicable regulations.</p> <p>There were no issues or events related to environmental pollution that occurred in the company's area.</p> |
| <b>Village representatives of Pardomuan (from sub-village of Paraupan, Binasari and Janji Matogu)</b> <ul style="list-style-type: none"> <li>The company has a good relationship with the villagers.</li> <li>There is no land dispute case so far.</li> <li>The company's existence bring positive impact on village development. There is an annual CSR program, donation for holi day, Independence Day or other community program.</li> <li>During the audit, there is a mushroom farming that develop in sub-village of Janji Matogu.</li> <li>The company conducted annual stakeholder meeting to give a chance to the respective stakeholder to comments about the company's operational or other aspect.</li> </ul> <p><i>Aspiration:</i></p> <ul style="list-style-type: none"> <li>Village representatives wants the company sharing their job opportunity to the nearest village and give the job opportunity for their youth generation.</li> <li>Village representatives wants the company help them to maintain their village road.</li> </ul>                              | <p>It has been verified in criteria 2.2, 2.3 and 6.3</p> <p>According to the document verification and interview with management representatives, this issues will be followed up.</p>  |

| Public Issues<br>(Institution/ NGO/Community)   | Auditor Verification  |
|---|---|
| <b>Board of Binasari Farmer Cooperative</b> <ul style="list-style-type: none"> <li>The company has a good relationship with the board of cooperative. There is no dispute case so far.</li> <li>No complaints related to the time of FFB payment. All payment still in time.</li> </ul>   | <p>It has been described in criteria 6.10</p>   |
| <b>Worker Cooperative ANJA Lestari</b> <ul style="list-style-type: none"> <li>The company has a policy to support the formation of worker cooperatives to help the welfare of its employees.</li> <li>The support of the company to the cooperative is to provide venture capital assistance in the beginning of the formation and provision of buildings as cooperative business land.</li> <li>The ANJA Lestari Worker Cooperative was formed in 2010 and currently there have been three changes in management. At present the number of cooperative members registered is <math>\pm</math> 1,200 workers with a basic contribution of IDR 50,000 and Mandatory contributions of IDR 20,000 / month.</li> <li>The cooperative operates in the business of Convenience Stores and lending money to its members.</li> <li>The Annual Member Meeting for the 2018 fiscal year was held in May 2019 which discussed the replacement of one of the management (vice chairman), the financial statements of the past year and the distribution of the Remaining Operations of the Cooperative in 2018.</li> </ul>              | <p>The company morally and materially has supported it well to form worker cooperatives. In addition to forming support, the company also always provides support in every cooperative operational activity.</p>  |
| <b>Local Contractors – CV Winanta, CV Kasih Abadi &amp; CV Grup Zebua</b> <ul style="list-style-type: none"> <li>The work that is collaborated with the local contractor is loss fruit pickers' work and oil palm plant maintenance.</li> <li>At present there is no Work Agreement between the company and the contractor. As a basis for the contractor to start work prior to the Work Agreement is a Temporary Work Order.</li> <li>The term of the planned work agreement for maintenance work is from 01 April to 31 December 2019, while for the loss fruit pickers' work is every 3 months.</li> <li>The contractor and the company have not registered their work agreement with the relevant agencies (the Labor Office of Tapanuli Selatan District).</li> <li>The contractor has not registered all workers in the BPJS Employment program.</li> <li>Provision of PPE for maintenance work is provided by the contractor and for loss fruit pickers' work provided by the company.</li> <li>The work completion payment mechanism has not been regulated in the work agreement and during the last 2</li> </ul> | <p>Regarding the registration of the contractor with the Labor Agency, this has been explained in indicator 2.1.1 and becomes a Non-Conformity.</p> <p>Regarding the work agreement between the company and the contractor, it cannot be shown until the audit is completed, so this becomes a Non-Conformity.</p> <p>Regarding complaints made by the contractor, they have been recorded and responded to by the company every month orally and in writing.</p> <p>The payment mechanism that was declared late was because the company late received the Minutes of Work Completion and invoices from the contractor so that the payment made by the Head Office was delayed from the scheduled.</p> |

| Public Issues<br>(Institution/ NGO/Community)  | Auditor Verification  |
|--|---|
| <p>months payment (April &amp; May 2019) is done at the end of each following month, so the contractor states that the payment made by the company is quite late.</p> <ul style="list-style-type: none"> <li>The contractor has submitted a complaint regarding payment for late completion of the work.</li> </ul>  |   |
| <p><b>Labor Union (SERBUNDO) of PT ANJA SIAIS</b></p> <ul style="list-style-type: none"> <li>Labour Unions have been registered at the Tapanuli Selatan District Labor Agency as a labor union at PT ANJA SIAIS since 2016.</li> <li>The union has been quite active in organizing in the company and up to July 2019 there were 433 workers.</li> <li>At present the basic employment system used by companies is the Company Regulations.</li> <li>The company has conducted socialization related to Company Regulations to workers and has also distributed hardcopy of Company Regulations to each worker.</li> <li>Explanations related to workers' rights and those contained in the Company Regulations and company policies have not been fully socialized to the workers, including those related to menstruation leave and special time for women who are breastfeeding.</li> <li>The mechanism for replacing damaged PPE is not yet known by workers, so if the PPE given has been damaged before the next distribution period (giving PPE given once a year) then the worker will buy PPE for his own needs.</li> <li>All workers currently have permanent status and there are no more workers with contract worker status in the company.</li> <li>All workers have been included in the BPJS Health and Employment program by the company.</li> <li>Harvest workers still use helper to help their work from their own family / relatives / other workers who do not have work ties with the company and there are no restrictions or socialization related to this from the company.</li> <li>The harvest workers every day even though they have worked for 7 hours (07:00 - 14:00) and have their target / base harvested but have not worked until 17:00 and there are still FFB that have not been harvested then they will get a warning from the leadership (foreman).</li> <li>The company has set minimum wages for all workers in accordance with the stipulation of the Tapanuli Selatan District Sectoral Minimum Wage in 2019.</li> <li>Payment and calculation of overtime for workers is in accordance with the provisions stipulated by the government.</li> <li>During the past year there have never been any issues or incidents related to child labor, sexual harassment, discrimination and human rights violations in the company's operational environment.</li> </ul> | <p>The socialization of workers' rights and obligations stated in the Company Regulations has been carried out by the company. In addition, the company has distributed Company Regulations in the form of pocket books to all workers. For the menstruation leave has been well implemented and it has been verified with female worker in maintenance and spraying activity.</p> <p>The PPE replacement mechanism is not yet fully understood by workers, this is in accordance with the results of interviews with plantation and mill workers. Then it becomes a Non-Conformity.</p> <p>Based on the results of field visits and interviews with harvest workers at LSU and LSS it is known that if the worker has been working until 14.00 then the worker will get his daily wage and there is no prohibition from the foreman to continue working until 17.00. In addition, there were also no harvest helper who did not have work ties or illegal workers in the field. Harvest workers only work alone.</p> <p>Further explanation regarding the group of workers is explained in criterion 6.6</p> <p>The company has implemented minimum wages and other labor regulations in accordance with applicable regulations and is explained in the 2.1.1 and 6.5.1 indicators</p> |

| Public Issues<br>(Institution/ NGO/Community)   | Auditor Verification  |
|---|---|
| <p><b>Women &amp; Child Protection Organization (Gender Committee) of PT ANJA SIAIS</b></p> <ul style="list-style-type: none"> <li>• The company has a P2A (Protection for Women and Children) organization that functions as an organization that protects women and children in the company's operational environment which was formed in 2017.</li> <li>• The routine activity of this organization is to conduct outreach and guidance to women workers and the children of workers so that they know their rights and obligations while at work and in the company.</li> <li>• The socialization provided was in the form of socialization of company policies related to gender, reproductive rights, menstrual leave, maternity leave, prohibition of pregnant women and breastfeeding from working with chemicals.</li> <li>• During the past year there have never been any issues or incidents related to child labor, sexual harassment, discrimination and human rights violations in the company's operational environment.</li> <li>• The company carries out routine pregnancy checks to workers every three months, especially to female workers who work with chemicals (fertilizers and sprayers).</li> <li>• Workers understand the policies related to H1 leave (menstruation leave) and H2 leave (maternity leave) as well.</li> </ul> | <p>Further explanation regarding the gender committee is explained in criterion 6.9</p> |

|     |   |
|-----|---|
| 4.0 | CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY   |
| 4.1 | <p><b>Formal Sign-off of Assessment Findings</b></p> <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>PT. Austindo Nusantara Jaya Agri Siais<br/>General Manager</p>  <p><b>Taupan S. Sibarani</b><br/>Monday, 21 October 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari<br/>Lead Auditor</p>  <p><b>Andi Pratama Pasaribu</b><br/>Monday, 21 October 2019</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 Agency  | Tapanuli Selatan Districts | -  | Direct interview       | 15 July 2019    | √        |    |
| 2. | Labor, Transmigration and Social Agency  | Tapanuli Selatan Districts | -  | Direct interview       | 15 July 2019    | √        |    |
| 3. | Environmental Agency   | Tapanuli Selatan Districts | -  | Direct interview       | 15 July 2019    | √        |    |
| 4. | National Land Agency   | Tapanuli Selatan Districts | -  | Direct interview       | 15 July 2019    |          | √  |
| 5. | Village representatives from:<br>• Sub Village of Paraupan<br>• Sub Village of Janji Matogu<br>• Sub Village of Binasari   | Pardomuan Village          | -  | Focus Group Discussion | 16 July 2019    | √        |    |
| 6. | Local Contractors<br>• CV Winanta<br>• CV Kasih Abadi<br>• CV Grup Zebua   | Pardomuan Village          | -  | Focus Group Discussion | 16 July 2019    | √        |    |
| 7. | Labor Union "SERBUNDO"   | Pardomuan Village          | -  | Focus Group Discussion | 16 July 2019    | √        |    |
| 8. | Gender Committee   | Pardomuan Village          | -  | Focus Group Discussion | 16 July 2019    | √        |    |
| 9. | World Wide Fund  | -                          | <a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a> | Via email              | 5 July 2019     |          | √  |
| 10 | Wahana Lingkungan Hidup Indonesia  | -                          | <a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>     | Via email              | 5 July 2019     |          | √  |
| 11 | Sawit Watch  | -                          | <a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>     | Via email              | 5 July 2019     |          | √  |
| 12 | Aliansi Masyarakat Adat Nusantara on 5 June 2019.  | -                          | <a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>       |                        | 5 July 2019     |          | √  |
| 13 | • 1 Foreman, 1 Harvester and 1 Loosefruit Picker.<br>• 1 Foreman 2 male pesticide applicators.<br>• 4 pesticide applicator (3 females and 1 male)<br>• 1 storekeeper<br>• 3 paramedic<br>• 2 daycare officer<br>• 10 fertilizer applicator (7 females and 3 males)<br>• 1 harvesting supervisor, 3 Harvesters and 1 Helper | Lembah Subur Utara Estate  |  | Interview              | 16 July 2018    | √        |    |
| 14 | • 2 Security Officers.<br>• 2 FFB Graders.   | ANJA Siais Mill            |  | Interview              | 16 July 2018    | √        |    |

|    |   |                             |  |           |              |   |  |
|----|---|-----------------------------|--|-----------|--------------|---|--|
|    | <ul style="list-style-type: none"> <li>11 Operators on processing stations.</li> <li>1 Laborant</li> </ul>  |                             |  |           |              |   |  |
| 15 | <ul style="list-style-type: none"> <li>4 pesticide applicator (3 females and 1 male)</li> <li>1 harvesting supervisor, 1 Harvesters and 1 Helper</li> </ul> | Lembah Subur Selatan Estate |  | Interview | 17 July 2018 | √ |  |

**Appendix 2. Assessment Program**

| Date                           | 15 – 19 July 2019  |  |
|--------------------------------|--|--|
| PROGRAM                        | AUDIT PROCESS  | AUDITOR  |
| <b>Monday, 15 July 2019</b>    |  |  |
| 06.20 – 08.30                  | <b>Jakarta → Sibolga (GA 262)</b>  | <b>All Auditor</b>   |
| 09.00 – 12.00                  | <b>Public Consultation of Government Agency of Tapanuli Selatan</b>  | <b>RGR/STV</b>   |
| 09.00 - 15.00                  | <b>Sibolga → PT Austindo Nusantara Jaya Agri – ANJA Siais POM</b>  | <b>APP, AMR &amp; STV</b>  |
| 15.00 – 17.00                  | <b>Opening Meeting</b><br>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit, Transparency and Confidentiality Clarification)<br><br>Verification of the previous visit non-conformance, evaluation of recurring NCR, basic information, TBP, partial certification and preparation of stakeholder consultation.  | <b>APP, AMR &amp; STV</b>  |
| <b>Tuesday, 16 July 2019</b>   |  |  |
| 08.00 – 12.00                  | <b>Public Consultation with Local Communities and Previous Land Owner</b><br><br><b>Field Observation Lembah Subur Utara Estate</b><br>Best agricultural practices (manuring, spraying, harvesting, EFB application etc)<br>Worker Welfare (payments, complaint mechanism)<br><br>Hazardous Waste Material (B3) management; Worker facilities (housing, health clinic, clean water, etc), Land fill, Fire fighting facilities , Storage, ect.<br><br>Legal operational and Conservation Area | <b>APP</b><br><br><b>AMR</b><br><br><b>RGR/STV</b><br><br><b>RGR/STV</b> |
| 12.00 – 14.00                  | <b>Break</b>   | <b>All Auditor</b>   |
| 14.00 – 17.00                  | <b>Field Observation to ANJA Siais POM</b><br>Process Station, Safety Aspect and Worker Welfare (Grading – despatch)<br><br>ETP; WTP; Hazardous Waste Warehouse; Drainage; Collecting place of fiber, Water Discharge, Hazardous Warehouse; Workshop, Chemical Store.<br><br>Supply Chain  | <b>RGR/AMR</b><br><br><b>STV</b><br><br><b>APP</b>                       |
| <b>Wednesday, 17 July 2019</b> |  |  |
| 08.00 – 12.00                  | <b>Field Observation Lembah Subur Selatan Estate</b><br>Best agricultural practices (manuring, spraying, harvesting, EFB application etc)<br>Worker Welfare (payments, complaint mechanism)<br><br>Hazardous Waste Material (B3) management; Worker facilities (housing, health clinic, clean water, etc), Land fill, Fire fighting facilities , Storage, ect.   | <b>AMR</b><br><br><b>STV</b>   |

|                               |  |                    |
|-------------------------------|--|--------------------|
|                               | Legal operational and Conservation Area  | <b>APP</b>         |
|                               | Public Consultation with Internal Stakeholder (Labor Union, Gender Committee & Worker Cooperative) and Local Contractors | <b>RGR/STV</b>     |
| 12.00 – 14.00                 | <b>Break</b>   | <b>All Auditor</b> |
| 14.00 – 17.00                 | <b>Field Observation Clarification &amp; Document Review</b>   | <b>All Auditor</b> |
| <b>Thursday, 18 July 2019</b> |  |                    |
| 08.00 – 12.00                 | <b>Document Review</b>   | <b>All Auditor</b> |
| 12.00 – 14.00                 | <b>Break</b>   | <b>All Auditor</b> |
| 14.00 – 16.00                 | <b>Auditor Discussion</b>  | <b>All Auditor</b> |
| 16.00 – 17.00                 | <b>Closing Meeting</b>   | <b>All Auditor</b> |
| 17.00 – 20.00                 | <b>PT Austindo Nusantara Jaya Agri – ANJA Siais POM → Padang Sidempuan</b>   | <b>All Auditor</b> |
| <b>Friday, 19 July 2019</b>   |  |                    |
| 06.00 – 08.00                 | <b>Padang Sidempuan → Sibolga</b>  | <b>All Auditor</b> |
| 09.10 – 11.15                 | <b>Sibolga → Jakarta (GA 263)</b>  | <b>All Auditor</b> |