RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

Public Summary Information

Cernet's ID Number:	ID-6391		
Company Name (***as per Certificate and Palm Trace):***	PT Austindo Nusantara Jaya Agri – Binanga Mill	**RSPO membership #**	1-0032-07-000-00
		RSPO Registered Parent Company name:	PT Austindo Nusantara Jaya Agri
		RSPO Palm Trace number:	RSPO_PO1000000530
Country:	Indonesia		
Scope:	Production of Crude Palm Oil and Palm Kernel at Binanga Palm Oil Mill with a capacity of 60 MT/hour which FFB supplied from East Estate, Central Estate and West Estate.		
Supply Chain Model:	Mass Balance		
Mill Capacity	60 tonne/hour	**Number of Supply Bases**	3 (three) Estates
Certificate Number:	**SGS-RSPO/ PC17-00010**	**Start Date:**	14 November 2022
		End Date:	13 November 2027
		Date of Certificate issue:	**25 October 2023**
		Date of First Certification	14 November 2012
SGS Accreditation Code	ASI-ACC-077	**Date of accreditation:**	5th July 2021
Management Representative name:	Mr. Antoperis Tarigan		
Position:	Sustainability Compliance Manager		
Address: **Street and number:** **Town/City** State/Country Zip/Postal code **Country**	Physical address: **Mill Site:** Simangambat Subdistrict, Padang Lawas Utara District, Sumatera Utara Province, Indonesia **Estates:** Simangambat and Huristak Subdistricts, Padang Lawas Utara and Padang Lawas Districts, Sumatera Utara Province, Indonesia	Postal address: **Head office:** Sinar Mas Land Plaza Lantai 7, Jl. Diponegoro No.18, Medan – Sumatera Utara Province, Indonesia	
Telephone:	+62-614537480 Ext 235		
Fax:	+62-614538366		

Web Site Address:	www.anj-group.com
Email:	antoperis.tarigan@anj-group.com
Standard:	**RSPO P&C Generic 2018 The Indonesia National Interpretation (endorsed on 20 April 2020)**
Date of last report update	24 September 2023

Actual Certified FFB Received (MT) by the Mill August 2022 – July 2023	August 2022	15,411.55	February 2023	8,412.81
	September 2022	14,330.31	March 2023	8,253.78
	October 2022	16,407.45	April 2023	7,577.89
	November 2022	15,767.95	May 2023	9,563.82
	December 2022	14,240.49	June 2023	9,587.21
	January 2023	10,629.50	July 2023	12,353.99
Total Certified FFB	**142,536.75 MT**			

Certified Production versus Sales	**Palm Oil (MT)**	**Palm Kernel (MT)**
Last year's 14 November 2022 – 13 November 2023 Estimated of certified volume (RSPO Certified) in Palm trace	30,065.18	7,486.14
Last year's August 2022 – July 2023 Actual Production of certified volume (RSPO Certified) by the Mill	29,991.30	6,555.42
Last year's August 2022 – July 2023 Actual Sold volume (RSPO Certified) in Palm trace	26,303.09	6,195.05
Last year's Actual Sold volume (Other schemes certified)	-	-
Last year'sActual Sold Conventional (non-certified)	-	-
New Projected 14 November 2023 – 13 November 2024 of Certified Volume (RSPO Certified) in Palm Trace	30,000	7,000

End of Public Summary

BASIC EVALUATION INFORMATION

VISIT 1 (MAIN ASSESSMENT OR RE-CERTIFICATION*)*			
Assessment Dates:	11 - 16 July 2022		
CAR Closure Date(s):	No Major NC		
Team Leader/Team(s):	Yudi Utomo (Team Leader) / Gunung Wijanarko & Burhanuddin Gala		
Administration logged by:	Faridah Daud	**Date:**	07 October 2022
Technical review approved by:	Ahmad Furqon	**Date:**	17 October 2022
Certification approved by:	Johnny Koe	**Date:**	18 October 2022
VISIT 2 (ANNUAL SURVEILLANCE 01)			
Assessment Dates:	22 – 24 August 2023		
CAR Closure Date(s):	25 October 2023		
Team Leader/Team:	Irham Zadani (Team Leader) / Burhanuddin Gala, Rizliani Aprianita Hasibuan & Asystasia Aishah Silalahi		
Administration logged by:	Faridah Daud	**Date:**	12 September 2023
Technical review approved by:	Ardiansyah	**Date:**	25 October 2023
Certification approved by:	Ardiansyah	**Date:**	25 October 2023
VISIT 3 (ANNUAL SURVEILLANCE 02)			
Assessment Dates:			
CAR Closure Date(s):			
Team Leader/Team:			
Administration logged by:		**Date:**	
Technical review approved by:		**Date:**	
Certification approved by:		**Date:**	
VISIT 4 (ANNUAL SURVEILLANCE 03)			
Assessment Dates:			
CAR Closure Date(s):			
Team Leader/Team:			
Administration logged by:		**Date:**	
Technical review approved by:		**Date:**	
Certification approved by:		**Date:**	
VISIT 5 (ANNUAL SURVEILLANCE 04)			
Assessment Dates:			
CAR Closure Date(s):			
Team Leader/Team:			
Administration logged by:		**Date:**	
Technical review approved by:		**Date:**	
Certification approved by:		**Date:**	

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LIST OF ABBREVIATION

Acronym	**Meaning**
ALS	Assessor Licensing Scheme
ANJA	Austindo Nusantara Jaya Agri
APD	*Alat Pelindung Diri* (Self-Protection Tool)
ASA	Annual Surveillance Assessments
BHL	*Buruh Harian Lepas* (Casual Worker)
BOD	Biochemical Oxygen Demand
CB	Certification Body
CBD	Convention on Biological Diversity
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
CSPO	Certified Sustainable Palm Oil
CV	Commanditaire Vennootschap
DLW	Decent Living Wages
EFB	Empty Fruit Bunches
FAO	Food and Agriculture Organization
FFB	Fresh Fruit Bunch
FPIC	Free, Prior and Informed Consent
GHG	Green House Gas
HCS	High Carbon Stock
HCSA	High Carbon Stock Approach
HCV	High Conservation Value
HCVRN	High Conservation Value Resource Network
HFCC	High Forest Cover Country
HFCL	High Forest Cover Landscape
HGU	*Hak Guna Usaha* (Land-Use Right)
HRD	Human Rights Defender
IFL	Intact Forest Landscape
ILO	International Labour Organization
IP	Identity Preserved
IPM	Integrated Pest Management
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature
K3	*Kesehatan dan Keselamatan Kerja* (Work Health and Safety)
LTA	Lost Time Accident
LSM	*Lembaga Swadaya Masyarakat* (Non Government Organization)
LUCA	Land Use Change Analysis
MB	Mass Balance
NI	National Interpretation
OER	Oil Extraction Rate
P&C	RSPO Principles and Criteria (i.e. this document)
PIC	Person in Charge
PK	Palm Kernel
PKB	*Perjanjian Kerja Bersama*
PKWTT	*Perjanjian Kerja Waktu Tidak Tertentu* (Permanent Worker)
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPT	*Praktik Pengelolaan Terbaik* (Best Management Practices)
QMS	Quality Management System
RaCP	Remediation and Compensation Procedure
RSPO	Roundtable on Sustainable Palm Oil
RTE	Rare, Threatened or Endangered
SCCS	RSPO Supply Chain Certification Standard
SEIA	Social and Environmental Impact Assessment
TPA	*Tempat penitipan anak* (Daycare)
WBS	Whistleblowing System

1. SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the mill and their FFB supply base were assessed against the **RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The National Interpretation of Indonesia (20 April 2020)**

1.2 Certification Scope

The scope of certification includes the production of PT Austindo Nusantara Jaya Agri - Binanga Mill and its supply base East Estate, Central Estate and West Estate according to the RSPO standard requirement of **RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation (20 April 2020)**

1.3 Location and Maps

PT Austindo Nusantara Jaya Agri - Binanga Mill is located in Simangambat Subdistrict, Padang Lawas Utara District, Sumatera Utara Province, Indonesia (**Figure 1**). More detailed information on the estates location and layouts is shown in **Figures 2**. The GPS locations of the mills are shown in Table 1 below.

Table 1: Mill and Supply Base’s GPS Location

Mill Name	Location address	Longitude	Latitude
Mill Binanga	Simangambat Subdistrict, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	E 99^{0}57’ 48.3”	N 01°28'48"

Supply Base (Estate Name)	Location address	Longitude	Latitude
East Estate	Simangambat Subdistrict, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	E 99^{0}58’ 52.6”	N 01^{0}30’ 32.1”
Central Estate	Simangambat Subdistrict, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	E 99^{0}57’ 50.2”	N 01°28'52"
West Estate	Simangambat Subdistrict, Padang Lawas Utara District and Huristak Subdistrict, Padang Lawas District, Sumatera Utara Province, Indonesia	E 99^{0}52’ 26.5”	N 01°25'58"

Figure 1: Location Map for PT Austindo Nusantara Jaya Agri - Binanga Mill

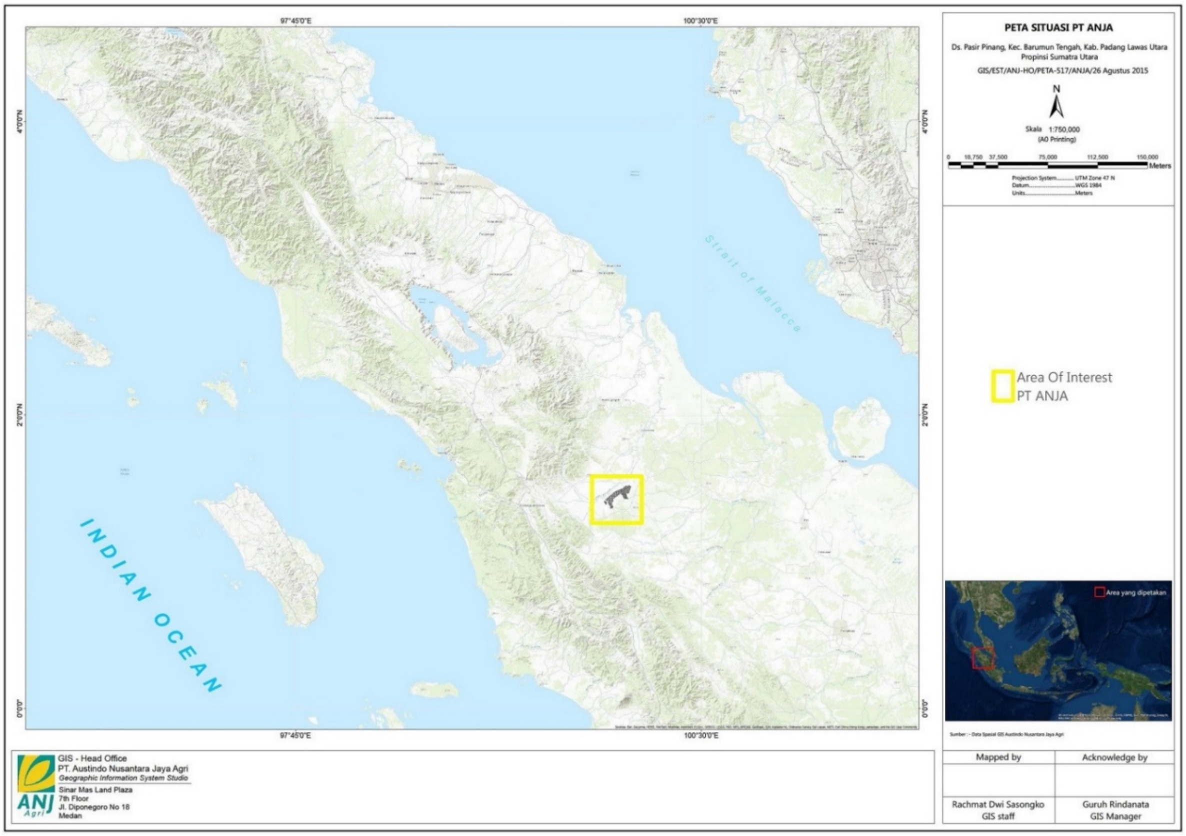
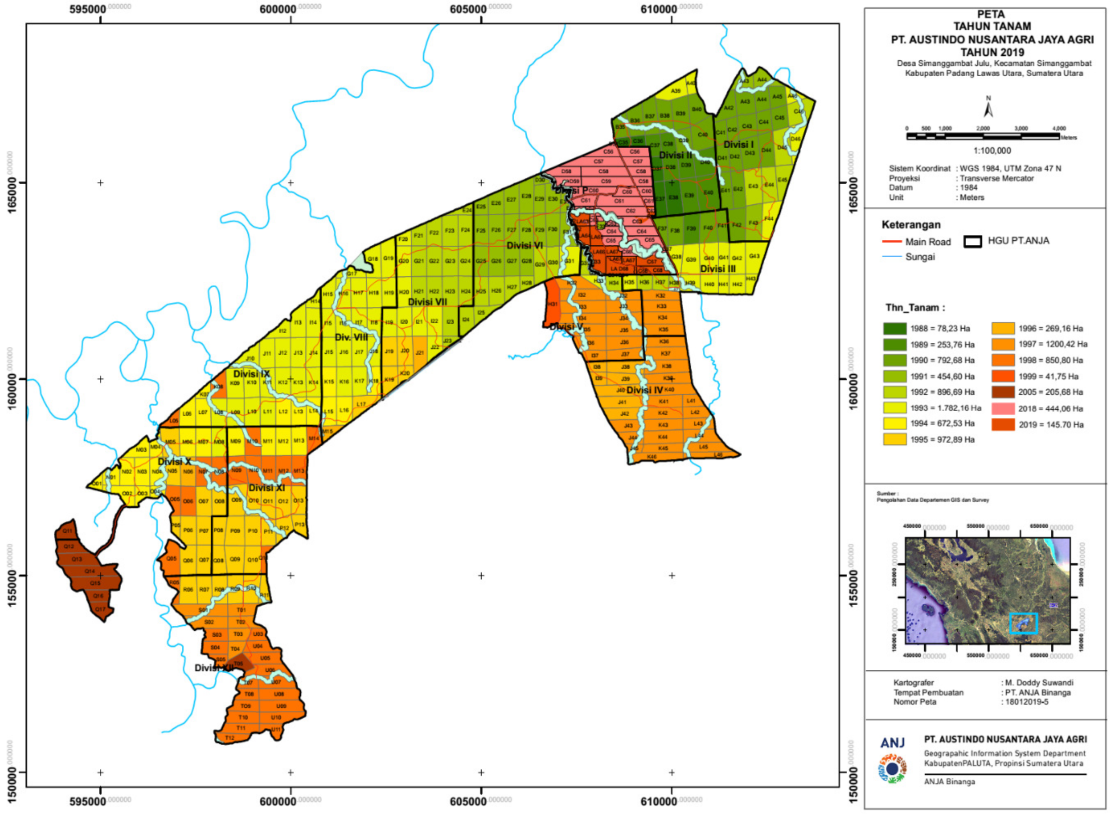


Figure 2: Estates and Mills Location Map



1.4 Description of Supply Base and Mill Processing Capacity

The FFB is sourced from 3 Estates (East Estate, Central Estate and West Estate) which is directly managed by PT Austindo Nusantara Jaya Agri. The actual OER rate is for certified product is 18.45%. The budgeted crop yields from each estate are listed in Table 2 below.

Table 2: Actual and Projected FFB from Supply Base (2023 - 2024)

Estates/Scheme Smallholders Name	FFBs (Tonnes)		
	Estimation (24 November 2022 – 23 November 2023)	Actual (August 2022 – July 2023)	Projection (24 November 2023 – 23 November 2024)
East Estate	38,967.44	36,603.84	40,000
Central Estate	39,522.92	41,665.68	40,000
West Estate	70,605.40	64,267.23	65,000
Total of RSPO certified supply base claimed for Certification	**149,095.76**	**142,536.75**	**145,000**
Certified FFB received from other RSPO certification scope within adjacent estates:	-	-	-

Total of other RSPO certified supply base claimed for Certification	-	-	-
Other FFB received from Non-certified supply bases *(if any)*		159,566.59	
Grand Total of FFB received	**149,095.76**	**302,103.34**	**145,000**

Table 3: Actual and Projected Mill Processing Data

Mill Name	Mill Production Figures (MT) Claimed for Certification					
	Estimation (24 Nov 2022 – 23 Nov 2023)		Actual (August 2022 – July 2023)		Projection (24 November 2023 – 23 November 2024)	
	CPO	PK	CPO	PK	CPO	PK
Binanga POM	30,065.18	7,486.14	29,991.30	6,555.42	30,000	7,000
Extraction Rate	20.16%	5.02%	21.4%	4.5%	20.69%	4.83%

Projection for 2023 – 2024 is lower than last year projection due to replanting activity on several mature area. Please see table 6 for detail of planting ages

Table 4: Actual Processing Data (12 Months before audit)

Mill Name	Mill Capacity (MT/Hours)	Production CPO		Production PK	
		CPO	OER (%)	PK	KER (%)
Binanga POM	60	62,248.116	20.42	14,533.85	4.81

1.5 Area of Plantation

The areas of supplying estates for this operating unit are listed in Table 4. Details of planted area (mature/immature), total land area, conservation, HCV and others are also listed.

Table 5: Area Statement of the Supplying Estates

Name of Estates	Planted Area		Conservation Area (Ha)	HCV Area (Ha)	Others use	Total Land Lease Area (Ha)
	Immature Area (Ha)	Mature Area (Ha)				
East Estate	1,161.83	1,787.87	177.50	118.78	14.92	3,260.90
Central Estate	993.34	1,307.78	171.97	153.1	238.58	2,864.77
West Estate	-	3,217.12	-	52.7	16.46	3,286.28
Total	**2,155.17**	**6,312.77**	**349.47**	**324.58**	**269.96**	**9,411.95**

1.6 Date of Planting and Cycle

The PT Austindo Nusantara Jaya Agri – Binanga Mill own estates were planted between 1988 and 2005. Some of the palm oil of the 1988 – 2005 have been replanted. The palms ware considered matured when approaching four years after planting and productive until the age of 25 years. A replanting program for all estates involved are available and being projected for the next five (5) financial years (2023 to 2027). The age profiles for all the estates are simplified in Table 5 below.

Table 6: Planting Age Profiles for all Supply Base Estates

Name of supplying estate	Planting Age (Ha)			
	Immature	>4 - 14 years	>14 - 25 years	>25 years
East Estate	1,161.83	925.38	-	862.49
Central Estate	993.34	322.04	41.75	943.99
West Estate	-	-	1,047.85	2,169.27
Total	**2,155.17**	1,247.42	1,089.60	3,975.75

1.7 A brief description of the Company and their socioeconomic livelihood

The Company has total 1,363 of employees in Binanga Mill, East Estate, Central Estate and West Estate, majority of the employees are Indonesian citizen which majority came from surrounding local community (i.e. Padang Lawas regency dan Padang Lawas Utara Regency - Sumatera Province, known as Batak and Malay ethnic groups) and some of them were originally came from other places within Indonesia such as Central Java and East Java (known as Javanese community). All of the employees are in permanent work status who received monthly wages with some of them are daily rate scheme. The company provided housing for the workers within company site location and provision of others amenities such as creche, medical facilities and the worship place (e.g. Masjid for Muslim majority population and Church for minority Christian population). For those some workers who came from surrounding location choose to live at their own house in the nearby village close to their family. Most of female workers are wife of male workers. They are working as loose fruit pickers helping their husband who works as FFB harvester, while some other female workers are worked as estate up-keep (e.g. as Sprayer and Fertilizer application).

Table 7: Number of Employees Based on workplace as of 30 June 2023

Management Units	Employees number	
	Male	Female
Mill Binanga	118	6
Wilayah Timur Estate	297	45
Wilayah Tengah Estate	349	56
Wilayah Barat Estate	295	65
GIS/Survey	2	0
GMO (GM/HR/Poliklinik)	4	25
SCM (Logistic & Procurement)	6	1
ICT	0	0
Finance/Accounting	2	5
SCD (SCD/EA/CSR)	1	1
Security & EHS	14	1
Commercial	1	0
CWT	50	0
Civil Engineering	11	0
QA/R&D	6	2

Total employees by gender	**1156**	**207**
Grand Total	**1363**	

Table 8: Employee Composition by Position Level as of 30 June 2023

Position Level	**Employees number**	
	Male	**Female**
Director	1	0
General Manager	1	0
Manager	8	0
Assistant Manager	14	2
Supervisor	26	3
Worker, Operator, Harvester, Sprayer, etc	1156	207
Total employees by gender	**1206**	**212**
Grand Total	**1418**	

Table 9: Employee Composition by types of workers / nature of job including migrant workers as of 30 June 2023 *(not to include supervisory, administrative, clerical staff and Managers)*

Management Units	**Employees number**									**Type of origin**			
	Full time		**Temporary**		**Casual**		**Seasonal**		**Total**	**Local**		**Foreign/ Migrant**	
	M	**F**	**M**	**F**	**M**	**F**	**M**	**F**		**M**	**F**	**M**	**F**
Mill Binanga	118	6							124	118	6		
Wilayah Timur Estate	297	45							342	297	45		
Wilayah Tengah Estate	349	56							405	349	56		
Wilayah Barat Estate	295	65							360	295	65		
GIS/Survey	2	0							2	2	0		
GMO (GM/HR/Poliklinik)	4	25							29	4	25		
SCM (Logistic & Procurement)	6	1							7	6	1		
ICT	0	0							0	0	0		
Finance/Accounting	2	5							7	2	5		
SCD (SCD/EA/CSR)	1	1							2	1	1		
Security & EHS	14	1							15	14	1		
Commercial	1	0							1	1	0		
CWT	50	0							50	50	0		
Civil Engineering	6	2							8	6	2		
QA/R&D	11	0							11	11	0		
Total employees	**1156**	**207**							**1363**	**1156**	**207**		

*) M = Male, F = Female

The percentage and type of workers that are provided housing at company cost (not to include supervisory, administrative, clerical staff and Managers);	**100**	**%**

The percentage and type of workers that are provided housing allowance (not to include supervisory, administrative, clerical staff and Managers);	**0**	**%**
The percentage of workers in the scope of the audit that work on piece rate wages;		**%**

Table 10: Total number of workers employed by Company's Subcontractor

Subcontractor name	Nature of work of the company	Number of Workers	
		Male	Female
CV Usaha Mandiri	Replanting	15	-
	TOTAL WORKERS	**15**	**-**

1.8 Other Certification Held

- ISPO Certificate
- ISO 14001:2015 Certificate
- ISO 45001:2018 Certificate

1.9 Organizational Information and Contact Person

The company contact person details are as follows:

Name:	Mr. Antoperis Tarigan
Position:	Sustainability Compliance Manager
Address:	Sinar Mas Land Plaza Lt. 7, Jln. P. Diponegoro No 18 Medan 20152 Indonesia
Contact No.:	+62-614537480 Ext 235
Email address:	antoperis.tarigan@anj-group.com

1.10 The minimum requirements for Multiple Management Units

PT Austindo Nusantara Jaya Agri is a member of RSPO and has been involved in the certification 2007; the membership number with RSPO is 1-0032-07-000-00.

PT Austindo Nusantara Jaya Agri owns and operates 4 mills and 15 oil palms estates, together with **8** operating unit covering approximately 150,448.28 ha in Indonesia on 2017 year, and on 2018 unit covering approximately 155,928.63 ha. PT Austindo Nusantara Jaya Agri has developed a time-bound plan (**Appendix C**).

Auditor Finding on the Time Bound Plan (Clause 5.5.2) and Un-Certified Management Units (Clause 5.5.3) against requirements of RSPO Certification System documents 2020.

Time Bound Plan requirements as per Clause 5.5.2 of RSPO P&C Certification System:
5.5.2 A time-bound plan for certifying all its management units and/or entities, including the units where the organisation has management control and/or minor shareholding, is submitted to the Lead Auditor during the initial certification audit. The time-bound plan shall contain a current list of all estates and mills:

a) As a minimum, all estates and mills shall be certified within five years after obtaining RSPO membership. Any new acquisitions shall be certified within a threeyear timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.

b) Progress towards this plan shall be verified and reported on in subsequent Annual Surveillance audits by the Lead Auditor. Where the SGS lead auditor conducting the surveillance audit is different from the previous audits conducted by other CB which has first accepted the time-bound plan, the SGS Lead auditor shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;

c) Any revision to the time-bound plan, including for the scheme smallholders and outgrowers, shall be reviewed by the Lead Auditor. Changes to the time- bound plan are permitted only if the organisation can demonstrate to the SGS Lead Auditor that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment the company is legally registered with the local notary or chamber of commerce (or equivalent).

d) Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance shall be raised. If there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised.

Requirement	**Findings and any action required**	**Compliance**
Description of Company's Management Structure being audited in relation to Majority of shareholder (whom ultimately controlling shareholder) and its subsidiaries companies. *Guidance for Auditor:* *Beside interview with company's management representative, these required information should be supported with browsing through Internet search for the company name such as media coverage, legal registration, and RSPO Annual Communication on Progress (ACOP). As addition, if other Certification Body(s) has performing evaluation to this requirements either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.* *The parent organization or one of its majority owned and / or managed subsidiaries are member of RSPO, whether the registered RSPO member is the holding company or one of its subsidiaries;* *NOTE 1: For groups with complex management structures the following are required:* *i. A statement of the ultimate controlling shareholders and directors in the managing agency company/companies.* *ii. Ditto in respect of each of the operating groups.* *iii. Application for membership by the top asset owning company/companies.* *iv. Application for membership by the managing agency company/companies* *NOTE 2 : Majority shareholding: the largest shareholding, where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control.*	PT Austindo Nusantara Jaya Agri is majority of shareholder (99.98%). This company is RSPO member with membership number 1-0032-07-000-00 on behalf PT Austindo Nusantara Jaya Agri since year 2007.	Yes
Does the plan include all subsidiaries, estates and mills? *As a minimum, all estates and mills shall be certified within five years after obtaining RSPO membership.*	There are 7 management units have been included into the time bound plan. 5 of 7 management units have been certified as follows: • PT Austindo Nusantara Jaya Agri Siais – Siais Mill • PT Sahabat Mewah dan Makmur – Jangkang Mill	Yes

Any deviations from this maximum periods requires approval by the RSPO Secretariat.	• PT Austindo Nusantara Jaya Agri – Binanga Mill • PT Kayung Agro Lestari – KAL Mill • PT Putera Manunggal Perkasa – PMP Mill • PT Galempa Sejahtera Bersama • PT Austindo Nusantara Jaya Agri Tbk See Appendix C.	
Have there been any newly acquired subsidiaries? *Any new acquisitions shall be certified within a three-year timeframe.* *Any deviations from this maximum periods requires approval by the RSPO Secretariat.*	There is no newly acquired subsidiaries since previous assessment (2022).	Yes
Have there been any changes since the last audit? Are they justified?	RSPO certification of PT GSB, which was originally targeted to be obtained in 2020, has been changed to 2027 because the land compensation process has not been completed so planting and factory construction were also delayed. PT GSB's palm oil mill is planned to be built in 2023. RSPO certification will take place after the mill is operational. This condition has been reported and approved by RSPO Secretariat	Yes
If there have been changes, what circumstances have occurred? including for the scheme smallholders and outgrowers, *Changes to the time- bound plan are permitted only if the organisation can demonstrate to Auditor that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment the company is legally registered with the local notary or chamber of commerce (or equivalent)*	RSPO certification of PT GSB, which was originally targeted to be obtained in 2020, has been changed to 2027 because the land compensation process has not been completed so planting and factory construction were also delayed. PT GSB's palm oil mill is planned to be built in 2023. RSPO certification will take place after the mill is operational. This condition has been reported and approved by RSPO Secretariat	Yes
Have there been any isolated lapses in implementation of the plan?	There is an area that managed by the company with the total of 522 Ha in Central Estate which still on progress of legalization. That area is not included in the approved RSPO Time Bound plan.	Yes. This condition has been raised as a minor noncompliance
Have there been any stakeholder comments during assessment to the Company's Time Bound Plan, or to other certified companies under same holding? *<u>Guidance for Auditor:</u>* *Targeted stakeholder consultation may be carried out by the SGS audit team either contacting them by email, phone call, meeting, or other methods.* *If this has already been conducted by other certification body(s) either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.* *These must be recorded in this audit report and should be part of consideration during this verification process.*	No stakeholder comment that affect Time bound Plan set up by PT ANJA, in particular to those certified companies. Checked in RSPO website to the case tracker, no grievance/complaint are happened for the Austindo certified companies	Yes
Requirements for Un-Certified Management Units as per Clause 5.5.3 of RSPO P&C Certification System		

Note for Auditor:

- *Companies should demonstrate compliance by clear evidences of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills) against each of the RSPO P&C requirements.*
- *Auditor should select sample(s) of un-certified units subsequently review/check the Internal audit results. The minimum sample(s) should follow 0.8√y where y is number of subsidiaries company. Auditor may increase the number of sample(s) selected if there is a risk and if there are some stakeholder inputs received during assessment.*
- *The Company is responsible for the area being audited and shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected non-conformities and their causes. If not then Auditor should consider to raise Major or Minor non-compliances.*
- *The approach to defining Major and Minor non-compliance is stated in the RSPO P&C certification system. For example, if a non-compliance against a 'major indicator' in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion until that is addressed.*
- *Failure to address any outstanding non-compliances within uncertified unit(s) regarding the minimum requirements for Un-Certified Management Units may lead to certificate suspension(s) to the certified unit(s), in accordance with the provisions of the Certification Systems.*
- *For requirements 5.5.3 (a)-(d) above, the classification of critical and non-critical is as stated in the RSPO P&C. If a non-compliance against a critical indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless it is actively addressed. Evidence of active engagement with RSPO in resolving the non-compliance shall be available.*
- *Failure to address any outstanding non-compliances within uncertified unit(s) as defined in 5.5.3 (f) above may lead to suspension of certificate of the certified unit(s), in accordance with the provisions of RSPO Certification System 2020 document.*

Requirement	Findings and any action required	Compliance
Did the company conduct an internal audit? If so, has a positive assurance statement been produced? *Guidance for Auditor:* *A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by the organisation or assessment carried out by an accredited CB. Evidence of the assessment against each requirement shall be demonstrated and if there is non-compliance whether the non-compliance has been actively addressed or communicated to RSPO.*	Internal Audit for uncertified management unit is for PT Galempa Sejahtera Bersama has been conducted Internal Audit on 24 November – 02 December 2022. While for PT Austindo Nusantara Jaya Tbk until now not yet developed and propose for carbon project	Yes
Are there any stakeholder comments during assessment to the un-certified companies/management units under same holding? *Guidance for Auditor:* *Targeted stakeholders including consultation with the relevant NGO's should be carried out by the SGS audit team either contacting them by email, phone call, meeting, or other methods;* *Carry out Desktop study e.g. web check on relevant complaints;* *If necessary, the Lead Auditor may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements;* *If this has already been conducted by other certification body(s) either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.*	Based on internal audit and website/ online verification, there is no stakeholder comment in 2022/2023.	Yes

These must be recorded in this audit report and should be part of consideration during this verification process.		
No replacement after dates defined in NIs Criterion 7.12: • Primary forest. • Any area required to maintain or enhance HCVs and HCS in accordance with RSPO criterion 7.12. *Guidance for Auditor:* *If this cases occur in one or more of company's un-certified units, the following shall be checked and verified:* - *Action Plan (with details steps and time line to fulfill)* - *Does company follow the latest requirements of LUCA and RaCP procedures?*	ANJ and subsidiaries have been reporting disclosure of liability to RSPO on 24 August 2015. Based on RaCP tracker in RSPO website, there is 1 Management Unit (ANJA Siais) that still on progress of remediation. The company has intensively communicate with the RSPO since 2020. On August 2021, the LUCA has been approved. On 14 June 2022, the company sent the concept note to the RSPO and has been replied that the concept note will continue with the internal review. On 18 July 2022, RSPO sent the review result and sent some queries. July 2022 to March 2023, the company gather the information to fulfil the requirement and answer the RSPO queries. On 02 June 2023, the company sent the update information to RSPO. Until now, it still on the review process with the latest follow up by the company was on 16 August 2023	Yes
Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure. For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB.	Based on internal audit for un-certified subsidiaries, several information were reviewed as follows: 1. PT Galempa Sejahtera Bersama reported NPP and it was verified by CB in 2014. Currently, this company was conducting land acquisition. 2. PT Putera Manunggal Perkasa reported NPP and it was verified by CB in 2014. Currently, this company was conducting land acquisition. 3. PT Permata Putera Mandiri reported NPP and it was verified by CB in 2014. Currently, this company was conducting land acquisition. 4. PT Pusaka Agro Makmur (on 2015 become PT ANJT) was developing NPP and verified by the CB in June 2017. The HCV report was being reviewed by licensed HCV assessor. But until now not yet developed and propose for carbon project	Yes
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Complaints System or Dispute Settlement Facility, in in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8 *Guidance for Auditor:* *To check the as to whether this cases found during Internal audit at company's uncertified units.* *Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:* *http://www.rspo.org/* *http://www.rspo.org/members/status-of-complaints/* *http://www.rspo.org/members/dispute-settlement-facility* *http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes* *As addition to check is to search in the public court documents which available online. Some*	PT ANJA has provided the procedure for "*Penyelesaian Sengketa Lahan*" (land dispute resolution) # 021A/HR&GA/CP regarding land acquisition. PT Austindo Nusantara Jaya Agri already has a procedure to resolve grievance if any (SOP-Leg-03) There is no significant land conflict based on interviewed with Sustainability Compliance Manager and browsing internet.	Yes

countries may not available due to restriction rules.		
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 4.2. *Guidance for Auditor:* *To check the as to whether this cases found during Internal audit at company's uncertified units.* *Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:* *http://www.rspo.org/* *http://www.rspo.org/members/status-of-complaints/* *http://www.rspo.org/members/dispute-settlement-facility* *http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes* *As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.*	The company has a mechanism for grievance described in SOP Handling of Differences of Opinion with Public and Land Dispute (Document No. SOP-EAD-01; Issue 01/00) dated August 1, 2013. A policy related to confidentiality of informant (whistle- blower) regulated in the SOP of Communication and Provision Information (Document No. SOP-Leg-03, Issue 01/04, dated 1 September 2015), it's mentioned in the section 6 of tis SOP. There is no information from public and RSPO website on any labour conflict for uncertified unit of the group subsidiaries	Yes
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 *Guidance for Auditor:* *To check the as to whether this cases found during Internal audit at company's uncertified units.* *Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:* *http://www.rspo.org/* *http://www.rspo.org/members/status-of-complaints/* *http://www.rspo.org/members/dispute-settlement-facility* *http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes* *As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.*	Based on internal audit, browsing internet and interview with SPO team, there was not significant issue of legal compliance for un-certified subsidiaries. They have complied with Act # 39/2014 regarding Plantation (*Perkebunan*).	Yes
If there is any non-compliance on the Un-certified Units of the Company being audited, does this Company is recommended to continue to be RSPO Certified? *An email may send to RSPO to check and confirm for a possible concession approval.*	There is no non-compliance in uncertified management unit based on the latest internal audit	Yes

2. ASSESSMENT PROCESS

2.1 Certification Body

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 90,000 employees, SGS operates a network of over 2,000 offices and laboratories around the world.

The RSPO Programme is the SGS RSPO Certification Programme internationally accredited by the ASI GmbH to carry out RSPO P&C and RSPO SCC certifications with worldwide geographical scopes.

2.2 Assessment Methodology, Programme, Site Visits

The assessment was conducted in 12 audit days and involving East Estate, Central Estate and West Estate of PT Austindo Nusantara Jaya Agri-Binanga Mill. The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management practices.

The assessment was conducted based on random samples and therefore nonconformities may exist which have not been identified. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.

The assessment program is included as shown in Table 6 below.

Table 4: Assessment Program

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
Monday 21/08/2023	08.00	All	Travelling : Jakarta to Medan : (Batik Air ID 6882 + Wings Air IW 1258)	Relevant personnel
	12.45	All	Arrive in Sibolga Continue Traveling to PT. Austindo Nusantara Jaya Agri – Binanga Mill.	Relevant personnel
	17.00	All	Arrive in PT. Austindo Nusantara Jaya Agri – Binanga Mill	
Tuesday 22/08/2023	08.00	All	**Opening Meeting**	Relevant personnel
	08.30	A	**<u>Field Visit : West Estate</u>** Land Clearing, Planting / Re-planting inspection, Herbicide (spraying) and fertilizer application, FFB harvesting, FFB loading, IPM, road maintenance, workers OSH, etc.	
		B	**<u>Field Visit : West Estate</u>** Boundaries inspection, Stakeholders Consultation : Dinas Lingkungan Hidup, dinas Tenaga Kerja, Dinas Perkebunan, Smallholders, Surround communities & Previous land owner.	
		C	**<u>Field Visit : West Estate</u>** Riparian/buffer zone, HCV, landfill (Waste Management), hazardous waste storage (TPS LB3), Chemical & Fertilizer warehouse, Land Application, Workshop, Etc.	
		D	**<u>Field Visit : West Estate</u>** • Stakeholders Consultation : gender committee and labour union • Housing, workers amenities (Clinic, school and others)	

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
	12.00.	All	Break and Lunch	-
	14.00	All	**Mill Visit : Binanga Mill** • Mill Operational Best Practices, interview with workers, OSH Implementation. **(Auditor A)** • Stakeholders consultation : Contractors, FFB Supplier and Smallholders (KKPA). **(Auditor B)** • Waste water pond, land application (If any), hazardous waste storage, environmental management and monitoring. **(Auditor C)** • Stakeholders consultation with gender committee & labour union, housing inspection and workers amenities (Clinic, Creche and others) & Verification of Supply Chain **(Auditor D)**	Management Representative, gender committee, union labor and other relevant personnel.
	17.00	**All**	End of 1st day audit	
Wednesday 23/08/2023	08.00	A	**Field Visit : East Estate** Land Clearing, Planting / Re-planting inspection, Herbicide (spraying) and fertilizer application, FFB harvesting, FFB loading, IPM, road maintenance, workers OSH, etc.	Relevant personnel
		B	**Field Visit : East Estate** Boundaries inspection, Stakeholders Consultation : Dinas Lingkungan Hidup, dinas Tenaga Kerja, Dinas Perkebunan, Smallholders, Surround communities & Previous land owner.	Relevant personnel
		C	**Field Visit : East Estate** Riparian/buffer zone, HCV, landfill (Waste Management), hazardous waste storage (TPS LB3), Chemical & Fertilizer warehouse, Land Application, Workshop, Etc.	Relevant personnel
		D	**Field Visit : East Estate** • Stakeholders Consultation : gender committee and labour union • Housing, workers amenities (Clinic, school and others)	Relevant personnel
	12.00	All	Break and Lunch	
	14.00	All	**Review document and record : Estate and Mill** • Optimise Productivity, Efficiency, Positive Impacts And Resilience (RSPO P&C Indicator 3.1-3.3, 3.6, 3.7), Respect Workers' Rights And Conditions (RSPO P&C Indicator 6.7), Conserve And Enhance Ecosystems And The Environment (RSPO P&C Indicator 7.1,7.2 & 7.4), GHG (Criterion 7.10) Partial Certification and data public summary & update Scope of certification assessment **by Auditor A** • Behave Ethically And Transparently (RSPO P&C Indicator 1.2), Operate Legally And Respect Rights (RSPO P&C Indicator 2.1-2.3), Supply Chain (Indicators 3.8.1 - 3.8.17), Optimise Productivity, Efficiency, Positive Impacts And Resilience (RSPO P&C Indicator 3.5), Support Smallholder Inclusion (RSPO P&C Indicator 5.1 - 5.2) **by Auditor B** • Behave Ethically And Transparently (RSPO P&C Indicator 1.1), Optimise Productivity, Efficiency, Positive Impacts And Resilience (RSPO P&C Indicator 3.4 EIA), Protect, Conserve And Enhance Ecosystems And The Environment (RSPO P&C Indicator 7.3, 7.5- 7.9, 7.11-7.12), **by Auditor C** • Optimise Productivity, Efficiency, Positive Impacts And Resilience (RSPO P&C Indicator 3.4), Respect Community And Human Rights And Deliver Benefits, (RSPO P&C Indicator 4.1 - 4.8), and, Respect Workers'	Relevant personnel

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
			Rights And Conditions (RSPO P&C Indicator 6.1 - 6.6) **by Auditor D**.	
	17.00	All	End of 2nd day audit	
Thursday 24/08/2023	08.00	A	**Field Visit : Central Estate** Land Clearing, Planting / Re-planting inspection, Herbicide (spraying) and fertilizer application, FFB harvesting, FFB loading, IPM, road maintenance, workers OSH, etc.	Relevant personnel
		B	**Field Visit : Central Estate** Boundaries inspection, Stakeholders Consultation : Dinas Lingkungan Hidup, dinas Tenaga Kerja, Dinas Perkebunan, Smallholders, Surround communities & Previous land owner.	Relevant personnel
		C	**Field Visit : Central Estate** Riparian/buffer zone, HCV, landfill (Waste Management), hazardous waste storage (TPS LB3), Chemical & Fertilizer warehouse, Land Application, Workshop, Etc.	Relevant personnel
		D	**Field Visit : Central Estate** • Stakeholders Consultation : gender committee and labour union • Housing, workers amenities (Clinic, school and others)	Relevant personnel
	12.00	All	Break and Lunch	-
	14.00	All	**Review document and record : Estate and Mill** • Optimise Productivity, Efficiency, Positive Impacts And Resilience (RSPO P&C Indicator 3.1-3.3, 3.6, 3.7), Respect Workers' Rights And Conditions (RSPO P&C Indicator 6.7), Conserve And Enhance Ecosystems And The Environment (RSPO P&C Indicator 7.1,7.2 & 7.4), GHG (Criterion 7.10) Partial Certification and data public summary & update Scope of certification assessment **by Auditor A** • Behave Ethically And Transparently (RSPO P&C Indicator 1.2), Operate Legally And Respect Rights (RSPO P&C Indicator 2.1-2.3), Supply Chain (Indicators 3.8.1 - 3.8.17), Optimise Productivity, Efficiency, Positive Impacts And Resilience (RSPO P&C Indicator 3.5), Support Smallholder Inclusion (RSPO P&C Indicator 5.1 - 5.2) **by Auditor B** • Behave Ethically And Transparently (RSPO P&C Indicator 1.1), Optimise Productivity, Efficiency, Positive Impacts And Resilience (RSPO P&C Indicator 3.4 EIA), Protect, Conserve And Enhance Ecosystems And The Environment (RSPO P&C Indicator 7.3, 7.5- 7.9, 7.11-7.12), **by Auditor C** • Optimise Productivity, Efficiency, Positive Impacts And Resilience (RSPO P&C Indicator 3.4), Respect Community And Human Rights And Deliver Benefits, (RSPO P&C Indicator 4.1 - 4.8), and, Respect Workers' Rights And Conditions (RSPO P&C Indicator 6.1 - 6.6) **by Auditor D**.	Relevant personnel
	15.00	All	Prepare Closing Meeting	
	16.00	All	Closing meeting	Relevant personnel
	17.00	All	End of Surveillance audit.	-
Friday 25/08/2023	08.00	All	Traveling to Pinangsori Airport (Dr. Ferdinand Lumban Tobing Airport)	
	13.05	All	Traveling : Pinangsori Airport to Medan (Wings Air IW-1259)	
	16.50	All	Traveling : Medan to Jakarta (Garuda Air GA-121)	

2.3 Qualification of Lead Assessor and Assessment Team

PT SGS Indonesia holds copies of educational qualifications, certificates and audit logs for each of the audit team members. SGS has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessment. Summary of auditors' educational background and experience are listed in Table 7 below.

Table 5: Auditors Profile

Evaluation Team	Notes
Team Leader	Irham Zadani, Bachelor Degree of Agriculture from Padjadjaran University. He has 8 years working experience in oil palm plantation sector in Indonesia. He has completed training on ISO 9001 lead auditor, RSPO & ISPO Lead Auditor course (including the refresher course) and SA8000 Basic Auditor training course. He has involved in a number of RSPO and ISPO audits in Indonesia. During this audit, he was focus on best practice and Health & Safety aspect. He is fluent in local languages.
Auditor 3 / Auditor B	Asystasya Aishah Silalahi, an Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management Bogor Agricultural University. She has one year's experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000. Has been involved in audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, supply chain aspect, and Worker Welfare. During this audit, she verified transparency, legal, smallholder inclusion, supply chain aspect. She is fluent in local language.
Auditor 2 / Auditor C	Rizliani Aprianita Hasibuan. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She has eight years experience in auditing RSPO and ISPO Scheme at Certification Body. She had followed training such as RSPO Lead Auditor Training, training ISO 9001:2008, ISO 14001;2004, SA 8000, OHSAS 18001, social audit training by RSPO (verité), ISPO Lead Auditor training and others. In this audit, she assigned to verify environmental management and HCV. She is fluent in local language.
Auditor 1 / Auditor D	Burhanudin Gala has a degree in social degree from Hasanudin University of Indonesia, master degree and candidate doctoral social anthropology in Indonesia University of Indonesia. He has more than 15 years working experiences in forestry and oil palm plantation sectors in Sumatera, Indonesia. He has undergone IRCA Auditor ISO 14001 & 9001, ISPO & RSPO Lead Auditor, and Social auditing. He is a qualified RSPO and ISPO auditor/Lead auditor and He has been involved in a number of RSPO and ISPO audits in Indonesia. He was focus on Social aspects, worker welfare and Stakeholder consultation. He is fluent in local languages.

2.4 Stakeholder Consultation and List of Stakeholders Contacted

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss in PT Austindo Nusantara Jaya Agri Unit's environmental and social performance.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. These included environmental interest groups, local government agencies and relevant authorities, previous land owner, local communities groups, and workers' unions etc. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The auditor/interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities and previous land owner to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted with detail comments is included in **Appendix D.**

3. ASSESSMENT FINDINGS

3.1 Summary of Findings

As outlined, objective evidence was obtained separately for each of the RSPO Indicators and criterion for the mills and estates. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

There is 0 (zero) Critical / Major nonconformities and 1 (one) Non-Critical / Minor nonconformities identified during this assessment. Some areas identified with potential areas for improvement has led into 5 (five) Observations raised. Details for each Non-conformities and observations are given in **Appendix A**. Non-Critical / Minor nonconformities and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months of issuance date of certification or within Palm Trace license.

Principle 1: Behave Ethically and Transparently		
Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1	**Management documents that are specified in the RSPO P&C are made publicly available.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company has made publicly available document lists which contained in document No. REK-ANJA-SCD-12 update on 2023 which is approved by General Manager of PT ANJA AGRI Binanga. As for the list of documents which is publicly available which can be accessed by stakeholders upon request, such as : 1. Land title 2. OHS Management Plan 3. Environment Impact assessment and Management Plan 4. HCV Document 5. Social Impact Assessment Document 6. Grievances and Complaints procedure and report 7. FPIC document 8. List of permit 9. Internal audit system 10. Company's Policies 11. Etc. Besides that, company has website (https://www.anj-group.com) as one of public available information. Based on interview with stakeholder, it was known that company has considered transparent and cooperative in providing information or data requested.	
1.1.2	**Information is provided in appropriate languages and accessible to relevant stakeholders.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company can show records of providing information to relevant agencies in the form of routine reports. All available documents are information that can be accessed by the public by submitting an official letter of request for information. All information is provided in Bahasa, for example: • Report on OHS implementation quarter 2 of 2023 dated July 14, 2023 to the Manpower Office (supervision unit) of Sumatra Utara Province • Land Use Report for 2022 submitted to the Land Office on March 3, 2023. • Report on Plantation Business Development for semester 1 of 2023 submitted on August 2, 2023 with electronic receipt Number 241912551. • Environmental management and monitoring report for semester 1 of 2023 was reported on July 14, 2023 • Etc.	

	Those documents are provided in appropriate language. Based on explanation above, company has provided information in appropriate language and accessible to relevant stakeholders.	
1.1.3	**Records of requests for information and responses are maintained.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company records requests for information from stakeholders in documents of information request logbook. The logbook informs about the letter number, date of the incoming letter, subject matter, description, response, etc. Based on the review of these documents, most of incoming letters from stakeholders related to requests for assistance or submission of proposals. As for all the incoming letter has been responded by the company. For example Incoming letter No. 110/PP-HBI/SU/IV/2023 dated April 17, 2023 related to request of assistance. The company showed minutes of realization of assistance on May 11, 2023. Based on interviews with representatives of villages, it is known that the company has conducted socialization to the village regarding the mechanism for requesting information to the company. If there is a request for information, the village will send a letter to the company and the company will respond.	
1.1.4	**Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by a nominated management official.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The procedures for communicating and delivering information to stakeholders are presented in document No. SOP-Leg-02 (Rev. 04) dated 01 September 2015, the requested information is recorded in Form No. FRM-SOP Leg 02-02. Furthermore, document handling and management procedures regarding this matter are presented in document no. SOP-SCD-01 (Rev. 01/03) dated November 10, 2014. Records of requests for information are checked and updated by the Relation Manager on a monthly basis. Response time must be less than 3 months and managed by External Relations Officer. The company also showed documentation of the stakeholder meeting on December 19, 2022 which was attended by government agencies, village representatives and others. As for in that stakeholder meeting, company also socialized company procedure including communication and consultation procedures. Based on interview with government office in Padang Lawas Utara Regency, local communities as well as village representatives, it is known that they understand how to communicate and consult with PT ANJ. The stakeholders also understand how to deliver or submit information request/consultation with the company. Based on explanation above, conclude that the procedure of consultation and communication has explained to all relevant stakeholders In addition, the company records requests for information from stakeholders which are recorded in information request logbook. Based on the results of verification, there were more incoming letters for the category of assistance requests and has been responded by company.	
1.1.5	**An up-to-date list of contacts and detailed stakeholder information is available along with designated representatives.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company already has a stakeholder list update August 2023, which contains the agency name, name of person, telephone numbers and address of the stakeholders. As for the stakeholder list in PT ANJ Binanga such as Head of village, community leaders, FFB supplier, contractors, government agency etc. Auditor checks by calling the numbers recorded in the document, from the results of checking that the phone numbers are in accordance with the existing list and it was reachable.	
Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and business transactions.		
1.2.1	**A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The unit of certification has a code of ethical conduct policy in all operations and transactions, including recruitment and contracts recorded in *Kebijakan Keberlanjutan ANJ, signed by President Director, Issued October 31, 2019.* The policy included conducting business with integrity, fairness and ethical; do not offer or accept bribes or receive prizes in doing business; doing healthy competition and honest; and committed to	

	compliance laws. The policy has been communicated to all levels of the workforce and operations, including contracted third parties and relevant stakeholders on March 22-26, 2022 and April 20, 2022. This policy also stated in the work agreement with contractor, for example in agreement with CPO transporter namely CV Mujur Trans and PK Transporter namely CV Usaha Bersama.	
1.2.2	**A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	To monitor compliance and implementation code of ethical conduct policy, the unit of certification has a system which are called Whistleblowing System (WBS) which has been implemented since 2016. In addition, the company also routinely conducts internal audits every year covering aspects of the RSPO including ethical behaviour. The RSPO internal audit conducted on 8 – 11 March 2023 and 20 – 24 March 2023. Based on verification on complaints logbook and results of the internal audit, known that there is no indication of a violation of ethical business.	

Principle 2: Operate Legally and Respect Rights		
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1	**The unit of certification complies to relevant regulations.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has a list of legal requirements which is updated every year (see documents of *Daftar Peraturan Perundang-Undangan ANJA,* March 03, *2023*, signed by General Manager which is updated from the previous year/audit). Based on the document review, every regulation in the list is relevant, and the company compliance with the regulation, for example: • Act No. 40/2007 regarding *Perseroan Terbatas.* The company has made changes to the Articles of Association to comply with the Act through Deed no. 22, 07/08/2008 Jo. Deed No. 43, 03/24/2009 based on *Surat Keputusan Menkumham RI* No. AHU-28293.AH.01.02 June 25, 2009. • Act No. 26/2007 regarding *Penataan Ruang.* The development of the company's oil palm plantations is in accordance with the Regional Spatial Plan of North Sumatra Province. • Minister of Agriculture Regulations No. 18/2021 regarding facilitating the development of local community plantation, and the company has facilitated the local community to develop their plantation. • Government Regulation No. 22/2021 regarding Implementation of Environmental Protection and Management. • Act No. 13/2003 regarding Labor. The company already has company regulations, implements a minimum wage, prohibits the employment of children or under the age of 18 and others. • Government Regulation No. 50/2012 regarding *Penerapan Sistem Manajemen Keselamatan dan Kesehatan Kerja.* The company has implemented an K3 Management System since 2004. • Government Regulation No. 03/1973 regarding *Pengawasan Atas Peredaran, Penyimpanan dan Peredaran Pestisida.* The use of pesticides in the company is regulated in the *SOP Pestisida dan Pengelolaannya* (SOP-AGR-018, August 01, 2013). • Minister of Agriculture Regulations No. 18/2021 regarding facilitating the development of local community plantation, and the company has facilitated the local community to develop their plantation. Sample of legal compliance found during audit: **Environmental aspect** • Implements the requirement of environment aspect such as EIA management and monitoring in routinely. • Manage hazardous waste, POME and domestic waste in accordance with applicable regulation • Land preparation without burning and has the infrastructure in fire anticipation, according to Permentan Number. 26 of 2007 section 15. **OHS Aspect** • Provided PPE for all employees in accordance with the risk analysis and is provided for Free	

- Employees provided health insurance and employment insurance programs (BPJS TK and BPJS Kesehatan)

BMP aspect

Estate and mill management has implemented several compliances with Indonesian laws and regulations, for example not using the burning method in the land clearing process. Each unit of the Unit of Certification has implemented integrated pest management, biological control and only uses pesticides that are listed on the pesticide government website.

Employment Aspect

- The implementation of the minimum wage in 2023 is in accordance with the Minimum Wage Decree of Sumatera Utara Governor No. 188.44/1083/KPTS/2022 about Determination of Minimum Wage of Padang Lawas Utara Regency for 2023
- Payment of overtime wages to workers in accordance with Government Regulation No. 36 in 2021.
- Implementation of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.

IUP (Estates Business Permit)

The company has business permit for estate and mill activities from relevant government institution as follows:

- Estates Business Permit (IUP) No. 105/HK.350/SK/D/BUN/10.97 dated 31 October 1997 for areal 6,000 Ha.
- Estates Business Permit (IUP) No. 525/472/K/2005 dated 11 October 2005 for areal 3,214.9 Ha.
- Estates Business Permit (IUP) No. 525.26/9541/2007 dated 02 November 2007 for areal 197 Ha.
- Estate Business Permit for Mill Processing (IUPP) No. 503/0004/IUP-P/I/2013 dated 29 January 2013 for mill capacity of 60 MT FFB / hour

Legal Department is responsible to identified and updating every regulation. Compliance with applicable laws and regulations and other requirements is also controlled through internal audits conducted and documented annually. The latest internal audit for legal compliance took place in March 08-24, 2023 (see document of Internal Audit Report PT ANJA Binanga, period 2023, signed by Vice President).

However, for this indicator the company has the opportunity to further maximize this system by better tracking regulatory changes so that the latest regulations such as Act Number 6/2023 regarding *Cipta Kerja*, Act Number 17/2023 regarding *Kesehatan*, and *Permennaker* No. 88/2023 regarding *Pelecehan*, cannot be missed. This condition raised as an OFI due to there is not found any non-compliance of regulation on Act Number 6/2023, Act Number 17/2023 and Permennaker No. 88/2023 during audit. During internal audit for legal compliance, there is also no non-compliance regarding fulfilment of the regulation. **OFI**

2.1.2	**A documented system for ensuring legal compliance is in place. This system has means to track changes to the law and also includes listing and evidence on evaluation of legal compliance of all contracted third parties, such as: recruitment agencies, service provider and labour contractor.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	To ensure legal compliance is in place, the company assign legal department to conducting identification, verification and registered all legal and other requirements based on procedure SOP-Leg-01 SOP *Evaluasi Pemenuhan Peraturan*, March 30, 2015, signed by External Affair Director, and recorded in the document of *Laporan Evaluasi Pemenuhan Peraturan ANJA 2023*. Latest evaluation was on 3 March 2023. This is a system built for make sure available comprehensive list of international, national, sub-national and provincial laws which details the requirements of specific to the mill and estate operations. Update regulation conducting by identification of legal through newspapers, internet access and others source. To verified and assessed legal compliance, the team communicate with relevan function in mill and estate and field check. For examples check on PKO and CPO transport contractors which include driving license, legal organization, tax identification numbers, and transport permits (see legal document of the contractors PT Gunung Mulia Sentosa, and PT Hasbi Putra Pratama as a sample for the 2023 audit).	

2.1.3	**Legal or authorized boundaries are clearly demarcated and visibly maintained and there is no planting beyond these legal or authorized boundaries.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has a map for boundary demarcation (see documents of *Peta Patok BPN PT ANJA*, 2015, scale 1: 35.000, produced by Geographic Information System PT ANJA), and conducting boundary maintenance twice a year based on Internal Memo No. 027GM/ANJA-BNG/IM/IV-2021, April 12, 2021, regarding *Pemeliharaan Patok BPN,* signed by General Manager. Monitoring and maintenance result recorded in documents of *Laporan Perawatan Patok BPN WBE Sem-I/2023, Laporan Perawatan Patok BPN WGE Sem-I/2023,* and *Laporan Perawatan Patok BPN WTE Sem-I/2023*, signed by each Estate Manager. Based on field observation at *Wilayah Timur* Estate, there is found boundary poles No. 07, 08, and 09 in good condition and can be seen from a distance of 10 meters and still in accordance with the initial coordinates. No planting beyond these legal boundaries.	
Criterion 2.2: All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.		
2.2.1	**A list of contracted parties is maintained.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company (estate and mill) has maintained a list of contractors who has a contract with the company, and recorded in documents of *Daftar Kontraktor PT ANJA,* Juli, 2023, and *Daftar Supplier TBS*, 2023 for FFB supplier. The list includes information about operational services of the contractors such as FFBs' transporter, CPO & PK transporter, road maintenance, supplier type, etc. The list also consist of name of contract holder, location, contract number, job title, phone number and contract period. Based on review of contractual agreement (see contract No. 135/GM/ANJA-BNG/Aplikasi Polen/VI-2023 and contract No. 055/GM/ANJA-BNG/SPK/Untuk Kebersihan PKS/II-2023 for examples), and interview with contractor workers, the type of contract that exist is a renewable contract, and contractors employ temporary worker.	
2.2.2	**All contract, including those for FFB supply, contain specific clause on meeting relevant legal requirements and this can be demonstrated by the third party.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on documents review of the contractor listed in indicator 2.2.1, there are contractual agreements contain specific clauses that comply with legal requirements, such as contract period, job location, contract value and tax, payment, contract discontinuance, penalty, manpower, job equipment, worker protection, legal requirements and ethical business, force majeure, confidentiality, communication and consultation, and complaint resolution (see contract No. 135/GM/ANJA-BNG/Aplikasi Polen/VI-2023, contract No. 055/GM/ANJA-BNG/SPK/Untuk Kebersihan PKS/II-2023, contract No. 1102/COM/ANJA/2021 regarding *Perjanjian Jual Beli Tandan Buah Segar,* contract No. 1106/COM/ANJA/2021 regarding *Perjanjian Jual Beli Tandan Buah Segar* for examples). To ensure that compliance is met by the contractors, the company has evaluated contractors performance using Form *Evaluasi Penilaian Kontraktor*, consist of safety obligation, adequate working equipment, time management, quality management, supervision, housekeeping, etc. Evaluation used scale 1 to 10 where 1 is bad and 10 is excellent (see documents of *Evaluasi Penilaian Kontraktor PT Gunung Mulia Sentosa,* August 04, 2023, and *Evaluasi Penilaian Kontraktor PT Gumana Sakti Persanda,* August 04, 2023 for examples).	
2.2.3	**All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Contractual agreement mentioned in indicators 2.2.1 and 2.2.2 contained specific clauses about disallowing child, forced and trafficked labour. Based on interview with contractor workers, confirmed there is no child labor and no forced and trafficked labor in the plantation and mill operation. To ensure that compliance is met by the contractors, the company has evaluated contractors performance using Form *Evaluasi Penilaian Kontraktor,* which mentioned in indicator 2.2.2.	
Criterion 2.3: **All FFB supplies from outside of the unit of certification are from legal sources.**		

2.3.1	For all directly sourced FFB, the mill requires: - Information regarding the geolocation of FFB origins; - Proof of ownership status, right/claim of the land by grower/smallholder; - If relevant, valid planting/operational/trading license, or is part of a cooperative which allows the buying and selling of FFB.	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company (Binanga Mill) receive directly FFB from three owned estates i.e., East Estate, Central Estate and West Estate. All estates had adequate documented information in relation to land tenure document (Indicator 4.4.1), geo location (table.1) and operational permit (Indicator 2.1.1).	
2.3.2	**For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in indicator 2.3.1**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company (Binanga Mill) also received indirectly FFB from third party's supplier. There are 6 suppliers that have contracts to supply FFB to Binanga Mill i.e., MSP, UD Siti Aman Siregar, UD Maju Bersama, UPR, Koperasi Perkebunan Aek Ela, and CV HSR (see document of *Daftar Supplier TBS PT ANJA Tahun 2023,* which includes a list of suppliers, plantation area, address, contract number, contract validity period, and geo location of the supplier plantation). All suppliers can show their valid trading licence. The FFB trade chain to Binanga Mill is quite long. The supplier gets FFB from the middleman, who collects the FFB from smallholders scattered in various places (see document of *Daftar Petani Pemasok TBS Luar, 2023* and document of Master list traceability *petani* ANJA, update 2023). In both documents, every smallholder's plantation who supply FFB to the middleman have listed geo location and proof of the ownership status of the land (for example see document of land ownership certificate No. 66 on behalf of GR, July 13, 2018). From the results of the identification the geo-locations of FFB origins recorded in the document, it is known that there is still FFB from plantation located in a forest area. The reason the company accepts the FFB is related to social issues. If the acceptance of FFB is stopped, there is a high probability of social upheaval and complaints from farmers managing the land. This was also confirmed during interviews with farmers. In addition, the company also has plans to legalize and certify all their FFB sources before 2030, including no longer accepting FFB originating from areas that are in forest areas (see document of Traceability & Smallholder Development Program PT ANJA, update August 15, 2023).	

Principle 3: Optimise Productivity, Efficiency, Positive Impacts and Resilience		
Criterion 3.1: There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.		
3.1.1	**A business or management plan (minimum of three years) is documented and where applicable, includes a jointly developed business case for Scheme Smallholders.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has a long term working plan for at least three years under document ANJA Financial Projection 2022 - 2026 This document explained the area statement, crop projection, Oil Extraction Rate, Kernel Extraction Rate, and Cost of Production. The cost of production has been reviewed and compared against expenditure each year with projects in place for future years. This includes production costs per tonne of Crude Palm Oil The plan is reviewed on at least once a year during management review on 18 July 2023. The plan includes: Ensuring sourcing best quality planting materials with improved yields, FFB trends taking into consideration replanting, crop maturity and future extraction rates.	
3.1.2	**An annual replanting programme projected for a minimum five years with yearly review, is available.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company has a replanting program for 5 years (year 2019 to 2025) (Ref Doc Operational Projection). Replanting Program for Planted Year 1992 - 1998, as shown below:	

Program	2023	2024	2025	2026	2027
Replanting (Ha)	769.62	747.98	749.74	758.81	748.80
% Replanting	8.28	8.05	8.07	8.17	8.06

<table>
<tr><td></td><td colspan="2">The replanting program is also being reviewed during annual management review on 18 July 2023.</td></tr>
<tr><td>3.1.3</td><td>The unit of certification holds management review at planned term according to the scale and nature of the activities undertaken.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">The company has made management review to monitoring effectiveness of operational and RSPO implementation. The realization of management review has been conducted on 18 July 2023 that attended by all staff both mill and estate. The result of management review has been documented in the Management Review document. The point of management review such as, Internal audit result, feedback of customers, operational, recommendation for improvement, and etc.</td></tr>
<tr><td colspan="3">Criterion 3.2: The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.</td></tr>
<tr><td>3.2.1</td><td>The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impact and opportunities of the unit of certification.</td><td><i>Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">There are several continuous improvement that implemented in this company, such as:
- Biological control using host plant and barn owl to reduce the use of pesticide.
- The use of renewable energy such as shell and fiber to reduce fossil fuels
- Monitoring of waste management through WWTP pond management
- Biological control of oil palm leaf-eating caterpillars (UPDKS) by planting and maintaining (conserving) host plants for natural enemies of leaf-eating pests
- The “OHS Reward n Punishment” activity, which is a quarterly activity of evaluating the EHS index in each department of the certification unit, for the one who gets the lowest score will be given a Reward n Punishment (RnP).
- Electronic plantation management system.</td></tr>
<tr><td>3.2.2</td><td>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat by Certification Body during Annual Surveillance Assessment by using the RSPO metrics template.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">Based on document verification, for The RSPO metric template version 2.1, it was observed that the company has present an annual data 12-month periods January to December 2022 including the data of peat area, pesticide usage, average LTIFR (Lost Time Injury Frequency Rate) and fresh water usage.
Certification Unit already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The data presented can be ascertained in accordance with the existing raw data.</td></tr>
<tr><td colspan="3">Criterion 3.3: Operating procedures are appropriately documented, consistently implemented and monitored.</td></tr>
<tr><td>3.3.1</td><td>Standard Operating Procedure for the unit of certification are in place</td><td><i>Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">During surveillance audit period 2023, auditor has verified all of the SOP for Mill and Estate. There is no update or revised of content for all SOP. Company has policy, manual, procedures, work instruction, management plan, internal memo and records for plantation and mill and it was documented. Documentation system procedure (SOP-SCD-01) consist of document approval level, code of department, code of document, identity of document, document control, record control, complete of information on document, numbering system on document, etc. All document system has provided on working areas/keeping areas. The procedures have been covering all main activity such as harvesting, transportation, manuring, IPM, best practice and supply chain. Based on visits to plantation and mill, the location has provided each the procedures. All of SOP has been summarized on document “Masterlist SOP PT ANJA Tahun 2023” updated on 01 February 2023.

All policies and procedures have been stated on master list of document (FRM-SOP SCD 01-01). Some policies and procedures (standard of procedure (SOP) for all operational activities such as:
• Agronomy Procedure consist of: SOP of road construction and estate lay out (SOP-AGR-01), SOP of LC with zero burning (SOP-AGR-03), SOP of soil and water conservation (SOP-AGR-05), SOP of nursery (SOP-AGR-07), SOP of muccuna planting (SOP-AGR-08), SOP of fertilizer and manuring (SOP-AGR-11), SOP of harvesting preparation (SOP-AGR-15), SOP of IPM (SOP-AGR-20), SOP of replanting (SOP-AGR-28) etc.</td></tr>
</table>

- Sustainability Compliance Procedure consist of: SOP of documentation system (SOP-SCD-01), SOP of HCV and buffer zone (SOP-SCD-02), SOP of Internal audit management system (SOP-SDD-03), SOP of GHG (SOP-SCD-04), SOP of Traceability (SOP-SCD-05), SOP of Mass Balance (SOP-SCD-06), SOP of calibration (SOP-SDD-12), SOP of emergency response etc.
- Environment, Health and Safety Procedure consist of: SOP of safety for spraying worker (SOP-EHS-001), SOP of safety for harvesting worker (SOP-EHS-003), SOP of waste management plan (SOP-EHS-008), SOP of LB3 handling (SOP-EHS-009), SOP of identification of hazardous and risk assessment (SOP-EHS-019) etc.
- Clinic Procedure consist of: SOP of health service about outpatient, inpatient and referral (SOP-BP-01), SOP of health service for emergency condition (SOP-BP-02), SOP of health logistic (SOP-BP-03), SOP of medical check up for employee (SOP-BP-04) etc.
- HR & GA Procedure consist of: corporate policy of training (014/HR&GA/CP/Training/07-2007), corporate policy of PPE (CP-HR&GA-027) etc.
- Central Workshop & Transport Procedure consist of: SOP of road maintenance (SOP-CWT-001), SOP of central workshop (SOP-CWT-002) and SOP of transport management (SOP-CWT-003).
- Mill Procedure consist of: SOP of FFB receipt station (ST.01/Eng-RCT); SOP of sterilizer station (ST.02/Eng-STR), SOP of Threshing station (ST.03/Eng-THRS), SOP of Kernel station (ST.06/Eng-KRN), SOP of circulation and transferring CPO in storage tank (ST.24/Eng-LAB), SOP of Dispacth CPO and Kernel (ST.14/Eng-DPCT) etc.
- Purchasing Procedure consist of: SOP of product request by Medan/Jakarta office (No.I), SOP of location of buying/requesting product (No.II), SOP of product purchasing (No.III), SOP of requesting and buying of fertilizer (No.IV), SOP of CAPEX and purchasing flowchart (No.V).
- Finance and Accounting Procedure consist of: SOP of operation procedure (ANJA-CEO-SOP 01), SOP of conflict interest (SOP-CEO-SOP 02), SOP of preparation of annual budget (ANJA-CEO-SOP03), SOP of font standard, cost/data write system, stock code, account/description code and terminology (ANJAF&A-SOP28), SOP of requirement for FFB supplier (ANJA-F&A-SOP31) etc.
- Legal Procedure consist of: SOP of evaluation of compliance regulation & law (SOP-Leg-01), SOP of communication & information dissemination (SOP-Leg-02), SOP of handling of different opinion with community and land conflict/dispute (SOP-Leg-03).
- Civil Engineering Procedure consist of: SOP of brick and plaster work (SOP-CE-02), SOP of grouting work (SOP-CE-03), SOP of harvesting bridge (SOP-CE-04) etc.
- Training Procedure consist of: SOP of training (SOP-PDV-01)

Based on interview and site visit to Mill (Sterilizer Operator, Boiler Operator and Grading employee) and to Estate (Spraying Operator and Harvesting employee of all estate) has indicated satisfactory level of understanding and implementation in relation to their respective job function.

3.3.2 | **A mechanism to check consistent implementation of procedure is in place.** | *Non-Critical*

Findings | In compliance: | Yes: | X | No: |

Objective evidence:

The company has conduct annual Internal Audit for Estate and Mill operation. Audited by Group Internal Audit Department, where the focus of audit scope is the implementation of SOP, both for estate, mill, finance including contractor. The Latest operations internal Audit for PT ANJA was 17 June – 6 July 2023, completed with Report, Findings, Corrective Action and Due Date of Finding Closure. The unit of certification also evaluates the contractors that have been mentioned in indicator 2.1.2 and 2.2.2

For internal audit regarding management system, the company has the procedure to conduct annual internal audit which describe in SOP Internal Audit Management System (SOP-SCD-03) revision 1 dated 27 November 2017 covering all audit for sustainable palm oil management system such as RSPO P&C, SCCS and also ISPO. The latest RSPO internal audit conducted on 8 – 11 March 2023 and 20 – 24 March 2023.

3.3.3 | **Records of monitoring and any actions taken are maintained and available.** | *Non-Critical*

Findings | In compliance: | Yes: | X | No: |

Objective evidence:

Action taken has been carried out by the company regarding the finding from internal audit as mentioned on indicator 3.3.2. Sighted under document "Review Internal Audit" no. 18/GIA-REG/ANJA/VI/2022 dated 31 October 2022. There are several findings during internal audit, and all of the findings are sufficiently corrected and discussed during annual Management Review.

To ensure that compliance is met by the contractors, the company has evaluated contractors performance using Form *Evaluasi Penilaian Kontraktor*, consist of safety obligation, adequate working equipment, time management, quality management, supervision, housekeeping, etc. Evaluation used scale 1 to 10 where 1 is bad and 10 is excellent (see documents of *Evaluasi Penilaian Kontraktor PT Gunung Mulia Sentosa,* August 04, 2023, and *Evaluasi Penilaian Kontraktor*

PT Gumana Sakti Persanda, August 04, 2023 for examples)

Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management andmonitoring plan is implemented and regularly updated in ongoing operations.

3.4.1	**SEIA in new planting or operation including mills, is conducted independently and participatively by involving the affected stakeholders, inclusive of impact assessment from the smallholder/outgrower scheme (if any). The assessment is to be documented.**	*Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

EIA

The company already has EIA Assessment (AMDAL) which is consist of KA-ANDAL, ANDAL, RKL and RPL. KA-ANDAL has been approved by Governor of Sumatera Utara based on letter number 152/BA 5/VII/1994 dated 25 July 1994, while for ANDAL, RKL and RPL have been approved by Governor of North Sumatera based on letter number 08/ANDAL/RKL/RPL-BA/I/1998 on March,11 1998 about approval of the ANDAL and RKL-RPL PT Eka Pendawa Sakti in the Barumun Tengah, South Tapanuli Regency, North Sumatra Province with a scope document is 10,000 ha of palm oil plantation and factory capacity is 60-90 tons FFB/hour. Then, as time went on, there were changes and additions to activities carried out by PT ANJ outside the scope of the AMDAL study that had been carried out, such as changing the name of the company to PT ANJ, replanting activities, and others. In this regard, PT ANJ's management prepared an *Dokumen Evaluasi Lingkungan Hidup* (DELH) and obtained an Environmental Permit Number 660/2000/DIS PM PPTSP/5/IV.1/XI/2019 dated 12 November 2019 which covers an area of oil palm plantations area of 9,411.95 Ha and Mill with a capacity of 60 tons of FFB/hour.

In the document above, there is information related to environmental aspects and parameters that must be managed and monitored along with information on targets and implementation time included in the RKL-RPL matrix. The document also covers all aspects of plantation and mill activities and changes during operational activities. The sampling methodology used is participatory involving groups of external stakeholders with the aim of identifying the impacts. Based on the verification of these documents, it can be concluded that all environmental impacts from plantation and mill activities have been identified. The document contains management and monitoring recommendations with reference to relevant laws and regulations.

High Conservation Value

The HCV assessment was carried out by the company in 2011 by PT FCG (Focus Consulting Group) and led by approved HCV assessor Ir. Siswoyo, Msi. The HCV assessment covers the PT ANJ Agri Binanga concession area of ± 9,934.77 Ha. Total identified HCV area is 324.58 Ha or 3.27% of total PT ANJ Agri area with details :

- East Estate was found to have HCVs 1.3; 4.1; 6 with total HCA area 118.78 Ha
- Central Estate was found to have HCVs 1.3; 4. with total HCA area 153.10 Ha
- West Estate was found to have HCVs 1.3; 4.1 with total HCA area 52.70 Ha

The HCV Assessment document explains the impact arising from plantation activities on protected flora and fauna. The HCV assessment also involves several affected parties, both internal and external stakeholders. Participatory evidence with affected parties is shown in the form of attendance list at the FGD meetings and implementation photos. The report also contains a table for the Management and Monitoring Plan for High Conservation Value Areas which contains recommendations for the management of all identified HCV areas.

Social Impact Assessment

Based on document review and interview with community representative of Huta Baru Village and Tobing Tinggi Village, the company has Social Impact Assessment (see document of The Social Impact Assessment Report of PT ANJA, prepared by Focus Consulting, 2013).

The assessment was identified the negative and positive impact and covering all potential impact factor, such as access to use rights, economic livelihood and working condition, subsistence activities, cultural and religious value, health and education facilities, local business opportunities including the impacts of smallholder and land tenure problems.

The assessment involved participation of affected parties (public figure, women group, head of villages, head of cooperative, paramedic, workers, etc) as recorded of focus group discussion during the assessment in several villages (i.e., Ramba, Tarutung Shihidahhoda, Pulo Bariang, Pasir Pinang, Mandasib, Huta Baru, Huta Pasir, Aer Galah, Aek Raru, Janji Matogu, and Simangambat Julu).

The company also conduct Social Maping for Community Development by Social Investment Indonesia Foundation in October 2018, involving communities in Mandasip Village, Aek Raru

Village, Tobing Jae Village, and Tarutung Sihoda-hoda village. Social mapping is then updated again on 2022 prepared by Sucofindo covering community in Huta Baru Village, Mandasip Village, Tobing Jae Village, and Tarutung Sihoda-hoda Village. This activity was carried out to identify stakeholder networks, potentials, and social problems that exist in these villages (see document of Laporan Update Pemetaan Sosial Tahun 2022).

3.4.2	**For the unit of certification, a SEIA is available and social and environmental management plan and its monitoring havebeen developed with participation of affected stakeholders.**	Non-Critical

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

The Social Impact Assessment document described in the previous indicator included a management and monitoring plan (look in Chapter 10 Social Management Plan, and Chapter 11 Conclusions and Recommendations).

Management and monitoring plan involved participation of affected parties (public figure, women group, head of villages, head of cooperative, paramedic, workers, etc) as recorded of focus group discussion during the assessment in several villages (i.e., Ramba, Tarutung Shihidahhoda, Pulo Bariang, Pasir Pinang, Mandasib, Huta Baru, Huta Pasir, Aer Galah, Aek Raru, Janji Matogu, and Simangambat Julu).

There was a timetable and responsibilities for implementation plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive impacts.

Documented record to outline the plan on mitigation, implementation, and monitoring according to the SIA report recorded in several documents i.e., Realization of Management Plan CID, 2023, and *Laporan Kegiatan* Community Involvement and Development/External Affairs, January-June 2023.

These documents detail each activity to mitigate negative social impacts, such as programs to improve the community's economy through empowering chicken and fish farming groups, improving community health through programs providing additional food for children, etc.

The company also has made efforts to manage and monitor environmental impacts. Some evidence of documentation of activities that have been carried out are as follows:

Environmental Impact Assessment (EIA)

The company already has an RKL RPL matrix document which contains parameter information that must be managed and monitored along with a description of the target and implementation time. The method for compiling or taking samples of environmental documents (including RKL-RPL) is also conducted by participatory method involving groups of external and internal stakeholders with the aim of identifying the resulting impacts.

Based on the results of verification of the RKL-RPL Report Semester 2 of 2022 and Semester 1 of 2023, it is known that the company has made efforts to manage and monitor environmental impacts. The impact parameters that are managed and monitored such as:

- Decreased river water quality
- Erosion
- Air quality and noise
- Emissions management
- Community relations/employment opportunities
- Disturbance to biodiversity
- And others

The company has also evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005. Based on the test results it is known that all parameters are in accordance with the applicable Quality Standards. However, from the results of interviews, document analysis and observations there was no environmental pollution in the area around the company.

Based on the results of field observations and interviews with workers, it is known that the company has carried out environmental management such as:

- Do not carry out chemical application activities in riparian areas or conservation areas. This is known from the results of field observations and the results of interviews with spraying and fertilizer workers. Based on the results of interviews with sprayer and fertilization officers, they stated that they were aware of the ban on the use of chemicals in the buffer zone
- Utilizing palm oil mill solid waste as a substitute for fertilizers and fossil fuels
- The results of observations of the WWTP known that there was no indication of waste runoff into the environment

- The results of observations of the Land Application show that there is no runoff into water bodies.
- And others.

The company has also prepared an RKL-RPL report every semester which refers to the RKL-RPL matrix it has. Environmental management reports are carried out every 6 months and submitted to the relevant agencies. For example the RKL-RPL Semester 1 of 2023 report which was sent to the Environment Office on July 14, 2023. The company has also shown an electronic receipt for the RKL-RPL report submitted through the *SISTEM INFORMASI PELAPORAN ELEKTRONIK LINGKUNGAN HIDUP* (SIMPEL)

In addition, from the interview results with stakeholder such as workers and village representatives, also known that there were no issues or reports related to environmental pollution.

Based on document review and interview with community representative of Huta Baru Village and Tobing Tinggi Village, the company has Social Impact Assessment (see document of The Social Impact Assessment Report of PT ANJA, prepared by Focus Consulting, 2013).

The assessment was identified the negative and positive impact and covering all potential impact factor, such as access to use rights, economic livelihood and working condition, subsistence activities, cultural and religious value, health and education facilities, local business opportunities including the impacts of smallholder and land tenure problems.

The assessment involved participation of affected parties (public figure, women group, head of villages, head of cooperative, paramedic, workers, etc) as recorded of focus group discussion during the assessment in several villages (i.e., Ramba, Tarutung Shihidahhoda, Pulo Bariang, Pasir Pinang, Mandasib, Huta Baru, Huta Pasir, Aer Galah, Aek Raru, Janji Matogu, and Simangambat Julu).

The company also conduct Social Mapping for Community Development by Social Investment Indonesia Foundation in October 2018, involving communities in Mandasip Village, Aek Raru Village, Tobing Jae Village, and Tarutung Sihoda-hoda village. Social mapping is then updated again on 2022 prepared by Sucofindo covering community in Huta Baru Village, Mandasip Village, Tobing Jae Village, and Tarutung Sihoda-hoda Village. This activity was carried out to identify stakeholder networks, potentials, and social problems that exist in these villages (see document of *Laporan Update Pemetaan Sosial Tahun 2022).*

3.4.3	**The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in participatory way.**	*Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

<u>Environmental Impact Assessment (EIA)</u>

Based on the results of verification of the RKL-RPL Report Semester 2 of 2022 and Semester 1 of 2023, it is known that the company has made efforts to manage and monitor environmental impacts. The impact parameters that are managed and monitored such as:

- Decreased river water quality
- Erosion
- Air quality and noise
- Emissions management
- Community relations/employment opportunities
- Disturbance to biodiversity
- And others

Based on the results of field observations and interviews with workers, it is known that the company has carried out environmental management such as:

- Do not carry out chemical application activities in riparian areas or conservation areas. This is known from the results of field observations and the results of interviews with spraying and fertilizer workers. Based on the results of interviews with sprayer and fertilization officers, they stated that they were aware of the ban on the use of chemicals in the buffer zone
- Utilizing palm oil mill solid waste as a substitute for fertilizers and fossil fuels
- The results of observations of the WWTP known that there was no indication of waste runoff into the environment
- The results of observations of the Land Application show that there is no runoff into water bodies.
- And others.

The company has also evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005. Based on the test results it is known that all parameters are in accordance with the applicable Quality Standards. However, from the results of interviews, document analysis and observations there was no environmental pollution in the area around the company.

The company has shown the RKL-RPL implementation report which has been submitted to the relevant agencies periodically. From the verification of the RKL-RPL implementation report, for example : RKL-RPL implementation report semester 1 of 2023, it is known that there are several impacts that have not been explained in the document in accordance with the RKL-RPL matrix. However, the Company has demonstrated the management and monitoring realization for impacts that have not been explained in the RKL-RPL Implementation Report to the auditor team (separately). In this regard, the Company has the opportunity to ensure that the RKL-RPL Implementation Report has been prepared in accordance with the RKL-RPL matrix it has (OFI)

In addition, the company also conducts a participatory review of environmental management involving the Environment Office of Padang Lawas Utara Regency on a regular basis (every year). The company showed the Minutes of Supervision of Environmental Law Enforcement at PT ANJ Agri Binanga on July 26, 2023. The supervision activities were carried out by members from the Environment Office of Padang Lawas Utara Regency. From the monitoring results, it is known that there are several suggestions/recommendations for environmental management. In this regard, the company has presented a Follow-up documentation on the results of environmental monitoring which shows that suggestions/recommendations from the results of supervision carried out by Environmental Agency have been followed up by the company. In addition, PT ANJ Agri Binanga also received a Gold Proper for 2022 which is the highest award for environmental management from the Ministry of Environment and Forestry.

Periodically, the management and monitoring plan is updated and reviewed every 2 years (see document of Review Social Impact Assessment, 2023, document of *Matriks Penilaian Dampak Sosial Perkebunan Sawit PT ANJA Binanga, 2022,* document of Realization of Management Plan CID, 2023, and document of *Laporan Kegiatan* Community Involvement and Development/External Affairs, January-June 2023).
The last review was conducted by involving communities (see document of *Berita Acara Pertemuan Dengan Pemangku Kepentingan Eksternal,* December 19, 2022). The results of the participatory impact assessment are used as basis for developing that management and monitoring plan for the next year.

The last review discusses land conflicts issues that have been resolved, socio-economic issues, and issues of community employment and business opportunities (see the documents for detail).

Periodically, the management and monitoring plan is updated and reviewed every 2 years (see document of Review Social Impact Assessment, 2023, document of *Matriks Penilaian Dampak Sosial Perkebunan Sawit PT ANJA Binanga, 2022,* document of Realization of Management Plan CID, 2023, and document of *Laporan Kegiatan* Community Involvement and Development/External Affairs, January-June 2023).
The last review was conducted by involving communities (see document of *Berita Acara Pertemuan Dengan Pemangku Kepentingan Eksternal,* December 19, 2022). The results of the participatory impact assessment are used as basis for developing that management and monitoring plan for the next year.

The last review discusses land conflicts issues that have been resolved, socio-economic issues, and issues of community employment and business opportunities (see the documents for detail). During the review, it was also dicussed regarding the FFB that supplied from the forest area. The company and the stakeholder has a plan to legalize and certify all their FFB sources before 2030. Including the discussion of the possibility not to received the FFB from the forest area and a mitigation plan if there will be a potential social conflict in the future.

For this indicator, the company has the opportunity to improve the management of negative social impacts by identifying more broadly and in depth the latest unrecorded social problems such as drug use in the community. This condition raised as an OFI due to during observation and interview with relevant stakeholders, no drugs cases has occurred during past couple of years.

Criterion 3.5: A system for managing human resources is in place.						
3.5.1	**Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives in accordance with the applicable regulation.**					*Non-Critical*
Findings	In compliance:	Yes:	X	No:		
Objective	Company has employment procedures written in some documents, such as:					

evidence:

- SOP Recruitment No. SOP-HRCM-002 which was approved by ANJ Group's Directors on November 1st, 2019
- SOP No.018/HR&GA/CP/05-2019 regarding recruitment, selection, mutation, promotion and demotion, dated on May 2009
- Company Regulations for the period 2023 – 2025 which are legalized by Manpower Ministry of Republic Indonesia through decree No. KEP.4/HI.00.00/00.0000.230301004/B/VI/2023 on 20 June 2023. The document explains all regulations related to employment aspects, such as hiring and hiring workers, probationary periods, transfers, promotions, demotions, pensions, termination of employment and others.

In the procedure, it is explained that the minimum age for workers is 18 years, recruitment information is carried out openly, recruitment is free of charge, there is no retention of workers' personal documents, and the mechanism for employee recruitment through the administrative selection stage, written test/field practice, interviews and medical examination results. Likewise, employee promotions are assessed through the stages of performance evaluation based on competence, ability, attendance, etc. In addition, pensions and layoffs for employees are carried out based on the applicable labor laws and regulations. The procedures and company regulation has made in accordance with the applicable regulations.

The company procedures is one of the public document and it can be accessed by stakeholders. Based on interview with workers in estates and mill, it is known that they understand about labor procedures that applied in the company.

3.5.2	**Employment procedures are implemented, and records are maintained.**	*Non-Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

Company has recorded the implementation of employment procedure, for example:

- Company showed the recruitment letter on behalf YM submitted to PT ANJ Agri Binanga on 20 February 2023. Worker also attached document such as CV, ID card, family card, and health certificate from public health center. Then company showed the agreement of PKWTT No. 047/ANJA/HR/PKWTT/II/2023 issued on February 2023 signed by worker YM and PT ANJ Agri Binanga. On May 2023 company conduct performance assessment and on 29 May 2023 appointed as permanent worker according to decree letter about promotion.
- The company showed an example of a mutation letter No. 445/HR/SK/Mutasi/VIII-2023 dated 19 August 2023 for maintenance employees with employee number AA/AA21/0312/117. The employee was transferred from a maintenance employee in Division C East Estate to become a FFB helper in Division A East Estate. The transfer is effective on September 1, 2023.
- The company showed a document of compensation for termination of employment on behalf of S (AA/AA31/0797/26) which was approved and signed by the employee on July 12, 2023. There is also proof of payment of pension compensation dated July 12, 2023.

From interview with workers and representative of labor union, it is known that company has implemented the employment procedures such as recruitment, promotion, and termination in accordance with applicable regulation Based on explanation above, it can be concluded that company has implemented the work procedures and documented for each employee.

Criterion 3.6: An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.

3.6.1	**All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.**	Critical

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

All operational activities risk has been assessed and put in the document of Hazard Identification, Risk Assessment and Risk Control (IBPPR, Identifikasi Bahaya, Penilaian dan Pengendalian Risiko) latest update on 30 May 2023. Guidance for HIRAC has been described on procedure of hazard identification and risk assessment (SOP-EHS-019).

The document describes the description of every operational activity, potential hazards, risk assessment and risk control/risk mitigation. The document describes the type of work, potential hazards/ risks that will arise, effects and risk categories, as well as risk control. This assessment covers all hazards and risks in mill and estate, such as herbicide application, fertilization, harvesting, slashing, landscaping, FFB loading, transportation, desilting, thinning & care, pest and disease control, warehouses and so on. As for the Mill such as FFB loading, boiler station, engine room, sterilizer station, WWTP, WTP and etc

The company demonstrates its mitigation plans and procedures through its OHS Policy document which explains that the certification unit is committed to providing a healthy, safe and conducive work environment for employees, contractors and visitors in carrying out activities, projects and

	programs across estate, mill and offices. In addition, the certification unit has also established procedures to mitigate OHS problems in all operations, including SOPs for First Aid in Accidents and SOPs for Personal Protective Equipment. In addition, the certification unit has also prepared OHS Committee programs, such as regular OHS Committee meetings, HIRAC evaluations, employee periodical MCU, FR/ SR work accident data, OHS Committee quarterly reporting and others. During observation on harvesting and spraying activity on East, Central and West Estate and also Binanga Mill, it was observed that the employees are aware of the risk during working time and the mitigations are well socialized.	
3.6.2	**The effectiveness of the H&S plan to address health and safety risks to people is monitored**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Occupational health and safety (OHS) procedure is remained unchanged sighted under document No. SOP-EHS-01. The procedure was displayed at strategic locations of estate and mill and communicated to employees including contractor workers. The Health and safety policy was signed by on 15 November 2021. To monitoring the effectiveness of the H&S plan, the company formed a P2K3 team with detail as follow: The P2K3 structure was issued by the Head of the Office of Manpower No. 182-7/DTK-SU/WIL.V/2022, on March 15, 2022 and valid for 2 years. The secretary is Mr. Adil Situmorang which has the license of General H&S Expert from Ministry of Manpower The P2K3 team makes OSH working plan every year. The company has been monitored the OSH working plan and OSH implementation by all member of P2K3 at monthly meeting P2K3. Sample reports reviewed for meeting during January – July 2023. The actions implemented were monitored and reported to management and local authority. Concerns of all parties about health, safety and welfare were discussed at the meeting such as: review of accident, PPE Checklist update, internal audit result and incident investigation. During observation on East Estate on 23 August 2023 on spraying, manuring and harvesting activity, it was observed that the monitoring of health and safety are well implemented. The sample of interviewed employees are well understood regarding of risk mitigation during working activity. Auditor also observed the implementation of the H&S Plan for contractor workers. Based on observation and interview, it was confirmed that the contractor workers are well understood regarding the H&S policy and the implementation during visit to estate and mill of PT ANJA Verification of previous OFI on latest surveillance audit: The company has defined a ratio of fire extinguisher for workers's housing closing. Based on company OHS expert, one fire extinguisher cover 6 houses. Based on observation on housing complex in East, West and Central Estate, it was observed that the APAR placement was inline with the assessment of OHS Expert. The company also conduct an assessment regarding the fire equipment on housing complex. It was observed that the company need to have some fire equipment such as water pump, hose 2.5" and 1.5", Y Connector and nozzle fog. All of those equipment are already available on each housing complex based on observation and document "Berita Acara Serah Terima Peralatan Damkar" dated 30 March 2023	
Criterion 3.7: All staff, workers, Scheme Smallholders, outgrowers and contract workers are appropriately trained.		
3.7.1	**A documented programme that provides training is in place, which is accessible to all staff, workers, scheme smallholders, and outgrowers taking into account gender-specific needs, and which covers applicable aspects of P&C Principles, in a form they understand and includes assessment of the training**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The certification unit has established the annual training program for each unit including scheme smallholders, out growers and contractors. The training program covers all operational and RSPO aspects, such as agronomic best practices, chemical/ pesticide handling, OSH, and the environment. Further explained that there is no gender discrimination in the program but based on the operational and previous evaluation. The certification unit in this case shows the 2022 training program document which is based on an analysis of employee training needs. The training is carried out interactively by the trainer or supervisor through presentations and hands-on practice to increase participants' understanding. The training program covers the following aspects: a. Training on the Use of the First Aid Kit.	

b. Harvest Training.
c. FFB Grading/Quality Training.
d. Spray Training and Spray Equipment Calibration.
e. Fertilization Training.
f. PPE Use and Care Training
g. OHS training.
h. HCV socialization.
i. Corporate Policy Socialization.
j. Harvest Administration Training.
k. Socialization of Handling Sexual Harassment.
l. Socialization of Separation of Organic and Inorganic Waste.
m. Hazardous Waste Handling Training.
n. IPM training.
o. LSU training.
p. WTP training.

Based on interviews with labor union and workers such as warehouse officer, harvesters, and mill worker stated that the company had provided training or socialization regarding work procedures for each worker in bahasa and understood by the workers. In addition, during interview with workers, it was also conveyed that the worker has been given training by company. As for the training program which involve contractors such as SOP socialization and training related to OHS. Based on interviews with workers and contractors, known that workers and contractors can explain the training that has been obtained such as work procedures and OHS implementation.

3.7.2 **Records of training are maintained, where appropriate on an individual basis.** *Non-Critical*

Findings In compliance: Yes: No:

Objective evidence:

The company shows training documents to employees and contractor during period 202 with sample as follows:

- Environment policy & zero burning training on 08 February 2023 at the West Estate Office. The company can show documentation and attendance list for the training.
- Safety spraying simulation on 08 April 2023 took place at Central Estate. Attended by 28 Spraying employee
- Hazardous waste handling and management training and simulation of hazardous waste spill handling on 24 March 2023 at Schedule Waste Storage. Attended by spraying foreman and the warehouse employee
- Socialization of HIRAC on 24 January 2023 in the East Estate.

Based interviews with management revealed that the certification unit compiled a training program based on work units. Based on field observations and interviews with estate and mill employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

3.7.3 **Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence:

The mill has been conducting the SCCS training to all personnel involved in RSPO SCC implementation. The latest was done in 20 June 2023, training given by knowledgeable trainer (Mr. Ilham Damanik / Sustainability Head Office). The personnel participated in the training are: mill manager, EHS, logistic, WB operator, Security, processing, sortation, purchasing, mill assistant, FFB Supplier and Mill Contractor.

Based on interview with WB operator and the mill security, it was confirmed that they have sufficient knowledge regarding company RSPO Supply Chain.

Criterion 3.8: Supply Chain Requirements For Mills

3.8.1 **<u>Identity Preserved Module</u>**

A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme.

Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill processes certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.

Findings In compliance: Yes: x No:

Objective evidence: Based on document review of FFB Supplier List, company received FFB from certified and uncertified source. Thus, Binanga POM applies the MB module.

3.8.2 **Mass Balance Module**

A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. 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.

Findings In compliance: Yes: X No:

Objective evidence: Based on document review of FFB Supplier List, company received FFB from certified and uncertified source. Thus, Binanga POM applies the MB module.

3.8.3 **The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification 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.**

Findings In compliance: Yes: X No:

Objective evidence: Below is last year projected certified volume that submit in palmtrace, actual production of certified volume during licensed period and also projection certified volume for next 12 months. The projection certified volume is estimated based on last year production and it will be reported to palmtrace.

Product	Last Year Projected Certified Volume (24 Nov 2022 – 13 Nov 2023) (Ton)	Actual production from Aug 2022 – July 2023 (Ton)	Projection certified volume (Ton) (12 months)
FFB	140,095.76	142,536.75	145,000
CPO	30,065.18	29,991.30	30,000
PK	7,468.14	6,555.42	7,000

Based on table above, there is overproduction of FFB and CSPO. This is caused by the period of actual production is longer than the license production. The last year certified volume started from 24 November 2022 – July 2023, however the actual production is taken from August 2022 – July 2023. If the actual production is calculated from November 2022, then there is no overproduction of certified product.

The actual production from November 2022 - July 2023 is:

FFB: 96,387.44 MT

CSPO: 19,364.27 MT

CSPK: 4,349.12 MT

3.8.4 **The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.**

Findings In compliance: Yes: X No:

Objective evidence: Unit management shows the registration and reporting requirements for the supply chain including:

- Member ID: RSPO_PO 1000000530
- Member Name: PT Austindo Nusantara Jaya Agri – Binanga Mill
- RSPO member number: 1-0032-07-000-00 (Austindo Nusantara Jaya Agri)
- Last license: CB140237

3.8.5 **Documented procedures**

	The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: **a) Complete and up to date procedures covering the implementation of all elements of the supply chain model requirements.** **b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).** **c) Identification of the role 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 mill's procedures for the implementation of this standard.** **d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.**	
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has Mass Balance Management SOP No. SOP-SCD-02 edition 2 dated 2 November 2021. The procedure has identified the people who are responsible for the requirements in the supply chain. The procedures established and covering all elements of the supply chain model requirements such as the announcement in RSPO Palmtrace not later than 3 months after despatch, receiving and recording that identify the traceability of RSPO certified and uncertified source and products, key persons such as weight bridge clerk, Administration Head, mill manager etc. ANJA Binanga POM using one models of SCCS (MB). In the SOP has been describes the key personnel involves and responsible, for example: • Field Assistant responsibility is to calculate, record and create FFB delivery note to mill. • Weighbridge clerk responsibility is to weighing all FFB transport and record in SAP. • Mill clerk responsibility is to manage all FFB received and dispatch data. He/she also responsible to input mass balance data. • Sustainability officer responsibility is to monitor mass balance data • Mill manager responsibility is to monitoring CPO/PK production, make CPO/PK projection, etc. Based on interview with supply chain PICs, they have understood the mechanism of supply chain in MB module.	
3.8.6	<u>**Internal Audit**</u> **i. The mill shall have a written procedure to conduct an annual internal audit to determine whether the mill;** **a) conforms to the requirements in the RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.** **b) conforms to the requirements in the RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.** **ii. Any non-conformities found as part of the internal audit shall be issued and required corrective action. The outcomes of the internal audits and all actions taken to correct non- conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.**	
Findings	In compliance: Yes: X No:	
Objective evidence:	The Procedure to conduct annual internal audit are describe in SOP Internal Audit Management System (SOP-SCD-03) revision 1 dated 27 November 2017 covering all audit for sustainable palm oil including SCCS. The scope of this SOP is all activities related to internal audit sustainability starting from the effectiveness of the RSPO, ISPO, SCCS and other certification systems that determined by company. In the SOP mentioned that internal audit is done annually, at least once a year. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The latest RSPO supply chain internal audit conducted on 8 – 11 March 2023 and 20 – 24 March 2023. All of supply chain standard and rules on market communication and claim has been assessed and there was no nonconformity related to supply chain.	

3.8.7 **Purchasing and Goods in**

i. **The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.**
ii. **The mill shall inform the CB immediately if there is a projected overproduction of certified volume.**
iii. **iii. The mill shall have a mechanism in place for handling of non-conforming FFB and/or documents**

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

Binanga POM record FFB received from certified and noncertified source for 12 months (August 2022 – July 2023), below is the details:

Month	FFB Certified (ton)	FFB Un-certified (ton)
August 2022	15,411.55	14,496.55
September 2022	14,330.31	15,154.99
October 2022	16,407.45	16,535.63
November 2022	15,767.95	16,727.75
December 2022	14,240.49	15,765.62
January 2023	10,629.50	11,300.10
February 2023	8,412.81	8,074.17
March 2023	8,253.78	6,931.84
April 2023	7,577.89	11,161.78
May 2023	9,563.82	14,559.45
June 2023	9,587.21	13,207.18
July 2023	12,353.99	15,651.52
Total	**142,536.75**	**159,566.59**

Based on table above, there is overproduction of FFB. This is caused by the period of actual production is longer than the license production. The last year certified volume started from 24 November 2022, however the actual production is taken from August 2022 – July 2023. If the actual production is calculated from March 2022, then there is no overproduction of certified product.

The actual production from November 2022 – July 2023 is:

FFB: 96,387.44 MT

Based on interview with weighbridge operator, there is a noncertified area in Central Estate (Division 13). From field observation to Division 13 block J24/J23, it is known that the block is separated by a trench and also the transportation of FFB from Division 13 is conduct separately from the certified source. Weighbridge operator showed the weigh slip from Division 13 and there is no sign of RSPO certified. The record of FFB from uncertified source also include in FFB uncertified.

Company also has mechanism for handling FFB and/or nonconforming documents which contained in Mass Balance Management SOP No. SOP-SCD-02 edition 2 dated 2 November 2021 and FFB Grading Procedure document No. ST 13/ENG-GRD revision 1 on June 2011.

3.8.8 **Sales and Goods Out**

The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):

a) **The name and address of the buyer;**
b) **The name and address of the seller;**
c) **The loading or shipment / delivery date;**
d) **The date on which the documents were issued;**
e) **RSPO certificate number;**
f) **A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations);**
g) **The quantity of the products delivered;**
h) **Any related transport documentation;**
i) **i) A unique identification number.**

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

Based on document verification it is known that there's CSPK and CSPO transaction on licenses period. The company shows documentation of certified products, such delivery order and buyer contract. These documents describe the names and contacts of the buyers and sellers, delivery dates, product descriptions, quality, quantity, member ID, and others. For examples:

CSPK

Delivery order No. 045/ANJA/VII/2023 about product selling of CSPK to PT Pelita Agung Agrindustri on 18 July 2023. This document informs about name and address of seller and buyer, product descriptions, quality, quantity, member ID, RSPO certificate number, unique identification number, etc. This delivery order has shipped on 20 July 2023 and company also showed the weighing slip No. 01354592. The weighing slip also inform about transportation details such as name of contractor and vehicle number.

CSPO

Delivery order No. 055/ANJA/PKS/VI/2023 about product selling of CSPO to PT Dumai Paricipta Abadi on 30 June 2023. This document informs about name and address of seller and buyer, product descriptions, quality, quantity, member ID, RSPO certificate number, unique identification number, etc. This delivery order has shipped on 3 July 2023 and company also showed the example of weighing slip No. 01350355. The weighing slip also inform about transportation details such as name of contractor and vehicle number

3.8.9 **Outsourcing Activities**

i. **The mill shall not outsource its milling activities. In cases where the mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification.**

ii. **The mill shall ensure the following:**
   - a) **The mill has legal ownership of all input material to be included in outsourced processes**
   - b) **The mill 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 mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.**
   - c) **The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.**
   - d) **The mill 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 all information, when this is announced in advance.**

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

CSPO and CSPK transportation is handled by third party, namely CV Mujur Trans as CSPO and CSPK Transporter and CV Usaha Bersama as CSPK Transporter. Company showed the agreement with contractor, such as:

- Work agreement No. 001/CPO/SC/ANJA/2021 and 1209/SC/ANJA/2021 between PT Austindo Nusantara Jaya Agri and CV Mujur Trans as CPO Transporter signed on 26 December 2021. This agreement is valid until 31 December 2023.
- Work agreement No. 1206/PK/SC/ANJA/2022 between PT Austindo Nusantara Jaya Agri and CV Usaha Bersama as PK Transporter signed on 26 December 2022. This agreement is valid until 31 December 2024.

Binanga POM also showed that the contractor is willing to be observed by Certification Body to verify the compliance of their respective operations, systems, and all information. Company also has ensure that the input material such as CSPO and CSPK that transported by the contractor come from legal source (the FFB source already has land legality). The procedure and mechanism related to supply chain has communicated to contractor through the work agreement.

There is no new contractor compared to previous audit. The contractor used by the Mill is the same as the previous assessment.

3.8.10 **The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.**

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

Company has list of contractors completed with name of contractor, contractor's address, email address, and number of contact person. Based on the list, there are 2 contractors for handling the certified product transportation namely CV Usaha Bersama and CV Mujur Trans.

3.8.11 **The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.**

Findings	In compliance:	Yes:	X	No:	

Objective evidence: There is no new contractor compared to previous audit. The contractor used by the Mill is the same as the previous assessment.

3.8.12 **Record keeping**

i. **The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.**

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

iii. **For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.**

iv. **For Mass Balance Module, the mill:**
   a) **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.**
   b) **All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
   c) **The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.)**

Findings	In compliance:	Yes:	X	No:	

Objective evidence: During assessment, Binanga POM has record of all CSPO and CSPK. The retention times for all records and report is 2 years. Based on field observation to weighbridge station, the record for dispatch of CSPO and CSPK from 2 years ago can be traced. Company also can showed the mass balance record for year 2021. The record of mass balance is presented in three month basis. The mass balance data of Binanga POM is presented in the table below:

Crude Palm Oil

Month	**CPO Production (MT)**		**CPO Dispatch (MT)**		
	Certified	**Uncertified**	**Certified**	**Credits**	**Noncertified**
Opening stock	1,861.00	0	-	-	-
August 22	2,815.37	2,681.04	2,500.00	-	3,176.09
Subtotal	**4,676.37**	**2,681.04**	**2,500.00**	**-**	**3,176.09**
September 22	2,800.23	2,908.19	3,000.00	-	2,487.17
October 22	3,150.28	3,210.82	5,024.76	-	1,498.69
November 22	3,395.74	3,412.20	-	-	6,800.32
Subtotal	**9,346.25**	**9,531.22**	**8,024.76**	**-**	**10,786.18**
December 22	2,790.88	3,106.63	2,000.00	-	2,302.90
January 23	2,163.95	2,329.38	1,000.00	-	3,437.43
February 23	1,710.49	1,633.90	2,505.77	1,199.00	2,668.04
Subtotal	**6,665.32**	**7,069.91**	**5,505.77**	**1,199.00**	**8,408.37**
March 23	1,714.16	1,369.16	1,256.37	-	1,906.44
April 23	1,478.66	2,240.59	3,504.95	-	-
May 23	2,010.13	2,970.73	-	-	5,164.87
Subtotal	**5,202.95**	**6,580.48**	**4,761.32**	**-**	**7,071.31**

June 23	1,709.27	2,681.74	3,261.24	-	1,089.64
July 23	2,391.00	3,168.97	2,250.00	-	3,500.00
Total	**29,991.16**	**31,713.36**	**26,303.09**	**1,199.00**	**34,031.59**

Based on table above, there is 2,318.59 MT noncertified CPO dispatch using CPO certified product during August 22 – July 2023.

Kernel Palm Oil

Month	**PK Production (MT)**		**PK Dispatch (MT)**	
	Certified	**Uncertified**	**Certified**	**Noncertified**
Opening stock	0	569.42	-	-
August 22	773.20	716.97	-	1,275.52
Subtotal	**773.2**	**1,286.39**	**-**	**1,275.52**
September 22	676.28	718.01	350.07	1,210.12
October 22	756.81	786.96	1,625.38	-
November 22	763.44	800.74	-	1,574.82
Subtotal	**2,196.53**	**2,305.71**	**1,975.45**	**2,784.94**
December 22	674.25	747.22	800.82	369.71
January 23	454.30	481.08	400.00	610.55
February 23	358.69	343.00	200.00	636.96
Subtotal	**1,487.23**	**1,571.31**	**1,400.82**	**1,617.22**
March 23	373.34	298.70	-	687.33
April 23	316.49	469.61	500.00	160.39
May 23	458.48	678.04	568.63	619.03
Subtotal	**1,148.31**	**1,446.34**	**1,068.63**	**1,466.75**
June 23	402.28	629.31	500.02	512.93
July 23	547.86	739.38	1,250.13	83.48
Total	**6,555.41**	**7,978.44**	**6,195.05**	**7,740.84**

Based on table above, it is known that there is no CSPK sold as conventional.

3.8.13 **Extraction Rate**

The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.

Findings	In compliance:	Yes:	X	No:	

Objective evidence: The OER and KER is made based on actual production of CPO and FFB processed. Based on production data from January – July 2023 the OER is 20.09% and KER 4.40%. The extraction rate is updated periodically every month based on actual production of CPO and PK and also FFB processed.

3.8.14 **Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.**

Findings	In compliance:	Yes:	X	No:	

Objective evidence: The extraction rate is updated periodically every month based on actual production of CPO and PK and also FFB processed. The updated of extraction rate is documented on document "Production Recapitulation of Binanga Mill".

3.8.15 **Processing**

	For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.	
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interview and FFB receipt record verification, Binanga POM has applied MB module.	
3.8.16	**Registration of Transactions** **i. Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.** **ii. Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.**	
Findings	In compliance: Yes: X No:	
Objective evidence:	**Shipping announcement** Company has made shipping announcement not more than 3 months after dispatch. For example: • Shipping announcement No. TR-5115f38f-4125 for CSPK MB selling contract No. 053-ANJA/PK/VII/2023. This contract has been shipped on 20 July 2023 based on weighbridge ticket No. 01354592. Shipping announcement was created on 8 August 2023. • Shipping announcement No. TR-cfd3fc05-74ef for CSPK MB selling contract No. 055-ANJA/CPO/VII/2023. This contract has been shipped on 3 July 2023 based on weighbridge ticket No. 01350355. Shipping announcement was created on 8 August 2023. **Removed stock** Company has removed its certified stock for conventional sales during the license period. For example, for license period, company has made credit allocation for CSPO as amount as 801 MT. based on interview with the management, removing stock of certified product will be done at the end of license period.	
3.8.17	**Claims** **The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.**	
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims.	

Principle 4: Respect Community and Human Rights and Deliver Benefits		
Criterion 4.1: The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.		
4.1.1	**A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRDs), prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces. This policy is documented and communicated to all levels of the workforce, operations, supply chain and local communities.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has Human Rights Policy included in Kebijakan Keberlanjutan ANJ, October 31, 2019, signed by president director, and Kebijakan Penghormatan Terhadap Hak Asasi Manusia, Perdagangan Manusia, dan Kerja Paksa, August 04, 2016, signed by President Director. The policy includes the commitment to respect and supports the Universal Declaration of Human Rights as well as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, including prohibiting retaliation against Human Rights Defenders (HRDs)	

	The policy has been implemented and communicated to all levels of the workforce, suppliers, contractors, and local communities in December 2022 and June 2023 (see documents of *Sosialisasi Kebijakan Sustainability dan Pengelolaan HCV, Serta Mekanisme Grievance, Sistem Etis, Sistem Sertifikasi RSPO & ISPO,* December 06, 2022, attended by 75 persons, and June 20-2, 2023, attended by 85 persons, includes a list of attendees and photos documentation. Based on interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, with supplier and smallholders, confirmed all stakeholders were aware of the policy.	
4.1.2	**The Unit of certification does not instigate violence or any form of intimidation in its operations.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, with supplier and smallholders, and review of Logbook Grievance Eksternal and Logbook *Informasi dan Tanggapan*, there is no evidence the company triggers violence, harasses and intimidation in plantation and mill operations. Based on online research during the audit, there is no media reported relating complaint with human right issues. Based on internal and eksternal complaints and grievances records, no records found regarding this issue.	
Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
4.2.1	**The mutually agreed system is in place, open to all parties affected, resolve disputes in an effective, timely and appropriate manner, ensuring the anonymity of complainants, Human Rights Defenders, community spokepersons and whistleblowers, where requested, as long as the report is supported with sufficient preliminary evidences. The system ensures that there is no risk of reprisal or intimidation and follows the RSPO's policy for HRDs.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has a system to deal with complaints and grievances for all affected parties i.e., SOP *Pengelolaan Keluhan Pemangku Kepentingan Eksternal* No. SOP-CID-03, Rev. 01, November 01, 2020, signed by Director, SOP *Komunikasi dan Pemberian Informasi* No. -SOP-Leg-02, Rev. 04, September 01, 2015, signed by External Affair Director, and Internal Memo from President Director about *Pelaksanaan Whistleblowing System (WBS) di Group ANJ,* May 19, 2016. The procedure has a timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, and ensuring that there is no risk of reprisal for complainants. Based on the procedures, Government Relation/EA-CID Officer are the responsible to receive complaints and grievances. Where a resolution is not found mutually, it can be through third-party mediation/authorities, including through the RSPO Complaints. The procedure stated response time to complaints or grievances a maximum of 3 working days for follow up to the next process and 14 working days for response. The system was enabling resolution of disputes in an effective and appropriate manner by way of identifying complaints, appointed the person who responsible for handling complaints, including level of officials who make decisions for complaint resolution. This procedure comes with a Logbook Grievance Eksternal and Logbook *Informasi dan Tanggapan* which records all the issues, date, type of communication or information, origin, related department, description of issue, follow-up, completion process and status. The procedure has been implemented and communicated to all levels of the workforce, suppliers, contractors, and local communities in December 2022 and June 2023 (see documents of *Sosialisasi Kebijakan Sustainability dan Pengelolaan HCV, Serta Mekanisme Grievance, Sistem Etis, Sistem Sertifikasi RSPO & ISPO,* December 06, 2022, attended by 75 persons, and June 20-2, 2023, attended by 85 persons, includes a list of attendees and photos documentation). Based on a review of the Logbook and stakeholders' consultation during the audit, it was confirmed that all complaints have been addressed effectively, timely and appropriate manner. Based on checking the complaint and grievance from public news/web-based report, there were no complaints submitted. However, for this indicator, the company has the opportunity to improve the performance of the procedure by integrating the company's whistleblowing system into it and also displaying approval and consensus of the affected parties on the complaint mechanism in the procedure.	
4.2.2	**Procedures are in place to ensure the system is understood by affected parties, including by illiterate parties.**	*Non-Critical*
Findings	In compliance: Yes: X No:	

<table>
<tr><td>Objective evidence:</td><td colspan="6">To ensure the above system is understood by the affected parties including the illiterate parties, there are procedures in place i.e., SOP <i>Komunikasi dan Pemberian Informasi</i> No. -SOP-Leg-02, Rev. 04, September 01, 2015, signed by External Affair Director, which regulates external communication mechanisms in terms of delivering, receiving and documenting information from external parties, including handling complaints about social issues. The procedure has been designed with consideration to the use of appropriate existing local mechanisms and languages. By using the local language and or Bahasa Indonesia and conveying it verbally, it is expected that even illiterate parties can understand the system of procedures mentioned above.
The procedure has been implemented and communicated to local communities in December 2022 and June 2023 (see documents of <i>Sosialisasi Kebijakan Sustainability dan Pengelolaan HCV, Serta Mekanisme Grievance, Sistem Etis, Sistem Sertifikasi RSPO & ISPO,</i> December 06, 2022, attended by 75 persons, and June 20-2, 2023, attended by 85 persons, includes a list of attendees and photos documentation).
Based on interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, with supplier and smallholders, confirmed all stakeholders including the illiterate parties understood the system.</td></tr>
<tr><td>4.2.3</td><td colspan="5">The unit of certification keeps parties informed of its progress, including agains agreed timeframe and the outcome is available and communicated to relevant stakeholders.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td>In compliance:</td><td>Yes:</td><td>X</td><td>No:</td><td></td><td></td></tr>
<tr><td>Objective evidence:</td><td colspan="6">Complaints and grievances received by the company are recorded in the grievance logbook (see Logbook Grievance Eksternal and Logbook <i>Informasi dan Tanggapan),</i> which records all the issues, dates, types of communication or information, origin, related department, description of the issue, follow-up, completion process, and status. The logbook can be accessed by the Government Relation/EA-CID Officer. Based on interviews with staff of the officer, with community representatives of Huta Baru Village and Tobing Tinggi Village, with supplier and smallholders, confirmed that the company let the relevant stakeholders know the progress of all grievances being processed through direct delivery via telephone, Whatsapp and official letters.
All the processes were recorded in the logbook including the date of the complaint received, the name of the complainant (if the complainant has no objections for give the name) and information on outcomes or decisions of the complaints or grievances also the date of the outcomes or decision was communicated by the complainant.</td></tr>
<tr><td>4.2.4</td><td colspan="5">The conflict resolution mechanism includes the option of access to independent legal and technical advice. The complainants have the freedom to choose individuals or groups to support them and/or act as observers. The parties can choose the option to engage a third-party mediator.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td>In compliance:</td><td>Yes:</td><td>X</td><td>No:</td><td></td><td></td></tr>
<tr><td>Objective evidence:</td><td colspan="6">The company has SOP related to collecting and resolving stakeholder complaints has been addressed on the “Prosedur Pemberian Informasi dan Tanggapan SOP-Leg-02 dated 25.12.2014. Procedure also accommodate third-party mediator if necessary. Moreover, the Company has Company Regulations (Peraturan Perusahaan) for period 2020 - 2022, In Company Regulations has mentioned of conflict resolution mechanism for internal workforce includes the option of access to independent legal and technical advice.
For external stakeholders, the procedure for conflict resolution was described in indicator 4.2.1. The procedure is related to how the company solves the problem if any conflict occurred. If the problem cannot be resolved by both parties, the company or the other party can take legal action involving a third-party mediator.
Based on a review of Logbook Grievance Eksternal and Logbook <i>Informasi dan Tanggapan,</i> interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, with supplier and smallholders, and checking the complaint and grievance from public news/web-based report, there is no unresolved disputes between the company and the community or other external stakeholders.</td></tr>
<tr><td colspan="7">Criterion 4.3: The unit of certification contributes to local sustainable development as agreed by local communities.</td></tr>
<tr><td>4.3.1</td><td colspan="5">Contributions to community development that are based on the results of consultation with local community are demonstrated.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td>In compliance:</td><td>Yes:</td><td>X</td><td>No:</td><td></td><td></td></tr>
<tr><td>Objective evidence:</td><td colspan="6">Local development need has been identified by the company based on the SIA study, Social Mapping for Community Development, and consultation with the local community (see indicator 3.4.1 for the SIA and Social Mapping document). Based on the study and interview with the community surrounding the plantation, the company developed programs that contributed to the local community. The programs (planning and realization) were recorded in the document of</td></tr>
</table>

Realization of Management Plan CID, 2023, and document of *Laporan Kegiatan* Community Involvement and Development/External Affairs, January-June 2023). The programs consist of:

a. Social support local education facilities: i) Building materials; ii) office supplies.
b. Social support for local infrastructure such as local main road maintenance.
c. Economic growth through local employment.
d. Socio-religious support through clean water assistance and sports equipment for the community.

However, for this indicator, the company has the opportunity to improve the quality of its social management program, improve good relations with the smallholders who supply FFB and improve the quality of the FFB supplied to the Binanga Mill, by sharing some of the empty fruit bunch produced by the mill to smallholders. **OFI**

Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).

4.4.1	**Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed (FPIC) process. Documents related to the history of land tenure and the actual legal or customary use of the land are available.**	*Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

The land is currently managed by the company originally state-owned land. Based on documents review and interviews with previous landowners in Tobing Tinggi Village, before the land was converted into oil palm plantations by the company, this area is mostly grassland where the community's buffalo graze, rubber plantations, and rice fields located on the banks of the Barumun River.

In 1992-1993 PT Eka Pandawa Sakti (the company that first converted the land into an oil palm plantation before changing to PT ANJA) offered compensation to the community through the village head. The price offered was IDR 28,000 per hectare, and after consulting with the village head and *Hato Bangun* (a traditional leader), the community agreed because the price was higher than the price of other land in the vicinity. Only the grasslands are compensated because the land is communally owned and controlled by the village government, while the rubber plantations and rice fields are still managed by their owners.

The money from the compensation is distributed equally to each family head in the village, in local terms it is called *uang pago-pago* or *uang pancang*, each family head gets IDR 50,000.

In other areas (for example the Ramba area), PT EPS provides compensation for land owned and managed privately by the community. Most of the land compensation occurred from 1992-1998. Based on interviews with previous landowners, during negotiations, they chose traditional leaders/community leaders as negotiating representatives with the company. From the results of these negotiations, the landowners agreed and did not object to the amount of compensation agreed.

According to them, the negotiations with the company lasted about 1-3 months before an agreement was reached. The length of time for negotiations was because apart from the land, the community also asked for compensation for the types of plants that grew on it. Once a price has been agreed upon, participatory land surveying is then carried out involving all landowners, to ascertain the boundaries of the community land to be compensated.

The process above shows the implementation of FPIC to obtain community approval, specifically for lands that are to be converted into oil palm plantations by companies.

It is concluded based on interview and review of several documents proof of compensation for land and plants on it for examples:

- Statement letter of land owner on behalf of Pangulu Daulay, Gonting Julu Village, 80 Ha, equipped with documents *Berita Acara Pemeriksaan dan Pengukuran Lahan, Surat Perjanjian Penyerahan Lahan, Surat Pernyataan Pelepasan Hak Atas Tanah, Peta Lahan Partisipatif, Tanda Terima Pembayaran,* Cash Payment Voucher, and foto documentation, June 04, 1998.
- Statement letter of land owner on behalf of Zainuddin Siregar, Raja Siregar, Pangadilan Siregar, Bahori Harapahp, Pasir Pinang Village, 20.5 Ha, equipped with documents *Berita Acara Pemeriksaan dan Pengukuran Lahan, Surat Perjanjian Penyerahan Lahan, Surat Pernyataan Pelepasan Hak Atas Tanah, Peta Lahan Partisipatif, Tanda Terima Pembayaran,* Cash Payment Voucher, and foto documentation, June 25, 1996.
- Statement letter of land owner on behalf of Batara Muda Siregar, Pangadilan Siregar, Pasir Pinang Village, 90 Ha, equipped with documents *Berita Acara Pemeriksaan dan Pengukuran Lahan, Surat Perjanjian Penyerahan Lahan, Surat Pernyataan Pelepasan Hak Atas Tanah, Peta Lahan Partisipatif, Tanda Terima Pembayaran,* Cash Payment Voucher, and foto documentation, June 04, 1998.

The documents mentioned above have shown the history of land that was previously managed by the community and the process of compensation and land conversion into oil palm plantation. The compensation process with mutually agreed payment amount.

From the legality aspect, the company have obtain legal ownership of the land i.e.:

- **Site Location Permit**

  The company has site location permit for estate and mill location from relevant government institution as follows:

  - Site permit No. HK.350/E.5.288/05.95, dated 1 May 1995 cover areal for 4.000 Ha.
  - Site permit No.460.1466/IL/X/1995, dated 9 October cover areal for 5.000 Ha.
  - Site permit No. 525.26/337/K/2004, dated 7 May 2004 cover areal for 5.000 Ha.

- **IUP (Estates Business Permit)**

  The company has business permit for estate and mill activities from relevant government institution as follows:

  - Estates Business Permit (IUP) No. 105/HK.350/SK/D/BUN/10.97 dated 31 October 1997 for areal 6,000 Ha.
  - Estates Business Permit (IUP) No. 525/472/K/2005 dated 11 October 2005 for areal 3,214.9 Ha.
  - Estates Business Permit (IUP) No. 525.26/9541/2007 dated 02 November 2007 for areal 197 Ha.
  - Estate Business Permit for Mill Processing (IUPP) No. 503/0004/IUP-P/I/2013 dated 29 January 2013 for mill capacity of 60 MT FFB / hour

- **Land Use Rights (HGU)**

  The company holds the land use rights (Hak Guna Usaha) such as:

  - **Land Use Right certificate no.1** dated 4 September 1993 on behalf PT Eka Pendawa Sakti in Simangambat Julu village, Barumun Tengah Sub District (current is Simangambat Sub District), Tapanuli Selatan District with total areas is **6,000 ha** with their base of register is Head of National Land Agency decree **No.32/HGU/BPN/91** dated 6 November 1991 (total areas is **5,833.75 ha**) jo **no.32/HGU/BPN/91/A/50** dated 31 May 1993 (total areas is **6,238 ha**). Illustration of land use right areas has showed on map of special situation (peta gambar situasi khusus) no.5/10/IV/1993 dated 8 January 1993. The first validity of certificate until 31 December 2021 and based on Head of Land Use Right decree no.76/HGU/BPN/2005 dated 21 June 2005 that validity of certificate has extended until **31 December 2076**. Section i) on land use right certificate no.1 has informed that certificate for at least areas of **± 238 ha** will be issued after the company has controlled/compensated areas it. During audit has verified progress land use right (HGU) on process as follow: HGU on process 20 ha (part of **± 238 ha)**, sighted copy Letter No. 040/LP/ANJA/EM/XI/2016 dated 1 November 2016 regarding land registration Issuing HGU certificate up on issuing decree letter of land use right no. 32/HGU/BPN/91 dated November 06, 1991 Jo Decree Letter HGU No. 32/HGU/BPN/91/A/50, dated 31 May 1993 for 20 ha area in Padang Lawas District on behalf PT Austindo Nusantara Jaya Agri. The letter sent to head of land officer Tapanuli Selatan District. The company propose to register 20 ha land located in Pulo Bariang village, Hurisrak sub district, Padang Lawas utara district. The letter was received by land officer Tapanuli Selatan District on 2 November 2016 as seen on receiving notes on the letter. There is no new progress for this HGU on process.
  - **Land Use Right certificate no. 02** dated 10 September 2009 on behalf PT Austindo Nusantara Jaya Agri in Ramba village, Huristik Sub District, Padang Lawas District (Tapanuli Selatan is old district name) with total areas is **197.05 ha** with their base of register is Head of National Land Agency decree **No.02-540.2-22-2009** dated 16 March 2009. Illustration of land use right areas has showed on map of special situation (peta gambar situasi khusus) no.18/10/2008 dated 27 March 2008. The validity of certificate until **9 September 2044**. Based on Head of Forestry Department in Tapanuli Selatan letter no.522/1527/2006 dated 18 September 2006 that it has excluded from forest areas which refer to Minister of Forest decree no.44/Menhut-II/2005 dated 16 February 2005 and or Minister of Forest decree no.201/Menhut-II/2006 dated on 5 June 2006).
  - **Land Use Right certificate no. 03** dated 26 January 2001 on behalf PT Eka Pendawa Sakti in Simangambat Julu, Pasing Pinang, Air Gala village, Barumun Tengah Sub District, Padang Lawas District (Tapanuli Selatan is the old name for district) with total areas is **3,214.90 ha** with their base of register is Head of National Land Agency decree **No.67/HGU/BPN/2000** dated 18 December 2000. Illustration of land use right areas has showed on map of special situation (*peta gambar situasi khusus*) no.05/10/2000 dated on 9 May 2000. The validity of certificate until **25 December 2091**.

Note:

Based on Notary Act. No.6 dated 20 July 2005 on section 1 by notary of Mala Mukti, SH has informed there is change of company name from PT Eka Pendawa Sakti to PT Austindo Nusantara Jaya Agri but shareholder no change. It has approved by government on decree of Minister of law and human

	right No.C-20304.HT.01.04.TH.2005, July 22, 2005. Moreover, the change of company name has written by Investment Coordinating Board on letter No.1350/B.1/A.6/2005, August 02, 2005.	
4.4.2	**Copies documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:** **a. Evidence that a plan has been developed through consultation and discussion held in good faith with all affected groups within the community, with specific assurances that vulnerable, minority and gender groups are asked for their opinions, and that information has been provided to all affected groups, including in it information about the steps taken to involve them in decision making ;** **b. Evidence that the unit of certification has respected communities to give or withhold their consent to the operations at the time that these decisions were taken;** **c. Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities. Including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Although the compensation process has finished and plantation areas are fully owned and managed by the company, negotiation agreements with affected parties keep doing which are prepared through consultation and consideration of the impacts arising from mill and plantation activities, including legal, economic, and social implications of palm oil operations. The agreement is recorded in several documents below: • *Dokumen Evaluasi Lingkungan Hidup (DELH)* PT ANJA, 2018 and approved by *Dinas Lingkungan Hidup Provinsi Sumatera Utara* No. 101/Dis-LH-SU/BTL/2019, January 10, 2019. • High Conservation Value Assessment, October 2011, in corporation with the Focus Consulting. • Social Impact Assessment which clearly identifies positive and negative social affects that maybe caused by plantation and mills available in document of The Social Impact Assessment Report of PT ANJA, prepared by Focus Consulting, 2013. This assessment updated and reviewed every 2 years (see document of Review Social Impact Assessment, 2023, document of *Matriks Penilaian Dampak Sosial Perkebunan Sawit PT ANJA Binanga, 2022*). The last review was conducted by involving communities (see document of *Berita Acara Pertemuan Dengan Pemangku Kepentingan Eksternal,* December 19, 2022). The results of the participatory impact assessment are used as basis for developing that management and monitoring plan for the next year. The last review discusses land conflicts issues that have been resolved, socio-economic issues, and issues of community employment and business opportunities (see the documents for detail).	
4.4.3	**Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	See indicator 4.4.1 above for land history. The company has land use map scale 1:50,000 which shows the working area of their HGU including the surrounding community villages. The HGU map produced through participatory mapping involving affected parties. Based on interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, the community accepted map and there is no dispute.	
4.4.4	**All relevant information is available in appropriate forms and languages, including assessment of impact, proposed benefit sharing, and legal arrangements.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	All relevant information that is on the company such as Maps (see 4.4.1, 4.4.2 and 4.4.3), agreement and records (see 4.4.2), impact assessment (see documents of DELH, HCV and SIA) and benefit sharing (see 4.3.1) available in appropriate forms which is easily understood by relevant stakeholders. All the relevant information available in Bahasa Indonesia. Availability copies of negotiated agreements with affected parties was evident that the agreement is prepared through proper process, e.g. public consultation. It was verified through interview with relevant stakeholders.	

<table>
<tr><td>4.4.5</td><td>Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.</td><td><i>Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">Has been described in indicator 4.4.1 and 4.4.2. Representative of the community recorded in the documents mentioned in indicators.
The landowner represents them self during negotiation process accompanied by community leader and village head. This is the only way that accepted by the community.</td></tr>
<tr><td>4.4.6</td><td>There is evidence that implementation of agreement negotiated through FPIC is annually reviewed in consultation with affected parties.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">Based on interviews with previous landowners and community representatives of Huta Baru Village and Tobing Tinggi Village, and document review (see indicator 3.4.3, 4.4.1, and 4.4.2 above), confirmed the company conducts annual updates and reviews every two years all agreements that have been reached at the beginning of land acquisition and compensation. This ensures that both parties are still implementing the previous agreements reached through FPIC.
The last review was conducted by involving communities (see document of <i>Berita Acara Pertemuan Dengan Pemangku Kepentingan Eksternal,</i> December 19, 2022).
Land acquisition processes through FPIC have been developed by the company through based on Company Policy No. 021/HR&GA/CP/Pembebasan Lahan/06-09, regarding <i>Prosedur Pembebasan Lahan dan Tanam Tumbuh,</i> June 01, 2009, signed by President Director.</td></tr>
<tr><td colspan="3">Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</td></tr>
<tr><td>4.5.1</td><td>Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</td><td><i>Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">As described in indicator 4.4.1 above, the plantation areas are currently managed by the company originally state-owned and private land. Based on documents review and interviews with previous landowners in Tobing Tinggi Village, before the land was converted into oil palm plantations by the company, this area is mostly grassland where the community's buffalo graze, rubber plantations, and rice fields located on the banks of the Barumun River. Compensation is then given for free these lands from community management. It is concluded based on interview and review of several documents proof of compensation for land and plants on it (see document in indicator 4.4.1 above<i>).</i>
SEIA study has been done, an assessment of the risks and impacts of oil palm operations and to identified certain areas such as food and water resources used by the community as well as their sacred sites, so that it can be managed and can still be used by the community. Identification recorded in several documents below:
• <i>Dokumen Evaluasi Lingkungan Hidup (DELH)</i> PT ANJA, 2018 and approved by <i>Dinas Lingkungan Hidup Provinsi Sumatera Utara</i> No. 101/Dis-LH-SU/BTL/2019, January 10, 2019.
• High Conservation Value Assessment, October 2011, in corporation with the Focus Consulting.
Social Impact Assessment which clearly identifies positive and negative social affects that maybe caused by plantation and mills available in document of The Social Impact Assessment Report of PT ANJA, prepared by Focus Consulting, 2013.</td></tr>
<tr><td>4.5.2</td><td>FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions. All the relevant information and documents are made available, and community have option of resourced access to independent third-party advice through a documented, long-term and two-way process of consultation and negotiation.</td><td><i>Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">Based on the documents review (see documents mentioned in indicator 4.5.1 above) and interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, the comprehensive FPIC process conducted by the company for all oil palm development, including community consent to new planting at the beginning of plantation development.
See also indicators 4.4.1 and 4.4.2 above.</td></tr>
</table>

4.5.3	**Evidence is available that affected local peoples understand they have the right to say 'agree' or 'not agree' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Community consent, negotiation agreements and the process has been described in the indicator 4.5.1 above. The evidence recorded in documents mentioned on the indicators. Principles of the FPIC process especially related to the land followed and recorded ini documents mentioned on indicators 4.4.1 and 4.4.2 above.	
4.5.4	**To ensure local food and water security and as part of the FPIC process, SEIA participation and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of land allocations process.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	SEIA (DELH, HCV, and SIA, see indicator 4.5.1 above) was conducted at villages surrounding the plantation to identify positive and negative social and environmental impacts and ensure local food and water security for the local community. Evidence recorded in the attendance list has been provided consisting of affected parties such as villagers, the head of the village, the religious head, and the government institution representative. SIA studies have included access and land use rights, livelihoods, economic activities, cultural values, religion, health and education facilities, perceptions of companies, and road and lighting infrastructure, food, and water security. There were records of the participatory assessment such as attendance sheet and questionnaire. The affected parties can express views through their representative institutions (head of the village, public figure, religious head, etc.) during the identification of impacts review of findings and planning for mitigation. The SIA involved consultation with the affected parties, such as government agencies, the company around the community, cooperatives, and marketing institutions. The participatory assessment was conducted by discussing the findings of SIA and the response from the public and relevant government agencies. The public consultation also summarizes several inputs/feedbacks from local member and leaders communities, and related agencies in the management plan of social impact. Thus, there is transparency in land allocation process.	
4.5.5	**Evidence is available that the affected communities and rights holders have had the option to access information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The impact assessment of the oil palm plantation and mill on the community has been described in detail in the SEIA documents (see indicator 4.5.1). The company also has informed the relevant stakeholders regarding the relevant information of company operational activities during the environmental and social impact assessment e.g., maps, agreement, records, impact assessment, etc. The SEIA process involved consultation with the affected parties, such as government agencies, company around community, cooperative, and marketing institution. The participatory assessment was conducted through discussing of the findings of SEIA and the response from public and relevant government agencies. The public consultation also summarizes a number of inputs/feedbacks from local communities, leaders' communities, and related agencies in the management plan of social impact. An interview with the community representative revealed that before the development of the plantation, the company had a meeting with the representative of the village to discuss any issue about the plantation development. There is no objection from the community member and the process is running smoothly. In all the processes above described the communities have the option to access information and give advice related to legal, economic, environmental, and social implications on their land. See also indicator 1.1.1 which mentions documents are made publicly available.	
4.5.6	**Evidence is available that the communities or their representatives gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.**	*Non-Critical*
Findings	In compliance: Yes: X No:	

Objective evidence:	See indicator 4.4.1 for land history, and indicators 4.4.2, 4.5.1, 4.5.4, 4.5.5 for community consent.	
4.5.7	**After 15 November 2018, new lands will not be acquired for plantations and mills as a result of recent (after November 2005) expropriations in the national interest (eminent domain) without FPIC process, except in cases of smallholders benefitting from agrarian reform or anti-drug programmes.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	There is no new land after 15 November 2018.	
4.5.8	**New lands are not acquired in areas inhabited by communities in voluntary isolation.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, and SEIA review, there is no new land in areas inhabited by communities in voluntarily isolated.	
Criterion 4.6: Any negotiations concerning compensation for loss of legal, customary or user 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.		
4.6.1	**A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has policy for identifying legal customary or user rights including identifying people entitled to compensation i.e., Company Policy No. 021/HR&GA/CP/Pembebasan Lahan/06-09, regarding *Prosedur Pembebasan Lahan dan Tanam Tumbuh,* June 01, 2009, signed by President Director (company policy the same as last year). The procedure included the identification of people entitled to compensation and was made by involving the community directly, based on field findings and information from the community. Based on interview with community representative of Huta Baru Village and Tobing Tinggi Village, the policy has been socialized and communicated to local communities in December 2022 and June 2023 (see documents of *Sosialisasi Kebijakan Sustainability dan Pengelolaan HCV, Serta Mekanisme Grievance, Sistem Etis, Sistem Sertifikasi RSPO & ISPO,* December 06, 2022, attended by 75 persons, and June 20-2, 2023, attended by 85 persons, includes a list of attendees and photos documentation). All procedures follow and respect the FPIC principles. Furthermore, routine direct and indirect meetings with the stakeholder were conducted by the Government Relations team to ensure that communication was kept closed and any update from the communities were directly followed up.	
4.6.2	**A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Policy for calculating and distributing fair compensation same as the procedure described in indicator 4.6.1. above. Based on the policy, calculating compensation is based on the agreement of both parties and by considering NJOP (*Nilai Jual Objek Pajak)* which is determined based on the decree of the Regional Head. The policy was monitored and evaluated in a participatory way and corrective actions have been taken as a result of this evaluation. Some important things in the procedure are: • Gender differences in the power to claim rights. • Ownership and access to land. • Differences between trans-migrants and long-established communities. • Scheme and independent smallholders.	
4.6.3	**Evidence is available that equal opportunities are provided to both men and women to hold land titles for smallholdings (if possible based on local law, customs and/or agreement).**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	There are no scheme smallholders developed by the company in their FFB supply chain as one piece of the evidence to demonstrate that equal opportunities are provided to both men and women to hold land titles for small holdings. However, the company has a Sustainability Policy that does not differentiate the existence and roles between men and women in any of its operational mill and	

	plantation (see document of *Kebijakan Keberlanjutan ANJ,* October 31, 2019, signed by President Director).	
4.6.4	**The process and outcomes of any negotiated agreements, compensation and payments are documented with evidence of the participation of affected parties and made available to them.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The process and outcomes of any negotiated agreements, compensation, and payments are documented by the company and have been described in indicators 4.4.1 and 4.5.1 above and made publicly upon request.	
Criterion 4.7: 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 FPIC and negotiated agreements.		
4.7.1	**A mutually agreed procedure for identifying people entitled to compensation is in place.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Procedure for identifying people entitled to compensation and explanation for this indicator same as procedures in indicator 4.6.1 above.	
4.7.2	**A mutually agreed procedures for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Procedure for identifying people entitled to compensation and explanation for this indicator same as procedures in indicator 4.6.1 above.	
4.7.3	**Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, and a review of documents Master List Employee August 2023, it was confirmed that some of them (local community) are recruited for small works within the plantation and mill operations. There is also a corporate social responsibility program for the community in the village which is part of the company program that benefits the community, which has been described in the indicator 4.3.1.	
Criterion 4.8: 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.		
4.8.1	**Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interview with community representative of Huta Baru Village and Tobing Tinggi Village, with the management representative, checking the complaint and grievance from public news/web-based report, and documents review (see *Peta Sengketa Lahan PT ANJA, 2021,* Logbook Grievance Eksternal and Logbook *Informasi dan Tanggapan),* there is no information stakeholders claiming to have legal, customary and/or user rights on the land for the last three years. The plantation activities show all areas (mill and estate) are managed and controlled by the company.	
4.8.2	**Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Has been described in indicator 4.8.1 above.	
4.8.3	**Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these**	*Non-Critical*

	claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4)	
Findings	In compliance: Yes: X No:	
Objective evidence:	See indicators 4.4.1 and 4.5.1 for land history. There is no evidence that the company obtained land through expropriation or forcible disregard of customary rights and previous users.	
4.8.4	**For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Has been described in indicator 4.8.1 above.	

Principle 5: Support Smallholder Inclusion		
Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.		
5.1.1	**Current and previous period prices for FFB are publicly available and accessible by smallholders**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company (Binanga Mill) did not receive FFB directly from smallholders but cooperated with several suppliers that collects FFB from the middleman and farmers and sending to the mill. There are 6 suppliers that have contracts to supply FFB to the Mill i.e., MSP, UD Siti Aman Siregar, UD Maju Bersama, UPR, Koperasi Perkebunan Aek Ela, and CV HSR (see document of *Daftar Supplier TBS PT ANJA Tahun 2023,* which includes a list of suppliers, plantation area, address, contract number, contract validity period, and geo location of the supplier plantation). In the contract (for example see contract No. 1101/COM/ANJA/2021 and 1103/COM/ANJA/2021 regarding *Perjanjian Jual beli Tandan Buah Segar)*, the parties agree to cooperate in terms of buying and selling FFB. The process of buying and selling FFB is based on procedure Working Instruction *Penetapan Harga TBS Petani Mitra dan Petani Swadaya* No. IK-COM-01-00, June 14, 2021, signed by General Manager. In the working instruction, prices are determined based on several considerations such as index K, FFB processing costs, OER, KER, etc (see document No. IK-COM-01-00 for detail, and document of *Penetapan OER & KER Untuk Kebun Inti, Mitra Plasma dan Petani Swadaya,* No. IM-01-SCD-2023, March 14, 2023, signed by Vice President). The working instruction has been implemented and communicated to all suppliers. Last communication in June 2022 (see documents of *Sosialisasi Kepada Supplier TBS ANJA Tentang Harga TBS,* June 08, 2022 in Huta Baru Village, attended by 29 persons, includes a list of attendees and photos documentation). The company also has a mechanism for submitting prices to third parties i.e. *Mekanisme Penyampaian Harga TBS Luar,* No. 001/GM/ANJA-BNG/HR/EM/I-2020, January 02, 2020, signed by General Manager. In this mechanism, price information is conveyed through Whatsapp app, short message service and a price board at the Mill (based on observation of the mill, the price information is available via board information). Based on interviews with staff of HSR (one of the suppliers), with middleman and smallholder in Huta Baru Village, they are aware of the information and agree the price. The Commercial Department staff regularly sends information about the price to all suppliers and suppliers to middleman, and than middleman to smallholders/farmers directly by SMS and WhatsApp, so that the officer can display in the office to be seen by all members. Information is provided every time there is a price change.	
5.1.2	**Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Has been described in indicator 5.1.1 above.	
5.1.3	**Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	As described in indicator 5.1.1 above, FFB price used by the company (Binanga Mill) is based on procedure Working Instruction *Penetapan Harga TBS Petani Mitra dan Petani Swadaya* No. IK-	

	COM-01-00, June 14, 2021, signed by General Manager. In the working instruction, prices are determined based on several considerations such as index K, FFB processing costs, OER, KER, etc (see document No. IK-COM-01-00 for detail, and document of *Penetapan OER & KER Untuk Kebun Inti, Mitra Plasma dan Petani Swadaya,* No. IM-01-SCD-2023, March 14, 2023, signed by Vice President). Based on interviews with staff of HSR (one of the suppliers), with middleman and smallholder in Huta Baru Village, they are aware of the information and agree the mechanism and price and was stated in the FFB purchase contract between the company and the suppliers (for example see contract No. 1101/COM/ANJA/2021 and 1103/COM/ANJA/2021 regarding *Perjanjian Jual beli Tandan Buah Segar).*	
5.1.4	**Evidences is available that all parties, including women and independent representative organization assisting smallholders where requested, are involved in the decision making processes and understand the contracts. These include involving finance, loans/credits, and re-payments through FFB price reductions for replanting and/or, other support mechanisms where applicable.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has a Commercial Department, External Affair (EA) and Community Improvement and Development (CID) division which specifically facilitate the supplier (including middleman and smallholders) to develop their farmer group and plantation, together making decisions, and approving the contract between the company and suppliers. Based on documents review (see document of *Daftar Supplier TBS PT ANJA Tahun 2023,* which includes a list of suppliers, plantation area, address, contract number, contract validity period, and geo location of the supplier plantation, and document of *Daftar Petani Pemasok TBS Luar, 2023*), there are men and women who work and make decisions together including in contracting, financing, loans, and repayments through FFB prices reduction. Based on interviews with staff of HSR (one of the suppliers), with middlemen and smallholder in Huta Baru Village, and documents review (see contract No. 1101/COM/ANJA/2021 and 1103/COM/ANJA/2021 regarding *Perjanjian Jual beli Tandan Buah Segar)*, contract include any FFB price reduction due to repayment tax.	
5.1.5	**Contracts are fair, legal and transparent and have an agreed timeframe**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Binanga Mill accepts FFB from three estate-owned and cooperated with 6 supplier that collects FFB from middleman and farmers and sending to the mill. Only supplier who have a contractual agreement with the company and understand what they have entered into (see the contractual agreement mentioned in indicators 5.1.3 and 5.1.4 above). Based on the document review in the supplier office (PT HSR), the contractual agreement is fair, legal, and transparent and has an agreed timeframe. The contractual agreement keeps by both parties. Based on interviews with staff of HSR (one of the third-party suppliers), they agree with the contents of the contract which they have judged to be fair, transparent with payment terms as agreed. The legality of the contract is marked by the signatures of both parties on a stamp, both copies for the company and PT HSR.	
5.1.6	**Agreed payments are made in a timely manner and receipts specifying price, weigh, deductions and amount paid are given**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on documents review (see documents of *Bukti Pembayaran* TBS Period 09 August 2023 (380.760 KG), to PT HSR, No. BVLLG232221037260, August 08, 2023, and documents of *Bukti Pembayaran* TBS Period 09 August 2023 (42.800 KG), to KPA, No. BVLLG232221038308, August 10, 2023), and interview with staff of Commercial Department, External Affair (EA) and Community Improvement and Development (CID) division, with staff of PT HSR, with middlemen and smallholder in Huta Baru Village, the company conducted daily payments to the suppliers based on products receive by mill. Likewise with supplier to middlemen and middlemen to farmers. For suppliers, the receipts payment specified the price, weight, tax deduction and amount to be paid. Agreed payments have been made in a timely manner. Mode of recording transaction between miller-suppliers-middlemen conducting by all parties when the FFB is received and after the sorting is carried out by the mill. This ensures that FFB mill records are the same as held by mill, suppliers and middlemen.	
5.1.7	**Weighing equipment is verified by an independent third party on a regular basis.**	*Non-Critical*

Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has 2 weighbridge that fully operated in Binanga Mill. The company has conducted calibration for the weighbridge in Binanga Mill by *Dinas Perindustrian dan Perdagangan Kabupaten Padang lawas Utara* with calibration certificate No. 530/693/2022, September 11, 2022, and valid until September 09, 2023, for machine MK CELLS/MK E1005/MK2020880457, and certificate No. 530/694/2022, September 11, 2022, and valid until September 09, 2023, for machine MK CELLS/MK E1005/MK2020880542. Based on observation to the weighbridge activity as well as interview with the PICs, it was observed that the weighbridge was regularly calibrated and has operated well				
5.1.8	**The unit of certification supports Independent smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholder on who runs the Internal Controlling System (ICS), who holds the certificate, and who owns and sells certified materials**	*Non-Critical*			
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has a program to support independent smallholders with sustainable palm oil management and RSPO certified. They allocated resources of Commercial Department, External Affair (EA) and Community Improvement and Development (CID) division to improve smallholder productivity through training, benchmarking and other management program to improve their capacity building, including an explanation of RSPO certification for independent smallholders (see documents of *Sosialisasi Keberlanjutan ANJ dan Penerapan Sertifikasi RSPO & ISPO Kepada Petani Mitra dan Swadaya,* September 21, 2022, and document of *Sosialisasi ESG, Traceability & SCCS Untuk Supplier TBS, Kontraktor dan Vendor,* June 20, 2023, includes a list of attendees and photos documentation). The company places a team of development partners/supplier to assist farmers in the technical guidance of plantation, mentoring supervising crop rotations and harvesting schedules to ensure daily harvest numbers and estimated daily harvests. This is first step to introduce RSPO certification system to farmers.				
5.1.9	**The unit of certification has a grievance mechanism for smallholders, and all grievances raised are dealth with in a timely manner.**	*Critical*			
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company uses SOP *Pengelolaan Keluhan Pemangku Kepentingan Eksternal* No. SOP-CID-03, Rev. 01, November 01, 2020, signed by Director, SOP *Komunikasi dan Pemberian Informasi* No. -SOP-Leg-02, Rev. 04, September 01, 2015, signed by External Affair Director, and Internal Memo from President Director about *Pelaksanaan Whistleblowing System (WBS) di Group ANJ,* May 19, 2016 as a mechanism or system to deal with complaints and grievances for smallholders. The procedure has a timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, and ensuring that there is no risk of reprisal for complainants. Based on the procedures, Government Relation/EA-CID Officer are the responsible to receive complaints and grievances. Where a resolution is not found mutually, it can be through third-party mediation/authorities, including through the RSPO Complaints. The procedure stated response time to complaints or grievances a maximum of 3 working days for follow up to the next process and 14 working days for response. The system was enabling resolution of disputes in an effective and appropriate manner by way of identifying complaints, appointed the person who responsible for handling complaints, including level of officials who make decisions for complaint resolution. This procedure comes with a Logbook Grievance Eksternal and Logbook *Informasi dan Tanggapan* which records all the issues, date, type of communication or information, origin, related department, description of issue, follow-up, completion process and status. The procedure has been implemented and communicated to suppliers, middlemen and smallholders in December 2022 and June 2023 (see documents of *Sosialisasi Kebijakan Sustainability dan Pengelolaan HCV, Serta Mekanisme Grievance, Sistem Etis, Sistem Sertifikasi RSPO & ISPO,* December 06, 2022, attended by 75 persons, and June 20-2, 2023, attended by 85 persons, includes a list of attendees and photos documentation). Based on a review of the Logbook and stakeholders' consultation during the audit, it was confirmed that all complaints have been addressed effectively, timely and appropriate manner. Based on checking the complaint and grievance from public news/web-based report, there were no complaints submitted.				

Criterion 5.2: The unit of certification supports improved livelihood of the smallholders and their inclusion in sustainable palm oil value chain.		
5.2.1	**The unit of certification consults with interested smallholders (irrespective of type), including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	In indicator 5.1.8 above described that the company has a socialization and training program to support smallholders who are their suppliers with sustainable palm oil management and RSPO certified. They consults with smallholders to assess their needs for support to improve their livelihoods and interest in RSPO. Based on the consultation, the company allocated resources of Commercial Department, External Affair (EA) and Community Improvement and Development (CID) division to improve smallholder productivity through training, benchmarking and other management program to improve their capacity building, including an explanation of RSPO certification for independent smallholders (see documents of *Sosialisasi Keberlanjutan ANJ dan Penerapan Sertifikasi RSPO & ISPO Kepada Petani Mitra dan Swadaya,* September 21, 2022, and document of *Sosialisasi ESG, Traceability & SCCS Untuk Supplier TBS, Kontraktor dan Vendor,* June 20, 2023, includes a list of attendees and photos documentation) to make it happen. The results of assessment, socialization, and training are recorded in the Traceability & Smallholders Development document, August 15, 2023. This document describes activities and outputs, programs and realization of traceability and smallholder development, the process of traceability and independent smallholder development activities, summary data on FFB from external farmers, map of the distribution of smallholders' plantation, traceability monitoring, etc.	
5.2.2	**The unit of certification develops and implements livelihood improvement programmes, including at least capacity building to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder).**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Has been described in indicators 5.1.8 and 5.2.1 above.	
5.2.3	**Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interview with staff of Commercial Department, External Affair (EA) and Community Improvement and Development (CID) division, with staff of PT HSR, with middlemen and smallholder in Huta Baru Village and document review, the company has provides support to smallholders in their supply base to promote legality of FFB production i.e. by helping them to complete the legal/certificate documents. Other than that, with made a search effort related to geolocation of FFB origin, FFB ownership status and trade permit from cooperative. The support has implemented with good progress (see also indicator 2.3.2 above)	
5.2.4	**Evidence exists that the unit of certification trains scheme smallholders on pesticide handling.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	There are no scheme smallholders in the company's supply base.	
5.2.5	**The unit of certification regularly reviews and publicly reports on the progress of the smallholders support programme.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on the document review, the company already regularly reviews and publicly reports on the progress of the smallholders' support program and recorded in the document of Traceability & Smallholders Development document, August 15, 2023. This support is also found in reviews of websites, see for example https://www.anj-group.com/en/smallholders.	

Principle 6: Respect Workers' Rights and Conditions
Criterion 6.1: Any form of discrimination is prohibited.

6.1.1	**A publicity available non-discrimination and equal opportunity policy is implemented in such way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company has policy related to non-discrimination and equal opportunity contain in ANJ Sustainability Policy signed by Director on 31 October 2019 and also published on ANJ website and also displayed in estate office. This policy stated that ANJ Group rejects all discrimination based on race, religion, nationality, political views and physical or medical conditions suffered by employees and business partners. This policy has socialized to worker for example on 21 June 2023 to workers in Division D and 22 June 2023 to workers in Division H. Based on verification of list of workers and interview with workers in harvesting activity, manuring activity, and chemical spraying activity in West and East Estate, it is known that workers are originally from various places. Also, there is no discrimination in recruiting new worker. In addition, based on interview from representative of worker union, it is known that there is no issue related to non-discrimination action towards workers. From interview with representatives of surrounding villages, it is also known that the company also conveys information on job vacancies to the village.	
6.1.2	**Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against. Evidence includes migrant workers non payment of recruitment fees.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interview with workers in harvesting and spraying workers in West and East Estate and interview with mill workers, it is known that workers are originally from various places and ethnic such as from eastern Indonesia, Javanese, and Dayak Ethnic. Based on interview with representative of worker union, there is no recruitment fees. Also, there is no migrant worker in PT ANJ.	
6.1.3	**The unit of certification demonstrates that the recruitment selection, hiring access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company has kept a track record of employees. For employee recruitment, the stages for recruitment are job application letters, copies of identity cards, and supporting documents such as certificates, diplomas, transcripts and others. The company shows employee track record documents stored in each unit (mill and estate). Company showed record of the implementation of employment procedures, for example: The recruitment letter on behalf YM submitted to PT ANJ Agri Binanga on 20 February 2023. Worker also attached document such as CV, ID card, family card, and health certificate from public health center. Then company showed the agreement of PKWTT No. 047/ANJA/HR/PKWTT/II/2023 issued on February 2023 signed by worker YM and PT ANJ Agri Binanga. On May 2023 company conduct performance assessment and on 29 May 2023 appointed as permanent worker according to decree letter about promotion. Based on interview with workers in estate and mill and also representative of worker union, it is known that employment procedures have been implemented by the company in accordance with applicable regulations. Also there is no complaint about discrimination against procedure.	
6.1.4	**Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interview with woman worker at spraying and manuring activity in West and East Estate, it is known that there is no pregnancy testing as recruitment requirement. The pregnancy tests were only conducted for chemical material applicators to avoid the employees being exposed with chemical. The recruitment process only submitted application letter and attached other document such as copy of ID card, family card, and others certificate if needed.	
6.1.5	**A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective	Company already has gender committee that handle issue about gender. This committee structure	

evidence:	consists of committee builder, chairman of committee, vice chairman, secretary, and 6 division. The structure already including man and woman worker. Gender committee has program and already implemented the program, for example meeting on 9 April 2022 discussed about issue might be raise related to gender or immoral actions. This committee also has work program for 2023, among others: • Socialization about gender committee • Sharing experience • Daycare monitoring • Education about sexual harassment • Etc. Based on interview with woman worker in spraying and manuring activity in West and East Estate and also with weighbridge operator in Binanga POM, it is known that they already know about gender committee and there is no complaint submitted to the committee during last year.	
6.1.6	**There is evidence of equal pay for the same work scope.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company already paid worker with the same work scope equally. Based on interview with manuring and spraying worker in West and East Estate with the same work period, it is known that the nominal of basic salary they received are same. The salary is set in accordance with Decree Letter of Sumatera Utara Governor No. 188.44/1083/KPTS/2022 about Determination of Minimum Wage of Padang Lawas Utara Regency for 2023, stated that minimum wage for Padang Lawas Utara Regency is Rp2,956,127.84/month. Company also showed payslip for workers with the same work scope, for example: • Payslip of spraying worker in East Estate on behalf DAS (AA/AA21/0821/649) on June 2023 received basic salary Rp2,965,128 and tenure allowance. • Payslip of spraying worker in West Estate on behalf ES (AA/AA23/1010/124) on June 2023 received basic salary Rp2,965,128 and tenure allowance. Based on interview with spraying and manuring worker in estates and mill, it is known that they receive basic salary equally.	
Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).		
6.2.1	**Documentation of pay and working conditions in accordance with applicable labour laws are available to the workers in national languages and explained to them in language they understand.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interview with workers in estates and mill, it is known that the basic wage is already in accordance with applicable minimum wage. Company showed the Decree Letter of Sumatera Utara Governor No. 188.44/1083/KPTS/2022 about Determination of Minimum Wage of Padang Lawas Utara Regency for 2023, stated that minimum wage for Padang Lawas Utara Regency is Rp2,956,127.84/month. Company also has condition about wage structure and scale for 2023 and about tenure allowance written on internal memo No. 005/ANJ/HRCM/IM/I/2021 issued on 18 January 2021. The wage structure and scale is divided into 4 level. The minimum wage is level NS A or equivalent with the minimum wage and maximum wage is Rp3,307,562. PT ANJA Binanga also has an internal memo No. 125/GM/ANJA-BNG/IM/X-2013 concerning "Premi Baby Sitter & Ketentuan Upah Kerja Hari Libur" issued on 18 October 2013 which mention the premium payment for baby sitter and holiday work payment. Therefore, company is encouraged to re-evaluate the terms of premium payment for TPA (Daycare) officers supported by justification/basis in determining the premium. (Observation) As for working condition can be found in Company Regulation. PT ANJ Agri Binanga already has Company Regulation for the period 2023 – 2025 which are legalized by Manpower Ministry of Republic Indonesia through decree No. KEP.4/HI.00.00/00.0000.230301004/B/VI/2023 on 20 June 2023. The document explains all regulations related to employment aspects, such as hiring and hiring workers, probationary periods, transfers, promotions, demotions, pensions, termination of employment and others. This document is available in Bahasa Indonesia and also has socialized to worker. Based on interview with workers in estates and mill, they understand about the working condition in company.	
6.2.2	**Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime,**	*Critical*

sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed.

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

Based on document review of List Worker and interview with worker and management representative, there is no contract worker. All worker is already permanent worker or in probation time. The payment and working condition is set in work agreement or appointment letter. For example, Agreement Letter for Probation Time (PKWTT) No. 039/ANJA/HR/PKWTT/06/2022 issued on 6 June 2022 informs about identity of company and worker, job description, probation period, salary condition, obligation, and other requirement. The agreement is made in Bahasa Indonesia and based on interview with new worker, they have the copy of agreement and understand regarding the details in agreement.

Besides work agreement, company also has for the period 2023 – 2025 which are legalized by Manpower Ministry of Republic Indonesia through decree No. KEP.4/HI.00.00/00.0000.230301004/B/VI/2023 on 20 June 2023. Company regulation informed about rights and obligation of company and worker, recruitment, appointment, and promotion requirement, payment condition, work time and overtime payment condition, PPE and work tools, leave condition, sanction, and also work termination condition. This document is available in Bahasa Indonesia and also has socialized to worker. Based on interview with workers in estates and mill, they understand about the working condition in company.

Company showed salary documentation in form of payslip for June and July 2023. Based on interview with workers in estate and mill, it is known that worker received the payslip every month. The payslip document gives accurate information on compensation for all work performed and deduction, for example:

- Payslip of upkeep worker in Central Estate on behalf MHRP (AA/AA11/0217/170) on June 2023 received basic salary Rp2,965,128, tenure allowance, and rice allowance
- Payslip of upkeep worker in Central Estate on behalf AEP (AA/AA22/0117/365) on July 2023 received basic salary Rp2,965,128, tenure allowance, and rice allowance.

Based on interview with worker in estate and mill and representative of labor union, it is known that there is no complaint about underpayment salary. Workers receive salary in accordance with applicable regulation.

Verification of the OFI from the last surveillance audit:
Based on interview with loose fruit picker, they are now worked under the contractor since January 2023. Based on document review, it was also observed there is an agreement with PT Hasbi Putra Pratama as the contractor providing loose fruit picker worker. During observation to harvesting activity on West, East and Central Estate, it was confirmed that the harvesters that previously bring their wives with no legal status, now has a contract personally

6.2.3 **There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, and other legal labour requirements.** *Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

Company showed the evidence of compliance with labour requirements, for example:

- Payslip of Boiler Operator in Binanga POM on behalf CS (AA/AA31/1196/16) on July 2023 received basic salary Rp2,990,128, overtime payment, attendance premium payment, performance premium, and more. Overtime payment has paid in accordance with applicable regulation.
- Leave form for annual leave on behalf MIR start from 5 – 8 August 2023 approved by HR Manager.

Based on interview with worker in estate and mill and with representative of labour union, it is known that there is no indication of force labour. Workers received salary according to minimum wage regulation. For harvesters, the salary is based on work target. If the worker gets the base/target, then he gets a premium. Workers also get deduction for health and accident insurance and worker can use the health insurance in public health service nearest. Also based on interview with contractor worker it is known that worker receives salary in accordance with applicable minimum wage.

<table>
<tr><td>6.2.4</td><td colspan="5">The unit of certification provides adequate housing. Sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure.</td><td><i>Critical</i></td></tr>
<tr><td>Findings</td><td>In compliance:</td><td>Yes:</td><td>X</td><td>No:</td><td></td><td></td></tr>
<tr><td>Objective evidence:</td><td colspan="6">Based on interview with workers in estate and mill and also field observation to housing area in Division J and I West Estate and Division G East Estate, it is known that company provides adequate housing facility. Sanitation facility is in good condition, water supplies for consumption and clean water, medical facility, educational facility such as day care and school bus. From the observation, also seen that company also did the house renovation to replace the old house. Workers also inform that company will carry out housing repairs if there are complaints of housing damage.</td></tr>
<tr><td>6.2.5</td><td colspan="5">The unit of certification makes efforts to improve workers’ access to adequate, sufficient and affordable food.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td>In compliance:</td><td>Yes:</td><td>X</td><td>No:</td><td></td><td></td></tr>
<tr><td>Objective evidence:</td><td colspan="6">The results of interviews with employees and labour union, it is known that company provides an employee cooperative that provides workers' daily needs including food. Employees can buy basic necessities through merchants who are traveling around the housing complex. Based on the results of interviews with residents of housing and workers, it was stated that workers had obtaining adequate food sources at competitive prices.</td></tr>
<tr><td>6.2.6</td><td colspan="5">A DLW is paid to all workers in accordance with applicable regulations, including workers who work on a piece rate/quota basis, the calculation of which is based on a quota that can be achieved during regular working hours.
<i>Procedural Note for 6.2.6:</i>
<i>The RSPO has published guidelines on the calculation of Decent Living Wage (DLW) in June 2019. Since Indonesia does not have DLW benchmark yet, the RSPO Secretariat will conduct a DLW benchmark study in accordance with the Global Living Wage Coalition (GLWC) and Indonesian laws and regulations.</i>
<i>In the meantime, until DLW benchmark for Indonesia is endorsed by the RSPO, the unit of certification carries out interim measures that was published by RSPO (dated 11 November 2019), including:</i>
<i>1. payment of minimum wages in accordance with applicable regulations</i>
<i>2. assessment of wages paid (prevailing wages) and in-kind benefits.</i>
<i>Once the DLW benchmark is available, this procedural note is no longer applicable.</i></td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td>In compliance:</td><td>Yes:</td><td>X</td><td>No:</td><td></td><td></td></tr>
<tr><td>Objective evidence:</td><td colspan="6">The determination of salary at PT ANJ Agri Binanga is according to Decree Letter of Sumatera Utara Governor No. 188.44/1083/KPTS/2022 about Determination of Minimum Wage of Padang Lawas Utara Regency for 2023, stated that minimum wage for Padang Lawas Utara Regency is Rp2,956,127.84/month. Based on example of payslip document June 2023, upkeep worker in Central Estate on behalf MHRP (AA/AA11/0217/170) on June 2023 received basic salary Rp2,965,128, tenure allowance, and rice allowance.
In relation to DLW (Decent Living Wage), the company has tried to do Prevailing Wage calculations for each unit, which included samples of In-Kind Benefits, such as Housing, electricity for home, water, education, health facility, rice allowance, and monthly salary. As for the amount of Prevailing wage for single worker is Rp4,170,292. Prevailing wage calculation is based on actual and rational price at certification unit location.</td></tr>
<tr><td>6.2.7</td><td colspan="5">Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td>In compliance:</td><td>Yes:</td><td>X</td><td>No:</td><td></td><td></td></tr>
<tr><td>Objective evidence:</td><td colspan="6">Based on document review of List Worker and interview with representative of labour union and management, permanent worker is used for all core work in estate and mill. As for loose fruit picker and security use third party or contractor. Company showed the work agreement between PT Delta Garda Persada as contractor for security service through Contract Amendment No. 0506/SEC/ANJA/2023 issued on 8 May 2023.</td></tr>
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<tr><td colspan="3">Criterion 6.3: The unit of certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collevtive bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</td></tr>
<tr><td>6.3.1</td><td>A published statement recognizing freedom of association and right to collective bargaining in national languages is available and is explained to all workers in languages that they understand, and is demonstrably implemented.</td><td><i>Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">Company has statement that stated about freedom to form and join worker union written on internal memorandum No. 079/ANJA-Binanga/GM-HRD/IM/VIII/2011 issued on 1 August 2011. This policy is available in estate and mill office and can be accessed by stakeholder. The policy states that company guarantees freedom of association for workers.
There are 2 union in PT ANJ Agri Binanga, namely <i>Serikat Buruh Sejahtera Indonesia (SBSI)</i> and <i>Serikat Buruh Perkebunan Indonesia (Serbundo)</i>. Based on interview with worker in estates and mill, it is known that the workers is freedom for join or not join the union. The union has registered to the Manpower Office of Padang Lawas Utara Regency, for example Registration Proof No. 560/0966/DKUKM&Naker/XI/2021 for Serikat Buruh Perkebunan Indonesia PT Austindo Nusantara Jaya Agri Binanga on 1 December 2021.</td></tr>
<tr><td>6.3.2</td><td>Minutes of meetings between the unit of certification with trade unions or worker representatives who are freely elected, are documented in the national languages and available upon request.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">Company showed the minutes of bipartite meeting and its attendance list, for example:
• Meeting on 19 May 2023 discussed about work tool for spreading EFB worker, health insurance, health facility for worker’s family, and others discussion.
• Meeting on 9 June 2023 discussed about premium payment for genset operator, electricity in workers’ house, and others discussion.
The meeting is attended by both labour union and the record meeting is available for both unions. The minutes of meeting is available in Bahasa Indonesia and also available for worker if requested. Company also gave their respond for all matters delivered by representative of unions.</td></tr>
<tr><td>6.3.3</td><td>Management does not interfere with the formation or operation of registered labour organizations/unions, or other freely elected representatives for all workers, including migrant and contract workers.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">Based on interview with workers in estates and mill, it is known that company has given socialization related to guarantee freedom of association for workers/employees. Then, from interview with representative of SBSI, Company does not interfere all activities of organization, whether election of workers representatives or other activities. However, from interview with representative of Serbundo, there is an indication of intervention to the worker to leave the union. Then, from interview with representative of human resource PT ANJA Binanga, this matter will be investigated further to the person related. Overall, from interview with workers in estates and mill who member in union, there is no intervention from company about the membership of union.</td></tr>
<tr><td colspan="3">Criterion 6.4: Children are not employed or exploited.</td></tr>
<tr><td>6.4.1</td><td>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</td><td><i>Non-Critical</i></td></tr>
<tr><td>Findings</td><td colspan="2">In compliance: Yes: X No:</td></tr>
<tr><td>Objective evidence:</td><td colspan="2">Policy for protection of children is written on ANJ Sustainability Policy which stated that ANJ Group will not use underage worker. Company will ensure that children in operational locations are given the right to live together with their families, as well as provide access to health, education, and protection from violence. The policy about protection for child worker also stated implicitly in agreement with the contractor. For example, in Agreement with CV Mujur Trans No. 1205/PK/SC/ANJA/2022 stated that contractor fulfils and ensures that its employee will comply with all applicable laws and regulations. Based on interview with workers in Estates and Mill, they already understand the prohibition to use child worker. From interview with representative of worker union also known that there is no child worker in company.</td></tr>
</table>

6.4.2	**Documented evidence on the fulfilment of worker's minimum age requirements in accordance with applicable regulation and verification procedures for age requirements, are available.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on document review of list worker PT ANJA Binanga, there is no worker under 18 years old. From field observation to operational activities in all estates and mill, there is no indication workers under 18 years old. Based on document review of new worker recruitment, one of the documents attached as the recruitment requirement is copy of ID card to prove the age of new worker.	
6.4.3	**Young person maybe employed only for non-hazardous work with protective restrictions in place for that work.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on document review of list worker April 2023, there is no worker under 18 years old. From field observation to operational activities in East, West, and Central Estate and also in Binanga POM, there is no indication workers under 18 years old. Based on document review of new worker recruitment, one of the documents attached as the recruitment requirement is copy of ID card to prove the age of new worker.	
6.4.4	**The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on field observation to operational activities in East, West, and Central Estate and also in Binanga POM, there is no indication workers under 18 years old. Based on interview with East, West, and Central Estate and also in Binanga POM, it is known that they understand minimum age to work in company is above 18 years old. The policy about protection for child worker also stated implicitly in agreement with the contractor. For example, in Agreement with CV Mujur Trans No. 1205/PK/SC/ANJA/2022 stated that contractor fulfils and ensures that its employee will comply with all applicable laws and regulations	
Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.		
6.5.1	**A policy to prevent sexual and all other form of harassment and violence is documented, implemented and communicated to all levels of the workforce**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company has policy to protect worker from harassment or abuse written in ANJ Sustainability Policy. The policy stated that ANJ does not tolerate any form of violence, harassment and sexual exploitation in operational areas. This policy has socialized to worker for example on 21 June 2023 to workers in Division D and 22 June 2023 to workers in Division H. Based on interview with workers in estate and mill also with representative of labour union and gender committee, it is known that there is no complaint related to harassment or immoral action. Workers also understand the flow to submit complaint related to harassment/violence if any. Based on document review of complaint record also known that there is no complaint related to harassment or violence in company.	
6.5.2	**A policy to protect the reproductive rights of all, especially of women, is documented, implemented and communicated to all levels of the workforce.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company has policy to protect the reproductive rights and written in internal memo No. 072/GM/ANJA-BNG/IM/IX-2020 issued on 17 September 2020. The policy stated that company will protect reproductive rights for all worker, especially woman. Company also provides menstrual leave and maternity leave for woman worker which stated in Company Regulation. Based on interview with workers in estate and mill also with representative of labour union and gender committee, it is known that there is no complaint related to harassment or immoral action. Workers also understand about the reproductive rights. Pregnant workers and in lactating period are prohibit to work with chemical material.	
6.5.3	**Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified in accordance with applicable regulations in Indonesia.**	*Non-Critical*
Findings	In compliance: Yes: X No:	

Objective evidence:	Company has identified the needs of new mother in 2023 created by company doctor. The needs needed by new mother such as: • Maternity leave in accordance with applicable regulation. • Health service for baby and the mother • Provides vitamin for the mothers • Lactating rooms in offices, daycare, and clinic. • Special time for lactating • Etc. Based on interview with woman worker, gender committee and field observation to housing area, it is known that company provides the daycare, lactating room, and gives special time for lactating. It is also known that breastfeeding worker will be transferred to work as maintenance workers and prohibit contacted with chemical material.	
6.5.4	**Grievance mechanism, which respects anonymity and protects complainants where requested, as long as the complaint is supported with adequate information, is documented, implemented and communicated to all levels of the workforce.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Company has grievance mechanism written on Internal memo No. 073/GM/ANJA-BNG/IM/VUUU-2017 issued on 29 August 2017. Workers can deliver the complaint or grievance to their supervisor directly verbally or by writing. Company also has whistleblowing system which protect the anonymity of complainant. Based on interview with workers in estate and mill, they understand the grievance mechanism. Complaints can be submitted to supervisor, labour union, or gender committee. Also, there is no complaints related to harassment or abuse in workplace. Based on document review of complaint record also known that there is no complaint related to harassment or violence in company.	
Criterion 6.6: No form of forced or trafficked labor are used.		
6.6.1	**All work is voluntary and the following are prohibited:** • **Retention of identity documents or passports** • **Payment of recruitment fees** • **Contract substitution without worker's consent** • **Involuntary overtime** • **Lack of freedom of workers to resign** • **Penalty for termination of employment, unless the unit of certification and the workers agree to the penalty and it is stated in the employment agreement** • **Debt bondage** • **Withholding of wages**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on interview with workers in estate and mill, it is known that there is no indication of force labour in workplace or withholding of wages. Workers also voluntarily to work overtime and there is no lack of freedom to resign. From interview with workers and representative of labour union also known that there is no recruitment fees or retention of identity document. All workers work in accordance with the mutually agreed agreement or letter of appointment.	
6.6.2	**Where temporary (Specified Time Work Agreement/PKWT) or migrant workers are employed, a specific labour policy and procedures are established and evidence of implementation is available.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on list of East Estate, West Estate, Central Estate and Binanga POM worker, it is known that there is no temporary worker (PKWT) or migrant worker. All workers in estates and mill are permanent workers but also has contractor workers. Based on interview with contractor worker, they are not permanent worker. Contractor workers are contract worker (PKWT) and already has work agreement the contractor. The new worker of PT ANJA Binanga is recruit as probation time worker and after 3 months will be assessed to be permanent worker.	
Criterion 6.7: The unit of certification ensures that the working environment under its control is safe and without undue risk to health.		

6.7.1	**The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has appoint the responsible person for OHS implementation for both mill and estate at RIM Capital are Mr Taupan S Sibarani as Safety Committee Leader and Mr. Adil Situmorang as AK3U/OHS Expert. Mr Adil Situmorang has the license of General H&S Expert from Ministry of Manpower. The P2K3 team of PT ANJA has been authorized by the district labor department No. 182-7/DTK-SU/Wil.V/2022 15th March 2022 and valid for two year. The composition of P2K3 members consist of management and worker of each site. Records for H&S meetings were reviewed for January 2023 – July 2023. Several concerns were discussed such as dissemination of HIRAC, work accident dissemination, HIRAC evaluation, monitoring working accident report, PPE inspection, chemical handling, request for safety signs and first aid box. The actions were monitored for realisation and reported to management and local authority.	
6.7.2	**Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The policy on OHS has issued by the President Director, General Manager of ANJ Agri on 9 January 2017. The policy indicates CH's commitment towards OHS implementation through: • To communicate policy and OHS procedures to all employees and stakeholders which have interest. • To comply with government OHS related regulations. • To ensure implementation of OHS as a part of operational process. • To identify, appraising, and control of continuous improvement in order to avoid work accident. • To manage and monitor OHS indicators and conducting a continuous improvement. Based on interview with workers known that they have been known about the OHS policy, for example workers are required use PPE while working and safe working practices. They also said that Field Officer perform morning briefing every day before starting work and ensure the completeness of the PPE of all workers. The management have a work program of occupational health safety every year. Realization of the work program will be monitored through regular meetings of P2K3 every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness. The company also has assigned the foreman (upkeep and harvesting foreman) as a trained first aid officer. All of the foreman has been trained regularly to implement the first aid activity during the field activity. Latest training that presented by the company doctor (dr. Juni Surbakti) for all of the first aid officer was conducted on 9 February 2023. Based on observation to the spraying, fertilizing and harvesting activity on all Estate during audit, it was observed that all of the foreman have been provided the sufficient first aid equipment and has a sufficient knowledge to use all of the equipment. Based on the field observations in all Estate and Binanga Mill, it was observed that the company has installed OHS symbols, has fire extinguisher, installed MSDS, and has Hydrant in strategic locations according to the level of danger. Interview with the employees, it was confirmed that they are aware regarding the evacuation route in case any emergency happen.	
6.7.3	**Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	All estate within the PT ANJA have identified appropriate PPE for employee based on risk assessment. Record of PPE distributed to employee also is recorded by PIC in warehouse. During	

observation to Harvesting Activity on West, Central and East Estate, it is verified that employee used appropriate PPE (safety shoes, and helmet) identified for harvesting activity. It is also verified through observation to spraying activity, it is verified that all sprayers applicants used appropriate PPE (mask, shoes, apron, and gloves) identified for spraying activity. It is also verified that sanitation facility is provided so employee can use it to clean their PPE (especially for sprayers and fertilizer applicant) that has been exposed to chemical. The company has total 3 sanitation facility. Located on each estate (West, East and Central Estate). Based on observation to all of three sanitation facilities, it was observed that the company has an adequate facility to provide the pesticide and fertilizer operator to have a sanitation activity after working time.

For mill in Binanga Mill, it has been identified the appropriate PPE for employee based on risk assessment. During observation to employee in Boiler room, it is verified that employee use appropriate PPE such as helmet, safety shoes, earmuff, gloves and face shield while during certain jobs within the boiler area. Observation also conducted to employee in grading station and it is verified that employee use appropriate PPE such as safety shoes and helmet.

The company also has PPE Matrix Documents for Estate and Mills. The document describes the type of PPE that must be worn for each type of work.

6.7.4 **All workers are provided medical care and covered by accident insurance. Costs incurred from work related incidents, leading to injury or illness, are covered in accordance with applicable regulations or by the unit of certification if applicable regulations do not provide protection.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence:

All workers and staff have been covered the social and health insurance program (BPJS program). As such, any work accident will be covered by the company until BPJS is officially available.

Sample of BPJS Payment period July 2023 :
- BPJS Ketenagakerjaan (Labour Insurance) For 1,229 Estate Employees (West, East and Central Estate)
- BPJS Ketenagakerjaan (Labour Insurance) for 124 Employees of Binangan Mill

The company has provided with medical care (2 clinics) for workers and their families at Central and West estates. Clinic at Central estate also covers East estate. Based on interview with the employees during audit, it was observed that the medical care in the clinic is provided for free. During period 2022/2023, there is no claim of the insurance (BPJS) for any accident. All of the accident was considered as minor and handled by the company clinic.

6.7.5 **Occupational injuries are recorded using Lost Time Accident (LTA) metrics.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence:

The company routinely reports every accident that occurs in its operational area. Reporting on work accidents is recorded in the OHS Committee Quarterly Report sent to the Department of Manpower and Transmigration in the relevant Regency. Sighted the sample of the documents related to work accident reporting during fiscal year period 2023 todate July in the table as follows:

Unit	LTA	Case	Freq Rate	Sev Rate
Mill	0	0	0	0
Estate	1	1*	0.68	1.36

*minor accident

For accidents that occur, the company has investigated accidents and taken action to prevent accidents from recurring. The investigation is contained in the work accident investigation and evaluation document which explains the victim's biographical data, time of the incident, accident chronology, part of the injury, investigation of dangerous actions & conditions and suggestions for improvement.

Principle 7: Protect, Conserve and Enhance Ecosystems and the Environment

Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

7.1.1 **IPM plans are implemented and monitored to ensure effective pest control.** *Critical*

Findings In compliance: Yes: X No:

Objective evidence:	An IPM plan is budgeted annually which consists of detection, census and monitoring of pest and disease attacks, biological control such as installation of owl nests and planting beneficial plants. To obtain the objectives, the company defined some policies, e.g.: - Estate management need to generate awareness of the importance for earliest detection of P&D outbreaks and actively promote good agricultural practices before any large scale control measures are required - Regular continual surveillance against possible P&D outbreak will be carried out by relevant personnel in the estate (only necessary if the P&D is present) even in areas of no known previous outbreaks - Integrated Pest Management (IPM) principles are to be adopted in formulating desirable P&D control strategy and biological control agents like Barn Owls are encouraged. The above IPM management plan has include the following items, e.g.: identification of potential pests and thresholds; the techniques used (cultural, biological, mechanical and physical methods); the native species used as part of the biological control method; and etc. Some records of all estates for periods 2023 were reviewed such as: monitoring of pest attack through census on rat, leaf eating caterpillar, rhinoceros beetle and disease attack (ganoderma). Based on monitoring during 2023, rat attack still below standard. Sample of census during period July 2023 on West Estate, all of rat attack was under 5% (standard max 5%). For caterpillar census during 2023 there is no found caterpillar attack. Therefore, no chemical treatment needed. The implementation of IPM has been documented in the: - Monthly monitoring of Barn Owl Box PT ANJ (West, East and Central Estate) - Monthly visual monitoring Nettle Caterpillar and Bagworm - Monthly monitoring *Oryctes sp* picking	
7.1.2	**Invasive species are not to be used according to applicable regulation in managed areas, unless plans to prevent and monitor their spread are implemented.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on document monitoring and observation, it was observed that the company plant Cassia cobanensis, Antigonon leptopus and Turmera subulata as their beneficial plant for Integrated Pest Management (IPM) Program. All of those beneficial plants are not included as an invasive species according to Minister of Environment and Forestry Regulation No. P. 94/MENLHK/SEKJEN/KUM.1/12/2016.	
7.1.3	**There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on observation and interview to pesticide applicator on all estate. There is no evidence that the company ever use fire for pest control. During observation to all estate, it is verified that auditor did not find any evidence that the company using fire for pest management.	
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.		
7.2.1	**Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	There is a justification for the use of all pesticides, which are listed in the SOP for Chemical Safety Instructions, document number SOP-AGR-19, valid since August 1, 2013, which among others explains how to use chemicals safely, levels of poisoning, safe storage for action. prevention, mixing (making) solutions and spraying (application), first aid and about the use of protective clothing. The company also has a Weed Control SOP, document number SOP-AGR-17, dated August 1, 2013, which among other things explains the materials and use of herbicides and pesticides for selective and specific use of weeds, pests, and diseases. For example, at the age of 3 years to control weeds in circle path and FFB collection point (TPH) use herbicides with the active ingredients Glyphosate, Glyfosinate, Fluroxipir or Methyl Metsulfuron according to the recommended dose or	

product label using a knapsack sprayer and nozzle VLV 200 with a rotation per year 4 x a year, the type of pesticide used per weed type.

7.2.2 **Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) are provided.** *Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence: Record of pesticides use are provided during audit (including brand name, LD 50, active ingredient, A.I per Ha and total number of applications). Available the sample record for period 2023 (January – July) for all estate (West, East and Central) with detail as follow:

Brand Name	**Active Ingredient**	**% a.i**	**LD50**	**Chemical Use (Kg or L)**	**A.I used per Ha (gr or L)**
Round Up	Isopropil Amina Glifosat	48	5000	4,835.81	250,39
Trendy	Metsulfuron Metyl	20	5000	192,769.22	20.54
Garlon	Triclopir	48	3822	466.10	23.84
Lindomin	2.4-D dimetil amina	865 g/l		4,813	443.56

7.2.3 **Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.** *Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence: As part of reducing the use of pesticides, the company has integrated biological control in pest control, for example by using beneficial plants aimed at controlling oil palm leaf eating caterpillar and Tyto alba for controlling rats' pests and weeds and pests without using chemicals. The company shows data on the use of beneficial plans, for example on Central Estate species Turnera subulata January until July 2023 is 450 trees, Antigonon leptopus is 10 trees. Based on field visits, at the Sari Central Estate and West Estate, it is known that the company has planted and taken care of plants such as Turnera subulata and Antigonon leptopus as a habitat for Sycanus sp. In addition, the company uses a pesticide rotation system so that pesticides and herbicides are not used continuously and will cause resistance.

The establishment of the Barn owl box intended for attracting the Tyto alba species which is known as a natural predator for the rodent thus minimalized the rodenticide application in all estates. Verified in the rodenticide application record has been subsided over the years.

7.2.4 **There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in Indonesia best practice guidelines.** *Non-Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence: There is no evidence the use of prophylactic pesticides applied in the field by the certification unit. Any application or use of prophylactic pesticides should be under justification of R&D Department.

7.2.5 **Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions and paraquat, are not to be used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.** *Non-Critical*

The due diligence refers to:

a. **Judgment of the threat and verify why this is a major threat**
b. **Why there is no other alternative which can be used.**
c. **Which process was applied to verify why there is no other less hazardous alternative.**
d. **Process to limit the negative impacts of the application.**
e. **Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.**

Findings	In compliance:	Yes:	X	No:	

Objective evidence: Company has a policy regarding commitment not use agrochemical which avoided by national and international regulation (WHO category 1A & 1B or conversion of Stockholm and Rotterdam) and also paraquat, stated in Sustainability Policy dated on July 2019.
Based on document review, it was confirmed that no pesticide class 1A and 1B being used by the company. Detail of chemical usage in this company:

Brand Name	**Active Ingredient**	**Pesticide Class**

Round Up	Isopropil Amina Glifosat	III
Ally	Metsulfuron Metyl	III
Garlon	Triclopir	III
Lindomin	2.4-D dimetil amina	II

7.2.6	**Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they conduct.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The Company has provided the realization of the refreshment training of handling of pesticides and MSDS socialization program for example on 24 March 2023 on Central and East Estate. The training has been attended by all sprayers, foremen, and warehouse employees (35 workers). Pesticides are always applied in accordance with the product label and procedure. Pesticides storage was locked areas with limited access. The storage was ventilated. MSDS and hazard symbol label were provided nearby of pesticides. Emergency shower and eye washer were also provided to anticipate in case of an emergency of pesticides handling. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area. PPE for handling of pesticides were provided including boots, apron, safety glass, respiratory mask and hand gloves. PPE used was appropriate according to recommendations in any risk assessments. PPE provided and used can be easily replaced if damaged.	
7.2.7	**Storage of all pesticides in accordance with recognized best practices.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on observation and interviews, it is known that the waste of used pesticide container has been managed in accordance with regulations and procedures, namely stored in a special place (temporary hazardous waste warehouse) which has been permitted by government. During observation if housing complex, estate area and warehouse area, there were no traces of pesticide packaging made irresponsibly. Pesticides storage located in a separated area from fertiliser. Pesticides storage was locked areas with limited access. The storage was ventilated through cross flow ventilation. Emergency shower and eyewash were also provided to anticipate in case of an emergency. PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area. Safety officer regularly performed monitor possible spill. All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Balance of toxic hazardous material waste has been recorded. Evidence for ex agrochemical disposal to related licensed third parties i.e. hazardous manifest are available and able to seen on indicator 7.3.1.	
7.2.8	**All pesticide containers that are disposed of and/or used for other purposes are managed according to applicable regulations and/or instructions on the packaging.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	All of hazardous waste, including ex-chemicals containers stored in the licensed temporary storage for certain time as stipulated in the license before transferred to third party for next processes. Based on interviews with employees and the foreman of herbicide application on Central Estate, West Estate and East Estate it is known that all pesticide and herbicide packaging is collected at the designated storage area and the company coordinates with collectors to recycle and not be used for purposes other than pesticide application activities with documented and traceable. The results of the observation to the housing revealed that there were no used pesticide packages used by employees for other purposes.	
7.2.9	**Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective	Based on interview and observation, no aerial spraying activity in PT Austindo Nusantara Jaya Agri	

evidence:	area.				
7.2.10	**Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.**				*Critical*
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company have documentation related to specific medical surveillance for pesticide and manuring operators. Health checks are carried out on 30 June 2023 to 53 employees (manuring & spraying operator and store keeper). Medical surveillance is conducted twice a year. For period 2023 the latest medical check up has been conducted in Klinik Pratama PT ANJ Agri with the license no. 503/0186/I-K/2020. Based on the result, it was observed that all of the employees are on a normal condition. During field observation and interview to the spraying employees (pesticide and herbicide operator) of West, East and Central Estate, it was observed that the medical surveillance was carried out twice a year and the result was informed to all employees.				
7.2.11	**No pesticide-related work is carried out by pregnant or breastfeeding women, or people with medical limitations and they are offered other equivalent work alternatives.**				*Critical*
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	During observation and interview to pesticide and manuring activity in all estate of the company, no pregnant or breastfeeding woman apply chemical are found by auditor. The employees also well understood of company procedure.				
Criterion 7.3: Waste is reduced, recycled, reused, and disposed of in ways that are environmentally and socially responsible.					
7.3.1	**A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.**				*Non-Critical*
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has identified the types of waste and pollution produced from plantation and mill operational activities which are included in the Identification of Waste and Pollution Sources documents and plans to reduce them. The document describes the types of waste, sources of waste, waste management, etc. The following types of waste are generated and their management: **Hazardous and Toxic Waste** The hazardous dan toxic waste produced by the company is stored in the Hazardous Waste Temporary Storage and then transported and handed over to a licensed hazardous waste collector. The company has a Temporary Storage Permit for hazardous waste based on the Decree of the Head of Dinas Penanaman Modal dan Pelayanan Perizinan Terpadu Satu Pintu Number 503/0006/I-LB3/VII/2020 dated 15 July 2020 and valid until 10 July 2024. The types of waste that are permitted to be stored in temporary storage include used oil, used batteries, medical waste, used filters, TL lamps, used cartridges, contaminated packaging, electronic waste and rag used The company also shows documentation of hazardous waste management and handling, such as: • The balance of hazardous waste up to June 2023 consists of contaminated packaging, used filters, rags, used batteries, used oil and medical waste. • Manifest hazardous waste transported on 6 June 2023. For example No. KLHK-1694031697 for used batteries, KLHK-1694029607 for used filters, KLHK-1694028440 for contaminated packaging and others. • Minutes of transport of hazardous waste dated 6 June 2023 by PT Amindy Barokah consisting of used oil, used batteries, medical waste, used filters, contaminated packaging and rag used. The company can show the Cooperation Agreement between PT ANJ Agri Binanga and PT Amindi Barokah No. 128/ANJ-ABS/SPK-LB3/VI/2023 and valid until 2024. Meanwhile, PT Amindy Barokah as the hazardous waste transporter already has a permit which is explained as follows: • Approval of Fulfillment of hazardous waste management permit commitment Number 522.21/534/DIS PM PPTSP/5/IV.2/2019 dated 12 April 2019 • Hazardous Waste Transportation Recommendation No. S.385/PSLB3-VPLB3/PPLB3/PLB.3/10/2021 dated 25 October 2021 and valid for 5 years. • Hazardous Waste Transportation Recommendation No. S.1073/VPLB3/PPLB3/PLB.3/09/2019 dated 26 September 2019 and valid for 5 years..				

- Control card for permits for the transportation of dangerous goods, for example No. SK.00253/AJ.309/1/DJPD/2018/100000104-00018 dated 16 September 2022 is valid until 16 September 2023

PT Amindy Barokah as the hazardous waste transporter also cooperates with the party that processes/utilizes hazardous waste which is shown through the Cooperation Agreement, for example:

- Cooperation Agreement for hazardous waste Management between PT Amindy Barokah and PT Non Ferindo Utama No. 400/PGA/NFU/X/2022 dated 11 October 2022.
- Cooperation Agreement for hazardous waste Management between PT Amindy Barokah and PT Wastec InternationalNo. 029/WI/SPKLB3TP/X/2022 dated 28 October 2022 and is valid for 1 year.

The results of field observations at the warehouse of hazardous waste in central estate show that the company already has a warehouse for hazardous waste which is equipped with infrastructure such as an emergency response, symbol and hazardous waste label, far from settlements, has an oil trap and others. The observation results show that the company has managed the hazardous waste quite well. The results of interviews with hazardous waste warehouse officer also showed that the officer fully understood the SOP for hazardous waste management and mitigation measures in the event of potential pollution. The company has also reported quarterly results of hazardous waste management. For example, evidence of PT ANJ Agri Binanga Hazardous Waste Management Reporting for the second quarter of 2023 which was reported to the Environmental Service on July 13, 2023.

Domestic waste

Transportation of domestic waste from employee housing is carried out 3 times a week by special officers. For organic waste immediately disposed to composting house. Meanwhile, domestic plastic waste is sent to the mill for recycled into paving blocks

The results of field observations at composting house, for example block K at West Estate and residential areas, show that there are no burning waste. Meanwhile, based on observation at mill area, known that domestic plastic waste is used for making paving block.

Liquid waste

The company already has a Permit to Utilize Liquid Waste to the Ground for Land Applications based on the Decree of Kepala Dinas Penanaman Modal dan Pelayanan Perizinan Terpadu Satu Pintu of Padang Lawas Utara Regency Number 503/0005/I-LA/VI/2020 dated 29 June 2020. The results of field observations in the area of Land application block G62 Central Estate found that the liquid waste had been applied there was no leakage that flows outside the area.

Solid Waste (shell, fiber and EFB)

Solid waste from the FFB processing process, such as empty fruit bunches, is utilized to substitute fertilizers that are applied to plantation land. The company has shown records of EFB utilization applied to plantation land. For example, the application on June 2023 was applied for 337,821 kg in block E of the Central Estate. Meanwhile, in the form of shells and fiber are reused by the company as a substitute for fossil fuels (diesel) for power generation in boilers.

7.3.2 **Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.** *Non-Critical*

Note to auditor :
Ground verification should be conducted by Auditor to check the implementation of proper ways for waste disposal by the company, including

- *the separation of organic and non-organic materials procedures and its implementation.*
- *the Landfill location*
- *Risk assessment and safety precautions for some unsafe condition of Landfill*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

The company already has waste management procedures contained in SOP for Non-Hazardous Waste Management No. SOP-EHS-039, SOP for Hazardous management No. SOP-EHS-009 and SOP Waste Management Plan No. SOP-EHS-008. Those SOP explains waste management such as hazardous waste, liquid waste, domestic waste and others.

Based on interviews with managers, workers and hazardous waste warehouse officers, it was found that they understood the handling and management of waste including hazardous waste, domestic

	waste and others. The company has routinely conveyed socialization related to waste handling to workers. From the results of the interviews, information was obtained that hazardous waste would be collected at hazardous waste warehouse and then handed over to hazardous waste collectors or transporters who already had permits, while domestic waste from employee housing is carried out 3 times a week by special officers. For organic waste immediately disposed to composting house. Meanwhile, domestic plastic waste is sent to the mill for recycled into paving blocks The results of field observations in the residential areas showed that the housing conditions were quite clean and there was not much trash scattered around.	
7.3.3	**The unit of certification does not use open fire for waste disposal.**	*Non-Critical*
Findings	In compliance: | Yes: | X | No: |	
Objective evidence:	The results of field observations in office areas, operational areas, housing and other operational area did not find any traces of burning waste. The results of interviews with workers also obtained information that it is not permissible to burn waste.	
Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustainable yield.		
7.4.1	**Good agricultural practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts is documented.**	*Non-Critical*
Findings	In compliance: | Yes: | X | No: |	
Objective evidence:	The company has a procedure of fertilization activities which contained in the procedure of Fertilizer (No. Doc. SOP-AGR-11) describing the technical fertilization, empty fruit bunch application and compost application on immature plants and mature plants. The procedure also explains when and how the application of fertilizer in the field. The Company also has soil and leaf analysis procedure (SOP-AGR-26). In the procedure stated that the leaf analysis conducted once a year or every year and soil analysis conducted every 7 year. Soil analysis is conducted by PT Nusa Pusaka Kencana (as laboratorium) where the last report was in 08 April 2019. During audit, the company shows a record of the implementation of practices according to established procedures, including: • Preparation of fertilizer recommendations based on leaf and soil nutrient levels in 2023 and the results of field observations including symptoms of nutrient deficiency in plants, which are described in indicator 7.4.2. • Application of organic fertilizers (mill waste) such as empty fruit bunches and palm oil mill effluent, which is described in indicator 7.4.3. • Documentation of fertilizer recommendations and realization in 2023, which is explained in indicator 7.4.4.	
7.4.2	**Analysis of tissue samples (e.g. leaves) and soil on a regular basis to monitor and manage changes in soil fertility and plant health is documented.**	*Non-Critical*
Findings	In compliance: | Yes: | X | No: |	
Objective evidence:	Leaf sample analysis were conducted by third party, PT Nusa Pusaka Kencana Analytical (Accredited by National Accreditation Committee). The result of the leaf analysis is used for fertilizer recommendation in PT. ANJA. Latest leaf sample was conducted on 13 April 2023 on document Foliar Analysis Report No. 2040/RD/EXT/L/APR/23 with parameter N, P, K, Mg, Ca and B Soil analysis was also conducted by PT Nusa Pusaka Kencana (as laboratorium) where the last report was in 08 April 2019.	
7.4.3	**A nutrient recycling strategy is in place, which include the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.**	*Non-Critical*
Findings	In compliance: | Yes: | X | No: |	
Objective evidence:	The company has conducted a nutrient recycling strategy by using an EFB. Record of EFB is available under document name "Laporan Aplikasi Janjang Kosong Tahun 2023". During period January until June 2023, the company has applied 20,209 MT of EFB while POME which was from Binanga Mill, was applied to Central Estate due to the license and distance are more applicable. Total POME application until June 2023 is 96,198 M^3. Based on field visit in the Central Estate, flowmeter run properly and there was POME operator who was controlled and monitored the discharged process.	

7.4.4 **Records of fertilizer inputs are maintained.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence:

The company has a record of fertilizer for all estate within the PT ANJA. Sighted below the actual fertilizer program for financial year 2022/2023 (April 2022 – March 2023):

Fertilizer Type	Qty	Total Ton (Central, West & East Estate)
GRP	Plan	495.36
	Actual	495.36
HGFB	Plan	76.44
	Actual	76.44
MOP	Plan	836.96
	Actual	836.96
Urea	Plan	593.16
	Actual	593.16
NPK	Plan	41.51
	Actual	35.01
ZA	Plan	45.42
	Actual	28.6

Based on the data, it was sighted that the actual fertilizer mostly inline with the target (program) except for NPK and ZA. The company evaluate the fertilizer program during Management Review on 18 July 2023 which attended by General Manager, Manager and all Estate staff. Both NPK and ZA will be prioritized to be finish during the second semester of 2023.

Criterion 7.5: Practices minimise and control erosion and degradation of soils.

7.5.1 **Maps that identify marginal and fragile soils, including steep sloped land are available.** *Critical*

Findings In compliance: Yes: X No:

Objective evidence:

The company has a Soil Analysis Map for year 2021 with a scale of 1: 100,000 with map number 18012019-10. The types of soil found in PT ANJ Agri Binanga based on the map consist of:

- Clay: 206.44 Ha
- Clay Loam: 144.77 Ha
- Loamy Sandy: 118.06 Ha
- Sandy Clay: 290.85 Ha
- Sandy Clay Loam: 8,223.31 Ha
- Sandy Loam: 428.52 Ha
- Peat: 0 Ha

The company also has a Marginal Land Map 2021 scale 1: 100,000 which was issued on January 5, 2020. Based on the map, it is known that no marginal soils including peat soils were found in PT ANJ Agri Binanga. Moreover, based on the review of the AMDAL document (1998), it is known that there is no peat in the operational area. The types of soil in the operational area consist of Ultisol (podzolic) and Inceptisol (Kambisol).

In addition, the company has a Topographic Map issued on 17 March 2022 with a scale of 1:65,000. The slope class based on the map consists of:

Slope	Total (Ha)
0° – 5°	3,912.56
5° – 8°	1,663.26
8° – 15°	2,909.52
15° – 22°	732.21
>22°	194.4

In addition, based on the analysis of the 2011 HCV Report, it was explained that the slope conditions in the oil palm plantation area of PT ANJ Agri Binanga are dominated by areas with flat to sloping topography.

The management efforts undertaken to prevent/minimize the occurrence of soil erosion are to conserve land by making terrace, planting land cover crop, building wing walls (soil piles planted with erosion-resistant plants such as vetiver, bamboo and *angsana*) and making drainage channels with a depth of 50 cm. Based on a field visit to the replanting area in block I16 division VII West Estate, it is known that the company has constructed contour terraces on sloped areas to prevent erosion.

7.5.2 **The replanting of palm oil is not conducted extensively on steep terrain in accordance with applicable regulations.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence: The company has a Topographic Map issued on 17 March 2022 with a scale of 1:65,000. The slope class based on the map consists of:

Slope	Total (Ha)
0º – 5º	3,912.56
5º – 8º	1,663.26
8º – 15º	2,909.52
15º – 22º	732.21
>22º	194.4

In addition, based on the analysis of the 2011 HCV Report, it was explained that the slope conditions in the oil palm plantation area of PT ANJ Agri Binanga are dominated by areas with flat to sloping topography.

The management efforts undertaken to prevent/minimize the occurrence of soil erosion are to conserve land by making terrace, planting land cover crop, building wing walls (soil piles planted with erosion-resistant plants such as vetiver, bamboo and *angsana*) and making drainage channels with a depth of 50 cm.

Company also has procedure No. SOP-AGR-09.01 (Rev.04) dated April 1st 2016 about oil palm planting which mentioned that area classified as rolling to hilly (slope 25-40 %) shall adopting terraces planting pattern while area with slope more than 40 % or hilly to steep slope condition, shall be left for planting. This has been conducted by estate management for soil and water conservation purposes, as also mentioned in procedure No. SOP-AGR-05 (Rev. 3) dated April 1st 2016

Based on a field visit to the replanting area in block I16 division VII West Estate, it is known that the company has constructed contour terraces on sloped areas to prevent erosion. And during field observation, there is no evidence that the replanting of palm oil is conducted on steep terrain.

7.5.3 **New palm oil planting is not conducted on steep terrain in accordance with applicable regulations.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence: There were no new plantings in PT ANJ Agri Binanga's operational area. There are only replanting activities in the company's operational areas. The management efforts undertaken to prevent/minimize the occurrence of soil erosion are to conserve land by making terrace, planting land cover crop, building wing walls (soil piles planted with erosion-resistant plants such as vetiver, bamboo and *angsana*) and making drainage channels with a depth of 50 cm.

Based on a field visit to the replanting area in block I16 division VII West Estate, it is known that the company has constructed contour terraces on sloped areas to prevent erosion. And during field observation, there is no evidence that the replanting of palm oil is conducted on steep terrain.

Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, the results are incorporated into plans and operations.

7.6.1 **Evidence of long-term land suitability for oil palm cultivation, soil maps or soil surveys that identify marginal and fragile soils, including steep terrain are available, in planning and operations.** *Critical*

Findings In compliance: Yes: X No:

Objective There were no new plantings in PT ANJ Agri Binanga's operational area. There are only replanting

evidence:

activities in the company's operational areas. The company has a Soil Analysis Map for year 2021 with a scale of 1: 100,000 with map number 18012019-10. The types of soil found in PT ANJ Agri Binanga based on the map consist of:

- Clay: 206.44 Ha
- Clay Loam: 144.77 Ha
- Loamy Sandy: 118.06 Ha
- Sandy Clay: 290.85 Ha
- Sandy Clay Loam: 8,223.31 Ha
- Sandy Loam: 428.52 Ha
- Peat: 0 Ha

The company also has a Marginal Land Map 2021 scale 1: 100,000 which was issued on January 5, 2020. Based on the map, it is known that no marginal soils including peat soils were found in PT ANJ Agri Binanga. Moreover, based on the review of the AMDAL document (1998), it is known that there is no peat in the operational area. The types of soil in the operational area consist of Ultisol (podzolic) and Inceptisol (Kambisol).

In addition, the company has a Topographic Map issued on 17 March 2022 with a scale of 1:65,000. The slope class based on the map consists of:

Slope	Total (Ha)
0° – 5°	3,912.56
5° – 8°	1,663.26
8° – 15°	2,909.52
15° – 22°	732.21
>22°	194.4

In addition, based on the analysis of the 2011 HCV Report, it was explained that the slope conditions in the oil palm plantation area of PT ANJ Agri Binanga are dominated by areas with flat to sloping topography.

The management efforts undertaken to prevent/minimize the occurrence of soil erosion are to conserve land by making terrace, planting land cover crop, building wing walls (soil piles planted with erosion-resistant plants such as vetiver, bamboo and *angsana*) and making drainage channels with a depth of 50 cm. Based on a field visit to the replanting area in block I16 division VII West Estate, it is known that the company has constructed contour terraces on sloped areas to prevent erosion.

7.6.2 **Extensive planting on marginal and fragile soils is avoided or, if necessary, carried out according to the best-practice soil management plan.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence:

There were no new plantings in PT ANJ Agri Binanga's operational area. There are only replanting activities in the company's operational areas. The company has a Topographic Map issued on 17 March 2022 with a scale of 1:65,000. The slope class based on the map consists of:

Slope	Total (Ha)
0° – 5°	3,912.56
5° – 8°	1,663.26
8° – 15°	2,909.52
15° – 22°	732.21
>22°	194.4

In addition, based on the analysis of the 2011 HCV Report, it was explained that the slope conditions in the oil palm plantation area of PT ANJ Agri Binanga are dominated by areas with flat to sloping topography.

Company also has procedure No. SOP-AGR-09.01 (Rev.04) dated April 1st 2016 about oil palm planting which mentioned that area classified as rolling to hilly (slope 25-40 %) shall adopting terraces planting pattern while area with slope more than 40 % or hilly to steep slope condition, shall be left for planting. This has been conducted by estate management for soil and water conservation purposes, as also mentioned in procedure No. SOP-AGR-05 (Rev. 3) dated April 1st 2016

The management efforts undertaken to prevent/minimize the occurrence of soil erosion are to conserve land by making terrace, planting land cover crop, building wing walls (soil piles planted with erosion-resistant plants such as vetiver, bamboo and *angsana*) and making drainage channels with a depth of 50 cm.

Based on a field visit to the replanting area in block I16 division VII West Estate, it is known that the company has constructed contour terraces on sloped areas to prevent erosion. And during field observation, there is no evidence that the replanting of palm oil is conducted on steep terrain.

7.6.3 **Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.** *Non-Critical*

Findings In compliance: Yes: X No: ☐

Objective evidence:

There were no new plantings in PT ANJ Agri Binanga's operational area. There are only replanting activities in the company's operational areas. The company has a Soil Analysis Map for year 2021 with a scale of 1: 100,000 with map number 18012019-10. The types of soil found in PT ANJ Agri Binanga based on the map consist of:

- Clay: 206.44 Ha
- Clay Loam: 144.77 Ha
- Loamy Sandy: 118.06 Ha
- Sandy Clay: 290.85 Ha
- Sandy Clay Loam: 8,223.31 Ha
- Sandy Loam: 428.52 Ha
- Peat: 0 Ha

The company also has a Marginal Land Map 2021 scale 1: 100,000 which was issued on January 5, 2020. Based on the map, it is known that no marginal soils including peat soils were found in PT ANJ Agri Binanga.

In addition, the company has a Topographic Map issued on 17 March 2022 with a scale of 1:65,000. The slope class based on the map consists of:

Slope	Total (Ha)
0° – 5°	3,912.56
5° – 8°	1,663.26
8° – 15°	2,909.52
15° – 22°	732.21
>22°	194.4

In addition, based on the analysis of the 2011 HCV Report, it was explained that the slope conditions in the oil palm plantation area of PT ANJ Agri Binanga are dominated by areas with flat to sloping topography.

The topographic maps and soil surveys that have been carried out are used by the company in planning the development of oil palm plantations such as the construction of roads, bridges, ditches and other infrastructure.

The management efforts undertaken to prevent/minimize the occurrence of soil erosion are to conserve land by making terrace, planting land cover crop, building wing walls (soil piles planted with erosion-resistant plants such as vetiver, bamboo and *angsana*) and making drainage channels with a depth of 50 cm. Based on a field visit to the replanting area in block I16 division VII West Estate, it is known that the company has constructed contour terraces on sloped areas to prevent erosion.

Criterion 7.7: No new planting on peatlands, regardless of depth, after November 15th, 2018 and all peatlands are managed responsibly.

7.7.1 **No new planting on peatlands, regardless of depth, after 15 November 2018, in existing plantation areas, as well as in new development areas** *Critical*

Findings In compliance: Yes: X No: ☐

Objective evidence:

There were no new plantings in PT ANJ Agri Binanga's operational area. There are only replanting activities in the company's operational areas. The company has a Soil Analysis Map for year 2021 with a scale of 1: 100,000 with map number 18012019-10. The types of soil found in PT ANJ Agri

	Binanga based on the map consist of: • Clay: 206.44 Ha • Clay Loam: 144.77 Ha • Loamy Sandy: 118.06 Ha • Sandy Clay: 290.85 Ha • Sandy Clay Loam: 8,223.31 Ha • Sandy Loam: 428.52 Ha • Peat: 0 Ha The company also has a Marginal Land Map 2021 scale 1: 100,000 which was issued on January 5, 2020. Based on the map, it is known that no marginal soils including peat soils were found in PT ANJ Agri Binanga. Moreover, based on the review of the AMDAL document (1998), it is known that there is no peat in the operational area. The types of soil in the operational area consist of Ultisol (podzolic) and Inceptisol (Kambisol). Based on the explanation, conclude that there is no peat in PT ANJ Agri Binanga.	
7.7.2	**Peat areas within the managed area are inventoried, documented and reported to the RSPO Secretariat (effective from November 15, 2018).** ***Procedural Note:*** ***Maps and other documentation for peatlands are provided, prepared and shared according to the RSPO Working Group (Peatland Working Group / PLWG) audit guide (See Procedural Notes for Indicator 7.7.5 below).***	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on document review, field visit and interview sighted there is no peat land as inform in 7.7.1.	
7.7.3	**Peat subsidence is monitored, documented, and minimized.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on document review, field visit and interview sighted there is no peat land as inform in 7.7.1.	
7.7.4	**Availability of implementation evidence of the water and land cover management program.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on document review, field visit and interview sighted there is no peat land as inform in 7.7.1.	
7.7.5	**Drainability assessments are conducted for plantations planted on peat following the RSPO Drainability Assessment Procedure, or other method recognized by RSPO, (at least five years or in accordance with the provisions of the RSPO Drainability Assessment Procedure) before replanting. The results of the assessment are used to determine the period of replanting to be carried out, as well as to gradually replace oil palm cultivation for at least 40 years or two cycles, (whichever is longer), before reaching the natural gravitational drainage limit for peat. If oil palm is gradually replaced, it is replaced by other commodity crops that are better suited for higher groundwater levels (paludiculture) or rehabilitated with natural vegetation.** ***Procedural Note:*** ***For 7.7.5: Detailed information on the RSPO Drainability Assessment Guide along with related concepts and detailed actions is contained in the Guidelines currently being adjusted / tested by the RSPO Working Group on Peatlands (Peatland Working Group / PLWG). The final version must obtain PLWG approval in January 2019 and will include additional Guide on the steps to be followed after deciding not to replant and the consequences for other stakeholders, farmers, local communities, and the unit of certification concerned. It is recommended that the trial methodology period is proposed to be extended for 12 months for all relevant management units (ie management units that have plantations on peat) to utilize the methodology and provide input to PLWG so that existing procedures can be further refined as needed before January 2020. The unit of certification has the option to delay replanting until the issuance of the revised Guidelines for the guidelines. Additional***	*Critical*

	guidance for alternative commodity crops and rehabilitation of natural vegetation will be regulated by the PLWG.	
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on document review, field visit and interview sighted there is no peat land as inform in 7.7.1.	
7.7.6	**All existing plantations on peat are managed according to applicable laws and/or "RSPO Guidelines for Best Management Practices (BMP) for Oil Palm Cultivation that are already on Peatlands", version 3 (June 2019) along with related audit guidelines (May 2019).**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on document review, field visit and interview sighted there is no peat land as inform in 7.7.1	
Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.		
7.8.1	**A water management plan is available and is implemented to support efficient use of water sources and continuous availability and avoid negative impacts on other users in the catchment. The plan referred to contains the following matters:** **a. The unit of certification does not limit access to clean water or does not pollute the water used by the community.** **b. Workers have adequate access to clean water**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company already has a water management plan contained in several documents such as environmental management and monitoring documents and also the 2023 HCV management plan document. The document explains management activities, targets and others. The PIC who is responsible is the sustainability compliance staff. Based on the results of HCV identification and conservation area maps, it is known that there are several water sources in the company's operational area (HGU), namely the Aek Nabara Padang River, Aek Naoto River, Aek Jilok River, Aek Sirandorung river, Aek Sionggotan River, Aek Sitobu River, Marlina River, Aek Gala River, Manumpak River, Aek Panundah river, Aek Sibirah river, Siabaru river, Sigatal river and Huristak river. Based on the verification of environmental management and monitoring documents and also HCV management plan documents, it is known that the company already has a water management plan and has realized it, such as: • Installing demarcation markers along the right and left of the river • Conduct water quality testing (surface water and monitoring wells) • Enriching natural vegetation in riparian areas • Put up warning signs (no spraying, fertilizing, no occupy, no burning and no hunting). • Carry out wastewater management and apply waste water to land applications after meeting the specified quality standards • Monitor water use for process in Mill • And others The company also does not limit the access of clean water, and workers have adequate access to clean water. Based on the results of interviews with workers such as welder, warehouse officer and others, information was obtained that clean water facilities for housing had been provided by the company. The company has implemented a water management plan, such as conducting surface water quality tests. Surface water quality testing is carried out periodically every 6 months by a KAN-accredited Testing Laboratory (LP-024-IDN) in several river locations. Based on the results of class II water quality monitoring, it is known that all parameters that are in accordance with the quality standards.	
7.8.2	**Water courses and wetlands are protected, including the maintenance and restoration of riparian zones and other buffer zones during or before replanting, in accordance with the "RSPO Manual on BMPs for the management and rehabilitation of riparian reserves" (April 2017) or Simplified Guide Management and Rehabilitation of Riparian Reserves (2018).**	*Critical*
Findings	In compliance: Yes: X No:	

Objective evidence:

The company has a Conservation Policy Manual Number MAN-CSV-001 dated 1 October 2018 and SOP for Management of HCV Areas number SOP-CSV-01 dated 1 January 2023 and approved by the President Director of PT ANJ. This procedure describes the determination of the width of the river border according to the type of existing river (big river and small river). As for large rivers with a body width of > 30 meters, the width of the river border is set at 100 meters on each side of the water body. Meanwhile, for small rivers with a body width of ≤ 30 meters, the width of the river border is set at 50 meters on each side of the water body.

Based on the results of HCV identification and conservation area maps, it is known that there are several water sources in the company's operational area (HGU), namely the Aek Nabara Padang River, Aek Naoto River, Aek Jilok River, Aek Sirandorung river, Aek Sionggotan River, Aek Sitobu River, Marlina River, Aek Gala River, Manumpak River, Aek Panundah river, Aek Sibirah river, Siabaru river, Sigatal river and Huristak river. Based on the verification of environmental management and monitoring documents and also HCV management plan documents, it is known that the company already has a water management plan and has realized it, such as:

- Installing demarcation markers along the right and left of the river
- Conduct water quality testing (surface water and monitoring wells)
- Enriching natural vegetation in riparian areas
- Put up warning signs (no spraying, fertilizing, no occupy, no burning and no hunting).
- Carry out wastewater management and apply waste water to land applications after meeting the specified quality standards
- Monitor water use for process in Mill
- And others

In addition, the company also conducts socialization to employees and the surrounding community regarding conservation efforts which can be demonstrated through documentary evidence of socialization minutes to stakeholders such as :

- Record of HCV socialization to workers on 30 May 2023 attended by 71 participants from division A
- Record of HCV socialization to workers on 6 June 2023 attended by 59 participants from division E
- Minutes of the stakeholder meeting on 19 December 2022 which was attended by representatives of surrounding villages, community leaders and others. The minutes also explained HCV to the surrounding communities.

The results of interviews with spraying and fertilizing workers in stated that they were aware of the rules regarding limits on chemical application, the prohibition on washing chemical-contaminated goods in rivers and other activities that have a negative impact on sources or water flow.

The results of field observations to the water source area which also includes the HCV area, for example Siabaru river block O10 West Estate and Aek Nabara river block G60 Central Estate known that the company has carried out water resource management (HCV) such as installing demarcation stakes, installing warning signs and no chemical application activities in the border area.

7.8.3 **Mill effluent is managed according to applicable regulations. The quality of mill effluent discharged, especially BOD (Biochemical Oxygen Demand) is monitored in accordance with applicable regulations.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence:

The company already has a Permit to Utilize Liquid Waste to the Ground for Land Applications based on the Decree of Kepala Dinas Penanaman Modal dan Pelayanan Perizinan Terpadu Satu Pintu of Padang Lawas Utara Regency Number 503/0005/I-LA/VI/2020 dated 29 June 2020 and valid until 10 July 2023. The area used to irrigate PT ANJ Agri Binanga's plantation land is ± 200 Ha. Regarding the license to utilize liquid waste which has expired on July 10, 2023, the company showed Letter Number S.1806/P2T/PLA.4/7/2022 dated July 1, 2022 from the Ministry of Environment and Forestry regarding the direction of the mechanism for integrating technical approvals and technical details into environmental approvals. In the letter it is explained that businesses that already have permits for disposal or utilization of wastewater before the enactment of Government Regulation Number 22 of 2021 and Regulation of the Minister of Environment and Forestry Number 5 of 2021 and have contained technical standards for fulfilling wastewater quality standards and have not experienced changes in business/activities , then the permit is equated with a Technical Approval without being accompanied by an application for changing the Environmental Approval. So based on this explanation, the wastewater utilization permit is still valid.

The company already has facilities for the management of liquid waste resulting from palm oil processing with a capacity of 60 tons of FFB/hour using WWTP. POME which has been managed in WWTP will then be used as a substitute for fertilizer in Land Application (LA). Before being distributed to Land Applications, POME is included in the WWTP. The waste treatment facilities owned are as many as 10 ponds consisting of a cooling pond, Anaerobic Pond and Aerobic Pond. And the outlets are in pool 9 (Aerobic Pond).

The company has conducted tests every month using quality standards that refer to KepmenLH Number 28 of 2003 concerning Technical Guidelines for the Evaluation of Palm Oil Plantation Wastewater Utilization. Company can show evidence regarding the results of POME quality measurements in the form of documents on the results of tests carried out by laboratories accredited by KAN (LP-024-IDN). Based on the results of analysis of test results documents, for example for the period January - June 2023 it shows that all parameters are in accordance with the applicable quality standards, namely KepmenLH Number 29 of 2003. This shows that POME produced from mill activities is suitable for application in Land Applications. In addition, the company also conducts monitoring well quality tests at 3 locations/points periodically which are carried out by laboratories that have been accredited by KAN.

The company has also reported the results of liquid waste management every 3 months and in the RKL-RPL report every 6 months to the relevant agencies. Sample evidence of PT ANJ Quarter II 2023 liquid waste management report submitted to the Environmental Service of Padang Lawas Utara Regency on July 14, 2023.

Based on WWTP observations, it was found that the flow meter was well functioning and there were no spills on the land. Furthermore, the company also has a land application permit and there are no issues from stakeholders related to liquid waste contamination issues.

Based on field visits in land application areas on block G62 Central Estate known the area were well maintained. There was no leakage that flows outside the area.

7.8.4 **Mill water use per tonne of FFB is monitored and recorded.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence:

Company has a water resources utilization permit based on the Decree of the Governor of Sumatera Utara Number 610/1469/DIS PM PPTSP/6/XI.1/IX/2018 dated 25 September 2018 and valid for 5 years.

The company already has water usage documents for palm oil processing units. For example, the company has shown the recording of POM water usage for the January-June 2023 period of 117,995 m3 with an average water usage of 19,666 m3 or 1.13 m3/ton FFB in that period. This value still meets the water use budget (1.5 m3/ton FFB). The company also has shown evidence of payment of surface water tax. For example for the June 2023 period, which was paid on June 22, 2023.

The results of field observations at the Water Treatment Plan (WTP) show that the flowmeter that used is still functioning properly. The results of interviews with the operator known that operator have an understanding of how WTP work and record flowmeter data. Officer can also show data entering and exiting water which is recorded every day.

Criterion 7.9: Efficiency of fossil fuels use and the use of renewable energy is optimized.

7.9.1 **Plans to increase the efficiency of fossil fuel use and to optimize renewable energy are available, monitored and documented.** *Non-Critical*

Findings In compliance: Yes: X No:

Objective evidence:

The company has made efforts to increase the efficiency of using fossil fuels and to optimize renewable energy. The renewable energy used is in the form of shells and fiber which are used to substitute fossil fuels (diesel) as a producer of electrical energy.

The company shows energy efficiency records for the period January-June 2023 with the following description.

Description		2023
Energy from a diesel generator	kWh	403,693
Energy from the turbine (renewable energy)	kWh	2,785,659
Ratio of renewable energy utilization	%	87 %
Ratio of utilization of fossil energy	%	13 %

The company also has an energy efficiency program such as by saving electricity and reducing the use of solar generators. Currently, the company has not utilized methane gas to produce electricity-producing biogas.

Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored, and new developments are designed to minimize GHG emissions.

7.10.1	**GHG emissions for the unit of certification are identified and assessed. Plans to reduce or minimize GHG emissions are implemented, monitored through the PalmGHG calculator, and reported publicly.**	*Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

Calculation of GHG emission and its monitoring has conducted by sustainability team of PT Austindo Nusantara Jaya Agri. GHG emission (January-December 2022) has calculated through the RSPO PalmGHG Calculator Version 4.0., which informed summary of net GHG emission, summary of field emission and sinks, summary of mill emission and credits, POME treatment and POME diverted to anaerobic digestion. Accurate data has been put into the RSPO PalmGHG Calculator and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied “Apply full Version”.

Summary of Net GHG Emissions

Emission per product	**tCO2e/tProduct**
CPO	0.78
PK	0. 78

Production	**t/yr**
FFB processed	142,002.54
CPO produced	62,248.11
PK produced	15,518.51

Extraction	**%**
OER	19.34
KER	4.82

Land use	**Ha**
Planted area on mineral	8,863.53
Planted on peat	0
Total area planted	8,863.53
Conservation Area (Forested)	0
Conservation Area (Non-Forested)	674.05
FFB Production per hectarage	36.30

Summary of field emission and Sinks

Description	**Own crop**		**Group**		**3 rd Party**	**Total**
Emissions Sources	**tCO2e**	**tCO2e/ tFFB**	**tCO2e**	**tCO2e/ tFFB**	**tCO2e**	
Land conversion	43,840.42	0.31	0.00	0.00	0.00	43,840.42
CO2 emissions from fertilizer	10,000.92	0.07	0.00	0.00	0.00	10,000.92
NO2 emissions from peat	0.00	0.00	0.00	0.00	0.00	0.00
NO2 from Fertilizer	9,107.54	0.06	0.00	0.00	0.00	9,107.54
Fuel consumption	1,754.05	0.01	0.00	0.00	0.00	1,754.05
Peat oxidation	0.00	0.00	0.00	0.00	0.00	0.00
Sinks			0.00	0.00		
Crop sequestration	-31,804.87	-0.22	0.00	0.00	0.00	-31,804.87
Sequestration in Conservation area	0.00	0.00	0.00	0.00	0.00	0.00

Total	32,898.06	0.23	0.00	0.00	0.00	32,898.06

Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	38,753.59	0.12
Fuel consumption	560.63	0.00
Grid electricity	0.00	0.00
Credits		
Export of grid electricity	-662.38	0.00
Sales of PKS	-17,846.25	0.06
Sales of EFB	0.00	0.00
Total	20,805.59	0.06

POME Treatment

POME Treatment	Unit	Value
POME Diverted to Compost	%	0
POME Diverted to anaerobic digestion	%	100
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0
• POME to methane capture (electricity generation)	%	0

The audit team has verified the GHG palm that has been carried out by the company. Based on the verification results, it is known that the GHG palm input data is in accordance with the actual conditions. This is evidenced by the results of verification of the amount of FFB production from Central Estate, West Estate and East Estate, planted area of Central Estate, West Estate and East Estate and the distribution of planting years. Auditor has checked raw data of peat area input to palm GHG calculator and it is same with the area statement. The FFB production on palm GHG calculator was 36.30 due to the hectarage of third party supplier can not be counted by the company. It was because the company can not have an exact total area of the third party supplier. Therefore, the total FFB production can only divided by total area of own plantation.

7.10.2	**Since 2014, an estimate of carbon stocks in the proposed development area has been carried out along with potential sources of emissions that can occur directly as a result of the development and plans to minimize these emissions are prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).**	*Critical*

Findings In compliance: | Yes: | X | No: |

Objective evidence:

The Company did not conduct new developments after 2014, but the company continues to manage GHG by conducting an inventory of emission sources.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel and performing maintenance on operational equipment on a regular basis. Companies can show records of GHG mitigation for Estate and Mill units, for example the use of fertilizers according to the dose, routine maintenance of operational vehicles, socialization of the prohibition of burning waste, etc. The company is also testing periodically of smoke density for boiler burning activity.

7.10.3	**Other significant pollutant identification results are available and plans to reduce or minimize them are implemented and monitored.**	*Critical*

Findings In compliance: | Yes: | X | No: |

Objective evidence:

The company has identified source of waste including emissions from plantation and activities, as indicated in the EIA document and Waste Identification document. In the mill, the major emission source is from POME and the use of diesel fuel for generators and vehicles. Some of the main sources of pollution in palmoil mills are as follows: liquid waste from processing, generator / engine emissions, boiler emission of combustion of renewable fuel, dust from road transportation, emission from CPO and FFB transportation. Greenhouse gas emissions source in plantation are mostly from the useof chemical fertilizers, fossil fuel for transportation, and N2O emission.

Fossil fuel reducing have been implemented by fibre and shell usage. Realization of renewable energy have been monitored on monthly reportfor fibre and shell usage. The monitoring every month and the last monitoring periods January to July 2023.

Monitoring for emission and pollutants (air emission, air ambient, odour,noise, and vibration) from estate and mill was done periodically every 6 months covered on RKL/RPL implementation report and reported to environmental agency periodically.

Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area.

7.11.1	**Land for new planting or replanting is not prepared by burning.**	*Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

Company has zero burning policy which is contained in the SOP Land Clearing with Zero Burning No. SOP-AGR-03 Issue 01 dated August 1st, 2013, approved by the Estate Director. The company also has a replanting procedure Number SOP-AGR-28 dated 1 August 2013 which explains that replanting activities are carried out manually (falling, cutting and scattering).

The company showed agreement for replanting activity between PT ANJ Agri Binanga and PT Mitra Karya Jaya Perdana No. 1207/EST/ANJA/2022 dated 27 December 2022. The agreement explains that the mechanism for land clearing work is done manually (falling and cutting). Based on field observation in block I16 West Estate (replanting area) known that replanting activity conducted by manually and no indication burning activity.

7.11.2	**The unit of certification establishes fire prevention and control measures for lands that are directly managed by the unit of certification**	*Non-Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

The company already has fire prevention and control measures, for example:

- Have procedures for land fires control No. SOP-EHS-05 dated 1 July 2019 which aims to provide guidance for the implementation of fire control activities in accordance with statutory provisions.
- Monitoring fire facilities and infrastructure owned every month. In addition, based on the results of land fire monitoring, it is known that there was no incidents of land fires in the company's operational area in the last 1 year.
- Has an emergency response team structure that has been trained to deal with fires
- Conduct training simulations on a regular basis. For example, company showed minutes of Socialization emergency response of forest and land fires which were carried out on May 17, 2023.
- Monitoring and control of land fires for semester I 2023 was submitted to Head of Forestry Department of *Kesatuan Pengelolaan Hutan Wilayah VII*

The company can show a list of emergency response preparedness equipment along with a recording of its condition monitoring which is carried out every month, as for the list of emergency preparedness equipment owned by the company as of April 2023 such as :

- Water tank
- Water pump
- Hose
- Nozzle
- Light fire extinguisher
- Hydrants
- First Aid
- etc

The results of an interview with the communities around known that, there is no information related to land fires in the company area within the last 1 years. In addition, based on simulations of fire facilities in the central estate, it is known that fire facilities are ready to use and function properly.

7.11.3	**The unit of certification engages stakeholders in adjacent locations for fire prevention and control measures.**	*Non-Critical*

Findings	In compliance:	Yes:	X	No:	

Objective evidence:

The company can show recordings of documentation of socialization *Kelompok Tani Peduli Api* formation which is involved external stakeholder. For example the Minutes of Socialization which were carried out on June 20, 2023 which is involved communities from Huristak Subdistrict. In

	addition, the company also showed training certificates for controlling forest and land fires for the PT ANJ Agri Binanga Fire Fighting Team and *Kelompok Tani Peduli Api* in Simangambat District. For example, a training certificate with Number SF.44.36/BPPIKHL-Sum/KHL/PPI.4/9/2021 dated 27 September 2021. Based on the results of field observations in the operational activities, it shows that there is no operational activities that use fire. Based on interviews with management and communities around, it was stated that all land clearing/replanting activities were done mechanically and no land fire issue in operasional area of PT ANJ Agri Binanga.	
Criterion 7.12: Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Value (HCV) or High Carbon Stock (HCS) forests. HCV and HCS forests in the managed area are identified and protected or enhanced. ***Procedural Note for Criteria 7.12:*** ***The RSPO Principles and Criteria 2018 include new requirements to ensure the effective contribution of the RSPO in stopping deforestation. This will be achieved by incorporating the High Carbon Stock Approach (HCSA) Approach Guide into the revised standard.*** ***The RSPO ToC also encourages RSPO to commit to balancing between sustainable livelihoods and reducing poverty with the need to conserve, protect and improve the quality of ecosystems.*** ***High Forest Cover Countries (HFCC) are in dire need of economic opportunities that can help people choose their own path in carrying out development, while at the same time providing social and economic benefits and safeguards.*** ***Procedures will be developed that are adapted to support the development of sustainable palm oil by indigenous peoples and local communities who have legal or customary rights. The procedure will apply in certain HFCC countries and in the High Forest Cover Landscape (HFCL) within it.*** ***The development of this procedure will be guided by the No Deforestation Joint Steering Group (NDJSG) between the RSPO and HCSA members. In HFCC countries, RSPO will work with governments, communities and other stakeholders to develop this procedure through participatory processes at national and regional levels. The duration of this activity is specified in the Terms of Reference for NDJSG and is publicly available.***		
7.12.1	**Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCV or HCS forests.** **Historical analysis of Land Use Change Analysis (LUCA) is carried out before any new land clearing, in accordance with the RSPO LUCA Guidance document (see indicator 7.12.2).**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	There are no new planting activities/expansion area at PT ANJ Agri Binanga. Planting Activities at PT ANJ Agri Binanga were carried out in 1989-1999. The 2018-2023 plants are a replanting area. This is explained in the Environmental Evaluation Document (DELH) which explains that replanting activities at PT ANJ Agri Binanga began in 2018 which are located in division II and division V. The company has submitted disclosure with Zero Liability to the RSPO on July 16, 2014. Based on the attachment sent to the RSPO, one of the company that has zero liability includes PT ANJ Agri Binanga. Therefore, the company does not make LUCA.	
7.12.2	**HCV and HCS forests, and other conservation areas are identified as follows:** **a. For existing plantations, with an HCV ssessments conducted by RSPO-approved assessors and have no new land clearing after 15 November 2018, the existing HCV assessments remains valid** **b. Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the latest HCSA Toolkit and HCV-HCSA Assessment Manual that is applicable at the time of the assessment. This includes stakeholder consultation and take into account wider landscape- level consideration.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	There are no new planting activities/expansion area at PT ANJ Agri Binanga. Planting Activities at PT ANJ Agri Binanga were carried out in 1989-1999. The 2018-2023 plants are a replanting area. This is explained in the Environmental Evaluation Document (DELH) which explains that replanting activities at PT ANJ Agri Binanga began in 2018 which are located in division II and division V. Therefore the company has no obligation to conduct a High Carbon Stock (HCS) study.	

	The HCV assessment was carried out by the company in 2011 by PT FCG (Focus Consulting Group) and led by approved HCV assessor Ir. Siswoyo, Msi. The HCV assessment covers the PT ANJ Agri Binanga concession area of ± 9,934.77 Ha. Total identified HCV area is 324.58 Ha or 3.27% of total PT ANJ Agri area with details : • East Estate was found to have HCVs 1.3; 4.1; 6 with total HCA area 118.78 Ha • Central Estate was found to have HCVs 1.3; 4. with total HCA area 153.10 Ha • West Estate was found to have HCVs 1.3; 4.1 with total HCA area 52.70 Ha The HCV Assessment document explains the impact arising from plantation activities on protected flora and fauna. The HCV assessment also involves several affected parties, both internal and external stakeholders. Participatory evidence with affected parties is shown in the form of attendance list at the FGD meetings and implementation photos. The report also contains a table for the Management and Monitoring Plan for High Conservation Value Areas which contains recommendations for the management of all identified HCV areas. The company has measured the HCV area (riparian) at PT ANJ Agri Binanga. Based on the results of remeasurements, it is known that the company's designated HCV area is 349.47 Ha consist of riparian area 349.11 Ha and cemetery area 0.36 Ha.	
7.12.3	**In High Forest Cover Landscapes (HFCLs) within HFCCs, a specific procedure will apply for legacy cases and development by indigenous peoples and local communities with legal or customary rights, taking into consideration regional and national multi-stakeholder processes. Until this procedure is developed and endorsed, 7.12.2 applies.** ***Procedural Note:*** ***Indicator 7.12.3. is not relevant to Indonesia, until further decisions by the RSPO.***	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Indicator 7.12.3. currently irrelevant to Indonesia, until further decisions from the RSPO.	
7.12.4	**Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An Integrated management plans to protect and/or enhance HCV and HCS forests, peatland and other conservation areas are developed, implemented and adapted if necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan was developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on the results of the HCV identification covering the study area of the HGU area. The company already has a management and monitoring plan for the HCV Area for the 2023 period which informs work program, frequency of management, and timeline. The integrated management plan was developed and reviewed in consultation with relevant stakeholders which took place on 9 December 2022. The HCV area management plans for the 2022/2023 period are as follows: • Carry out routine socialization about the existence of HCV areas • Monitoring HCV area • Making HCV signboards • Establishment of boundary markers for HCV areas • Monitoring of river water quality • Monitoring the planting of forest plants on river borders • And others. The company already has an HCV map with a scale of 1 : 100,000 which informs the location of the HCV within the scope of certification, name of HCV area and other legends according to mapping conventions. The company has presented an HCV management and monitoring report for 2022. The report also explains management and monitoring recommendations as an effort to improve future management activities. As for the realization of the management and monitoring activities of the HCV areas, they are in accordance with the established program, such as:	

	• Monitoring of signboards • HCV socialization to employees. For example, Record of HCV socialization to workers on 30 May 2023 attended by 71 participants from division A • Carry out monitoring of flora and fauna. For example, fauna identified from monitoring results such as Biawak (*Varanus salvator*), Macan akar (*Prionailurus bengalensis*), Monyet Ekor Panjang (*Macaca fascicularis*) and others. • Records of the realization of planting forest plants which have started in March 2023 • And others. The results of field observations at the HCV area, for example Siabaru river block O10 West Estate and Aek Nabara river block G60 Central Estate known that the company has carried out water resource management (HCV) such as installing demarcation stakes, installing warning signs and no chemical application activities in the border area.	
7.12.5	**Where rights of local communities have been identified in HCV areas and HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	Based on a review of HCV documents and interviews with stakeholders, it is known that there are no areas/HCVs that have important functions for fulfilling the rights or basic needs of local communities.	
7.12.6	**All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The management unit has an SOP for Conservation of Biodiversity which is contained in the SOP for Management of High Conservation Value Areas (HCV and HCS) No. Document SOP-CSV-01 dated Janaury 1, 2023 which explains the management procedures for the conservation area and the flora and fauna in it. In addition, the management unit has an animal protection policy which is explained in Conservation Policy No. MAN-CSV-001 dated 1 October 2018. Based on the results of the HCV identification covering the HGU area, that there are several protected wild animals found in the Company's operational areas, including: • East Estate → there are 2 species of mammals and 2 species of aves which is protected status and 1 species mammals with vulnerable status. • Central Estate → there are 1 species of mammal and 7 species of aves which is protected status • West Estate → there are 4 species of mammals and 6 species of aves which is protected status, 2 species mammals with Vulnerable status and 1 species mammal with Critically Endangered In addition, the company has also conducted regular socialization about HCV including animal protection, such as: • Record of HCV socialization to workers on 30 May 2023 attended by 71 participants from division A • Record of HCV socialization to workers on 6 June 2023 attended by 59 participants from division E Apart from that, indirect socialization was also carried out by placing information boards warning signs regarding conservation areas and the existence of protected animals in easily visible places. The results of field observations at the HCV area, for example Siabaru river block O10 West Estate and Aek Nabara river block G60 Central Estate known that the company has carried out HCV management such as installing HCV demarcation, installing warning signs (no spraying, fertilizing), prohibited from burning, prohibited from hunting etc), installing HCV signboards/information boards and not carrying out chemical application activities in the border area. Meanwhile, routine monitoring of HCV areas is carried out by personnel appointed by the company, namely sustainability compliance staff. Based on the results of interviews with company workers, information was obtained that the company had provided socialization regarding animal protection, the prohibition of hunting, killing	

	and keeping wild animals in the company's area.	
7.12.7	**The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.**	*Non-Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	The company has monitored the HCV areas to ensure the safety/condition of the area. Monitoring activities are carried out in several HCV locations and all areas managed by the company. As for the PIC which is responsible to conduct management and monitoring HCV is sustainability compliance staff. The company also monitors the diversity of flora and fauna which is routinely carried out. The types of fauna identified are the results of monitoring through direct encounters, reports, tracks and sounds. From the results of monitoring, it is known that there are protected species based on the Minister of Environment and Forestry Regulation Number 106 of 2018 such as Monyet ekor panjang (*Macaca fascicularis*), Betet ekor panjang (*Psittacula longicauda*), Cekakak belukar (*Halcyon smyrnensis*) etc. The company also conducts an annual evaluation/review for the management of HCV areas where this activity aims to identify risks and impacts on conservation areas and increase protection efforts carried out through a stakeholder meeting on 19 December 2022. The company also carries out follow-up actions to improve the HCV area management plans that are made every 5 years which is carried out by involving all relevant stakeholders in the company's operational areas such as local communities. Based on the results of the review/evaluation conducted, several management recommendations were obtained, such as: • Installation of protected animal signboard • Reforestation of River border areas immediately after replanting activities etc The entire evaluation results will be adjusted to the HCV management program in the next period.	
7.12.8	**Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedures (RaCP) applies.**	*Critical*
Findings	In compliance: Yes: X No:	
Objective evidence:	There are no new planting activities/expansion area at PT ANJ Agri Binanga. Planting Activities at PT ANJ Agri Binanga were carried out in 1989-1999. The 2018-2023 plants are a replanting area. This is explained in the Environmental Evaluation Document (DELH) which explains that replanting activities at PT ANJ Agri Binanga began in 2018 which are located in division II and division V. The company has submitted disclosure with Zero Liability to the RSPO on July 16, 2014. Based on the attachment sent to the RSPO, one of the companies that has zero liability includes PT ANJ Agri Binanga. Therefore, the company does not make LUCA.	

3.2 Noteworthy Positive Components

PT. Austindo Nusantara Jaya Agri – Binanga Mill has implemented several certification standards such ISO 14001, ISO 45001 and ISPO to support RSPO P&C implementation. The company also has obtained a *Proper Emas* for period 2022 & 2023

4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY

4.1 Conclusion

The audit team concludes that the organization ☒ has ☐ has not established and maintained its management system in line with the RSPO P&C and Supply Chain requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

4.2 Date of Next Surveillance Visit

The next surveillance audit is planned between 8 to 12 months of date of certificate.

4.3 Date of Closing Non-Conformities

Reference Number and Indicator	Category (Critical/Major or Non-Critical/ Minor)	Issued date	Close out date
M01 (5.4.4 system certification)	**Critical**	**24 August 2023**	**25 October 2023**

4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings

PT SGS Indonesia and PT Austindo Nusantara Jaya Agri acknowledge and confirms acceptance of the Report contents and including the assessment findings. PT Austindo Nusantara Jaya Agri accept the responsibility for addressing the opportunities of improvement detailed in this report.

Signed on behalf of PT Austindo Nusantara Jaya Agri	**Signed on behalf of PT SGS Indonesia**
Taupan S. Sibarani General Manager	Irham Zadani Irham Zadani Lead Auditor

APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION

Guidance note:

The non-conformance is always the negative of the specific clause, as it relates to the specific non-conformance identified during the audit. Words that can appropriately reflect the negative of the clause are (by way of example): “does not” or “does not always”.

The objective evidence is the actual evidence that was observed during the audit, relating to documentation, field evidence and/or interviews.

All non-conformances that considered as Critical/ Major CAR is given number as **M01, M02, etc** and Non-Critical/Minor CAR is given number as **m01, m02, etc** in the particular CAR# column, include the relevant RSPO P&C Indicator references under the Indicator column.

All Major non-conformances shall be addressed to the satisfaction of the PT SGS Indonesia before certification decision is granted.

For **Initial certifications** (or Main Assessment) and **Re-Certifications,** Major non-conformance(s) shall be closed successfully within *twelve months from the closing meeting date*, otherwise a full re-assessment is required.

For **Surveillance audits,** Major non-conformance(s) shall be closed successfully *within 90 days from the closing meeting date*, or the certificate will be suspended, and subsequently withdrawn if the major non-conformance(s) are not addressed within an agreed timeframe as set between PT SGS Indonesia and Client, not longer than six months from the last day of the audit.

Minor non-conformance(s) that raised either during Initial Certifications, Surveillances, or Re-Certifications *shall be closed successfully at the subsequent Surveillance audits*. Otherwise it will be upgraded into Major non-conformance if they are not addressed satisfactorily by the time of the following Surveillance audit. However, Client/Organizartion shall provide Action Plans to address the Minor non-conformances through Root Cause Analysis, Corrective Action plan, and Preventive Action plan. These must be completed using the CAR Form (GP9404) and shall be provided at the table below.

The Lead Auditor shall assess the effectiveness of the Root Cause Analysis, Corrective and Preventive actions before closing out of the non-conformances or acceptance of Action Plans. Where CARs cannot be closed out, reasons for this must be given and the due date may be adjusted.

Note to write the Date:

- All Dates (i.e. *Date recorded, Due Date*, and *Date Closed*) must be presented in the format of *“Date Month Year”*, example: 01 Jan 18 (means 1st January 2018)
- The *Date recorded* is the date when the lead auditor conducting Closing Meeting with client/Organization.
- The *Due Date* is the last day of time frame given to close out the CAR. The Due date must be minus 1 (one) day from the Date recorded. Example, Date Recorded: 01 Jan 18, therefore the Due Date *(for Main assessment)*: 31 Dec 18, or Due date *(for Surveillance)*: 31 Mar 18
- The *Date Closed* is the actual date for lead auditor conducting review and acceptance of evidences of CAR close-out.

CORRECTIVE ACTION REQUEST (CAR)

<table>
<tr><th>CAR #</th><th>Indicator</th><th colspan="6">CAR Detail</th></tr>
<tr><td rowspan="11">1</td><td rowspan="11">5.4.4 System certification
Critical</td><td>Date Recorded></td><td>24 August 2023</td><td>Due Date></td><td>21 November 2032</td><td>Date Closed></td><td>25 October 2023</td></tr>
<tr><td colspan="6">Normative reference and requirements:</td></tr>
<tr><td colspan="6">The certification audit shall review whether all required documented policies and procedures of the operation seeking or holding certification, are sufficient and adequately implemented to meet the intent and requirements of the applicable RSPO Certification Standards and this Certification System document. Any non-compliances against this Certification Systems Document are classified as a major non-compliance.</td></tr>
<tr><td colspan="6">Statement of Non-Conformance:</td></tr>
<tr><td colspan="6">Not sufficient evidence that all management unit that control by the company has been included in an approved Time Bound plan</td></tr>
<tr><td colspan="6">Objective Evidence:</td></tr>
<tr><td colspan="6">The company has an approved Time Bound plan by RSPO secretariat on 29 September 2022. However, based on interview and observation, there is an area that managed by the company with the total of 522 Ha in Central Estate which still on progress of legalization. That area is not included in the approved RSPO Time Bound plan.</td></tr>
<tr><td colspan="6">Root cause analysis to be completed by Organization:</td></tr>
<tr><td colspan="6">The time bound plan does not yet cover an area of 522 Ha because it is still in the legal process</td></tr>
<tr><td colspan="6">Corrective Action to be completed by Organization:</td></tr>
</table>

CAR #	Indicator	CAR Detail
		Updating the time bound plan by adding an area of 522 Ha and reporting to RSPO on 23 October 2023
		Preventative Action to be completed by Organization:
		Ensure that all areas managed directly by the company have been included in the time bound plan.
		Close-out evidence/Planned Actions to be completed by Lead Auditor:
		The company has identified the root cause and correction. The update Timebound Plan has been reported to the RSPO Secretariat which include all estate that managed by PT Austindo Nusantara Jaya Agri. Sighted the evidence of email correspondences on 23 October 2023. Based on the review of the evidence of corrective action and preventive action provided by company conclude that all the evidence has been provided adequately and is deemed sufficient to **'Close'** the requested corrective action

OBSERVATION

Guidance note

The observations raised for the full certification period must be maintained in each report.

Include the relevant Observation (OBS#) number and clause reference under the specific column

Follow up evidence only to be completed once the observation has been verified on the subsequent assessment visits. Lead auditor may consider to upgrade the Observation onto non-conformance if there is a potential breakdown of the system when the Observation did not follow up since previous assessment.

OBS #	Indicator	Observation Detail	
1	**2.1.1**	**Date Recorded>**	24 August 2023
		Observation statement:	
		The company has a procedure of Evaluasi Pemenuhan Peraturan and Laporan Evaluasi Pemenuhan Peraturan tahun 2023 as a system to ensure legal compliance including for third parties who work together, and track changes to applicable regulations. Companies have the opportunity to further maximize this system by better tracking regulatory changes so that the latest regulations such as Act Number 6/2023 regarding Cipta Kerja, Act Number 17/2023 regarding *Kesehatan*, and Permennaker No. 88/2023 regarding *Pelecehan*, cannot be missed. This condition raised as an OFI due to there is not found any non-compliance of regulation on Act Number 6/2023, Act Number 17/2023 and Permennaker No. 88/2023 during audit. During internal audit for legal compliance, there is also no non-compliance regarding fulfilment of the regulation.	
		Follow-up evidence:	
2	3.4.3	**Date Recorded>**	24 August 2023
		Observation statement:	

		The company has shown the RKL-RPL implementation report which has been submitted to the relevant agencies periodically. From the verification of the RKL-RPL implementation report for semester 1 of 2023, it is known that there are several impacts that have not been explained in the document in accordance with the RKL-RPL matrix. However, the Company has demonstrated management and monitoring realization for impacts that have not been explained in the RKL-RPL Implementation Report to the auditor team (separately). In this regard, the Company has the opportunity to ensure that the RKL-RPL Implementation Report has been prepared in accordance with the RKL-RPL matrix it has. Based on the document review, the company has documents of Social Impact Assessment Final Report, December 2013, the 2022 Social Impact Assessment (SIA) Review, and the Matrix of Social Impact Assessment (External), which reviews impacts and social problems around the plantation area. Companies have the opportunity to improve the management of negative social impacts by identifying more broadly and in depth the latest unrecorded social problems such as drug use in society. This condition raised as an OFI due to during observation and interview with relevant stakeholders, no drugs cases as occurred during past couple of years. **Follow-up evidence:**	
3	4.2.1	**Date Recorded>**	24 August 2023
		Observation statement: The company has a procedure of *Pengelolaan Keluhan Pemangku Kepentingan Eksternal* to handle complaints and grievances from all affected parties as well as a Logbook of Penerimaan Informasi dan Tanggapan as for recording existing complaints. The company has the opportunity to improve the performance of the procedure by integrating the company's whistleblowing system into the procedure, and also displaying approval and consensus on the complaint mechanism in the procedure from the affected parties. **Follow-up evidence:**	
4	4.3.1	**Date Recorded>**	24 August 2023
		Observation statement: Based on observation and interviews with community representatives of Huta Baru Village and Tobing Tinggi Village, and independent smallholders in the two villages, there is a need for EFB (empty fruit bunch) as a substitute for fertilizer which is difficult for them to buy, to increase the productivity of their plantation products. The company has the opportunity to improve the quality of its social management program, improve good relations with the smallholders who supply FFB and improve the quality of the FFB supplied to the Binanga Mill, by sharing some of the EFB produced by the mill to smallholders. **Follow-up evidence:**	
5	6.2.1	**Date Recorded>**	24 August 2023
		Observation statement: PT ANJA Binanga has an internal memo No. 125/GM/ANJA-BNG/IM/X-2013 concerning "Premi Baby Sitter & Ketentuan Upah Kerja Hari Libur" issued on 18 October 2013 which mention the premium payment for baby sitter and holiday work payment. Therefore, company is encouraged to re-evaluate the terms of premium payment for TPA (Place of Day Care) officers supported by justification/basis in determining the premium. **Follow-up evidence:**	

APPENDIX B: NON-CONFORMANCES PREVIOUSLY IDENTIFIED

<table>
<tr><th>CAR #</th><th>Indicator</th><th colspan="6">CAR Detail</th></tr>
<tr><td rowspan="15"></td><td rowspan="15"></td><td>Date Recorded></td><td></td><td>Due Date></td><td></td><td>Date Closed></td><td></td></tr>
<tr><td colspan="6">Normative reference and requirements:</td></tr>
<tr><td colspan="6">-</td></tr>
<tr><td colspan="6">Statement of Non-Conformance:</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td colspan="6">Objective Evidence:</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td colspan="6">Root cause analysis to be completed by Organization:</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td colspan="6">Corrective Action to be completed by Organization:</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td colspan="6">Preventative Action to be completed by Organization:</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td colspan="6">Close-out evidence/Planned Actions to be completed by Lead Auditor:</td></tr>
<tr><td colspan="6"></td></tr>
</table>

APPENDIX C: TIMEBOUND PLAN

Name of Mill	Name of Supply Base Plantation	Location	Time bound for certification	Status
PT Sahabat Mewah dan Makmur – Jangkang Mill	Jangkang Estate	Dendang, Simpang pasak, Kelumpang, Gantung, Lilangan and Simpang Renggiang Subdistrict, Belitung Timur District, Bangka Belitung Province, Indonesia	-	Certified
	Balok Estate		-	Certified
	Joseph Jaya Estate		-	Certified
	Sari Bunga Estate		-	Certified
	Air Ruak Estate		-	Certified
	Koperasi Mitra Lestari		-	Certified
	Koperasi Mitra Lestari		2025	NPP Process
	Koperasi Mitra Anugrah		-	Certified
	Koperasi Mitra Anugrah		2025	NPP Process
	Koperasi Sambar Jaya Makmur		-	Certified
	Koperasi Sambar Jaya Makmur		2025	NPP Process
	Koperasi Berhimpun Sejahtera		-	Certified
	Koperasi Berhimpun Sejahtera		2025	NPP Process
	Koperasi Lindong Raya		-	Certified
	Koperasi Lindong Raya		2025	NPP Process
	Koperasi Tiong Sejahtera		2025	NPP Process
	Koperasi Gunung Nyerudong Sejahtera		2025	NPP Process
	Bumdes Balok		2025	NPP Process
PT Austindo Nusantara Jaya Agri – Binanga Mill	Estate Wilayah Timur	Simangambat and Huristak Subdistrict, Padang Lawas Utara District, Sumatera Utara Province, Indonesia	-	Certified
	Estate Wilayah Tengah		-	Certified
	Estate Wilayah Barat		-	Certified
PT Kayung Agro Lestari – KAL POM	Sungai Gemilang Teduh 1	Matan Hilir and Matan Utara Subdistrict, Ketapang District, Kalimantan Barat Province, Indonesia	-	Certified
	Sungai Gemilang Teduh 2		-	Certified
	Gunung Sejahtera Tumbuh 1		-	Certified
	Gunung Sejahtera Tumbuh 2		-	Certified
	Koperasi Laman Mayang Sejahtera		-	Certified
	Koperasi Laman Mayang Sejahtera		2025	On process for Land Title
	Koperasi Bina Satong Lestari		-	Certified
	Koperasi Lestari Abadi Bersama		2025	On process for Land Title
PT Austindo Nusantara Jaya Agri – Siais POM	Lembah Subur Utara Estate	Angkola Selatan Subdistrict, Tapanuli	-	Certified

Name of Mill	Name of Supply Base Plantation	Location	Time bound for certification	Status
	Lembah Subur Selatan Estate	Selatan District, Sumatera Utara Province, Indonesia	-	Certified
	Koperasi Tani Binasari		-	Certified
PT Putera Manunggal Perkasa – PMP POM	Kasuari Estate	Kais, Metamani Subdistrict, Sorong Selatan District and Aifat Selatan Subdistrict, Maybrat District, Papua Barat Province, Indonesia	-	Certified
	Cenderawasih Estate		-	Certified
	Koperasi Sukka Mandiri Bersama		-	Certified
	Gaina Estate / PT Permata Putera Mandiri		-	Certified
	Metamani Estate / PT Permata Putera Mandiri		-	Certified
	Koperasi Maju Bersama Sejahtera		2025	On process for Land Title
PT Galempa Sejahtera Bersama	-	Ulu Musi Subdistrict, Empat Lawang District, Sumatera Selatan Province, Indonesia	2027	On process for Land Title

This latest Time Bound plan has been approved by RSPO Secretariat on 29 September 2022

APPENDIX D: STAKEHOLDERS CONTACTED AND ISSUES FOUND DURING AUDIT

Stakeholder details	Number of people consulted / interviewed
Statutory bodies/ Government/ Institution	
- Head & Secretary of Huta Baru Village	2
- Secretary of Tobing Tinggi Villages	1
- Plantation and Forestry Agency of Padang Lawas Utara Regency	1
- Manpower Agency of Padang Lawas Utara Regency	1
- Environmental Agency of Padang Lawas Utara Regency	1
Local Communities/ Indigenous people	
- Community Leader of Huta Baru Village	1
- Community Leader of Tobing Tinggi Village	2
The previous land users within client site location	
- Previous landowner of Tobing Tinggi Village	1
Workers (including migrant workers) and Worker Organization	
- Male Fertilizing Workers	3
- Female Fertilizing Workers	2
- Female Chemical Spraying operators	2
- Male Chemical Spraying operators	2
- Mill Operator	4
- Harvester	4
- Labor Union	2
- Gender committee	1
Smallholders (if applicable)	
Smallholders of Huta Baru Village	4
Suppliers	
CV HSR	4
Others (website browsing)	
https://humas.polri.go.id/2023/01/04/polres-tapsel-turunkan-personil-untuk-pengamanan-pt-anj-agri-binanga/	

Issue raised by Stakeholders	Company Response	Auditor Comment & Findings
Worker Union (*Serikat Buruh Sejahtera Indonesia – SBSI*)		

• Worker union has registered in Manpower Agency. • There is no free daily labour (*BHL*) in company. The status of workers is permanent worker and contractor workers. • Company has supported the activity of worker union by provided office for union. • There is no complaint from union. Company already paid salary in accordance with the applicable regulation. • Some of the aspiration/request from union already delivered to the company.	There is no negative issue from SBSI	There is no negative issue from SBSI. The verification related to wage or other worker welfare has described in criteria 6.1 – 6.6.
Worker union (*Serikat Buruh Perkebunan Indonesia – Serbundo*) There were demands from the union and has been mediated by Manpower Office of Sumatera Utara Province. The majority of the demands already fulfilled by company. The demands are: • Request for deduction of union membership fees through the auto debit system. • The company will hand over the loose fruit picker work to a third party. • Working hours for harvester helper (FFB Loading worker) start from 09.00 - 17.00 • The company will provide a sterilization area for spray and manuring workers in Division XII • The company will conduct health checks for spray and fertilizer workers • The company and labor union agree that overtime work is carried out with an overtime work order. • The company facilitates the union to carry out its activities using company facilities. There also complaint from union aside the demands above, i.e there is indication of intervention from company to the union member. The intervention such as worker who are transferred to other division is union member and also there is complaint that worker must leave the union. As for other manpower requirement, company already comply with the applicable regulation	Company showed the minutes of mediation i.e Collective agreement issued on 9 January 2023 between PT ANJ Agri Binanga and Head of Serbundo. Company also showed the documentation of demands fulfilment, such as: • The agreement with PT Hasbi Putra Pratama as the contractor providing loose fruit picker worker. • Sterilization area has built in Division XI. • Company has conduct medical check-up for spraying and manuring worker Regarding complaint about indication intervention, company has given explanation, ie: • The mutation/worker transferred to other division is based on the needs and already announced at the latest 2 weeks before the transferred. Company showed the example of mutation letter No. 445/HR/SK/Mutasi/VIII-2023 issued on 19 August 2023 for upkeep worker ID number AA/AA21/0312/117. The worker will be transferred to FFB loader in Division A East Estate and effective start from 1 September 2023. From interview with representative of human resource PT ANJA Binanga, the matter about worker leaving the union will be investigated further to the person related.	Based on document verification, interview with management and worker, and field observation, company already fulfil the demands from union, such as: • Based on interview with loose fruit picker, they are now worked under the contractor since January 2023. • Based on field observation to Division XI, there is a sterilization house for spraying and manuring worker. The sterilization house is available for 2 division. • Company showed the worker transfer document based on No. 445/HR/SK/Mutasi/VIII-2023 issued on 19 August 2023 for upkeep worker ID number AA/AA21/0312/117. The worker will be transferred to FFB loader in Division A East Estate and effective start from 1 September 2023. • The working hours for FFB loading worker already applied started from 09.00 - 17.00. • Company showed the example of overtime work order of Boilerman. As for estate worker, there is no overtime payment, but will be get premium payment.

https://humas.polri.go.id/2023/01/04/polres-tapsel-turunkan-personil-untuk-pengamanan-pt-anj-agri-binanga/ There was a demonstration conducted by Serbundo on 4 January 2023. The demonstration took place in company and already respond by company. The points of the demonstration are: - Request for deduction of union membership fees through the auto debit system. - The company will hand over the Loose fruit picker work to a third party. - Working hours for harvester helper (FFB Loading worker) start from 09.00 - 17.00 - The company will provide a sterilization area for spray and manuring workers in Division XII - The company will conduct health checks for spray and fertilizer workers - The company and labor union agree that overtime work is carried out with an overtime work order. The company facilitates the union to carry out its activities using company facilities	Company showed the minutes of mediation i.e Collective agreement issued on 9 January 2023 between PT ANJ Agri Binanga and Head of Serbundo. Company also showed the documentation of demands fulfilment, such as: - The agreement with PT Hasbi Putra Pratama as the contractor providing loose fruit picker worker. - Sterilization area has built in Division XI. - Company has conduct medical check-up for spraying and manuring worker	Based on document verification, interview with management and worker, and field observation, company already fulfil the demands from union, such as: - Based on interview with loose fruit picker, they are now worked under the contractor since January 2023. - Based on field observation to Division XI, there is a sterilization house for spraying and manuring worker. The sterilization house is available for 2 division. - The working hours for FFB loading worker already applied started from 09.00 - 17.00. - Company showed the example of overtime work order of Boilerman. As for estate worker, there is no overtime payment, but will be get premium payment.
Community Leader of Huta Baru Village & Tobing Tinggi Village The high price of fertilizer makes smallholders want the company to distribute some of the empty fruit bunch to farmers.	The company is aware of this issue, but it has not been realized due to the lack of calculation of empty fruit bunch that can be distributed to farmers, and there has been no official request from them.	The auditor has raised this issue as an OFI and will check in the next audit whether the empty fruit bunch were provided or not.
Environmental Agency of Padang Lawas Utara Regency - The company already has environmental documents and there have been no changes - The company already has permits related to the environment that are still valid - There is no land fire issue - The company has regularly reported reports related to the environment - There are no issues related to pollution in 2022/2023	The company already has environmental documents and permits related to the environment and has submitted periodic mandatory reports.	The auditor team has verified the environmental implementation and has explained it in the related indicators.
Manpower Agency of Padang Lawas Utara Regency - There is no issue related to employment violation - Company has submit employment report regularly - Company already registered their	The company already implementing labor regulations in its operations	The auditor team has verified the employment implementation and has explained it in the related indicators.

worker union • Company has implemented the employment requirement, such as minimum wage and social insurance • No issue related to work accident • There is no complaint from workers related to employment.		
Plantation and Forestry Agency of Padang Lawas Utara Regency • There is no complaint from surrounding village against operational activity in PT ANJA • Company already has plantation permit and there is no change/revision. The permit has include the capacity of mill • Company already submit the plantation progress report, CSR report, and fire control report periodically	There was no comment by Company	There are no issues that need further clarification. The auditor team has verified all permit and compliance in management practice and has explained it in the related indicators.
FFB supplier • The company has provided socialization regarding RSPO certification and others • There are no complaints to the company • Payments are made on time according to the agreement • The price for FFB has been explained in the agreement letter and has been mutually agreed upon	Apart from the own estate, the company also receives FFB from outside of own estate. The entire implementation of work such as price and payment is in accordance with the agreement.	The auditor team has verified related to FFB supplier, pricing, payment etc and has been explained in related indicators. In general, there are no issues that require further verification
Contractors and Workers Contractor • The company has provided socialization regarding the obligation to comply with regulations by contractors to contractor workers • Wages for contractor workers refer to the applicable minimum wage • Contractor workers have been included in the BPJS program • There are no complaints to the company	The company has periodically monitored/evaluated contractors to see contractor compliance with existing regulations.	There are no negative issues that need further verification
Gender Committee • The gender committee has been organized which consist of workers and staff. The structure is consist of male and female workers (dominantly female) • There is no issue of sexual harassment and violence • Women workers are entitled to leave for menstruation and maternity leave • After giving birth, women workers are allowed to take certain hours to breastfeed their children. • For female workers in the field, such as fertilizing and spraying pesticides, routine pregnancy tests are carried out. The aim is to find out the condition of female workers whether they are pregnant or not. If it is known that she is pregnant, she will be given an	No Further Comment.	No comment from auditor since no specific issue raised.

alternative to office maintenance work or activities around the worker's housing. • The company has its own policy regarding the prohibition of female workers who are pregnant or breastfeeding from working on jobs related to chemicals.		
Previous Land owner of Tobing Tinggi Village • Negotiation process of the land take over was very smooth • There is no coercion in handing over land • Payment of land compensation according to the agreement	No Further Comment.	No comment from auditor since no specific issue raised.