

Roundtable on Sustainable Palm Oil Certification

Stage-1 Stage-2 Surveillance Re-Assessment

Plantation Management/Owner : **PT DENDYMARKER INDAHLESTARI and PT TEBO INDAH**

Plantation Name : **Dendymarker POM and Bingin Rupit 1 Estate, Bingin Rupit 2 Estate, Teluk Pandak Estate**

Location : **Musi Rawa District, South Sumatera Province and Tebo District, Jambi Province, INDONESIA**

Certificate Code : **MUTU-RSPO/065**

Date of certificate issue : **27 July 2015**

Date of expiry of certificate : **26 July 2020**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
Stage-1	01 – 05 Oktober 2013	Ibnu Satria Prabudi, Marsudi Eko Santoso Moh. Arif Yusni Trismadi Nurbayuto	Octo Nainggolan	Taufik Margani
Stage-2	17 – 21Maret 2014	Oktovianus Rusmin, Marsudi Eko Santoso, I Wayan Sudi Antara, Andi Pratama Pasaribu	Octo Nainggolan	Taufik Margani
Verifikasi	10-13 Mei 2015	Taufik Margani, Hariyadi, Yohanes Hardian	Octo Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
Stage 2	27 July 2015

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Figure 1. Location Map of PT Dendymarker Indah Lestari

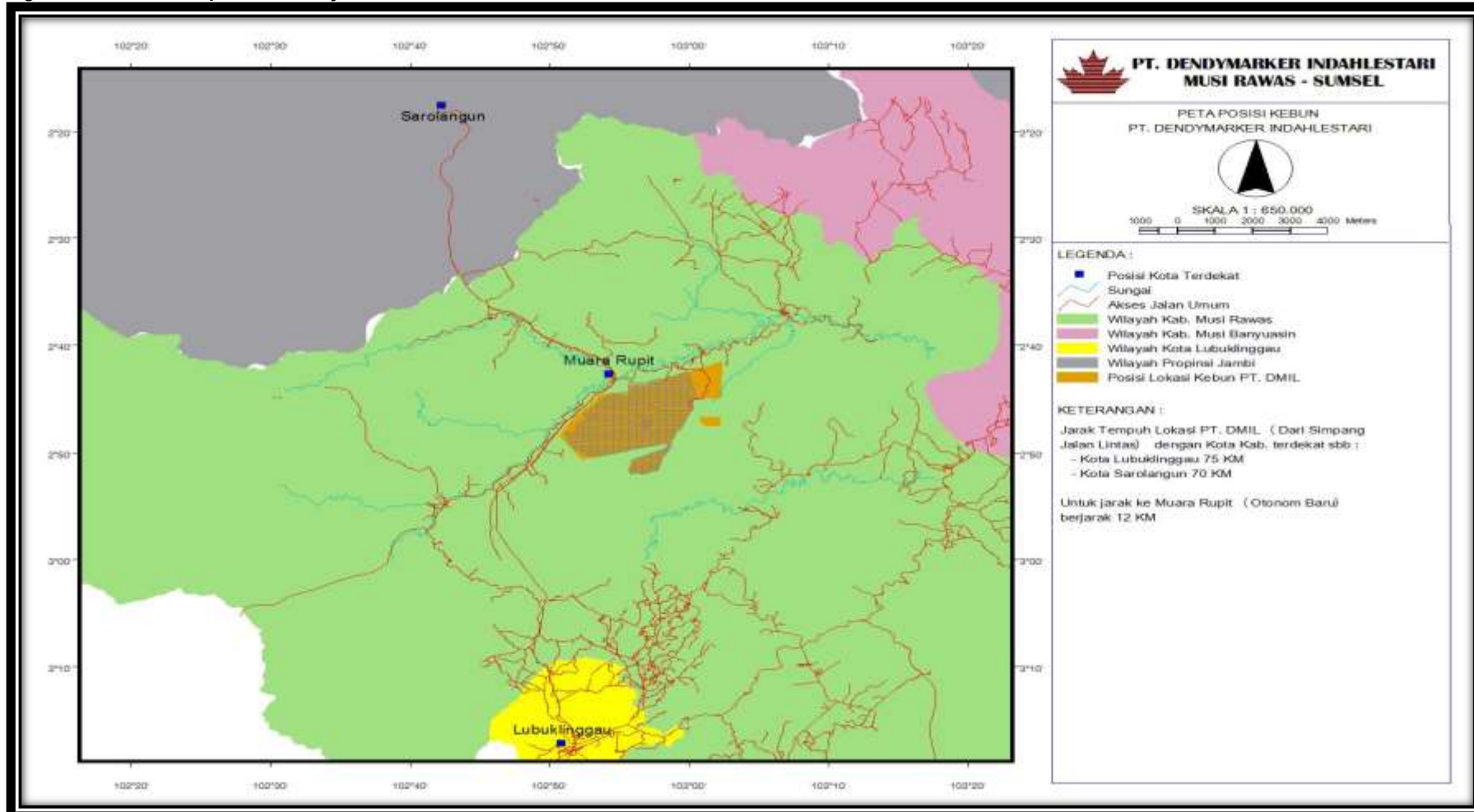


Figure 2. Location Map of PT Tebo Indah

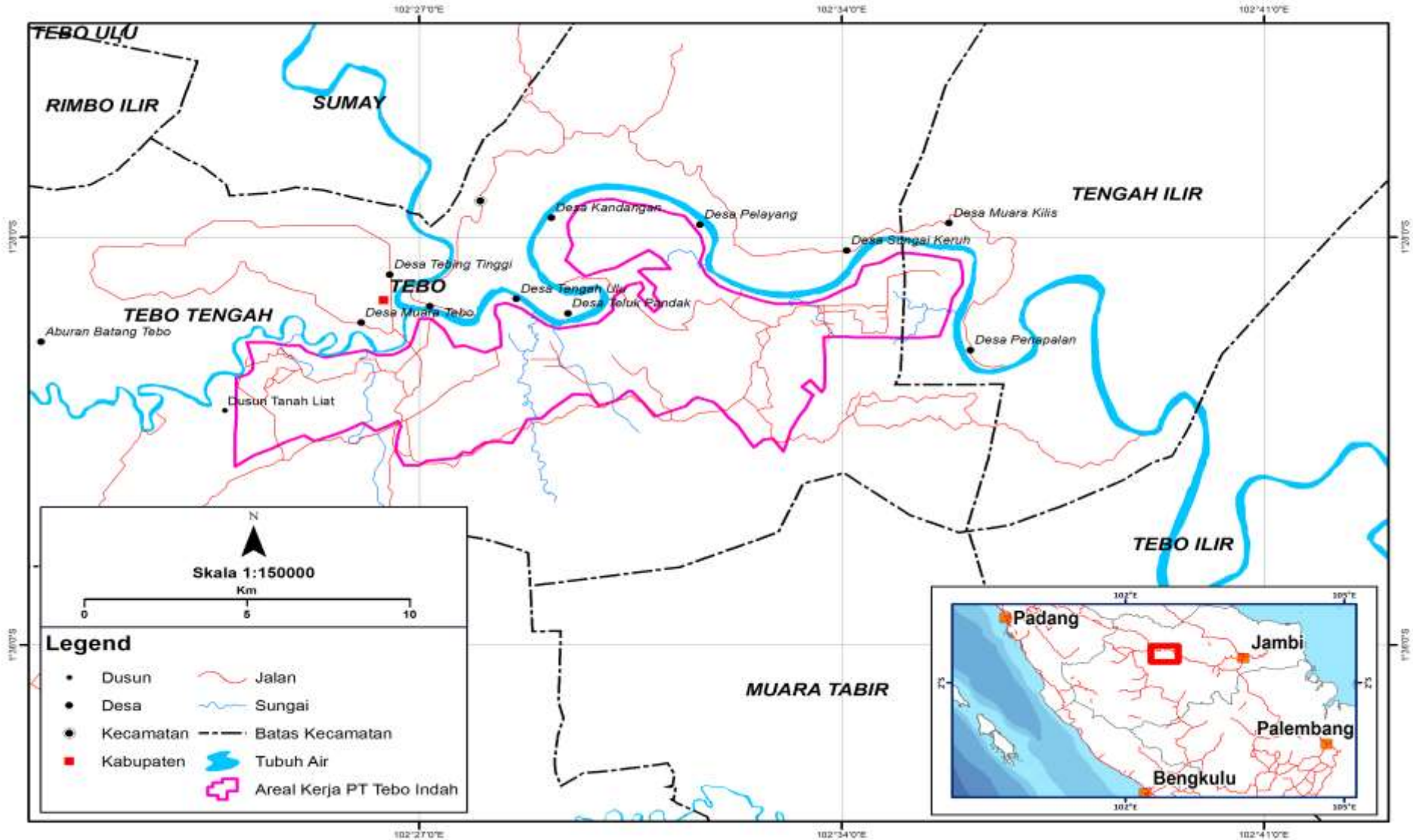


Figure 3. Operational Area of PT Dendymarker Indah Lestari

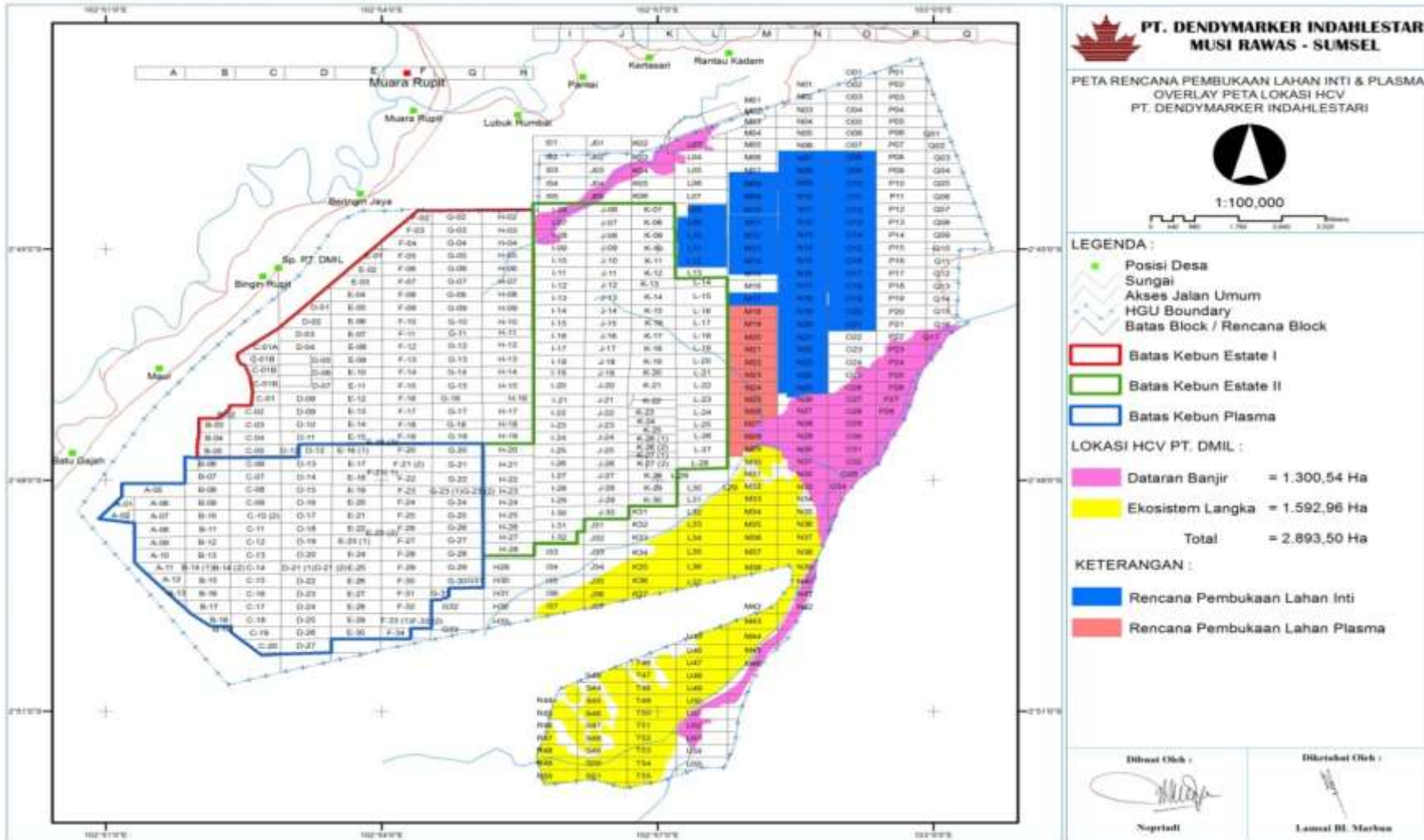
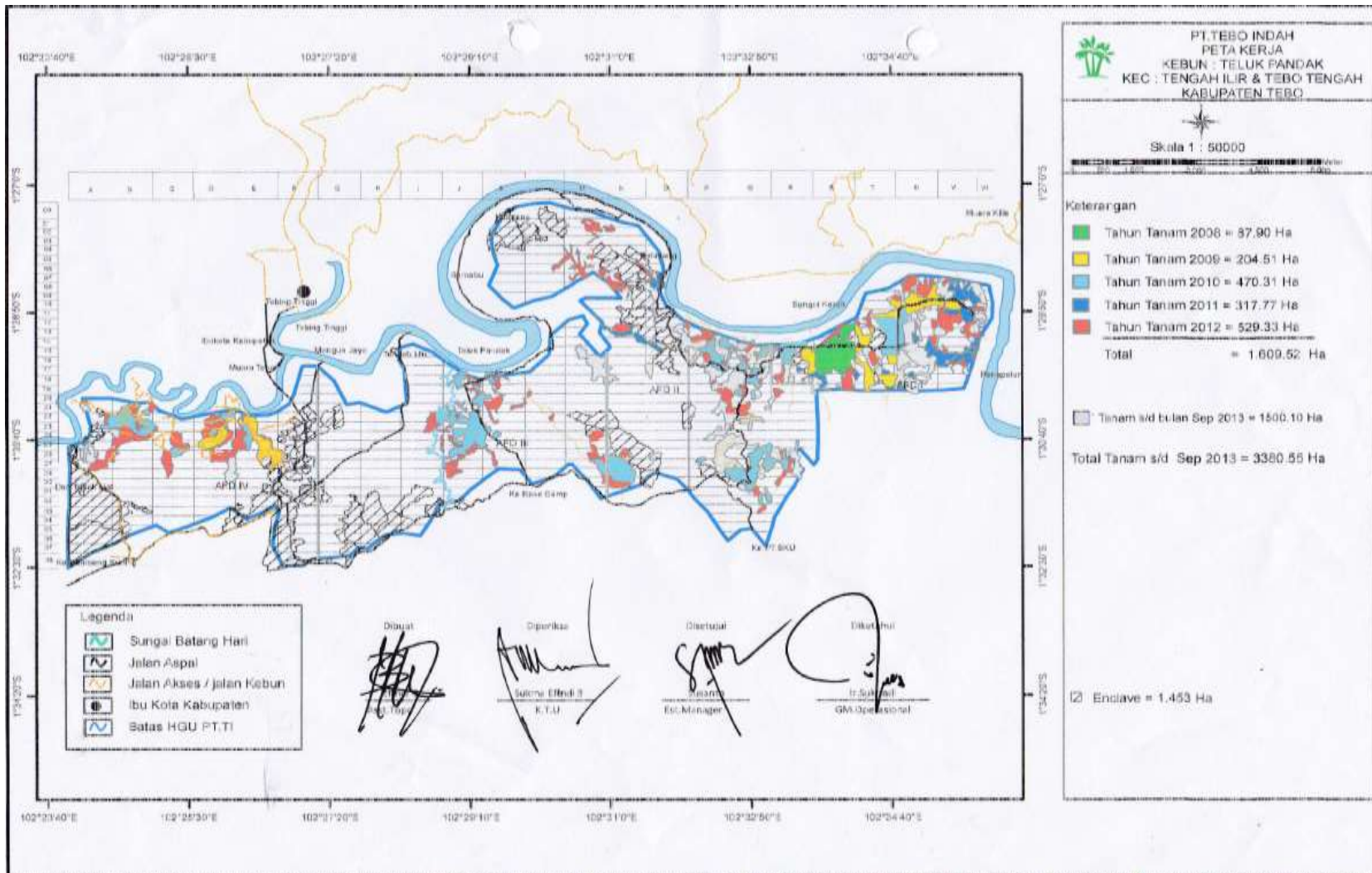


Figure 4. Operational Map of PT Tebo Indah



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	National Interpretation Used	<i>National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011.</i>	
1.2	Organization Information		
1.2.1	Company name	PT DENDYMARKER INDAHLESTARI	
1.2.2	Contact person	Rio Christiawan	
1.2.3	Company address and site address	<ul style="list-style-type: none"> • Organization Address: Karawaci Office Park, Ruko Pinangsia Blok L No.38-39 Lippo Karawaci, Tangerang • Site Kabupaten Musi Rawas, South Sumatera Province and Tebo District, Jambi Province 	
1.2.4	Telephone	(0733) 4100062 / (021) 5573 2923	
1.2.5	Fax	(021) 5573 2922	
1.2.6	E-mail	rio.christiawan@agro-investama.com	
1.2.7	Web page address	www.agro-investama.com	
1.2.8	Company status	Private	
1.2.9	Management Representative who completed the application for certification	Rio Christiawan (Director HR & Legal)	
1.2.10	Registered as RSPO member	1-0146-13-000-00	
1.3	Type of Assessment		
1.3.1	Scope of Assessment	Palm Oil Mill and supply base	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT DENDYMARKER INDAH LESTARI dan PT TEBO INDAH	
1.3.4	Number of management unit	1 (one) Palm Oil Mill (Dendymarker POM) and 3 (three) Estates : Bringin Rupit 1 Estate, Bringin Rupit 2 Estate and Teluk Pandak Estate (PT Tebo Indah)	
1.4	Locations of Mill, Plantations and Area Statement		
1.4.1	Location of Mill		
	Name of Mill	Location	Location
			Latitude Longitude
	Dendymarker POM	Karang Dapo Sub-District, Musi Rawas District, South Sumatera Province	02° 47 43.4 LS - 102° 56 41.1 BT - 102° 56 52.7 BT

1.4.2	Location of Supply Base								
	Name of Supply Base	Location	GPS						
			Latitude			Longitude			
	Bingin Rupit-1 Estate (BR-1)	Karang Dapo Sub-District, Musi Rawas District, South Sumatera Province.	02° 44 29.1 LS - 02° 47 42,5 LS			102° 51 59.4 BT - 102° 55 39.2 BT			
	Bingin Rupit-2 Estate (BR-2)	Karang Dapo Sub-District, Musi Rawas District, South Sumatera Province.	02° 45 21.9 LS - 02° 48 58.7 LS			102° 55 06.2 BT - 102° 57 45.8 BT			
	Teluk Pandak Estate (PT Tebo Indah)	Tebo Tengah and Tengah Ilir Sub-District, Tebo District, Jambi Province.	02° 28 27,8 LS - 02° 29 56.4 LS			102° 35 36.9 BT - 102° 23 57.6 BT			
1.4.3	Tenure								
	<ul style="list-style-type: none"> • Private • State 21,884.93Ha • Community 								
	*) Source of data: Land Use Title of PT DMIL and PT Tebo Indah								
1.4.4	Area Statement								
		PT Dendimarker (Ha)	PT Tebo Indah (Ha)	TOTAL					
	• Total area	14,856.50	7038.06	21,894.56		Ha			
	• Immature area	4852.1	1080.00	5,932.10		Ha			
	• Mature area	1928.03	2420.00	4,348.03		Ha			
	• Infrastructure	11.5	402.77	414.27		Ha			
	• Mill	10	0	10.00		Ha			
	• Road and trenches	571.23	0	571.23					
	• Occupation	0	0	0.00		Ha			
	• Nursery	38.05	15	53.05		Ha			
	• Conservation area	2,893.50	264,06	2,919.56		Ha			
	• Reserve Area	4,552.09	2856.23	7,408.32		Ha			
						Ha			
	*) Source of Data: Areal Statement of PT DMIL and PT Tebo Indah Year 2015								
1.5	Description of Supply Base								
1.5.1	Description of Mill								
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel		PKO	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Dendymarker POM	20	46,390.093	7,692.390	16.58	2,235.230	4.8	-	-
	* Source of Data: Processed FFB of Dendymarker POM for period of May 2014 – April 2015								
1.5.2	Description of Certified Estate(s)								

	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Bingin Rumpit 1	2,670.80	2,489.20	25,860.45	10.39	25,860.45	100
	Bingin Rumpit 2	12,185.70	4,290.93	24,256.38	5.65	24,256.38	100
	Tebo Indah	7,038.43	2,793.53	5,005.27	1.79	5,005.27	100
	TOTAL	12,786.8	8,947.24	55,838.47	8.56	52,288.55	93.65%
*Source: Production Data period of May 2014 – April 2015							
1.5.3	Smallholder(s) and other source						
	Name of source(s)	Member(s)	Location		Supplied to Mill		
					FFB (tonnes/year)	%	
	Plasma muar kaur	PT Dendimarker Indah Lestari	Kecamatan Karang Dapo, Kabupaten Musi Rawas, Propinsi Sumatera Selatan.		8,319,230	100%	
	Plasma Pantai Inti	PT Dendimarker Indah Lestari	Kecamatan Karang Dapo, Kabupaten Musi Rawas, Propinsi Sumatera Selatan.		76,700	100%	
	CV.Acan Brothers	-	-		1,219,460	-	
	CV.Usaha Gemilang	-	-		886,810	-	
*Source: Data of processed FFB period of May 2014 – April 2015							
1.5.4	Product categories			FFB/CPO/PK/PKO			
1.6	Year of Plantings and Cycles						
1.6.1	Age profile of planted palms*						
	Planting Year	Hectarage			Total (Ha)		
		Bingin Rupit 1 (Ha)	Bingin Rupit 2 (Ha)	Teluk Pandak (PT Tebo Indah) (Ha)			
	1996	260.3	-	-	260.3		
	1997	636.4	-	-	636.4		
	1998	1526.7	1456.8	-	2983.5		
	1999	-	460.20	-	460.2		
	2000	-	511.7	-	511.7		
	2008	-	-	87.90	87.90		
	2009	-	-	198.81	198.81		
	2010	-	-	475.29	475.29		
	2011	-	-	318.00	318.00		
	2012	-	100	529.00	663.65		
	2013	65.8	694.63	1,891.00	2651.43		
	2014	-	703.55		703.55		

	2015	-	364,05		364.05		
	TOTAL	2,489.20	2,714	3.744,04	8.947,24		
1.6.2	New Planting area after November 2007			Ha			
1.6.3	Planting Cycle			25-30	Years		
1.7	Approximate Tonnage Certified						
1.7.1	Past Annual Claim Certified Product						
	Past Annual Claim Certified Product	Previous Certificate Claim to (tonnes/year)		Actual certified product to (tonnes/year)			
	• FFB Production						
	• CPO Production						
	• Palm Kernel (PK) Production						
1.7.2	Claim Certified Tonnage of FFB						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Beringin Rumpit 1	2,670.80	2,489.20	27,153.47	10.39		
	Beringin Rumpit 2	12,185.70	4,290.93	25,469.20	5.65		
	Tebo Indah	7,028.43	3,500.00	5,255.53	1.79		
	TOTAL	21,894.93	10,280.13	57,878.21	6.10		
	* Source: Data of processed FFB period of May 2014 – April 2015						
1.7.3	Claim Certified Tonnage of Palm Product						
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Dendymarker POM	20	57,878.21	9098.455	15.72	2,627.67	4.54
1.8	Other Certifications						
1.8.1	ISO 9001:2008/ISO 14001: 2004			-			
1.8.2	OHSAS 18001:2007			-			
1.8.3	HACCP			-			
1.8.4	Others			-			
1.9	Time Bound Plan						
1.9.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	PT DMIL	2014	Beringin rumpit 1	2014	Kab. Musirawas Utara	Audited	
			Beringin rumpit 2		Kab. Musirawas	Audited	

				Utara	
		Tebo Indah estete		Kab. Tebo	Audited
<p>Based on information from Head Office Staff of Agro Investama Gemilang that company registered as RSPO member is only PT Dendymarker Indah Lestari and PT Tebo Indah. The smallholders is prepared for audit 3 year after nucleus plantation was certified.</p>					
1.9.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	Management Unit	Estate (Supply Base)	Time Bound Plan	Location	Status
	Plasma Pakar Maur	smallholders	2018	Kab. Musirawas Utara	Not Yet
	Plasma Pantai Inti	smallholders	2018	Kab. Musirawas Utara	Not Yet

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: www.mutucertification.com Email : agri@mutucertification.com
2.2	Assessment Team
2.2.1	Lead Assessor and Assessment Team
ST-1	<ol style="list-style-type: none"> Ibnu Satria Prabudi (Auditor). A Bachelor of Agriculture Majoring in Agro-technology, Agriculture Faculty of Instiper Yogyakarta. Currently he has been working with an independent certification agency as auditor. Training he has followed are: Lead Auditor RSPO, Auditor ISPO, Awareness HACCP certification, Awareness SQMS Mc Donald, In House Training Green House Gas and Lead auditor ISO 9001;2008. He has been working with an independent certification body as an auditor. He has followed several audit activities related to certification system of sustainable palm oil (RSPO and ISPO certification). Marsudi Eko Santoso (Auditor). Bachelor of Agriculture, majoring in Agro technology. Followed Auditor/Lead auditor Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness green house gas and OHSAS technical expert. Currently he works for Independent Certification Body.He had involved activities RSPO and ISPO certification assessment as an auditor. Trismadi Nurbayuto (Auditor Trainee). Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, Bogor Agricultural University. Specialists for Environmental Social Impact Assessment (SEIA) and High Conservation Value (HCV). Has attended several training such as: HCV, Auditor for Indonesian Sustainable Palm Oil (ISPO) training and Auditor/Lead auditor Management System Certification (ISO 9001-2008). Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the SEIA and Identification of HCV in Plantation Company. Moh. Arif Yusni (Auditor). A bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor/Lead auditor Management System Certification (ISO 9001-2008),. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor.
ST-2	<ol style="list-style-type: none"> Oktovianus Rusmin (Lead Auditor). Bachelor's Degree in Social & Political Sciences Department of Anthropology. Specialists in the field of Social and Cultural (Social Impact & Conflict Resolution) and HCVF. Already participated in Forest Management Auditor Training (FSC Standard), ISO 14001, ISO 9001:2008, Environmental Management System Training, SVLK (wood legality) Auditor, Indonesian Sustainable Palm Oil (ISPO) and RSPO Lead Auditor Training. He was several times involved in the assessment of Sustainable Forest Management Certification (Standard LEI) and Gap Analysis Audit (FSC Standard). Had worked at the Center for study of Anthropology University of Indonesia and Social Advisor at Tropical Forest Trust (TFT) Indonesia. He was numerously involved in Social Impact Assessment and HCV Identification in Palm Oil Plantations and Natural Forest concessions. Have been approved as HCV assessor by RSPO for Social Discipline Specialist. Marsudi Eko Santoso (Auditor) Bachelor of Agriculture, majoring in Agro technology. Followed Auditor/Lead auditor Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness green house gas and OHSAS technical expert. Currently he works for Independent Certification Body.He had involved activities RSPO and ISPO certification assessment as an auditor.

	<p>7. I Wayan Sudi Antara (Auditor). Bachelor of Agriculture, majoring in agro technology, Faculty of Agriculture Technology, Institute of Pertanian Bogor. Experienced in AMDAL development since 1990, involved as field auditor of Sustainable Production Forest Management Evaluation both Indonesian Ecolabel Body (since 1997) and Ministry of Forestry Scheme (since 2002). Currently, he works as a professional consultant and Forestry Auditor. On this ST-2 of RSPO assessment, he assesses environmental aspect.</p> <p>8. Andi Pratama (Auditor under-trainee). Bachelor of Agriculture majoring agribusiness, Agriculture Faculty of Jember University. Joined Indonesian Sustainable Palm Oil Auditor Training. He has 5 years working experience as Estate Operational Staff in some Private Palm Oil Company in Indonesia. Currently, he works at Independent Certification Body as an Auditor. At this ST-2 RSPO assessment, he conducts evaluation on Best Practise Management Aspect.</p>
Verification RSPO	<p>1. Taufik Margani (Lead Auditor). Bachelor of Science in Forestry, majoring in Forest Management. Specialist in Ecology and Environmental. He has led several audits for Sustainable Forest Management in Indonesia (under LEI- Indonesian Ecolabel Institute and FSC- Forest Stewardship Council) and he is a Lead Auditor for FSC chain of custody and Forest Management. Other experience: He is IRCA Lead auditor IRCA registered for Environment Management System and Quality Management System. Since 1999 he has been working for independent certification body and has conducted Environment Management System audits in Indonesia and Malaysia. Currently he is the General Manager of Management System Certification.</p> <p>2. Hariyadi (Technical Expert): Doctor graduate from Bogor Agricultures Institute. He is active in organization of professions (PII, PERAGI, MAKSI, IAIFI) and He have many an experience as a seminar speaker as has asosiated with oil palm and as well as researchers.</p> <p>3. Yohanes Hardian (Auditor). Diploma 3 graduate from conservation of forestry , Faculty of Forestry, Bogor Agricultures Institute, he has experience on environment specialist and wildlife. Joined Indonesian Sustainable Palm Oil Auditor Training and auditor ISO 9001. He has 2 years working experience as envonment staff in some Private Palm Oil Company in Indonesia. Currently, he works at Independent Certification Body as an Auditor</p>
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
ST-2	<p>Number of auditors : 4 auditors Number of days for ST-2 at site : 5 days Number of working days for ST-2 at site : 20 Working days</p>
Verification RSPO	
2.3.2	Detail process of assessment
ST-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dendymarker Indah Lestari against requirements of National Interpretation of the Republic of Indonesia of RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008 and Smallholders Scheme, October 2009) and Supply Chain Requirement for CPO Mill</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some oppotunities for improvement of the results ST-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ST-2</p>

	<p>Improvement of findings from main assesment findings were observed by auditors at this ST-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ST-2</p> <p>The assessment program please find Appendix 2</p>
<p>2.3.3</p>	<p>Locations of Assessment</p>
<p>ST-2</p>	<p>The focus of Stage-2 activities is on the document review, interview, and field visit.</p> <p>PT Dendymarker Indahlestari</p> <ol style="list-style-type: none"> 1. Dendymarker Indahlestari POM. The auditor team was conducting the observations and interviews with two boiler staff, head of workshop, and six mechanics on the matters related to the use of PPE, the comprehension on the hazard identification, risk assessment and risk control, dust collecting activity, regular health check-up which is performed once a year, explanation on the work process of boiler station, comprehension on the First Aid Emergency handling, PPE control, the amount of wages paid is more than minimum, public facilities have been provided by the company (2-bedroom housings, toilet facilities, clean water supply, closets for clothes, electricity supply, a IDR 50,000/month drinking water allowance, and transport subsidies), work performance assessment done by supervision, enlisting all employees into Labor Social Assurance Program (each employee holds a <i>Labor Social Assurance</i> card), hazardous waste management by collecting it in the licensed warehouse. 2. POM Warehouse. The auditor was conducting observation and interviews with the head of warehouse and two warehouse staff regarding the use of PPE, emergency response facilities, comprehension on the hazard identification, risk assessment and risk control (HIRARC), regular health examination which is done once a year, explanation on the work process of the goods' incoming and their arrangement, comprehension on the First Aid Emergency handling, PPE control, the amount of wages paid is more than minimum, public facilities have been provided by the company (2-bedroom housings, toilet facilities, clean water supply, clothes rack, electricity supply, a IDR 50,000/month drinking water allowance, and transport subsidies), work performance assessment done by supervision, enlisting all employees into Labor Social Assurance Program (each employee holds a <i>Labor Social Assurance</i> card), hazardous waste management by collecting it in the licensed warehouse, where material storage system is based on its type and characteristic, hazardous waste is stored separately, the warehouse is equipped with hazardous waste symbols. 3. Hazardous Waste Warehouse. The observation and interviews were conducted on matters related to the hazardous waste control that must comply with the existing regulation, the monitoring of hazardous waste, and the use of symbols and labels for hazardous waste identification purpose. 4. Block H16. The auditor was conducting observations on the availability and the condition of fire monitoring tower and fire hazard signboards. 5. Area of 2012/2013 Planting Year (Block M16 BR 1). Observation on the planting activity and zero-burning land clearing. 6. BR1 Housing Facility. Housing observation and interviews with the pruning workers on the facilities at those 2-bedroom houses, toilet facility, clean water supply, closets for clothes, electricity supply, wage payment that is above the Provincial Minimum Wage, waste management system that collects the waste and take it to the landfill, and housing facility maintenance done by the company. 7. PPE washing facility at BR1. Observation was conducted on the availability of the warehouse where the wash of the spraying equipment is done, its supporting facility and infrastructures (such as closets for clothes, washing room, bathroom, sewage area, and drying area for spraying equipment). 8. Block G13 Bingin Rupit 1 Estate. Observation and interviews were done with harvesting supervisors, harvesting clerks, and harvesters. The results revealed that all harvesters have been equipped with the necessary PPE, have acknowledged all basic matters related to harvesting activity, have all been enlisted into Labor Social Assurance Program, and have been fully aware of the harvesting calculation. 9. Block F7, F8, F9, F10 Bingin Rupit 1 Estate. The observation was done on the maintenance works of plant circles and harvesting path, which was performed by a third party (contractor).

10. **Loading Ramp at Dendymarker Indah Lestari.** The observation and interviews with sorting/grading workers were done on the criteria of the fruits that were good to be processed and the fruits that not good to be processed.
11. **Block D8 Bingin Rupit 1 Estate.** Observation and interviews were done on the subsidence poles, with the staff and supervisor at said area.
12. **HCV Bingin Rupit 1 Estate.** Observation and interviews with the staff and supervisors of Bingin Rupit 1 Estate were done on the management of HCV.
13. **Blok J and K Bingin Rupit 1 Estate.** Observation was conducted on the road maintenance activity.
14. **Beringin Jaya Village:** interviews were done with the Village Head and community leaders, with a number of local inhabitants on the social interactions between the company and local community, the CD/CSR programs conducted by PT DMIL, employment opportunity, and several other issues related to land ownership dispute and the impacts from the estate and the mill.
15. **HGU Boundaries Poles (main poles) DMIL 03 & DMIL 04.** The distance from one pole to another is 1 kilometer (there are several main poles and small poles). Based on the observation, said poles were in good condition and all signage is clearly visible (four small poles/supporting poles, however, were reported missing).

PT. Tebo Indah

1. **Central Warehouse.** The auditor was conducting observation and interviews with the head of warehouse on the use of PPE, inspection of emergency response facilities, comprehension on the HIRARC, regular health examination which is done once a year, explanation on the work process of the goods' incoming and their arrangement, comprehension on the First Aid Emergency handling, PPE control, the amount of wages paid is more than minimum, public facilities have been provided by the company (2-bedroom housings, toilet facilities, clean water supply, closets for clothes, electricity supply), work performance assessment is done by supervision, enlisting all employees into Labor Social Assurance Program (each employee holds a Labor Social Assurance Card), hazardous waste management by collecting it in the licensed warehouse, where material storage system is based on its type and characteristic, hazardous waste is stored separately, the warehouse is equipped with hazardous waste symbols.
2. **Hazardous Waste Warehouse.** The observation and interviews were conducted on matters related to the hazardous waste control that must comply with the existing regulation, the monitoring of hazardous waste, and the use of symbols and labels for hazardous waste identification purpose, and emergency response facilities.
3. **PPE washing facility.** Observation was conducted on the availability of the warehouse where the washing of the spraying equipment is done, its supporting facility and infrastructures (such as closets for clothes, washing room, bathroom, sewage area, and drying area for spraying equipment).
4. **Firefighting Secretariat.** Observation and inspection were done on the firefighting equipment.
5. **Generator house.** Observation was done on the implementation of OHS (PPE use, First Aid Kit, hazard signboards, and hazardous waste management).
16. **Area of planting year of 2012/2013 Block K21 and L13 Teluk Pandak.** The observation was done on the planting and land clearing activities with zero burning method.
6. **Teluk Pandak Housing Complex.** Observation was done on the housing facility and interviews were conducted with three workers' wives to gather information on the facilities of the 2-bedroom houses, toilet facility, clean water supply, electricity supply, waste handling by collecting it and send it to the landfill, assembly point in case of emergency, and housing maintenance done by the company.
7. **Division I Office of Teluk Pandak Estate.** Observation and interviews with the division assistant and clerks were conducted on the work administration and work procedures for the maintenance and harvest.
8. **Block T15 of Teluk Pandak Estate.** Observation and interviews were done with manual supervisors and manual circle workers.
9. **Block S15 Division I Teluk Pandak Estate.** Observation and interviews with harvest supervisors, harvest clerks, and harvester confirmed that all workers have all been using PPE, they have all acknowledged basic matters related to harvesting, they area already registered as Labor Social

	<p>Assurance Members, and they have all been aware of the harvest calculation.</p> <p>10. Block R15 Teluk Pandak Estate. Observation and interviews with harvest supervisors, harvest clerks, and harvester confirmed that all workers have all been using PPE and they have acknowledged all basic matters related to spraying.</p> <p>11. Block R14 and T15 Teluk Pandak Estate. Observation and interview was conducted with the Estate Manager to collect information on the HCV management.</p> <p>12. Contractor Camp of CV. Alam Jaya. Observation was done on the management of their hazardous waste.</p> <p>13. Block I23 and I24 Teluk Pandak Estate. Observation on the HVC and protected animals signboards.</p> <p>14. Teluk Pandak Village. Interviews were conducted with the Head of Village, community leaders, and several local villagers on the social interactions between the company and local community, CD/CSR programs conducted by PT Tebo Indah, employment opportunities, and other issues related to land ownership conflicts and the impacts arising from the estate's operational activities.</p> <p>15. HGU Boundaries Poles (018 – 028) were installed around 200 – 300 meter from each other. Based on the observation, all poles; namely main poles (018 & 022) and small/supporting poles (019, 020, 023 – 028) were all in good condition with their signage was visible and easily read, with the exception of one small pole, namely No. 21, which was not accessible/not visible.</p>
<p>Verification</p>	<p>PT Dendymarker Indahlestari</p> <p>1. Dendymarker Indahlestari POM. The auditor team was conducting the observations and interviews with two boiler staff, head of workshop, and six mechanics on the matters related to the use of PPE, the comprehension on the hazard identification, risk assessment and risk control, dust collecting activity, regular health check-up which is performed once a year, explanation on the work process of boiler station, comprehension on the First Aid Emergency handling, PPE control, the amount of wages paid is more than minimum, public facilities have been provided by the company (2-bedroom housings, toilet facilities, clean water supply, closets for clothes, electricity supply, a IDR 50,000/month drinking water allowance, and transport subsidies), work performance assessment done by supervision, enlisting all employees into Labor Social Assurance Program (each employee holds a <i>Labor Social Assurance</i> card), hazardous waste management by collecting it in the licensed warehouse.</p> <p>2. POM Warehouse. The auditor was conducting observation and interviews with the head of warehouse and two warehouse staff regarding the use of PPE, emergency response facilities, comprehension on the hazard identification, risk assessment and risk control (HIRARC), regular health examination which is done once a year, explanation on the work process of the goods' incoming and their arrangement, comprehension on the First Aid Emergency handling, PPE control, the amount of wages paid is more than minimum, public facilities have been provided by the company (2-bedroom housings, toilet facilities, clean water supply, clothes rack, electricity supply, a IDR 50,000/month drinking water allowance, and transport subsidies), work performance assessment done by supervision, enlisting all employees into Labor Social Assurance Program (each employee holds a <i>Labor Social Assurance</i> card), hazardous waste management by collecting it in the licensed warehouse, where material storage system is based on its type and characteristic, hazardous waste is stored separately, the warehouse is equipped with hazardous waste symbols.</p> <p>3. Hazardous Waste Warehouse. The observation and interviews were conducted on matters related to the hazardous waste control that must comply with the existing regulation, the monitoring of hazardous waste, and the use of symbols and labels for hazardous waste identification purpose</p> <p>4. Liquid Waste instalation : Waste management and based on observation visits liquid is found an indicator that containing fish pond</p> <p>5. Interview with Employees on blok F3. Employees understand about the procedures of the harvest, get a personal protection in the form of a helmet, gloves, boots. Employees have been getting social</p>

	<p>security</p> <p>6. Interview with worker spraying : employees already know the procedures of spraying, socialization and HCV has been getting social security.</p> <p>7. Water level on blok G2: There is a pillar of water level is blue which means high face normal water</p> <p>8. Pziometer on Blok D2 : There are pziometer dan pziometer officers could explain for the measurement of pziometer</p> <p>9. Subsident Pole in Blok K27: The company has installed the subsident pole and monitors it periodically.</p> <p>10. Watergate in Blok P6 : The company has built 2 sluices of 4 planned built and water channel in made of concrete cast permanent.</p> <p>11. Interview with plasma KUD Pakar Maur. Company has formed kud plasma that is managed by the local community</p>
2.4	Stakeholder Consultation and List of Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process.
	<p>Summary of stakeholder consultation process Public consultation with stakeholder for PT Dendymarker Indah Lestari and PT. Tebo Indah was conducted through meeting with internal and external stakeholder in form of interview with local community, visit to villages and interview with concerned Government Agency. Location and schedule of visit is enclosed in appendix 1. Some input from stakeholders area clarified by PT. Dendymarker Indah Lestari and PT. Tebo Indah.</p> <p>MUTU Certification has also announced audit process to stakeholders via public announcement in RSPO official website and MUTU Certification on February 14, 2014 (30 days before audit was conducted).</p>
2.4.2	List of stakeholder contacted
	Please find appendix 3
2.5	Determining Next Visiting
	The next visit S-1 will be determined one year after the company is certified.

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Dendymarker Indah Lestari POM and its FFB Suppliers (3 Estates). During the assessment, there were 8 non conformities with minor category identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that Dendymarker POM (PT Dendymarker Indahlestari) complies with requirement of RSPO Principles and Criteria and National Interpretation for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008. Therefore, MUTUAGUNG LESTARI recommends certificate of compliance is issued.

3.1.1 Summary of Assessment Report of ST 2

Ref Std	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1	Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.
	<p>The company has a mechanism to record any information request coming from stakeholders, which is kept in the logbook of incoming letters. The logbook contains the following information; file number, recipient's address, date, subject, and instruction number. For example; a record of information request regarding employment from <i>BPJS</i> Employment of Tebo Regency, in a document No. dated 6 March 2014, on the Confirmation of the Reconciliation of <i>BPJS</i> Employment Fees.</p> <p>The company also has a mechanism to record the response to the information request from the stakeholders which is kept in the logbook of incoming letters. The logbook contains the following information; file number, recipient's address, date, subject, and instruction number. For example; a record of the response to legal information request from Plantation Agency of Musi Rawas in relations with the Report of Plantation Business Development year 2013, in a response letter No. 008/GM-DI-KD/I/2014 dated 6 February 2014 on the 2013 Report of Plantation Business Development of PT. DMIL.</p> <p>There is also a record of information requests and their responses kept for a certain retention time as specified by the company in accordance with the Decree of the Management No. 026/PT.T-GM/SK/I/2013 on the Policy towards Environment, Social, Occupational Health and Safety, dated 10 January 2013 which was authorized by the CEO. The document specifies that the document retention time is five years, and it applies for both PT. DMIL and PT. TI.</p>
	Status: completed
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.
	<p>The company has documented all information and response given to it, which covers the documents that are in compliance with applicable regulations. For example, a document concerning the Report of Plantation Business Development of 2013 of PT DMIL, submitted to Plantation Agency of Musi Rawas under a letter No. 008/GM-DI-KD/I/2014 dated 6 February 2014.</p> <p>The document is in compliance with the existing national regulation, namely <i>Kepmentan</i> (Agricultural Ministry's Regulation) No. 357/Kpts/HK.350/V/2002 on the guidelines for plantation business permit.</p> <p>There is also a record of information requests and their responses, which is kept for a certain retention time as specified by the company in accordance with the Decree of the Management No. 026/PT.T-GM/SK/I/2013 on the Policy towards Environment, Social, Occupational Health and Safety, dated 10 January 2013 which was authorized by the CEO. The document specifies that the document retention time is five years, and it applies for both PT. DMIL</p>

and PT. TI.

Status: completed

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

The company has proofs of compliance with the laws and regulations, including those related to the company's legal status, land ownership/acquisition, as well as compliance with other regulations.

Below are a number of said proofs;

- Company Deed of Establishment for PT Dendymarker Indahlestari, which was made under a notarial deed **Number: 49 Year 1993 dated 26 April 1993** by *Ichsan Tedjabuana*, a public notary practicing in Bengkulu. Said Deed of Establishment has gained approval from the Ministry of Justice of the Republic of Indonesia (at the time) through a Decree of the Minister of Justice of the Republic of Indonesia **Number: C2-16.649 HT.01.01.Th.94 dated 4 November 1994.**
- Decree of the Head of Plantation Agency of Musi Rawas Regency Number: 17/SK-ILP/MURA/1997 on the Approval of Location Permit Renewal for Oil Palm Plantation Business for PT Dendymarker Indahlestari, which covers the same area as the one stated in the previous Decree (**Decree No. 008/SK-IL/MURA/1995** covering **±19,000 Ha of land**). Said decree was authorized at Lubuklinggau on 14 June 1997.
- Plantation Business Permit – for Cultivation, through a Decree of Musi Rawas Regent **Number: 576 year 2008** on the Approval of Plantation Business Permit (*IUP-B*) for PT Dendymarker Indahlestari with permitted area that covers **17,973.5 Ha.**
- Plantation Business Permit – for Processing, through a Decree of Musi Rawas Regent **Number: 575 Year 2008** on the Approval of Plantation Business Permit (*IUP-P*) for PT Dendymarker Indahlestari with a capacity of **20 tons FFB per hour.**
- **Certificate of Land Use Title (HGU) No. 4 Year 1998** from the Regional Land Agency of Musi Rawas Regency dated **20 November 1998** which covers an area of **17,793.5 Ha** (seventeen thousand seven hundred and ninety-three point five hectares). Said certificate is valid for 30 years.
- The last Deed of Amendment of PT Tebo Indah Number: 20 year 2008, dated 21 November 2008 by a Jakarta-based Notary *Aliya Sriwendayani, SH, MH*. Said document has gained approval from the Ministry of Justice and Human Rights of the Republic of Indonesia Number: AHU-100891.AH.01.02.year 2008 dated 31 December 2008, with registration number AHU-0126814.AH.01.09.Year.2008 dated 31 December 2008.
- Decree of Tebo Regent Number: **593/01771/I** on the Issuance of Location Permit for Oil Palm Plantation by the name of PT Tebo Indah, located at Tebo Tengah Sub-district and Tengah Ilir Sub-district, which covers an area of 9,112 Ha. Said decree was approved at **Muara Tebo, on 11 October 2006.**
- Decree of Agricultural Ministry **Number: 640/Kpts/HK.350/Dj.Bun/VIII/2001** on 20 August 2001, on the Plantation Business Permit for PT Tebo Indah.
- There are nine certificates available on the Land Use Title owned by PT Tebo Indah (total area is 7,038.06 Ha).

Both companies have been making efforts in complying with the existing law, which can be proven by the following existing and updated list of regulations (last update on March 2014) that are put into several categories;

1. Regulations on Environments: 67
2. Regulations on Land: 17
3. Regulations on Employment and OHS: 10
4. Regulations on Agronomy: 3

PT Dendymarker Indahlestari

One of the proofs of compliance with the regulation's amendment done by PT Dendymarker Indah Lestari is the wages payment for the employees that has been in accordance with the Decree of South Sumatera Governor No. 560/1104/DISNAKERTRANS/2013 on the Implementation of Provincial Minimum Wage, which is IDR 1,630,000.

The lowest basic salary that was paid by the company, as found in the details of income revenue, was IDR 1,630,000 plus IDR 5,000 per Kg of rice supply (15 Kg for the employee, 9 Kg for the wife, and 7.5 Kg for the children, and overtime pay).

PT Tebo Indah

One of the proofs of compliance with the regulation's amendment done by PT Tebo Indah Lestari is the wages payment for the employees that has been in accordance with the Decree of Jambi Governor No. 560/164/PPTK-HISK/Sosnakertrans on the Implementation of Provincial Minimum Wage, which is IDR 1,300,000. Based on said Regional Minimum Wage (UMR), the detail of income revenue includes IDR 1,300,000 plus IDR 5,000 per Kg of rice supply (15 Kg for the employee, 9 Kg for the wife, and 7.5 Kg for the children, and overtime pay).

Evaluation on said regulation is conducted every year by adding new clause of regulation and evaluating and classifying them.

Status: completed

2.2

The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights

Both PT Dendymarker Indah Lestari and PT Tebo Indah have kept the legal and valid documents on the land acquisition and cultivation, such as seen below;

- A Decree of the Head of National Land Agency of Musi Rawas Regency No. 17/SK-ILP/MURA/1997 on the Issuance of the Location Permit Renewal for Oil Palm Plantation Purpose to PT Dendymarker Indah Lestari which cover the same area as that mentioned in the previous Decree (Decree **Number: 008/SK-IL/MURA/1995** covers an area of **±19,000 Ha.**) The Decree was authorized at Lubuklinggau on 14 June 1997.
- **Certificate of Land Use Title (HGU) No. 4 Year 1998** from National Land Agency of Musi Rawas Regency dated **20 November 1998** which covered an area of **17,793.5 Ha** (seventeen thousands seven hundreds and ninety-three point five hectares). Said certificate is valid for 30 years.
- A Decree of Tebo Regent **Number: 593/01771/I** on the Issuance of Location Permit for Oil Palm Plantation for PT Tebo Indah at Tebo Tengah and Tebo Ilir Sub-districts which covers an area of **9,112 Ha**. Said Decree was authorized at **Muara Tebo on 11 October 2006**.
- There are nine Certificates of Land Use Title acquired by PT Tebo Indah that cover a total of 7,038.06 Ha of land.

Furthermore, there are proofs of records in the form of copies of agreement made between the company and the parties that have received the land compensation payment at each unit company. For example, there is a recap of a total 100 ha of land compensated from 19 local residents of Karang Dapo Village at Karang Dapo Sub-district. PT Tebo Indah also keeps a recap of its land acquisition done during 2012 – 2013 (which is equal to a land compensation for a total of 556 landowners).

Both unit companies have a mechanism for land dispute settlement, which is a Procedure for Land Dispute Settlement No. SOP-DMIL-CSR-2013 that describes the stages to take in handling land disputes using verification (information from the subject that conveys a negotiation and agreement for compensation and a Procedure of Payment Administration as a Token Indicating Management's Seriousness (No. TBI.SOP.32.80109.01.B.01)

Based on the areal statement document study, the field visit, and the consultation with community leaders and a number of local residents at Beringin Jaya Village (the nearest village from PT Dendymarker Indah Lestari) and Teluk Pandak Village (the nearest village from PT Tebo Indah), it is suggested that up until present, there has never been any case of land dispute occurred between the company and surrounding community.

Status: completed

2.3

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

There is a document of a Report of High Conservation Value Identification (HCV) at Oil Palm Estate Area of PT Dendymarker Indah Lestari in 2013. The identification was conducted by PT Sonokeling Akreditasi Nusantara Consultant in 2013, resulted in the identification that there was no area categorized as HCV 6.

Based on such finding, it is also suggested that there was no area under customary rights possession. From the explanation given by relevant institution during the stakeholders' consultation, also from the information given by the management and the result of the interviews during field visit to Beringin Jaya Village, it is concluded that there was no area owned by PT Dendymarker Indah Lestari that was under the possession of customary rights.

Similarly, there is also the Report of HCV Identification from the year of 2013 at PT Tebo Indah, which was also conducted by PT Sonokeling Akreditasi Nusantara Consultant, confirming that there was no area categorized as HCV 6.

Based on such finding, it is also suggested that there was no area under customary rights possession. From the field visit and the result of the interviews with Community Leaders and a number of local residents of Teluk Pandak Village, it is concluded that there was no area owned by PT Tebo Indah that was under the possession of customary rights.

In relations with the land compensation process, both unit companies have got the proofs of records in the form of copies of agreement made between the company and the parties that have received the land compensation payment at each unit company. For example, there is a recap of a total 100 ha of land compensated from 19 local residents of Karang Dapo Village at Karang Dapo Sub-district. PT Tebo Indah also keeps a recap of its land acquisition done during 2012 – 2013 (which is equal to a land compensation for a total of 556 landowners).

Status: completed

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

3.1

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

There is a document of company's long-term business plan for the period of 2013 to 2018. The one for PT Dendymarker Indah Lestari was composed by the Operational Director and was approved by the Board of Director (BOD), while the document of Financial Projected Assumption for the year 2010 – 2032 for PT Tebo Indah was composed by the Board of Director (BOD) which was aimed to achieve the profit target, and the long-term economic and financial security. Said document is kept at Finance and Accounting Department in Jakarta and is being assessed every year.

There is a Report of Independent Auditor (Report No. KNT & R-C/0014/13) for **PT Dendymarker Indah Lestari** for the period until 31 December 2012 and 2011. The audit was conducted by *Kosasih, Nurdiyaman, Tjahyo, and partners*, a Registered Public Accountant No. 1053/KM.1/2009/ (Branch), a *Member of Crowe Horwath International*. Another Independent Auditor Report is available of **PT Tebo Indah** for a period until 31 December 2012 and 2011. The audit was conducted by *Paul Hadiwinata, Hidajat, Arsono, Ade Fatma, and Partners*, a Registered Public Accountant No. 1033/KM.1/2009/.

Conclusion from the Audit: the Consolidated Financial Report has properly presented the financial situation of both PT Dendymarker Indah Lestari and PT Tebo Indah for the year of 2012 and 2011, as well as their income revenues and cash flows, all using the Indonesian Financial Accounting Standard.

There is a 5-year Replanting Plan for PT Dendymarker Indah Lestari and its replanting study which was done by the Operational Director on 16 December 2013. The study covered the requirements for the plants to be replanted (by considering the plant's age, the number of plants per hectare, and their productivity), as well as the determination of replanting stages.

There has not been any replanting plan made by PT Tebo Indah, due to the fact that their oldest plants were the ones planted in 2008, which makes replanting plan possible only when they reach the year of 2016.

Status: completed

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

The company has an SOP for Estate's activities, ranging from the time of Land Clearing until the harvest period. Furthermore, the field visit also confirmed that its employees have all acknowledged the Standard Operation

Procedure for each of the operational activities at the Estate.

For example; harvesting supervisor and harvesters at Afdeling I Teluk Pandak Estate have acknowledged the procedures for the practice of harvesting activities and they are able to explain well the maturity criteria of the fruits to be harvested, which is in accordance with what is expected by the company.

However, the field visit revealed that supervisors did not conduct the harvesting inspection as required in the Harvesting SOP.

The company has a set of Standard Operational Procedures (SOP) from the year of 2013 for the processing of the plantation's yield, as described below;

- SOP PMKS-SOP/01 for the weighbridge
- PMKS-SOP/02 for the grading
- PMKS-SOP/03 for the boiler station
- PMKS-SOP/04 for the press station

The abovementioned SOPs have all covered the complete procedure at the POM, which are; FFB receipt, Sterilization, Threshing, Pressing, Clarification, Nut and Kernel, Boiler and Machine Room, Water Treatment, Final Effluent and Storage Tank Cleaning, and the SOP for the POM's Laboratory, and the guidelines for quality measuring of the CPO and the Palm Kernel.

The company also has a record of the estate's operational activity. For example the following records that are available at PT Dendymarker Indah Lestari;

1. A report of the realization of manual circle work at Block F7, F8, F9, and F10, all of which was completed in February 2014.
2. A recap of the supervisor's daily reports, which contains the realization of maintenance and harvesting activities in February 2014.
3. A manager's monthly report from February 2014, containing the realizations of the plans and the works. For example manual circle works at block F7, F8, F9, and F10 Division I of Rupit Bingin Estate have all been realized.

However, the field visit has revealed that said works have not been realized yet.

Non-conformance NCR No. 2014.01 indicator Minor 4.1.2.

The following documents are also available at PT Tebo Indah; estate's monthly report from December 2013, supervisor's daily report and record of labor usage allocation for January 2014, and a report and realization of the work which cover the work realization compared to the projected program.

For example; manual circle work at Block T20, which was projected to be carried out in January, when it was only realized in February 2014, due to other works being done at another block.

Based on the proof of repair sent by the company on 15 May 2014, the following proofs of repair are available;

- The company presented a document of harvesting path inspection done on 25 March 2014 at Division I Block U10 at BR1 which was authorized by the Supervisor. The document contains information on the Harvesters (*Sunarso* and *Zanhuri*), Row Numbers (2 and 4), and a document of harvesting path inspection at Block H17/H18/H19 Division IV Teluk Pandak on 1 March 2014.
- The company has presented the proof of photos from the event of circle weeding activity done at Block F7, F8, and F9, which displayed that the plants circles were in a clean condition.

However, the abovementioned proofs still need to be supported with the field inspection, therefore the maintenance activity will be observed on the next visit.

Non-conformance NCR No. 2014.01 Indicator Minor 4.1.2 is declared Open.

Status: Non-conformance Minor category, NCR.2014.01
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4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

The following records are of the soil and leaf analysis activities;

a. **Soil Analysis Activity**

The activity was conducted by the Soil Laboratory of Agency for Agricultural Research and Development, Center for Agricultural Land Resources, Soil Laboratory of IPB. The result of the lab analysis elaborates the condition and the nutrient content of each soil sample, and the fertilizing recommendation to maintain the nutrient balance inside the soil. The aspects taken into account are pH, P, Ca, Mg, K, Na, Cu, and Zn. The result of this analysis is kept by the company.

b. **Leaf Analysis Activity**

This analysis was performed once a year. The result gives a fertilizing recommendation to yield an optimum palm fruits production. The principle of fertilizing is that it is given on soil to produce the nutrients needed by the oil palm trees optimally. The analyzed parameters are N, P, K, Mg, Ca, and B. The record of the leaf analysis activity is available from the year of 2013 for the fertilizing period of 2014.

c. **Visual Observations**

Visual observation was done at the time of field sampling. The visual observation was done as a consideration in determining the fertilizing recommendation, and to analyze the potential disease attack that might become endemic of certain diseases.

The company has a record of the fertilizing recommendation study done by PT. Primakelola Agrobisnis Agroindustri in 2013. Meanwhile, the one for PT Tebo Indah was performed by the Sembawa Research Institute of South Sumatera Research Center for Rubber in 2013.

The recommendation was compiled based on the study of nutrient content and leaf through the soil analysis, leaf analysis, and visual observation. However, the company has not yet presented the proof from the activities to increase the soil's fertility through fertilizing based on the results of soil analysis, leaf analysis, and visual observation (recommendation).

PT DMIL did not conduct any fertilizing activity at all during 2013.

PT. Dendymarker Indah Lestari

- The company has a record of fertilizing recommendation study which was based on the soil analysis, leaf analysis, and visual observation. The study was conducted by PT. Primakelola Agribisnis Agroindustri – IPB. The 2013 analysis covering the parameters pH, P, Ca, Mg, K, Na, Cu, and Zn was performed by the Soil Laboratory of Agency for Agricultural Research and Development, Center for Agricultural Land Resources, Soil Laboratory of IPB.

The results elaborated on the lab analysis result on the soil condition and the nutrient content. The leaf analysis in 2013 covered the parameters N, P, K, Mg, Ca, and B. The leaf analysis released the recommended dosage for fertilizing to yield the optimum palm fruits production. The visual observation was done during the leaf sampling activity.

The visual observation was done as a consideration in determining the fertilizing recommendation, and in analyzing the potential disease attack that might become endemic of certain diseases. The principle of fertilizing is that it is given on soil to produce the nutrients needed by the oil palm trees optimally.

However, the company has not been able to present the proofs of fertilizing activity based on recommendation, in fact there were no fertilizing activity during 2013.

(Non-conformance CAR No. 2014.02)

Other than that, the company did not do empty bunch application and effluent utilization, due to the fact that their area is a peat land. The company has done the planting of leguminous crops (*Muccuna*) on an area of 210,010 Ha, as stated in the data from 15 March 2014.

PT. Tebo Indah

- The company has a record of fertilizing recommendation for the year of 2013/2014 which was prepared by Sembawa Research Institute of South Sumatera Research Center for Rubber based on the soil analysis, leaf analysis, and visual observation.

The principle of fertilizing is that it is given on soil to produce the nutrients needed by the oil palm trees optimally.

During January 2014, the company has realized as much as 14 Kg of Urea fertilizer and 4,566 Kg of SP36 fertilizer, while in February the same year, the company has used 13,865 Kg of Urea fertilizer, 8,437 Kg of SP36/RP fertilizer, and 11,599 Kg of KCL/MO. The company has also done the planting of leguminous crops in 2013 at Division II on an area of 249.65 Ha (in October) and has done an empty bunch application at PT DMIL Block T-14 on an area of 60 Ha.

Based on the proof of repair that was submitted on 15 May 2014, the company has presented a document of fertilizing recommendation at PT. DMIL by PT. Primakelola Agrobisnis Agroindustri in 2013. The company has presented a Recap of Application/Realization Reports for the Fertilizing done at BR1, such as; the use of RP Fertilizer in May 2013 was based on a recommended dose of 1.8 Kg/palm tree; fertilizing application of 170,000 for an area of 1,565 Ha, for which the dosage was 108.1 Kg/Ha.

Based on said records, it can be said that the company has not provided with the proof of fertilizing dose that was in accordance with the recommendation (1.8 Kg /Palm tree)

Minor 4.2.2

Status: non-conformance NCR.2014.02

4.3

Practices minimize and control erosion and degradation of soils.

PT. Dendymarker Indah Lestari

- Based on the land profile map with the scale of 1:130,000 for peat's thickness, most part of the company's area are composed of peat land. The management strategy is done by doing water management with the following facilities to be applied; the trenches that consist of primary trenches (\pm 2 meters deep) which is connected to the secondary trenches and a smaller-sized tertiary channel.

All of the channel system inside the plantation is a closed system and does not receive water input from the outside sources, and its main water discharge is only from main water gate/overflow. To control the water supply at the channel and inside the block (water table), water is monitored using a parameter of water level at the trenches' rim. Ideally, the water level at the channel's rim is 50 – 70 centimeters to be able to guarantee supply of water table in each block.

Based on the document examination, the actions that have been taken to manage the peat area include;

- 1) Monitoring the peat soil subsidence that occurred due to the decomposition or the compacting of the drainage peat land.
- 2) Monitoring the level of water surface at the channel on a regular basis by using the water level at each unit. In general, the water level needs to be maintained in a range of 50 – 70 cm from the trenches' rim.
- 3) Monitoring the water table surface at each block by using the piezometer. The company has a specific SOP for this particular activity.

Most part of the area owned by PT DMIL is composed of peat soil. Therefore, the following activities are done as the management strategy in water management, along with a number of other activities;

- Construction of trenches channels.
- Water level measuring at the trenches.
- Using piezometer to measure the level of water table
- Monitoring the subsidence of the soil.

The company has also done the road maintenance to support its operational activities. However, the company has not been able to present the proof of Report of Channel Maintenance and the Result of Subsidence Measuring that has already been below the Threshold Limit Values (TLV).

Non-conformance CAR No. 2013.07.

PT. Tebo Indah

Based on the soil capability map in a scale of 1:120,000, the area of the company is composed of flat area (0-2%), sloping area (2-15%), and bumpy area (15-25%).

The following strategies were applied by the company towards such soil condition;

- 1) Mechanically constructing 2-meter wide Conservation Terraces, with 35 – 50 meters spaces between each terrace.
- 2) Mechanically constructing Contour Terraces range from 3 meters to 4.5 meter wide.
- 3) Constructing 2.5-meter wide Individual Terraces by adjusting them to the existing contour that needs to be combined with the silt-pit.
- 4) Planting leguminous crops.

Other efforts taken by the company for land conservation include terracing and plating the erosion deterrent plants (such as legumes).

Status: non-conformance CAR No. 2013.07

4.4

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

- Protection of waterways and wetlands

PT. Dendymarker Indah Lestari

- The company has set up a riparian area as the HCV area and installing signposts in the form of 20x30cm iron sheet that reads “Riparian Area”, based on the SOP for riparian area management (SOP-DMIL-PKSS-III-2013). The company is also conducting the monitoring on the quality of the well water, river water, sedimentation, and the river water velocity using the SOP of river water quality monitoring (SOP-DMIL-PKSS-III-2013). The company has conducted the monitoring on the banner prohibiting an act of mixing chemical ingredients at DMIL in 2014, at locations Block D8, F19, I20, and K19. Based on the result of river water analysis at Abang hulu and Abang hilir River, it is suggested that the COD and BOD contents *are not exceeding the Threshold Limit Values*.

PT. Tebo Indah

- The company has a policy to protect the slopes and river buffer zone under a document No. 21/PMPB-TI/2013 which contains the protection of the riparian. The company has conducted the monitoring on the buffer zone to prevent any spraying or manuring activities. It has also conducted the test on the well water and river water qualities. The results of the test on water quality at Belilas hulu and Belilas hilir River suggested that the *BOD content does not exceed the Threshold Limit Values*.

- Monitoring on the BOD of the mill’s effluent

- The company was conducting the effluent quality measurement every month, which is performed by UPTB Environmental Laboratory of South Sumatera Province (LP 231-IDN) during January – October 2013, and by Sucofindo Palembang (registered as environmental lab at Ministry of Environment No.0051/LPJ/LABLING-1/LRK/KLH) in November 2013.

The result of effluent quality study at the wastewater pond since November 2013 until February 2014 does not meet the Threshold Limit Values (>100 mg/l). The company therefore received a letter of reprimand from Musi Rawas Regent in a document No. 660/5309/BLHD/2013 on 13 November 2013 containing the following instructions:

- to improve the comprehension on the provisions of environmental management and to improve a more effective coordination,
- to immediately take care of the changes on the business ownership and or its activities,
- to immediately submit the Reports of *RKL-RPL* from the first semester of 2013,

- to immediately submit the manifest of hazardous waste to the Regional Environment Bodies (*BLHD*),
- to immediately equip the boilers and genset with sampling board and coordinates,
- to immediately repair the piping system of WWTP at Pond II,
- to clean and manage organic waste generated by the boilers,
- to place sampling location signposts for the surface water quality,
- to place a discharge measuring instrument,
- to do monitoring on the effluent that is discharged to the water body,
- to clean the area of WWTP that is full of weeds and water plants,
- to get a deposit pond prior to discharging the drainage water recipient water area,
- to equip the combustion furnace flue with the sampling signboard,
- to place the necessary symbols and labels on the hazardous waste,
- to get a logbook,
- to equip with the SOP for storage and SOP for emergency response
- **Monitoring on water usage for the mill per ton FFB**
 - The POM has a record of water usage from every month and the calculation of the amount of water required for FFB processing. The budget of water utilization is 1.2 tons water per ton FFB. Based on the calculation, the water usage per ton FFB is still on budget.

Status: completed

4.5

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

An IPM program is available with the following details;

1. According to the SOP Agronomy Chapter VI, an early observation on the leaf-eating caterpillars (*UPDKS*) is performed by every harvester and maintenance worker. A routine observation is also done once a month by the Maintenance Supervisor. The chemical control shall be done only when the level of the caterpillar attack is considered severe (when >7 nettle caterpillars are found in each frond)
2. According to SOP Agronomy Chapter IV, the rat observation is done every month. The chemical control shall be done when the attack is considered severe (when >5 attacks are found at sample plants).
3. In avoiding any attacks from hedgehogs and other protected vertebrate pests, individual fencing is constructed around the plants at the area near the forest.
4. The 2014 budget data has determined that there will be a program to place 10 owls.
5. There is a map of planting plan of *Turnera subulata* using a scale of 1:120,000 for the year of 2014 on an area of 13,700 meter long. The field visit to housing complex at Teluk Pandak found there was a nursery of such plant.

The records of IPM monitoring at PT Tebo Indah are as follow;

1. Records of nettle caterpillars monitoring, such as that from 15 March 2014 at 12 census points at Block J24, resulted in the finding that there was no attack.
2. Planting of *Turnera subulata* at Division 3 Block J24 on area of 0.15 Ha. The field visit to said area has also confirmed such activity.
3. Observation on the owl nest which is done every month, such as that at Division Block J24 on 15 March 2014.
4. Observation on the rat pests which is done every month, such as the one at Block M12 on 6 March 2014, resulted in the finding that there was no attack.

PT. DMIL has not yet been able to present proof of IPM coverage monitoring records – on the attacks of termites, ganoderma, *Oryctes rhinoceros* – that was planned to be done every month.

Similarly, PT. TI has not yet been able to present the proof of the training activity related to Integrated Pest

Management.

Non-conformance CAR No. 2014.03

There is, however, a record of monitoring on the pesticide's toxicity in the document of pesticide usage recap, which gives details on the use of active ingredients per hectare. For example, PT. DMIL used *Supremo* containing active ingredients *Glyphosate isopropyl amine* 480 g/l as much as 240 grams per hectare.

15 April 2014.

The company presented the following proofs of improvement;

1. Record of monitoring on the pests and disease attacks (rats, termites, ganoderma, and Oryctes) which is done every month, such as the one done at Block D2 BR1 on 29 January 2014, which resulted in the finding that there was no attack.
2. Monitoring on the nettle caterpillars which is done every month, such as the one on 7 February 2014 at Block E1, which did not find any attacks.
3. Records of IPM training;
 - Training on the Integrated Pest Management (covers the training on the system of pests monitoring/census, the census team, the observation procedures, the observation frequency, the pests calculation procedure, the biodiversity control, and the introduction of the natural enemies) on 4 April 2014 at the Training Center of PT. Tebo Indah, which was attended by 14 participants (list of attendance and the materials from the event area available).
 - PT. DMIL has not presented the record of the training of Integrated Pest Management. The one that has been presented was that of chemical control (spraying, PPE usage, and agrochemical hazard towards pregnant and breastfeeding women). Based on the above explanation, **CAR No. 2014.03 is still declared Open.**
 - **PT. DMIL has not yet presented the proof of the training on the Integrated Pest Management.** The one that has been presented was that of chemical control (spraying, PPE usage, and agrochemical hazard towards pregnant and breastfeeding women).

Status: non-conformance NCR No. 2014.03

4.6

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

The records of pesticide usage are available in the document of "Pesticide Usage Recap" that explains the types of pesticide used, the use of active ingredients, the total usage, the dose per hectare, and the use of active ingredients. The result of the document examination revealed that the pesticide used by the company was already in accordance with the recommended dosage.

The application rotation of agrochemical used is included in the Division Work Plan. For example; the plan of spraying the introw (spaces in between paths) at Block J24 Teluk Pandak is scheduled to be done three times a year (in March, July, and October).

The company has made good use of the owls as natural predators (for rats). According to the document examination, the company has already prepared a plan of placing 120 units of owl nests, 4 of which has been available at PT. Dendymarker Indah Lestari, and 2 others were placed at PT. Tebo Indah.

According to the explanation given by *Ibu Suprihatin* (Assistant Pests & Diseases), in February 2013 at BR-2 Estate Division IV Block J22, L23, and L24, the attacks from nettle caterpillars (*Thosea asigna*) were managed to be controlled using their natural enemies, namely bio-agent *Cordyceps militaris* which was reproduced using corns as the medium.

The training of the usage of pesticide operator is as follow;

1. Closed pesticide training has been conducted in collaboration with the Plantation Agency of Musi Rawas Regency on 5 December 2013 at the Estate I Office, and was attended by 35 spray workers. The training materials were delivered by the officers from the Plantation Agency of Musi Rawas Regency (a team consisted of 5 people).
2. There is a data of the employees who have joined the training of herbicide application, which was called "The Training of Product Knowledge of *Supremo 480SL*, *Supertox 276 SL*, *Trendy 20 WG*, *Triester 480EC* and *Dejavu 288 EC*", the training was conducted by PT. Dharma Guna Wibawa on 4 June 2013 at the company's office (Teluk Pandak, Tebo Regency, Jambi Province)
3. The training on 30 January 2014, which was given by Plantation Agency of Tebo Regency, was attended by 15 spray workers at the Office of Teluk Pandak.

The treatment of agrochemical waste is described in the SOP for Hazardous and Non-hazardous Waste Management (06/PLB3-DMIL/2013) and SOP of Tebo Indah (Document no. 06/IPLB3-TI/2013) which describes the following treatments;

- Chemical substances containers must be washed and rinsed three times.
- Punch a hole on the bottom of the plastic containers used to store chemical substances.
- Collect the waste at the specified storage.
- Establish good and proper coordination with the licensed collectors.
- The water from the spray tools washing is stored in the receptacle to then be re-used for spraying.

The result of the Bin Card Verification at BR 1 warehouse has revealed that the record of paraquat usage showed a decrease in the use of pesticide with active ingredient paraquat from 10.130 liters (in 2012) to 873 liters in 2013, which is equal to 91.38% of decrease.

Similar proof at Tebo Indah also showed a decrease in the use of pesticide with active ingredient paraquat from 594 liters in 2012 to 522 liters in 2013, which is equal to 12.12% of decrease.

Records of health examination results for operators;

1. **PT DMIL.** There is a result from the regular examination on 23 November 2013 which was performed by *UPTD Hyperkes* and Occupational Safety of South Sumatera Province (*dr. Rusli Laiman*, NIP1980001082008011004).
2. **PT TI.** There is a result from the annual regular examination on 27 November 2013 which was performed by *dr. Rahayu Widya Pratiwi* and a nurse from the Community Health Center (*Puskesmas*) of Tebo Tengah, and another examination on 23 November 2013 by *UPTD Hyperkes* and Occupational Safety of South Sumatera Province (*dr. Rusli Laiman*, NIP1980001082008011004).

The result of interviews with the spray workers suggested that the company has conducted such examination on a regular basis.

A statement letter was discovered at PT. DMIL, stating that the workers are neither in pregnant nor breastfeeding condition. Such statement letter is renewed twice a month (every two weeks), made by the workers, witnessed by their co-workers, acknowledged by the Assistant Division, and approved by the Estate Manager.

There is a record of examination result on female workers at PT Tebo Indah (14 workers) on 1 March 2014 at the Village Polyclinic of Teluk Pandak. The examination was performed by Midwife *Nurita Irtanty Anggie Rini, Am.Keb.* and Nurse *Yenni Haryatie, Am.Kep.*, of which the result did not find any pregnant/breastfeeding workers. The results of interviews with the spray workers at DMIL and Tebo Indah also confirmed the same finding.

Status: completed

4.7

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

There is a policy of the occupational health and safety that was signed by the Chief Operational Officer, which states that PT Dendymarker Indah Lestari and PT Tebo Indah are committed to the improvement of the following OHS matters;

- (1) Formulating, determining, and implementing the System of Occupational Health and Safety
- (2) Staff and employees are trained according to their own competence/expertise in their respective fields
- (3) Practicing the Act, Government Regulations, and other Regulations set by PT Dendymarker Indah Lestari on the occupational Health and Safety, as well as the cultural codes of conduct applied in the operational of the company.
- (4) Continuously improving the performance of the Occupational Health and Safety.

All vehicles and equipment are already equipped with their valid permit, as can be seen in the following examples;

- The Vehicle Registration Number (*STNK*) No. 2746095/MJ/2014 for a Double-cabin Pickup truck for company's general operation, License Plate No. B 9158 CUA which was valid through 6 March 2009;
- Manual Loader Backhoe Operator, Part Number 84261053;
- License Certificate for Steam Turbine No. 560/005/TU/Nakertams/2007;
- And Diesel Motor Usage Permit No. 560/279/MD/PK/08/2013 dated 21 August 2013.

Below are the structures of the Guiding Committee of Occupational Health and Safety (*P2K3*);

1. **P2K3 for PT. DMIL** was authorized by the Head of Labor and Manpower Agency of Musi Rawas Regency No. 660/KPTS/IV/Nakertrans/2013 on September 2013, appointing *Mr. Ponco Rumpoko* as the Secretary (OHS Specialist at PT DMIL as confirmed by the Decree of Appointments for OHS Specialist No. KEP.3884/M/DJPPK/XI/2013 and valid for 3 years since 15 November 2013).
2. **P2K3 for PT. Tebo Indah** was authorized by the Head of Labor and Manpower Agency of Tebo Regency No. on 26 September 2013, and No. 560/054/PK/SOSNAKERTRANS/2014 (revision on the structure of *P2K3*) appointing *Ms. Marliyana Veronika Silitonga* (No. KEP.4077/M/DJPPK/XII/2013) as the secretary.

A regular meeting is held once a month, and the report of *P2K3* is submitted to the Labor & Transmigration Agency every three months.

The work program of *P2K3* is available and it covers the OHS coaching for the period of January – December 2014, and its realization in the period of 2013.

In terms of occupational health, PT. DMIL is collaborating with Rumpit General Hospital. For example, there is a Medication Reference Letter for a patient named *Danil Portega* dated 3 July 2013.

The results of interviews with the workers also revealed that the company will refer them to either Rumpit Hospital in Lubuklinggau, or Siloam Hospital in Palembang.

On the other hand, PT. Tebo Indah owns a company clinic with one paramedic for first aid emergency handling. For other serious health matters, PT. TI is collaborating with Thaha Saifudin Hospital. A Letter of Hospital Treatment Expense for a patient named *Ardiyanto* dated 22 June 2013 can be regarded as an example of such collaboration.

There is a *Jamsostek* payment receipt for all employees of PT. DMIL to cover their Pension Funds (*JHT*), Occupational Accident (*JKK*), and Life Insurance (*JK*).

A sample can be found in a receipt of payment for February 2014, paid on 18 March 2014 via *BRI* Bank Account No. 67899-00000184314 for 256 permanent workers and 67 Casual Workers.

Another sample is a payment receipt of PT. Tebo Indah for the *Jamsostek* period January 2014, which was paid on 6 March 2014 via *Bank Jambi* to an account No. 201705223 for 235 Casual Workers and 72 Daily Contracted Labor, from a *Bank Mandiri* account no. 8099900000074614.

Regular Health Examination for high-risk workers covers the following items;

1. Regular health examination for the employees at PT. DMIL on 23 November 2013 was performed by *UPTD Hyperkes* and Occupational Safety of South Sumatera Province (*Dr. Rusli Laiman*, NIP1980001082008011004) on 102 workers (spray workers, heavy equipment operators, warehouse keepers, and POM workers). The examination covered physical checkup (body height, body weight, blood pressure, and heart rate) and blood chemistry test (Blood Sugar and Total Cholesterol). Re-examination will be conducted in November 2014.
2. Regular health examination for the employees at PT Tebo Indah on 27 September 2013 was performed by *dr. Rahayu Widya Pertiwi* and a nurse from Tebo Tengah Community Health Center (*Puskesmas*) on spray workers, welder, and hazardous waste warehouse keepers. The examination covered physical checkup (body height, body weight, blood pressure, and heart rate), which resulted in the statement that all workers were in a healthy condition. Another regular examination was performed on 23 November 2013 by *UPTD Hyperkes* and Occupational Safety of South Sumatera Province (*dr. Rusli Laiman*, NIP1980001082008011004) on 102 workers (spray workers, heavy equipment operators, warehouse keepers, and POM workers). The examination covered physical checkup (body height, body weight, blood pressure, and heart rate) and blood chemistry test (Blood Sugar and Total Cholesterol).
3. An audiometric examination for workers with high noise risk at the POM was performed on 20 March 2013 by *dr. Rusli Laiman*, NIP1980001082008011004 (a doctor specializing in Labor Health Examination), which resulted in a statement that all workers were having normal hearing state.

The company has a document of HIRARC (Hazard Identification, Risk Assessment and Risk Control), a matrix document consists of the types of work, hazard potentials, risks generated, risk control, and residual risk. Identification is conducted on every type of the activities, both at the Estate (land clearing activities, maintenance, harvesting, and transporting), and at the POM (which was based on the activities at each station, namely; Loading Ramp, Sterilizer, Threshing, Pressing, Clarification, Kernel Extraction, Dispatch, Boiler, Water Treatment, Empty Bunch, Waste Application, Laboratory, Warehouse, and Workshop), and also at the office.

The followings are records from OHS training;

1. There are list of attendance and photos from the event of First Aid Emergency training and firefighting at PT. DMIL, which was given by Labor and Transmigration Agency on 23 November 2013 to 12 workers (Supervisor I, Maintenance Supervisor, and Assistant, harvesting Supervisor, Pressing Operator, and Grader Operator).
2. There is a Certificate of Chemical OHS Personnel Training issued by the Labor and Transmigration Agency of Musi Rawas for a worker named *H. Tobib Abdurrahman* (Warehouse Worker at PT. DMIL) and for another worker named *Lapal Talenta* (Warehouse Worker at Tebo Indah).
3. There are certificates for firefighting personnel issued on 23 November 2013 for 15 workers at PT. DMIL.
4. Operator License for Conveying and Forklift Operators;
 - **PT DMIL.** License was given to four operators; one of them is named *Saipul Alam* (Loader Wheel operator) with the serial No. 560/08/SIO/Nakertraans/2013 and was valid through 25 November 2013.
 - **PT TI.** Certificate of operator training was given to three operators; such as for a worker named *Yuhepni Amri* with Reg. No. 30577-OPK3/PAA/XII/2013; *Muhammad As'ad Alwy* with Reg. No. 30578-OPK3/PAA/XII/2013;

and *Hendra* with Reg. No. 30570-OPK3/PAA/XII/2013.

5. Operator License for Boilers, such as the one for *Danil Portega* No. 560/11/SIO/Nakertrans/2013.
6. Welder Certificate, such as the one for *Dodi Kristiansyah* (Welder at DMIL POM) No. 560/12/SIO/Nakertrans.
7. OHS License for Fire Response team at PT Tebo Indah issued by the Labor and Transmigration Agency of Jambi Province, such as the one for *Sukma Efendi* No. 007/TPK/IX/Disosnakertrans/2013.
8. Certification training for welders given by the Social, Labor, and Transmigration Agency of Jambi Province No. 027/KDL/K3/Disosnakertras-5.3/2013 on 27 September 2013.

The following SOP documents for emergency response are available;

1. SOP for Emergency Potential Identification and Evaluation (No. 14/IEPD-DMIL/2013 for PT. DMIL and No. 14/IEPD-TI/2013 for PT.TI)
2. SOP for Blast Countermeasures (No. 17/PL-DMIL/2013 for PT. DMIL and No. 17/PL- TI/2013 for PT.TI)
3. SOP for Fire Response (No. 16/PK-DMIL/2013 for PT. DMIL and No. 05/PK-TI/2013 for PT.TI)
4. SOP for Emergency Preparedness and Response, and for Recovery (No. 15/KRPKD-DMIL/2013 for PT. DMIL and No. 15/KRPKD-TI/2013 for PT.TI)
5. SOP for Emergency Response Training (No. 18/TD-DMIL/2013 for PT. DMIL and No. 18/TD-TI/2013 for PT.TI)
6. SOP for Fire Prevention (No. 16/PK-DMIL/2013 for PT. DMIL and No. 05/PK-TI/2013 for PT.TI)

The structure of emergency response team at PT. DMIL is headed by *Zakaria Afata*, while the one at PT. TI is headed by *Susanto*. The field visit to the Housing Complex at BR1 and Teluk Pandak has identified the evacuation route, alarm for emergency situation (bell), and gathering area. Meanwhile, the field visit to the firefighting secretariat has revealed that all firefighting equipment is in good condition and ready to use.

Below are proofs of OHS Equipment provision;

1. PPE handover, such as the one on 25 September 2013 at BR2 Estate, which consisted of 20 units of helmet, 20 pairs of boot, and 10 pairs of safety shoes.
2. Handover of 19 units of First Aid Kit to drivers on 25 September 2013.
3. Seven units of Fire Extinguisher Location Layout, 6 units of water hydrants. And evacuation route and gathering point, such as that available at the POM.
4. Four units of First Aid Kit, such as the ones available at the POM.
5. Data of PPE receipt for 53 employees at the POM (Helmets, Earplugs, and Shoes)
6. PPE handover, such 10 units of Helmet for Division III Teluk Pandak on 14 September 2013.
7. Minutes of handover of First Aid Kit to five Supervisors at Division III Teluk Pandak on 28 September 2013.
8. List of locations where seven units of Fire Extinguisher are placed at Teluk Pandak.
9. Fire equipment; 5 pairs of AP Boots, 3 units of bucket, 3 units of burlap sack, 1 unit of water pump machine (robin machine), 100 meters fire hose, 2 units of Gun Sprayer, 2 units of 2-inch nozzle, and 1 unit of *Jinlo* tank.

The results of interviews with harvesters at Block S15 Division 1 and with manual circle maintenance workers at T15 Division 1 revealed that the company has not yet provided all worker with PPE (shoes) as specified in the relevant regulations.

Non-conformance CAR No. 2014.04.

Proofs of OHS Training Implementation are as follow;

- License for First Aid Personnel at work No. 15/P3K/Nakertrans/2013 issued on 29 November 2013 for *Resti Citra Karina* (Cashier at BR2)
- Training held on 13 November 2013 at BR1 given to 14 workers
- First Aid Emergency Training held on 8 July 2013 for 21 workers who were the representatives from each work

unit.

- First Aid Emergency Training at Housing Complex and office on 8 July 2013 for 24 employees (workers, supervisors, and clerks)

There is a certificate of First Aid Emergency for the Supervisors at PT. Tebo Indah that was issued by the Labor and Transmigration Agency of Tebo Regency. For example a certificate No. 21/K3/ DINSOSNEKERTANS-5-3/2013 on 23 December 2013.

There is a monitoring of occupational accidents. The analysis of occupational accidents is available in the Form of Investigation Reports of Occupational Accidents and Incidents and Their Analysis. The analysis from the year of 2013/2014 showed no cases. While from the year of 2012, one accident was recorded occurred at the POM on 22 December 2012 (an accident happened to deppericarper operator). The investigation and identification that were conducted revealed that the accident was caused by the human factor. To prevent similar occurrence, it is recommended that SOP dissemination is conducted and the use of PPE is compulsory.

15 April 2014.

The company presented a proof of handover of PPE, namely 130 pairs of boots to Division 1 – 4, even though there hasn't been any proof available to confirm that those PPE have been distributed to the workers.

Therefore, CAR No. 2014.04 is declared Open.

	Status: non-conformance NCR No. 2014,04
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4.8

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

There is a Training Program at PT. DMIL that is prepared by the Assistant, and approved by the GM and Operational Director for the period of 2014. While similar program for PT. Tebo Indah is prepared by Personnel and General Assistant, examined by the Estate Manager, and approved by the GM Operational.

There is also an identification of training plan and need that explains the training program and the job/position that will be joining, as well as the schedule of said training;

Records of OHS Training at the POM, such as;

1. Training of Work Process Procedure, held on 31 August 2013 (training materials are available)
2. Training for Boiler Operational, held on 30 August 2013 (training materials are available)
3. Training of SOP, held at Clarification Station on 26 August 2013 (training materials are available)

Records of OHS Training at the Estate, such as;

1. There are list of attendance and photos from the event of First Aid Emergency and firefighting training, which was given by Labor and Transmigration Agency on 23 November 2013 to 12 workers (Supervisor I, Maintenance Supervisor, and the Assistant, Harvesting Supervisor, Pressing Operator, and Grader Operator).
2. There is a certificate of basic training of limited pesticide usage that was held on 5 December 2013.
3. There is a Certificate of Chemical OHS Personnel Training issued by the Labor and Transmigration Agency of Musi Rawas for a worker named *H. Tobib Abdurrahman* and *Lapal Talenta* (Warehouse Workers).
4. There is a certificate of firefighting personnel training that was given on 23 November 2013 to 15 workers.
5. There is a Training of Pesticide Product Knowledge given by PT. Dharma Guna Wibawa (*Supremo, Supertox, Trendy, Triester, and Dejavu*).
6. There is an OHS License for the Firefighting Team issued by the Social, Labor, and Transmigration Agency of Jambi Province, such as that for a worker named *Sukma Efendi*, with License No. 007/TPK/IX/Disosnakertrans/2013.
7. Harvesting Training held at BR1 by the Manager and OHS Specialist on 4 March 2014, and was attended by 11

participants (Harvest Supervisors, Harvesters, and Quality Controls).

The appointment of experienced contractor is described in the MWA. One sample of MWA is the one made for fruit transport contractor, in a document No. 11/PT DMIL-BR I-MR/III/2013 which is also enclosing the requirements to ensure the competence of their workers, such as a Driving License of a worker named *Dedi Susanto*, License No. 900227390039 that is valid through 8 February 2018, and a Vehicle Registration Number (*STNK*) for a Colt Diesel Truck No. 0302622/SS/2010 that is valid through 23 December 2015.

Status: completed

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

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

Documents of Impact Assessment

PT. Dendymarker Indah Lestari

The company has a document of Environmental Impact Assessment (EIA) which covers an area of 17,793 Ha and the capacity of 4 x 60 tons FFB per hour. Said document was authorized by the Regional Agency for Environmental Impact Control of the South Sumatera Province under a document No. 021/BPD/III-AMD/99 dated 19 March 1999.

PT Tebo Indah

The company has a document of Environmental Impact Assessment (EIA) for Oil Palm Plantation with location permit that covers an area of 9,112 ha at Tebo Tengah and Tengah Ilir Sub-districts Tebo Regency Jambi Province, which is based on the Decree of Tebo Regent No. 462/2006 and was composed by the Center for Environment Studies (*PPLH*) Research Center – Jambi University in 2009.

The company also has an environmental feasibility which is based on the Decree of Jambi Governor No. 362/Kep Gub/BLHD/2009 dated 8 September 2009.

There are no changes of the size of the area, or of the scope of operational activity at PT. DMIL and PT. TI, therefore no revision is needed to be made to the document of environmental management.

Regular reporting on the environmental management

- The company has composed a document of Implementation Report of *RKL* and *RPL* from the Second Semester of 2013, and has submitted it to the Regional Environment Bodies (*BLHD*) of Musi Rawas Regency on 30 January 2014. Moreover, the company has made the revisions to the Report of *RKL* and *RPL* from the Second Semester of 2013 and has submitted it to the Regional Environment Bodies (*BLHD*) of Musi Rawas Regency on 21 February 2014 (received by *Ida Laila*). The revision contains the improvement on the parameters of monitoring and their treatment, such as the consistent test on effluent quality; air quality measurement (emission and ambient); fire hazard; and the monitoring program of the level of peat soil's surface. However, the company has not performed the monitoring on every river listed in the matrix (*RKL* and *RPL*). **Non-conformance CAR No. 2013.17.**

In dealing with the abovementioned non-conformances, the company has submitted the following proofs of improvement;

- **20 March 2014:** The Company has conducted the water quality test, effluent quality test, air quality measurement (emission and ambient), and aquatic biota data collection. However, not all rivers listed in the EIA Document – *RKL* & *RPL* Matrix have been monitored.
- **15 April 2014:** PT. DMIL has presented a document of river water quality tests conducted at Mandang hulu River (sample code Up-283); Mandang hilir River (sample code 284); Liam hulu River (sample code 285), and

Liam hilir River (sample code 286). The tests were performed by the Center for Research and Industrial Standardization of Palembang (Testing Laboratory LP-080-IDN) on 24 March 2014. The result of said tests showed that the testing parameters were below the quality standard (according to the standard specified in the Governor's Regulation No. 8 Year 2012).

- 25 April 2014:

- PT. DMIL has conducted a monitoring of water quality at the following locations; 1). Mandang hulu River; 2). Mandang hilir River; 3). Liam hulu River; and 4). Liam hilir River. (The analysis results are available from BARISTAND Industrial Lab of Palembang).
- PT. DMIL has conducted a monitoring of effluent quality for March 2014. (The analysis results are available from BARISTAND Industrial Lab of Palembang).
- PT. Tebo Indah has conducted a monitoring of water quality at the following locations; 1). Batang Hari Hulu River; 2). Batang Hari Hilir River; 3). Penyabungan Hulu River; 4). Penyabungan Hilir River; 5). Keruh Hilir River; and 6). Keruh Hulu River. (The Test Results from the Central Health Laboratory of Health Agency of Jambi Province are available from 24 March 2014).
- PT. Tebo Indah has conducted a monitoring of water quality at the following locations; 1). Batang Hari Hilir River; 2). Batang Hari Hulu River; 3). Penyabungan Hilir River; 4). Penyabungan Hulu River; 5). Keruh Hilir River; and 6). Keruh Hulu River. The Test Results from the Central Health Laboratory of Health Agency of Jambi Province are available from 24 March 2014. On the other hand, PT. DMIL has conducted a monitoring of water quality at the following locations; 1). Mandang Hulu River; 2). Mandang Hilir River; 3). Liam Hulu River; and 4). Liam Hilir River. (The analysis results are available from BARISTAND Industrial Lab of Palembang).

Therefore, **Non-conformance CAR No. 2013.17 is declared Closed.**

Status: completed

5.2

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

Both companies (PT. DMIL & PT. TI) have done the Identification of High Conservation Value Areas in 2013, which was composed by PT. Sonokeling.

According to the map, the HCV area of PT. DMIL covers an area of 2,893.50 Ha consisting of 1,300.54 Ha of flood plains and 1,592.96 Ha of rare ecosystem. While the HCV area of PT. TI covers an area of 246.06 Ha.

The company has a list of flora and fauna as a result of the EIA inventory activity and HCV Identification.

PT. DMIL has 8 types of flora and 25 types of fauna (EIS, 1991), while PT. TI has 8 types of flora and the following types for the fauna; 22 types of mammals, 24 types of Aves, and 7 types of reptile.

There are 11 types of protected species of mammals and 11 types of Aves (EIA, 2009). According to the result of HCV identification, PT. DMIL has 6 types of flora and 39 types of fauna, while PT. TI has 35 types of flora and 14 types of fauna.

In order to protect certain species as well as to protect the HCV area, the company applies a procedure of flora and fauna protection in the SOP-DMIL-PFF-IV-2013 (for PT. DMIL), and in the SOP-TI-PFF-IV-2013 (for PT. TI). Both documents describe the procedure of conservation area establishment, the dissemination, the signboard installation, and the monitoring.

PT. DMIL has conducted a public consultation on the HCV identification on 8 November 2013, which was attended by the representatives from the community, relevant institutions, and the company (59 participants). In addition, the company has also installed a number of posters that prohibit the hunt for protected animals at certain locations in Block D4 Estate 1 and Block I/20, and the banners containing information on rare animal species at Block D-03/J-

20/M-16; banners containing prohibition to hunt (Block D-02/I-06); and banners containing HCV information (Block I-06/I-09).

Similarly, PT. TI has also conducted a public consultation on HCV identification on 7 November 2013 which was attended by the representatives from the community, relevant institutions, and the company (34 participants). Additionally, posters containing information of protected animals have also been installed at Block U14 and T15; giant boards/poster for HCV have been installed at Block R-15; notice boards prohibiting burning activity have been installed at T-13, N-30, Q-18, and along the side road of Mangun Jayo.

Both companies have assigned special personnel to be responsible on the HCV area; i.e. *Mr. Ponco Rumpoko* (a bachelor's degree holder in Agriculture and is experienced in the job) assigned for PT. DMIL; and *Mr. Suwando Pasaribu* (Afdeling I) and *Mr. Masdarinto Adinata Sihotang* (Afdeling III).

Status: completed

5.3

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

PT DMIL had conducted the identification on the sources of waste and contamination, as described in the EIA document and SOP-DMIL-PKS-2013 on Effluent and Air Contamination Management, with the following details;

- Treatment of POM waste;

- The waste generated each day is stored in the temporary storage
- The effluent that is already processed at the mill's UPL is discharged into the estate's trenches
- The mill's solid waste – namely shells and fibers – are used as boiler fuel; and the residual ashes and crusts generated by the boiler are stored in an identified area as fertilizer.
- Metal waste left from maintenance is collected at temporary storage
- Effluent and empty bunches used as fertilizers are applied to the estate under the supervision of the estate manager, mill manager, estate assistant, processing assistant, and transport chief, PIC of empty bunch/LA.

- Treatment of agrochemical waste, as specified in the SOP for Hazardous and Non-hazardous Waste Management (06/PLB3-DMIL/2013)

For PT TI, the identification of the waste sources and contamination is explained in the document of EIA and SOP, as follow;

- SOP for the Management of Hazardous and Non-hazardous Waste (Document no. 06/IPLB3-TI/2013)
- SOP for the Management of Hazardous Waste, under a document no. SOP-TI-LB3/11 year 2013.
- SOP for the domestic waste disposal (household waste), under a document no. 038/INF/TI/2013
- SO for handling Hazardous Waste from the Clinic, SOP No. 016/TI-IKPLB3K/2012 year 2012.

PT DMIL has a License for its Hazardous Waste Storage through a Decree of Musi Rawas Regent No. 295/Kpts/BLHD/2012, and in the practice is working together with the licensed hazardous waste collector, namely CV Bumi Khatulistiwa at Tanjung Enim, South Sumatera.

As revealed in the document study, solid waste (fibers and shells) are used as boiler fuel, while empty bunches are delivered to the estate owned by PT. TI to be used as fertilizer. As for the effluent, after going through the process at WWTP, it is discharged into the river.

PT. TI has a License for its Hazardous Waste Storage through a Decree of Tebo Regent No. 458 year 2013 issued on 17 September 2013, and in the practice is working together with the licensed hazardous waste collector, namely CV. Surya Jaya Logam. For domestic waste treatment, PT. TI provides a number of garbage bins which will be collected every three days and transported to the landfill.

The company has done the monitoring/analysis on the hazardous waste as included in the Hazardous Waste Balance

Sheet, and has submitted it on a 3-monthly basis to the Environment Bodies. A manifest of Hazardous Waste transport is also available.

The field visit revealed that the contractor which is the work partner of both PT. DMIL and PT. TI has not yet implemented a good waste management. (There were spills of used oil found and not properly stored).

Non-conformance CAR No. 2014.05

Status: Non-conformance CAR No. 2014.05

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

The company (POM) has owned a record of the monitoring on the use of renewable energy (monitoring on the use of fibers and shells), such as that from August informing that the amount of FFB processed was 5,222.5 tons; the amount of Fibers generated was 694.59 tons, and the amount of Shells generated was 60.90 tons. However, the analysis on the efficiency (energy/ton CPO or energy/ton oil palm products) is not available yet.

During the period of January – December 2013, the company (PT DMIL) has managed to increase the usage efficiency ratio of diesel fuel per ton CPO, such as that in February 2013, when the efficiency of diesel fuel usage reached 11.12 liters per ton CPO; or in September 2013, when the efficiency increased to 9.02 liters per ton CPO. However, the proof of analysis of such efficiency is not available yet.

Status: completed

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

The mechanism of land clearing is explained in the Standard Operational Agronomy, in section CHAPTER 1 Planting Planning on the stages of land clearing at new concession areas that covers the land permit, land suitability survey, area measuring, and area confirmation.

CHAPTER III Preparation prior to Planting is discussing the land clearing that pays attention to land conservation, water conservation, and soil fertility level.

Based on said SOP, the company is not conducting the land clearing on the areas with more than 40% sloping, and such activity shall be done under zero-burning policy.

Records from the Zero Burning Activity are as follow;

1. There is minutes of examination of the contractor works for land clearing, such as the one under a document No. 45/ST/BAP/XI/2013 for CV. Aneka Tunas Mandiri contractor for the work of Land **Steaking** on 30 November 2013 (for the period of said month) at Block N15, N28, and N29 covering an area of 48.82 Ha.

MWA made with PT. Pratama Orbit Centuriraya on 26 March 2012 was covering the works of cutting small logs, clearing the bushes, and Stacking on an area of 150 Ha.

2. There is a minutes of examination of the contractor works for land clearing, such as the one under a document No. 10/TI/BAPP/III/2012 for contractor PT. Pratama Orbit Centuriraya for the work during the period of February 2013 at Block L5-7 and O8 covering an area of 7.67 Ha.

The field visit done to Block H6 BR1 for the plants from 2013 planting year and to Block J2 Teluk Pandak Estate for the plants from 2010 planting year confirmed that there is no trace of burning.

A structure of firefighting organization is available with the following details;

1. The one at PT DMIL was established on 11 April 2013 with the Estate Manager as the Chief, consisting of two firefighting teams each led by *Radeli Widodo* (Assistant) with 10 members, and by *Ujang Rahman* (Assistant) with 10

members respectively.

2. Similarly, the structure of such organization at PT Tebo Indah is established with its Estate Manager as the task force commander, consisting of Early Detection Team (led by Assistant Division I – IV, with 4 members); Fire Brigade Team I (14 members), and Fire Brigade Team II (14 members).

The following firefighting facilities are available at both unit companies:

At PT DMIL:

- 12 units of water pump machine (robin)
- 12 units of suction hose
- 3 units of discharge hose
- 400 meters of roll hose
- 1 unit of tractor
- 1 unit of trailer
- 60 units of bucket
- the construction of dams (such as that at BR1 Estate), installation of fire hazard signboards, and 4 patrol teams at each estate (Supervisors)

The field visit done to Block H16 has found the Fire Watchtower and fire hazard signboards.

At PT TI:

- 5 pairs of shoes
- 3 units of buckets
- 3 units of hoe
- 3 units of burlap sack
- 3 units of shovel
- 3 units of broom stick
- 3 units of machete
- 3 units of helmet
- 100 meters fire hose
- 2 units of gun sprayer
- 1 unit of water engine
- 1 unit of 2-inch nozzle
- 1 unit of *Jinlo* tank
- 12 units of *Robin EY15*

The field visit done to the firefighting secretariat has confirmed that all firefighting equipment is in good condition.

Status: completed

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

The company has the SOP of GHG mitigation under a document No. SOP-DMIL-MGRK-2013 year 2013 (for PT DMIL) and a document No. SOP-TI-MGRK-2013 year 2013 (for PT. TI), which describes the following actions to be taken for GHG mitigation purposes;

- Reduction on the greenhouse gas emission, done by replacing and improving the activities that produce greenhouse gases with the target of reducing the GHG emission that is generated.
- Absorption of the greenhouse gases generated, by absorbing the greenhouse gas emission that is generated.

- Sequestration, done by maintaining the existing stocks of carbon on land that is still forested, for instance by practicing conservation on peat lands.
- The company has conducted an inventory of GHG emission sources and their calculations.

PT Dendymarker Indah Lestari has conducted the GHG mitigation through the following activities;

- Utilization of shells and fibers for boilers as a substitute for the use of diesel fuel.
- The company has always been using fertilizers and pesticides in the recommended dose as part of the efforts in reducing the use of chemicals and in improving the efficiency of the use of agrochemicals that is the exact type, in the exact dose, and at the exact time.
- Maintenance of boiler machines and the generators, both for the POM and BR-1 Estate and Teluk Pandak, so the emission generated is below the allowed standard limit.

During the period of January – December 2013, the company (PT. DMIL) has succeeded in improving the ratio efficiency of the use of diesel fuel per ton CPO, such as that from February 2013, where it was recorded that the efficiency of diesel fuel use was 11.12 liters per ton CPO, or that from September 2013, where the efficiency increased to 9.02 liters per ton CPO.

There is a record of handling the interference from stationary sources, such as;

- Record of the examination results of ambient air quality, noise, vibration, and odor.
- There is a record logbook of machine repairs that is prepared by the Maintenance Division, such as the one from 18 January 2014, when a Generator Set No. III was repaired.

PT. Tebo Indah has conducted the GHG mitigation activity through the following ways;

- Planting fruit trees around the housing complex, such as sapodilla trees, Rambutan trees, mango trees, orange trees, and water apple trees. Minutes of the event of said planting activity is available from 6 February 2013.
- Reducing the daily operational hours of generator machines, as can be seen in the operational schedule.
- Banning its employees to cook using firewood and prohibiting them to incinerate around the housing complex area.

The company has a WWTP to store the effluent prior to being discharged into the water bodies (estate's trenches), and also has gained the Disposal License to dispose of the effluent, through a Decree of Musi Rawas Regent No. 296/Kpts/BLHD/2012 on 12 April 2012.

The company has conducted the effluent quality assessment every month which was performed by *UPTB* Laboratory of Environment Bodies of South Sumatera Province (LP 231-IDN) during January – October 2013, and by Sucofindo Palembang (registered as environmental laboratory at Ministry of Environment No. 0051/LPJ/LABLING-1/LRK/KLH) in November 2013.

The result of effluent quality test at the wastewater pond from November 2013 to February 2014 showed that the quality did not meet the Threshold Limit Values (which is >100 mg/l)

(non-conformance CAR No. 2014.06)

The company received a letter of reprimand from Musi Rawas Regent under the document No. 660/5309/BLHD/2013 on 13 November 2013 containing the following instructions:

- to improve the comprehension on the provisions of environmental management and to improve a more effective coordination,
- to immediately take care of the changes on the business ownership and or its activities,
- to immediately submit the Reports of *RKL-RPL* from the first semester of 2013,
- to immediately submit the manifest of hazardous waste to the Regional Environment Bodies (*BLHD*),

- to immediately equip the boilers and genset with sampling board and coordinates,
- to immediately repair the piping system of WWTP at Pond II,
- to clean and manage organic waste generated by the boilers,
- to place sampling location signposts for the surface water quality,
- to place a discharge measuring instrument,
- to do monitoring on the effluent that is discharged to the water body,
- to clean the area of WWTP that is full of weeds and water plants,
- to get a deposit pond prior to discharging the drainage water recipient water area,
- to equip the combustion furnace flue with the sampling signboard,
- to place the necessary symbols and labels on the hazardous waste,
- to get a logbook,
- to equip with the SOP for storage and SOP for emergency response

Status: non-conformance NCR No. 2014.06

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

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

Each unit company has already kept a document related to social and environmental impacts.

PT Dendymarker Indahlestari

There is a document of Environmental Impact Assessment from the year of 2009 of PT Dendymarker Indah Lestari located at Rupit Sub-district, Musi Rawas Regency South Sumatera Province which has been approved by the Regional Agency for Environmental Impact Control of the South Sumatera Province on 19 March 1999 under a document No. 021/BPD/III-AMD/99.

Said document revealed that there was a plan to establish a 17,793 Ha of estate equipped with four units of palm oil processing mill, each with a capacity of 60 tons FFB per hour. The document also includes a forecast of major and important impacts that might arise during the Pre-Construction Stage, Construction Stage, and Operational Stage.

Moreover, a Report of Social Impact Assessment of PT Dendymarker Indah Lestari is also available from the year 2013. The assessment was performed by Sonokleing Akreditas Nusantara Consultant, operating in Bogor.

The report contains the description on the social impact arising from the establishment and the operational activities of the oil palm plantation and its mill, both the positive and the negative impacts, that were experienced by the surrounding community, the workers, and all surrounding areas in which the plantation and the mill are operating. Said document is also equipped with the Social Aspect Management and Monitoring Plans.

In relation to the replanting activity, both environmental and social impact assessments have also been carried out focusing on the replanting plans for the period of 2014 – 2020 (Replanting Analysis at PT Dendymarker Indah Lestari, Bingin Rupit 1 Estate, and Bingin Rupit 2 Estate, at Musi Rawas Utara Regency, South Sumatera Province).

Replanting activity will be conducted at Bingin Rupit 1 on a 353 Ha area and at Bingin Rupit 2 on a 1,049 Ha area, with a total area of 1,402 Ha. The purpose of the study is to identify any possible impacts arising from the replanting process towards the condition of environment and social. Below are the impacts that are anticipated to arise from each replanting stage;

- Impacts on soil and water
- Impacts on biodiversity
- Impacts on social environment (workers and local residents)

Inside each block where replanting will be done in the year of 2014/2020 at Bingin Rupit 2 Estate there is a HCV area in a form of riparian of Mandang River, which is an area that was prepared to be cleared from any replanting activity. There is a document of Revision on the Implementation Report of the *RKL* and *RPL* for the 2nd Semester of 2013, which has been submitted to the Environment Bodies of Musi Rawas Regency on 21 February 2014. However, the company has not yet submitted such report to the Environment Bodies of South Sumatera Province, when it is actually specified in the EIA document.

PT Tebo Indah

There is a document Environmental Impact Assessment (EIA) from the year of 2009 of both the oil palm plantation and the palm oil processing mill owned by PT Tebo Indah. The document specifies that the scheduled establishment of a 9,112-Ha estate is going to be located at Tebo Tengah and Tebo Ilir Sub-districts, and the construction of the palm oil mill with the capacity of 30 tons FFB per hour (extended to 45 tons FFB/hour).

Furthermore, there is also a Report of Social Impact Assessment of Oil Pam Estate Area owned by PT Tebo Indah, from the year of 2013. The assessment was conducted by Sonokeling Akreditasi Nusantara Consultant from Bogor. The report contains the description of the social impacts arising from the establishment and the operational activities of the oil palm plantation and its mill, both positive and negative impacts, to the surrounding community, the workers, and the area where said plantation and its mill are operating.

The document is also equipped with the Model of Impact Strategic Management.

Based on the document study and the field visit to several villages (for sampling) around the area of PT Dendymarker Indah Lestari and PT Tebo Indah, it is suggested that the company has not yet provided an ample evidence showing local people's involvement in the social impact management and monitoring plans.

Non-conformance CAR No. 2014.07**11 April 2014**

The company has provided proofs of record in the form of partnership program plans, which was prepared together with the community, as described below;

PT Dendymarker Indahlestari

A program of Silver Catfish Aquaculture in cages at Karang Dapo Village. Attached are the records of said program that was carried out at Pantai Village, Rupit Musi Rawas Utara Sub-district.

Another attached document contains records of minutes of consultation, participant's list of attendance, and photos from the event.

15 April 2014**PT Tebo Indah**

The following records are available;

- Minutes of Meeting held by the Management of PT Tebo Indah with the Head of Village and representatives from Sei Keruh community discussing the preparation of CSR Program Plan for the year of 2014, on 19 December 2013.
- List of Attendance of the Meeting's Participants
- CSR Program Plan of PT Tebo Indah for the year of 2013.

Based on the abovementioned record proofs, **Non-conformance 2014.07. Minor 6.1.1** is declared **closed**.

There is a document of Revision on the Report of the Environmental Management Plan (*RKL*) and the Environmental Monitoring Plan (*RPL*) for the 2nd Semester of 2013, which has been submitted to the Environment Bodies of Tebo Regency on 25 February 2014. However, the company has not yet submitted such report to the Environment Bodies of South Sumatera Province (for PT DMIL), and to the Environment Bodies of Jambi Province (for PT Tebo Indah),

when it is actually specified in the EIA document of each unit respectively.

Non-conformance 2013.26. Minor 6.1.3.

	Status: Non-conformance 2013.26.
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**6.2
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

Open system, which is accepted by all impacted parties.

There is an SOP of Communication No. 19/KIM-DMIL/2013 and an SOP of Communication No. 032/TI-PK/2010 both describe the following matters;

- Internal communication: the communication with the internal employees of PT DMIL
- External communication: information delivery to the third parties, including government, business partners, contractors, suppliers, LSM communities, media, and so on.
- Feedback

There is a proof of the dissemination of SOP communication which was conducted on 22 May 2013 and was attended by 25 residents at BR1 and a proof of dissemination of SOP Communication done on 16 May 2013 at *KUD Tujuan Murni* office which was attended by 19 residents.

There is a list of PT DMIL's stakeholders identifying 40 parties, i.e. Regent, Deputy Regent, Heads of Institution (Plantation Agency, Labor and Transmigration Agency, Regional Planning Agency, National Land Agency, Environment Bodies, Forestry Agency), and Heads of Sub-districts, Heads of Village, Chairman of NGO *Alhi*, NGO *Nusantara*, and NGO *Aliansi Indonesia*.

Meanwhile, the list of PT TI's stakeholders consists of 37 parties, i.e. Regent, Deputy Regent, Heads of Institution (Plantation Agency, Labor and Transmigration Agency, Regional Planning Agency, National Land Agency, Environment Bodies, Forestry Agency), and Heads of Sub-districts, Heads of Village, Chairman of NGO *Merah Putih*, and *Mapan*.

Records of aspirations and their response are kept in the File Binder of CSR Incoming Letter.

For example;

1. Letter No. 07/Pan-Pel HUT RI 68/Kec. Rupit dated 8 July 2013, submitted by Head of Rupit Sub-district, and was responded with the aid supply given on 16 August 2013 (proof of handover is available).
2. Letter No. dated 26 February 2014, submitted by Musirawas Utara Regent and was responded with the aid supply given on 17 March 2014 (proof of handover is available).
3. A proposal No. 20/DP-02/IV/2013 dated 9 April 2013 requesting fund support for an *MTQ* event (Quran Reciting Competition) that was going to be held at Rantau Api Village in Tengah Hilir Sub-district. The proposal was responded with the fund support given on 17 May 2013.

The company has appointed personnel, namely *Mr. Suprihadi* the CSR Manager of PT DMIL and *Mr. Jawawi* the CSR Manager of PT Tebo Indah, to be responsible for conducting public consultation with the community.

Based on the interviews done with the Head of Village and the residents of Beringin Jaya Village, also with former head of Village and the community leaders of Teluk Pandak, it is suggested that the communication between the company and surrounding villages was on a good term.

	Status: completed
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**6.3
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.**

Open system, which is accepted by all impacted parties.

There is an SOP of Communication No. 19/KIM-DMIL/2013 and an SOP of Communication No. 032/TI-PK/2010 both describe the following matters;

- Internal communication: the communication with the internal employees of PT DMIL
- External communication: information delivery to the third parties, including government, business partners, contractors, suppliers, LSM communities, media, and so on.
- Feedback

There is a proof of the dissemination of SOP communication which was conducted on 22 May 2013 and was attended by 25 residents at BR1 and a proof of dissemination of SOP Communication done on 16 May 2013 at *KUD Tujuan Murni* office which was attended by 19 residents.

Based on the interviews done with the Head of Village and the residents of Beringin Jaya Village, also with former Head of Village and the community leaders of Teluk Pandak, it is suggested that the local residents have acknowledged the facilities and the mechanism for conveying complaints, which is through a letter addressed to the Company's Public Relations Department.

There is a logbook containing employee's grievance record that is kept by the personnel department assistant. For example, the one filed on 22 September 2013, which was responded on 23 September 2013.

Record of external complaints handling is kept in the document of Incoming and Outgoing Letters (General). For example; a letter submitted on 4 February 2014 by the People of Bingin Rupit Ulu (Dendymarker Intersection), conveying complaints on dust pollution and requesting road flushing. Said letter was received through a suggestion box. There is a photograph taken during the road flushing activity on 13 March 2014.

A questionnaire is also available on the study of community complaints of PT Tebo Indah from Kandang Village and Teluk Pandak.

There is a Procedure for Land Dispute Settlement No. SOP-DMIL-CSR-2013 that describes the stages of land dispute settlement with the verification of the information from the subject conveying negotiation and an agreement on the compensation. There is also a Procedure of Payment Administration as a Token Indicating PT Tebo Indah Management's Seriousness (No. TBI.SOP.32.80109.01.B.01). Both procedures have been approved by the HR and Legal Manager and by the Operational Director, in which the stages of land dispute settlement are described.

There is a proof of the dissemination of SOP for Land Dispute Settlement that was conducted on 20 May 2013 at Karang Dapo Sub-district office and was attended by 21 local residents. Another proof available is the one of dissemination of SOP for a Token Indicating Management's Seriousness which was conducted on 22 April 2012 at Teluk Pandak Village office and was attended by 25 local residents.

Based on the interviews done with the Head of Village and the residents of Beringin Jaya Village, also with former Head of Village and the community leaders of Teluk Pandak, it is suggested that the local residents have acknowledged the mechanism for land dispute settlement through a negotiation.

Status: completed

6.4

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

All units of the company have their own mechanism and proof of the implementation.

PT Dendymarker Indahlestari

There is a Procedure of Land Compensation Payment (SOP-DMIL-CSR-2013). Said procedure serves as the guideline for the standard of land compensation payment for the community. Below are samples of records of such procedure;

- Copy of an agreement settled on 10 November 2012 between PT DMIL and *Haromain Bin M. To'ip*, over a land located at Block K30 with *GRTT* (Compensation for Planted Crops) money. In addition, there is also a letter stating that there will never be any future claims proposed on behalf of the beneficiaries or other parties. There is also a proof of payment done to *Mr. Haromain Bin M. To'ip* and a photograph displaying the event.
- Copy of an agreement settled on July 2013 between PT DMIL and *Jon Heri*, over a land located at Block M8/9 for an area of 9 Ha, for which the compensation has been paid. In addition, there is also a letter stating that there will never be any future claims, a Minutes of Event of the Measurement of Cultivated Land, an Investigation Report (Dossier), and a receipt of the payment done on 27 August 2013.
- Copy of an agreement settled on July 2013 between PT DMIL and *Jalaludin*, over a land located at Block M8 for an area of 9 Ha. In addition, there is also a letter stating that there will never be any future claims, a Minutes of Event of the Measurement of Cultivated Land, an Investigation Report (Dossier), and a receipt of the payment done on 27 August 2013.
- Copy of an agreement settled on July 2013 between PT DMIL and *Jalaludin*, over a land located at Block M10 for an area of 3Ha, for which the compensation has been paid. In addition, there is also a letter stating that there will never be any future claims, a Minutes of Event of the Measurement of Cultivated Land, an Investigation Report (Dossier), and a receipt of the payment done on 29 August 2013.

PT Tebo Indah

There is a Procedure of Payment Administration as a Token Indicating Management's Seriousness (No. TBI.SOP.32.80109.01.B.01).

There is also a record in a form of recap of land acquisition during 2012 – 2013 (which equals to a compensation payment for a total of 556 landowners).

There is also a sample of record proof in a form of compensation payment to *Hatta* for a land located at Block Q28 – Q29 covering an area of 1.8 Ha, which was made on 10 January 2013, and a compensation payment to *Samsir* for a 0.76 Ha of land located at Block T19, which was made on 10 November 2013.

Status: completed

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

There is a record of list of wages paid to the employees of PT DMIL, which was based on the Decree of Governor No. 877/KPTS/Disnakertrans/2013 dated 30 December 2013 on the Amendments of the Decree of Governor of South Sumatera No. 870/KPTS/Disnakertrans/2013 on the Provincial Minimum Wage applied in South Sumatera Province.

The wage for employees in agricultural sector is IDR 1,920,000 and for those in processing sector is IDR 1,925,000. There is a report/list of payroll that has been complying with the applicable regulation.

There is a sample of wages paid to an SKU employee by the name of *Suwandi*, an amount of IDR 1,920,000 basic salary, and a take home pay of said month of IDR 1,928,000.

Another sample is of an employee by the name of *Hendri* (grader), who gets IDR 1,925,000 for his basic salary, and a total of IDR 3,312,693 as a take home pay.

PT. Tebo Indah

Based on the Decree of a Circular of Tebo Regent No. 560/426/PPTK-HISK/Sosnakertrans dated 22 November 2013 on the Stipulation of Provincial Minimum Wage, the wage for employees on agricultural sector is IDR 1,502,230 per month for seven work hours per day and 40 work hours per week.

Document verification that was conducted on the list of payroll of SKU employees Division I found a sample of salary

paid to an employee named *Sam* for an amount of IDR 1,571,500.

Company/Collective Labor Agreement has complied with the applicable regulation. For example, PT DMIL has a collective labor agreement with its employees who were represented by the *PUK SPSI*, while the company was represented by its President Director. Said agreement was signed on 2 March 2014.

In addition, **PT Tebo Indah** also keeps employment regulations that were authorized by the Director General of Industrial Relations and Labor Social Security No. dated 17 June 2013 on the authorization of company regulations of PT Tebo Indah. The document covers the following matters; work relations, social security, occupational health and safety, work rules, and family planning.

Based on the document verification and interviews with the employees, it was confirmed that the company has complied with existing regulation in applying the company rules and the collective labor agreement.

Public infrastructure and facilities have also been provided at PT DMIL, as seen in the following details;

BR 1 Estate:

8 units of G6 housing, 11 units of G2 type housing, one volleyball court, one praying room, and a park. In February 2014 there were two additional units of G6 type housing that were in completion process.

BR 2 Estate:

15 units of G6 type housing, 28 units of G2 type housing, two volleyball courts, one praying room, and a park. In February 2014 there were two additional units of G6 type housing that were in completion process.

The field visit to BR2 housing complex suggested that all units were in good condition, the number of housing units corresponded to the number of employees coming from outside area, there was enough ventilation, there were adequate numbers of sanitation units, clean water supply was available, electricity was provided, garbage bins were available, and maintenance was done by workers provided by the company. There were also four units of school bus available.

PT TI:

Two units of G10 housing, 12 units of G2 housing, one praying room, one clinic, and one unit of G10 housing was in progress during 2013-2014.

The field visit to BR2 housing complex suggested that all units were in good condition, there was enough ventilation, there were adequate numbers of sanitation units, clean water supply was available, electricity was provided, garbage bins were available, and maintenance was done by workers provided by the company. There was also one unit of school bus available.

However, the company has not been able to present sufficient proofs to show that it has required its contractors to comply with existing regulation on employment in a number of agreement/work contracts with third party (contractor).

Non-conformance CAR No. 2014.08.

Status: Non-conformance NCR No. 2014.08

6.6

The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

Regarding the company policy on the freedom of association, each supply base has been able to present the proof of the availability of such rights. Samples are shown below;

PT. DMIL

Article 5 paragraph 2 of Regulations of Collective Labor states that the Business Entity shall acknowledge the *PUK SPP SPSI* as the representative of all employees working at PT DMIL. Said article also describes that the company shall give special priority to the board committee of *PUK SPSI* to perform its duties. According to the Decree of Authorization of the Work Unit Board of All Indonesia Workers Union of Agriculture and Plantation Workers Union of PT Dendymarker Indah Lestari No. 45/100/SK/L/VII/2013 for the Period of 2013 – 2018, there are 170 members of the said union (*SPSI*).

PT. TI

There is a company social policy Point 5 stating that the company is expected to be able to appreciate employee's rights to form and to join any workers union communities that they choose and conduct a collective negotiation.

The auditor concluded that based on the document verification and interviews with the chairman of worker union of PT. TI, the company has owned and has implemented the policy of giving the freedom of association to all workers/employees.

There is a record of a meeting held by the company with the workers union. For example, minutes of negotiation of industrial conflict settlement through *PUK SPSI* of PT DMIL on 23 August 2013, which describes that *PUK SPSI* has requested the management to cut the membership fee and to immediately put into practice the CLA that has complied with Article 131 of Act No. 13 year 2003.

There is a record of a meeting held by *PUK SPSI* of PT Tebo Indah which had just been established on 20 September 2013. There is also a record of a meeting held by the management unit and the workers union to set up the board committee of the *PUK SPSI* of PT TI.

Status: completed

6.7

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

PT. DMIL

Based on the document study, the auditor did not find any minor recruits (those under 18 years old when being employed) on the employee list. Such finding is in accordance with the company policy stated in the CLA, which specifies that the company shall not employ any minors (those under 18 years old).

PT. TI

There is a document of employee name list of BHL, SKU, PB, and staff. Through document verification, the auditor confirmed that there is no minor (workers under 18 years of age) found on the list.

Status: completed

6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

There is a company social policy which was authorized by *Beni Hendrawan* (the Chief Operational Officer) that is applied for both PT. DMIL and PT. TI. The first point of said policy specifies that all staff/employees are entitled to an equal and proper treatment in all subjects related to recruitment, progress, work condition & description, regardless of the race, social level, ethnicity, gender, skin color, physical deficiency, sexual orientation, organizational membership,

political views, religion, and age.

The document verification conducted by the auditor on the list employees of PT. DMIL and PT. TI has provided with the fact that their employees come from a varied ethnical backgrounds, including Malay, Javanese, Bataknese, Sundanese, Florian, and so on. Similar diversity was also displayed in the variety of religions of their employees; such as Islam, Christian, and Catholic.

Status: completed

6.9 Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

a. Policy on the efforts taken to prevent any sexual harassments and other forms of abuse, and their implementation

PT. DMIL

There is a record of the company policy on the SOP to handle Sexual Harassment under Document No. SOP-DMIL-PS-III-2013 dated 1 March 2013, which includes the following statement released by the management, that in preventing any forms of sexual harassment and other forms of sexual abuse, the company shall guarantee;

- a. A productive working environment that is fair, friendly, and respectful for all employees.
- b. A strict prohibition on any forms of violence, which include sexual harassment and violence towards gender, race, nationality, religion, permanent disability, pregnancy, age and permanent disability status.

The implementation of sexual harassment prevention was based on the letter from the General Manager to the Head of the Gender Committee No. 0020/PT.DI-GM/II/2014 dated 15 January 2014, which urges all female employees to maintain courteousness, both in spoken words and in dressing manner. In order to encourage such manners, both the management and the committee have prepared a number of activities that shall involve all female workers, such as planting family's medicinal plants (*TOGA – Tanaman Obat Keluarga*), and maintaining the cleanliness of the community, all of which should be able to hold strong the spirit of togetherness amongst female workers as to keep them away from any evil intentions.

There is a proof of such implementation for preventing any sexual harassment, namely the establishment of the gender committee of PT DMIL on 27 November 2013.

PT. TI

There is a record of the company policy on the SOP to handle Sexual Harassment under Document No. 033/TI-PK/2014, which includes the following statement released by the management, that in preventing any forms of sexual harassment and other forms of sexual abuse, the company shall guarantee;

a. A productive working environment that is fair, friendly, and respectful for all employees.

A strict prohibition on any forms of violence, which include sexual harassment and violence towards gender, race, nationality, religion, permanent disability, pregnancy, age and permanent disability status.

The implementation of sexual harassment prevention was based on the letter from the General Manager to the Head of the Gender Committee No. 057/GM/PT.TI/III/2014 dated 15 January 2014, which urges all female employees to maintain courteousness, both in spoken words and in dressing manner. In order to encourage such manners, both the management and the committee have prepared a number of activities that shall involve all female workers, such as planting family's medicinal plants (*TOGA – Tanaman Obat Keluarga*), and maintaining the cleanliness of the community, all of which should be able to hold strong the spirit of togetherness amongst female workers as to keep them away from any evil intentions.

There is also a record of the organizational structure-drafting meeting for the gender committee on 24 January 2014 and the gathering of the dissemination of sexual harassment prevention at workplace, which was facilitated by *Susanto* (the Estate Manager) on 7 March 2014.

b. Company Policy on the Protection of Reproductive Rights, documented and its implementations

PT. DMIL

There is a proof of company policy confirming that the company has fulfilled its obligation to give menstrual and maternity or breastfeeding leave for its female employees, as stated in the Collective Labor Agreement in the clause elucidating employees' right to take leave.

There is a record of the implementation of gender committee dissemination and proof of meetings held by the gender committee on 22 February 2014 which was attended by 26 participants at Bingin Rupit Estate. During the meeting, there was dissemination on the company policy in protecting the reproductive rights. For example, by giving the menstrual leave for female workers (particularly for those already *SKU*)

PT. TI

There is a company policy on the special privilege given to female workers that allows them to have a maternity leave, which is written in the Company Regulations Article 19 on Maternity/Miscarriage/Labor Leave. For example; a form of leave request by the name of *Nova Lestari* (IT clerk), type of leave: Maternity, period of leave: 4 February 2014 to 4 May 2014.

Another example is a leave request by the name of *Lusi Perawati* (Division IV clerk), type of leave: Maternity, period of leave: 6 December 2013 to 6 March 2014.

The following mechanism applies for handling grievance/complaints at both PT DMIL and PT TI;

1. The complainant or the victim shall fill in a complaint form and submit it his/her superintendent/supervisor. Such report must be made immediately after the incident takes place.
2. The superintendent/supervisor receives said complaint and shall do the followings; conduct preliminary investigation, prepare the documentation and photos of the scene, complete and examine the content of said complaint, clarify the incident, collect witness statements, and submit said complaint to the gender committee.
3. The chairman of the gender committee shall set up an internal investigation team.
4. The report from said investigation shall be submitted to the local management.
5. Investigation reporting.

Status: completed

6.10

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

Record of FFB price information in general is available, for example in PT DMIL.

1. FFB price for period II of February 2014 dated 19 February 2014 with the plant age between 10-20 years (according to the plant age in PT DMIL) is amounting IDR 1,920.80.
2. FFB price for period I of March 2014 dated 10 March 2014 with the plant age between 10-20 years (according to the plant age in PT DMIL) is amounting IDR 1,989.60.

PT. TI

There is a record of FFB price from Governor of South Sumatera as follows:

1. FFB price for period of January 2014 dated 10 January 2014 (according to the plant age in PT TI) is amounting IDR 1,535.14 and IDR 1,630.94.

2. FFB price for period of March 2014 dated 14 March 2014 (according to the plant age in PT TI) is amounting IDR 1,670.53 and IDR 1,778.63.

The company has disseminated the FFB price determined by government through Plantation Service. Record of FFB price is well-documented.

FFB pricing was set by the government through Plantation Service and is not under the control of the plantation or mill. In the implementation of the cooperation undertaken by the company with the third party (contractor), there is a mechanism of job inspection results/BAPP between both parties as an evidence prior to the payment of the job in a fair and transparent way. Based on the document verification, auditors stated that the parties carried out cooperation with the company have understood the entire contract deal that they do. These contracts are fair, legal, and transparent.

The company has been carrying out payment for the work of the parties on time and in accordance with the agreement. For example, the payment of a partnership with scheme smallholders of Tujuan Murni Cooperation Unit which is paid every 6 months. There are examples of the proof of profit sharing payment on 12 March 2014 with No. of Receipt 126, 127, 128, 129, 130.

Status: completed

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Company contributions to local development are realized through several activities, among others:

PT Dendymarker Indahlestari

There are examples of evidence records of the implementation of CD/CSR, such as:

- Assistance for the construction of soccer field in Bingin Rupit Village, Rupit Sub-District.
- Assistance of 250 food packages to flood victims in Karang Dapo 1 Village.
- Assistance for the making of road and drainage on Bingin Rupit Village on December 2013.

There are also evidence of tax payments, such as:

- Evidence of Land and Building Tax payment with Tax Object No. 16.05.020.019.900-0011.1 through BNI Bank of Lubuklinggau Branch on 25 October 2011.
- Evidence of payment for Vehicle Tax with the car No. BG 9955 and BG 9956 as well as cost of KIR processing BG 9127 HF through BRI of Lubuklinggau Branch on 1 July 2013.

PT Tebo Indah

There are examples of recorded evidence for the implementation of CD/CSR such as:

- Assistance for the celebration of the 68th Indonesian Independence Day and the 14th anniversary of Tebo District to Tebo local Government on 25 September 2013, with receipts and event photographs attached.
- Assistance for Penapalan Village in order to celebrate the MTQ in Rantau Api Village, Tengah Ilir Sub-District on 17 May 2013 with receipts and event photographs attached.
- Financial support for soccer tournament of "Kades Cup" in Ma Kilis Village on 7 June 2013 with receipts and event photographs attached.
- Financial support for commemorating the birthday of Prophet Muhammad SAW 11434 H on behalf of PMII Tebo and the Youth of Simpang Pelayang Village on 20 February 2014 with receipts and event photographs attached.
- Assistance for teachers' salaries in Islamic Boarding School in Pelayang Village on 20 October 2013 with receipts and photographs attached. The minutes of Assistance Handover from PT Tebo Indah on 15 March 2013 has been taken care.
- Assistance of 6 unit of trash bins for Teluk Kual Village in Tebo Ulu Sub-District.
- Documentation of Road Improvement on 13 March 2014 in Mangun Jaya Village.

There are also evidence of tax Payment, such as:

- Land and Building Tax 2013 of PT Tebo Indah for tax objects in Sungai Alai Village Tebo Sub-District, was paid to Bank Rakyat Indonesia Muara Bungo branch.
- Payment of Income Tax Article 21 and/or Article 26, year of 2013.

Status: completed

PRINCIPLE #7 Responsible development of new plantings

7.1

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

PT Dendymarker Indahlestari

Company has Document of Environmental Impact Assessment (EIA) covering an area of 17,793 hectares and mill capacity of 4 x 60 tons of FFB/hour. The document consists of Document of Environmental Impact Analysis (ANDAL), Document of Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). The document has been approved by Regional Environment Impact Control Agency (Bapedalda) of South Sumatera Province No. 021/BPD/III-AMD/99 dated 19 March 1999.

Management and monitoring of impacts:

- Social unrest: Muara Rupit Village and surrounding areas.
- Disturbance of flora and fauna: protected forests and forest around the mill.
- Decrease of the quality of Liam and Mandang River water, drainage channels and effluent ponds.
- Hazard of drought and fire.

Program of Scheme Smallholder covering an area of 2,937 hectares has been realized, which consists of three stages of planting year.

- Planting year 1996, covering an area of 141.30 hectares.
- Planting year 1997, covering an area of 1,854.30 hectares.
- Planting year of 1998, covering an area of 707.50 hectares.

There is a Cooperative Agreement Letter for Oil Palm Cultivation Business Development between Pakar Maur Cooperative Unit and PT Dendymarker Indahlestari, on 12 April 1999. The agreement was approved by Mr. Bahrun A A Yusuf (Cooperative Unit Chairman) of Pakar Maur and Mr. Abdul Halim Ashari (Director of PT Dendymarker Indahlestari). Type of cooperation is the sale of FFB to the mill. This cooperative agreement was also witnessed by the Head of Cooperative and PPK Service of Musi Rawas District as well as Head of Musi Rawas District.

PT. Tebo Indah

Company has Document of Environmental Impact Analysis (EIA) of Oil Palm Plantation with location permit covering 9,112 hectares compiled by the Environmental Judge research Center/PPLH of Research Institution – Jambi University in 2009. It has obtained environmental feasibility based on Decree of the Head of Jambi No. 362/Kep Gub/BLHD/2009 on 8 September 2009.

- Impacts managed:

- Geophysical-chemical components, such as air quality, surface water, ground water, soil erosion, soil fertility/quality.
- Biological components, such as ecosystem changes, changes of flora components, wildlife habitats, Plant Pest and Disease, Water Biota.
- Cultural socioeconomic components, such as demography changes, job and business opportunities, attitude

and perceptions.

- Public health component.
- Monitoring plans:
 - Changes in air quality in Mangun Jaya and Tapak Proyek Village 2 times a year.
 - Changes in noises.
 - Changes in surface water quality, the upstream, midstream and downstream of Belilas and Keruh River 2 times a year.
 - Changes in ground water quality in the wells belonged to the residents of Mangun Jaya Village and Nursery Location 2 times a year.
 - Changes in soil erosion in the estate of Mangun Jaya Village, Pelayang Village, Keruh River and Tengah Ulu River once a year.
 - Changes in soil quality of Mangun Jaya Village, Pelayang Village, Keruh River and Tengah Ulu River once a year.

There is no scheme smallholder programs, the cooperative scheme is run through the profit sharing mechanism 75 : 25% in accordance with initial agreement upon the submission of the land by the residents to be managed into nucleus estate and into the area of its HGU certificates issued by National Land Agency of Tebo District.

There is Cooperative Agreement between Tujuan Murni Cooperative Unit and its members with PT Tebo Indah on 8 March 2006. The agreement is the basis of the development and management of oil palm plantation based on the profit sharing pattern in Tebo Tengah Sub-District and Tengah Ilir Sub-District of Tebo District.

Status: completed

7.2

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

PT. Dendymarker Indah Lestari has the record of Due Diligence of Plantation and Palm Oil Mill of PT DMIL (PT. Agro Investama Gemilang) Musi Rawas District in 2012 by PT. Primakelola Agribisnis Agroindustri containing land suitability based on the physical condition of the field. Based on the study including land suitability of S3-adsn (in accordance with the marginal) it can be upgraded to S2-s with the term of liming, manuring, and the maintenance of water system. Based on a feasibility study, in PT Tebo Indah it is obtained the land suitability of class S1 and S2.

- Most of the area in PT DMIL is peat soil. The management strategy is in the form of water management with the facilities applied:

1. Trench channels.

Trenches are designed to facilitate the activities of the estate and to ensure water availability, containing: primary trench (main road) which has a depth of ± 2 meters connected with secondary trench (collection road) which has a depth of 2 meters. There is a tertiary canal with smaller dimensions. The entire canal system in the plantation is a closed system and does not receive water input from outside. The water expenses are only from the water gate/main overflow.

2. Water level to measure the height of the water in the trench.

The availability of the water in the canal and on the ground within the blocks (water table) is monitored through parameters of water height on the edge of the trench. What ideal is, water height on the edge of the trench is 50-70 centimeters to ensure water in water table within the blocks is available. Water height is measured by measuring tool in the form of water level.

3. Piezometer to measure the height of water table.

Piezometer is planted on the ground to measure the water height within the blocks (water table).

4. Monitoring the subsidence of peat soil surface.

Subsidence or the decreasing of peat soil surface occurs due to the decomposition and or the compacting to drainage peat soil. Subsidence is important to be monitored since it is an indicator for the success of water

management in peat area.

There is SOP of Plantation (001/INF/DMIL/2013) containing Name of the Project: Water Level, Type: Permanent. It contains observation to the height of trench water surface which is given the color red, yellow and blue along with the monitoring report. Subsidence measuring with 2.5 inches of paralon planted. 1 pole represents 500-600 hectares which is observed every 3 months.

There is protection policy upon the slope and buffer-zone area in accordance with Presidential Decree No. 32 year 1990 with Policy No. 21/PMPB-TI/2013 signed by the COO. The policy emphasizes:

A. Slope protection

The land in the estate with an oblique angle of >40% is designated as a reverse land that is cultivated or not cultivated.

For flat areas with a slope up to <40% at an early stage to prevent erosion and surface runoff is by planting LCC.

B. Riparian

Protection of the riparian will be maintained on both sides in accordance with regulation. It includes large river (riparian width of 100 meters) and small river (riparian width of 50 meters).

In the area currently cultivated without the reverse buffer-zone, the replanting will be managed in accordance with requirements.

There is SOP of Agronomy No. TI.SOP.32.80104.01.A.01 signed by IT & Process Manager, GM Operational Manager, Operational Director, Chief Executive Officer. The sections in the SOP describes planting techniques in the area of terrace contour:

- Mixture of PJ and Cm legume crops are planted with the system of 2 rows where the first row is planted in the inner edge of the terrace, the second row is planted 50 cm from the edge of the terrace.
- Seeds of PJ and Cm legume crops are planted 2 cm below the surface. After the seeds are sowed, the seeds are back filled.
- The planting of legume crops is better carried out when the soil is moist.

- Management strategy in the area with particular slope is by conducting land conservation functioning for:

- Helping the growth, maintenance and effective harvest.
- Minimizing erosion and the surface mainstream.
- Improving water infiltration.
- Maintaining or keeping the land moist.
- Keeping the plants obtain sufficient light.

Measures taken by the company at the time of planting in areas with certain degree of slope is terracing and planting legume crops. However, the company has not been able to provide evidence of activities to increase the soil fertility through manuring based on the result of soil analysis, leaves analysis and visual (recommendation). PT DMIL did not do the manuring in 2013.

Status: completed

7.3

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

PT Dendymarker Indahlestari

Based on the spatial suitability map of the estate of PT DMIL with a scale of 1:700,000 it is known that the estate area of PT DMIL is located in the Area of The Use of Other/APL. The map available is based on the Regional Regulation of South Sumatera Province No. 05 year 1994 on Spatial Plan of South Sumatera Province.

Based on the identification result of the existence of HCV in the estate area of PT DMIL, it is known that there are ±2,893.50 hectares area with High Conservation Value, about 16.26% of the total coverage of Land Use Title/HGU

namely 17,793 hectares.

It has been done also the environmental and social impact assessment from activities focusing on replanting for the period of 2014-2020 (Analysis of Replanting at PT Dendymarker Indah Lestari, Bingin Rupit 1 Estate and Bingin Rupit 2 Estate, Musi Rawas Utara District, South Sumatera Province). Replanting will be carried out at Bingin Rupit 1 covering an area of 353 hectares and at Bingin Rupit 2 covering an area of 1,049 hectares, the total area overall is 1,402. The purpose of the assessment is to identify impacts of replanting process on the social and environmental conditions that may occur. For each phase of the replanting, estimated impacts that may occur to any aspects assessed, namely:

- Impacts on land and water
- Impacts on biodiversity
- Impacts on social environment (workers and surrounding communities)

In the block of Bingin Rupit 2 that will be replanted in 2014/2020 there are HCV area in the form of Mandang River which is an area that has been reversed for not replanting.

There is also document of Social Impact Assessment (SIA) Report of PT Dendymarker Indahlestari in 2013. The assessment was carried out by Sonokeling Akreditasi Nusantara Consultant, Bogor. The report contains a description of the social impacts from the existence and operations of oil palm plantation and mill, whether they are positive or negative for the communities, workers and regions where the plantation and mill are in operations.

Based on the Operational Map and Area Statement in March 2014, as well as the replanting plan will be conducted in 2014, there are no indications that the planting are in the primary forest area and in the area identified as an area of High Conservation Value.

PT Tebo Indah

In accordance with the minutes of Committee B on 7 May 2008 No. 01/HGU/RSL/2008 that the land requested for HGU covering an area of 7,038.06 hectares based on the Jambi Provincial Regulation No. 19 year 1993 on Spatial Planning is included in Area of Agricultural and Non-Agricultural Cultivation/APL.

Based on the identification result of the existence of HCV in the estate area of PT Tebo Indah, it is known that there are ±264.06 hectares area with High Conservation Value, about 3.75% of the total coverage of Land Use Title/HGU namely 7,038.06 hectares.

There is also document of Social Impact Assessment Report in the oil palm plantation area of PT Tebo Indah in 2013. The assessment was carried out by Sonokeling Akreditasi Nusantara Consultant, Bogor. The report contains a description of the social impacts from the existence and operations of oil palm plantation and mill, whether they are positive or negative for the communities, workers and regions where the plantation and mill are in operations.

Based on the Operational Map and Area Statement in March 2014, there are no indications that the planting are in the primary forest area and in the area identified as an area of High Conservation Value.

HCV identification process at the area of PT DMIL and PT TI was conducted by Sonokeling Consultant referring to HCV Tool Kits 2008 issued by Tropenbos.

Status: completed

7.4

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

The result of document examination showed that the areas classified as marginal land is peat land contained in PT Dendymarker Indah Lestari. The company has a map of land distribution describing the distribution of peat land and its depth in a scale of 1:500.000 which is explained in the following table:

Peat Thickness	Width (Ha)
10-49 cm	2174,2
50 – 99 cm	4360,7
100 -150 cm	2345,7
150 -200 cm	4606,7
Total	13487,3

Area in PT Dendymarker Indah Lestari is peat so that the management strategies in the area with certain slope are not required. Meanwhile, the level of land topography in PT Tebo Indah is as follows:

- 0 – 2% : 1333,06 Ha
- 2 – 15% : 3275 Ha
- 15 – 25% : 2430 Ha

Management strategy in the area with particular slope is by conducting land conservation functioning for:

- Helping the growth, maintenance and effective harvest.
- Minimizing erosion and the surface mainstream.
- Improving water infiltration
- Maintaining or keeping the land moist.
- Keeping the plants obtain sufficient light.

Measures taken by the company at the time of the planting at the area with certain slope are as follow:

- a. Conservation terraces
Conducted in the area with an oblique angle of 5⁰ – 8⁰, conservation terraces with the width of 2 m are made mechanically with the space of 35-50 m between terraces. Individual terraces with silt-pit can be selectively when needed.
- b. Contour terraces
In hilly areas with the slope of 9⁰-22⁰ contour terraces are mechanically made with the width of 3 m to 4.5 m.
- c. Individual terraces with silt-pits
In the certain areas that can be planted but not possible to make contour terraces, individual terraces should be made with the width of 2.5 m following the contour that should be combined with the silt-pits.
- d. Legume crops planting
Company planted legume crops.

Company already has maintenance plans both manually and with heavy equipment. Steps of road maintenance are that the road inspected and maintained must be loosened and compacted to have a curved, flat surface as well as a clean road trench. This will be verified further at the time of stage-2.

Based on the document examination, management of peat land has been done as follows:

1. Peat soil distribution

There is a map of soil distribution explaining the peat soil distribution and its depth with a scale of 1:500.000.

Peat Thickness	Width (Ha)
10-49 cm	2174,2
50 – 99 cm	4360,7
100 -150 cm	2345,7
150 -200 cm	4606,7
Total	13487,3

2. Documentation of the development and maintenance of water management facilities to ensure the availability of surface water in the form of a map that explains water management facilities such as:

- Trench channels

Trenches are designed to facilitate the activities of the estate and to ensure water availability, containing: primary trench (main road) which has a depth of ± 2 meters connected with secondary trench (collection road) which has a depth of 2 meters. There is a tertiary canal with smaller dimensions. The entire canal system in the plantation is a closed system and does not receive water input from outside. The water expenses are only from the watergate/main overflow.

- Water level to measure the height of the water in the trench.

The availability of the water in the canal and on the ground within the blocks (water table) is monitored through parameters of water height on the edge of the trench. The ideal is, water height on the edge of the trench is 70-80 centimeters to ensure water in water table within the blocks is available. Water height is measured by measuring tool in the form of water level which is spread in many places. There is a document of the development plan of water level divided into two periods namely:

Bingin rumpit 1			Bingin rumpit 2		
Year	Plan	Realization	Year	Plan	Realization
2013	31	-	2013	46	6
2014	61	-	201	42	
Total	92	-	Total	88	

- Piezometer to measure the height of water table.

Piezometer is planted on the ground to measure the water height within the blocks (water table). Document of the map of water management facilities showed that there are 42 piezometers.

3. Record of the monitoring result of peat soil surface.

Company has not been monitoring the decrease of subsidence and there has not been SOP of calculation/peat subsidence monitoring. **Non-Conformance SAR No. 2013.07.**

Evidence of improvement sent on 18 March 2014 showed the following facts:

- ✓ There is SOP of Plantation (024/INF/DMIL/2013) containing Name of the Project: Water Level, Type: Permanent. It contains observation to the height of trench water surface which is given the color red, yellow and blue along with the monitoring report.
- ✓ The measurement and monitoring of subsidence has been performed. However, based on the result of measurement and field observation in Block D8, there is a reduction of peat land surface amounting 4 cm. Also, by information, there is water puddling in the measuring plot due to the overflowing of Mandang River. It is not in accordance with Government Regulation No. 150 year 2000 on Standard Criteria of Damaged Soil for Biomass Production and Regulation of Environmental Ministry No. 7 year 2006 on Measuring Mechanism of Standard Criteria of Damaged Soil for Biomass Production.
- ✓ PT DMIL has not been able to provide evidence of canal maintenance Report and the result of subsidence measurement which has been below the threshold value.

Based on the improvement evidence, the **Non-Conformance CAR No. 2013.07** is still open.

4. Peat water surface monitoring in the trenches.

Peat water surface monitoring at the canals is conducted periodically by officers in each division. A complete document is available in the form of a table that shows the result of water height monitoring using water level in each unit of the estate. In general, the water level is kept in the range of 50-70 cm from the edge of the trench.

5. Monitoring of the water table in the blocks using piezometer.

Cultivation procedure of oil palm plantation has required the use of piezometer in water table monitoring. The result of document examination showed that the company has not used piezometer in monitoring the water table.

6. Record of Planting Activities.

Record of planting activities is presented in the document of planting realization, for example until 26 September 2013 the planting realized is 391.02 hectares with the density of 158 trees per hectare.

Status: Non-Conformance CAR No. 2013.07

7.5

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

PT Dendymarker Indahlestari and PT Tebo Indah are not opening new estates outside the concession area based on HGU Certificate available today. The dissemination of land clearing has been done at the time of land compensation offering in early days.

PT Dendymarker Indahlestari

There are examples of records, among others:

- Record of compensation give to Haromain Bin M. To'ip for land located in Block K30 with GRTT money. There is also evidence of payment and photos of the delivery of the money to Bp. Haromain bin M. To'ip.
- Record of compensation to Jon Heri for land located on Block M 8/9 covering an area of 9 hectares and has been given the compensation.
- Record of compensation to Jalaludin for land located in Block M 8 covering an area of 9 hectares and in Block M10 covering an area of 3 hectares.

PT Tebo Indah

The records available are:

- Record of compensation to Hatta in Block Q28-Q29 covering an area of 1.8 hectares. The land handover was conducted on 10 January 2013.
- Record of compensation to Samsir in Block T-19 covering an area of 0.76 hectare. The land handover was conducted on 10 November 2013.

Based on the information from community leaders and several residents of Teluk Pandan Village that the estate currently run by PT Tebo Indah was the estate purchased by PT Tebo Indah Adi Pratama in 2008. PT Tebo Indah Adi Pratama had obtained location permit in 2008 but there were not any land clearings conducted so many of the community members started questioning. After switching ownership from PT Tebo Indah Adi Pratama to PT Tebo Indah, the dissemination started to be done to the community as well as the planting process and compensation payment that has not been finalized by the old management.

Status: completed

7.6

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

PT Dendymarker Indahlestari and PT Tebo Indah are not opening new estates outside the concession area based on HGU Certificate available today. The dissemination of land clearing has been done at the time of land compensation offering in early days.

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Status: completed

7.7

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

Mechanism of land clearing is described in *Standard Operational Agronomy* at the:

CHAPTER 1 Planning of Planting describes stages of land clearing in new concession area including land permits, survey of land suitability, area measurement, area inauguration. CHAPTER III Preparation Before Planting describes the land clearing considering soil, water conservation and land fertility level. Based on the SOP, company does not do land clearing in the area with the slope more than 40%. The land clearing determines the mechanism of zero burning land clearing.

Record of Zero Burning Implementation, such as:

1. There is a minutes of the contractor work of land clearing. For example, minutes of work inspection and map of the Minutes of Work Inspection No. 45/ST/BAP/XI/2013 for CV Aneka Tunas Mandiri contractor for the work of land Steaking on 30 November 2013 (period of November) in Block N15, N28 and N29 covering an area of 48.82 hectares. Letter of Work Agreement with PT Pratama Orbit Centuriraya on 26 March 2012 with the scope of work of cutting small logs, tumbling and stacking covering an area of 150 hectares.
2. There is a minutes of the contractor work of land clearing. For example, minutes of work inspection and map of the Minutes of Work Inspection No. 10/TI/BAPP/III/2012 for PT Pratama Orbit Centuriraya contractor for the work during the period of February 2013 in Block L5-7 and O8 covering an area of 7.67 hectares. Based on the field visit in Block H6 BR1 the plants planted in 2013 and in Block J24 Teluk Pandak Estate for the planting year 2010 there were no burning remains found.

There is an organizational structure of firefighters:

1. The firefighter group in PT DMIL was formed on 11 April 2013, chaired by the Estate Manager with 2 firemen teams chaired by Radeli Widodo (Assistant) with 10 members and Ujang Rahman (Assistant) with 10 members.
2. Organizational structure of firemen in PT Tebo Indah with task force commander is the Estate Manager. Early detection team is chaired by Afdeling Assistant I-IV; 4 members). Team of Fire Control I (14 personnel) and Team of Fire Control II (14 personnel).

There are firefighting facilities available in DMIL area: water pump (robin): 12 units, 12 units of suction hose, 3 rolls of exhaust hose for 400 meters, tractor and trailer: 1 unit. 60 units of water buckets.

Dam construction (for example at BR1 Estate), the making of fire alert signboard, patrol team every 4 estates (foreman). Based on the field visit in Block H16, there is a monitoring tower and a fire alert signboard seen.

Firefighting equipment of PT TI: Shoes: 5 pairs; water bucket: 3 pieces; Hoe: 3 pieces; fire blanket: 3 pieces; Shovel: 3 pieces; broom stick: 3 pieces; *parang*: 3 pieces; helmet: 3 pieces; water hose 100 m; Gun sprayer: 2 pieces; Water Machine: 1 piece; Nozle 2": 1 piece; Jinlo tank: 1 piece; Robin EY 15: 2 units.

The result of field visit showed that the condition of fire equipment in the fire station is good.

Status: completed

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

8.1

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

Social Impact:

PT Dendymarker Indahlestari

Social Impact Studies has been carried out by Sonokeling Akreditasi Nusantara Consultant, Bogor. The report contains a description of the social impacts from the existence and operations of oil palm plantation and mill, whether they are positive or negative for the communities, workers and regions where the plantation and mill are in operations. The document is also equipped with Social Aspect Management and Monitoring Plan.

PT Tebo Indah

Social Impact Studies has been carried out by Sonokeling Akreditasi Nusantara Consultant, Bogor. The report contains a description of the social impacts from the existence and operations of oil palm plantation and mill, whether they are positive or negative for the communities, workers and regions where the plantation and mill are in operations.

Status: completed

3.1.2 Summary report of 1st RSPO Verification Audit

According to the result of field visit on 27-30 August, 2014 and the result of panel committee on 6 September, 2014 along with the record of aspect of the field verification on 10-13 May, 2015, there are 3 main aspected verified which are:

1. Economy Aspect

The production data of PT DMIL in last 1 year of period of March 2013 to February 2014 is as follow:

Location	Production	Hectarage	SPH	Produktivty
Est 1	26794.75	2423.4	123	11.05
Est 2	25938.85	2614.0	92	9.92
Plasma	9925.28	2703.1		3.67

According to the data, the main issues are:

2. Low plants population <136 pokok /ha (plant standard/ ha)
3. Low productivity due to the lack of manuring program in last 2 – 3 years whether at nucleus and scheme smallholder estate.

According to the data, the auditor predict the condition as crisis. However, the management informs that the plantation

business is still generating profit. Hence, the evidence of cash flow data as the further consideration data is needed.

2. Aspect of Environment

The company has improved the water management like the construction of watergate, water level and piezometer despite the lack improvement like:

- Water level : 2 pairs per 250 ha (there are only 10 pairs in all over estate)
- Piziometer meter : 2 pairs per 250 ha (there are only 10 pairs in all over estate)
- Pintu air : there is no documented data

According to the data, the water management at PT DMIL is still far away from proper water management improvement. Therefore, the evidence follow need to be shown:

1. Information of placement map of water level, piezometer and watergate (plan and realization)
2. Information of photograpsh in each location of water level piezometer and watergate (plan and realization)
3. Records of the data and plan of trench cleaning
4. Data of the conducted monitoring of water level and piezometer in term of the peatland subsidence and pet water level.

3. Social Aspect

According to the result of interview with the community, the Chief of Village, the community figures and the board of Maur Cooperative Unit, there are several concluded things. For example:

1. Good coordination between the partnership of scheme smallholder and the nucleus estate.
2. The company has commitment to improve the guidance.

The evidence of the company's commitment on the social aspect are as follow:

1. The legal aspect information for the smallholders, especially for the ex Land Use Title (scheme smallholder area within Land Use Title area.
2. Program to anticipate the social symptoms in term of the scheme smallholder loan repayment due to the low productivity.
3. The company's commitment to guide the smallholders in order to improve the estate and increase the productivity.

Field Verification on May 10th – 13th 2015

According to the result of assesment on the three aspects (production, environment and social), the company has conducted corrective action on all estate operatinals at the peatland area and the plan of the management corrective action with proper time management based on the environment harmony concept. According to the result of the thre aspect verification, MUTUAGUNG LESTARI recommends the RSPO requirements compliance certificate once the finding of the verification are corrected.

3.1.3 Summary Report of 2nd RSPO Verification Audit

No	Main Discussion																																								
1.	<p>Production Aspect</p> <p>Maintenance</p> <ul style="list-style-type: none"> - Maintenance: pruning during period of 2014/15. The realization is 20%, weed control is 50%. - There is no significant production increase from period of 2014 to period of 2015. The production increase is only 11 ton per ha. <p>Weed Control</p> <p>Weed control is conducted manually by slashing the weed. The weed control is conducted at harvesting path, interrow and the circle. The weed slashing realization during period of 2015 (Januari – April) is as follow:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Harvesting path slashing</th> <th>Circle</th> <th>Harvesting path</th> </tr> </thead> <tbody> <tr> <td>Bingin Rumpit Estate -1</td> <td>1,249,50 ha</td> <td>313.80 ha</td> <td>-</td> </tr> <tr> <td>Bingin Rumpit Estate -2</td> <td>976.28 ha</td> <td>3,225.10 ha</td> <td>38.55 ha</td> </tr> <tr> <td>Amount</td> <td>2,225.78 ha</td> <td>3,538.90 ha</td> <td>38.55 ha</td> </tr> </tbody> </table> <p>The weed control on the harvesting path construction is conducted on the immature plants area. The manual weeding is conducted on the harvesting path and interrow.</p> <p>FronD Pruning. It is conducted manually by using chisel. Realization of frond pruning during period of 2015 (Januari – April) are as follow :</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>FronD Pruning</th> </tr> </thead> <tbody> <tr> <td>Bingin Rumpit Estate -1</td> <td>105.40 ha</td> </tr> <tr> <td>Bingin Rumpit Estate -2</td> <td>1,010,07 ha</td> </tr> <tr> <td>ammount</td> <td>1,115.47 ha</td> </tr> </tbody> </table> <p>Manuring.</p> <p>The realization of NPK manuring in 1st semester of 2015 with dosage for 1 kg/plant (mature plant) dan 0.6 kg/plant (immature plant area) is as follow :</p> <p>BR – 1 = 100 ton for 807.65 ha BR – 2 = 100 ton for 890.4 ha (mature plant area) and 179.3 ha (immature plant area)</p> <p>Planting Realization. It is conducted on the new area for 165.8 ha: BR-1 : block D5, D6 dan E14 (bekas pembibitan) seluas 65.8 ha BR-2 : block K22 = 100 ha</p> <p>Progress or replanting realization till May 2015 for 143.0 ha: block I31 = 35.1 ha block I32 = 35.4 ha block H27 = 38.7 ha block H28 = 33.8 ha</p> <p>Hectarage and FFB Production</p> <table border="1"> <thead> <tr> <th>Location</th> <th>Mature Plant Area Hectarage (ha)</th> <th>FFB Production (Ton)</th> <th>Productivity (ton/ha)</th> </tr> </thead> <tbody> <tr> <td>BR-1</td> <td>2,423.4</td> <td>25,860.45</td> <td>11.17</td> </tr> <tr> <td>BR-2</td> <td>2,514.0</td> <td>24,256.38</td> <td>9.64</td> </tr> <tr> <td>Scheme smallholder</td> <td>2,780.0</td> <td>8,319.23</td> <td>2.99</td> </tr> </tbody> </table>	Estate	Harvesting path slashing	Circle	Harvesting path	Bingin Rumpit Estate -1	1,249,50 ha	313.80 ha	-	Bingin Rumpit Estate -2	976.28 ha	3,225.10 ha	38.55 ha	Amount	2,225.78 ha	3,538.90 ha	38.55 ha	Estate	FronD Pruning	Bingin Rumpit Estate -1	105.40 ha	Bingin Rumpit Estate -2	1,010,07 ha	ammount	1,115.47 ha	Location	Mature Plant Area Hectarage (ha)	FFB Production (Ton)	Productivity (ton/ha)	BR-1	2,423.4	25,860.45	11.17	BR-2	2,514.0	24,256.38	9.64	Scheme smallholder	2,780.0	8,319.23	2.99
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	(Independent)			
	Total	7,717.4	58,436.06	7.57
2	Human Resource Aspect			
	<p>Human resources for managing/operating POM and estate are consisted on 688 workers (DMIL). It is constituted by:</p> <ul style="list-style-type: none"> • Main office : <ul style="list-style-type: none"> ✓ GM = 1 ✓ Assistant = 7 ✓ Monthly Employees = 12 ✓ Security Officers = 43 • Kebun : <ul style="list-style-type: none"> ✓ Manager = 2 ✓ Assistant = 13 ✓ Monthly Employees = 295 ✓ Daily Employees = 234 • PKS : <ul style="list-style-type: none"> ✓ Manager = 1 ✓ Assistant = 10 ✓ Monthly Employees = 66 ✓ Daily Employees = 4 <p>The number of the workers is not enough to manage the estate. The employees index should be = 20 % of the total area hectareage. 688 workers manage 5,000 ha of estate (0.2 Worker per hectare it should be managed by 1,000 workers, palm oil estate guideline reference, Pahan 2008).- according to the quantity, the quality is considered as CAR 2015.01</p> <p>Verification on June 23rd 2015</p> <p>The company has sent the corrective action over the number of employees who are working on PT DMIL as follow:</p>			
		BRU-1	BRU-2	POM
		2,498 Ha	3,310 Ha	
				TOTAL
				5,799 Ha
	NO	Description		
	1	Staff	9	12
	2	Foreman 1	4	5
	3	Foreman	34	42
	4	Clerk	9	4
	5	Harvester	135	125
	6	Warehouse	2	3
	7	Workshop	14	14
	8	Security Officer	40	28
	9	Maintenance Worker	123	111
	10	Office	8	4
	11	General Workers	5	16
	12	Contractual Worker	195	205
	13	Loading	12	17
	14	Main Worker	-	-
		Total	590	586
			84	1,260

	<p>According to the data, CAR 2015.01 is closed.</p> <p><u>The trainings held by the company for the employees are:</u></p> <ul style="list-style-type: none"> - There are plans and realizations of the limited pesticide training on 2014. The training were held on Jan, April , July and Oct 2014. The training agenda were the PPE usage, introduction of the pesticide and the training of pesticide dosage selection and the pesticide dangers handling. - Training of pesticide dangers on March 21st 2014. It was attended by staff, clerk foreman and the women workers (based on the attendance list). - Training of chemicals spraying dosage to staff, foreman and workers of BR-1 Estates (based on the attendance list). - Schedule of training for period of 2014 and 2015 is now completely shown by the company as the realization over the composed training plan. The training schedule does not explain that the training is necessary need identification, for example the peatland area management. CAR 2015.02 <p><u>Verification on June 23rd 2015</u></p> <p>The company has shown the schedule of training and surveillance for <i>Water Management</i> (peatland area management). It was composed by PT Dendymarker Indahlestari on 2015. The scheduled training program covers:</p> <ol style="list-style-type: none"> 3. Determining the water management monitoring team. 4. Structuring the water management technology for peatland area to support the agricultural purposes. 5. Training of peatland water management. 6. Prevention and handling over the peatland fire based on the locals participation. 7. Training and the PIC of the water management monitoring. 8. Soil fertility management on the peatland area. <p>The “water management” monitoring team was determined by the company on January 7th 2015; Hence, the company is able to show the training schedule as part of the training process and the management of estate on peatland area. However, the company is not able to show the evidence of the held training CAR 2015.02 is not closed yet.</p> <p><u>Verification on July 22nd 2015</u></p> <p>The company has completed the evidence of the training program such as the evidence of peatland area management and water management certificate. It was held by CV AGROTEK PERSADA LESTARI in Lubuk Linggau on March 12th – 14th 2015. The company is able to show the evidence of training materials. Therefore, CAR 2015.02 is closed</p>
<p>3</p>	<p>Cash Flow– Budget and Work Plan Aspect</p> <ul style="list-style-type: none"> - There is a report of the business plan finance which is composed for period of 2014 – 2020. - Finance report for DMIL and Tebo Indah is composed separately - The finance report for DMIL is consisted of: - <u>Posting</u> - Bussines plan is calculated from the revenue of the sale price of FFB, CPO, PK shell. The target for period of 2014 was 99.027 (Billion). It is annually increased to 129.690 on 2015 and is increased to 171.944 on 2016 and 240.393 on 2017 and 266.822 on 2018 and 320.625 on 2019 and IDR 320.625 (billion) on 2020. - <u>Terdapat posting</u> – operations incl. Maintenance (FFB 3rd party), harvesting, fertilizer, upkeep and maintenance, transportation, depreciation, processing cost - The posting is described in form of the projection of the cash flow for the program of manuring (Rp/ha), spraying per ha, chemical per ha, dst - <u>Posting of profit</u>. Due to the loan on 2014, there will be interest and the reduction of profit and loss up to 17,658. Due to the full loan payment on 2015, the interest for 25.434 (billion) is not calculated and it becomes the positive profit for period of 2015 – 2020 for 25.337, 17.095, 24.738, 47.118, 62.086, and 87.781

- There is a cash flow of investment for the new plants and replanting and for investment purpose.
The investment need for period of 2014 – 2020 are 79.612, 101.887, 111.750, 104.370, 128.051, 41.030 and 23.040
- The consideration over the production operationals (FFB, CPO and Kernel) is described for the calculation of the projection. However, the nucleus estate and scheme smallholders is still considered as mix business for period of 2014 – 2020 for the amount of FFB as much as 69.877 ton (actual production on 2014 where the nucleus estate produced 55.000 ton). The projected FFB production for period of 2015 – 2020 are as much as 59.249 ton, 64.804 ton, 67.966 Ton, 79.836 Ton, 101.830 Ton, and 129.510 Ton.
- The cash or the projection brain storming need to be adjusted with the previous actual condition and the improvement on the business productivity in term of the programs like manuring, spraying, water management, etc. The adjustment over the budget (monthly report) need to be composed along with the projection on the business plan.
- Identical case on PT Tebo Indah. The separate cash flow is used due to the self and positive entity on 2017 for the operating profit for IDR 1.67 Billion.
- **The adjustment of the monthly report over the composed budget or cash flow is now shown yet (CAR 2015.03)**

Verification on June 23rd 2015

The company has sent the document of the monthly report. The budget and realization of the estate operationals are described on the document. The document has shown the adjustment of the monthly report over the composed budget and cash flow on 2015. However, the monthly report and cash flow for PT Tebo Indah is now shown yet. **Open CAR 2015.03**

Verification on July 22nd 2015

The company has shown the document of PT Tebo Indah *monthly report*. The budget and realization of the estate operationals are described on the document. The company also has shown the document of the projection for the next 5 years (2015-2020) and has shown the data of data summary budget during period of 2015. The document has shown the adjustment of the monthly report over the composed budget and cash flow on 2015. **CAR 2015.03 is closed**

4

Environment Aspect

	<p>The water management has been well implemented. For example: Trench cleaning – 14.62 Km (nucleus 1) and nucleus 2 for 99.56 Km. the trench cleaning till May 2015 is conducted at the location below:</p> <ul style="list-style-type: none"> ✓ BR-1 ESTATE for 99.56 km, width of trench for 3 m and the depth of trench for 2 m. The trench cleaning is conducted at blocks: <ul style="list-style-type: none"> • C1A, C1B, C1, C2, C3, D2, • D3, D4, D5, D6, D7, D8, D9, • E3, E4, E5, E6, E7, E8, E9, E10, E11, E12, E13, E14, E15, • F3, F13, F14, F15, F16, F17, F18, F19 • G2, G11, G12, G13, G14, G15, G16 • H2, H3, H4, H5, H6, H7, H8, H11, H12, H13, H14, H15, H16, H17, H18, H19 ✓ BR-2 ESTATE for 14.60 km, width of trench for 3 m and the depth of trench for 2 m. The trench cleaning is conducted at blocks:: <ul style="list-style-type: none"> • I8, I9, I10, I11, I12, I13, I14, I15, I16, I17, I18, I19, I20, I21, I22, I23, I30, I31, I32 • H20, H25, H26, H27 • J19, J20, J21, J22, J23, J24, J25, J26, J27, J28, J29 • K20, K21, K22, K23, K24, K26, K27, K28 • L21, L22, L23, L24, L25, L26, L27, L28 <p>During the verification, the trench is well maintained and well functioned.</p> <ul style="list-style-type: none"> - There are 4 planned watergate despite there are only 2 built watergate at block D3 (BR-1) and block L28 (BR-2). The widht of the upper section for 40 cm, the width of lower section for 80 cm and the depth of the foundation is 100 cm and the height of the is 100 cm (on the foundation). The watergate is made of the permanent concrete. - Installation of Piezometer: there are 61 of the installed piezometer so far. It consisted of 30 units at BR-1 and 31 units at BR-2. The Piezometer are placed in the middle of the estate. According to the piezometer, the water depth is between 45 – 55 cm from the surface. It is proper condition. - 176 units of the constructed water level are spreadt fairly. It consisted of 123 units of water level on BR-1, 50 units of water level at BR-2 and 3 units of water level at scheme smallholder area. The water level shows the depth between 50 – 65 cm from the surface. - There are 84 units of the constructed overflow. It consisted on 60 semi permanent overflow (made of timber) and 24 units of permanent overflow (made of concrete). According to the verification, the overflow are well maintained. - There are 10 units of the installed peat subsidence monitoring and measuring device.
<p>5</p>	<p>HCV Management Aspect</p>
	<ul style="list-style-type: none"> • The HCV identification is conducted by the Sonokeling Akreditasi Nusantara. • The conducted HCV management programs are: <ul style="list-style-type: none"> ✓ HCV area identification, there are HCV 4.1, 4.2 and 3 at estate of Dendymarker Indal Lestari ✓ Creating HCV area signboard ✓ Creating information signboard / prohibition signboard for not hunting, burning, spraying at HCV area. ✓ HCV monitoring (existence of flora and fauna) is conducted monthly and the written report is composed (documented) <p>The Obvious HCVF signs are needed. For example at HCV 4.1. 4.2 and so on. CAR 2015. 04</p> <p><u>Verification on June 23rd 2015</u></p> <p>The company has marked the HCV boundary poles on May 2015. It is supported by the photographs of the</p>

	program and the document of the HCV boundary map. Hence, CAR 2015. 04 is closed.
6	<p>Scheme Smallholder and Social Aspect</p> <ul style="list-style-type: none"> - There is a decree of Musi Rawa Regent number 229/Kpts/Disbun/2003 in term of the name of scheme smallholder participators built by DMIL of Rupit Sub-District of Musi Rawas District on 2003 dated August 28th 2003 with total members is 2,937 Ha. - The scope of scheme smallholder villages are the villages of batu gajah, maur lama, maur baru, Noman, Lubuk Rumbai, Pantai, Bingin Rupit, Mauara Rupit. - There was an MOU between Pakar Maur Cooperative Unit of Rupit Sub-District and PT DMIL dated April 12th 1999 – The first party was the Head of Cooperative Unit (Bahrun AA Yusuf) and the second party was Abdul Halim Ashari. - According to the MOU there was a term to supply the FFB to DMIL POM (articles 2 verse 7). The agreement shall end till both party pay all the credit bills. - <u>The agreement was composed by the old management before LIPPO on December 2012. There is a mape which differentiate the scheme smallholder and the nucleus estate of DMIL.</u> It describes: Area of BRU-1 – 2,670.80 ha, Area of BRU02 – 2,978.00 ha, Area of BRU03 – 1,643.43 ha dan Scheme smallholders – 2,937 ha. The productive estate area is 2,780.70 ha. The road and trench area - 156.30 ha or total of the land for 2,937 ha - The recognition of the village cooperative unit and the smallholders that the company guides them. <p><u>Guidance/Training</u></p> <ul style="list-style-type: none"> - The evidence of the scheme smallholder’s guidance plan and realization have been shown as well. The socialization to the smallholders of Pakar Mau cooperative unit is composed each 2 months and it is started from Jan, Mar, May till Nov 2015. The training agenda are the socialization of the maintenance program, discussion over the estate issue and the increase of productivity. The conducted realization on January 2015 was the harvest training and on March 2015 was the pest and disease training. - Evaluation is conducted after the socialization over the scheme smallholders despite the lack of smallholder’s actions. <p>According to the result of interview with the board of Pakar Mau Cooperative Unit and the smallholders, there are several facts. For example:</p> <ul style="list-style-type: none"> • The board of cooperative unit has participated on the scheme smallholder land legality resolution (scheme smallholders area is kicked out of the Land Use Title area) to the level of District and Province National land Agency. • There is a MoU between the cooperative unit and PT Dendymarker Indah Lestari for managing the scheme smallholder. • The company supports the smallholders by conducting several programs. For example: <ul style="list-style-type: none"> ✓ Heavy equipments to maintain the road. ✓ Informal plants cultivation technique guidance. ✓ Fund assistance to construct place of worship and to support the religious feast. • According to the result of interview with the smallholders and the board of cooperative unit, the FFB price is referring the FFB price determined by Plantation Agency. <p>According to the document review, the company has had CSR plan and realization over the guided village. The CSR is divided into 7 aspects. For example:</p> <ul style="list-style-type: none"> • Aspect of Social: donation for providing fry • Aspect of Spirituals • Aspect of Education • Aspect of Health • Aspect of Youth and Sport • Aspect of Public Facility

7	Land Legal – Scheme Smallholder Aspect																																			
	<p>Director of PT DMIL describes the take over which was conducted on December 2012 and in early of 2013 for the 100% of the stock over the previous management.</p> <p>All the identified issues of the previous management become the collateral risk over the new management including the scheme smallholder and the smallholders.</p> <p>DMIL respects the MoU between the smallholders and the company. The only thing which is being changed by DMIL is the separation of the Land Use Title (HGU) of the nucleus estate and the scheme smallholder. The process is expected to be completed in late 2015 (the company and the scheme smallholders shall achieve each Land Use Title (HGU) certificate).</p>																																			
7	POM Management Aspect																																			
	<ul style="list-style-type: none"> - The licensed WWTP ponds. It is well managed and well integrated with control ponds. - The result of monthly effluent test is existed. All the parameters but BOD parameter comply the quality threshold on December 2014. It has been evaluated and it has been given with O2 (pump circulation). <p>The company has permit to dispose the waste to the river based on the decree of the North Musi Rawas Regent number 06/KPTS/DPE-LH/ 2014 in term of the extension of the waste dispose permit of PT DendyMarker Indah lestari berdasarkan izin. The permitted disposed waste water debit is 117.936 m3/month or 4.536 m3/day and the company shall conduct waste water quality test. The flowed waste debit on January 2015 was 1.714 m3, on February was 1.380 m3, on March was 1.797 m3. Therefore, the company complies the permitted license.</p> <p>According to the document of environmental management and monitoring plan in 2nd semester of 2014, the company has conducted monthly sampling. It was conducted by Sucofindo. According to the analysis result on July and August, the BOD complies the term for maximum 100. The BOD increase on September to October reached its point to 165 and the COD increase reached point 414.88. however, the corrective action by flushing water with nozzle has already been conducted.</p> <p>POM waste management within the POM area</p> <ul style="list-style-type: none"> • The company dug 6 WWTP ponds consisted of 2 acidification ponds, 2 aerobic ponds and 2 sedimentation ponds to manage the waste. The size of the pond is 100 m (length) x 45 m (width) x 5 m (depth). • The waste water quality on the WWTP ponds is monitored by conducting routine (monthly) waste sampling of the last pond (sixth pond). The analysis is conducted by the third party (PT Sucofindo and Regional Environment Agency). • The biological waste water quality monitoring is also conducted by the company by using animals (Nile tilapia). • The waste water from the final pond is flowed to the trench. It is based on the decree of the regent number 06/Kpts/DPE-LH/2014 dated June 10th 2014 in term of the waste water dispose. • The latest monitoring result (August and December 2014) is as follow : <table border="1"> <thead> <tr> <th>Parameter</th> <th>Unit</th> <th>Quality Treshold</th> <th>August 2014</th> <th>December 2014</th> </tr> </thead> <tbody> <tr> <td>COD</td> <td>mg/l</td> <td>350.0</td> <td>224.9</td> <td>280.0</td> </tr> <tr> <td>BOD</td> <td>mg/l</td> <td>100.0</td> <td>78.2</td> <td>111.0</td> </tr> <tr> <td>TSS</td> <td>mg/l</td> <td>250.0</td> <td>50.0</td> <td>190.0</td> </tr> <tr> <td>pH</td> <td></td> <td>6 – 9</td> <td>7.6</td> <td>7.9</td> </tr> <tr> <td>Total of nitrogen</td> <td>mg/l</td> <td>50.0</td> <td>20.8</td> <td>65.32</td> </tr> <tr> <td>Oil and Fat</td> <td>mg/l</td> <td>25.0</td> <td>17.6</td> <td>18.0</td> </tr> </tbody> </table> <p>According to the monitoring on December 2014, there was a BPD increase (cross the quality threshold line). The company then activate the circulation pump to reduce the BOD.</p>	Parameter	Unit	Quality Treshold	August 2014	December 2014	COD	mg/l	350.0	224.9	280.0	BOD	mg/l	100.0	78.2	111.0	TSS	mg/l	250.0	50.0	190.0	pH		6 – 9	7.6	7.9	Total of nitrogen	mg/l	50.0	20.8	65.32	Oil and Fat	mg/l	25.0	17.6	18.0
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3.2. Summary of Assessment Report of Supply Chain

Clause	(Module D) CPO Mills - Segregation Requirements
1	Documented Procedures
	<p>1.1</p> <p>The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements.</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p>
	<p>a. PT DMIL has revised the Supply Chain Procedure with Standard Operating Procedure of Product Traceability Document No. 101/DMIL-RSPO/2013 (revised on 18 March 2014). The procedure aims to identify the raw materials and final products so the connection between raw materials and product quality can be identified and the company can trace the resulting products.</p> <p>b. Personnel responsible to ensure the operational activities of the mill run in accordance with the procedures has been determined are:</p> <ul style="list-style-type: none"> - Mill Manager, is responsible for: <ul style="list-style-type: none"> a. Storing and maintaining all documents, records or notes of the use of all raw materials, supporting materials utilized in the process of production and final products quality. b. Verifying status of the products sent to buyers by ensuring the delivery of the products is in accordance with the Invoice, Delivered Order, Sales Contract, and signing the Minutes of Product Delivery along with the buyer. c. Providing adequate training on the requirement of Supply Chain certification to all staffs involved in the stages of supply chain from raw materials, process of production, the storing and the delivery of POM products to the buyers. - QA Assistant is responsible for: <ul style="list-style-type: none"> a. Examining FFB quality (grading) in POM and making daily recapitulation. b. Supervising the delivery and loading/unloading Palm Products as well as witnessing the making of the Minutes of CPO and Palm Kernel delivery. - Supervisor/Laboratory Assistant is responsible for: <ul style="list-style-type: none"> a. Analyzing and testing the quality of raw materials and products in all stages of POM production process. b. Storing, maintaining and distributing the result of analysis and testing of the quality of raw materials and products to all relevant parties concerned. - Assistant/Senior Assistant/Bulking Manager is responsible for: <ul style="list-style-type: none"> a. The transportation of CPO and Palm Product production from POM to Bulking Station. <p>b. Handling and Storage of CPO and Palm Kernel in the Bulking Station area.</p>
	Status: completed

1.2

The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.

Similar with Stage 1

DMIL POM already has document informing the sources of FFB, namely document of Fruit Delivery Letter/SPB and weighing ticket describing number of weighing ticket, serial number of SPB, FFB origins, transportation, date of harvesting, planting year, blocks, number of bunches, tonnage, vehicle registration number, date of delivery.

There is a document of the monthly report of DMIL Factory fruits describing the reception of FFB coming from nucleus estate and Scheme Smallholding. The document is also informing the number of bunches, gross weight and netto.

For example: Fruit Delivery Letter describing the origin and the quantity of fruits sourced from Bingin Rupit 1 on 7 February 2014.

Status: completed

2

Purchasing and goods in

2.1

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

POM DMIL already has document informing the sources of FFB, namely document of Fruit Delivery Letter/SPB and weighing ticket describing number of weighing ticket, serial number of SPB, FFB origins, transportation, date of harvesting, planting year, blocks, number of bunches, tonnage, vehicle registration number, date of delivery.

There is a document of the monthly report of DMIL Factory fruits describing the reception of FFB coming from nucleus estate and Scheme Smallholding. The document is also informing the number of bunches, gross weight and netto.

According to the information, the separation between FFB from nucleus estate and scheme smallholding will become a mechanism to separate the FFB sourced from the estates that have been nucleus and non-certified (smallholding) and other sources.

For example:

- Fruit delivery letter on 7 February 2014 from Bingin Rupit 1 Estate, describing:
 - Fruit Origins.
 - Date of delivery.
 - Serial Number of SPB
 - Vehicle Registration Number
 - The number of bunches
 - Estimated Tonnage
- Fruit delivery letter on 7 February 2014 from Bingin Rupit-3 (BR-3) Scheme Smallholding, describing:
 - Fruit origins.
 - Date of delivery
 - Serial number of FFB
 - Vehicle Registration Number
 - The number of bunches
 - Estimated Tonnage

Status: completed

2.2

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

During the audit of Stage 2, PT Dendymarker Indahlestari and PT Tebo Indah have not obtained RSPO Certificate so they

have not been able to claim RSPO certified products. The company already has Standard Operating Procedure of Product Traceability Document No. 101/DMIL-RSPO/2013 (revised on 18 March 2014) and has been committed to provide information to PT Mutuagung Lestari should there be exceeded claim of certified products.

Status: completed

3 Record keeping

3.1

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

DMIL POM already has document informing the sources of FFB, namely document of Fruit Delivery Letter/SPB and weighing ticket describing number of weighing ticket, serial number of SPB, FFB origins, transportation, date of harvesting, planting year, blocks, number of bunches, tonnage, vehicle number, date of delivery.

There is a document of the monthly report of DMIL Factory fruits describing the reception of FFB coming from nucleus estate and Scheme Smallholding. The document is also informing the number of bunches, gross weight and netto.

The record is well-stored by the Clerk and accessible by concerned parties.

Status: completed

3.2

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

Company has determined in the Standard Operating Procedure of Product Traceability, Document No. 101/DMIL-RSPO/2013 revised on 18 March 2014, that the retention time of all records and reports regarding product requirements is 5 years.

The example of the document is Monitoring report of the Quarterly Production for 4 periods in 2013 (October – December) is safely stored at the office of DMIL POM in the mill administration section.

Status: completed

3.3

The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.

Company has recorded and balanced all products received that will be categorized later as RSPO certified products (from nucleus estate) and Non-certified (from other sources) every 3 months.

For example:

There is a Monthly Summary of Sustainable FFB, CPO & Kernel, October – December 2013 that has been classified per quarter. The description in the document is:

FFB Received (Ton) :

- Certified
- Non Certified
- Total

CPO Production (Ton) :

- Certified
- Non Certified
- Total

Kernel Production:	
<ul style="list-style-type: none"> - Certified - Non Certified - Total 	
	Status: completed
<p>3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated. At the time of Audit Stage 2 PT Dendymarker Indahlestari & PT Tebo Indah – Dendymarker POM have not been declared certified. It will be verified at the time of surveillance 1.</p>	
	Status: completed
3.5	
<p>Until now, DMIL POM only sells the Palm Kernel to the third parties and do not cooperate with the management of Kernel Crushing Plant.</p>	
	Status: not applicable
4	Sales and goods out
<p>4.1 The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information: (a) The name and address of the buyer (b) The date on which the invoice was issued (c) A description of the product, including the applicable supply chain model (Segregated) (d) The quantity of the product delivered (e) Reference to related transport documentation</p>	
<p>PT DMIL has not obtained certificate so there are no transactions for certified products. The company already has Supply Chain Procedure with the Standard Operating Procedure of Product Traceability Document No. 101/DMIL-RSPO/2013 (revised on 18 March 2014). The procedure aims to identify the raw materials and final products so the connection between raw materials and product quality can be identified and the company can trace the resulting products. The procedure describes among others:</p> <ul style="list-style-type: none"> - Name and address of the buyer (according to the invoice) - Minutes of Delivery - Number and type of products delivered - Product transportation (CPO and PK) 	
	Status: not applicable
5	Processing
<p>5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed.</p>	

<p>There are records of the training implementation at the Office of DMIL POM carried out by the staffs from Head Office, Jakarta, such as:</p> <ul style="list-style-type: none"> • Minutes of Supply Chain Management Training on Thursday 19 March 2014 with the topic of “Mass Balance”. • Participants Attendance List (8 participants) containing Mill Manager, 3 staffs of Mill Administration, 2 Estate Managers and 1 FFB reception officer in Fruit Weighing. • The training material was in the form of presentation material (Power point) about SCCS MB. <p>The effectiveness and understanding of the staff on the training will be observed in the next Assessment.</p>	
	Status: completed
<p>5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.</p>	
<p>Will be verified at the time of surveillance activities.</p>	
	Status: not applicable
<p>5.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:</p> <ul style="list-style-type: none"> • The crush operator conforms to these requirements for segregation • The crush is covered through a signed and enforceable agreement 	
<p>Will be verified at the time of surveillance activities.</p>	
	Status: not applicable
6	Training
<p>6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems</p>	
<p>Will be verified at the time of Surveillance 1 since PT DMIL and PT TI have not obtained RSPO Certificate.</p>	
	Status: completed
7	Claims
<p>7.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.</p>	
<p>Will be verified at the time of surveillance activities.</p>	
	Status: not applicable

3.3. Conformity Checklist of Certificate and Logo Use *(Only apply for Surveillance Assessment Report)*

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ST-2	Will be verified at the time of surveillance activities.	
	Status: not applicable	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ST-2	Will be verified at the time of surveillance activities.	
	Status: not applicable	
3.	Implementation of Certificate and Logo is not used on product	X or√
ST-2	Will be verified at the time of surveillance activities.	
	Status: not applicable	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ST-2	Will be verified at the time of surveillance activities.	
	Status: not applicable	

3.4. Summary of RSPO Partial Certification.

Total companies observed:		
1. <i>Name or organization</i>		
2. <i>Name or organization</i>		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	Will be verified at the time of surveillance activities.	
	Status: not applicable	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	Will be verified at the time of surveillance activities.	
	Status: not applicable	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	Will be verified at the time of surveillance activities.	
	Status: not applicable	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	Will be verified at the time of surveillance activities.	
	Status: not applicable	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	Will be verified at the time of surveillance activities.	
	Status: not applicable	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	Will be verified at the time of surveillance activities.	
	Status: not applicable	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	Will be verified at the time of surveillance activities.	
	Status: not applicable	

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

3.5.1 Identification of Findings, Corrective Actions and Observations at ST-1 Assessment

CAR No	Ref Std	Finding	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closed
2013.01	Major 1.1.2	<p>Record of Responses to the Request for Information.</p> <p>Based on the document review, the company has not been able to demonstrate the record of information provision to relevant agencies.</p>	Potential NC	Mill & Estate	Stage-2	Company must be able to demonstrate the record of responses to the information to relevant agencies.	<p>18 March 2014 and 19 March 2014.</p> <p><i>Root of the Problem:</i> Lack of staffs that handle reports and instructions concerning the handling of reporting/outgoing mails to relevant agencies.</p> <p><i>Corrective Action:</i> Company has been able to demonstrate the record of responses to the information to relevant agencies. For example, report of Environmental Management Plan/Environmental Monitoring Plan Semester II year of 2013, LPUP year of 2013, Report of Employees of December 2013.</p> <p><i>Preventive Action:</i> Management already has appointed staff of HR & GA to monitor the receipt and delivery of the report as well as responding to incoming mails/information from relevant agencies, both recording and archiving the documents.</p>	Closed	21 March 2014
2013.02	Major 1.1.3	<p>Document Retention Time.</p> <p>Based on the document review, the company has not been able to</p>	Potential NC	Mill & Estate	Stage-2	Company must be able to demonstrate that the records of request and information	<p>18 March 2014 and 19 March 2014.</p> <p><i>Root of the Problem:</i> <u>PT DMIL</u>: A decree/SOP is available per</p>	Closed	21 March 2014

		demonstrate the policy concerning retention time of the records of request and information responses.				responses are stored with the retention time determined by the company.	10 January 2013. However, at the time of the audit it has not been seen by auditors. <u>PT TI</u> : SOP of Policy in this case is within the process of document shipping from HO to the estate. <i>Corrective Action:</i> Company has been able to demonstrate that the records of request and information responses are stored with the retention time determined by the company for 5 years. <i>Preventive Action:</i> Company will actively provide information and document immediately. GM & EM as well as the relevant parties implement and control the SOP sustainably.		
2013.03	Major 1.2.1	Types of Information and Responses can be accessed by stakeholders. Based on the result of document review, there has not been evidence of the list of information types available that can be obtained by stakeholders.	Potential NC	Mill & Estate	Stage-2	Company must demonstrate the types of information and responses provided including documents that are in accordance with national regulatory.	18 March 2014 and 19 March 2014. <i>Root of the Problem:</i> The decree has been available but auditors have not seen it during the audit. <i>Corrective Action:</i> Company has been able to demonstrate types of information and responses provided including documents that are in accordance with national regulatory in	Closed	21 March 2014

							the SOP of the Provision of Information. <i>Preventive Action:</i> Company will actively provide information to stakeholders.		
2013.04	Major 1.2.2	Document Retention Time. Based on the document review, the company has not been able to demonstrate the policy concerning retention time of the records of request and information responses.	Potential NC	Mill & Estate	Stage-2	Company must be able to demonstrate the records of request and information responses that are stored according to the retention time determined by the company based on the interests.	18 March 2014 and 19 March 2014. <i>Root of the Problem:</i> <u>PT DMIL</u> The decree has been available per 10 January 2013 but it has not been seen by the auditors during the audit. <u>PT TI</u> SOP regarding this Policy is still in the document delivery process from HO to the Estate. <i>Corrective Action:</i> Company has been able to demonstrate that the records of request and information responses are stored according to the retention time determined by Company based on the interests. <i>Preventive Action:</i> The SOP mentioned as the guidelines in the implementation of document retention time.	Closed	21 March 2014
2013.05	Minor 2.1.2	Evaluation Mechanism of the Requirement Compliance of Relevant	Potential NC	Mill &	Stage-2	Company must be able to demonstrate evidence on	20 March 2014 <i>Root of the problem:</i>	Closed	21 March 2014

		<p>and Applicable Law. There has not been evaluation mechanism of the requirement compliance of relevant and applicable law available.</p>		Estate		<p>evaluation mechanism of requirement compliance of relevant and applicable regulation.</p>	<p>Regulations have not been classified and updated.</p> <p><i>Corrective Action:</i> Regulatory evaluation is conducted annually by adding new regulations, evaluate them then classify them. The list of regulations that must be met and classified (updated in March 2014).</p> <p><i>Preventive Action:</i> Regulatory evaluation is conducted annually by adding new regulations, evaluate them then classify them. The list of regulations that must be met and classified (updated in March 2014).</p>		
2013.06	Major 2.2.2	<p>Area Boundaries Demarcated. The company has not been able to demonstrate the evidence of area boundaries that have been clearly demarcated and maintained. For example: procedure of boundary poles maintenance and the records of implementation.</p>	Potential NC	Estate	Stage-2	<p>Company must be able to demonstrate the evidence of area boundaries that have been clearly demarcated.</p>	<p>20 March 2014 <i>Root of the Problem:</i> The poles of National Land Agency/BPN are partly damaged and gone. <i>Corrective Action:</i> The boundaries of the work area have been clearly demarcated according to the map of the work area and in the field. There is the result of the monitoring of BPN poles in February 2014 available describing the condition of boundary poles existing in the estate. <i>Preventive Action:</i> Monitoring, maintaining, and replacing</p>	Closed	21 March 2014

							lost poles with the new ones.		
2013.07	<p>Minor 4.3.4</p> <p>Minor 7.4.2</p>	<p>Management of Peat Land.</p> <ul style="list-style-type: none"> - There has not been an SOP for calculation/peat subsidence monitoring. - The company has not made the calculation/measurement monitoring into the ground water in the blocks according to the SOP Chapter II on Preparation before Planting Part B on Drainage. - There is no evidence that the company has conducted measurement and monitoring of high-level reduction of peat land, according to Government Regulation No. 150 year 2000 on Standard Criteria of Damaged Soil for Biomass Production and Regulation of Environmental Ministry No. 7 year 2006 on Measuring Mechanism of Standard Criteria of Damaged Soil for Biomass Production. 	Potential NC	Estate	Surveil- lance-1	The company must be able to ensure that the management of peat land is in accordance with the technical guidance of cultivation in peat land as well as applicable regulation.	<p>18 March 2014</p> <p><i>Root of the Problem:</i></p> <p><i>Corrective Action:</i></p> <ul style="list-style-type: none"> - There is SOP of Plantation (024/INF/DMIL/2013) available containing Name of Project: Water Level, Type: Permanent containing the observation of the ditch water level which is colored red, yellow and blue as well as the monitoring report. - The measurement and monitoring of subsidence has been performed. However, based on the result of measurement and field observation in Block D8, there is a reduction of peat land surface amounting 4 cm. Also, by information, there is water puddling in the measuring plot due to the overflowing of Mandang River. It is not in accordance with Government Regulation No. 150 year 2000 on Standard Criteria of Damaged Soil for Biomass Production and Regulation of Environmental Ministry No. 7 year 2006 on Measuring Mechanism of Standard Criteria of Damaged Soil for Biomass Production. - PT DMIL has not been able to 	Open	

							demonstrate the evidence of canal maintenance report and the result of subsidence measurement that is already under the NAB threshold. <i>Preventive Action:</i>		
2013.08	Minor 4.4.2	Monitoring Record of mill effluent BOD The result of document observation showed that there has not been sufficient evidence that the company had reported the monitoring of effluent management consistently to relevant agencies.	Potential NC	Mill	Stage-2	Company must ensure that the monitoring of effluent management has been reported to relevant agencies.	18 March 2014 <i>Root of the Problem:</i> Monitoring evidence of effluent analysis in December 2013 is not available yet. <i>Corrective Action:</i> Report of the implementation of Environmental Management Plan/Environmental Monitoring Plan containing the result of effluent monitoring is already available and has been reported to Environment Bodies of Musi Rawas District. <i>Preventive Action:</i> Effluent analysis will be conducted on a monthly basis so the report of Environmental Management Plan/Environmental Monitoring Plan semester 1 year 2014 will be on time by itself.	Closed	21 March 2014

2013.09	Major 4.6.3	<p>Training of Limited Pesticide. The result of document observation showed that the company still utilizes pesticide with active ingredient of paraquat (it is included in the category of limited pesticide). However, there is no sufficient evidence concerning special training of limited pesticide as required in the Regulation of Agriculture Ministry No. 24 year 2011.</p>	Potential NC	Estate	Stage-2	The company ensures the officers applying limited pesticide have obtained special training from local Pesticide Commission.	<p>18 March 2014. <i>Root of the Problem:</i> <u>PT DMIL</u> The delay of the training from relevant agencies due to their busy schedules. <u>PT TI</u> Training of spray workers had been conducted by product suppliers (not from Pesticide Commission).</p> <p><i>Corrective Action:</i> Company has collaborated with Plantation Service of Musi Rawas District to hold the training of limited pesticide on 5 December 2013 in Estate Office I. The training was attended by 50 participants from the company, among others 15 staffs (manager, assistant, supervisor, and security officers), and 35 spray workers. The key speakers are from Plantation Service of Musi Rawas District (1 team consists of 5 persons).</p> <p>20 March 2014. On 30 January 2014 training of herbicide application has been held, attended by 15 spray workers. The training took place in the Office of Teluk Pandan Estate, held by Plantation service of Tebo District. It is in accordance with</p>	Closed	21 March 2014
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							<p>Certificate of the head of Plantation Service of Tebo District No. 525/78/Disbun2014 dated 7 February 2014 which was signed by Ir. Supadi (Head of Plantation Service of Tebo District) explaining that the training has been implemented.</p> <p><i>Preventive Action:</i> Manager through Afdeling Assistant is obliged to give direction to spray workers at the time of doing the job, and also obliged to always give early warning about the dangers of pesticide (paraquat) and to keep wearing PPE at the time of spraying activity.</p>		
2013.10	Minor 4.6.3	<p>Record That There Are No Spray Female Workers Who Are Pregnant or Breastfeeding.</p> <p>Based on the result of document observation, the company has not been able to demonstrate the evidence that there are no pregnant or breastfeeding spray workers.</p>	Potential NC	Estate	Stage-2	<p>Company must be able to demonstrate evidence that pregnant or breastfeeding female workers do not work in chemical area.</p>	<p><i>Root of the Problem:</i> <u>PT DMIL</u> Document of the statement of not pregnant and breastfeeding is available but the auditors have not seen it during the process of the audit.</p> <p><u>PT TI</u> The female workers have not been examined by authorized agencies.</p> <p><i>Corrective Action:</i> 18 March 2014. There is an affidavit provided stating that</p>	Closed	21 March 2014

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						<p>the worker is not in the condition of pregnant or breastfeeding that is renewed every 2 months (every 2 weeks) made by Lismawati, witnessed by fellow workers, known to Division Assistant and approved by the Estate manager. The affidavit states that the worker concerned is not in a state of pregnancy and lactation.</p> <p>20 March 2014. There is the result of the examination of 14 female workers on 1 March 2014 in Polindes Teluk Pandak. They were examined by Midwife Nurita Irtanty Anggie Rini, Am.Keb. and Nurse Yenni Haryati, Am.Kep. The result of the examination showed that there are no female workers who are in a state of pregnancy and lactation.</p> <p><i>Preventive Action:</i> Manager and Afdeling Assistant keep monitoring spray workers by conducting regular examination every 3 month in the Company Clinic.</p> <p><i>Preventive Action:</i> The company will actively conduct examination at the hospital. Manager and Afdeling Assistant keep monitoring spray workers by conducting</p>		
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							regular examination every 3 month in the Company Clinic.		
2013.11	Minor 4.7.2	<p>Periodic Medical Screening</p> <p>Based on the document review, in the medical screening of workers in high-risk stations there are several things inappropriate, such as:</p> <ol style="list-style-type: none"> 1. The examination related to the influence of noise has not been conducted. 2. There is not sufficient evidence that the periodic screening has been conducted by examining doctor of workers' health in accordance with the Regulation of Labor Ministry No. 2 year 1980 Article 1 and Attachment 4. 	Potential NC	Mill & Estate	Stage-2	The company must be able to provide evidence that the medical screening has been conducted periodically according to the work risk and applicable regulation.	<p><i>Root of the Problem:</i></p> <p><u>PT DMIL</u></p> <p>The medical screening has not been conducted to workers in high-risk (noise) stations.</p> <p><u>PT TI</u></p> <p>On 27 September 2013 the company has conducted periodic Medical Screening for workers by dr. Rahayu Widya Pratiwi (doctor of Puskesmas Muara Tebo). However, the doctor has not obtained Hyperkes license.</p> <p><i>Corrective Action:</i></p> <p>18 March 2014.</p> <p>The result of periodic screening on 23 November 2013 by UPTD Hyperkes and Occupational Safety of South Sumatera Province is available (conducted by dr. Rusli Laiman NIP 1980001082008011004 for 102 workers of PT.DMIL.</p> <p>The result of periodic screening is available once in a year. The medical screening on 27 September 2013 was conducted by dr. Rahayu Widya Pratiwi and the paramedic (nurses) and the medical screening on 23 November</p>	Closed	21 March 2014

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						<p>2013 by UPTD Hyperkes and Occupational Safety of South Sumatera Province (conducted by dr. Rusli Laiman NIP 1980001082008011004 for spray workers, heavy equipment officers, warehouse keeper and POM workers.</p> <p>20 March 2014 Company has provided evidence that periodic medical screening had been conducted according to work risk and applicable regulation, among others: Audiometric examination for workers in high-risk stations on 20 march 2013 by dr. Rusli Laiman NIP 198103022009021005 (Doctor for Labor Health Examination).</p> <p><i>Preventive Action:</i> The medical screening program will be conducted periodically. Company continues to conduct periodic medical screening for employees in accordance with the recommendation of the examination by dr. Rusli Laiman to be checked back 1 (one) year later. In subsequent medical screening for employees, it is necessary to include audiometric examination for workers</p>	
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							who work in the places with noise influence.		
2013.12	Minor 4.7.4	<p>Evidence of Occupational Health and Safety Training.</p> <p>Company has not been able to provide evidence of several trainings of occupational health and safety for workers, such as:</p> <ol style="list-style-type: none"> 1. There has not been any training yet to obtain Operator License of PT DMIL (Boiler and Forklift/Conveying) referring to Regulation of Labor Ministry No.9 year 1988 on qualification of boiler operator. 2. There has not been any training of chemical OHS officers for chemical warehouse officers according to Decree of Labor Ministry No.187 year 1999 article 22. 3. There has not been training of firefighting. 4. Certification of welder in PT DMIL has not been provided yet in accordance with Regulation of Labor Ministry No.2 year 1982. 	Potential NC	Mill & Estate	Stage-2	Company must be able to provide evidence of Occupational Health and Safety training for all workers.	<p>20 March 2014</p> <p><i>Root of the Problem:</i> <u>PT DMIL</u> Lack of trained OHS officers.</p> <p><u>PT TI</u> Lack of trained OHS officers.</p> <p><i>Corrective Action:</i> Company has provided evidence of Occupational Health and Safety/OHS training for all workers, such as:</p> <ol style="list-style-type: none"> 1. Operator License. <ul style="list-style-type: none"> • PT DMIL. The license was give to 4 operators, for example on behalf of Saipul Alam (Wheel Loader operator) Serial No.560/08/SIO/Nakertrans/2013 valid until 25 November 2013. • PT TI. Certificate of operator training was given to 3 operators, for example on behalf of Yuhepni Amri No. Reg. 30577-OPK3/PAA/XII/2013; Muhammad As'ad Alwy No. Reg. 30578-OPK3/PAA/XII/2013 and Hendra no. Reg 30570-OPK3/PAA/XII/2013. • Boiler Operator License, for example on behalf of Danil 	Closed	21 March 2014

							<p>Portega No. 560/11/SIO/Nakertrans/2013.</p> <p>2. Certificate of training for OHS chemical officers from Labor Service of Musi Rawas on behalf of H. Tobib Abdurrahman (warehouse officer of PT. DMLI) and Lapal Talenta (Warehouse Officer of Tebo Indah).</p> <p>3. Certificate of training for firefighters on 23 November 2013 to 15 workers of PT DMLI and OHS License of Fire Handling Team from Social Labor and Transmigration Service of Jambi. For example, on behalf of Sukma Efendi No. 560/11/SIO/Nakertrans/2013</p> <p>4. Welder Certification, for example on behalf of Dodi Kristiansyah No. 560/12/SIO/Nakertrans.</p> <p><i>Preventive Action:</i> Training programs have been scheduled. Company will continue conducting trainings for workers in accordance with the program from company.</p>		
2013.13	Minor 4.7.7	<p>First Aid Emergency Training</p> <p>There is no sufficient evidence that the company has provided First Aid Emergency Training for workers in the Estate and Mill.</p>	Potential NC	Mill & Estate	Stage-2	<p>Company must be able to provide evidence of First Aid Emergency training for estate and mill workers.</p>	<p>18 March 2014.</p> <p><i>Root of the Problem:</i> <u>PT DMIL</u> First Aid Emergency training to all workers has not been conducted yet.</p>	Closed	21 March 2014

							<p><u>PT TI</u> First Aid Emergency training conducted by Labor Service of Tebo in together with Labor Service of Province has just been conducted in December 2013.</p> <p><i>Corrective Action:</i> Evidence of the implementation of First Aid Emergency training in PT DMIL.</p> <ul style="list-style-type: none"> • Attendance list and photograph of First Aid Emergency and firefighting training by Labor Service on 23 November 2013 are available. • License of First Aid Emergency officer at work, for example No. 560/12/SIO/Nakertrans dated 29 November 2013 for Resti Citra Karina. <p><i>Preventive Action:</i> First Aid Emergency training program has been made. In addition to conducting first aid emergency training for workers, the company also set several posters of early warning for the risk of occupational accidents.</p>		
2013.14	Minor 4.7.8	<p>Reports of Occupational Accident. The estates (PT DMIL and PT TI) have not been able to provide records of occupational accidents on a regular basis according to applicable regulation. The evidence of occupational accident</p>	Potential NC	Estate	Stage-2	Company must be able to provide records of occupational accidents on a regular basis according to applicable regulation along with the evidence of accident	<p>21 March 2014 <i>Root of the Problem:</i> <u>PT DMIL</u> The monitoring of occupational accidents has not been written on information board.</p>	Closed	21 March 2014

		analysis is not available yet.				analysis.	<p><u>PT TI</u> SOP regarding Policy in this case in the process of document delivery from HO to Estate. <i>Corrective Action:</i> The monitoring form of occupational accident is available, as well as the analysis of accidents in the Report Form of Accident Investigation and Occupational Incidents and analysis.</p> <p><i>Preventive Action:</i> Company should consistently publish the occupational accident on a regular basis on the information board. GM & EM as well as relevant parties implement the SOP and control it sustainably.</p>		
2013.15	Major 4.8.3	Evidence of Trained Contractors. Estate (PT TI) has not been able to provide the evidence that the company has already hired trained contractors.	Potential NC	Estate	Stage-2	The company must be able to provide evidence that they already hired trained contractors.	<p>20 March 2014. <i>Root of the Problem:</i> The operator of heavy equipment contractor has not met the requirement set by labor service, for example: the operator has not obtained operator license.</p> <p>The driver from the contractor of seed and FFB transportation has not submitted his copy of Driving License.</p> <p><i>Corrective Action:</i></p>	Closed	21 March 2014

						<p>Assignment of trained contractors. For example:</p> <ul style="list-style-type: none">• Letter of Work Agreement for fruit lifting contractor No. 11/PT DMIL-BR I-MR/III/2013 attaching the requirements to ensure the competency of workers in the form of Driving License (for example on behalf of Dedi Susanto, driving licence No. 900227390039 valid until 8 February 2018) and Vehicle Registration Number for Colt Diesel Truck (For example No. 0302622/SS/2010 valid until 23 December 2015).• Hazardous waste collector of PT Tebo Indah, CV Surya Jaya Logam is selected based on the Decree of Environment State Minister No. 53 year 2011 and No. 07/BPMD-PPT-4/2013 with transporting vehicle No. BH 9320 AQ (operating license for special goods to transport hazardous goods No. SK.2910/AJ.309/DJPD/2013/180717 344BB-0003). <p><i>Preventive Action:</i> GM & Manager in this case to be more selective in accepting contractors to be hired and they must meet the</p>		
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							requirements of ISPO/RSPO.		
2013.16	Major 5.1.1 Major 6.1.1	Document of Environmental Impact Analysis. There has not been sufficient evidence that the document of environmental impact analysis of PT Tebo Indah had obtained approval from relevant agencies.	Potential NC	Mill & Estate	Stage-2	Company must ensure that the document of environmental impact analysis has obtained approval from relevant agencies.	<p>20 March 2014</p> <p><i>Root of the problem:</i> Company only showed the Document of Environmental Impact Analysis which was still in the form of draft.</p> <p><i>Corrective Action:</i> There is Decree of the Governor of Jambi No. 326/KepGub/BLHD/2009 dated 8 September 2009 on environmental feasibility of oil palm plantation plan by PT Tebo Indah in Tebo Tengah and Tengah Ilir District, Tebo District Jambi Province.</p> <p><i>Preventive Action:</i> Company will save the Document of EIA that has obtained approval from relevant agencies in accordance with existing matrix.</p>	Closed	21 March 2014
2013.17	Major 5.1.2	Implementation Record of EIA Result. Company has compiled document reporting Environmental Management Plan/Environmental Monitoring Plan semester I and II 2012. However, in the report there are still parameters that the management and monitoring plans have not been reported, such as: water quality testing, consistently waste water quality testing, air quality testing	Major	Mill & Estate	Stage-2	Company must ensure the parameters required in the document of environmental impact analysis have been carried out.	<p><i>Root of the Problem:</i> Environmental staff has not ensured that all parameters have been managed and monitored according to the matrix of Environmental Management Plan/Environmental Monitoring Plan in the document of EIA.</p> <p><i>Corrective Action:</i> 20 March 2014</p>	Closed	25 April 2014

		<p>(emission and ambient), watery biota, etc.</p>					<p>Company has conducted water quality testing, wastewater quality testing, air quality measurement (emission and ambient) and water biota. However, the company has not monitored the entire river as specified in the document of EIA – matrix of Environmental Management Plan/Environmental Monitoring Plan.</p> <p>15 April 2014. PT DMIL showed document of the result of water testing in Mandang Hulu River (sample code Up-283); Mandang Hilir River (sample code 284); Liam Hulu River (sample code 285) and Liam Hilir River (sample code 286) conducted by Center of Industrial Research and Standardization of Palembang (examiner laboratory LP 080-IDN) on 24 March 2014. The test result showed that the test parameters are in below the quality standard (in accordance with the standard set by Governor Regulation No. 8 year 2012).</p> <p>25 April 2014</p> <ul style="list-style-type: none"> - PT. DMIL has conducted water quality testing on 1) Mandang hulu River, 2) Mandang hilir River, 3) Liam hulu River, and 4) Liam hilir River 		
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							<p>(result of BARISTAND laboratory analysis of Palembang Industry is available).</p> <ul style="list-style-type: none"> - PT DMIL has conducted waste water testing for March 2014 (result of the analysis of BARISTAND Industry Palembang is available). - PT. Tebo Indah has conducted water quality monitoring on; 1) Batang Hari Hilir River, 2) Batang Hari Hulu River, 3) Penyabungan Hilir River, 4) Penyabungan Hulu River, 5) Keruh Hilir River, 6) Keruh Hulu River (attached, the result of the test by Center of Health Laboratory of Health Service Jambi Province on 24 March 2014). <p><i>Preventive Action:</i> Environmental Staff will ensure that all parameters have been managed and monitored according to the matrix of Environmental Management Plan/Environmental Monitoring Plan in the document of EIA.</p>		
2013.18	Major 5.2.1	<p>Record of the Identification Result of Protected, Rare, Uncommon or Endangered Species, as well as Habitat with High Conservation Value.</p> <p>The result of document review showed that there is no sufficient evidence that</p>	Potential NC	Mill & Estate	Stage-2	<p>Company must provide the Record of Identification result of protected, rare, uncommon or endangered species as well as habitats with high conservation value.</p>	<p><i>Root of the Problem:</i> Code of HCV has not been made on the board.</p> <p><i>Corrective Action:</i> 20 March 2014 Company already has record of the</p>	Closed	21 March 2014

		PT DMIL has identified the existing high conservation value (HCV).					<p>executive summary of HCV identification in the area of oil palm plantation of PT DMIL in 2013 compiled by Sonokeling Akreditasi Nusantara Consultant.</p> <p><i>Preventive Action:</i> Periodic monitoring is highly recommended.</p>		
2013.19	Major 5.2.2	<p>Should there be rare or endangered species, there are appropriate steps to protect them.</p> <p>The result of document review showed that there is no sufficient evidence that the company has identified the existing high conservation value (HCV).</p>	Potential NC	Mill & Estate	Stage-2	Company must be able to demonstrate appropriate steps to protect rare/endangered species and habitats with high conservation value.	<p>20 March 2014</p> <p><i>Root of the Problem:</i> Lack of the hunting ban in the form of banners in the area of PT DMIL especially in HCV area. There has not been any guidelines yet from relevant agencies.</p> <p><i>Corrective Action:</i> HCV identification has been conducted by Sonokeling Akreditasi Nusantara Consultant. The result of identification showed that there are still protected and endangered rare species.</p> <p><i>Preventive Action:</i> Through the afdeling assistant, manager has made boards or posters in the area of HCV as well as posters concerning protected rare species and disseminate the employees and public not to hunt and cut down trees protected.</p>	Closed	21 March 2014

							Company has compiled policy/SOP on the protection of protected and endangered animals.		
2013.20	Major 5.2.3	<p>Measures to protect rare and endangered species as well as their habitats</p> <p>The result of document review showed that there is no sufficient evidence that PT DMIL has identified the existing high conservation value (HCV).</p>	Potential NC	Mill & Estate	Stage-2	Company must be able to demonstrate measures to protect rare or endangered species as well as their habitats in accordance with relevant regulation.	<p>20 March 2014</p> <p><i>Root of the Problem:</i> There is still lack of appeal banners regarding protection of rare and endangered species in the area of PT DMIL.</p> <p><i>Corrective Action:</i> HCV identification has been conducted by Sonokeling Akreditasi Nusantara Consultant. The result of identification showed that there are still protected and endangered rare species.</p> <p><i>Preventive Action:</i> Monitoring and maintaining installed banners.</p>	Closed	21 March 2014
2013.21	Major 5.3.1	<p>Identification of Waste Sources and Pollution.</p> <p>Based on the result of document observation, the company has not been able to provide evidence of the existing of waste sources and pollution in the mill and estate.</p>	Potential NC	Mill & Estate	Stage-2	Company must be able to provide evidence of waste sources identification and pollution has been made.	<p>20 March 2014.</p> <p><i>Root of the Problem:</i> <u>PT DMIL</u> Water checking for Liam River and Mandang River has not been conducted. <u>PT TI</u> Documenting and recording waste sources have been conducted but they have not met the standard.</p> <p><i>Corrective Action:</i> Company has provided evidence of waste sources identification and</p>	Closed	21 March 2014

							<p>pollution. For example, in the document of EIA and SOP of waste management.</p> <p><i>Preventive Action:</i> <u>PT DMIL</u> Conducting periodic analysis to river water quality.</p> <p><u>PT TI</u> Manager appoints an OHS expert as the officer who is fully responsible for handling the waste comprehensively.</p>		
2013.22	Major 5.3.2	<p>Documented Waste Management Plan.</p> <p>The result of document observation showed that the company has not yet provided evidence of documented waste management plan.</p>	Potential NC	Mill & Estate	Stage-2	The company must provide evidence of documented waste management plan.	<p>20 March 2014.</p> <p><i>Root of the problem:</i> Identification of waste sources has not been done.</p> <p><i>Corrective Action:</i> Company has provided identification evidence of waste sources and pollution. For example, in the EIA document and SOP of waste management.</p> <p><i>Preventive Action:</i> GM & Manager along with relevant agencies in managing waste keep following the existing policy such as SOP and Matrix of EIA.</p>	Closed	21 March 2014
2013.23	Minor 5.3.1	<p>Hazardous Waste management. (Disposal of Hazardous Waste According to Relevant Regulation).</p> <p>Hazardous waste management undertaken by the company at this time</p>	Potential NC	Mill & Estate	Stage-2	The company must ensure the hazardous waste management is undertaken in accordance with procedures and other relevant regulations.	<p>20 March 2014.</p> <p><i>Root of the Problem:</i> Documenting and recording the sources of waste and pollution have been done but have not met the standard.</p>	Closed	21 March 2014

		<p>is only until storage process. For the process of collecting hazardous waste, company has not had a partnership with the third party who has been licensed as transporter and collector of Hazardous Waste. It is required in the company procedure on hazardous waste management and Government Regulation No. 18 jo 85 year 1999.</p>					<p><i>Corrective Action:</i> The company has temporary permit of hazardous waste storage of PT Tebo Indah oil palm plantation with the Decree of the Head of Tebo District No. 458 year 2013 on 17 September 2013 and valid for 5 years. There is a record of Work Agreement Letter regarding Hazardous and Non-Hazardous Waste Management with CV. Surya Jaya Logam No. 00015/SJL/II/2014. The collector who has been licensed based on the decree of Governor of Jambi No. 07/BPMD-PPT-4/2013. There is a manifest of Hazardous Waste per 12 February 2014 by CV. Surya Jaya Logam and PT. Dame Alam Sejahtera. Minutes of Waste Receipt from CV. Surya Jaya Logam is available. Report of Hazardous Waste manifest to the office of Environment of Tebo District dated 26 February 2014 is available.</p> <p><i>Preventive Action:</i> Manager and officer appointed in this case the OHS expert Mr. Harun Sulisty must undertake the checking every 2 weeks.</p>		
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2013.24	Major 5.5.1	<p>Analysis of Waste Burning. Company carried out empty bunches burning for fuel but has not provided the analysis.</p>	Potential NC	Mill & Estate	Stage-2	The company must be able to provide the evidence of effective and efficient waste burning analysis from economic and environmental side.	<p>18 March 2014. <i>Root of the Problem:</i> There is no provision regarding the burning analysis.</p> <p><i>Corrective Action:</i> The empty bunches are not burnt anymore but they are sent to PT Tebo Indah to be sold.</p> <p><i>Preventive Action:</i> For the next time, the empty bunches are sent to PT Tebo Indah. The company will not carry out the empty bunches burning.</p>	Closed	21 March 2014
2013.25	Major 6.1.1 Major 7.5.1	<p>Document of Environmental Impact Analysis. There has not been sufficient evidence that the document of environmental impact analysis of PT Tebo Indah has obtained approval from relevant agencies.</p>	Potential NC	Mill & Estate	Stage-2	Company must ensure that the document of impact analysis has obtained approval from relevant agencies.	<p><i>Root of the Problem:</i> Company has not confirmed/sure about Governor of Jambi Decree No. 362/KepGub/BLHD/2009 on 8 September 2009 on the environmental feasibility of palm oil mill planned activities by PT Tebo Indah in Tebo Tengah and Tebo Ilir Sub-districts, Tebo District Jambi Province. With the Document of EIA PT Tebo Indah which has obtained approval from relevant agencies.</p> <p><i>Corrective Action:</i> 18 March 2014. There is a record of Governor of Jambi</p>	Closed	21 March 2014

						<p>Decree No. 362/KepGub/BLHD/2009 on 8 September 2009 on the environmental feasibility of palm oil mill planned activities by PT Tebo Indah in Tebo Tengah and Tebo Ilir Sub-districts, Tebo District Jambi Province.</p> <p><i>Preventive Action:</i> Manager through Human Resources and General Manager keeps archiving all documents related to EIA, as well as keeps coordinating with relevant agencies.</p>		
2013.26	Minor 6.1.3	<p>Periodic and Scheduled Environmental Management and Monitoring Reports.</p> <p>Based on the result of document review, it is known that the company has not reported the environmental management and monitoring periodically to relevant agencies.</p>	Potential NC	Mill & Estate	Surveil- lance-1	<p>Company must be able to demonstrate periodic and scheduled environmental management and monitoring reports.</p> <p><i>Root of the Problem:</i></p> <p><i>Corrective Action:</i> Company has a revision document of Environmental Management and Monitoring Plan Semester II 2013 which has been accepted by Environment Bodies of Musi Rawas District on 21 February 2014 by Ida Laila.</p> <p>Company has a revision document of Environmental Management and Monitoring Plan Semester II 2013 which has been accepted by Environment Office of Tebo District Government on 25 February 2014 by Stakeholder of the Head of Environmental Quality Testing: Juandi, ST).</p>	Open	

							Both Management Unit have not reported the implementation of Environmental Management and Monitoring Plan to each Provincial Environment Bodies, namely: PT DMIL to South Sumatera Provincial Environmental Bodies and PT Tebo Indah to Jambi Province as appointed in the Document of EIA in each unit. <i>Preventive Action:</i>		
2013.27	Major 6.2.1	Procedures and Records of Communication and Consultation with Community. Based on the result of the study of document, there is no evidence of communication and consultation records with the community.	Potential NC	Mill & Estate	Stage-2	Company must be able to demonstrate the records of communication and consultation with the community.	<i>Root of the Problem:</i> At the time of the audit, minutes of the dissemination of Communication SOP has not been shown to the auditors. <i>Corrective Action:</i> 20 March 2014. Records of communication and consultation with community are available, such as: <ul style="list-style-type: none"> • Dissemination record of the SOP of communication on 22 May 2013 attended by 25 residents in BR1 as well as on 16 May 2013 at the office of Tujuan Mandiri Cooperative Unit attended by 19 residents. • Consultation with community regarding the compilation of HCV 	Closed	21 March 2014

							<p>Identification report and Social Impact Assessment.</p> <p><i>Preventive Action:</i> In every dissemination to public, the SR team should follow the SOP, and should be procedural including in the making of Minutes and recording.</p>		
2013.28	Minor 6.2.1	<p>List of Stakeholders. There is no list of stakeholders around the company available.</p>	Potential NC	Mill & Estate	Stage-2	Company must be able to show the list of stakeholders.	<p><i>Root of the Problem:</i> <u>PT DMIL</u> List of stakeholders is already available but has not been seen by the auditors. <u>PT TI</u> List of stakeholders around the company has not been made.</p> <p><i>Corrective Action:</i> 20 March 2014. There is a list of stakeholders of PT DMIL with 40 parties identified as stakeholders. There is also a list of stakeholders of PT TI with 37 parties identified as stakeholders.</p> <p><i>Preventive Action:</i> <u>PT DMIL</u> The company will update the list of stakeholders around the company. <u>PT TI</u> The company will keep in touch with governmental agencies of Tebo District</p>	Closed	21 March 2014

							and all village officials existing around the company.		
2013.29	Minor 6.2.2	<p>Company Has Records of Community Aspirations and Responses/Follow-Up by Company.</p> <p>The company has not demonstrated records of community aspiration and responses/follow-up by the company.</p>	Potential NC	Mill & Estate	Stage-2	Company must be able to demonstrate the records of community aspiration and responses/follow-up by the company.	<p><i>Root of the Problem:</i> Company has not provided suggestion boxes.</p> <p><i>Corrective Action:</i> 20 March 2014. Records of aspiration and responses are stored in CSR Incoming Mail Archives.</p> <p><i>Preventive Action:</i> Checking suggestion boxes routinely and actively responds to every incoming mail.</p>	Closed	21 March 2014
2013.30	Minor 6.3.1	<p>Records of Complaint/Objection Handling.</p> <p>Based on document review, the company has not been able to provide records of complaint/objection handling.</p>	Potential NC	Mill & Estate	Stage-2	Company must be able to provide records of complaint/objection handling.	<p><i>Root of the Problem:</i> <u>PT DMIL</u> Incoming grievances and or complaints from employees per 4 February 2014.</p> <p><u>PT TI</u> Book of complaint list has not been made/provided.</p> <p><i>Corrective Action:</i> 20 March 2014. Company has responded to the aspirations of community in 4 February 2014. There is a Book of Expedition of the employees' complaints containing the records of complaints stored by human resources assistant. And the</p>	Closed	21 March 2014

							records of complaint handling are kept in the document of incoming and outgoing mails (public). <i>Preventive Action:</i> Human resources staffs are assigned to monitor and follow up every complaint from the employees. The company has provided a book of complaint list of PT Tebo Indah employees and will continue to monitor the book and immediately responds to the complaints.		
2013.31	Major 6.9.1	Company's Policy Concerning Prevention of Sexual Harassment and Violence. There is no evidence that the company has policy on the prevention of sexual harassment and violence.	Potential NC	Mill & Estate	Stage-2	Company must provide evidence of the policy related to the prevention of sexual harassment and violence.	<i>Root of the Problem:</i> Team of Gender Committee has not been formed. <i>Corrective Action:</i> 20 March 2014. Company must provide evidence of the policy related to the prevention of sexual harassment and violence. <i>Preventive Action:</i> Conducting programs of Gender Committee.	Closed	21 March 2014
2013.32	Minor 6.9.1	Evidence Record of the Implementation of Sexual Harassment Prevention.	Potential NC	Mill & Estate	Stage-2	Company must be able to provide evidence of implementation records of the	<i>Root of the Problem:</i> Gender Committee does not receive any complaint regarding sexual harassment	Closed	21 March 2014

		There is insufficient evidence of the implementation of sexual harassment prevention conducted by the company. For example, the gender committee (female committee) has not been formed yet.				sexual harassment implementation.	so the there is no recording. <i>Corrective Action:</i> 20 March 2014. Company has been able to show record of the implementation of sexual harassment prevention. For example, by forming Gender Committee. <i>Preventive Action:</i> Creating work programs for Gender Committee and holding meetings with all members of Gender Committee.		
2013.33	Minor 6.9.3	Special Handling Mechanism. There is no special handling mechanism in handling complaints from female workers.	Potential NC	Mill & Estate	Stage-2	Company must have special handling mechanism in handling complaints from female workers in order to protect their rights.	Root of the Problem: Gender Committee has not been formed yet. <i>Corrective Action:</i> 20 March 2014. Company already has a special mechanism in handling complaints from female workers in order to protect their rights. <i>Preventive Action:</i> Conducting programs of Gender Committee.	Closed	21 March 2014
2013.34	Major 7.3.2	Record of Plan Map and land Clearing Realization in Accordance With HCV Identification. Based on the document review,	Potential NC	Mill & Estate	Stage-2	The company must be able to show the Plan map and Land Clearing Realization in accordance with HCV	<i>Root of the Problem:</i> The area boundary of HCV has not been marked yet. <i>Corrective Action:</i>	Closed	21 March 2014

		company has not been able to show the plan map and land clearing realization in accordance with HCV identification.				identification.	<p>20 March 2014</p> <p>There is an Operational Map and Area Statement of March 2014, as well as the replanting plan to be implemented in 2014 at PT DMIL. There is no indication of the planting in the area identified as High Conservation Value.</p> <p><i>Preventive Action:</i> Monitoring the area boundary of HCV.</p>		
2013.35	SCCS-MB 2.2	<p>Procedure on Communicating with Certification Body Should There Be Products Excess Claim.</p> <p>Procedure in informing the Certification Body for certified products exceeded claim is not available yet.</p>	Potential NC	Mill & Estate	Stage-2	Company must have a procedure in informing the Certification Body if there are exceeded claims of certified products.	<p><i>Root of the Problem:</i> <i>Procedure of SCCS is not available.</i></p> <p><i>Corrective Action:</i> 18 March 2014</p> <p>At the time of Stage 2 audit, PT Dendymarker Indahlestari and PT Tebo Indah have not obtained RSPO certificates so they have not been able to claim certified products of RSPO. The company already has Standard Operating Procedure for Product Traceability with document No. 101/DMIL-RSPO/2013 (revised on 18 march 2014) and has been committed to inform PT Mutuagung Lestari if there are exceeded claim of certified products.</p> <p><i>Preventive Action:</i> Training and understanding of all staffs regarding SCCS.</p>	Closed	21 March 2014

2013.36	SCCS- MB 3.2	<p>Retention Time of the Document of Supply Chain System Implementation.</p> <p>Company has not determined the retention time for all documents/records and reports regarding product requirements.</p>	Potential NC	Mill	Stage-2	Company must determine the retention time for all documents/records and reports regarding product requirements.	<p><i>Root of the Problem:</i> The decree has been available as per 10 January 2013 but at the time of the audit process, it had not been seen by the auditors yet.</p> <p><i>Corrective Action:</i> 18 March 2014 The company has determined in Standard Operating Procedure for Product Traceability with document No. 101/DMIL-RSPO/2013 revised on 18 march 2014 that retention time of all records and reports regarding product requirements is 5 years.</p> <p><i>Preventive Action:</i> The company will actively provide information.</p>	Closed	21/03/2014
2013.37	SCCS- MB 5.1	<p>Supply Chain training</p> <p>There is no sufficient evidence that the company has conducted a training for all mill and estate staffs related to Supply Chain implementation.</p>	Major	Mill & Estate	Surveillance 1	The company must be able to provide evidence of training for all staffs in order to implement the requirement of Supply Chain Certification System.	<p><i>Root of the Problem:</i> A training regarding supply chain has not been conducted.</p> <p><i>Corrective Action:</i> 20 March 2014 There is Minutes of Supply Chain Management Training on Thursday 19 March 2014 with the topic of "Mass Balance".</p> <p>The effectiveness and understanding of the staffs to the training will be observed in the next Assessment.</p>	Closed with observation	21 March 2014

							Preventive Action: A training program of supply chain will be compiled and performed sustainably.		
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3.5.2 Identification of Findings, Corrective Actions and Observations at ST-2 Assessment

No.	Ref Std/ Indicator	Non-conformance	Grade	Area	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
2014.01	Minor 4.1.2	<p>Operational Records. Operational records proving the activity implementation that refers to the SOP is not appropriate, among others:</p> <ul style="list-style-type: none"> Based on the study of the document and interview with harvest supervisor, it is known that the harvest supervisor does not fill in the harvest inspection form according to the SOP of Harvesting. Reports of plant maintenance plans and realization especially manual circle stating that Block F7, F8 (March 2014) and F9, F10 (February 2014) has been conducted. However, based on the field observation it is known that the manual circle has not been conducted. 	Minor	PT DMIL & PT Tebo Indah	Surveillance 1	The company must carry out the operational activities according to applicable SOP.	<p>15 May 2014.</p> <ul style="list-style-type: none"> The company provided document of harvesting area examination on 25 March 2014 in Afdeling I Block U10 at BR 1 signed by the foreman. The document informed the name of harvesters (Sunarso and Zanhuri) Line Number (2 and 4) and document of harvesting area examination in block H17/H18/H19 Division IV Teluk Pandak on 1 March 2014. Company showed evidence of documentation photographs of the result of circle cleaning in block F7, F8, F9 that has been done. The photos showed several circles are in clean condition. <p>However, evidence needs to be supported by field examination so the next maintenance will be</p>	Open	

							observed in the next visit.		
2014.02	Minor 4.2.2	Records of activities in maintaining and improving soil fertility. In 2013 PT DMIL did not conduct the manuring according to recommendation set.	Minor	PT DMIL	Surveillance 1	Company must conduct the manuring in accordance with recommendation has been set.	<p>15 April 2014. Company has demonstrated document of manuring recommendation of PT DMIL by PT Primakelola Agrobisnis Agroindustri in 2013.</p> <p>Company has shown the Recapitulation of Manuring Application/Realization report in BR 1, for example the use of RP fertilizer in May 2013 with recommendation 1.8 kg/palm, fertilizer applied is 170,000 for the application area of</p>	Open	

							1,565 Ha, the dose of fertilizer/hectare is 108.1 kg/ha. Based on this record, there is no sufficient evidence that the dose used is in accordance with recommendation (1.8 kg/palm).		
2014.03	Minor 4.5.1	<p>Monitoring record of IPM covering area including the training.</p> <ul style="list-style-type: none"> PT DMIL has not been able to provide evidence of IPM covering area monitoring record: termites' attack, ganoderma, <i>Oryctes rhinoceros</i> that is planned to be conducted every month. PT DMIL and PT TI have not been able to provide evidence that they have conducted training related to Integrated Pest Management. 	Minor	Estate of PT DMIL & PT Tebo Indah	Surveillance 1	Company must be able to provide record of IPM area monitoring including the training.	<p>15 April 2014.</p> <p>Company presented the evidence of improvement, such as:</p> <ol style="list-style-type: none"> Observation record of pest and disease attack (rats, termites, ganoderma and <i>Oryctes</i>) conducted monthly. For example, there was no attack in Block D2 BR 1 on 29 January 2014. The monitoring of nettle caterpillars is conducted every month. For example, there was no attack in Block E1 on 7 February 2014. Record of IPM training: <ul style="list-style-type: none"> Integrated pest management training (includes training on pest observation system/census, census team, observation procedure, observation frequency, pest calculation procedure, biological control 	Open	

							and recognition of natural enemies) on 4 April 2014 at the training center of PT Tebo Indah attended by 14 participants (attendance list and training materials available). <ul style="list-style-type: none"> • PT DMIL has not shown the training on Integrated Pest Management. The records show were records of training for chemical control (spray, the use of PPE and the danger of agrochemicals for pregnant and lactating mothers). 		
2014.04	Minor 4.7.6	OHS Equipment Compliance. Based on the result of interview with spray workers in Block S15 Afdeling 1 and maintenance workers of manual circle in T15 Afdeing 1, it is known that the company has not demonstrated the compliance of PPE (shoes) for all workers in accordance with applicable regulation.	Minor	PT Tebo Indah	Surveillance 1	Company must provide evidence of the compliance of Personal Protection Equipment for workers in accordance with the instruction from occupational safety experts.	15 April 2014. Company showed evidence of PPE handover in the form of boots to afdeling 1-4 as much as 130 boots. However, there is no sufficient evidence that the PPE has been handed over to workers.	Open	
2014.05	Minor 5.3.1	Plan for hazardous waste management in accordance with applicable regulation. Company has not been able to provide evidence that the company partner	Minor	PT DMIL & PT Tebo Indah	Surveillance 1	Company must be able to show the evidence of hazardous waste management in accordance with applicable regulation.		Open	

		contractor has not conducted hazardous waste management in a responsible way (waste oil spilled).								
2014.06	Minor 5.6.2	Records of identification, monitoring and POME management methodology. Company has not been able to provide evidence of POME management in accordance with applicable regulation. Based on the effluent monitoring result BOD and COD parameters are above the Threshold Value.	Minor	PT DMIL	Surveillance 1	Company must be able to provide evidence of POME management in accordance with applicable regulation Perusahaan		Open		
2014.07	Minor 6.1.1	Public Participation in Social Impact Management and Monitoring Plan. Based on the interview in several villages visited and document review, there is no sufficient evidence that the company has involved the community in planning social impact management and monitoring.	Minor	PT DMIL & PT Tebo Indah	Surveillance 1	Company must be able to provide evidence that the community has been involved in social impact management and monitoring.	15 April 2014 The records evidence in the form of Program Plan has been available to be implemented in each management unit (PT DMIL & PT TI). The plan was set based on the result of the meeting with local communities (attendance list and photos of the event available).	Closed	15 April 2014	
2014.08	Minor 6.5.2	Work agreement/contract with contractors requires that the contractors comply with applicable regulation in term of employment. There are work agreements/contracts with contractors that have not required the contractors to comply with applicable regulation in term of employment.		PT DMIL & PT Tebo Indah	Surveillance 1	The company must determine the work agreement/contract with contractors requires them to comply with applicable regulation in term of employment.	15 April 2014. Company demonstrated an example of agreement No. 01/BR-I/SPK-PT. DMIL/II/2014 informing that contractors only comply with the responsibilities of occupational accidents (article 2), does not employ children (article 4). However, there are still unclear requirements for other	Open		

							<p>employment regulations. For example, the obligation in using PPE, remuneration in accordance with Regional Minimum Wage and provision of labor insurance.</p> <p>Example of Work Agreement Letter for Tebo Indah has not been demonstrated yet.</p>		
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3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions

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


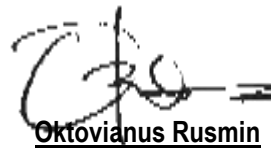

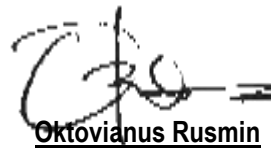

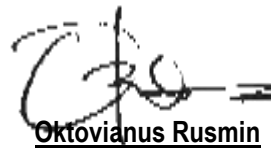
Issues from Public	Management Responses	Auditor Responses
<p>Beringin Jaya Village (Musi Rawas District) Positive Issue</p> <ul style="list-style-type: none"> - 75% of people in Beringin Jaya Village work as employees in PT DMIL. - Company has provided social assistant in the field of religion, youth, infrastructure and sport. - Public consultation regarding protected area is available. - Currently there are no land disputes. <p>Negative Issue</p> <ul style="list-style-type: none"> - Company has not helped in the field of education. 	<p>Agree with the information from the source.</p> <p>The majority of employees working in PT DMIL is from surrounding community. Company has provided a monthly allowance for school of the employees' children in accordance with their school levels.</p>	<p>Positive activities that have been carried out by the company should be maintained consistently and sustainably.</p>
<p>Bingin Rupit Village (Musi Rawas District) Positive Issues:</p> <ul style="list-style-type: none"> - 50% of the people in Bingin Rupit Village work as daily/contract employees in PT DMIL. - Company has provided social assistant in the field of religion, youth, infrastructure (improvement of drainage and road), and sport. - Public consultation regarding protected area is available. - People support certification activities of ISPO in PT DMIL. <p>Negative Issue</p> <ul style="list-style-type: none"> - Lack of opportunity given to local contractors, for example in transporting FFB. 	<p>Agree with the information from the source.</p> <p>The majority of work done by the system of contractor has been awarded to local contractors, such as: CV. Mulia Samudra (Bp. Santa), CV. Usaha Gemilang (Ibu Sari), CV. Paramita (Bp. Wirman), CV. Acan Brother, CV. Fia Aqta Jaya,</p>	<p>Positive activities that have been carried out by the company should be maintained consistently and sustainably.</p> <p>Company must keep providing any chances to community as one of the ways to improve local economy.</p>

Issues from Public	Management Responses	Auditor Responses
<ul style="list-style-type: none"> - There is still unresolved communal land from the old management and the new one. 	<ul style="list-style-type: none"> etc. The unresolved communal land is only an issue. 	
<p>Teluk Pandak Village</p> <p>Positive Issues</p> <ul style="list-style-type: none"> - The existence of PT TI estate has opened up employment opportunities for surrounding communities (there are about 70 local residents working in PT Tebo Indah). - Accessible path from the estate to surrounding villages. - Company has provided several assistances, such as assistance during religious festivals and youth activities in the villages. <p>Negative Issues</p>	<ul style="list-style-type: none"> Agree with information from the source. 	<p>Positive activities that have been carried out by the company should be maintained consistently and sustainably.</p>
<p>Tengah Ulu Village (Tebo District)</p> <p>Positive Issues</p> <ul style="list-style-type: none"> - Company has provided social assistant in the field of religion, youth, infrastructure and sport. - Public consultation regarding protected area is available. - Partnership pattern of 75%:25% through a transparent socialization process concerning partnership system, partnership period, and obtaining TKM (Seriousness Management Remark) amounting 1.5 million/hectare. SPPL (Letter of Land Acquisition and Submission) is still in the process of signing by Head of Tebo District. - Communities support certification activities of ISPO in PT TI. - In the future, company must remain operating in accordance with government Regulation. <p>Negative Issues</p>	<ul style="list-style-type: none"> Agree with information from the source. <p>There is quite a lot of residents employed in the</p>	<p>All positive aspects have been made by the company should be maintained and continuously improved during the plantation activities.</p>

Issues from Public	Management Responses	Auditor Responses
<ul style="list-style-type: none"> - Minimum acceptance of employment. - What about cattle (buffalo) located in the area between Mangun Jaya and Tengah Ulu Village?) People expect no to construct separation trench to avoid the buffalos enter the development area. - Road access from Pelayang Village to the company is relatively damaged. - In the future, land dispute is expected not to occur between community and PT TI. 	<p>company, but still adapted with the formation/job vacancies available. The issue is not a primary responsibility of the company, but in the future it will be accommodated in the CSR program.</p> <p>Company has been doing some repairs (although it is not a direct responsibility of the company).</p>	<p>Empowerment of the community as one of the efforts to improve the welfare of community should be continuously maintained.</p>
<p>Plantation Service of Musi Rawas District.</p> <p>Positive Issues</p> <ul style="list-style-type: none"> • Company has regularly reported activities of plantation management. • Report of Plantation Business Activity/LKUP semester II year 2013 has been submitted. • There were no issues related to land disputes in the area of PT DMIL. • Management of the plantation by PT DMIL currently perceived has been growing rapidly towards a better direction. • There has been transparency in the management of plantation from the current management. <p>Negative Issues.</p> <p>-</p>	<p>Agree with information from the source.</p>	<p>Company must always ensure that they have met the requirements and regulations concerning the management of sustainable oil palm plantation.</p>
<p>Labor and Transmigration Service of Musi Rawas District</p> <p>Positive Issues</p> <ul style="list-style-type: none"> • Company has established the Regional Minimum Wage in accordance with applicable regulation. • Report submissions such as P2K3, WLTK, and so forth have been done periodically. • Management awareness for the importance of OHS policy is quite well. 	<p>Agree with information from the source.</p>	<p>Company must always ensure that they have met the requirements and regulations concerning the management of sustainable oil palm plantation.</p>

Issues from Public	Management Responses	Auditor Responses
Negative Issues -		
Environmental Service of Musi Rawas District. Positive Issues <ul style="list-style-type: none"> • Self-monitoring result of environmental management indicated that the quality of effluent from POM has met the requirement of specified quality standard. • Company is expected to implement the recommendation from Environment Bodies associated with environmental monitoring. Negative Issues	Agree with information from the source.	Company must always ensure that they have met the requirements and regulations concerning the management of sustainable oil palm plantation.
National Land Agency of Musi Rawas District <ul style="list-style-type: none"> • There is still a small portion of HGU which has not been maintained by the company. 	For the small portion of undeveloped land: the management has been and is being on process. However, we need to mention that the land in question is an HCV so that it should not be managed, in fact, it should be preserved.	Company must always ensure that they have met the requirements and regulations concerning the management of sustainable oil palm plantation.
Social Labor and Transmigration Service of Tebo District. <ul style="list-style-type: none"> - Company has been quite cooperative regarding the fulfillment of the mandatory reporting. - Management awareness for the importance of OHS policy is quite well. 	Agree with information from the source.	Company must always ensure that they have met the requirements and regulations concerning the management of sustainable oil palm plantation.

Issues from Public	Management Responses	Auditor Responses
<p>Plantation Service of Tebo District</p> <ul style="list-style-type: none"> - Company has regularly reported activities of plantation management. - Report of Plantation Business Activity/LKUP semester II year 2013 has been submitted. - There were no issues related to land disputes in the area of PT DMIL. - Management of the plantation by PT DMIL currently perceived has been growing rapidly towards a better direction. 	<p>Agree with information from the source.</p>	<p>Company must always ensure that they have met the requirements and regulations concerning the management of sustainable oil palm plantation.</p>
<p>Environment Bodies of Tebo District</p> <p>Positive Issues</p> <ul style="list-style-type: none"> - Overall, environmental management has been conducted by the company is quite well. <p>Negative Issue</p> <ul style="list-style-type: none"> - The company has not demonstrated the quarterly report of Hazardous Waste to relevant agencies. 	<p>Agree with information from the source.</p> <p>In the process of reporting.</p>	<p>Company must always ensure that they have met the requirements and regulations concerning the management of sustainable oil palm plantation.</p>
<p>National Land Agency of Tebo District</p> <ul style="list-style-type: none"> - There is still a small portion of HGU which has not been maintained by the company. 	<p>The management has been and is being conducted, a part of the land is HCV so it cannot be managed, and in fact it should be preserved.</p>	<p>Company must always ensure that they have met the requirements and regulations concerning the management of sustainable oil palm plantation.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table border="0" data-bbox="271 828 1324 1075"><tr><td data-bbox="271 828 829 1075"><p>PT. Dendymarker Indah Lestari Management Representative</p><p><u>Rio Christiawan</u></p></td><td data-bbox="829 828 1324 1075"><p>Mutuagung Lestari Lead Auditor</p><p><u>Oktovianus Rusmin</u></p></td></tr></table>	<p>PT. Dendymarker Indah Lestari Management Representative</p>  <p><u>Rio Christiawan</u></p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Oktovianus Rusmin</u></p>
<p>PT. Dendymarker Indah Lestari Management Representative</p>  <p><u>Rio Christiawan</u></p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Oktovianus Rusmin</u></p>		

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

No	Instansi/LSM/Masyarakat	Alamat	No. Telp/e-mail	Tipe Konsultasi	Tanggal
1	BLH Kabupaten Musi Rawas	Komplek Perkantoran Pemerintah Kabupaten Musi Rawas Jalan Lintas Sumatera KM 12.5, Muara Beliti, Musi Rawas, Sumatera Selatan		Kunjungan langsung	18 Maret 2014
2	Disnakertrans Kabupaten Musi Rawas	Komplek Perkantoran Pemerintah Kabupaten Musi Rawas Jalan Lintas Sumatera KM 12.5, Muara Beliti, Musi Rawas, Sumatera Selatan		Kunjungan langsung	18 Maret 2014
3	Dinas Perkebunan Kabupaten Musi Rawas	Komplek Perkantoran Pemerintah Kabupaten Musi Rawas Jalan Lintas Sumatera KM 12.5, Muara Beliti, Musi Rawas, Sumatera Selatan		Kunjungan langsung	18 Maret 2014
4	BPN Kabupaten Musi Rawas	Komplek Perkantoran Pemerintah Kabupaten Musi Rawas Jalan Lintas Sumatera KM 12.5, Muara Beliti, Musi Rawas, Sumatera Selatan		Kunjungan langsung	18 Maret 2014
5	BLH Kabupaten Tebo	Komplek Perkantoran Seentak Galah Serengkuh Dayung Jalan Tebo-Bungo KM 12, Muara Tebo, Jambi		Kunjungan langsung	20 Maret 2014
6	Disnakertrans Kabupaten Tebo	Komplek Perkantoran Seentak Galah Serengkuh Dayung Jalan Tebo-Bungo KM 12, Muara Tebo, Jambi		Kunjungan langsung	20 Maret 2014
7	Dinas Perkebunan Kabupaten Tebo	Komplek Perkantoran Seentak Galah Serengkuh Dayung Jalan Tebo-Bungo KM 12, Muara Tebo, Jambi		Kunjungan langsung	20 Maret 2014
8	BPN Kabupaten Tebo	Komplek Perkantoran Seentak Galah Serengkuh Dayung Jalan Tebo-Bungo KM 12, Muara Tebo, Jambi		Kunjungan langsung	20 Maret 2014
9	Desa Beringin Jaya	Kabupaten Musi Rawas		Kunjungan langsung	18 Maret 2014
10	Desa Bingin Rupit	Kabupaten Musi Rawas		Kunjungan langsung	18 Maret 2014
11	Desa Teluk Pandak	Kabupaten Tebo		Kunjungan langsung	20 Maret 2014
12	Desa Tengah Ulu	Kabupaten Tebo		Kunjungan langsung	20 Maret 2014
13	Sawit Wach	Jakarta		Email	20 Januari 2014
14	WWF	Jakarta		Email	20 Januari 2014
15	Walhi	Jakarta		Email	20 Januari 2014

Appendix 2. Assessment Program

TANGGAL		17 - 21 Maret 2014		AUDITOR			
ALOKASI WAKTU	AKTUAL	PROSES / HAL YANG DIAUDIT		OR	MES	IWS	APP
		Evaluasi	Indikator				
Senin, 17 Maret 2014							
08.00 – 14.00		Jakarta ke Bengkulu (Lokasi Kebun PT. Dendymarker Indahlestari)		Tim Auditor			
14.00 – 15.30		Opening Meeting					
16.30 - 17.00		Verifikasi potensi ketidaksesuaian Stage 1 dan Melengkapi Check List		Tim Auditor			
		• Rekaman Informasi dan Tanggapan	1.1; 1.2				√
		• Pemenuhan terhadap peraturan dan perundang-undangan	2.1	√	√	√	√
		• Legalitas, Perizinan dan Penguasaan Lahan	2.2; 2.3	√			
		• Perencanaan kelayakan ekonomi jangka panjang	3.1		√		
		• <i>Best Practices</i> / Penerapan praktik terbaik (Panen, Angkut, Olah)	4.1; 4.6		√		
		• Konservasi tanah dan Air	4.2; 4.3; 4.4; 7.2; 7.4			√	√
		• Pengendalian Hama Terpadu	4.5				√
		• K3 / Kesehatan Keselamatan Kerja dan pelatihan	4.7; 4.8		√		
		• Tanggung Jawab Lingkungan dan Sosial	5.1; 6.1; 7.1; 7.7	√		√	
		• Pencegahan dan Penanggulangan Kebakaran	7.7; 5.5		√		
		• HCV dan Kawan Lindung	5.2; 7.3;	√			
		• Pengelolaan Limbah dan Polusi/Emisi	5.3; 5.4; 5.6			√	
		• Tanggung Jawab pembangunan dan Sosial	6.7; 6.8; 6.9; 6.10; 6.11	√			√
		• Tanggung jawab terhadap pekerja	6.5; 6.6		√		
		• Komunikasi, informasi dan konsultasi dengan masyarakat secara terbuka	6.2; 6.3; 6.4; 7.5; 7.6	√			√
		• <i>Continuous Improvement</i> / Perbaikan Berkelanjutan	8.1	√	√	√	√
		• <i>Supply Chain / Rantai Pasok</i>	S.C.C.S	√			
Selasa, 18 Maret 2014							
08.00-12.00		Kunjungan Lapangan di PT Dendymarker Indahlestari		OR, IWS, APP			
13.00-19.00		Perjalanan ke PT Tebo Indah					
08.00-15.00		Konsultasi Stakeholder		MES			
Rabu, 19 Maret 2014							
08.00-12.00 14.00-17.00		Verifikasi potensi ketidaksesuaian Stage 1 di PT Tebo Indah dan Melengkapi Check List		OR, MES, IWS, APP			
Kamis, 20 Maret 2014							
08.00-12.00 14.00-17.00		Kunjungan Lapangan di PT Tebo Indah		OR, MES, IWS, APP			

		Lanjutan Kunjungan Lapangan		
Jumat, 21 Maret 2014				
09.00 – 11.00		Closing Meeting		Tim Auditor
13.00 – 16.00		Perjalanan dari lokasi kebun ke Jambi		
18.00 – 19.00		Jambi ke Jakarta		

Appendix 3. Glossary

Lampiran 3. Istilah-istilah		
AMDAL	:	Analisis Mengenai Dampak Lingkungan
APD	:	Alat Pelindungan Diri
BT	:	Bujur Timur
B3	:	Bahan Beracun dan Berbahaya
BOD	:	Biological Oxygen Demand
CPO	:	Crude Palm Oil
CBD	:	Convention on Biodiversity
DMIL	:	Dendymarker Indahlestari
GRK	:	Gas Rumah Kaca
HGU	:	Hak Guna Usaha
IUP	:	Izin Usaha Perkebunan
IUP-B	:	Izin Usaha Perkebunan untuk Budidaya
IUP-P	:	Izin Usaha Perkebunan untuk Pengolahan
IPAL	:	Instalasi Pengolahan Air Limbah
ISPO	:	Indonesian Sustainable Palm Oil (Perkebunan Kelapa Sawit Berkelanjutan Indonesia)
JAMSOSTE K	:	Jaminan Sosial Tenaga Kerja
K3	:	Keselamatan dan Kesehatan Kerja
KER	:	Kernel Extraction Rate (Rendemen Kernel)
Kerani	:	Juru tulis/catat (pegawai yang mengurus administrasi sederhana)
LC	:	Land Clearing (Pembukaan Lahan)
LS	:	Lintang Selatan
LU	:	Lintang Utara
NKT	:	Nilai Konservasi Tinggi
OER	:	Oil Extraction Rate (Rendemen Minyak Kelapa Sawit)
Permentan	:	Peraturan Menteri Pertanian
PK	:	Palm Kernel (Inti Sawit)
PKO	:	Palm Kernel Oil
PKS	:	Pabrik Kelapa Sawit
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan
RSPO	:	Rountable on Sustainable Palm Oil
SHM	:	Sertifikat Hak Milik
SOP	:	Standart Operating System
SPUP	:	Surat Pendaftaran Usaha Perkebunan
TBS	:	Tandan Buah Segar (<i>Fresh Fruit Bunches</i>)
TI	:	Tebo Indah
UKL/UPL	:	Upaya Kelola Lingkungan / Upaya Pemantauan Lingkungan (<i>Environmental Management Efforts/ Environmental Monitoring Efforts</i>)