

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

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

Name of Management Organisation : **Daya Labuhan Indah 2 Palm Oil Mill – PT Daya Labuhan Indah subsidiary of Wilmar International Limited**
 Plantation Name : **PT Daya Labuhan Indah: Wonosari Estates, Sei Deras
PT Perkebunan Milano: Cabang Dua Estate**
 Location : Sei Tampang Village, Bilah Hilir Sub-district, Labuhanbatu District, North Sumatera Province, Indonesia.
 Certificate Code : **MUTU-RSPO/047**
 Date of Certificate Issue : 8 October 2014 Date of License Issue : 8 October 2017
 Date of Certificate Expiry : 7 October 2019 Date of License Expiry : 7 October 2018

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|------------|----------------------|---|---------------------|-------------------|
| ASA-3 | 01 to 03 August 2017 | Oktovianus Rusmin (Lead Auditor); Marsudi Eko Santoso, Sofyan Hadi Lubis; Asystasya Aishah Silalahi | Octo HPN Nainggolan | Tony Arifarachman |

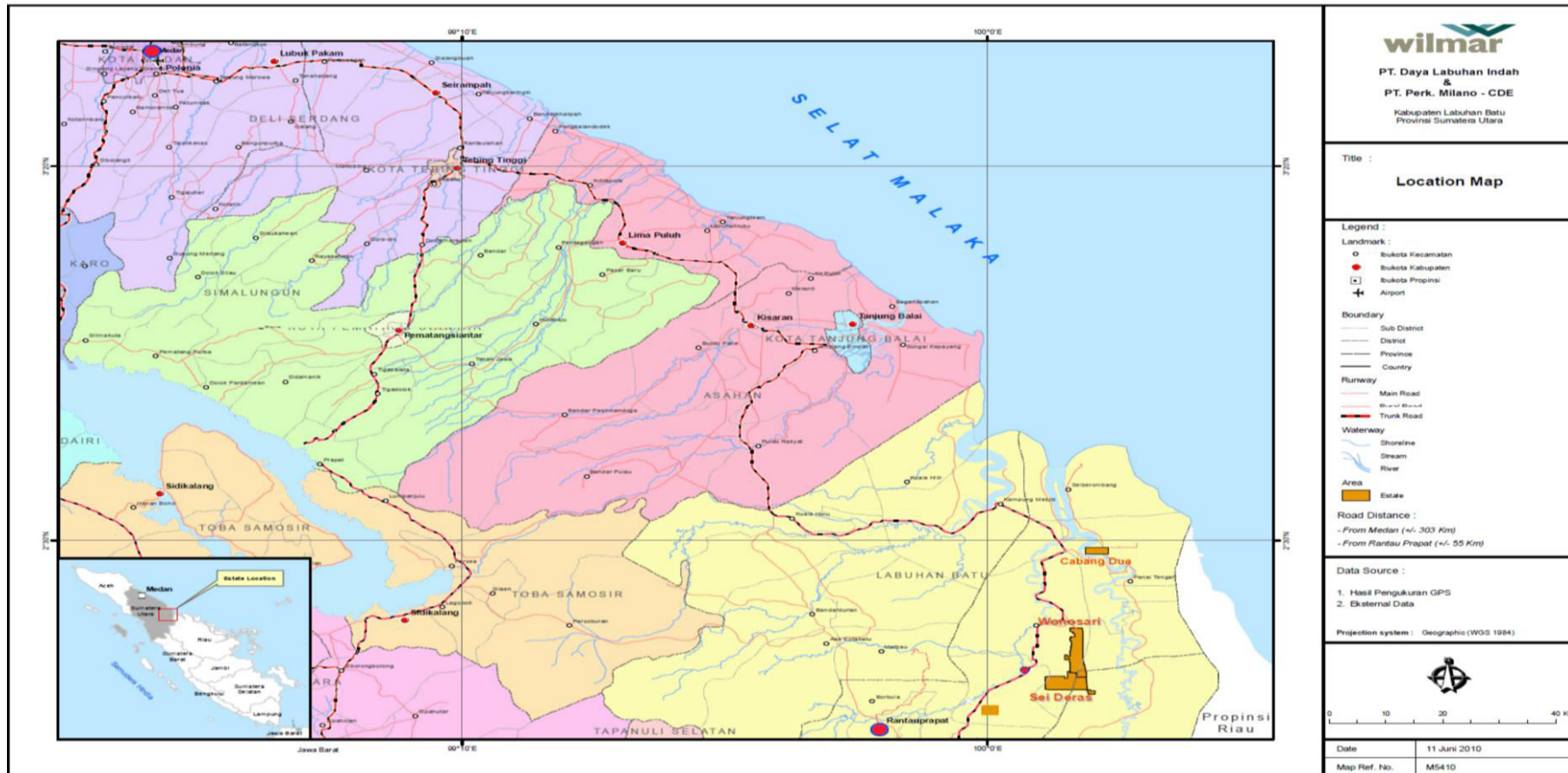
| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ASA-3 | 06 October 2017 |

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FIGURE

Figure 1. Location Map of DLI 2 Mill and PT Perkebunan Milano, Province of Sumatera Utara



Operational Map of Wonosari Estate and Sei Deras Estate (Daya Labuhan Indah), Province of Sumatera Utara

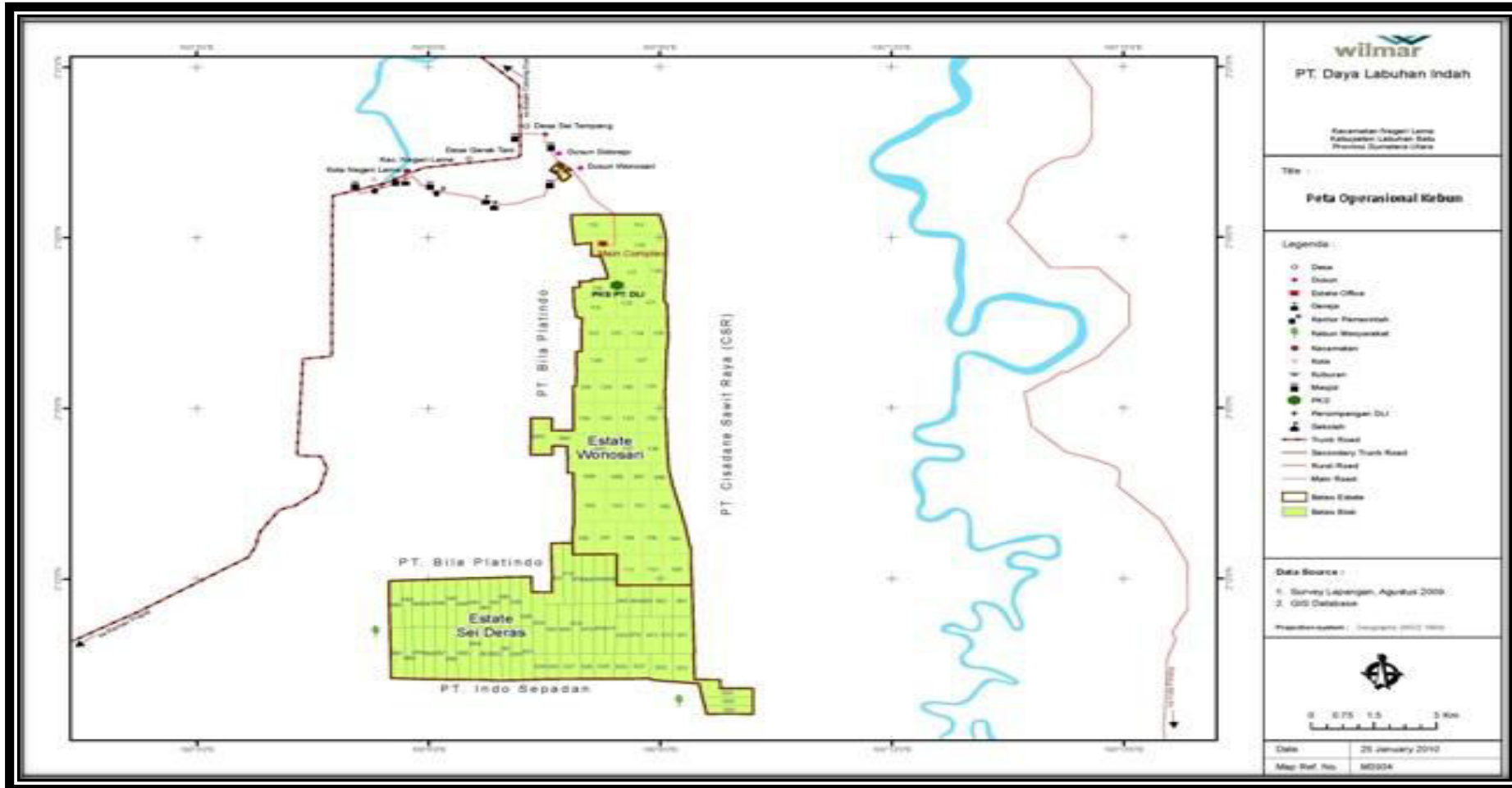
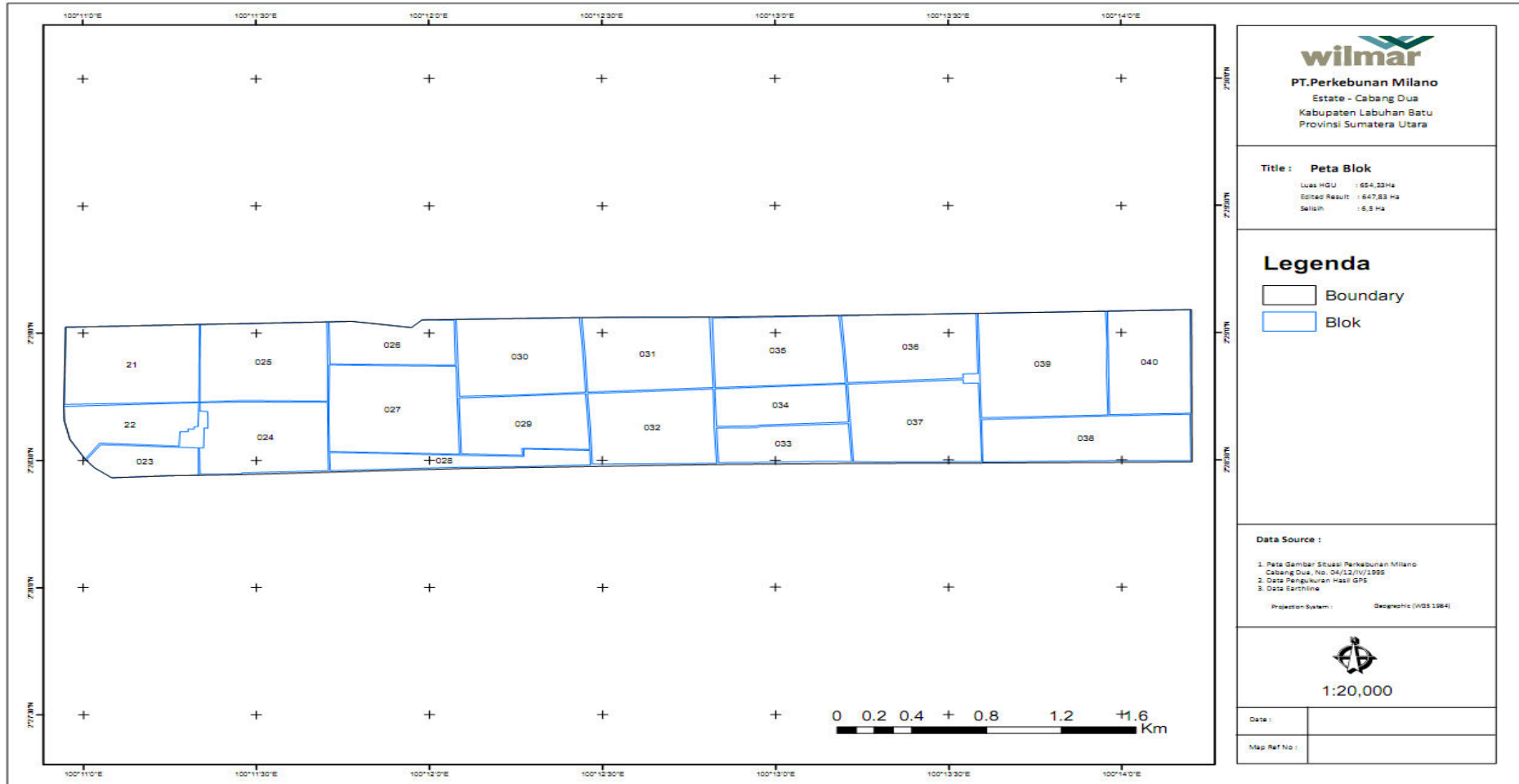


Figure 3. Operational Map of Cabang Dua Estate (PT Perkebunan Milano), Province of Sumatera Utara



Glossary

| | | |
|---------|---|---|
| AGM | : | Assistant General Manager |
| APAR | : | Fire Extinguisher |
| ASA | : | Annual Surveillance Assessment |
| BLH | : | Environment Agency |
| BOD | : | Biochemical Oxygen Demand |
| B3 | : | Scheduled Waste |
| BM | : | Bina Mitra |
| CB | : | Certification Body |
| DO | : | Dissolved Oxygen |
| COD | : | Chemical Oxygen Demand |
| CPO | : | Crude Palm Oil |
| CSPK | : | Certified Sustainable Palm Kernel |
| CSPO | : | Certified Sustainable Palm Oil |
| CSR | : | Cooperation Social Responsibility |
| DM | : | Division Manager |
| DLI | : | Daya Labuhan Indah |
| EFB | : | Empty Fruit Bunch |
| EHS | : | Environment, Health, and Safety |
| EIA | : | Environment Impact Assessment |
| EM | : | Estate Manager |
| FFB | : | Fresh Fruit Bunch |
| FGD | : | Focus Group Discussion |
| FPIC | : | Free, Prior, Informed, Consent |
| GHG | : | Green House Gass |
| HCV | : | High Conservation Value |
| HGU | : | Land Use Title |
| IP | : | Identity Preserved |
| IPM | : | Integrated Pest Management |
| IUP | : | License of Plantation |
| KSD | : | Kebun Sei Deras |
| KTU | : | Head of Administration |
| KWS | : | Kebun Wonosari |
| LB3 | : | Scheduled Waste |
| LCC | : | Legume Cover Crop |
| LD50 | : | Lethal Dose 50 |
| LUCA | : | Land Use Change Analysis |
| MB | : | Mass Balance |
| MSDS | : | Material Safety Data Sheet |
| MT | : | Metrick Ton |
| NGO | : | Non Government Organization |
| OHS | : | Occupational Health and Safety |
| P2K3 | : | Guiding Committee Of Occupational Safety & Health |
| P3K | : | First Aid Kit |
| PK | : | Palm Kernel |
| POM | : | Palm Oil Mill |
| POME | : | Palm Oil Mill Effluent |
| PPE | : | Personal Protective Equipment |
| RKL/RPL | : | Environment Management and Monitoring |
| RSPO | : | Roundtable on Sustainable Palm Oil |
| RTE | : | Rare, Threatened, and Endangered |

| | | |
|------|---|------------------------------------|
| TPS | : | Temporary Storage |
| TPSA | : | Landfill Area |
| RTE | : | Rare, Threatened or Endangered |
| SCCS | : | Supply Chain Certification System |
| SEIA | : | Environmental Impact Assessment |
| SOP | : | Standart Operational and Procedure |
| WWTP | : | Waste Water Treatment Plant |

| | | | |
|--|---|--|-----------------------------------|
| 1.0 SCOPE OF THE CERTIFICATION ASSESSMENT | | | |
| 1.1 Assessment Standard Used | | | |
| <ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> | | | |
| 1.2 Organisation Information | | | |
| 1.2.1 | Organisation name listed in the certificate | Daya Labuhan Indah 2 POM - PT Daya Labuhan Indah WILMAR INTERNATIONAL LIMITED | |
| 1.2.2 | Contact person | Simon Siburat | |
| 1.2.3 | Organisation address and site address | <p>RSPO registered company 56.Neil Road Singapore, Singapore 088 030 (65) 6216-0244</p> <p>Liaison Office Medan: Jln Putri Hijau Ged JW Marriott Lt 7, 8, 9, Selalas, Medan Barat Kabupaten/Kota: Medan Kode pos: 20114 Fax: 061 4143150 - 061 4575104</p> <p>Jakarta: Multivison Tower Lt. 15 Jl. Kuningan Mulia Blok B9, Kuningan, Jakarta 12980 – Indonesia</p> | |
| 1.2.4 | Telephone | (62-21) 293 80777 | |
| 1.2.5 | Fax | (62-21) 293 80115 | |
| 1.2.6 | E-mail | simonsiburat@wilmar.com | |
| 1.2.7 | Web page address | www.wilmar.co.id | |
| 1.2.8 | Management Representative who completed the application for certification | Simon Siburat (Sustainability Controller Wilmar Group) | |
| 1.2.9 | Registered as RSPO member | 2-0017-05-000-00 (registered since August 16 th 2005) | |
| 1.3 Type of Assessment | | | |
| 1.3.1 | Scope of Assessment and Number of Management Unit | Palm Oil Mill and supply base <ul style="list-style-type: none"> • DLI 2 POM, Wonosari Estate (PT DLI), Sei Deras Estate (PT DLI), Cabang Dua Estate (PT Perkebunan Milano). | |
| 1.3.2 | Type of certificate | Single | |
| 1.4 Locations of Mill and Plantation | | | |
| 1.4.1 | Location of Mill | | |
| | Name of Mill | Location | Coordinate |
| | | | Latitude Longitude |
| | DLI 2 POM | Sei Tampang Village, Bilah Hilir Sub-district, Labuhanbatu District, North | N 02° 17' 10" E 100° 08' 27" |

| | | | | | |
|------------|--|---|------------------------------|-------------------------------|-------------------|
| | Sumatera Province | | | | |
| 1.4.2 | Location of Certification Scope of Supply Base | | | | |
| | Name of Supply Base | Location | Coordinate | | |
| | | | Latitude | Longitude | |
| | Wonosari Estate | Sei Tampang Village, Bilah Hilir Sub-district, Labuhanbatu District, North Sumatera Province | N 02° 17' 54" | E 100° 08' 16" | |
| | Sei Deras Estate | Bilah Village, Bilah Hilir Sub-district, Labuhanbatu District, North Sumatera Province | N 02° 10' 47" | E 100° 08' 08" | |
| | Cabang Dua Estate | Sei Nahodaris Village, Panai Tengah Sub-district, Labuhanbatu District, North Sumatera Province | N 02° 08' 36" | E 100° 11' 18" | |
| 1.5 | Description of Area Statement | | | | |
| 1.5.1 | Tenure | | | | |
| | • State | | 6,226.58 | Ha | |
| | PT Daya Labuhan Indah | | 5,572.25 | Ha | |
| | PT Perkebunan Milano | | 654.33 | Ha | |
| | • Community | | - | Ha | |
| 1.5.2 | Area Statement | | | | |
| | | Wonosari Estate (Ha) | Sei Deras Estate (Ha) | Cabang Dua Estate (Ha) | TOTAL (Ha) |
| | • Total area | 2,944.59 | 2,627.66 | 654.33 | 6,226.58 |
| | • Mature area | 1,486.35 | 613.12 | 268.21 | 2,367.68 |
| | • Immature area | 1,095.30 | 1,864.32 | 340.31 | 3,299.93 |
| | • Mill/emplasment/road | 362.94 | 40.06 | 40.90 | 443.90 |
| | • Nursery | - | - | 2.50 | 2.50 |
| | • Occupation | - | 101.04 | - | 101.04 |
| | • HCV (Include infrastructure area) | - | 9.12 | 2.41 | 11.53 |
| 1.6 | Planting Year and Cycles | | | | |
| 1.6.1 | Age profile of planting year | | | | |
| | Planting Year | Hectarage (Ha) | | | |
| | | Wonosari Estate | Sei Deras Estate | Cabang Dua Estate | Total |
| | 1990 | - | - | 67.08 | 67.08 |
| | 1994 | - | - | 16.24 | 16.24 |
| | 2000 | - | - | 112.07 | 112.07 |
| | 2001 | - | - | 34.83 | 34.83 |
| | 2002 | - | - | 19.01 | 19.01 |
| | 2003 | - | - | 18.98 | 18.98 |
| | 2009 | 582.12 | - | - | 582.12 |

| | | | | | | | |
|------------|---|-------------------------------|------------------------------------|--|-------------------------------|--|-----------------------|
| | 2010 | 904.23 | - | - | 904.23 | | |
| | 2012 | - | 613.12 | - | 613.12 | | |
| | 2013 | - | 992.11 | 73.14 | 1,065.25 | | |
| | 2014 | 837.11 | 807.32 | 267.17 | 1,911.60 | | |
| | 2015 | 258.19 | 64.89 | - | 323.08 | | |
| | TOTAL | 2,581.65 | 2,477.44 | 608.52 | 5,667.61 | | |
| 1.6.2 | New Planting area after January 2010 | | Ha | | | | |
| 1.6.3 | | | | | | | |
| 1.7 | Description of Mill and Supply Base | | | | | | |
| 1.7.1 | | | | | | | |
| | Name of Mill | Capacity (tonnes/hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
| | | | | Out put (ton) | Extraction (%) | Out put (ton) | Extraction (%) |
| | DLI 2 POM | 30 | 94,805,830 | 21,507,827 | 22.7 | 4,413,505 | 4,7 |
| | <i>*Production data source from August 2016 – July 2017</i> | | | | | | |
| 1.7.2 | Description of Certification Scope of Supply Base | | | | | | |
| | Name of Estate | Total Area (Ha) | Planted Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/year) | Supplied to Mill | |
| | | | | | | FFB (tonnes/year) | % |
| | Wonosari Estate | 2,944.59 | 2,581.65 | 39,810.07 | 17.13 | 39,810.07 | 100 |
| | Sei Deras Estate | 2,627.66 | 2,477.44 | 30,092.21 | 12.47 | 30,092.21 | 100 |
| | Cabang Dua Estate | 654.33 | 608.52 | 4,840.91 | 7.96 | 4,840.91 | 100 |
| | TOTAL | 6,226.58 | 5,667.61 | 74,743.19 | 13.98 | 74,743.19 | 100 |
| | <i>* Production data source from August 2016 – July 2017 Overnight fruit on 31 July 2017 is 7.980 ton</i> | | | | | | |
| 1.7.3 | FFB description from other source | | | | | | |
| | Name of sources/Organisation (RSPO certified / non-certified) | Type of Organisation | Number of smallholders | Production Area (Ha) | Supplied to Mill | | |
| | | | | | FFB (tonnes/year) | | |
| | Merbau Estater (RSPO Certified) | PT Milano | - | 974.77 | 20,070.62 | | |
| | TOTAL | | | | | 20,070.62 | |
| | <i>*Production data source from August 2016 – July 2017</i> | | | | | | |
| 1.7.4 | Product categories | | | FFB, CPO, PK | | | |
| 1.8 | Estimate Tonnage of Certified Product | | | | | | |
| 1.8.1 | Past Annual Claim Certified Product | | | Previous Certificate Claim 08 October to 07 October 2017 | | Actual certified product 08 October 2016 to 31 July 2017 | |

| | | | |
|-------------|---|--|------------------------------------|
| | | (tonnes/year) | (tonnes/year) |
| | • FFB Production | 76,690 | 57,973 |
| | • CPO Production | 17,255 | 16,115 |
| | • Palm Kernel (PK) Production | 3,835 | 5,068 |
| 1.8.2 | Product selling | | |
| | Tonnage of selling product | Actual selling product period 08 October 2016 until 31 July 2017 | |
| | • CSPO | 6,610.74 | |
| | • CSPK | 1,142 | |
| | • CPO under other scheme trading (e.g ISCC, RFS) | 0 | |
| | • CPO under conventional trading (if any) | 0 | |
| | • PK under other scheme | 0 | |
| | • PK under conventional trading (if any) | 0 | |
| 1.8.3 | Estimate of Certified FFB Claim | | |
| | Name of Estate(s) | Total Area (Ha) | Planted Area (Ha) |
| | | | FFB (tonnes/year) |
| | | | Yield (tonnes/ha/year) |
| | Wonosari Estate | 2,944.59 | 2,581.65 |
| | Sei Deras Estate | 2,627.66 | 2,477.44 |
| | Cabang Dua Estate | 654.33 | 608.52 |
| | TOTAL | 6,226.58 | 5,667.61 |
| | <i>*Projected FFB production for 12 months of certificate</i> | | |
| 1.8.4 | Estimate of Certified Palm Product Claim | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) |
| | | | CPO |
| | | | Palm Kernel |
| | | | Supply Chain Module |
| | | | Out put (ton) |
| | | | Extraction (%) |
| | | | Out put (ton) |
| | | | Extraction (%) |
| | DLI 2 POM | 30 | 88,850 |
| | | | 23,901 |
| | | | 26.9 |
| | | | 5,153 |
| | | | 5.8 |
| | | | IP |
| | <i>*Projected CSPO and CSPK production for 12 months of certificate</i> | | |
| 1.9 | Other Certifications | | |
| | ISCC | - | |
| | Others | - | |
| 1.10 | Time Bound Plan | | |
| 1.10.1 | Time Bound Plan for Other Management Units | | |
| | Management Unit | | Estate (Supply Base) |
| | MILL | Time Bound Plan | Time Bound Plan |
| | | | Location |
| | | | Status |
| | Sapi (1 + 2) | 2008 | Sapi 1 & 2, Kiabau |
| | | | 2008 |
| | | | Sandakan, Sabah, Malaysia |
| | | | Certified |

| | | | | | |
|-----------------------------|------|--|------|-----------------------------|-----------|
| Sabahmas | 2008 | Sabahmas | 2008 | Lahad Datu, Sabah, Malaysia | Certified |
| Reka Halus | 2008 | Reka Halus | 2008 | Sandakan, Sabah, Malaysia | Certified |
| Saremas 1 | 2008 | Saremas 1, Saremas 2 (Div D), Suai | 2008 | Miri Serawak, Malaysia | Certified |
| Saremas 2 | 2008 | Saremas 2 (exclude Div D), Kaminsky, Segarmas | 2008 | Miri Serawak, Malaysia | Certified |
| Terusan (1 + 2) | 2009 | Terusan 1 & 2, Rumidi | 2009 | Sandakan, Sabah, Malaysia | Certified |
| Ribubonus | 2009 | Ribubonus | 2009 | Sandakan, Sabah, Malaysia | Certified |
| PT Perkebunan Milano | 2009 | Sei Daun, Batang Saponggol, Marbau | 2009 | North Sumatra | Certified |
| PT Mustika Sembuluh 1 | 2009 | Mustika Sembuluh 1, Mustika Sembuluh 2, Kerry Sawit Indonesia 2, Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3 | 2009 | Central Kalimantan | Certified |
| PT Mustika Sembuluh 2 | 2015 | Mustika Sembuluh 3, Bumi Sawit Kencana 1 | 2015 | Central Kalimantan | Certified |
| PT Kencana Sawit Indonesia | 2010 | Kencana Sawit Indonesia, Koperasi Swamata | 2010 | West Sumatra. | Certified |
| PT. Kerry Sawit Indonesia 1 | 2010 | Kerry Sawit Indonesia 2, Kerry Sawit Indonesia 3 | 2010 | Central Kalimantan | Certified |
| PT. Kerry Sawit Indonesia 2 | 2015 | Kerry Sawit Indonesia 1, Kerry Sawit Indonesia 2, Mustika Sembuluh 2, | 2015 | Central Kalimantan | Certified |
| PT. Tania Selatan | 2010 | Burnai Barat, Burnai Timur | 2010 | South Sumatra | Certified |
| Sri Kamusan | 2010 | Hibumas 1, Hibumas 2, Sri Kamusan, Jebawang, Sekar Imej, Sapi Sugut | 2010 | Sandakan, Sabah | Certified |
| PT. AMP Plantation | 2011 | AMP I, AMP II, AMP III, AMP, Primatama Mulia Jaya, Karya Agung Megah Utama, Perkebunan Anak Negeri, Koperasi Tompek Tapian Kandis | 2011 | West Sumatra | Certified |
| PT. ANI (Sambas) | 2012 | ANI Estate | 2012 | West Kalimantan | Certified |
| PT. Buluh Cawang Plantation | 2012 | Bumi Arjo, Dabuk Rejo, Sukamulya, Bambu Kuning | 2012 | South Sumatra | Certified |

| | | | | | |
|---------------------------------|------|---|------|--------------------|-------------|
| PT. Bumi Sawit Kencana | 2012 | Bumi Sawit Kencana 1, Bumi Sawit Kencana 2, Karunia Kencana Permaisejati 1 | 2012 | Central Kalimantan | Certified |
| PT. Sarana Titian Permata | 2012 | Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3 | 2012 | Central Kalimantan | Certified |
| PT. Sarana Titian Permata 2 | 2018 | Sarana Titian Permata 1, Sarana Titian Permata 2 | 2018 | Central Kalimantan | - |
| PT. Gersindo Minang Plantation | 2013 | Gersindo Minang Plantation, Permata Hijau Plantation-1, Permata Hijau Plantation-2 | 2013 | West Sumatra | Certified |
| PT. Daya Labuhan Indah | 2013 | Wonosari, Sei Deras, Cabang Dua | 2013 | North Sumatra | Certified |
| PT. Milano (Cabang Dua Estate) | 2013 | (Supply base DLI-2) | 2013 | North Sumatra | Certified |
| PT. Agro Palindo Sakti | 2014 | PT Agro Palindo Sakti Estate | 2014 | South Sumatra | Certified |
| PT. Mentaya Sawit Mas | 2014 | Mentaya Sawit Mas 1, Mentaya Sawit Mas 2, Bumi Sawit Kencana 2 | 2014 | Central Kalimantan | Certified |
| PT. Sinarsiak Dianpermai | 2018 | PT Sinarsiak Dianpermai Estate | 2018 | Riau | Stage 1 |
| BBPOP (Benso Plantation) | 2015 | Benso, Benso Smallholder | 2015 | Ghana | Certified |
| PT. Murini Sam Sam | 2015 | Murini Sam Sam Estate | 2015 | Riau | Certified |
| PT Bumi Pratama Khatulistiwa | 2016 | Bumi Pratama Khatulistiwa Estate Buluh Cawang Estate | 2016 | West Kalimantan | Final Audit |
| PT Karunia Kencana Permaisejati | 2015 | PT. Karunia Kencana Permaisejati 1, PT. Karunia Kencana Permaisejati 2, PT. Karunia Kencana Permaisejati 3 | 2015 | Central Kalimantan | Final Audit |
| PT Rimba Harapan Sakti | 2015 | PT. Rimba Harapan Sakti 1, PT. Rimba Harapan Sakti 2, Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3 | 2015 | Central Kalimantan | Certified |
| PT Agronusa Investama Pahauman | 2018 | PT ANI Pahauman estate PT Pratama Procentindo | 2018 | West Kalimantan | - |
| PT. Agro Palindo Sakti 2 | 2018 | PT. Agro Palindo Sakti estate, PT. Indo resin | 2018 | West Kalimantan | - |

| | | | | | | |
|--|--|---|---|------|----------------|---|
| | | Putra Mandiri, PT. Daya Landak Plantation, PT. Putra Indotropical | | | | |
| | PT. Agroindo Indah Perkasa 2 | 2017 | PT Agroindo Indah Perkasa Estate | 2017 | Bangko – Jambi | - |
| | PT. Musi Banyuasin Indah | 2018 | PT MBI Sei Jarum estate PT MBI Sei Selabu estate | 2018 | South Sumatera | - |
| <i>Time Bound Plan updated 16 September 2016</i> | | | | | | |
| 1.10.2 | Progress of Associated Smallholders and Outgrowers for Certifiable Standard | | | | | |
| | The Certificate Holder of does not cooperate with any other associate smallholders | | | | | |

| | |
|---|--|
| 2.0 ASSESSMENT PROCESS | |
| 2.1 Assessment Team | |
| ASA-3 | <p>1. Oktovianus Rusmin (Lead Auditor). Bachelor's Degree in Social & Political Sciences Department of Anthropology. The working experience, consist of: Coastal Project-Department of Anthropology in Indonesian University (Pilot Project of Mangrove Rehabilitation in coastal area of South Sulawesi) as Social Supervisor (1999-2001), Center of Anhtropology-Indonesian University (Research and Publication) as Researcher (2002 – 2014), The Forest Trust-Indonesia (Consultant of Sustainable Forest Management) as Social Advisor (2004 – 2010) and eForest Consultant (HCV Identification and Social Impact Assessment) as staff (2010 – 2011). Already participated in several training, consist of: Forest Management Auditor (FSC Standard), Environmental Management System ISO 14001, ISO 9001:2008, Conflict Resolution, Human Right, Verification System of Wood Legality, Training Lead Auditor of ISPO & RSPO Scheme. Had participate in Sustainable Forest Certification (Eco Labelling Indonesia Standard), Gap Analysis of FSC Standard. He was numerously involved in audit of sustainable palm oil certification since 2011 for Indonesian Sustainable Palm Oil (ISPO) and RSPO Scheme in Indonesia & Malaysia as Auditor and <i>Lead Auditor</i>. The aspect of audited consist of : Social/Conflict Resolution, Land Use Legality, Conservation and Supply Chain Certification System (SCCS). During this assessment he was observed and audit on Land Use Legality, Social/Conflict aspect and Supply Chain Certification System (SCCS).</p> <p>2. Sofyan Hadi Lubis (Auditor). Master's Program in Environmental and Natural Resource Management and Bachelor of Social Economic Agriculture. Has been involved as a researcher at the Research Centre of Forestry and Climate Change and Cooperation IPB-ETH Zurich Swiss-NUS Singapore regarding carbon stock analysis. The training has been followed, among other: climate change mitigation and adaptation for agricultural productivity in Southeast Asia, Asian Carbon Update and Network and Climate Change Mitigation and Adaptation for Agricultural Productivity, Environmental Impact Assessment (EIA), Lead Auditor ISPO (Indonesian Sustainable Palm Oil), IHT-RSPO, ISO 9001, HCV, ISO 14001, Calculation of Greenhouse Gases (GHG), ISCC Plantation Audit and Land Use Assessment, Green Industry and ISCC EU and Plus Basic Training. He also worked as a staff environmental consulting firm and currently working as an auditor in the certification body (PT MAL). He has conducted audits for ISPO scheme, RSPO and ISCC in oil palm plantations as an auditor. During this assessment he was observed and audit on environment, conservation, and GHG aspect.</p> <p>3. Marsudi Eko Santoso (Auditor). Indonesian Citizen. Bachelor of Agriculture, majoring in Agro technology. Trainings attended: Management System Certification (ISO 9001), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor training, ISPO Lead auditor training, Land Legality, Occupational Safety and Health Auditor; Occupational Safety and Health Expert and Group Certification of RSPO, IHT of Integrated Pest Management, IHT of Peat Management and IHT of Palm Oil Mill Processing. He had involved many audit in RSPO certification assessment activities as an auditor since 2011 and He had involved many audit in ISPO certification assessment activities as a Lead Auditor since 2012. During this assessment he was observed and audit on Best Management Practices of Estate and Occupational Health & Safety.</p> <p>4. Asystasya Aishah Silalahi (Auditor Trainee). Indonesia citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this assessment he was observed and audit on Social / Worker Right and Transparency Information.</p> |
| 2.2 Assessment Methodology, Assessment Process and Locations of Assessment | |
| 2.2.1 | Figure of person days to implement assessment |
| ASA-3 | <p>Number of auditors : 4 auditor</p> <p>Number of days for ASA-3 at site : 3 days</p> <p>Number of working days for ASA-3 at site : 12 Working days</p> |
| 2.2.2 | Assessment Process |

| | |
|---------------------|---|
| <p>ASA-3</p> | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT by PT Daya Labuhan Indah and PT Perkebunan Milano to the requirements of <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).</i></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) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2</p> |
| <p>2.2.3</p> | <p>Location of Assessment</p> |
| <p>ASA-3</p> | <p>The number of management unit of this activity consists of 3 estates that supply FFBs to one POM. In assessing, auditors used formula $0.8 \sqrt{y}$ to determine the management unit that was the focus of sample location and considered the fundamental and critical issues arising from stakeholders. Based on this formula, auditors determined the sample location was 1 unit of POM and 2 estates (Cabang Dua Estate and Sei Deras Estate).</p> <p>DLI 2 POM</p> <ol style="list-style-type: none"> 1. Water Treatment Plant (WTP), observation activities in the WTP Station, OHS implementation, checking flowmeter condition and interview with Foreman and workers towards technical, OHS and manpower aspect 2. Empy Bunch Area (EBA), observations and interviews related to the management of EFB. 3. Boiler Station, observation related to employment aspects, OHS implementation and workers' knowledge about work procedure. 4. WWTP. Observations related to the management of effluent, including implementation of OHS. 5. Hazardous Waste Storage, Observation for hazardous waste management. 6. Chemical Store, Observation for hazardous material handling and EHS. 7. Housing Complex, Interviews and field observations regarding facilities and infrastructure in the areas of housing, domestic waste management, emergency response, a source of electricity and water resources. 8. Security Gate, Observation and interview with security officer regarding to FFB receiving procedures, OHS administration, Human Resources System and Minimum Wage. 9. Loading Ramp, Observation and interview regarding to sortation procedures, FFB sortation record and OHS implementation. 10. Boiler Station, Observations and interviews with operators regarding the fulfillment of Operator License, periodic health checks, PPE provision, HIRAC socialization, wage payment, Labor Insurance membership. 11. Kernel Station, Observations and interviews with operators regarding the fulfillment of Operator License, periodic health checks, PPE provision, HIRAC socialization, wage payment, Labor Insurance membership 12. DLI 2 POM Office. SCCS Verification (verification of procedure, sample of FFB Delivery Note, FFB Weight Ticket, training recorded, etc.) and interview of related staff to SCCS implementation. 13. Weight bridge station. Observation of mechanism and process of FFB received, interview the weigh bridge staff. 14. Grading Area. Observation of grading mechanism and interview of related personnel in charge (Grading Foreman and their staff), understanding about sortation procedure, worker welfare and OHS implementation (medical checkup, PPE). <p>Cabang Dua Estate</p> <ol style="list-style-type: none"> 15. HCV areal Block 42 & 43. Observation for conservation area management. 16. Water Level Monitoring Block 51& 55. Observation for peat soil and water management. 17. Peat Subsidence Monitoring Block 51&33. Observation for peat subsidence. 18. Housing Complex. Interviews and field observations regarding facilities and infrastructure in the areas of housing, domestic waste management, emergency response, a source of electricity and water resources. |

19. **Hazardous Waste Storage.** Observation for hazardous waste management.
20. **Fire Extinguishers Warehouse.** Observation on the availability and condition of fire extinguishers and preparedness of fire-fighting team.
21. **Chemical Store.** Observation for hazardous material handling and EHS.
22. **Clinic.** Interviews and field observations about the facilities at the clinic, the management of domestic waste, treatment procedures and monitoring medications.
23. **Spraying Activity, Block 051 Division 1.** Observation and interview related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
24. **Manuring Activity, Block 056 Division 1.** Observation and interview related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure
25. **Harvesting activity, Block 055 Division 1.** Observation and interview related to employment aspects, OHS implementation, and workers' knowledge about work procedure.
26. **Replanting Activity, Blok 26.**
27. **Boundary Poles checking.** Poles sample (number 1 till 10). The boundary poles are in good condition, the reference number is clear and the position is in accordance with the coordinates contained in the book of poles coordinate list of Cabang Dua Estate.

Sei Deras Estate

28. **HCV areal block 62.** Observation for conservation area management.
29. **Water Level Monitoring Block 86&72.** Observation for peat soil and water management.
30. **Peat Subsidence Monitoring Block 86.62&72.** Observation for peat subsidence.
31. **Housing Complex.** Interviews and field observations regarding facilities and infrastructure in the areas of housing, domestic waste management, emergency response, a source of electricity and water resources.
32. **Landfill block 77.** Observation for domestic waste management.
33. **Hazardous Waste Storage.** Observation for hazardous waste management.
34. **Fire Extinguishers Warehouse.** Observation on the availability and condition of fire extinguishers and preparedness of fire-fighting team.
35. **Chemical Store.** Observation for hazardous material handling and EHS.
36. **Harvesting activity, Block 055 Division 1.** Observation and interview related to employment aspects, OHS implementation, and workers' knowledge about work procedure.
37. **Loose fruit picking activity.** Observation and interview with manuring worker who work as loose fruit picker related to employment aspects, OHS implementation (medical examination and PPE), and workers' knowledge about work procedure.
38. **Areal of grave block and estate (area XX) of 13 Ha.** Observation about areal Outside the HGU managed by the company.
39. **Security Gate.** Observation and interview with security officer regarding to OHS administration, Human Resources System, work hours and Minimum Wage.
40. **Spraying activities, Block 87 Sungai Deras Estate,** Interviews with the foreman and workers about labor, technique of spraying, wages, PPE, aspects of OHS, insurance, trainings of worker, health checks, socialization of labor unions, gender committees, complaints of worker, Socialization of protected flora and fauna, working hours and others.
41. **Block 78 Sungai Deras.** Observation of presence and monitoring of Owl's nest and *Tumera* plant.
42. **Boundary Poles checking.** Poles sample (number 2 till 9). The boundary poles are in good condition, the reference number is clear and the position is in accordance with the coordinates contained in the book of poles coordinate list of Sei Deras Estate.

Internal Stakeholders

43. Labor union of Sei Deras Estate
44. Gender Committee of Cabang Dua Estate

External Stakeholders

45. Social Service, Labour and Transmigration of Labuhanbatu District
46. Forestry and Plantation Service of Labuhanbatu District
47. Environment Agency of Labuhanbatu District

| | |
|--------------|---|
| | <p>48. National Land Agency of Labuhanbatu District 49. Head of Sei Deras Village 50. Head of Sidoarjo Hamlet (Sei Tampang Village) 51. Local Contractor</p> |
| 2.3 | Stakeholder Consultation and Stakeholders Contacted |
| 2.3.1 | Summary of stakeholder consultation process. |
| ASA-3 | <p>Summary of stakeholder consultation process Consultation of stakeholders for PT Daya Labuhan Indah was held by:</p> <ul style="list-style-type: none"> • Public Notification on Mutu Certification Website on 14th July 2017 • Public consultation meeting with internal stakeholders by interviews on 2nd and 3rd August 2017 • Public consultation meeting with local stakeholder by FGD on 1st August 2017 • Public consultation meeting with Related Agencies in Labuhanbatu by interviews on 1st August 2017 • Public consultation to NGO by email on 26th July 2017 <p>Numbers of input from stakeholders were clarified by PT Labuhanbatu</p> |
| 2.3.2 | Stakeholder contacted |
| | <i>Please find appendix 1</i> |
| 2.4 | Determining Next Assessment |
| | The next visit (ASA-4) will be determined one year after this ASA-3 (August -2018). |

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of DLI 2 POM – PT Daya Labuhan Indah, Wilmar International Limited operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were eight (8) Nonconformities were assigned against Major Compliance Indicators; two (2) nonconformitys were assigned against Minor Compliance Indicators; and four (4) opportunitys for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic) and field visit. Those corrective actions taken that consist of eight (8) Major Nonconformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that DLI 2 POM – PT Daya Labuhan Indah complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **continued**.

| Ref Std. | VERIFICATION RESULT of MUTU-Certification | |
|---|---|--|
| PRINCIPLE #1 COMMITMENT TO TRANSPARENCY | | |
| 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | | |
| <p>1.1.1 Company has the newest list of stakeholder, consist of statutory bodies, leader community, smallholders, contractors, worker organizations, and NGOs. Based on interview with company’s management, the list of stakeholders have been updated every time there is a revision/ change or will be updated every year. Based on interview with related stakeholders, they’ve already know the person in charge for communication with stakeholder.</p> | | |
| <p>There is procedure “Information Services for Public” No PRO-BM.GEN-005 for Cabang Dua Estate and SOP-BNM-003 for Sei Deras Estate and Mill. Procedure aims to ensure that every request and delivery of information to the public is responded in accordance with the availability of information resources. Based on interview with related stakeholder, it is known that they don’t have difficulties to communicate with the company for information request.</p> | | |
| <p>1.1.2 Company has decree No 026/MLN-HRR/SK/X/2016 about Public Speaker of PT Perkebunan Milano and No 001/DLI-HRR/SK/IX/2016 about Public Speaker of PT Daya Labuhan Indah. The person in charge for communication and consultation is assigned in the decree. Mechanism for information request is set in “Information Services for Public” procedure No PRO-BM.GEN-005 for Cabang Dua Estate and SOP-BNM-003 for Sei Deras Estate and Mill. It explains the time given to respond the request for information from stakeholders. The response to incoming mail not later than one month after the letter was received. Record of information is written on the information book. In the book shows that there is no incoming information requests, there are only proposals, and invitation to attend meeting held by stakeholders.</p> | | |

| | | |
|---|-----------------------|--|
| | Status: Comply | |
| 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. | | |
| 1.2.1 | | |
| <p>Company has list of document that can be accessed publicly. The public documents, such as environmental document, company annual report, general policies, licensing includes land use title and decree of land use title, operational licenses of plantation activities, environment, OHS, and social reports, organizational structure, identification risk, land use data, report of position and the amount of labor, plans for continuous improvement, OHS program, and so on. These documents are available in estate and mill office.</p> <p>Company has monitoring and management report, such as employment report, business activity report of palm oil plantation industry, report of environmental management and monitoring plan, and so on. These documents also can be accessed by public through the mechanism which has determined by the company.</p> | | |
| | Status: Comply | |
| 1.3 Growers and millers commit to ethical conduct in all business operations and transactions. | | |
| 1.3.1 | | |
| <p>Company has code of conduct No. 044/DIR-KP/XII/2015 dated 15th December 2015 signed by Sustainability Division Head, HRGA Corporate Head and Country Head. There are 3 principles on code of conduct, namely to avoid conflict of interest, to avoid misuse and/or abuse of position, and to ensure confidentiality of information and to prevent misuse of information gained through the company's operations, either for personal gain or for any purpose other than that intended by the Company. Based on interview with workers Sei Deras and Cabang Dua Estate, they understood about this policy. This policy has been socialized to the contract worker, such as socialization on 13th July 2017 attended by 11 participants and on 26th July 2017 attended by 12 participants. This policy is available in Indonesian Language.</p> | | |
| | Status: Comply | |
| PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS | | |
| 2.1 There is compliance with all applicable local, national and ratified international laws and regulations. | | |
| 2.1.1. & 2.1.2 Minor. | | |
| <p>The Company showed a list of rules and regulations that are listed in the documents list of rules and regulations in 2016-2017 which was approved by a management representative.</p> <p>The Company has renewed the rules and regulations in PT DLI and has been documented, for example: Decision of the Governor of North Sumatera Number 188.44 / 44 / KPTS / 2017 About Minimum Wage of Plantation for Labuhan Batu District 2017. Has been fulfilled with wages in 2017. Personnel responsible for evaluating and developing regulations related to plantation business conducted by certificate holder is EHS officer approved by Assistant General Manager. In the SOP explained that the evaluation of regulatory compliance is done at least once a year.</p> | | |
| <u>Worker Welfare</u> | | |
| <p>Based on interview with security in Sei Deras Estate, it is known that working time for security is divided into 3 shift in a day. And also, they work every day in a week without day off. Based on interview and document review of overtime recap, the overtime pay is paid in accordance with the available regulation. Interview with management unit, the shift change turnover is set so that security gets a minimum break time of 18 hours. However, the effectiveness and consistency about day off for all securities will be observed in next surveillance visit. (Observation).</p> <p>Based on document review; Interviews with Community Development Staff and 2 security guards, it is known that the company still manages the area of grave block and estate (area XX) of 13 Ha, but the company has not been able to show the documents of the Plantation Business License for the area. This is not in accordance with Permentan. 98 of 2013. The company also has not been able to show the environmental permit document for the area of grave and block (area XX) of 13 Ha. This is not in accordance with the PP. 27 of 2012. NCR. 2017.01</p> | | |

2.1.3

The company shows updated compliance with regulations in 2017, but there has been no evidence of socialization regarding regulatory compliance updates to all workers. This is not in accordance with SOP-GEN-017 (PT Milano) and SOP-GEN-026 (PT DLI) regarding Access and Structuring of the Law and Other Requirements in point 6.4; That the EHS Officer / Human Resources Regional / Bina Mitra Unit creates a list of rules, updates the accuracy and socializes to all employees. **NCR. 2017.02**

2.1.4

Moreover, it has provided SOP access and governance laws and other requirements listed in the document: SOP-GEN-026 effect since in February 2016. The head of each division / section / Community Partnership unit responsible for identifying the requirements of quality, aspects of the impact environment, OHS hazard risk and social aspects of the individual activities under his control.

| | | |
|--------------------|---|--|
| Major 2.1.1 | Status: | |
| Minor 2.1.3 | Non Conformity No 2017. 01 with Major Category | |
| | Non Conformity No 2017. 02 with Minor Category | |

2.2

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

2.2.1

Business Permit :

- Letter from the Head of Provincial Estate Agency First Region of North Sumatera, with Referencial Number : 503/426/7, on 5th of March 1990 regarding to the Application Support of Conversion Permit.
- Letter of the Head of the Coordination of Invesment of Indonesian Republic on behalf of the Minister of Agriculture and The Minister of Industry, with Referencial Number : 324/T/PERTANIAN/INDUSTRI/2005 on 27th of April 2005, regarding to the Permanent Business License of PT Daya Labuhan Indah which is engaged in the processing and plantation of palm oil.
- Decision of the Regent of Labuhan Batu, with Referencial Number : 180/100/Huk/2013, on 28th of March 2013, regarding to the license of plantation business to PT Daya Labuhan Indah on the cultivation of palm oil plantation which is located in Sei Tampang Village, Bilah Hilir Sub District (**4,694.5 Ha**) and manufacturing business of palm oil plantations which is located in Pangkatan Village, Pangkatan Sub District, Labuhan Batu District (30 tonnes of FFB/hour).
- License of Plantation for cultivation (IUP B) of PT Daya Labuhan Indah with referencial number : 503/327/BPPTPM-LS/2014 issued by the Head of the unified licensing services and invesment, South Labuhan Batu District on 5th of September 2014, for the areal with **431,87 Ha** which is located in Tanjung Selamat Village, Kampung Rakyat Sub District, South Labuhan Batu District.
- The decision of the Regent of Labuhan Batu with referencial number 180/102/HUK/2014, regarding to the license of plantation for cultivation (IUPB) for PT Daya Labuhan Indah which is located in Kampung Bilah Village, Bilah Hilir Sub District, Labuhan Batu District for the areal with **445,88 Ha**, issued date on 8th of April 2014.
- The decision of the Regent of Labuhan Batu with referencial number 180/121/Huk/2013, on 4th of April 2013, regarding to the license of plantation for cultivation (IUP-B) for PT Perkebunan Milano (Cabang Dua Estate).

Rights of Authorization:

Total area of PT Daya Labuhan Indah (KWS and KSD) and PT Perkebunan Milano which is authorized are **6,226.58 Ha**, based on some documents of the authorization of land which is owned by:

- Decision letter of Cultivation Rights with the referencial number: 19/HGU/BPN/96 of PT Perkebunan Milano (including the Cabang Dua Estate), on 31st of March 1996, 654.33 Ha of total area, with the validity time until 12th of August 2021.
- The certificate of cultivation rights with referencial number 1 in 1992, based on the decision letter of cultivation rights on 24th of December 1992, with total area 4,694.5 Ha, and the validity time until 31st of December 2022.
- Certificate of cultivation rights with referencial numver 2 in 1996, based on the decision letter of cultivation rights with referencial number 19/HGU/BPN/96, on 31st of May 1996, total area 654.33 Ha, and the validity time until 12th of August 2021.

- Certificate of cultivation rights in process for total area 445.88 Ha in the area of Labuhan Batu District (Minutes of the technical consideration of land in the issuance of permits location with the referencial number 01/RTP/VIII/2013 on 8th of July 2013 and the issuance of permits with the referencial number : 503.592/346/Ptnh/2013, on 1st of August 2013).
- Certificate of cultivation rights in process for total area 431.87Ha in the area of South Labuhan Batu District (Minutes of the technical consideration of land in the issuance of permits location with the referencial number : 02/RTP/VIII/2013 on 1st of August 2013).

The process of Cultivation Rights Update at KSD:

1. **Verification on 23rd of October 2015** : The Company has shown the evidence of improvement such as the application letter of surveying for the purpose to earn the rights for cultivation areal of PT Daya Labuhan Indah with total area ±431.87 by the letter with the referencial number 01/DLI/Ekst/X/2014 and total area ± 445.88 Ha by the letter with the referencial number 02/DLI/Ekst/X/2014 on 31st of October 2014, which is received by the National Land Agency on 31st of October 2014. **The non-compliance has been fulfilled and will be observed on the next assessment (Mr Saragih).**
2. Statement letter of non dispute from the Headman of Tanjung Selamat Village with the referencial number 593/478/TS/2013 for the total areal of 432.87 Ha and the testimonial letter with the referencial number 593/82/SK/DB/2012 for the 576.5 of total area.
3. Request for the measurement acquisition of the cultivation rights:
 - Letter with the referencial number 02/DLI/Ekst/V/2016 on 12th of May 2016 for the land with ± 445.88 of total area and received by the National Land Agency on 17th of May 2016 (National Land Agency of Labuhan Batu).
 - Letter with the referencial number 01/DLI/Ekst/V/2016 on 12th of May 2016 for the land with ± 431.88 Ha and received by National Land Agency on 17th of May 2016 (National Land Agency of Labuhan Batu).
4. Based on the record of guest book of KSD, known that on 19th of August 2016, the visiting activity has been done by the National Land Agency (two people from the National Land Agency of Province and one person from the National Land Agency of Labuhan Batu).
5. The documentation of measuring activity on 19th of August 2016.
6. Based on the field trip, there's was found tread and stakes mark for the areal of new cultivation rights at KSD, such as stakes mark of date with the coordinate point N02°06,117' E099°49,534'.
7. Update of HGU process at the time of S3 assessment, the company shows:
 - Land Map Map no. 18/2016 was published by BPN dated 19 September 2016 for the area in Kampung Bilah Village, subdistrict of Bilah Hilir, Labuhanbatu Regency covering 445.88 Ha.
 - Land Map Map no. 21/2016 was issued by BPN dated 431.87 Ha for the area in Tanjung Selamat Village, Kampung Rakyat Sub-district, South Labuhanbatu Regency of 431,87 Ha.
 Observation: The company must be able to ensure that the submission of HGU PT DLI process can be completed entirely.

Decree of HGU No. 19 / HGU / BPN / 96 for PT Perkebunan Milano (including Cabang Estate), May 31 of 1996, area of 654.33 Ha, validity period until August 12, 2021. HGU Certificate No. 2 of 1996, based on SK HGU No 19 / HGU / BPN / 96, May 31, 1996, area of 654.33 Ha, validity period until August 12, 2021.

Based on interviews with Staff of Bina Mitra, security officer and field visit in Block XX area of 13 Ha located outside HGU PT Daya Labuhan Indah which in ASA2 has been declared will not be managed (outside from PT DLI area scope) Auditor team sighted, the area was still managed by PT DLI. The company has not been able to show the document of Land Use Right on land for the area of grave and garden block (area XX) of 13 Ha. **NCR 2017.03**

2.2.2

Based on document of monitoring of boundary markers per June 2017, that knows there are 46 poles in area of PT Daya Labuhan Indah Plantation, consist of 21 poles in Wonosari Estate, 14 poles in Sei Deras Estate and 11 poles in Cabang Dua Estate. Based on the field visits checking of boundary markers in Cabang Dua Estate (Sampling boundary poles: 1, 2,3, 4, 5, 6, 7, 8, 9, 10) and in Sei Deras Estate (Sampling boundary poles: 1, 2, 3, 4, 5, 6, 7, 8, 9, 12), the condition of boundary was good and the numbers can be read clearly. PT Daya Labuhan Indah also has procedures related to installation and maintenance of boundary poles (SOP-GEN-007, Revision 2), effective since 01 February 2016. These

procedure describes the three-monthly monitoring schedule and repair of boundary poles were missing in any period of 3 months.

2.2.3

Based on the verification of documents of Area Statement that known there was any area of PT Daya Labuhan Indah, there was no indication land conflict among parties. It has been shown evidence of recording the handling of land issues in the past in the area of 101.04 in Sei Deras Estate. Based on the explanation from Head of Sei Deras Village during the stakeholder consultation and also explanation from the management representation of the company, was known that the land area of 101.04 in Sei Deras Estate, formerly managed by the community has been excluded from the management area of PT DLI. Based on the results of the field visit at the time of checking the boundaries of the estate in Block 122, it was seen that the area had been separate by the boundary and drainage about 3 M wide.

2.2.4, 2.2.5

Based on documents verification and interviews with relevant staff (Staff of Legal Document), obtained the information that there were no cases of land disputes was happening with the public or the other parties. From the results of a public consultation with the Head of Sei Deras and Sidorejo Village, and management representation of the company, also known that there was no issues related to land disputes between the PT Daya Labuhan Indah with the other parties. The company keep all evidence of the completion of recording land issues in the past. Against the land dispute cases that have occurred, provided evidence of the dispute settlement acceptable to all parties. Evidence in the form of recording of the Minutes of the Meeting and Negotiation Agreement as agreed by the parties, document of land acquisition from the previous owner who through the FPIC process. Negotiation process involving the Village Committee, head of village, landowners and management representatives by the company.

2.2.6

There was available Human Right Policy Wilmar International Limited which was published in June 2014 and endorsed by the Group and Group Head Plantation CSR Head. In the policy stated that the commitment Wilmar supports the respect and protection of human rights as a policy anti child labor, OHS, providing equal opportunity for everyone, reports and complaints, anti-sexual harassment, anti-violence and torture, respect for reproductive rights, and social responsibility company. This policy applies to all companies under of the Wilmar group and business unit has relationships including suppliers and contractors. There was Also described in SOP-LAND PERMIT & OPS-006 at point X, Environmental Considerations and OHS, sub point 2 that justified there is no using of physical violence in dispute resolution. Based on the results of consultation with Government and community representation of Sei Deras and Sidorejo Village, related institutions in Labuhan Batu District and the employee representatives (Workers Union and Gender Committee), that known there was no issues of the use of confrontation and intimidation by the company to maintain peace and order, also there is no indication the use of military and mercenaries in their operation of plantation and mill.

| | |
|--------------------|---|
| Major 2.2.1 | Status: Non Conformity No 2017. 03 with Major Category |
|--------------------|---|

2.3

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

2.3.1

Based on the report document Identification of HCV in the area of oil palm plantation of PT Daya Labuhan Indah there was not found the area in the control or management based on indigenous rights. Also based on public consultation with the Head of Sei Deras and Sidorejo Village there was no information related to customary right in area of the company. There was also showed the records have been presented in the process of collecting information on the preparation of the High Conservation Values Identification Report and the 2013 Social Impact Assessment Report by Remark Asia consultants in surrounding villages. The recording evidence comprising of Participants' List and photographs.

2.3.2

PT Daya Labuhan Indah was archived all documents of land compensation process. The document was formatted in the Indonesian language that is easily understood by the parties, including the amount of compensation that is based on rules (standards) as determined by the local government (Compensation for destroyed crops). It has been shown a sample evidence of recording of land acquisition at the beginning of the opening of the plantation (consisting of maps, official report and photographs). The land acquisition agreement from the previous owner has been through the FPIC process. The agreement of land acquisition from the previous owner has been through a process of consultation, negotiation and

agreement of the parties. The negotiation process involves representatives of the company, representatives of the community and Head of the village. Each compensation process accompanied by statement by the society has handed the land to the company and will not be demanded in the future.

2.3.3

The company has archived all documents related to the process of restitution of land has ever done. The document is presented in the Indonesian language that is easily understood by the parties, including the amount of compensation that is based on rules (standards) as determined by the local government (Compensation for the plant or crops).

2.3.4

In the process of negotiations and land compensation in the early, has shown evidence form of a Statement Form and signed by the parties. For example, there was evidence of land compensation signed by the land owner, Village Head of Tanjung Selamat and the witness by the community representation.

Status: Comply

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

3.1

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

3.1.1

The company has owned the long term of work document plan for PT DLI and PT Milano (2017-2022), which is covered the financial aspect, area statement, crop, FFB processed, cost of production (estate and milling cost), plantation development cost, capital expenditure, building, workers housing requirement, staff requirement, and sustainable implementation costs. There's an available record for the evaluation meeting of achievement process (meeting crop and cost), such as meeting on 21th of November 2016 which was attended by AGM, EM, DM, BM Regional, P&D Officer Mill Head and all KTU. The meeting was discussing regarding to the employment, the achievement of production, cost review, EFB and Decanter Programme, Slow Moving Stock, Vehicle Adequacy and the achievement of OER).

Certification Unit able to show a review related to the suitability of the drainability. Name of the document is Survey Lavelling PT DLI and PT Milano Region 1 SUMUT No. 015 / GIS / SURVEY / 2012, conducted on 11 to 23 October 2012 by Surveyor. Benefits of this document as a reference in water management activities on peatlands.

3.1.2

Replanting program has documented in long-term plan 2016 – 2020 for 1st Region of Sumatera. The plan shows below:

| Operating Unit | Year (Ha) | | | | | Total |
|-------------------|-----------|------|------|------|------|--------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Wonosari Estate | - | - | - | - | - | |
| Sei Deras Estate | - | - | - | - | - | |
| Cabang Dua Estate | 269.04 | - | - | - | - | 296.04 |

The report on the realization of replanting for Chipping activities in July 2017 is 148.26 Ha, for example in block A040 of 32.16 ha. The seeds used on the replanting program are seeds from PT Tania Selatan.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

Based on document verification and interview with document controller, there is no SOP that changed since the previous assessment (ASA-2). All SOP has been distributed to all unit both estate and mill. Whole SOP written in Bahasa.

During the audit, auditor has interviewed pesticide applicator team in Sei Deras Estate and Cabang Dua Estate. All pesticide applicator can described and demonstrated best application of pesticide by using knapsack sprayer and proper

PPE equipment. They also described the safety procedur such as prohibited to applied pesticide cross wind and no eat or drink during the application. Beside that, all applicator has been socialized to not apply pesticide in conservation area or riparian belt that signed with red-cross on the trees.

Mill SOP also well implemented. Based on field observation, security and sortation officer also described and demonstrated the procedures. All procedures still relevan with operational activity nowadays.

4.1.2 & 4.1.3

Master list of all SOP storage in all unit and controlled by document control staff in mill or estate. They has trained regarding to management of document and internal audit process.

The company has conducted several internal audit annually. For example, RSPO internal audit to ensure all RSPO principal and criteria implemented in all unit. In the last internal audit in Cabang Dua Estate that has conducted in July 19th – 20th 2017, Sungai Deras Estate that has conducted in July 28th – 29th 2017, identified several non conformities in office or field. All non conformities has been closed through the corrective action that shows.

All corrective action document has documented and saved by document control staff. For example, correction progress PICA of mill findings that has been closed on July 12rd 2017.

Daily activities also well reported and documented. For example, daily production report of DLI mill on July 3rd 2017 has informed data of FFB received, production (CPO, PK and shell), extraction ratio (OER & KER), stock (CPO, PK and shell), quality, mill hours, utilities (consumption of diesel fuel, bio diesel, electricity, water and CaCO₃) and pressing throughput.

4.1.4

Based on document verification of FFB Monthly Reports from 08 October to 01 August 2017 and explanation from the management of DLI2 POM was known that during the period of ASA 2 there is no purchase of FFB from the other parties, either from plasma farmer or individual smallholder. The FFB was supplied to DLI 2 POM sourced from four estate: Wonosari, Sei Deras and Cabang Dua (Scope of Certification of PT DLI) and Merbau Estate (Scope of Certification of PT Perkebunan Milano/also RSPO Certified). The company has procedure for third parties (SOP-PRC-003), latest revision of 1 February 2015.

Status: Comply

4.2

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

4.2.1

The company has several prosedur to maintain soil fertility as follow:

- SOP Planting LCC (SOP-EST-002)
- SOP Manuring (SOP-EST-004)
- SOP Leaf Sampling Unit (SOP-EST-004A)
- SOP Soil Sampling Unit (SOP-EST-004B)

Based on field observation, the company has implemented some treatment to maintain soil fertility. For example, planting LCC in immature area as land cover and help steam root to fixation nitrogen from the air, reducing evaporation and reducing weeding growth. Internal audit report No. 042 / FIAS-WIP / Sumut-Sumatera / I / 2017 / IFIAT05 dated January 19 to 20, 2017 including on fertilization iplementasi. Repairs are done continuously until the next visit.

4.2.2

Manuring record documented in program and realization of manuring report year 2017. For example, manuring record per July 2017 in Cabang Dua Estate has been realized MOP fertilizer in blok 51 fertilization realized is 7.364 Kg With a dose of 1.5 kg / plant in accordance with fertilizer recommendations. Manuring realization refer to manuring recommendation that has set by Research Department. All manuring activities recorded in daily, monthly, semester and annual report of estate.

4.2.3

Soil sampling and leaf sampling has been conducted according to the procedures that has set by management. Last soil sampling activity conducted in October 2013. Therefore, leaf sampling conducted annually which is last did on June 30th 2016. Parameter that observed in soil sampling is N, pH, Ca, Mg, K, P, Mn, Zn, Cu, Fe, KCl etc. Otherwise, parameter observed in leaf sampling is macro element (N, P, K, Mg and Ca) and micro element (B, Cu and Zn). All document result of soil or leaf sampling documented by research staff.

4.2.4

Based on document verification and field observation for example observation in blok 34 Sungai Deras Estate, the company only using palm residues (e oil plam plant) after replanting as an organic fertilizer to maintain and improving soil fertility for marginal area (except peat).

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Certification Unit able to show a marginal and critical land map. In the map it is explained that in Cabang Dua Estate and Sei Deras Estate there is medium peat soil, deep peat soil with flat slope and contour.

4.3.2

The marginal and critical land information is described Indicator 4.3.1.

Based on land maps study, interviews with HCV officers and field observations in Block C42; 43; 51; 55; 33 of Cabang Dua Estate and Block 86,62,72,77 of Sei Deras Estate, it can be concluded that 100% area of Cabang Dua Estate and Sei Deras Estate are in slope 0-6 Degree (flat area), therefore there is no specific strategy in the management of slope area > 40%.

4.3.3

Certification Unit able to show the realiation of road improvements in accordance with the program, for example in Block 055 of Cabang Dua Estate = 33.58 Ha and in Block 77 of Sei Deras Estate = 37.79 Ha. Based on field visit in the block, it is known that the road condition is well maintained so that it can be accessed easily by car including FFB transport.

4.3.4

The average minimum water level of peat water maintained is 60-80 cm. This is described in the SOP-EST-028 revision 00, which wassigned on February 01, 2015. Certification Unit able to show subsidence and peatland water quality monitoring documents. The result of monitoring is known peat water level at level 30-70 cm. Based on field observation in Blocks 086 and 072 of Sei Deras Estate, known that the peat water level at the level of 50-60 cm.

However, based on document review and field observation in Cabang Dua Estate, it is known that three of the 21 peat water level are mounted in reverse (zeroes below ground level), for example in the Blocks 51, 55 and 56. So, It affects to results of monitoring the water level.

Based on the explanation, raised **NCR 2017.04**

4.3.5

Based on field observation, found ongoing replanting, for example in Block 36 of Kebun Dua Estate. In relation to that, the Certification Unit able to show a review related to the suitability of the drainability conducted before the replanting activities take place. Name of the document is Survey Lavelling PT DLI and PT Milano Region 1 SUMUT No. 015 / GIS / SURVEY / 2012, conducted on 11 to 23 October 2012 by Surveyor. Benefits of this document as a reference in water management activities on peatlands.

4.3.6

The marginal and critical land information is described Indicator 4.3.1.

Based on land maps study, interviews with HCV officers and field observations in Block C42,43,51,55,33 of Cabang Dua

Estate and Block 86,62,72,77, it can be concluded that 100% area of Cabang Dua Estate and Sei Deras Estate are in slope 0-6 Degree (flat area), therefore there is no specific strategy in the management of slope area > 40%. Related to peat soil, the Certification Unit has been managing the peat soil by monitoring the water level and subsidence of the soil.

Major 4.3.4 | **Status: Nonconformity No. No. 2017.04 with major category.**

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

4.4.1
 Certification Unit able to demonstrate the implementation of the water management and monitoring plan, which is recorded in the RKL / RPL implementation document for the second semester of 2016. For example, POME quality testing has been done at the POME outlate every month, ground and surface water quality testing for the second semester of 2016. From the test result, it is known that all parameters are still in accordance with the standard by the government. For example: Nitrite 0.04 mg / l, Nitrate <0.5 mg / l, DO 8 mg / l, BOD 2.25 mg / l, COD 4.55 mg / l, Total Coliform 170 MPN / 100 ml.

4.4.2
 Based on HCV document, on the area of Cabang Dua Estate there is HCV 4.3 called *Parit HGU*. Meanwhile on Sei Deras Estate there are HCV 1 & 4 called by *Danau Biru* (map attached in document).

Based on document review and filed visit to the HCV area of Cabang Dua Estate and Sei Deras Estate, it is known that HCV 4.3 (called by *Parit HGU*) is protected by socialization to Bilah village communities on July 20, 2017; Making HCV signboards, patrolling periodically, grass verifier cultivation, and not doing chemist on HGU trench borders. Meanwhile in HCV Sei Deras Estate area, it is known that HCV 1 & 4 (called by *Danau Biru*) is protected by conducted HCV & wildlife socialization; Making HCV signboards & wildlife, creating signboards of burning ban, patrolling periodically, and moniting animals on a regular basis.

4.4.3
 Certification Unit able to show POME management documents. POME is first managed in WWTP, then discharged to the water source provided that BOD and COD do not exceed the standard by the government. This is in accordance with District Government of Labuhanbatu No. 503.660 / 42 / BLH / WAS / 213 dated April 25, 2013.

Certification Unit able to show the results of the POME test from January to June 2017. From the report it is found that all POME testing parameters comply with the standards by the government, for example results of June test: pH 9.21; BOD 71.5 mg / l and COD 238 mg / l.

As well as with the results of surface water testing, all parameters in accordance with standards signed by the government, for example: Nitrite 0.04 mg / l, Nitrate <0.5 mg / l, DO 8 mg / l, BOD 2.25 mg / l, COD 4.55 mg / l, Total Coliform 170 MPN / 100 ml.

4.4.4
 Based on field observation to WTP Mill, the operator has recorded the use of mill water through flowmeter observation. Certification Unit able to show water use recording for the palm oil production process from August 2016 to July 2017. From the recording, it is known that the average of water usage exceeds the set budget. Certification Unit able to show an evaluation of water usage that exceeds the budget. That's because the peat water is still to be filtered before being used for processing. Certification Unit will return the rest of the water reject of water.

Status: Comply

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

4.5.1
 Pest and disease control plan documented on detection and census schedule document (Document. FRM-EST-018) which is available in each unit. For example, detection and census in Wonosari Estate conducted 4 times a year (every 3 month) in each blocks.

The company also using natural predator (Owl) to control rat attacks as show in in block 78 Division 1 Sei Deras Estate. The owl (Tyto alba) placed on barn owl box in each block. Use of Turnera subulata plant as the host of the natural enemies of the caterpillar. Recording of *Turnera subulata* in Block D17 Sungai Deras Estate.

There is no evidence that the company using pesticides as prophylactic usage so far. All pesticide usage implemented refer to SOP pest and disease control (SOP-EST-018) and SOP Detection and Census of Pest and Disease (SOP-EST-013). According to the SOP, person who is taking responsibility to control pest and disease were:

1. Research and development staff giving complete recommendation regarding to pest management through detection/census result.
2. Agriculture officer to coordinating in field implementation.
3. Field assistant responsibility to implemented pest management.

4.5.2

Integrated pest management training has been held on February 22nd 2016, attended by 14 participants which is pest and disease team of Sungai Deras. It held in meeting room of Sungai Deras. The same training also held on March 23th 2013 in Cabang Dua Estate that attended by 30 employee. It training facilitate by Pest and Disease officer. Training certificate has show to the auditor.

Status: Comply

4.6

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

4.6.1 & 4.6.4

Pesticide usage policy Wilmar Group documented in Wilmar Policy (No Deforestation, No Peat Dan No Exploitation) that released on December 5th 2013. It stated:

“Pesticides that are categorized as World Health Organization Class 1A or 1B listed by the Stockholm or Rotterdam Convention are not used, except in specific and urgent situation. The use of Paraquat is prohibited.”

According to the policy above, the company has no longer using Paraquat since 2014.

Pesticide that using by the company in 2016 has been documented in pesticide usage list. There were 18 type of pesticide listed and categorized as active ingredients, WHO type, target, legal registration and LD50.

Based on observasion in the chemical storage to make sure there is no use of Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat.

4.6.2

Pesticide application program documented in annual plan especially on upkeep plan. Pesticide usage recording in pesticide usage in application data (FRM-EST-008-034). It described data of application area, pesticide type, active ingredient, target, dosage, LD50 etc. All data recorded by document controller monthly.

4.6.3

Biological control has been done is to utilize owls to control mice for example in Block 78 Division 1 Sungai Deras Estate and the use of Turnera subulata plant as a host of natural enemies of caterpillars. Recording of planting crops Turnera subulata in Block D17 Sungai Deras Estate.

Based on document verification, there is no pesticide usage as prophylactic.

4.6.5 & 4.6.9

Based on field observation and interview with worker in Cabang Dua and Sei Deras Estate, it is known that pesticides are kept in agrochemical storage. The storage operator understood how to mixing the pesticides and work procedure in agrochemical storage. MSDS are available in the storage and the worker also understood it. The PPE is in accordance with the risk identification. Based on interview and field observation to agrochemical storage, it is known that the pesticides is mixed in the storage or mixing place and physical verification of inventory in the chemical store agree back to the inventory records. The mixing pesticide is brought to the field by special vehicle and then poured into each spraying workers cap. The spraying worker is wearing PPE when pouring the pesticide to its place and there is no spills on the ground.

Based on interview with spraying worker, they know the the correct way to spray the pesticide and dosage recommendation is in accordance with the lable of pesticides. They also have received training about spraying technique and calibration from the company. The training was about the correct way for spraying and inspection of PPE. All work equipments are kept in separate storage.

4.6.6

Certification Unit already has procedures related to the management of used pesticide container (SOP-GEN-005, revision 03 dated October 01, 2015). In the procedure described on Hazardous Waste management techniques, the prohibition of Hazzardous Waste reuse for other purposes.

Based on field observation to chemical storage and interview, it is known that the chemical container has been stored in licensed Hazardous Storage and handed over to the licensed Hazardous Waste collector (PT Shali Riau) on July 28, 2017. Based on field observation to housing employees, not found pesticides container used for clean water container, garbage container or other purposes.

Certification Unit able to show Hazardous Waste Storage permit from *Bupati* (Decree No. 503.660 / 221 / BLH / WAS / 2016, dated June 21, 2016), and able to show Hazardous Waste collector license from Ministry of Environment and work agreement of Hazardous Waste management with Hazardous Waste collector (Collective Labor Agreement No. 001 / DLI-2 / 1 / 2017 dated 18 Jan 2017).

Based on the above description, it can be concluded that the storage all pesticides in accordance with recognized best practices. All pesticide containers have been properly removed and not used for other purposes.

4.6.7

The Company has demonstrated training evidence against the dangers and risks of chemical applications. Employees of chemical applicators have also received PPE, receiving periodic health checks. The Company revised the IPM SOP (SOP-EST-018 Revision 3 dated September 1, 2016) by adding spraying methods as well as the potential and risk of hazards and risks posed. Records of socialization (minutes, photos and attendance list) for SOP-EST-018 Revision 3 to employees dated September 7, 2016.

4.6.8.

Based on document verification, field visits, interviews with management and employees, so far there has been no application of pesticides from the air.

4.6.10

Interviews with chemical storage officers, supervisor, spraying teams and estate managers, it is known they have understood how to manage pesticide containers. Certification Unit has also presented evidence of an event report on agrochemical containers management training conducted in January 2016.

Certification Unit able to show the monitoring records of pesticide containers from the Estate Unit to the *TPS LB3*. The pesticide container is then stored at *TPS LB3* on December 14, 2016 and then delivered to *LB3* licensed collector dated January 25, 2017. After January 25, 2017 the Certification Unit delivered the pesticide container to the *LB3* collector dated 01 August 2017.

Based on the above explanation, it can be concluded that the waste disposal has been done correctly, in accordance with procedures that have been comprehensively comprehended by workers.

4.6.11

Company has a list of pesticide operators as many as 10 operators in Cabang Dua Estate and 26 operators ini Sei Deras Estate, consist of male and female. Medical examination has been conducted to pesticides operators on April and May 2017. Based on interview with worker who dealing with agrochemical, they have examined and the result is informed to the worker. Based on document review, there are some operators indicated chemical exposures. To follow up this result, company issued recommendation letter to those operators No 001/MLN-CDE/Int/VII/2017, 007/DLI/KSD/INT/IV/2017,

017/DLI/KSD/INT/V/2017 from each unit about mutation so manual maintenance.

4.6.12

There is intern memorandum No. 001/HRR-MLN/Int/V/2016 on 24th May 2016 about Prohibiton of Spraying dan Manuring Work For Pregnant and nursing worker. Furthermore, based on interview with paramedic, company has a program for pregnant examination every 3 month to identify the pregnant worker. Based on field observation and interview with spraying and manuring worker in Cabang Dua and Sei Deras Estate, there are no pregnant or nursing female worker. Company also has monitoring of female worker pregnancy. The identified pregnant female worker will be transferred to the job that not dealing with agrochemical.

Status: Comply

4.7

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

4.7.1

The policy of occupational health and safety is available and has been established on September 2010 by the top management who declared that PT Wilmar International (as the holding company) has been committed for :

- Obey all rules and regulations, requirements of occupational health and safety which are applicables in local, national, and international, and have been ratified.
- Implementing and maintaning the management system of safety.
- Creating and communicating to all workers, contractors, clients, and guests regarding to the way of safety work and the policy of safety which is specific at the location of work and the needs to prevent the accident of work, the health hazard and the damage or the loss of goods.
- Represent and build the awareness by periodically training which is adequate, exemplary and responsible and business partner, including contractor, and smallholders by their neatness in periodcally improvement process.

All of the implementation activity of guidelines for the implementation of occupational health and safety programme have been included into daily report of guidelines for the implementation of occupational health and safety quarterly which sent to the related institution. Things which have been reported such as : the identity of corporate, summary of occupational accident, the report of guidelines for the implementation of occupational health and safety, the activities of occupational health and safety (routinely meeting, the monitoring of occupational accident, the socialization activity and the counseling of occupational health and safety, the implementation of occupational disease). Work programme of occupational health and safety for the period of january-december 2017 have been made by the document controller, and known by the chairman of guidelines for the implementation of occupational health and safety and approved by division manager.

4.7.2

The Company has identified every kind of potential hazard and the risk which is may ocured from the operational activity, both mill and estate. The document of risk anlysis for the unit of estate and unit of mill which has been established and valid on1st of January 2075. Inside of the document of risk analysis has been explained the information regarding to the activity, potential or the actual aspect of enviroment and occupational health and safety hazard, condition, the regulation of enviromental policy related to the possibility, density, level of the initial risk, significant aspect, controlling, the level of risk and the category of risk.

Based on the results of field trips in the B3 Warehouse and Chemical Warehouse of Cabang Dua Estate found APAR which is in empty condition (used for fire simulation). It is not in accordance with the document of the results of risk identification in the B3 Warehouse and Chemical Warehouse where there is a risk of fire so that fire-fighting equipment is required to handle emergencies. **NCR 2017.05**

4.7.3.

The Company has been done the training routinely in the terms of The Company can show the reports of training, such as :

- Training on risk assessment at work on January 18, 2017.
- Socialization of the use of PPE on March 15, 2017 in PKS was attended by 15 participants.
- Training of APD dated March 17, 2017 at the Branch Office of Dua Dua office 35 participants.

Based on the results of field visits are still found workers using Personal Protective Equipment damaged, for example:

- Result of field visit at Cabang Dua Estate Blok 51 (spray activity) and Block 56 (fertilizer activity) found APD (Apron)

which have started damaged (tear). Based on the result of document review and interview with management, it is known that it is caused by APD order has not been fully fulfilled (there are still 30 APD apron which have been ordered but not yet available).

- Results of field trips in Block 72 of Sungai Deras Estate found harvest workers with damaged PPE (hollow helmet). The Company has shown evidence of the acceptance of the fulfillment of PPE but there is no mechanism to ensure that non-conformity will not recur.
- The results of the document review, known to have been handed rubber glove on 3 to 12 spray workers, but the results of field visits found 1 worker with rubber gloves damaged. A worker also does not use a mask. The company shows evidence of the acceptance of PPE compliance but there is no mechanism to ensure that non-conformity will not recur. **NCR 2017.06**

4.7.4

- The Company has P2K3 Organization of PT DLI (For Estate) in accordance with the Decision of the Head of Manpower and Transmigration Office of Labuhan Batu Regency. Kep.101 / P2K3 / DSTKT-4/2016 with the chairman of Sulistiarto and Secretary Yudo Martita (SKP: KEP.P 13126 / M / DJPPK / V / 2015 dated May 8, 2015).
- The Company has P2K3 Organization of DLI 2 POM in accordance with the Decision of the Head of Manpower and Transmigration Office of Labuhan Batu Regency. Kep.01 / P2K3 / UPT.Wil IV / 2017 with the chairman of Marnangon Sitorus and Secretary Yudo Martita (SKP: KEP.P 13126 / M / DJPPK / V / 2015 dated May 8, 2015).
- The Company has a P2K3 Organization of Cabag Dua Estate in accordance with the Decision of the Head of Manpower and Transmigration Office of Labuhan Batu Regency. Kep.3079 / P2K3 / DSTK-4/2016 with the chairman of Sihar Bicar Manurung and Secretary of Ali Rasiden Daulay (SKP: Number: KEP.P 1037 / M / DJPPK / IV / 2015 for PT Perkebunan Milano (Wilmar)
- Hiperkes Doctor for Company on behalf of Muhammad Andri Hiperkes certificate No. 42.340 / DBK3-DH / 12 / VII / 2016.

4.7.5

The standard operational of procedure of emergency response is available and regarding to the preventive action and the preventive action of the estate and forest fire; fire at the mill; fire at the housing; oil leak from the storage tank; collision tumble of CPO oil tank; the tractor trailer overtuned of oil distribution. The standard operational of procedure of emergency response No PRO-GEN-013 on 1st of July 2012. Inside of the standard operational of procedure generally outlined the early action—the advanced handling—the final act (adjusted to its emergency condition).

Based on the result of field visit at Cabang Dua Estate Block 26, there is no first aid box found in the fertilization work area. **NCR 2017.07.**

4.7.6

Company provides medical care for worker including daily worker. Medical care is covered by BPJS (worker and health insurance). The payment for BPJS is conducted every month according to the available rule. Besides, company also provide medical facilities for workers if work accident is occurred. Based on interview with workers in estate and mill, it is known that both worker and their family have been registered in health insurance (BPJS Kesehatan).

| | | |
|-------------|---|--|
| Major 4.7.2 | Status: Non Conformity No 2017. 05 with Major Category | |
| Major 4.7.3 | | |
| Minor 4.7.5 | | |
| | Non Conformity No 2017. 07 with Minor Category | |

4.8
All staff, workers, smallholders and contractors are appropriately trained.

4.8.1

Company has training program for workers for period of 2017 for operational training and socialization of procedure and company policy. Some of training program, namely:

- Manual spraying/mechanic will be held in February 2017
- Emergency response will be held June 2017
- EHS aspect will be held in August 2017

Based on interview with worker in estate and mill, they have received some training related to their work, such as harvesting best practice, training for manuring, and spraying, first aid training. The training has been documented into

minutes of meeting, list of attendees, and photo activity.

4.8.2

Company has showed the documentation of training whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. For example, work accident investigation in Sei Deras Estate, socialization of Company Policies, spraying technique, etc. For external training, the company kept the certificate of each employee. All the training documentation is kept in worker personal file.

Status: Comply

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

5.1

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

5.1.1

Certification Unit able to show the Social Environment Impact Assessment (SEIA) document, as follows:

- Analisa Dampak Lingkungan (ANDAL) assigned by Environment Agency of Labuhanbatu District on Augst 31, 2009. The scope of area of 4,694.5 ha and 30 tonne FFB/hour.
- Upaya pengelolaan lingkungan (UKL/UPL) assigned by Environment Agency of Labuhanbatu District on January 27, 2014. The scope of area for Sei Deras Estate covered 445.88 ha.
- Upaya pengelolaan Lingkungan (UKL/UPL) assigned by Environment Agency of Labuhanbatu District on Mei 05, 2014 for Sei Deras Estate covered 431.87 ha.
- Upaya pengelolaan Lingkungan (UKL/UPL) assigned by Environment Agency of Labuhanbatu District on February 01, 2012 for Cabang Dua Estate covered 654,33 Ha

All of the EIA documents explained all activities for pre construction, construction, operation, and post operation for example (road construction, field drain construction, housing and facilities, waste water treatment plant, IPM, replanting, and etc), and the assessment was done by including stakeholder consultation on 2008 and 2013.

Interview with Environment Agency of Labuhanbatu District, it is known that environmental study have passed the consultation phase with stakeholders.

5.1.2

The environmental management plan has not changed from the previous audit. Certification Unit able to demonstrate the implementation of the environmental management plan, which is recorded in the RKL / RPL implementation document for the second semester of 2016. For example: POME management at WWTP outlate, use of fiber, shell and EFB for boiler fuel, stored LB3 in TPS LB3, dumping domestic garbage to landfill area (TPSA), maintenance of high noise-generating machines, flora and fauna socialization, making wildlife hunting warnings, providing job vacancy information to village offices, providing assistance, health services, dam making, and measuring water levels.

Based on field visit to Mill, it is known that fiber, empty shell and EFB are used as boiler fuel, POME is managed in WWTP pond, worker have been wearing earplug / earmuf while working in high noise area, dumping domestic garbage to landfill area.

Interviews with community representatives know that they have benefited from the existence of Mill and Estate, people have the opportunity to work and try and get other supprot.

5.1.3

The environmental monitoring program has not changed from the previous audit. Certification Unit able to demonstrate the implementation of environmental monitoring plan, which is recorded in the RKL / RPL implementation document for the second semester of 2016. For example: POME quality testing has been done at the mill outlate evaru month and surface water quality testing for the second semester of 2016. From the report it is known that all POME testing parameters comply with the standards established by the government, for example on June 2017: pH 9.21, BOD 71.5 mg/l and COD 238 mg/l.

As well as with results of all surface water testing parameters in accordance with standards established by the government, for example: Nitrite 0.04 mg / l, Nitrate <0.5 mg / l, DO 8 mg / l, BOD 2.25 mg / l, COD 4.55 mg / l , Total Coliform 170 MPN / 100 ml.

Status: Comply

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1

No change of HCV area of PT DLI and PT Milano with previous audit. PT DLI has conducted the identification over HCV in 2013. The *RSPO Approve Assessor* was the one that conducted the identification process. The identification was based on HCV identification in Indonesia guideline, period June 2008 and involved personnel and local communities on the identification process. Based on identification result, there was an HCV area around \pm 9.12 Ha that consists of 3.42 Ha (Danau Biru) in a form of peat area, which covered with natural vegetation and \pm 5.7 Ha in a form of trench with fire boundary.

PT Milano Cabang Dua Estate has conducted the identification over HCV in 2009. The *RSPO Approve Assessor* was the one that conducted the identification process. The identification was based on HCV identification in Indonesia guideline, period June 2008 and involved personnel and local communities on the identification process. Based on identification result, there was an HCV area around \pm 2.41 Ha that consists of 0.01 Ha in a form of sacred place such as cemetery and \pm 2.4 Ha in a form of trench with fire boundary.

Certification Unit able to show evidence of stakeholder involment in HCV assessment. Sighted: attendance list of HCV meetings conducted on May 02, 2013.

5.2.2

Certification Unit able to show HCV documents (see indicator 5.2.3). Certification Unit able to show the management of HCV and Wildlife, for example: washing the ditch in Block 82,83,84,85 conducted July 31, 2017, Patroli in Block 062 conducted June 08, 2017, inspection on employee housing conducted on June 07, 2017, monitoring fire in HCV area conducted June 2017, observation of flora and fauna in HCV area conducted 18 April 2017, HCV socialization to employees conducted July 21, 2017, HCV socialization to the community conducted July 20, 2017.

From management reports able to show that HCV signboards are in good condition, there is was no indication of HCV area fire, no indication of wildlife renewal, no indication of wildlife traps, no indication of employees catching, harming, collecting or killing wildlife, no indication of hotspots in the HCV area, the wildlife have been well monitored. The wildlife encountered in Block G2 of Sei Deras Estate include *Elang tikus, Kipasan belang, Watet raksasa, dan Kadal*.

Results field visit to HCV area Block 42 & 43 of Cabang Dua Estate and Block 62 & 82 of Sei Deras Estate is known that the management of HCV area has been done well in accordance with the established program. Based on filed observaton to Employee Housing, auditor did not see any negative issue related to RTE species.

5.2.3

Certification Unit able to show HCV & RTE species socialization to employees conducted July 21, 2017 and HCV & RTE socialization to the community conducted July 20, 2017. The Certification Unit also provides HCV & RTE signboard in the field as a medium of information that can be directly viewed by employees and the community.

Certification Unit able to show animal observation documents in the HCV area of 2017. For example, observations on April 18, 2017 at Block G2 of Sei Deras Estate. From these observational reports, it was found that there were no indications of renewal, traps, and no indication of employees catching, harming, collecting or killing RTE species.

Result of field visit to HCV area Block 42 & 43 Cabang Dua Esatte and Block 62 & 82 Sei Deras Estate, and field visit to Employee Housing, auditor did not see any negative issues related to RTE species.

5.2.4

Crтификаtion Unit able to show the evaluation report on the management of HCV & RTE Species for the period 2016. This report contains the level of achievement of HCV and RTE Species management / monitoring, threats to HCV and

management recommendations for 2017.

5.2.5

Based on HCV study, interviews with local community representatives and field visit to several Blocks Estate, found no HCV areas controlled by the community.

Status: Comply

5.3

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

5.3.1

Certification Unit able to show the document of *Identifikasi Sumber Limbah dan Polusi* with No. Form-EHE / DLIII-069-00 signed in 2016. In the document described product and source of waste or pollution. For example:

- Product waste: Condensate water, EFB, leachate water, fiber, POME, claybath wastewater, boiler water, boiler emissions, generator emissions, chemical containers, oil filters, used batteries, organic & inorganic waste
- Source of waste: POM Office, Loading Ramp, Sterilizer, Thereser, Bunch Press, Clarification, Kernel, Boiler, Engine room, WTP, Maintenance, and Housing.

5.3.2

Based on field visit to chemical storage and interview, it is known that the chemical container has been stored in licensed *LB3 TPS* and handed over to the licensed *LB3* collector (PT Shali Riau) on July 28, 2017. Based on field visit to housing employees, not found container used chemical for container of clean water, garbage or other purposes. Based on the above description, it can be concluded that all chemicals and their containers must be disposed of responsibly.

5.3.3

Waste management related procedures have not changed with previous audits. Result of field visit to Mill, it is known that condensate / POME water has been transferred to Fat Fit area, then flowed to Fat Fit Tank and then flowed to WWTP pond, Cooling Pond; EFB has been collected in the EFB area and incinerated with Incenerator; Fiber has been utilized as a boiler fuel. Chemical containers including pesticide containers have been collected at *LB3 TPS*, Organic / Inorganic Wastes have been disposed to Landfill.

However: Based on field visit to Sei Deras Estate were found B3 Waste: Cat Cotton, used bottle of Accu Water, Oil used container in Landfill area. It is not in accordance with the document of *LB3* management plan approved on January 01, 2017 and *LB3* Control (SPO-GEN-005, Revision 02 dated 01 Feb 2015), that *LB3* shall be kept in licensed *LB3 TPS*.

Based on the explanation, raised the Hence, raised **NCR 2017.08**

Major 5.3.3 Status: Nonconformity No. 2017.08 with major category.

5.4

Efficiency of fossil fuel use and the use of renewable energy is optimised.

5.4.1

Certification Unit able to show the use of renewable energy (fiber and shells) document from August 2016 to July 2017. For example:

- Mei 2017: FFB processed was 8832.05 MT, fiber usage was 1148.222 MT, shell usage was 358.711 MT. Total renewable energy usage was 0.17 MT / ton FFB.
- Juni 2017: FFB processed was 7.103,220 MT, fiber usage was 923.419 MT, shell usage was 511.147 MT, and total renewable energy usage was 0.20 MT / ton FFB.
- July 2016: FFB processed was 10.515,200 MT, fiber usage was 1,366.976 MT, shell usage was 867.058 MT, and total renewable energy usage was 0.21 MT / ton FFB.

Certification Unit able to show documents on the use of fossil fuels (diesel fuel) from August 2016 to July 2017. For example:

- Mei 2017: FFB processed was 8832.05 MT, fosil usage was 4.36 MT. Total fosil usage was 4.94 MT / ton FFB.
- Juni 2017: FFB processed was 7.103,220 MT, fosil usage was 4.36 MT. Total fosil usage was 5.75 MT / ton FFB.
- Juli 2017: FFB processed was 10.515,200 MT, fosil usage was 4.36 MT. Total fosil usage was 4.18 MT / ton FFB.

From the calculation of Palm GHG Calculator in 2016, known the use of fossil fuels (diesel) as much as 206,980 liters / year and no methane capture value.

Based on the above explanation, it can be concluded that the efficiency of use of fossil fuels and the use of renewable energy has been optimized.

Status: Comply

5.5

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

5.5.1 & 5.5.2

Field observation at replanting areal block 026 div 1 Sei Deras estate found there is no ex land burning and replanting activities was done mechanically (chopped and stack). Planting years document showed there are only replanting areal activities at Sei deras and wonosari estate and not found new development / planting areal.

In implementing land clearing and replanting the company has implemented zero burning policy. The replanting program is done mechanically by working with contractors. The company shows work agreement of replanting implementation No. SPK 002 / MLN-CDE / SPK // I / 2014, in the work agreement mentioned work done in the form of chipping, compacting and new filed drains.

Status: Comply

5.6

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

5.6.1

Management of pollution is recorded in the document of Identifikas Sumber Limbah dan Polusi with No. Form-EHE / DLIII-069-00 signed in 2016. In the document described the form of pollution management sourced from Milla amd Estate activities. For example: boiler and genset emissions are managed by testing the emission quality.

5.6.2

Certification Unit able to show identification of GHG emission sources made on 02 January 2017. GHG emission sources consist of FFB transport, chemical use, fossil fuel use, peatland management and POME. The Certification Unit also able to demonstrate GHG emission mitigation plans, for example: conducting air emissions testing.

Certification Unit has conducted air emissions testing in the second semester of 2016. From the report of the test results it is known that all parameters are still in accordance with the standards set by the government. For example test results in incinerator: Opacity <20 mg / m³, Particle 112 mg / m³, SO₂ 316 mg / m³, H₂S 2.98 mg / m³.

Certification Unit has also conducted air ambient test in second semester of 2016. From the report of the test result, it is known that all parameters are still in accordance with the standard set by the government. For example the test results in ambient air at employee housing locations: Particles 29.2 µg / m³, SO₂ 29.8 µg / m³, NO₂ 5.98 µg / m³, etc.

5.6.3

Daya Labuhan Indah II POM and supply bases has calculated GHG emissions for period 2016 using the RSPO PalmGHG calculator, as follow as:

| Emmision per product | tCO ₂ e/tProduct |
|----------------------|-----------------------------|
| CPO | 16.62 |
| PK | 16.62 |

| Production | t/yr |
|---------------|-----------|
| FFB processed | 168564.05 |
| CPO produced | 34765.25 |
| PK produced | 8370.17 |

| Extraction | % |
|------------|-------|
| OER | 22.67 |

| | |
|-----|------|
| KER | 4.66 |
|-----|------|

| | |
|-----------------------------|-----------|
| Land use | Ha |
| Planted area | 6531.34 |
| Planted on peat | 4978.2601 |
| Conservation (forested) | 8.86 |
| Conservation (non-forested) | 0 |

Summary of field emission and Sinks

| Description | Own plantatio | | Group plantaton | | 3 rd party | |
|------------------------------------|------------------|-------------|-----------------|-------------|-----------------------|------------|
| | tCO2e | tCO2e/tFFB | tCO2e | tCO2e/tFFB | tCO2e | tCO2e/tFFB |
| Land conversion | 49383 | 0.95 | 13772.95 | 0.58 | 0 | 0 |
| CO2 emmisions from fertilizer | 4348.15 | 0.08 | 0.62 | 0.04 | 0 | 0 |
| NO2 emissions | 36125.04 | 0.69 | 3.32 | 0.22 | 0 | 0 |
| Fuel comsumtion | 1042.21 | 0.02 | 0.51 | 0.03 | 0 | 0 |
| Peat oxidation | 240650.05 | 4.62 | 20.35 | 1.32 | 0 | 0 |
| Sinks | - | - | - | - | 0 | 0 |
| Crop sequestration | -46808.57 | -0.9 | -8.53 | -0.55 | 0 | 0 |
| Sequestration in Conservation area | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 284739.92 | 5.47 | 25.27 | 1.64 | 13593.16 | 0 |

Summary of Mill Emmission and Creadits

| Emissions | tCO2e | tCO2e/tFFB |
|--|-----------------|------------|
| POME | 15233.51 | 0.2 |
| Fuel Consumption | 646.04 | 0.01 |
| Grid Electricity Utilisation | 21.28 | 0 |
| Credits | | |
| Export of Grid Electricity to Housing & Grid | 0 | 0 |
| Sales of PKS | 0 | 0 |
| Sales of EFB | 0 | 0 |
| Total | 15900.83 | 0.2 |

POME Treatment

| Emissions | % |
|-------------------------------|------------|
| Divert to compost | 0 |
| Divert to anaerobic digestion | 100 |

POME Diverted to Anaerobic Digestion

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

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

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

6.1

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

6.1.1

The company has document of Social Impact Assessment Report for scope of Plantations & Palm Oil Mill. The assessment process carried out in Mei 2013 by the Remark Asia Consultant. The document describes the social impact management of gardens and factories, among others: employment, health and safety, facilities and benefits of workers, consultancy and communication, stability of employment, business opportunities, revenues, income household, institutional, perception at the company, socio-cultural changes, health workers and the public, and tenure. The process of data collection is done through discussions with the parties, the employee and community. The results of these discussions are described in the form of Minutes of the results of the discussion. Evidence in the form of recordings Participant List Discussions at the time of collection of information. The parties that are involved, consist of employees and the communities of villages surrounding (Sei Deras, Sei Tampang, Sidorejo dan Wonosari). The documentation of meeting was attached in the report.

6.1.2

There was shown an evidence of record meeting with the parties during the discussion (consultation), in the form of Key Issues List (Results Stakeholder Consultation with Employees of the Company and the Public Interest). Recording summarizing the results of discussions during the field data collection in Sei Deras, Sei Tampang, Sidorejo dan Wonosari Village.

6.1.3

It has been shown recorded evidence include:

- Documents Report of RKL/RPL Second Semester year of 2016. In the document has been explained about the social impacts are monitored and managed, among others: community fitness & Employment.
- Summary of the implementation of the collection of information for planning and managing social impact monitoring.
- The presence or absence of the parties, consist of; representatives of the local community, the village government and community leaders

The scope of PT DLI includes Sei Deras Estate and Wonosari Estate

The management unit has a social impact management plan in the Social Management Plan document. This program was arranged by Participatory Research Analysis method with corporate program covering education, socio-cultural, economic, health, and so forth.

Scope of PT Milano (including Cabang Dua Estate)

The monitoring of public perception was carried out by giving a questionnaire to the community, for example a questionnaire filled by the head of Sei Nahodaris village on 25 July 2015 and Head of the Hamlet 1, Sei Nahodaris village on 25 July 2015.

6.1.4

It has been shown evidence of record, consist of:

- Document Review of Plan for Monitoring the Social Impact of PT Daya Labuhan Indah year of 2016, contains a description of Sources of impact, parameters measured, Objective Monitoring, Data Collection and Analysis Methods, Location Monitoring, Implementation and results of the review
- Minutes of the implementation of the FGD among employees of PT Daya Labuhan Indah with stakeholders (community and around the Village Government), dated 25 July 2015, participatory discussion regarding the impact of Social Monitoring Plan Review of PT Daya Labuhan Indah year of 2016
- Attendance List of Participants
- Photographs of Focus Group Discussion process

6.1.5

Until the ASA 03 the Certificate Holder there was no has Smallholder Program.

Status: Comply

6.2

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

6.2.1

Cabang Dua Estate has the mechanism for communication which is written SOP of Information Services for Public (PRO-BM.GEN-005) and SOP of Communication and Consultation (PRO-GEN-011). As for Sei Deras Estate, mechanism for communication and consultation is written in SOP of Information Services for Public (SOP-BNM-003) and SOP of Communication, Consultation, and Coordination with External Stakeholder (SOP-BNM-001). The aim of this procedure is to make sure all request and delivery of information for public is responded according to the available information source and also to explain technical implementation of communication and consultation with external stakeholder. Based on consultation with related stakeholder, they already know the mechanism for communication and consultation with the company.

6.2.2

Company has decree no 001/DLI-HRR/SK/IX/2016 about Public Speaker of PT Daya Labuhan Indah and No 026/MLN-HRR/SK/X/2016 about Public Speaker of PT Perkebunan Milano. The Decree appoints people as in charge for communication and consultation with stakeholder. Public speaker is divided into each aspect, such as public speaker for worker and company policies aspect, CSR, EHS, and so on. Based on interview with related stakeholder, they know the PIC for communication and consultation.

6.2.3

Company has the newest list of stakeholder, consist of statutory bodies, leader community, smallholders, contractors, worker organizations, and NGOs. The communication is documented and kept by the company. Based on interview with stakeholders, is known that they already know about the mechanism of communication and consultation. Company documented incoming letter from stakeholder in a log book. Moreover, company responds to all incoming letter quickly or not later than one month after the letter was received.

Status: Comply

6.3

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

6.3.1

The company has procedure Communication and Consultation (PRO-BM.BEN-001, approved by Michael Tiwon Ass General Manager effective since 1 July 2012) and also has system for dealing the dispute and complaints received. There was also the procedure (SOP - GEN-031 on point 6.1, 6.2 and 6.10 are submitted on whistleblower protection and legal protection. These system was refer to Wilmar Integrated Policy dated 5 December 2013 page 9 on Grievance Procedure submitted on the complaint process that will be brought to the RSPO complaint system. Also was renew in Wilmar Group Policy (Version 3, No. 042/DIR-KP/VIII/2015, dated 5 August 2016, The policy was contained of Form of Complaint Data Handling. These document was explained on point 4. Objectives and Policy in Sub point 4.1 was explained that this policy aims to provide assurance to the complainant who already have a good willing to report of alleged abuse or practice of divergence. The complainant will be protected against retaliation or actions that could harm the complainant. Furthermore in point 7 related to **Confidentiality**, there was explained that the Company encourages the complainant to write clear and complete identity at the time reported the deviations that occur. All forms of reporting irregularities will be guaranteed confidentiality by the company. If the complaints cannot be resolved by consultations, it can follow up to next step or through process to RSPO.

6.3.2

Based on the verification of incoming letter documents and information from the parties when the internal stakeholder consultation (Gender Committee and workers representatives, consultation with relevant agencies in the District Labuhan Batu and Stakeholder Consultation with head of village & community representative from Sei Deras and Sidorejo Village), there was no information about the complaints of the parties. The document of Complaint List was showed that any aspiration from the workers related to company facilities, for examples aspiration related to damage part of home facilities. For example, in the Cabang Dua Estate there is a complaint from an employee in a residential area complaining about a

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| leaking water catchment tank and it has been fixed by the estate management. The management unit of PT Daya Labuhan Indah was follow up with maintenance the part of home facilities. | |
| Status: Comply | |
| 6.4 | |
| Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | |
| 6.4.1 & 6.4.2 | |
| The company has the procedures of identification, calculations, and compensation (SOP-LAND PERMIT & OPS-006). In the procedure described on page 3 point 2.1 that the land acquisition through the inventory and identification of the location of the land to be released by coordinating with the Indigenous Peoples or local villagers, as well as with the Hamlet/Village and sub District Government. Has been shown the examples of record evidence in the process of land acquisition in early period. The document was consist of Minutes Agreement between PT Daya Labuhan Indah with landowners witnessed by the parties (Sub District Head and Village Head). Also available evidences of Land Submission Letter from each owner/land tenants to PT Daya Labuhan Indah. For example a Compensation Letter in Tanjung Selamat Village who explained that willing and has received compensation from the company. The letter was signed by each party in May 2000. The parties was signed the document consist of Land Owner, Management Representation of PT DLI, Head of Tanjung Selamat Village and Witnessed by Community Representation. | |
| 6.4.3 | |
| The company has documented all of land compensation process. The documentation comprise of Map, Negotiation result (minutes of meeting), Land Release Letter, Payment Receive was filled in estate office based on land location. Based on Procedure Implementation Mechanism Communication and Consultation With Community (PRO-BM.BEN-001). The documentation of land compensation process are limited access and should approved by Document & Legal Department and Manager of Estate if any related parties will access this document. These documents can access with letter of Information Request from another parties to the company. Based on Stakeholder Consultation with head of village & community representative from Sei Deras and Sidorejo Village was known that there are no longer processes of land compensation taken by the company. It has been done in the early period of plantation operation. | |
| Status: Comply | |
| 6.5 | |
| Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages. | |
| 6.5.1 | |
| Company has work agreement for contract worker which explain about the wages, work hour, duty and responsibility, and other provisions. The wages is in accordance with Sumatera Utara Governor Decree No 188/44/KPTS/2017 about sectoral minimum wage for Labuhanbatu Regency as much as Rp 2,467,000 per month. Besides, the company have The wage for contract worker is set in the work agreement. Based on interview with worker in estate, they received the payslip document and the amount is in accordance with the applicable regulation. | |
| 6.5.2 | |
| Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage. | |
| Company also has PKB (collective labour agreement) for Cabang Dua and Sei Deras Estate and also PP (Company Regulation) for DLI 2 Mill. The collective labour agreement and company regulation is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on. | |
| 6.5.3 & 6.5.4 | |
| Based on the results of field visits known that Company has been providing housing facilities, lighting, water, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. Adequette food supply can be accessed by the nearest market. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with | |

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| reasonable price. The Company also provides water depot for worker in each estate. | |
| Status: Comply | |
| 6.6 | |
| The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel. | |
| 6.6.1 | |
| Company has socialized company policies which one of the policy stated that company give freedom to all worker to form and join labor union. Company facilitates the establishment of labor union (Serbundo) for Cabang Dua and Sei Deras Estate and Bipartite Cooperation to deliver the information from the workers to company and vice versa. The labor union has been registered to Labor Agency of Labuhanbatu Regency. Based on interview with the worker in Sei Deras Estate, there is no force for the worker to join the labor union. | |
| 6.6.2 | |
| The labor union conducted internal meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on 17 th April 2017, attended by 17 participants and 31 st July 2017 attended by 29 participants. The documentation is available in office unit and available for member if they were asking. | |
| Status: Comply | |
| 6.7 | |
| Children are not employed or exploited. | |
| 6.7.1 | |
| The minimum age for new worker recruitment is 18 years old, it is based on SOP of Recruitment No PRO-HRD-001. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Labuhanbatu Regency and field observation, there is no issue regarding child labor. Based on interview with worker in estate, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. | |
| Status: Comply | |
| 6.8 | |
| Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. | |
| 6.8.1 & 6.8.2 | |
| There is no revision on policy related to equal opportunity and anti discrimination. In the policy is stated that there is no discrimination based on ethnic, religion, disability, gender, sexual orientation, age, and beliefs. This policy is located in each unit and can be accessed publicly. Based on field observation and interview with spraying and manuring female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from board of labor union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion. | |
| 6.8.3 | |
| Company kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment. Company showed documentation of employee performance assessment, it explain about the verification of evaluation indicator whether the worker will be promoted or demoted. | |
| Status: Comply | |
| 6.9 | |
| There is no harassment or abuse in the work place, and reproductive rights are protected. | |
| 6.9.1, 6.9.2, 6.9.3 | |
| Company has policy related to Sexual Harrasment approved on September 2010. It states that Wilmar International try to make conducive work environment. Based on interview with spraying and manuring worker Cabang Dua and Sei Deras Estate, it is known that there is no issue or complaint related to sexual harassment on the workplace. Company also form gender committee for handling the harassment issue around female workers. It is also known that they understand the | |

mechanism of complaint submission. Complaint can be submitted to board of labor union, gender committee, or their foreman. Based on interview with the board of gender committee, the company provides the female worker with pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical.

Status: Comply

6.10

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

6.10.1 & 6.10.2

Based on document verification and explanation from the management of DLI 2 POM was known that during this year period there is no purchase of FFB from other parties, either from smallholder or individual farmer. The FFB that received in DLI 2 POM is supplied from 3 estate : Wonosari, Sei Deras and Cabang Dua Estate (Certification Scope of PT DLI) and Merbau Estate (Scope of Certification of PT Perkebunan Milano - also has RSPO Certified).

6.10.3

During the ASA 3 there was no contracts between the Certificate Holder with smallholders or other suppliers. There was showed sample of Work Agreement Letter between the CH with local contractor, for example:

- Work Agreement Letter (No.033/SPK /DLI-KWS/V/2017, between PT Daya Labuhan Indah and Local Contractor (Riamin) for Mounding Palm activities.
- Work Agreement Letter (No.030/SPK/DLI-KWS/V/2017, between PT Perkebunan Milano- Cabang Dua Estate with Local Contractor (H. Daulay) for loading process of Fresh Fruit Bunches from plantation area to DLI2 POM.
- Work Agreement Letter (No.032/DLI-KSD/SPK/VIII/2017, between PT Daya Labuhan Indah with Local Contractor CV Yeni Jaya Bersama for Development of Fertilizer Building (size 10 x 30 Meters).

Based on the results of interviews with the local contractors mentioned above, obtained information that before the contract documents are signed, the contractor is given the opportunity to read the contract details, so as to understand the rights and obligations of each party. Both parties keep each one file that has been stamped IDR 6,000

6.10.4

There was shown sample proof of payment records July 2017 from PT Daya Labuhan Indah to local contractor Local Contractor (H. Daulay) for loading process of Fresh Fruit Bunches from plantation area to DLI2 POM. Based interview with the local contractor that knows the payment process was routinely as clause in contract and there was no problem related to consistency time of payment in every month.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The contribution to local development is documented in the program of Corporate Social Responsibility for year 2017. Based on document review, the local development is conducted in every aspects, such as infrastructure, environment, economic, health, education, and preservation of customs and culture, as donation for social, religious, health activities. Moreover, company also give response to all incoming proposal from surrounding village. Based on interview with board of labor union, it is known that there are local worker in the company.

6.11.2

Based in interview with management unit, there is no partnership with local smallholders.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview with worker

union member, there is no issue related to force labour.

Status: Comply

**6.13
Growers and millers respect human rights**

6.13.1

Certificate holder has policy on human rights which explain the kind of human rights for all workers. The policy has been socialized to the workers, as on 10th March 2017 attended by 36 participants. Based on field observation and interview with worker and internal stakeholder (board of labor union and gender committee), it is known that there is no complaint related to human rights violation. If there is a complaint, the complaint can still be resolved by amicable way between employees. The workers also aware about the policy.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1; 7.1.2;7.1.3

Certificate holder does not open a new estate or expansion area since ST-2 (December 2013). PT DLI has been doing replanting since 2009 and PT Milano Cabang Dua Estate has replanted since 2013.

Related to environmental analysis document (see indicator 5.1.1)

Status: Comply

7.2

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

7.2.1;7.2.2

Certificate holder does not open a new estate or expansion area since ST-2 (December 2013). PT DLI has been doing replanting since 2009 and PT Milano Cabang Dua Estate has replanted since 2013.

Soil information and management strategies including replanting described indicator 4.3

Status: Comply

7.3

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

7.3.1;7.3.2;7.3.3;7.3.4

Certificate holder does not open a new estate or expansion area since ST-2 (December 2013). PT DLI has been doing replanting since 2009 and PT Milano Cabang Dua Estate has replanted since 2013.

To ensure that no new plantings in primary forest or HCV areas since November 2005, the Unit Sertifikasi (Wonosari Estate) Sei Deras Estate and Cabang Dua Estate has sent Liability Disclosure and LUCA to RSPO Compensation. Based on email from RSPO dated Juli 2017, it is known that these units have been disclosed as zero non-compliant land clearance units. CB's may proceed with the RSPO certification process for these units.

Documents, management and monitoring HCV, could be seen at indicator 5.2.

Status: Comply

7.4

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

| | |
|---|-----------------------|
| 7.4.1;7.4.2 | |
| Certificate holder does not open a new estate or expansion area since ST-2 (December 2013). PT DLI has been doing replanting since 2009 and PT Milano Cabang Dua Estate has replanted since 2013. | |
| Soil information and management strategies including replanting described indicator 4.3 | |
| | Status: Comply |
| 7.5 | |
| No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | |
| 7.5.1 | |
| Until ASA 3 the Certificate Holder does not open or extend new plantation. There are only Re planting activities that have been done since 2009 to 2013 in Wonosari and Sei Deras Estate (PT Daya Labuhan Indah) and in Cabang Dua Estate (PT Perkebunan Milano) from 2013 to 2017). | |
| | Status: Comply |
| 7.6 | |
| Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements. | |
| 7.6.1; 7.6.2; 7.6.3 ; 7.6.4 ; 7.6.5 & 7.6.6 | |
| Until ASA 3 the Certificate Holder does not open or extend new plantation. There are only Re planting activities that have been done since 2009 to 2013 in Wonosari and Sei Deras Estate (PT Daya Labuhan Indah) and in Cabang Dua Estate (PT Perkebunan Milano) from 2013 to 2017). | |
| | Status: Comply |
| 7.7 | |
| Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice. | |
| 7.7.1 & 7.7.2 | |
| Company has a policy on environment protection in a form of zero burning policy. Company implements its operational activities with zero burning approach, both in plantation development and waste disposal, except in a certain condition as stated in ASEAN guideline for zero – burning activities. Goh Ing Sing (Group Plantation Head) and Jeremy Goon (Group CSR Head) | |
| Field observation at replanting areal block 026 div 1 Sei Deras estate found there is no ex land burning and replanting activities was done mechanically (chopped and stack). Planting years document showed there are only replanting areal activities at Sei deras and wonosari estate and not found new development / planting areal. | |
| In implementing land clearing and replanting the company has implemented zero burning policy. The replanting program is done mechanically by working with contractors. The company shows work agreement of replanting implementation No. SPK 002 / MLN-CDE / SPK // I / 2014, in the work agreement mentioned work done in the form of chipping, compacting and new filed drains. | |
| Based on field visit in replanting area, it is known that there were no fire signs for the replanting activity. | |
| | Status: Comply |
| 7.8 | |
| New plantation developments are designed to minimise net greenhouse gas emissions. | |
| 7.8.1; 7.8.2 | |
| Certification Unit does not open a new estate or expansion area since ST-2 (December 2013). PT DLI has been doing replanting since 2009 and PT Milano Cabang Dua Estate has replanted since 2013. | |
| | Status: Comply |
| PRINCIPLE #8 Commitment to continuous improvement in key areas of activity | |

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

8.1.1

Environmental aspect.

Certification Unit has conducted continuous improvement in environmental and conservation aspect, such as: conducted POME test periodically, conducted water river test periodically, conducted smoke emissions test periodically, and stored hazardous waste on hazardous waste storage approved by government, etc.

Best Management Practice

Based on field observations and interviews with weighbridge stations officer, it is known that since April 2017 PT DLI has used the Electronic Bunch Count Chip (EBCC). These a card system to record FFB data sent from estate to mill. The card records data such as: Year Planting, Block Name, etc. This aim to make it easier to control the origin of FFB that supplied into DLI 2 POM.



Nonconformances Repetition

Based on Nonconformities identified at ASA 2 of 2016, the Auditor team considers that there are repeated non conformances in ASA 3 as a result of the incomplete implementation of continuous improvement. Such incompatibility is:

- **Indicator 2.1.1.** There should be evidence of compliance with relevant legal requirements
- **Indicator 2.2.1** Legal documents showing legal ownership or leasing, history of ownership conditions, duration and actual land use should be available.
- **Indicator 4.7.5** There should be emergency and occupational accident procedures available in the Indonesian language as well as available workers already trained First Aid In Accidents (P3K) in the work area

Status: Non Conformity No 2017. 09

3.2 Summary of Assessment Report of Supply Chain Requirements

| Clause | (Module D) CPO Mills – Identity Preserved Requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|------------|------------------|---------------|-------------------|------------|----------------|-----------|------------|------------------|--|-------------------|-----------|-------------|---------------|-------------|------------|-------------|------------|---------------------------------|--------|------------|------------|-----------|---------------|--------|---------------------------------|---------------|-----------|-------------|--------|--------------|-------|---------------------------------|--------|---------------|---------|--------|-------|-------|
| D1 | Definition | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Based on the document verification of FFB Monthly Reports from 08 October to 31 July 2017 and explanation from the management of DLI2 POM was known that during that period there was no purchase of FFB from other parties, either from plasma farmer or individual. The FFB was entering to DLI2 POM was supplied from 4 estate, Wonosari, Sei Deras and Cabang Dua (Scope of Certification of PT DLI) and Merbau Estate (Scope of Certification of PT Perkebunan Milano/also RSPO Certified).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Total supply of FFB to DLI 2 POM, Period of 08 October to 31 July 2017 was details on table below</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Estate</th> <th>Kode</th> <th>Keterangan</th> <th>Certified number</th> <th></th> </tr> </thead> <tbody> <tr> <td>Wonosari</td> <td>ESTATE-WS</td> <td>Certified</td> <td>MUTU-RSPO/047</td> <td>16,401</td> </tr> <tr> <td>Sei Deras</td> <td>ESTATE-SD</td> <td>Certified</td> <td>MUTU-RSPO/047</td> <td>21,032</td> </tr> <tr> <td>Cabang Dua</td> <td>CABANG DUA</td> <td>Certified</td> <td>MUTU-RSPO/047</td> <td>20,540</td> </tr> <tr> <td>Merbau</td> <td>ESTATE MARBAU</td> <td>Certified</td> <td>82450214010</td> <td>6,505</td> </tr> <tr> <td colspan="4" style="text-align: right;">Total</td> <td>64,478</td> </tr> </tbody> </table> | | | | | | | Estate | Kode | Keterangan | Certified number | | Wonosari | ESTATE-WS | Certified | MUTU-RSPO/047 | 16,401 | Sei Deras | ESTATE-SD | Certified | MUTU-RSPO/047 | 21,032 | Cabang Dua | CABANG DUA | Certified | MUTU-RSPO/047 | 20,540 | Merbau | ESTATE MARBAU | Certified | 82450214010 | 6,505 | Total | | | | 64,478 | | | | |
| Estate | Kode | Keterangan | Certified number | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wonosari | ESTATE-WS | Certified | MUTU-RSPO/047 | 16,401 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sei Deras | ESTATE-SD | Certified | MUTU-RSPO/047 | 21,032 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cabang Dua | CABANG DUA | Certified | MUTU-RSPO/047 | 20,540 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Merbau | ESTATE MARBAU | Certified | 82450214010 | 6,505 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | 64,478 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Status: Comply</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| D.2 | Explanation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>The DLI 2 POM has estimate the CPO and PK product during the certified period as seen in the table below.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th rowspan="2">License Period</th> <th colspan="2">FFB (Ton)</th> <th colspan="2">CPO (Ton)</th> <th colspan="2">Palm Kernel (Ton)</th> </tr> <tr> <th>Certificate</th> <th>Production</th> <th>Certificate</th> <th>Production</th> <th>Certificate</th> <th>Production</th> </tr> </thead> <tbody> <tr> <td>8 October 2014 – 7 October 2015</td> <td>38.200</td> <td>36,168.97</td> <td>6.876</td> <td>7,829</td> <td>2.101</td> <td>1,816</td> </tr> <tr> <td>8 October 2015 – 7 October 2016</td> <td>43,750</td> <td>45,238</td> <td>9,494</td> <td>14,854</td> <td>2,187</td> <td>3,152</td> </tr> <tr> <td>8 October 2016 – 7 October 2017</td> <td>76,690</td> <td>79,377</td> <td>19,7001</td> <td>20,801</td> <td>3,835</td> <td>4,323</td> </tr> </tbody> </table> | | | | | | | License Period | FFB (Ton) | | CPO (Ton) | | Palm Kernel (Ton) | | Certificate | Production | Certificate | Production | Certificate | Production | 8 October 2014 – 7 October 2015 | 38.200 | 36,168.97 | 6.876 | 7,829 | 2.101 | 1,816 | 8 October 2015 – 7 October 2016 | 43,750 | 45,238 | 9,494 | 14,854 | 2,187 | 3,152 | 8 October 2016 – 7 October 2017 | 76,690 | 79,377 | 19,7001 | 20,801 | 3,835 | 4,323 |
| License Period | FFB (Ton) | | CPO (Ton) | | Palm Kernel (Ton) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Certificate | Production | Certificate | Production | Certificate | Production | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 October 2014 – 7 October 2015 | 38.200 | 36,168.97 | 6.876 | 7,829 | 2.101 | 1,816 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 October 2015 – 7 October 2016 | 43,750 | 45,238 | 9,494 | 14,854 | 2,187 | 3,152 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 October 2016 – 7 October 2017 | 76,690 | 79,377 | 19,7001 | 20,801 | 3,835 | 4,323 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Status: Comply</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

RSPO supply chain managing organization (RSPO IT platform or book and claim).

The DLI2 POM - PT Daya Labuhan Indah (Wilmar International Limited) has been registered of certified products of RSPO (CSPO and CSPK) with e-trace- UTZ, Member ID: RSPO_PO1000002132 (will end on 07 October 2017). The certified product of CSPO and CSPK was sold out from October 2016 till 31 July 2017 is details on table below.

CSPO

| Month/Year | Buyer | Volume (Ton) |
|--------------|--------------------------|---------------|
| Oct 2016 | PT WINA | 1,491 |
| Nov 2016 | PT WINA | 1,522 |
| Dec 2016 | PT Multimas Abadi Asahan | 1,705 |
| Jan 2017 | PT Multimas Abadi Asahan | 1,660 |
| Feb 2017 | PT Multimas Abadi Asahan | 1,488 |
| Mar 2017 | PT Multimas Abadi Asahan | 1,862 |
| Apr 2017 | PT Multimas Abadi Asahan | 1,790 |
| May 2017 | PT Multimas Abadi Asahan | 2,112 |
| Jun 2017 | PT Multimas Abadi Asahan | 1,443 |
| Jul 2017 | PT Multimas Abadi Asahan | 2,510 |
| Total | | 12,865 |

CSPK

| Month/Year | Buyer | Volume (Ton) |
|--------------|--------------------------|--------------|
| Oct 2016 | PT Multimas Abadi Asahan | 264 |
| Nov 2016 | PT Multimas Abadi Asahan | 323 |
| Dec 2016 | PT Multimas Abadi Asahan | 381 |
| Jan 2017 | PT Multimas Abadi Asahan | 333 |
| Feb 2017 | PT Multimas Abadi Asahan | 364 |
| Mar 2017 | PT Multimas Abadi Asahan | 354 |
| Apr 2017 | PT Multimas Abadi Asahan | 404 |
| May 2017 | PT Multimas Abadi Asahan | 398 |
| Jun 2017 | PT Multimas Abadi Asahan | 310 |
| Jul 2017 | PT Multimas Abadi Asahan | 460 |
| Total | | 2,625 |

Status: Comply

D.3 Documented procedures

D.3.1

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.**

The DLI2 POM has SOP of Product Identification and product traceability. These procedure was explained several point, consist of all FFB sources and product of certified CPO and PK shall physically separate from another non-certified products thus unique and would be possible to identification until mill and their supply base, quality control of FFB and mill products, product traceability, product dispatch from mill to buyers (sample taking, truck seal and official report), CPO & PK dispatch to buyers (refer to the contract and Delivery Order) and loading to ship. The procedure prepared by the administration head, checked by the Mill assistant and approved by the Mill Manager.

The SOP explain the process in term of supply chain system implementation.

- FFB Received Mechanism procedure No.SOP-MILL-001, Revision 05, dated 1 October 2016 which informed
 - Point (2) the weighbridge operator has to ensure that all FFB accepted only came from the certified sources and

accordance to the supplier list. The validation of the supplier list conducted at least once a year through RSPO website or the sustainability team and supply chain at Jakarta head office.

- Traceability procedure No.SOP-MILL-034, Revision 04, dated 1 October 2016 informed:
 - The responsibility
 - a) Logistic officer input the data of FFB certified product received and responsible in order to balancing the CPO and PK dispatch
 - b) Mill Head responsibility to ensure the stock balance and shipping of CPO and PK well implemented.
 - At point (6.3) in term of RSPO product CPO and PK identity shipment, the weighbridge slip identified with stamp which informed mill name, RSPO certified number, supply chain model name)
 - At clause (6.6) the RSPO IT Platform filled in when there is a product shipment of CSPO and CSPK to buyer. The data input adjust in every end of the month when there is no longer changes.
 - The retention time of record keeping of supply chain documents is two (2) years.

- CPO and PK Shipment Procedure No.SOP-MILL-034, Revision 03, dated 1 October 2016 informed:
 - Point (F) the CPO and PK tank checking, the security officers checked the vehicle physical condition and to ensure the tank is empty without any other material and informed in the Vehicle Control Form document..
 - Shipment with the RSPO status. The weighbridge officer ensure all the documents and information are complete, including the product identity (stamp) informing the certificate number of DLI.2 and the supply chain model use.

- Storage Tank washing procedure No.SOP-MILL-038, Revision 03, dated 1 October 2016 explaining:
 - Storage tank washing conduct minimum twice a year or after 10,000 ton CPO filled in according to storage tank washing schedule
 - Switch over product mechanism from MB to IP model.
 - a) Define the cut off date of the switch over in order to ensure FFB latest day acceptance for MB model
 - b) Ensure there is dedicated tank will use in empty condition to keep all the IP model status product
 - c) All FFB received and production in the cut off date will stated as MB supply chain model status
 - d) Only acceptance and production at one day after the cut off date can be stored in the dedicated storage tank
 - Switch over product from IP to MB model mechanism
 - a) Define the cut off date of FFB latest day acceptance fro IP supply chain model
 - b) FFB and production after cut off date stated as MB supply chain model and stored.
 - c) If IP supply chain model will be shipped and claimed as IP, so the IP product left cannot be mixed with MB supply chain model product.

- Overproduction Information procedure No.SOP-MILL-044, Revision 03, dated 1 October 2016

During the ASA 03, based on document verification and interview with personnel in charge related to SCCS implementation that knows that since 08 October 2016 till the day of SCCS verification (1 August 2017) that knows the DLI 2 POM only processed and implementation of Module D because the DLI2 POM only processed the FFB from Certified sources (Wonosari, Sei Deras, Cabang Dua Estate, under scope RSPO Certification of PT Daya Labuhan Indah) and from Merbau estate (under scope RSPO Certification of PT Perkebunan Milano), both of certified management unit is under the same holding company of Wilmar International Limited.

Status: Comply

D.3.2

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

The DLI 2 POM only received and process the FFB from Certified Product consist of three own estates (Wonosari, Sei Deras dan Cabang Dua (Scope of Certification of PT DLI) and one from Merbau Estate (RSPO Certified, Scope of Certification PT Perkebunan Milano, under the same holding of Wilmar International Limited). The management of mill was able to describe and demonstrate the FFB receipt and process procedure. The company has had the procedure of the FFB receipt (No.SOP-MILL-001, Revision 05, dated 1 October 2016). The weighbridge operator has to ensure that all FFB accepted only came from the certified sources and accordance to the supplier list. Each driver must show the FFB Delivery Note from each estate. The

FFB letter describes the origin of the FFB and its quantity. There was observed the sample of FFB Delivery Note & Weighbridge Ticket, for example:

- Delivery Order Letter from Sei Deras Estate (Block 82/13 & 83/13), Vehicle No. BK 8343 YK, driver name Marokker Simatupang, FFB 1,732 bunch + Loose fruits 1,120, Totally 11,840 Kg (estate weight/before Weight Bridge Count).

Delivery Order Letter from Cabang Dua Estate (Block 51/14), Vehicle No. BK 8734 YK, driver name Syahrial, FFB 1,092 bunch, Totally 8,940 Kg (estate weight/before Weight Bridge Count).

Status: Comply

D.4 Purchasing and goods in

D.4.1

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

The DLI 2 POM was set IP and Mass Balance model, based document verification and interview with personnel in charge related to SCCS implementation that knows that since 08 October 2016 till the day of SCCS verification (1 August 2017) the DLI 2 POM only processed the FFB from the three own estates as RSPO Certified Sources (Wonosari, Sei Deras & Cabang Dua) and from Merbau Estate (PT Perkebunan Milano-RSPO Certified Source) under the same holding company of Wimar International Plantation. There was observed several sample of FFB Delivery Order Letter and Weight Bridge Ticket, for examples:

- Delivery Order Letter from Sei Deras Estate (Block 82/13 & 83/13), Vehicle No. BK 8343 YK, driver name Marokker Simatupang, FFB 1,732 bunch + Loose fruits 1,120, Totally 11,840 Kg (estate weight/before Weight Bridge Count).
Weight Bridge Ticket from Sei Deras Estate (Block 82/13 & 83/13), Vehicle No. BK 8343 YK, driver name Marokker Simatupang, Totally weight 7,870 (After Weight Bridge Count)
- Delivery Order Letter from Cabang Dua Estate (Block 51/14), Vehicle No. BK 8734 YK, driver name Syahrial, FFB 1,092 bunch, Totally 8,940 Kg (estate weight/before Weight Bridge Count).
Weight Bridge Ticket from Cabang Dua Estate (Block 51/14), Vehicle No. BK 8734 YK, driver name Syahrial, FFB, Totally weight 5,330 (After Weight Bridge Count)
- Delivery Order Letter from Merbau Estate (Block 38/2000), Vehicle No. BK 0335 DB, driver name Tugino, FFB 360 bunch + Loose fruits 141, Totally 12,220 Kg (estate weight/before Weight Bridge Count).
Weight Bridge Ticket from Cabang Dua Estate (Block 38/2000), Vehicle No. BK 0335 DB, driver name Tugino, Totally 8,120 (After Weight Bridge Count)

Based on the field visit at Block XX Wonosari Estate was known that there is a source of FFB supplied from these estate to DLI2 POM. Based on Area Statement of PT Daya Labuhan Indah as of July 2017 was known that the area is not include as scope of certification. The result of verification of FFB acceptance data in DLI2 POM shows that not yet clearly done separation between FFBs sourced from Certified area and these Non Certified area. Based on these situation, there was issued **NCR No. 2107.10**

D.4.1 Status: Non Conformity No 2017. 10 with Major Category

D.4.2

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

The DLI2 POM – PT Daya Labuhan Indah acknowledged and claimed the certified product for a year for **CPO** product: **CPO: 17,255 ton** and **Palm Kernel : 3,836 ton** period of 08 October 2016 till 07 October 2017, it was additional volume on 9 July 2017 and has been extend to be **23,924 ton** after additional volume **6,669 ton** for CPO and to be **5,068 ton** after additional volume **1,233 ton** for PK.

Based on production date from 08 October 2016 to 31 July 2017 during the ASA 3, total generated CPO and Kernel by DLI2 POM was: **CPO = 16,115 ton** and **Palm Kernel = 5,068 ton**. The data revealed that the production of CPO and Kernel, which can be claimed by DLI2 POM – PT Daya Labuhan Indah had not exceeded the projected volume.

The management of DLI2 POM has a commitment to provide information to PT Mutuagung Lestari in case there is an exceeding production of CPO and Palm Kernel from the projected volume.

Status: Comply

D.5 Record keeping

D.5.1

The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.

The DLI 2 POM – PT Daya Labuhan Indah, has a monitoring report for RSPO certified product (FFB, CPO & PK). Below was monthly production in three months basis.

| Month | FFB Processed | Production | |
|--------------------|---------------|---------------|--------------|
| | | CPO | PK |
| Oct. to Dec 2016 | 16,401 | 4,311 | 990 |
| Jan. to March 2017 | 21,032 | 4,812 | 1,060 |
| April to June 2017 | 20,540 | 4,658 | 1,105 |
| July 2017 | 6,505 | 2,334 | 446 |
| Total | 64,478 | 16,115 | 3,601 |

Status: Comply

D.6 Processing

D.6.1

The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage

Since at 08 October 2016 till ASA 3, the DLI2 POM only processed certified products. Based on the available document within the system, it reveals that the document consists of Sales Contract and Delivery Order, which explain the source of FFB (Division, harvesting block, cultivation year, number of bunches) to product such as CPO and PK that 100 % is a certified product (RSPO Certified). The entire document that related to product acceptance and processing and transportation process have been marked with stamp 'RSPO Certified' with **RSPO CERTIFIED-IP**.

Based on document verification and field visit in DLI2 POM to verify the process from FFB received in mill, CPO and PK produced through to loading process of Certified Product (CPO and PK) from DLI2 POM to Buyers, the Certificate Holder can demonstrate the process was kept segregated the Certified Product from non-certified material.

There was observed several document of CSPO and CSPK loading from area of DLI2 POM, for examples:

- Weighbridge Ticket loading of CPO was contained information:

Truck number BK 9695 FA
 Driver Name: Supratno
 Commodity : CPO
 Volume : 28,150 KG
 Seal : LCTR: 89760-63, LCSP: 89764

- Weighbridge Ticket loading of PK was contained information:

Truck number BK 8418 VK
 Driver Name: Harianto
 Commodity : Palm Kernel
 Volume : 26,650 KG
 Seal : LCTR: 89801-06, LCSP: 89712

Status: Comply

D.6.2

The objective is for 100 % segregated material to be reached

Based on documents verification and field visit in DLI2 POM and interview with weigh bridge and grading staff, its known that DLI 2 POM, since 08 October 2016 till July 2017 the mill only processes FFB into CPO and PK, which is 100 % comes from three own estate (Wonosari, Sei Deras & Cabang Dua) and along with little volume supplied from Merbau Estate (PT Perkebunan Milano) another certified plantation (under the same Holding Company, Wilmar International Limited). Verification over Sales Contract and Delivery Order document showed that the entire sold CPO and PK product is 100 % RSPO Certified product.

Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use.

| | | |
|--------------|--|---------------|
| 1. | Evidence of permission or approval certificate and logo from Certification Body which submitted by Client | X or ✓ |
| ASA-3 | The PT Daya Labuhan Indah has a logo and a certificate of approval numbers No. MUTU-RSPO/047 | ✓ |
| | Status: Compliance | |
| 2. | Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use | X or ✓ |
| ASA-3 | The Company does not use the logo both on-product and off-product within the scope of PT. Daya Labuhan Indah | ✓ |
| | Status: Compliance | |
| 3. | Implementation of Certificate and Logo is not used on product | X or ✓ |
| ASA-3 | The Company does not use the logo both on-product and off-product within the scope of PT. Daya Labuhan Indah | ✓ |
| | Status: Compliance | |
| 4. | Controlling of Certificate and Logo, including withdrawing inappropriate logo. | X or ✓ |
| ASA-3 | The Company does not use the logo both on-product and off-product within the scope of PT. Daya Labuhan Indah | ✓ |
| | Status: Compliance | |

3.4 Summary of RSPO Partial Certification

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

Wilmar International Ltd Time Bound Plan (TBP) is explained in point 1.10. Wilmar International Ltd has informed the TBP progress, MUTU has considered that Wilmar International Ltd is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Wilmar International Ltd on September 2016.

MUTU has verified partial certification for un-certified unit's subsidiary of Wilmar International Ltd based on their Time Bound Plan. There are seven (7) uncertified mills and sixteen (16) uncertified estates of Wilmar International Ltd. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

| 3.4.1 Un-Certified Units or Holdings | | |
|--------------------------------------|--|---|
| Section | Requirement | Concerns to Discuss, if any |
| 2.1.1 | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | <p>Yes and positive assurance is produced for these units.</p> <p>Auditor verification There is internal audit produced for</p> <ul style="list-style-type: none"> - PT Agronusa Investama Pahauman - PT Karunia Kencana Permaisejati - PT Bumipratama Khatulistiwa - PT Agro Palindo Sakti 2 - PT Musi Banyuasin Indah - PT Sinarsiak Dianpermai - PT Agroindo Indah Perkasa 2 <p>And positive assurance is produced for these units.</p> |
| 2.1.2 | <p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. | <p>WILMAR International Ltd has submitted liability disclosure to RSPO on 31 July 2014 and LUCA template on 3-8 March 2015</p> <ul style="list-style-type: none"> - PT Agronusa Investama Pahauman, LUCA document was verified by RSPO on 1 Sept 2015. The 2nd LUCA verification document was on 2nd Nov 2015 with result of PASS WITH CLARIFICATION. - PT Karunia Kencana Permaisejati, The final RSPO endorsement from RSPO compensation on 11 November 2015 with result of pass with clarification. And at |

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| | | <p>current still on process on fulfil the clarification.</p> <ul style="list-style-type: none"> - PT Bhumi Pratama Khatulistiwa, Submitted liability disclosure to RSPO on 8 Dec 2015 and LUCA template on August 2015. The final RSPO endorsement from RSPO compensation on 29 September 2016 is 0 ha therefore there is no compensation plan required - PT Agro Palindo Sakti 2, LUCA doc was verified by RSPO on 1 Sept 2015. The 2nd LUCA review was on Dec 2016 with result of PASS - PT Musi Banyuasin Indah, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005 - PT Sinarsiak Dianpermai, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005 - PT Agroindo Indah Perkasa 2, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005 <p>Auditor verification Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p> |
| 2.1.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <p>No new planting/land clearing after 1st January 2010.</p> <p>Auditor verification</p> <ul style="list-style-type: none"> - PT Agronusa Investama Pahauman, The first planting year was in 1999. The lastest land clearing was in 2009 based on: LUCA analysis 2009 where the area was already bare land area. LUCA has been submitted to RSPO as part of company disclosure requirement. - There is no new planting after 1st January 2010 for PT Karunia Kencana Permaisejati, PT Bumipratama Khatulistiwa, PT Agro Palindo Sakti 2, PT Musi Banyuasin Indah, PT Sinarsiak Dianpermai, PT Agroindo Indah Perkasa 2 |
| 2.1.4 | Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | <p>There is no land conflicts.</p> <p>Auditor verification There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p> <p>Based on the company record there is documentation on land compensation</p> |

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| | | recapitulation updated on 1 October 2007, participatory mapping, agreement letter on compensation between company and land owner, land owner identity and procedure on compensation technical guidance SOP 001/WIP-KB/(0)/0610 dated June 2010. |
| 2.1.5 | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | <p>There is no labor disputes.</p> <p>Auditor verification</p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has mechanism to handle employee complaint and grievance that is stated in SOP 005/WIP-KB/(0)/0610 for communication and consultation with community and SOP 004/WIP-KB/(0)/ 0610 on complaint and grivance mechanism and solving any dispute out off court.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p> |
| 2.1.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | <p>Yes, there is process for land legality.</p> <p>Auditor verification</p> <p>PT Agronusa Investama Pahauman</p> <ul style="list-style-type: none"> - The continues changing on PIPIB map. In accordance to PIPIB 10 there is no area of the company (based on location permit) that is in the moratorium area. When PIPIB 11 released, some area of the company is in the updated peat moratorium map. <p>PT Karunia Kencana Permaisejati</p> <ul style="list-style-type: none"> - Overlapping HGU with Another plantation. The verification information is referred to 2.1.3 (legal document on operational and land ownership owned by the company) <p>PT Agro Palindo Sakti 2</p> <ul style="list-style-type: none"> - There is an obstacle on processing HGU is before continuing the HGU process, the company has to complete the requirement for 20% area allocation for smallholder. Based on BupatiSanggau Decree No. 137 year 2011 dated 25 March 2011 for 623 ha of smallholder scheme for 2 koperasi of Batu Ceramin and and Maju Bersama. Later, koperasi Maju Bersama split into Koperasi Maju Bersama and Koperasi Harapan Baru. And Koperasi Harapan Baru wants to take about 136 ha within company proposed HGU area. The company needs |

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| | | <p>to resolve this issue first before be able to continue HGU process.</p> <p>PT Musi Banyuasin Indah</p> <ul style="list-style-type: none"> - Overlay the map of land use with attachments Ministerial Decree No. SK.822/Menhut-II/2013 PT MBI entered in production forest area. - Planting outside HGU Kebun Sei Selabu (block 010, 024 and 027). <p>Explanation management unit following the legal department still perform continuous coordination with the government while waiting for a change of government decisions regarding the status of the area.</p> <p>PT Sinarsiak Dianpermai</p> <ul style="list-style-type: none"> - HGU 1,002 Ha on process - Status Areal Penggunaan Lain berdasarkan Lampiran SK 878/Menhut-II/2014 tanggal 29 September 2014 dan Surat No. S.160/BPKH.XIX-3/2016 tanggal 31 Maret 2016 <p>Explanation management unit as follows:</p> <ul style="list-style-type: none"> - Disagreement between the ministry of forestry by the Riau provincial government on the status of land PT SSDP (between the status of forest and APL), which led to the process of making the concession inhibited. - There are some estate areas around the Mill that does not have permission locations. The process of acquiring a location permit was hampered due to the reasons in point 1 as well. - The legal department is still doing continuous coordination with the government while waiting for a change of government decisions. <p>PT Agroindo Indah Perkasa 2</p> <ul style="list-style-type: none"> - There is HGU on propose. |
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3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

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

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| NCR No. | : 2016. 01 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 25 th August 2016 | Time Limit | : 24 th October 2016 |
| NC Grade | : Major | Date of Closing | : 24 th October 2016 |
| Standard Ref. & Requirement | : 2.1.1 There should be evidence of compliance with relevant legal requirements | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> | | | |
| Based on the results of document review that found: | | | |
| <ol style="list-style-type: none"> 1. The Company has not been able to show documents the fulfillment of obligations plasma for the new addition to the area of Plantation Business License No. 503/327 / BPPTPM-LS / 2014 covering an area of 431.87 hectares and Plantation Business License No. No. 180/102 / HUK / 2014 covering an area of 445.88 hectares. This is not in accordance with the obligations and regulation minister of agriculture number 98 in 2013. 2. The Company has not been able to show documents Plantation Business License for the tomb block area and estate (area XX) covering an area of 13 hectares. This is not in accordance with the regulation minister of agriculture number 98 in 2013. 3. The Company has not been able to show documents the environmental permit for the tomb block area and estate (area XX) covering an area of 13 hectares. This is not in accordance with the government regulations number 27 in 2012. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> | | | |
| The formation of smallholders is still in process. When applying for plantation business permit has been questioned about the plasma, and the approval process, management considers the effects and management finally agreed | | | |
| Corrective Action <i>(filled by organization audited):</i> | | | |
| <ol style="list-style-type: none"> 1. The company has show a minutes of the meeting related management decision for the formation of smallholder in PT DLI on 20 May 2016 signed by Plantaation Head Indonesia, GM Group Sustainability and General Manager. 2. The Company has show a map scale 1:60.000 for plasma plan area is 239.1 ha. 3. Based on a guest book recording KSD known that on 19 August 2016 has been visits from National Land Agency (2 people of Provincial National Land Agency and 1 of District Labuhan Batu National Land Agency). 4. Photo documentation of measurement activities dated on 19 August 2016. 5. To get to the identification process of farmers and the forming of new plasma can be done after the meeting of Committee B for land 431.87 ha and 445.88 ha completed. | | | |
| Related to the block area XX (outside the scope of certification) under the direction of General Manager and Legal Party dated on 24 October 2014 (communication via email) that the area would no longer be managed by the PT DLI. It will be verified for the next surveilance. | | | |
| Preventive Action <i>(filled by organization audited):</i> | | | |
| Coordinate with legal parties to comply all regulations in accordance with the applicable procedures. | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> | | | |
| Coordinate with legal parties to comply all regulations in accordance with the applicable procedures. | | | |
| Verified by | : Marsudi Eko Santoso | | |

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| NCR No. | : 2016. 2 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 25 th August 2016 | Time Limit | : 24 th October 2016 |
| NC Grade | : Major | Date of Closing | : 24 th October 2016 |
| Standard Ref. & Requirement | : 2.2.1 Legal documents showing legal ownership or leasing, history of ownership conditions, duration and actual land use should be available. | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company could not show documents Basic land title (HGU) for the tomb block area and estate (area XX) of 13 Ha. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> | | | |
| Corrective Action <i>(filled by organization audited):</i> | | | |
| Preventive Action <i>(filled by organization audited):</i> | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Related to the block area XX (outside the scope of certification) under the direction of General Manager and Legal Party dated on 24 October 2014 (communication via email) that the area would no longer be managed by the PT DLI. It will be verified for the next surveillance. | | | |
| Verified by | : Marsudi Eko Santoso | | |

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| NCR No. | : 2016. 03 | Issued by | : Andi Pratama Pasaribu |
| Date Issued | : 25 th August 2016 | Time Limit | : ASA 3 |
| NC Grade | : Minor | Date of Closing | : 27 th September 2016 |
| Standard Ref. & Requirement | : 4.6.7 The application of pesticides must be through proven methods to minimize risks and negative impacts. | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on interviews with officers PHT is known that there are activities UPDKS and termite pest spraying with a nozzle that is reversed and an extra stick to minimize the risks and negative impacts (taking into account the higher plants). However, based on document of IPM SOP (SOP-EST-018) does not include work instructions and termite pest spraying UPDKS appropriate practice in the field. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> | | | |
| <ol style="list-style-type: none"> 1. Some palm oil in field is not affordable using a stick standard or normal so do stick modification without changing the procedure (SOP). 2. Incomprehension of PIC related system administration making activities in the field was been conducted before reviewing procedure.ribu | | | |
| Corrective Action <i>(filled by organization audited):</i> | | | |
| <ol style="list-style-type: none"> 1. The Company show has show a revision IPM SOP (SOP-KST-018 Revision 3 dated on 1 September 2016) with adding spraying method, potential hazards and risk occurred. 2. Socialization of recording (the minutes, photo and list of attendees) for SOP-EST-018 revision 3 for workers dated on 7 September 2016. | | | |
| Preventive Action <i>(filled by organization audited):</i> Conduct a field audit to monitor the compliance of Procedure with applications in the field. | | | |

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| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Based on correction evidence, auditor conclusion to nonconformity is closed. | |
| Verified by | : Andi Pratama Pasaribu |

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| NCR No. | : 2016. 04 | Issued by | : Andi Pratama Pasaribu |
| Date Issued | : 25th August 2016 | Time Limit | : 24th October 2016 |
| NC Grade | : Major | Date of Closing | : 24th October 2016 |
| Standard Ref. & Requirement | : 4.7.4 The application of pesticides must be through proven methods to minimize risks and negative impacts. | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on interviews with officers PHT is known that there are activities UPDKS and termite pest spraying with a nozzle that is reversed and an extra stick to minimize the risks and negative impacts (taking into account the higher plants). However, based on document of IPM SOP (SOP-EST-018) does not include work instructions and termite pest spraying UPDKS appropriate practice in the field. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> 1. Some palm oil in field is not affordable using a stick standard or normal so do stick modification without changing the procedure (SOP). 2. Incomprehension of PIC related system administration making activities in the field was been conducted before reviewing procedure. | | | |
| Corrective Action <i>(filled by organization audited):</i> 1. The Company show has show a revision IPM SOP (SOP-KST-018 Revision 3 dated on 1 September 2016) with adding spraying method, potential hazards and risk occurred. 2. Socialization of recording (the minutes, photo and list of attendees) for SOP-EST-018 revision 3 for workers dated on 7 September 2016. | | | |
| Preventive Action <i>(filled by organization audited):</i> Conduct a field audit to monitor the compliance of Procedure with applications in the field. | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Based on correction evidence, auditor conclusion to nonconformity is closed. | | | |
| Verified by | : Andi Pratama Pasaribu | | |

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| NCR No. | : 2016. 05 | Issued by | : Sandra Purba |
| Date Issued | : 25th August 2016 | Time Limit | : 24th October 2016 |
| NC Grade | : Minor | Date of Closing | : 24th October 2016 |
| Standard Ref. & Requirement | : 4.7.5 Follow-up on the results of the accident investigation work. | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company has show document the accident investigation work (FRM.KLK.004-015) in point L of suggestions for improvement. But the company has not been able to show evidence of implementation of the measures taken to prevent recurrence of accidents. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> Inconsistent The document preventive action of work accident recorded in the results of work accident investigation. | | | |

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| Corrective Action <i>(filled by organization audited):</i> | |
| The company has showed a record evidence of guidance training form filling Work Accident investigation to personal responsibility in KSD dated on 31 August 2016. | |
| Preventive Action <i>(filled by organization audited):</i> | |
| <ol style="list-style-type: none"> 1. Documenting every preventive action for every work accidents. 2. EHS together with management of the estate will do a review of the results of investigations of work accidents in every meeting OHS committee. | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> | |
| Based on correction evidence, auditor conclusion the nonconformity is closed. | |
| Verified by | : Sandra Purba |

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| NCR No. | : 2016. 06 | Issued by | : Steve Mualim |
| Date Issued | : 25th August 2016 | Time Limit | : 24th October 2016 |
| NC Grade | : Major | Date of Closing | : 24th October 2016 |
| Standard Ref. & Requirement | : 5.3.2 & 4.6.6 Waste management in a way responsible. | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> | | | |
| The Company has implemented Hazardous and toxic material management mechanism, but have not provided a system that regulates the use of material by category Hazardous and toxic material. (example there are indications of trash that comes from the former agrochemical packaging / used oil drum). | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> | | | |
| Bins provided is not sufficient so used containers hazardous & toxic waste and there is no mechanism which regulates the used of containers of hazardous & toxic waste. | | | |
| The company has a mechanism related management of hazardous & toxic waste but there is deficiency patrol in field and availability of the appropriate bins. | | | |
| Corrective Action <i>(filled by organization audited):</i> | | | |
| <ol style="list-style-type: none"> 1. The Company show a compliance program to permanent bins created by EHS and approved by the Manager. 2. Recording (photo activities) manufacture of permanent bins according to the needs. 3. Minutes of discarded containers of hazardous & toxic waste which still circulate in the field and update monitoring stock in warehouse hazardous & toxic waste. 4. On October 2016, The company show a SOP –gen-005 point 6.2 that prohibits reuse of hazardous & toxic waste for others purposes. | | | |
| Preventive Action <i>(filled by organization audited):</i> | | | |
| <ol style="list-style-type: none"> 1. Ensure the recording of containers hazardous & toxic waste into and out in warehouse hazardous & toxic waste. 2. Socialization Management Procedures hazardous & toxic waste revised to all workers in mill and estates. 3. Do inspection related using containers of hazardous & toxic waste in housing. 4. OHSE inspection conducted regularly every month in accordance with EHS Program. | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> | | | |
| Based on correction evidence, auditor conclusion to nonconformity is closed | | | |
| Verified by | : Steve Mualim | | |

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| NCR No. | : 2016. 07 | Issued by | : Steve Mualim |
| Date Issued | : 25th August 2016 | Time Limit | : 24th October 2016 |
| NC Grade | : Major | Date of Closing | : 12th September 2016 |
| Standard Ref. & Requirement | : 5.5.1 The implementation of zero burning policy | | |
| Non-Conformance Description & Evidence observed (filled by auditor): The corporate has own the policy commitment and socialization regarding to zero burning. However, the effectivity of implementation and socialization of the policy still not conformance with the condition in the field (such as still found the activity of burning in wonosari estate of Block 154). | | | |
| Root Cause Analysis (filled by organization audited): The burning of used wood was done by the security to chase away the mosquitos, source of light, and body warmer in the night. | | | |
| Corrective Action (filled by organization audited): The corporate has been supplying the additional facility for security/officer such as mosquito repellent, flashlight, and giving the tent. | | | |
| Preventive Action (filled by organization audited): The corporate will improve the socialization policy regarding to zero burning policy, do the routine control from the security officer, and giving a punishment for all parties who do the burning. | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Based on the corrective evidence which has been shown by the corporate, so the non conformance of 2016.05 has been declared as CLOSED. | | | |
| Verified by | : Steve Mualim | | |

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|---|--|------------------------|---|
| NCR No. | : 2016. 08 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 25th August 2016 | Time Limit | : 24th October 2016 |
| NC Grade | : Major | Date of Closing | : 12th September 2016 |
| Standard Ref. & Requirement | : E.4.2 Excessive production information to CB. | | |
| Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of the audit found an excess PK certified (441 tonnes per August, 23 2016) but not yet reported to the CB. | | | |
| Root Cause Analysis (filled by organization audited): FFB delivery from Marbau Estate (PT Miano). Others company of the Wilmar Group that has been certified RSPO to DLI Palm Oil. Miscommunication that occurred between Supply chain PIC Head Office Jakarta with logistic mill department. | | | |
| Corrective Action (filled by organization audited): The company has showed a reporting evidence of excess product certified by Mill DLI to Manager Operational PT Mutuagung Lestari dated on 28 September 2016. | | | |
| Preventive Action (filled by organization audited): <ol style="list-style-type: none"> 1. Comparative analysis budget-CPO-PK production to be generated with the quota certified products tol be claim. 2. Report to CB every excess certified products (CPO and PK) resulting from DLI Mill according to the budget that has been assigned. 3. The company has a procedures Mass Balance to ensure product that claimed in accordance with cetificate and PIC Supply Chain in Head Office Jakarta. 4. The company has show memorandum from Sustainability Coordinator dated on 21 October 2016 to Mill Manager; | | | |

PIC Logistics and Purchasing FFB/ Trading Medan related obligation to check the conformity of production and product claims RSPO certified in conformity amount of production in the RSPO certificate. When exceed it shall be submitted to the certification body through the Sustainability Team at HO Jakarta (Mrs. Mutia).

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

Based on correction evidence, auditor conclusion to nonconformity is closed.



Verified by : **Marsudi Eko Santoso**

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

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| NCR No. | : 2017.01 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 3 August 2017 | Time Limit | : 2 October 2017 |
| NC Grade | : Major | Date of Closing | : 15 September 2017 |
| Standard Ref. & Requirement | : 2.1.1 There should be evidence of compliance with relevant laws and regulations | | |
| Non-Conformance Description & Evidence observed (filled by auditor): Based on document review; Interviews with Community Development Staff and 2 security guards, it is known that the company still manages the area of grave block and estate (area XX) of 13 Ha, but the company has not been able to show the documents of the Plantation Business License for the area. This is not in accordance with Permentan. 98 of 2013. The company also has not been able to show the environmental permit document for the area of grave and block (area XX) of 13 Ha. This is not in accordance with the PP. 27 of 2012. | | | |
| Root Cause Analysis (filled by organization audited): There has been no decision from the estate management related to land management status 13 ha in block xxx, so to maintain the security of the land is still carried out operational activities in the area. | | | |
| Correction (filled by organization audited): The head office issues an affirmation letter regarding the total termination of the operational activities in the area and must be carried out by the estate management. | | | |
| Corrective Action (filled by organization audited): <ol style="list-style-type: none"> 1. Eliminating activities and budgets for operations in the field from the annual budget of PT DLI. 2. Socializing the suspension of operational activities to related parties in the field. 3. Routine inspections in the area to ensure there will be no more operations in the field. | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Observation on September 15, 2017. The Company shows evidence of improvement on the status of xxx block land (13 ha), among others: <ul style="list-style-type: none"> • Legal Division of Wilmar Group issued letter no. 0955 / DLI / Leg-Adm Jkt / 2017 concerning affirmation of commitment not to conduct operational activities in Block XXX of 13 ha to be implemented by Operation Section PT Daya Labuhan Indah. • Evidence of socialization dated September 6, 2017 to the Operations Division of the Gardens not to carry out activities in Block XXX area. Socialization is carried out and followed by a discussion followed by Field Officer; Field Conductor; Foreman; Security guard and EHS. • To ensure that there is no operational activity, the company provides daily monitoring forms performed by security personnel and is known to the Division Manager. Based on the evidence of improvement it is stated that Block XXX area is not managed by PT DLI, but on the implementation of the field will be further verified at the next surveillance, resulting in no inconsistency. 2017.01 is Closed with Observation. | | | |
| Verified by | : Marsudi Eko Santoso | | |

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| NCR No. | : 2017.02 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 3 August 2017 | Time Limit | : ASA 4 |
| NC Grade | : Minor | Date of Closing | : 15 September 2017 |
| Standard Ref. & Requirement | : 2.1.3 Mechanisms that ensure compliance with the law must be implemented | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company shows updated compliance with regulations in 2017, but there has been no evidence of socialization regarding regulatory compliance updates to all workers. This is not in accordance with SOP-GEN-017 (PT Milano) and SOP-GEN-026 (PT DLI) regarding Access and Structuring of the Law and Other Requirements in point 6.4; That the EHS Officer / Human Resources Regional / Bina Mitra Unit creates a list of rules, updates the accuracy and socializes to all employees. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> There has been no review of the contents of the SOP to ensure that every point in the SOP can be realized in the implementation. | | | |
| Correction <i>(filled by organization audited):</i> Review SOP implementation and revise SOP-GEN-017 (CDE) and SOP-GEN-026 (DLI) by eliminating the words "socialization of regulatory reforms to all employees". | | | |
| Corrective Action <i>(filled by organization audited):</i> Establishing SOP review activities as part of the annual sustainability team activity schedule in the certification unit. | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Observation September 15, 2017. The Company revised SOP-GEN-017 (CDE) and SOP-GEN-026 (DLI) dated August 30, 2017 by omitting the words "socialization of regulatory reforms to all employees" (point 6.4 of procedure description). The Company has also presented proof of distribution of revised SOP documents to relevant parties: Vice Management; PGA; Bina Mtra; and Public Relations. Based on the above matters no mismatch. 2017.02 is Closed . | | | |
| Verified by | : Marsudi Eko Santoso | | |

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| NCR No. | : 2017.03 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 3 August 2017 | Time Limit | : 2 October 2017 |
| NC Grade | : Major | Date of Closing | : 15 September 2017 |
| Standard Ref. & Requirement | : 2.2.1 There shall be documents that show ownership or lease, a history of period of land ownership / ownership and legal land rights. | | |
| <i>Non-Conformance Description & Evidence observed (filled by auditor):</i> Based on interviews with Staff of Bina Mitra, security officer and field visit in Block XX area of 13 Ha located outside HGU PT Daya Labuhan Indah which in ASA 2 has been declared will not be managed (outside from PT DLI area scope) Evidence is there, the area is still managed by PT DLI. The company has not been able to show the document of Land Use Right on land for the area of grave and garden block (area XX) of 13 Ha. | | | |
| <i>Root Cause Analysis (filled by organization audited):</i> There has been no decision from the estate management related to land management status 13 ha in block xxx, so to maintain the security of the land is still carried out operational activities in the area. | | | |
| <i>Correction (filled by organization audited):</i> The head office issues an affirmation letter regarding the total termination of the operational activities in the area and must be carried out by the estate management. | | | |
| <i>Corrective Action (filled by organization audited):</i> <ol style="list-style-type: none"> 1. Eliminating activities and budgets for operations in the field from the annual budget of PT DLI. 2. Socializing the suspension of operational activities to related parties in the field. 3. Routine inspections in the area to ensure there will be no more operations in the field. | | | |
| <i>Assessor Evaluation and Conclusion (filled by auditor):</i> Observation on September 15, 2017. The Company shows evidence of improvement on the status of xxx block land (13 ha), among others: <ul style="list-style-type: none"> • Legal Division of Wilmar Group issued letter no. 0955 / DLI / Leg-Adm Jkt / 2017 concerning affirmation of commitment not to conduct operational activities in Block XXX of 13 ha to be implemented by Operation Section PT Daya Labuhan Indah. • Evidence of socialization dated September 6, 2017 to the Operations Division of the Gardens not to carry out activities in Block XXX area. Socialization is carried out and followed by a discussion followed by Field Officer; Field Conductor; Foreman; Security guard and EHS. • To ensure that there is no operational activity, the company provides daily monitoring forms performed by security personnel and is known to the Division Manager. Based on the evidence of improvement it is stated that Block XXX area is not managed by PT DLI, but on the implementation of the field will be further verified at the next surveillance, resulting in no inconsistency. 2017.03 is declared Closed with Observation . | | | |
| Verified by | : | Marsudi Eko Santoso | |

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| NCR No. | : 2017. 04 | Issued by | : Sofyan Hadi Lubis |
| Date Issued | : 3 August 2017 | Time Limit | : 2 October 2017 |
| NC Grade | : Major | Date of Closing | : 15 September 2017 |
| Standard Ref. & Requirement | : 4.3.4 Subsidence of peat soils shall be minimized and monitored. A documented water and ground cover management program shall be in place. | | |
| Non-Conformance Description & Evidence observed : Based on document review and field observation in Cabang Dua Estate, it is known that 3 of the 21 peat water level stick are installed in reverse (the zero point below ground level), for example: in Blocks 51, 55 and 56. It will affect to results of monitoring the water level. Based on the explanation, raised the non-conformance NC 2017.04 with major category. | | | |
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| Root Cause Analysis <i>(filled by organization audited):</i> Team monitoring peat water level has not yet understanding related to peat land management concepts, mainly related to the control of water levels in the drainage ditches. | | | |
| Corrective Action <i>(filled by organization audited):</i> Making corrective action to water level stick in accordance with standard (zero point in parallel to ground level). | | | |
| Preventive Action <i>(filled by organization audited):</i> The Certification Holder conducted re-training to team monitoring related to peat land management concepts, mainly related to the control of water levels in the drainage ditches. | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> <u>Verification 13-09-2017</u> The Certification Holder shows evidence: Results of management meeting (RO, FC, Supervisor, EHS, DC & PGA) on August 29, 2017. The meeting aims to provide an understanding related to peat land management, including the installation of peat water level gauges and monitoring of peat land water level records. The meeting is equipped with evidence photo and attendance list. <u>Verification 15-09-2017</u> The company shows evidence: | | | |

1. Activity latter dated September 15, 2017 related to checking peat water level stick (weirs stick) are installed in reverse (the zero point below ground level). for example:
 - Block 51. Weirs stick position in accordance with the standard (63 cm)
 - Block 55. Weirs stick position in accordance with the standard (68 cm)
 - Block 56. Weirs stick position in accordance with the standard (62 cm)
2. Root Cause Analysis, Corrective Action, and Preventive Action has been completed.


Based on the explanation, **NCR 2017.04 is Closed**

Verified by : **Sofyan Hadi Lubis**

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|--|--|------------------------|----------------------------|
| NCR No. | 2017.05 | Issued by | Marsudi Eko Santoso |
| Date Issued | 3 August 2017 | Time Limit | 2 October 2017 |
| NC Grade | Major | Date of Closing | 15 September 2017 |
| Standard Ref. & Requirement | 4.7.2. Risk assessment, documentation and implementation records should be available. | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of field observation in the B3 Warehouse and Chemical Warehouse of Cabang Dua Estate found APAR which is in empty condition (used for fire simulation). It is not in accordance with the document of the results of risk identification in the B3 Warehouse and Chemical Warehouse where there is a risk of fire so that fire-fighting equipment is required to handle emergencies. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> The absence of a backup APAR to replace every empty APAR in the field. | | | |
| Correction <i>(filled by organization audited):</i> Replacing existing fire extinguishers in hazardous waste warehouse and Chemical warehouse. | | | |
| Corrective Action <i>(filled by organization audited):</i> Provide stock fire extinguishers in the warehouse, to at any time can replace the empty fire extinguishers. | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Observation September 15, 2017. <ul style="list-style-type: none"> • The Company showed a replacement record of an empty Fire Extinguisher on 22 August 2017. • Records of condition of Fire Extinguisher on August 22, 2017. • Recording of Fire Extinguisher booking for warehouse stock of September 4, 2017. | | | |
| Based on evidence of improvement, NCR 2017.05 is Closed. | | | |
| Verified by | Marsudi Eko Santoso | | |

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| NCR No. | : 2017.06 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 3 August 2017 | Time Limit | : 2 October 2017 |
| NC Grade | : Major | Date of Closing | : 15 September 2017 |
| Standard Ref. & Requirement | : 4.7.3. Records of Safety and Health (OHS) program training (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis should be available to all workers. | | |
| Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of field visits are still found workers using Personal Protective Equipment damaged, for example: <ul style="list-style-type: none"> Result of field visit at Cabang Dua Estate Blok 51 (spray activity) and Block 56 (fertilizer activity) found APD (Apron) which have started damaged (tear). Based on the result of document review and interview with management, it is known that it is caused by APD order has not been fully fulfilled (there are still 30 APD apron which have been ordered but not yet available). Results of field trips in Block 72 of Sungai Deras Estate found harvest workers with damaged PPE (hollow helmet). The Company has shown evidence of the acceptance of the fulfillment of PPE but there is no mechanism to ensure that non-conformity will not recur. The results of the document review, known to have been handed rubber glove on 3 to 12 spray workers, but the results of field visits found 1 worker with rubber gloves damaged. A worker also does not use a mask. The company shows evidence of the acceptance of PPE compliance but there is no mechanism to ensure that non-conformity will not recur. | | | |
| Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none"> There is no minimum stock of 20% Personal Protective Equipment (Apron) in CDE Warehouse which becomes obligation according to SOP. The warehouse officer and the Foreman have not coordinated well, especially to have the same data on the number of workers under the control of each foreman to ensure that all workers requiring PPD replacement can be met. | | | |
| Correction (filled by organization audited): Provide PPE to all workers | | | |
| Corrective Action (filled by organization audited): <ol style="list-style-type: none"> Provide a list of workers under the control of each foreman and ensure that the list is jointly owned by the foreman and the warehouse officer, to ensure that all workers will get the necessary PPE Provide stock of PPE in the warehouse that is adjusted with the rules in the SOP (minimum 20 percent of the total needs of each type of PPE). Control the continuity of the stock of PPE at least 20 percent in the warehouse through daily checks on the stock card PPE | | | |
| Assessor Evaluation and Conclusion (filled by auditor): The certificate holder has presented evidence of improvement, consisting of: <ul style="list-style-type: none"> Identify the need for PPE for workers using the form No. FRM-GEN-028, for example the Personal Protective Equipment (PPE) or apron for agrochemical applicator team in Cabang Dua Estate is 10 pieces Record of warehouse card showing the stock of PPE at Cabang Dua Estate for Apron is 22 pieces. | | | |
| Based on evidence of improvement, NCR 2017.06 is Closed. | | | |
| Verified by | : | Marsudi Eko Santoso | |

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| NCR No. | : 2017.07 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 3 August 2017 | Time Limit | : 2 October 2017 |
| NC Grade | : Major | Date of Closing | : 15 September 2017 |
| Standard Ref. & Requirement | 4.7.5 There should be emergency and occupational injection procedures available in the Indonesian language as well as available workers who have received First Aid Training in Accidents (P3K) in the work area. | | |
| Non-Conformance Description & Evidence observed (filled by auditor): Based on the result of field visit at Cabang Dua Estate Block 26, there is no first aid box found in the fertilization work area. | | | |
| Root Cause Analysis (filled by organization audited): Awareness of the foreman to bring the first-aid box to the field on a regular basis, is lacking. | | | |
| Correction (filled by organization audited): Provide training to the foreman on First Aid Boxes and their benefits | | | |
| Corrective Action (filled by organization audited): Inspecting the existence of first-aid boxes in the field (being part of the environmental inspection and OHS). Implement sanctions against the foreman who does not bring the first-aid box to the field. | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Observation September 15, 2017. The company shows evidence of improvement: <ul style="list-style-type: none"> • Records of checks of first aid box for August 2017 by EHS. • Records of first aid training and understanding of First Aid and the obligation to bring the first aid box to the foreman on 29 August 2017. Based on evidence of improvement, NCR 2017.07 is Closed. | | | |
| Verified by | : Marsudi Eko Santoso | | |

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|---|--|--------------------------|----------------------------|
| NCR No. | : 2017.08 | Issued by | : Sofyan Hadi Lubis |
| Date Issued | : 3 Agustus 2017 | Time Limit | : ASA4 |
| NC Grade | : Minor | Date of Closing | : 15 September 2017 |
| Standard Ref. & Requirement | : 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available | | |
| Non-Conformance Description & Evidence observed : Based on field visit to Sei Deras Estate were found Scheduled Waste Containers: Used Paint Containers, Used Bottle of Battery Water Containers and Used Oil Containers in Landfill area. It is not in accordance with the document of LB3 management plan approved on January 01, 2017 and LB3 Control (SPO-GEN-005, Revision 02 dated 01 Feb 2015), that LB3 shall be kept in licensed LB3 TPS. Based on the explanation, raised the non-conformance NC 2017.08 with minor category. | | | |
|  | | | |
| <i>#Auditor has checked the oil and spare part storage, the schedule waste apparently produced by SDE</i> | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> Control of garbage disposal at landfill area (TPAS) is not good enough. | | | |
| Corrective Action <i>(filled by organization audited):</i> Take LB3 in TPAS and deliver it to TPS LB3 licensed. | | | |
| Preventive Action <i>(filled by organization audited):</i> <ol style="list-style-type: none"> 1. Conducting routine inspections of waste disposal at TPAS. 2. Sorting garbage in TPAS regularly. | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> <u>Verification 13-09-2017</u> The company shows evidence: <ol style="list-style-type: none"> 1. Activity latter dated August 03, 2017 related to cleaning or taking of LB3 and deliver it to TPS LB3 licensed. 2. Weekly waste inspection at Housing complex and TPAS | | | |
| <u>Verification 15-09-2017</u> Root Cause Analysis, Corrective Action, and Preventive Action has been completed. | | | |
| Based on the explanation above, NCR No. 2017.08 is Closed | | | |
| Verified by | : | Sofyan Hadi Lubis | |

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| NCR No. | : 2017.09 | Issued by | : Marsudi Eko Santoso |
| Date Issued | : 3 August 2017 | Time Limit | : 2 October 2017 |
| NC Grade | : Major | Date of Closing | : 15 September 2017 |
| Standard Ref. & Requirement | : 8.1 Oil palm growers and millers regularly monitor and review their activities and develop and implement action plans that allow for continuous improvement in key operations. | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of the Nonconformity Non-Conformity verification identified at ASA 2 of 2016, the Auditor team considers that there is a recurrent Non-conformity when ASA 3 as a result of the incomplete implementation of continuous improvement. Such discrepancies are: <ul style="list-style-type: none"> • Indikator 2.1.1. There should be evidence of compliance with relevant laws and regulations • Indikator 2.2.1. There shall be documents that show ownership or lease, a history of period of land ownership / ownership and legal land rights. • Indikator 4.7.5. There should be emergency and occupational injection procedures available in the Indonesian language as well as available workers who have received First Aid Training in Accidents (P3K) in the work area. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> Indicator 2.1.1 and 2.2.1 There has been no decision from the estate management related to land management status 13 ha in block xxx, so to maintain the security of the land is still carried out operational activities in the area. Indicator 4.7.5 Awareness of the foreman to bring the first-aid box to the field on a regular basis, is lacking. | | | |
| Correction <i>(filled by organization audited):</i> Indicator 2.1.1 dan 2.2.1 The head office issues an affirmation letter regarding the total termination of the operational activities in the area and must be carried out by the estate management. Indicator 4.7.5 Provide training to the foreman on First Aid Boxes and their benefits | | | |
| Corrective Action <i>(filled by organization audited):</i> Indicator 2.1.1 dan 2.2.1 <ol style="list-style-type: none"> 1. Eliminating activities and budgets for operations in the field from the annual budget of PT DLI. 2. Socializing the suspension of operational activities to related parties in the field. 3. Routine inspections in the area to ensure there will be no more operations in the field. Indicator 4.7.5 Inspecting the existence of first-aid boxes in the field (being part of the environmental inspection and OHS). Implement sanctions against the foreman who does not bring the first-aid box to the field. Verification is performed to ensure that corrective and corrective actions that have been established for compliance with external audit criteria are consistently implemented. | | | |
| Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 15 September 2017 The Company shows evidence of improvement on the status of xxx block land (13 ha), among others: <ul style="list-style-type: none"> • Legal Division of Wilmar Group issued letter no. 0955 / DLI / Leg-Adm Jkt / 2017 concerning affirmation of | | | |

commitment not to conduct operational activities in Block XXX of 13 ha to be implemented by Operation Section PT Daya Labuhan Indah.

- Evidence of socialization dated September 6, 2017 to the Operations Division of the Gardens not to carry out activities in Block XXX area. Socialization is carried out and followed by a discussion followed by Field Officer; Field Conductor; Foreman; Security guard and EHS.
- To ensure that there is no operational activity, the company provides daily monitoring forms performed by security personnel and is known to the Division Manager.

The company shows evidence of improvement:

- Records of checks of first aid box for August 2017 by EHS.
- Records of first aid training and understanding of First Aid and the obligation to bring the first aid box to the foreman on 29 August 2017.

Based on the evidence of improvement it is stated that Block XXX area is not managed by PT DLI, but on the implementation of the field will be further verified at the next surveillance, resulting in no inconsistency. 2017.01 is **Closed with Observation.**

Verified by : **Marsudi Eko Santoso**

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| NCR No. | : 2017.10 | Issued by | : Oktovianus Rusmin |
| Date Issued | : 3 August 2017 | Time Limit | : 2 October 2017 |
| NC Grade | : Major SCCS | Date of Closing | : 2 October 2017 |
| Standard Ref. & Requirement | : D.4.1 Companies must verify and document the volume of certified and non-certified TBs received | | |
| Non-Conformance Description & Evidence observed (filled by auditor): | | | |
| Based on the field visit at Block XX Wonosari Estate was known that there is a source of FFB supplied from these estate to DLI2 POM. Based on Area Statement of PT Daya Labuhan Indah as of July 2017 was known that the area is not include as scope of certification. The result of verification of FFB acceptance data in DLI2 POM shows that not yet clearly done separation between FFBs sourced from Certified area and these Non Certified area. Based on these situation, there was issued NCR No. 2107.10 | | | |
| Root Cause Analysis (filled by organization audited): | | | |
| Not yet obtained certainty related to the continuation of land management status of 13 Ha, so to maintain the security these land, the company is still operations in the area. | | | |
| Correction (filled by organization audited): | | | |
| The head office issued a letter of affirmation regarding the total termination of the operational in these area. | | | |
| Corrective Action (filled by organization audited): | | | |
| Eliminating activities and budgets for operations in the field from the annual budget of PT DLI. | | | |
| <ul style="list-style-type: none"> • To socialize the suspension of operational activities to related parties in the field. • Routine inspections in the area to ensure there will be no more operations in the field. | | | |

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

15 September 2017

The certificate holder has shown evidence of improvement on the status of the XX block area of 13 ha.

- Legal Division of Wilmar Group issued Circular Letter no. 0955 / DLI / Leg-Adm Jkt / 2017 concerning affirmation of commitment not to conduct operational activities in Block XX of 13 Ha for operation by PT Daya Labuhan Indah Operational Division.
- Evidence of socialization dated 6 September 2017 to the Operations Section of the plantation (estate) not to carry out activities in Block XX area. The socialization was conducted and followed by a discussion followed by Field Officer, Field Conductor, Foreman, Security and EHS.

It has not been clearly demonstrated that improvements to the FFB sourced from Block XX Non Certified (out of scope Certification) are no longer supplied to DLI 2 POM.

Based on the evidence above, the **Non-Conformity No. 2017.10** is still **Open**

02 October 2017

The certificate holder has presented evidence of improvement, consisting of:

- Standard Operating Procedure of Receive FFB (SPO-MILL-001), Revision vrsion 6, 26 September 2017.
The procedure has elaborated on points 2,3 & 4 on verification of FFB sources of DLI 2 POM plantation suppliers' which must be ensured from RSPO Certified and Personnel in Charge (PIC) related to implementation of RSPO-SCCS Module Identity Preserved (IP).
- Socialization Notes from the above SOP (Form-EHS / DLI II-47-00), dated 30 September 2017, attached also photos of activities and Attendance List of Participants.

Based on the evidence above, the **NCR 2017.10** is **Closed with Observation**. Consistency of implementation will be verified at the next audit visit.

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| Verified by | : | Oktovianus Rusmin |
|--------------------|----------|--------------------------|

3.5.3 Opportunity for Improvement

| No | Ref Std | Descriptions |
|----|---------|---|
| 1 | 2.1.1 | The Company can continue the coordination with the stakeholders to fulfill the Plantation Act no. 39 of 2014 article 58 paragraph 3 stating that: "The obligation to facilitate the development of the estate as referred to in paragraph (1) shall be implemented within a period of no more than 3 (three) years since the right to use is granted". Based on this, PT Daya Labuhan Indah is still waiting for the issuance of Hak Guna Usaha and the plasma development will be conducted after the HGU issued. (Observation) The effectiveness and consistency of day off to all security guards at the next visit. (Observation) |
| 2 | 2.2.1 | The Company can always process the issuance of HGU for the development area at Sungai Deras Estate (HGU in process). (Observation) |
| 3 | 4.5.1 | The company can complete the monitoring of the reduction of pesticide use every year, although the company has monitored the trend of pesticide use every month as the impact of IPM implementation. |
| 4 | 4.7.4 | Ratification of P2K3 can be improved only for P2K3 of PT DLI- Wonosari Estate whereas board of P2K3 comes from Sei Deras and Wonosari Estate. |

3.5.4 Noteworthy Positive Components







| No | Descriptions |
|----|---|
| 1 | Has achieved RSPO Certificate in 2014 |
| 2 | The Company has provided adequate employee housing and other supporting facilities (kindergarten, clean water and garden) |
| 3 | Use of the Electronic Bunch Count Chip (EBCC) card system to record FFB data sent from estate to mill |

3.6 Summary of Arising Issues from Public and Auditor Verification

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| <p>Environment Agency of Labuhanbatu Regency Head of Environment Division</p> <ul style="list-style-type: none"> All of operational areas of PT DLI and PT Milano (Cabang Dua Estate) have owned the document study of environmental impact. PT DLI and PT Milano (Cabang Dua Estate) have owned the temporary storage of hazardous waste. Company has been reporting the regular report regarding the obligation of environmental, such as report of the Environmental Management Plan and the Environmental Monitoring Plan, report of hazardous waste, and so on. The institution has been gotten the information regarding the list of document which can be accessed by public. There's no issue of environmental pollution which has been done by PT DLI and PT Milano (Cabang Dua Estate). | <p>The auditor was observed the report and described in Criteria 2.1 and 5.1</p> |
| <p>Plantation Agency of Labuhanbatu Regency Head of Plantaion Agency</p> <ul style="list-style-type: none"> PT DLI and PT Milano has an asesment of the Plantation class Company has been reporting The plantation business progress report and CSR report CSR activity are still limited in funding. The fire equipment is sufficient to area companies. There was no issue regarding fires. There is no change regarding IUP | <p>There was no significant issues related to negative impact of plantation and mill operation of PT TSA</p> <p>The auditor was observed the report and described in Criteria 2.1</p> |
| <p>National Land Agency of Labuhanbatu Regency</p> <ul style="list-style-type: none"> There is no record of land disputes At Labuhan Batu District, there's no custom rights which is available in the land | <p>The Auditor team was issued NCR on indicator 2.1.1 and 2.2.1 related to area in Wonosari Estate (13 Ha) has been declared in ASA 2 that will exclude from area operation of PT DLI due to land title (out of HGU).</p> |
| <p>Manpower and Transmigration Agency of Labuhanbatu Regency</p> <ul style="list-style-type: none"> Company has good relationship with manpower and transmigration agency. Company has reported the regular report, such as mandatory of labor report, report of the implementation program of occupational health and safety Company has contract worker and it has been known by the agency. The regulation about minimum wage has been implemented in the company There is no issure regarding discrimination and child worker in company. | <ul style="list-style-type: none"> The company has implemented the minimum wage according to the Governor decree It is in accordance with indicator 6.5.1 There are no child laborers under age at the companies. It was in accordance with indicators 6.7.1 There are no labor discrimination at the companies. It was in accordance with indicators 6.8.2 |
| <p>Gender Committee of Cabang Dua Estate</p> <ul style="list-style-type: none"> Company has women committee. Until the audit is conducted, there is no complaint related to sexual harassment and discrimination. Women committee has socialized related female workers' rights and complaint mechanism in case the sexual harassment is occurred. Female workers have menstruation leave (H1), maternity and pregnant leaves for about 3 months. | <ul style="list-style-type: none"> Company has prohibited the pregnant female worker to work with chemical material. It is in accordance with indicator 4.6.12 Based on field observation and interview with workers, there is no discrimination issue in company. It is in accordance with criteria 6.8 |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| <ul style="list-style-type: none"> The pregnant and nursing female worker is prohibited working with chemical material. | <ul style="list-style-type: none"> Based on interview with female workers, it is known that they have menstruation leave (H1), maternity and pregnant leaves for about 3 months. It is in accordance with criteria 6.9 |
| <p>Labor Union of Sei Deras Estate</p> <ul style="list-style-type: none"> Company gives freedom to worker to join the labor union and has been registered to Manpower and Transmigration Agency of Labuhanbatu Regency. There is no complaint related to child labor, discrimination, sexual harassment, or human rights. Company has been implemented the minimum wage in accordance with Sumatera Utara Governor Decree No 188/44/KPTS/2017 as much as Rp 2,467,000 per month. | <ul style="list-style-type: none"> The company has implemented the minimum wage according to the Governor decree It is in accordance with indicator 6.5.1 The labor union has registered to Labor Agency. It is in accordance with criteria 6.6 Based on field observation, there is no child labor. It is in accordance with criteria 6.7 Based on field observation and interview with workers, there is no discrimination issue in company. It is in accordance with criteria 6.8 Based on interview with worker, there is no issue related to human rights violation. It is in accordance with criteria 6.13. |
| <p>Head of Sei Deras Village & Sidoarjo Hamlet (Sei Tampang Village)</p> <ul style="list-style-type: none"> Positive impact of the development of plantations and factories is the opening of road access for the surrounding community Work access, there are about 10% of villagers working in PT DLI plantation (harvesters, fertilizer and spraying workers) Several aid has been provided by the company to the surrounding community, among others: <ul style="list-style-type: none"> - Assistance with operational costs at the village office - Cement aids for repair of village office - Aid for fish farming in the local village - Heavy equipment loan for repair of village road and expansion of village office area - Cleaning of canals/ditches that flow from the garden to the surrounding villages - Assistance of foodstuffs and sacrificial animals during the celebration of religious festivals There was no issues and objections from parties related to the negative impacts of plantation and mill operations There are no issues of land conflict Social interaction between the company and the surrounding community has been harmonious <p>Aspiration:</p> <ul style="list-style-type: none"> Bureaucratic system at the company need to be more flexible so that responses to letters coming from the village government / community around to be faster) Social approach to the surrounding community based on the background of the social condition of the community concerned. | <p>Based on verification on related Indicators: Indicator 2.2.3 to 2.2.6 and 2.3. to 2.3.3 does not indicate a conflict between the company and the surrounding community.</p> <p>Indicator 6.3.1 & 6.3.2, there are no significant complaints from the other parties</p> <p>Indicator 6.11.1 & 6.11.2, the company has implemented/provided assistance to the surrounding community and the opportunity to adapt social governance activities based on community needs and based on more participatory planning.</p> <p>There was no issues and objections from parties related to the negative impacts of plantation and mill operations</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|--|
| <p>Local Contractor (CV 44)</p> <ul style="list-style-type: none"> • There is a Work Agreement signed by both parties before the work begins • Local Contractors are given the opportunity to read the contract documents before they are signed • Each party keeps a signed contract document with a stamp of IDR 6,000 • Worker safety and the provision of PPE are the responsibility of the contractor • Payments have been made on time in accordance with clauses on contract documents • Evaluation/checking is done by PT DLI to local contractor for each work result prior to payment. | <p>Indicator 6.10.1 & 6.10.4, there was no smallholder scheme and the company has provided employment opportunities to several local contractors, consistin of : worker office development & canal/drainage maintenance.</p> |

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|--|---|--|--|--|---|---|---|
| 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="430 739 1356 1120"><tr><td data-bbox="430 739 766 817">PT DAYA LABUHAN INDAH Group Estate Manager</td><td data-bbox="1053 739 1356 817">MUTUAGUNG LESTARI Lead Auditor</td></tr><tr><td data-bbox="478 873 750 1120"></td><td data-bbox="1101 851 1388 985"></td></tr><tr><td data-bbox="478 1052 750 1120">JANUDDIN SINAGA 02 October 2017</td><td data-bbox="1053 1041 1356 1120">OKTOVIANUS RUSMIN 02 October 2017</td></tr></table> | PT DAYA LABUHAN INDAH Group Estate Manager | MUTUAGUNG LESTARI Lead Auditor |  |  | JANUDDIN SINAGA 02 October 2017 | OKTOVIANUS RUSMIN 02 October 2017 |
| PT DAYA LABUHAN INDAH Group Estate Manager | MUTUAGUNG LESTARI Lead Auditor | | | | | | |
|  |  | | | | | | |
| JANUDDIN SINAGA 02 October 2017 | OKTOVIANUS RUSMIN 02 October 2017 | | | | | | |

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

| No | Institution/NGO/Community | Address | Phone/Email | Form of Communication | Date of Contact | Response | |
|----|--|--|-------------|-----------------------|-----------------------------|----------|----|
| | | | | | | Yes | No |
| 1. | Social Service, Labour and Transmigration of Labuhanbatu District | Labuhanbatu District | - | Interview | 01 August 2017 | ✓ | |
| 2. | Forestry and Plantation Service of Labuhanbatu District | Labuhanbatu District | - | Interview | 01 August 2017 | ✓ | |
| 3. | Environment Agency of Labuhanbatu District | Labuhanbatu District | - | Interview | 01 August 2017 | ✓ | |
| 4. | National Land Agency of Labuhanbatu District | Labuhanbatu District | - | Interview | 01 August 2017 | ✓ | |
| 5. | NGO – WWF Indonesia | Jakarta | - | email | 26 July 2017 | | ✓ |
| 6. | NGO – Sawit Watch | Jakarta | - | email | 26 July 2017 | | ✓ |
| 7. | NGO - Walhi | Jakarta | - | email | 26 July 2017 | | ✓ |
| 8. | NGO - AMAN | Jakarta | - | email | 26 July 2017 | | ✓ |
| 9 | Gender Committee of Cabang Dua Estate | Sei Tampang Village, Bilah Hilir Sub-district, Labuhan Batu District | - | Interview | 2 nd August 2017 | | |
| 10 | Labor Union of Sei Deras Estate | Sei Tampang Village, Bilah Hilir Sub-district, Labuhan Batu District | - | Interview | 3 rd August 2017 | ✓ | |
| 11 | Head of Sei Deras Village | Sei Deras Village | | | | | |
| 12 | Head of Sidoarjo Hamlet (Sei Tampang Village) | Sei Tampang Village | - | Interview | 1 st August 2017 | ✓ | |
| 13 | Workers at Cabang Dua Estate: • 5 Harvester + 1 Foreman • 6Pesticide applicator + 1 Foreman (during audit, there is no manure activities) | Cabang Dua workers housing complex | - | Interview | 2 nd August 2017 | ✓ | |
| 14 | Workers at Sei Deras Estate: • 4 Harvester + 1 Foreman • 6 Pesticide applicator + 1 Foreman (during audit, there is no manure activities) | Sei Deras workers housing complex | - | Interview | 3 rd August 2017 | ✓ | |

| Appendix 2: Assessment Program | | | |
|---------------------------------------|------------------------|--|--|
| DATE | | 31 July to 04 August 2017 | |
| PLANNED TIME | ACTUAL DURATION | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Monday, 31 July 2017 | | | |
| 06.00 - 19.00 | | JAKARTA → MEDAN → RANTAU PRAPAT → PLANTATION | Auditor Team |
| Tuesday, 01 August 2017 | | | |
| 08.00 – 15.00 | 08.00 – 15.00 | Stakeholder Consultation to Related Agency | AAS |
| 08.00 – 08.40 | 08.00 – 08.40 | OPENING MEETING <ul style="list-style-type: none"> • Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit) • Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, • Transparency and Confidentiality Clarification) | Management Representative of PT DLI Auditor Team Auditor Team |
| 08.40 – 12.00 | 08.40 – 12.00 | Review of Previous Visit Non-conformance (Re-Certification) Document Verification: <ul style="list-style-type: none"> • Verification of Time Bound Plan & Partial Certification • Basic Information • Occupational Health & Safety Aspect (PPE Used in Harvest, Manure & Pesticide Application) and Worker Welfare • Agronomy (Harvesting & Transportation, Manure, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) • Environmental/Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Peat Area (Water management, etc) • Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management • Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave), Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) • Consultation of Community Surround (External Stakeholder) • Consultation of Workers Union & Gender Committee (Internal Stakeholder) | ORN MES MES MES SHL SHL ORN ORN MES |
| 12.00 – 14.00 | 12.00 – 14.00 | Break | MES |

| | | | |
|----------------------------------|---------------|--|--|
| 14.00 – 17.00 | 14.00 – 17.00 | Field Observation to DLI 2 POM <ul style="list-style-type: none"> • SCCS Verification • Production/Processing and Health & Safety • Emergency Equipment Check & Emergency Team Interview • Hazardous Waste Storage, POME + Land Application • Management of Environment (Environment monitoring station & GHG, etc) • Worker Facilities (Housing, health clinic, clean water, etc) Worker Rights (Status, Payment Condition, Gender Aspect, etc) • Local Contractor Interview | ORN MES MES SHL SHL ORN ORN |
| Wednesday, 02 August 2017 | | | |
| 08.00 – 12.00 | 08.00 – 12.00 | Field Observation to Cabang Dua Estate <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect • Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area). • Implementation of Legal Aspect (Land Ownership, Legal Boundaries) • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) • Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). | MES SHL ORN AAS AAS |
| 12.00 – 14.00 | 12.00 – 14.00 | Break | |
| 14.00 – 17.00 | 14.00 – 17.00 | Clarification of Field Visit & Completing of Check List | Auditor Team |

| | | | |
|--------------------------------|---------------|---|--|
| 08.00 – 12.00 | 08.00 – 12.00 | Field Observation to Sei Deras Estate <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect • Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area). • Implementation of Legal Aspect (Land Ownership, Legal Boundaries) • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) • Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). | MES SHL ORN AAS AAS |
| 12.00 – 13.00 | 12.00 – 13.00 | Break | |
| 13.00 – 16.30 | 13.00 – 16.30 | Team Auditor Meeting (Preparation for Audit Conclusion) | Auditor Team |
| 17.00 – 19.00 | 17.00 – 19.00 | CLOSING MEETING | Auditor Team and |
| 19.30 - 05.00 | | PLANTATION AREA → RANTAU PRAPAT MEDAN | Management Representative of PT DLI Auditor Team |
| Friday , 04 August 2017 | | | |
| 12.00 - 14.15 | 12.00 - 14.15 | MEDAN → JAKARTA | Auditor Team |