

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

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

Name of Management Organisation : **Dendymarker Palm Oil Mill – PT Dendymarker Indah Lestari**
 Plantation Name : **PT Dendymarker Indah Lestari - Bingin Rupit 1 Estate, Bingin Rupit 2 Estate
PT Tebo Indah - Teluk Pandak Estate**
 Location : **Village of Karang Dapo 1, Sub District of Karang Dapo, District of Musi Rawas, Province of South Sumatera, Indonesia**
 Certificate Code : **MUTU-RSPO/065**
 Date of Certificate Issue : **27 July 2015** Date of License Issue : **27 July 2016**
 Date of Certificate Expiry : **26 July 2020** Date of License Expiry : **26 July 2017**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	27 June – 2 July 2016	Ardiansyah (Lead Auditor) Marsudi Eko Santoso M. Rinaldi Yuniar Mitikauji	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	3 September 2016

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FIGURE

Figure 1. Location Map of PT Dendymarker Indahlestari

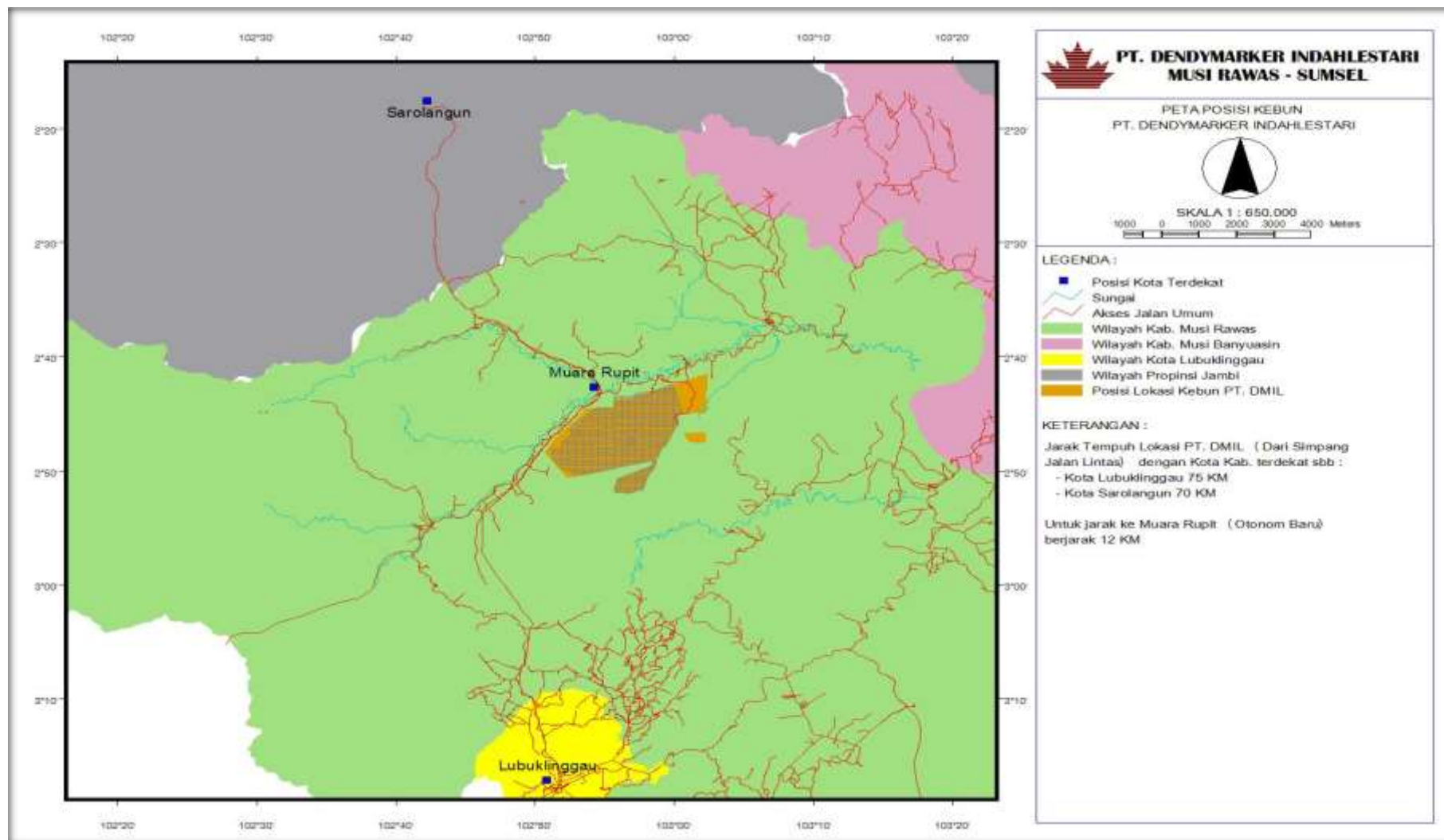


Figure 2. Location Map of PT Tebo Indah

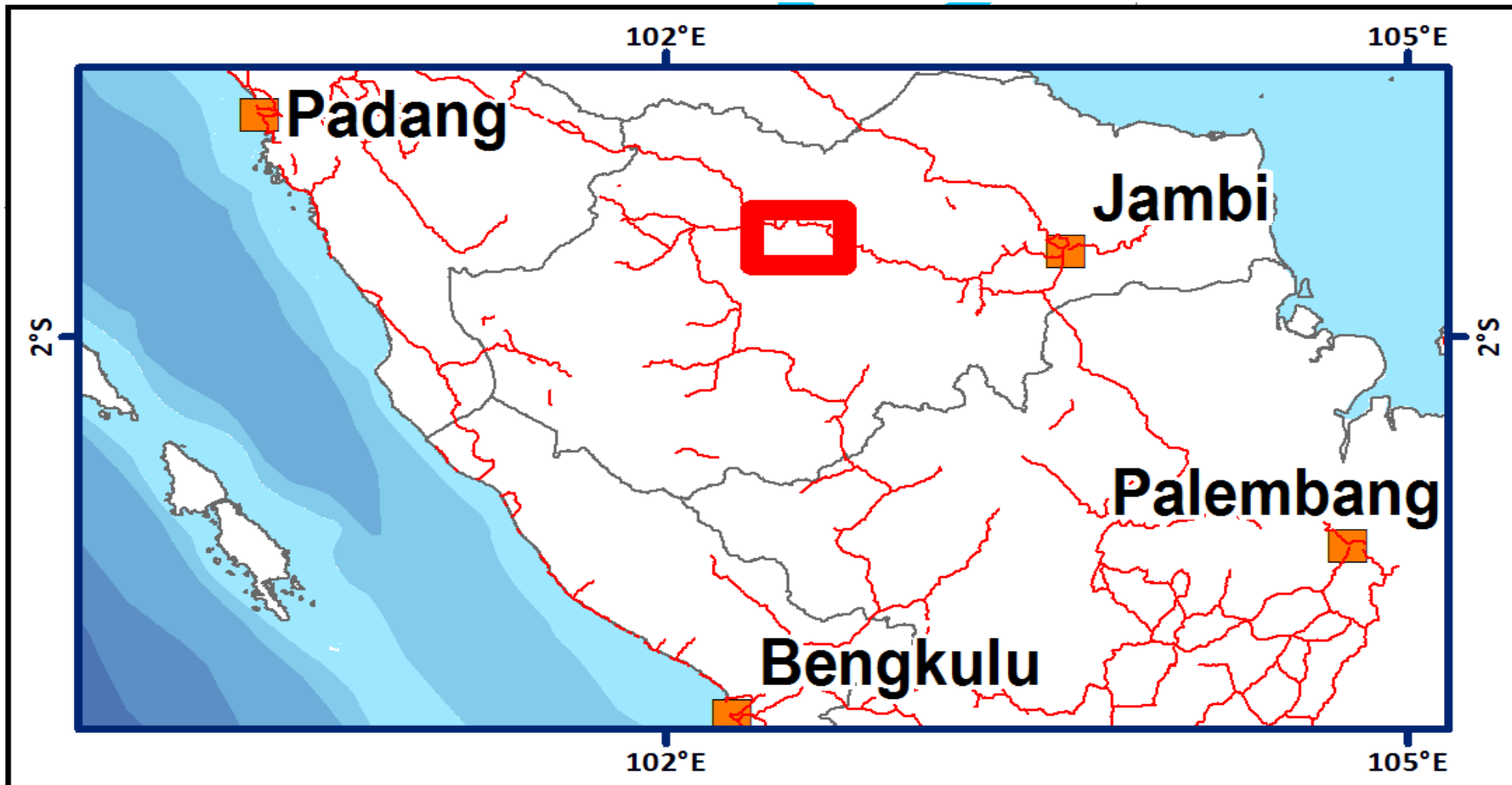


Figure 3. Operational Map of PT Dendymarker Indahlestari

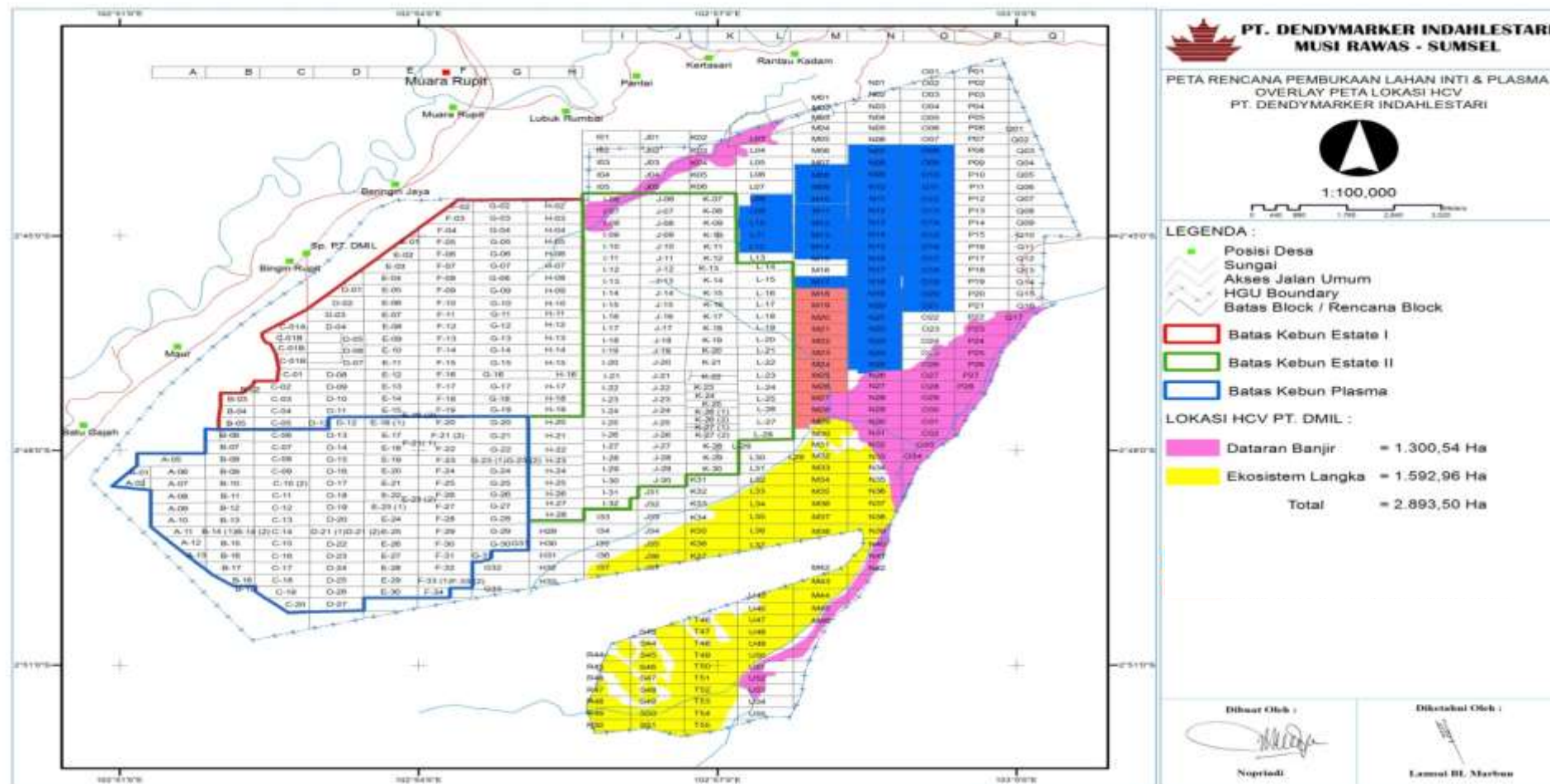
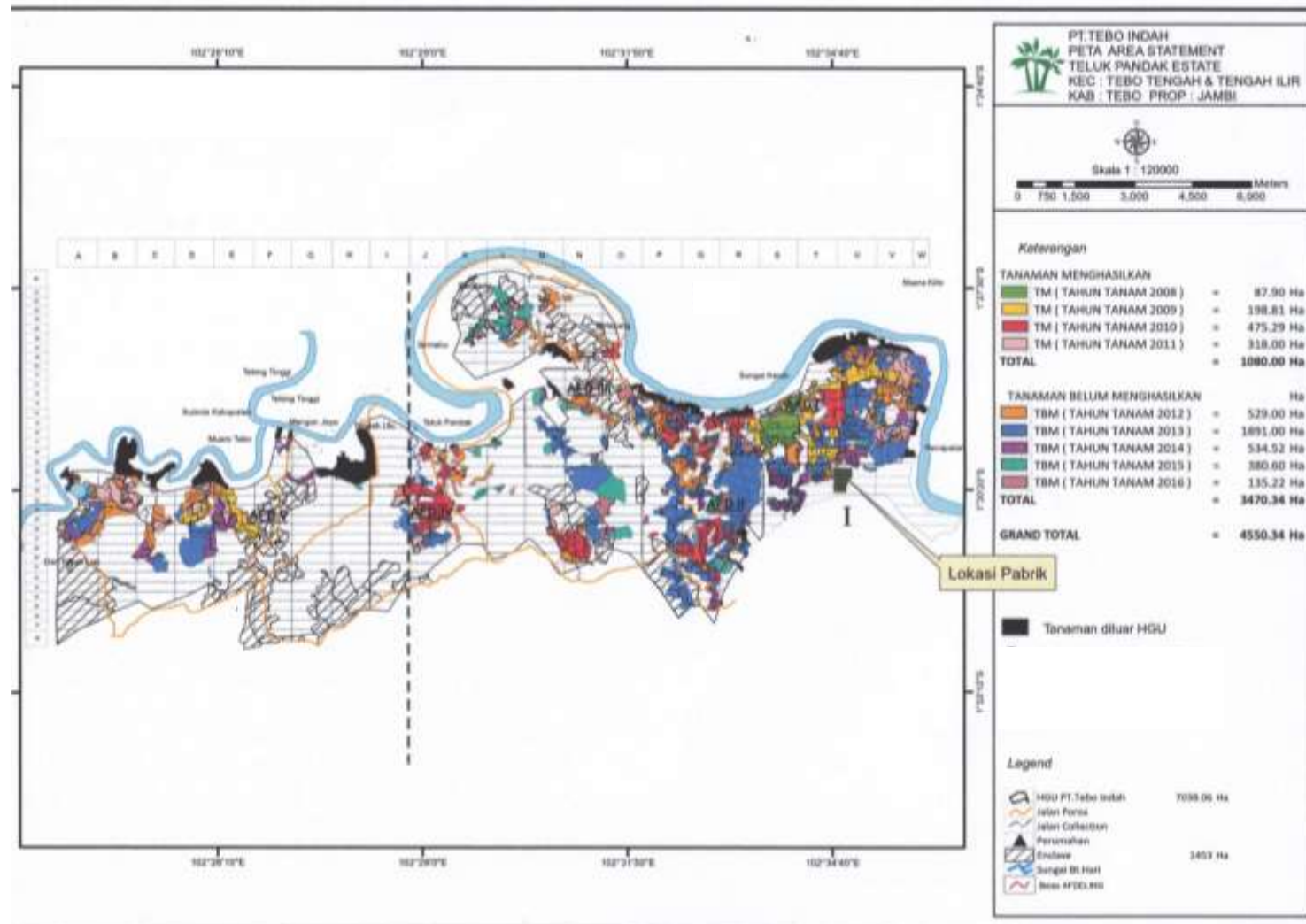


Figure 4. Operational Map of PT Tebo Indah



Glossary

ASA	:	Annual Surveillance Assessment
AMDAL/EIA	:	Analisa Mengenai Dampak Lingkungan (environmental impact assessment)
BOD	:	Biological Oxygen Demand
BR	:	Bingin Rupit
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial (Social Assurance of Labor)</i>
CH	:	Certificate Holder
COD	:	Chemical Oxygen Demand
COO	:	Chief Operating Officer
CPO	:	Crude Palm Oil
CSR	:	Company Social Responsibility
DMIL	:	Dendymarker Indahlestari
FFB	:	Fresh Fruit Bunch
GHG	:	Greenhouse Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha (Land Use Permit)</i>
HIRAC	:	Hazard Identification and Risk Analysis
HR	:	Human Resource
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
KER	:	Kernel Extarction Rate
KUD	:	Koperasi Unit Desa (<i>village cooperative</i>)
LCC	:	Land Cover Crop
LUCA	:	Land Use Change Analisis
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extarction Rate
OFI	:	Oppurtunity for Improvement
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembinaan Kesehatan dan Keselamatan Kerja (OHS Guiding Committee)</i>
PIC	:	Person in Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
PPE	:	Personal Protection Equipment
RaCP	:	Remediation and Compensation Plan
RKL	:	<i>Rencana Kelola Lingkungan (Environment Management Plan)</i>
RPL	:	<i>Rencana Pemantauan Lingkungan (Environment Monitoring Plan)</i>
RTE	:	Rare, Threatened and Endangered
SIA	:	Social Impact Assessment
SOP	:	Standart Operating System
THR	:	<i>Tunjangan Hari Raya (holiday allowance)</i>

TI	:	Tebo Indah
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT				
1.1	Assessment Standard Used		<ul style="list-style-type: none">RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)	
1.2 Organisation Information				
1.2.1	Organisation name listed in the certificate		PT DENDYMARKER INDAHLESTARI	
1.2.2	Contact person		Rio Christiawan	
1.2.3	Organisation address and site address		Karawaci Office Park, Ruko Pinangsia Blok L No.38-39 Lippo Karawaci, Tangerang	
1.2.4	Telephone		(0733) 4100062 / (021) 5573 2923	
1.2.5	Fax		(021) 5573 2922	
1.2.6	E-mail		rio.christiawan@agro-investama.com	
1.2.7	Web page address		www.agro-investama.com	
1.2.8	Management Representative who completed the application for certification		Rio Christiawan (Director HR & Legal)	
1.2.9	Registered as RSPO member		1-0146-13-000-00 – 6/11/2013	
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit		<ul style="list-style-type: none">PT Dendymarker Indah Lestari - Dendymarker Palm Oil Mill, Bingin Rupit 1 Estate, Bingin Rupit 2 EstatePT Tebo Indah - Teluk Pandak Estate	
1.3.2	Type of certificate		Single	
1.4 Locations of Mill and Plantation				
1.4.1	Location of Mill			
	Name of Mill	Location	Coordinate	
			Latitude	Longitude
	Dendymarker POM	Karang Dapo 1 Viilage, Karang Dapo Sub-District, Musi Rawas District, South Sumatera Province	S 02° 47' 43.4" - 02° 47' 51.4"	E 102°56' 41.1" - 102°56' 52.7"
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Bingin Rupit-1 Estate (BR-1)	Viilage of Bingin Rupit and Beringin Jaya, Muara Rupit Sub-District, Musi Rawas District, South Sumatera Province.	S 02° 44' 29.1" - 02° 47' 42.5"	E 102°51' 59.4" – 102°55' 39.2"

Bingin Rupit-2 Estate (BR-2)	Village of Lubuk Rumi, Muara Rupit Sub-District, and Village of Kertasari, Rantau Kadam, Karang Dapo 1, Karang Dapo Sub-district, Musi Rawas District, South Sumatera Province.	S 02° 45' 21.9" - 02° 48' 58.7"	E 102° 55' 06.2" - 102° 57' 45.8"
Teluk Pandak Estate (PT Tebo Indah)	Village of Mangun Jayo, Tebo Tengah Sub-District and Village of Teluk Pandak, Tengah Ilir Sub-District, Tebo District, Jambi Province.	S 01° 29' 37.1" - 01° 31' 28.8"	E 102° 27' 12.1" - 102° 30' 58.4"

1.5 Description of Area Statement

1.5.1	Tenure			
	• State	24,831.56 Ha		
	• Community	Ha		
1.5.2	Area Statement	PT Dendymarker (Ha)	PT Tebo Indah (Ha)	TOTAL
	• Total area	14,838.87	7,038.06	21,876.93
	• Mature area	5,629.38	3,269.61	8,898.99
	• Immature area	2,398.11	845.07	3,243.18
	• Infrastructure (Building, Road and bridge)	364.77	402.77	767.54
	• Nursery	38.05	-	38.05
	• Mill	7.34	-	7.34
	• Reserve Area	3,242.71	2,256.55	5,499.26
	• HCV Area	2,893.50	264.06	3,157.56
	• Not planted Area (canal, hills)	265.01	-	265.01

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Bingin Rupit 1 Estate	Bingin Rupit 2 Estate	Teluk Pandak Estate	Total
	1996	260.30	-	-	260.30
	1997	636.40	-	-	636.40
	1998	1,526.70	1,473.65	-	3,000.35
	1999	-	360.20	-	360.20
	2000	-	511.70	-	511.70
	2008	-	-	87.90	87.90
	2009	-	-	197.63	197.63
	2010	-	-	454.13	454.13
	2011	-	-	242.43	242.43
	2012	-	100.00	461.19	561.19
	2013	65.80	694.63	1,826.33	2,586.76
	2014	-	714.76	347.82	1,062.58
2015	-	989.22	362.03	1,351.25	

	2016	-	694.13	135.22	829.35			
	TOTAL	2,489.20	5,538.29	4,114.68	12,142.17			
1.6.2	New Planting area after January 2010		7,087.69 Ha					
1.6.3	Planting Cycle		2 nd Cycle					
1.7 Description of Mill and Supply Base								
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFBProcessed (tonnes/year)	CPO Out put (ton)	Extraction (%)	Palm Kernel Out put (ton)	Extraction (%)	
	Dendymarker POM	20	67,508.141	11,087.672	16.42	2,991.289	4.43	
	* Source: Data of processed FFB period of June 2015 – May 2016							
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)		%
	Bingin Rupit 1	2,662.83	2,489.20	29,123.40	11.71	29,123.40	100	
	Bingin Rupit 2	12,176.04	5,538.29	27,025.57	8.61	27,025.57	100	
	Teluk Pandak	7,038.06	4,114.68	8,402.48	2.40	8,402.48	100	
	TOTAL	21,876.93	12,142.17	64,551.45	7.00	64,551.45	100	
	*Source : Production Data of Estate period of June 2015 – May 2016							
1.7.3	FFB description from other source							
	Name of sources	Organisation	Location			Supplied to Mill FFB (tonnes/year)		
	Plasma Muar Kaur (2,937 SH – 2,937 Ha) – Non certified	PT Dendimarker Indah Lestari	Kecamatan Karang Dapo, Kabupaten Musi Rawas, Propinsi Sumatera Selatan.			6,037.20		
	Plasma Pantai Inti (1,093 SH – 1,093 Ha) – Non certified	PT Dendimarker Indah Lestari	Kecamatan Karang Dapo, Kabupaten Musi Rawas, Propinsi Sumatera Selatan.			57.55		
	TOTAL					6,094.75		
	*Source : Data of processed FFB period of June 2015 – May 2016							
1.7.4	Jenis Produk			FFB, CPO, PK				
1.8 Estimate Tonnage of Certified Product								
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 27 July 2015 to 26 July 2016 (tonnes/year)		Actual certified product 27 July 2015 to 27 June 2016 (tonnes/year)		
	• FFB Production			57,878		55,896.122		
	• CPO Production			9,098		9,320.492		
	• Palm Kernel (PK) Production			2,626		2,512.392		

1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Bingin Rupit 1		2,662.83	2,489.20	32,360	13.00	
	Bingin Rupit 2		12,176.04	5,538.29	28,262	9.00	
	Teluk Pandak		7,038.06	4,114.68	9,809	3.00	
	TOTAL		21,876.93	12,142.17	70,431	8.27	
	<i>*Projected FFB production for 27 July 2016 – 26 July 2017</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Dendymarker POM	20	70,431	12,678	18	3,169	4.5
	<i>*Projected CSPO and CSPK production for 27 July 2016 – 26 July 2017</i>						
1.9	Other Certifications						
	Others			ISPO certification No. MUTU-ISPO/044 – 11 December 2015 to 10 December 2020			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	Dendymarker POM PT DMIL	2015	Bingin Rupit 1	2015	Musirawas Utara Regency, Sumatera Selatan Province	Certified	
			Bingin Rupit 2	2015	Musirawas Utara Regency, Sumatera Selatan Province	Certified	
			Teluk Pandak (PT Tebo Indah)	2015	Tebo Regency, Jambi Province	Certified	
	PT Katingan Mujur Sejahtera	2020	PT Katingan Mujur Sejahtera	2020	Katingan Regency, Kalimantan Tengah Province	2020	
	PT Pagatan Usaha Makmur	2020	PT Pagatan Usaha Makmur	2020	Katingan Regency, Kalimantan Tengah Province	2020	
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard						
	Company have cooperation with 2 Smallholders Cooperative with plans to do certification 3 years after the factory certified (2018). The progres for smallholder is socialization of Best Management Practices and RSPO.						

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-1	<ol style="list-style-type: none"> Ardiansyah (Lead Auditor). Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. Several times following audit activities related to sustainable palm oil certification system as a lead auditor and an auditor. During this audit, he assigned to verify legal aspect, land dispute and SCCS. Marsudi Eko Santoso (Auditor) Bachelor of Agriculture, majoring in Agro technology. Followed Auditor/Lead auditor Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness green house gas and OHSAS technical expert. Currently he works for Independent Certification Body. He had involved activities RSPO and ISPO certification assessment as an auditor. During this audit, he assigned to verify transparency, Best Management Practices aspect and long term plan. M. Rinaldi (Auditor). Associate of Oil Palm Plantations, Bogor Agricultural Institute. He has 4 years experience working as staff operational plantations at oil palm plantation companies in Indonesia. He has attended the RSPO Awareness training, Lead Auditor/Auditor ISPO training, Auditor/Lead Auditor ISO 9001:2008 training, ISO 14000 training, HCV training and Health and Safety Officer training. During this audit, he assigned to verify of OHS aspect and social welfare. Yuniar Mitikauji (Auditor). Master Program in Environment from Melbourne University and Bachelor of Forestry with Silviculture Stream from Gadjah Mada University. She was working as a research assistant in Forestry Faculty, Gadjah Mada University. She played a role as a project manager of land rehabilitation project of Samboja Lestari in East Kalimantan. Currently she is working as an auditor in PT Mutuagung Lestari. She joined wildlife statistical analysis short course held by Cardiff University in cooperation with University of Sabah. She had joined ISPO training held by ISPO Committee, Ministry of Agriculture and RSPO Lead Auditor Training held by Daemeter Consulting and Proforest as well. Further she joined HCV Training and BMP for mill and estate held by Mutuagung Lestari. During this audit, she assigned to verify environmental aspect, and High Conservation Value.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-1	<p>Number of auditors : 4 auditor</p> <p>Number of days for ASA-1 at site : 5 days</p> <p>Number of working days for ASA-1 at site : 20 Working days</p>
2.2.2	Assessment Process
ASA-1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dendymarker Indah Lestari to the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</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-1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-1.</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-1 assessment. All</p>

	<p>information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Location of Assessment
ASA-1	<p>The sampling method, based on:</p> <ul style="list-style-type: none"> Location chosen to represent each operational area using the formula $0.8\sqrt{y}$. y is number of estate. Total sampling in this assessment is two (2) that are Bingin Rupit-2 Estate and Teluk Pandak Estate. Consideration of issues that arising from document verification and stakeholder consultation that is fundamental and critical. <p>Dendymarker POM</p> <ul style="list-style-type: none"> Management Process. Observation and interview with personnel related to FFB's processing into CPO, capacity each station, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, first aid kits, the implementation of occupational health and safety, company's facilities, trainings from company and manpower agencies. Machine room/ turbine. Observation and interview with operator related to the efficiency of fuel utilization, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, first aid kits, the implementation of occupational health and safety, company's facilities, medical examination, trainings from company and manpower agencies Boiler Room. Observation and interview with operator related to personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, first aid kits, the implementation of occupational health and safety, company's facilities, medical examination, trainings from company and manpower agencies. Loading Ramp. Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, and fruit separation with ripeness and rawness criteria. Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities. Water Treatment Process. Observations and interviews related to the use of water, recording water usage using a flow meter, provision PPE for worker and work mechanism accordance to procedure. Chemical Warehouse. Observations and interviews about the management of Hazardous Material, emergency response facilities and OHS. Hazardous Waste Warehouse. Observations on Hazardous waste management and available OHS facilities WWTP area. WWTP pond in good condition, there is no indication of a leak. Drainage. Observations the condition of drainage in mill, the flow of waste water Empty bunch fruit station. Observations about storage conditions for empty bunch. Security Post. Interview and observation on the method of FFB receipt on mill. Weightbridge. Interview and observation in term of well-documented FFB receipt on Mill. Housing complex of DMIL POM. Observation on employee house condition, domestic waste management, provision of clean water and electricity, environmental sanitation and employee complaint handling situation. <p>DMIL-BR2</p> <ul style="list-style-type: none"> Block J20. Observations and interviews with the workers on harvesting and results of spraying of the previous week. Block J21. Observations and interviews with workers on weed spraying activities. Block K22. Observations and interviews regarding fertilization and manual disk maintenance. Block L23. Observation of fire tower's existence. Block K21. Observations of water levels, subsidence pole and phizometer. Block I21. Observation of plants injection activities for pest (leaf-eating caterpillars) control. Block I20. Observation of the existence of the <i>Turnera subulata</i> plant and owl's nest. Block E2. Observation of HGU boundary marker No. 04

- **Block H2.** Observation of HGU boundary marker No. 06
 - **Block H2.** Observation of HGU boundary marker No. 07
 - **HGU boundary marker No. 122.** Located in community area
 - **Block L28.** Observation of water management in form of water gate and HCV area in form of Abang Riparian.
 - **Block M15.** Observation of new planting on 2016.
 - **Hazardous waste storage.** Observation on hazardous waste storage, the placement of hazardous waste, the applied hazardous waste symbol, the recording of incoming and outgoing hazardous waste and the understanding of the assigned personnel on his/her task.
 - **Fire equipment storage.** Observation on the provision of fire equipment, the condition and the preparedness of fire equipment and its documentation.
 - **Spraying equipment storage.** Observation on storage condition, storing mechanism of spraying equipment and after use treatment, the management of the rinse water and the supporting facilities such as eyewash.
 - **Chemical storage.** Observation on chemical storage mechanism, the availability of MSDS and first aid equipment, the provision of fire equipment, the recording of incoming and outgoing chemicals and the understanding of the assigned personnel on his/her task.
 - **Polyclinic.** Observation on polyclinique facilities, common disease/accident, the provision of medicine, its service and the management of medical waste.
 - **Daycare.** Observation on the facilities, daycare employee status and the understanding of the assigned personnel on his/her task.
 - **Landfill.** Observation on landfill condition, the waste handling mechanism and the the understanding of the assigned personnel on his/her task.
 - **Fertilizer warehouse.** Observation on fertilizer store mechanism and the recording of incoming and outgoing fertilizer.
 - **Fossil fuel loading.** Observation on loading port condition, prevention action and handling mechanism on fossil fuel spill, the readiness of fire equipment, the understanding of the assigned personnel on hazardous waste handling and the emergency response such as fire handling mechanism.
 - **Engine room.** Observation on the environment condition, hazardous waste handling and emergency response such as if any fire condition.
 - **Workshop.** Observation on workshop condition, hazardous waste management, spill handling mechanism, manpower issue, complaint mechanism and company response if any, the provision of fire equipment and first aid kit.
 - **Housing complex of Bingin Rupit 2.** Observation on employee house condition, domestic waste management, provision of clean water and electricity, environmental sanitation and employee complaint handling situation.
- Teluk Pandak Estate:**
- **Block K24.** Observations and interviews with workers regarding harvesting activities.
 - **Block F27.** Interviews with workers and supervisor about weed spraying activities and interviews with the fertilizer supervisor on fertilization.
 - **Block F28.** Interviews with the supervisor about the harvest and implementation of crop inspection and observation of the existence of the *Turnera subulata* plant.
 - **Block E26.** Observation of the existence of an owl's nest.
 - **Block K18, Afd IV.** Observation of HGU boundary marker No. 61
 - **HGU boundary marker TI 18 and TI 22.** Located in community area.
 - **Block S13, Afd II.** Observation of HGU boundary marker TI 34 and HCV management in form of Riparian Keruh.
 - **Block J18/19, Afd IV.** Observation of HCV management in form of Belilas Riparian
 - **Block T15/16.** Observation of HCV area in form of natural vegetation which owned by community.
 - **Hazardous waste storage.** Observation on hazardous waste storage, the placement of hazardous waste, the applied hazardous waste symbol, the recording of incoming and outgoing hazardous waste and the understanding of the assigned personnel on his/her task.
 - **Fire equipment storage.** Observation on the provision of fire equipment, the condition and the preparedness of fire equipment and its documentation.
 - **Spraying equipment storage.** Observation on storage condition, storing mechanism of spraying equipment and

	<p>after use treatment, the management of the rinse water and the supporting facilities such as eyewash.</p> <ul style="list-style-type: none"> • Chemical storage. Observation on chemical storage mechanism, the availability of MSDS and first aid equipment, the provision of fire equipment, the recording of incoming and outgoing chemicals and the understanding of the assigned personnel on his/her task. • Policlinic. Observation on polyclinique facilities, common disease/accident, the provision of medicine, its service and the management of medical waste. • Daycare. Observation on the facilities, daycare employee status and the understanding of the assigned personnel on his/her task. • Landfill. Observation on landfill condition, the waste handling mechanism and the the understanding of the assigned personnel on his/her task. • Fertilizer warehouse. Observation on fertilizer store mechanism and the recording of incoming and outgoing fertilizer. • Fossil fuel loading. Observation on loading port condition, prevention action and handling mechanism on fossil fuel spill, the readiness of fire equipment, the understanding of the assigned personnel on hazardous waste handling and the emergency response such as fire handling mechanism. • Engine room. Observation on the environment condition, hazardous waste handling and emergency response such as if any fire condition. • Workshop. Observation on workshop condition, hazardous waste management, spill handling mechanis, manpower issue, complaint mechanism and company response if any, the provision of fire equipment and first aid kit. • Housing complex. Observation on employee house condition, domestic waste management, provision of clean water and electricity, environmental sanitation and employee complaint handling situation. <p>Stakeholder interview</p> <ul style="list-style-type: none"> • Musi Rawas Utara District & Tebo District Environment Agency. Interview in term of the environment permit, waste management, contaminations and issues and reports from other parties in term of the negative impacts on the environment caused by estate and mill operationals. • Musi Rawas Utara District & Tebo District Labour Agency Interview in term of OHS, manpower social and issues and reports from other parties in term of the negative impacts on the environment caused by estate and mill operationals. • Musi Rawas Utara District & Tebo District National Land Agency. Interview in term of the land acquisition legality. • Musi Rawas Utara District & Tebo District Plantation Agency. Interview in term of the annual report , plantation bussiness permit • Local Contractor, Interview in term of agreement letter, payment, safety and health (OHS) • Community figures of Beringin Jaya Village, Kerta Sari Village, Bingin Rupit Village, Teluk Pandak Village and Mangunjaya Village. Interview in term of the positive and negative impacts caused by PT DMIL & PT.TI.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1	<p>Public consultation with stakeholders of PT Dendymarker Indah Lestari & PT Tebo Indah conducted through:</p> <ol style="list-style-type: none"> (1) Public announcement at website MUTU (www.mutucertification.com) on 13 June 2016 (2) Consultation and interview with Government Agency (Environment Agency; Labour, social and transmigration Agency; Plantation Agency, and National Land, District of Musi Rawas Utara on 28 June 2016 and District of Tebo on 30 June 2016. (3) Visit and interview with villages surrounded the company such as Beringin Jaya Village, Kerta Sari Village, Bingin Rupit Village in District of Musi Rawas Utara on 28 June 2016 and Teluk Pandak Village, Mangunjaya Village in District of Tebo on 30 June 2016. (4) Interview and consultation with Worker Union, Gender Committee and Local Contractor in PT.DMIL on 28 June 2016 and in PT. TI on 30 June 2016 (5) Correspondence with NGO (Walhi and AMAN) by email on 09 June 2016.

	Inputs from stakeholder accepted by the auditor team to be clarified by the PT Dendymarker Indah Lestari & PT Tebo Indah.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit ASA-2 will be determined one year after this ASA-1 (June -2017).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Dendymarker POM – PT Dendymarker Indah Lestari operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were fifteen (16) nonconformities were assigned against Major Compliance Indicators; seventeen (17) nonconformities were assigned against Minor Compliance Indicators; and two (2) nonconformities against supply chain requirement for CPO mill and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has prepared and implemented the corrective actions that had been reviewed and accepted by Auditor(s) in form of documentation evidences e.g. document records, photohraphic, etc.. Those corrective actions taken that consist of eighteen (18) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Dendymarker POM – PT Dendymarker Indah Lestari complied with the requirements of RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	The Company has a list of the information types that can be obtained by other parties that are classified into confidential data (10 documents), limited data (14 documents), and general data (3 documents). Limited data are accessible by the public with approval from the Directors. All information requests from stakeholders that go into operational units are addressed to the Operational Unit Manager. Based on the interviews with the Secretary of Bingin Rupit Village, Head of Beringin Jaya Village, Head of Kerta Sari Village, Head of Mangunjaya Village, Head of Teluk Pandak Village, Plantation Agency, Labour Agency and Enviromental Agencyare told that the information obtained from the company through public relations division with the approval from the head of the company. However, stakeholders do not know about the information types that can be accessed/requested and there are no provided evidence of socialization of the information types that can be accessed/requested by stakeholders. It becomes a Nonconformity No. 2016.01 with Minor Category .	
1.1.2	Management Unit has SOP of information request which are legalized by the Operational COO, HR & Legal Director and Operational Director that explained the stages of providing information to the parties. All information request letters from stakeholders that go into operational units are addressed to Operational Unit Manager and Operational Unit Manager will send a response letter to the stakeholders. Based on responses to information requests flowchat, it is told that the time information response is 30 days. Information requests records by stakeholders are available, for example: Request for information from the official letter dated 29 March 2016 for THR payment adjusted to the regulation in 2016. The company showed record a list of information request responses in the form of holiday allowance (THR) payment which was made on	

28 June 2016, the company also showed THR payment report to the Labour Agency on 29 June 2016.

1.1.1 Status: Nonconformity No. 2016.01 with Minor Category.

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

The Company has a list of the information types that can be obtained by other parties that are classified into confidential data (10 documents), limited data (14 documents), and general data (3 documents). Limited data are accessible by the public by the approval of the Board of Directors. The types of information is:

limited / secret

- ✓ Internal memo
- ✓ Letter of Decree
- ✓ Documents on leave
- ✓ The medical documents
- ✓ The salary scale
- ✓ Man power planning
- ✓ Health insurance
- ✓ Sale and Purchase Agreement
- ✓ Certificates (licensing)
- ✓ Environmental Management & Monitoring Plan report
- ✓ The employment report
- ✓ The quarterly plantation development report
- ✓ The analysis of liquid waste report

While the data can be accessed by the public include:

- ✓ Policies
- ✓ SOP
- ✓ Data of labor (general)

All documents associated with the RSPO stored on the RSPO/ISPO file and cabinets section by the approval of relevant departments. Based on verification document can be seen that there is evidence the provision of information to relevant agencies as follows:

- ✓ Report of environmental Management & Monitoring Plan second semester Period of July-December 2015
- ✓ Report of quality and monitoring of the waste water (January to March 2016) quarterly
- ✓ Plantation Business Progress Report second quarter 2016
- ✓ Hazardous Waste Management Report Period January-March 2016
- ✓ Labor Report in May 2016
- ✓ P2K3 first quarter 2016 reports

Based on the document review, found that:

1. PT DMIL has not been able to show evidence of submission of the land use title area utilization report as written in Government Regulation No. 40 year 1996 and Investment Development report.
2. PT Tebo Indah has not been able to show evidence of submission of the land use title area utilization report as written in Regulation No. 40 year 1996 and Investment Development report.

It becomes a **Nonconformity No. 2016.02 with Major category**

1.2.1 Status: Nonconformity No. 2016.02 with Major category

1.3

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

1.3.1

The company has not been able to show evidence of the existence and implementation of ethical behavior integration code, there are:

- a. There has not been any written policy that contains a commitment to integrity code and ethical behavior in entire

operational and transactions.

b. The policy cover at least:

- Respect for fair conduct of business.
- A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources.
- Information that is open in accordance with applicable laws and practices that have been received.

c. Policies' evidence are documented and communicated to all employees and operating units, including third-party contract.

It becomes a **Nonconformity No. 2016.03 with Major category**

1.3.1 Status: Nonconformity No. 2016.03 with Major category

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1,2.1.3,2.1.4

Management unit has not shown evidence of rules identification and systems that record to ensure legal compliance. In addition, there is a legal non-compliance is identified, among others: **Nonconformity No. 2016.04 with Major categories**

- Based on verification document holiday allowance (*THR*) Payment year 2016 in PT.DMIL documents study which describes the number of PHL working days from July 2015 - May 2016, it is found that there are workers who worked for 21 days for 3 months in a row but has not been appointed as permanent employees. This is not in accordance with the Ministry of Labor Decree No. 100 of 2004.
- Based on visits and interviews with the tractor operator, operators have not been followed and had Heavy equipment Licence. This is not in accordance with the Ministry of Labor Regulation No. 09 of 2010.

2.1.2

The Company showed the system to evaluate the SOP regulatory requirements of the Law (No. 11/PH-DMIL/2013 dated 13 May 2013) was approved by the COO, Director of Human Resources and Legal and Operational Director, which explained:

- Legal and Licensing Department is in charge of identifying, inventorying and evaluating the fulfillment of all legal requirements and regulations.
- Regulations that identified are from national regulations, local, sectoral and international treaties ratified by Indonesia.

2.1.1,2.1.3,2.1.4 Status: Nonconformity No. 2016.04 with Major categories

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

CH is able to show the document of right to use the land for an area of 24,831.56, consist of:

1. Land Use Title (HGU) certificate for an area of 17,793.50 Ha on behalf PT Dendymarker Indahlestari.
2. Land Use Title (HGU) certificate for an area of 7,038.06 Ha on behalf PT Tebo Indah.

Based on document review shows that CH manage an area of 24,821.56 Ha which consist of 15,358.53 Ha planted of palm oil and 9,463.03 Ha for other area. Based on field visit in PT Tebo Indah shows that there area some operation area which are beyond the HGU. Based on the explanation is found **Nonconformity No. 2016.05with major category**.

2.2.2

The company has had HGU map which explain the location of HGU pole. Field visit show that legal boundary has been demarcated obviously and well maintained such as HGU pole No. 07, 06, 122, 04 of PT DMIL and HGU pole No. 18, 22, 34 of PT TI. Based on procedur about maintenance of HGU pole explain that HGU pole must be monitored every month. But, the management unit conduct maintenance of HGU pole every three month in PT TI and every six month in PT DMIL. Based on the explanation is found **Nonconformity No. 2016.06with minor category**.

2.2.3

Document review and interview with management known that there are land dispute in PT TI area, but there is no land dispute in PT DMIL. The company can not shows the records of resolution process of land dispute. Based on the explanation is found **Nonconformity No. 2016.07with minor category.**

2.2.4; 2.2.5

Field visit, document review and interview with management known that there is no significant land conflict in company operational area. The company can not show the procedure for participatory mapping of land dispute. Based on the explanation is found **Non conformity No. 2016.08with minor category.**

2.2.6

The company can not shows the the policy about prohibit the use of mercenaries and para-militaries in their operations. Based on the explanation is found **Non conformity No. 2016.09with major category.**

2.2.1	Status: Non conformity No. 2016.05with major category
2.2.2	Status: Non conformity No. 2016.06with minor category
2.2.3	Status: Non conformity No. 2016.07with minor category
2.2.5	Status: Non conformity No. 2016.08with minor category
2.2.6	Status: Non conformity No. 2016.09with 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; 2.3.2; 2.3.3; 2.3.4

Land tenure contained in PT DMIL and PT TI is individualized land that be acknowledged with the acknowledgment letter of the rights from village authorities and subdistrict officials. The results of the public consultation and assessment of HCV and SIA is known that there are no indigenous rights. Interviews with the communities is known that the land acquisition is done voluntarily and people who do not want to releasing the land also did not to be forced.

The company has shown evidence of land acquisition with the involvement of landowners, the neighbouring parties and the village authorities. There is also a map of the land acquired that signed by the landowner, the neighbouring parties and village authorities. All land compensation documents presented in the Indonesian language that can be understood by all parties.

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

PT DMIL and PT TI has not been able to show management or business plan document (minimum three years). It becomes a **Non-Conformity No. 2016.10 with Major Category.**

3.1.2

PT.DMIL has replanting plan for next 5 years, as follows:

Estate	2014	2017	2018	2019	2020
BR 1		353	251	849	971
BR 2	143	906	416	530	519

For PT.TI have not plan for replanting for next 5 years.

Replanting plan has been documented and published in the replanting plan map. It is approved by the GM with the scale of 1: 100,000. The Company has a replanting study made by the Director of Operations on 16 December 2013. The study includes replanted plants requirements and determining of replanting stages. Replanting program implemented in 2014 and

will be implemented again in 2017 (the study of replanting will be implemented by the end of 2016).

3.1.1 Status: Nonconformity No. 2016.10 with Major Category.

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The Company has Agro Investama Group's Standard Operational Procedure which was legalized in 2014. The SOP has includes agriculture activities such as planning to planting, nursing, preparing before planting, land clearing and planting, palm oil's pests and control planning, weeds and control planning, fertilizing, immature upkeep, Mature upkeep, harvesting and transportation. The SOP also has included procedure for Palm Oil Mill activities include FFB admission process, Sterilization, Threshing, press, clarification, nut and kernel, boiler and engine room, water treatment, final effluent and storage tank wash, procedure for laboratories in palm oil mill and guidelines of CPO and PK quality measurement. The entire SOP that related to the implementation of RSPO is stored in the RSPO Secretariat room with the person in charge is RSPO Assistant in PT.DMIL and HRGA Assistant in PT.TI. Based on field visits and interview with worker in Bingin Rupit II Estate Block K22 (fertilizing), Block J20 (harvesting) and block J21 (spraying) are known that the worker has known the working procedure.

4.1.2

The results of field visits, interviews and verification document are known that the supervisor had filled the harvest inspection form. The results of field visits and verification document are known that manual circle maintenance activities are conducted in accordance with the program. Based on explanation **Nonconformity No. 2014.1 with minor category is closed.**

The company has not been able to show the master list of all the SOP and has not been able to show the mechanisms and implementation to check the consistency of the implementation procedure (SOP), includes:

- Mechanism of changes / SOP revisions.
- Internal control procedures (eg audit and review, field inspection) are devoted to examine the implementation of SOP.
- Trained and competent personnel assigned to carry out internal control activities.
- Internal Audit should be carried out regularly covering entire SOP implementation.
- Procedures for evaluation and continuous improvement actions.

It becomes a **Nonconformity No. 2016.11 with Minor Category**

4.1.3

The company has not been able to show the assessment report on the SOP implementation in accordance with existing mechanisms, for example:

- The results of the examination fertilization activities.
- The results of examination LCC maintenance activities.
- The results of examination empty fruit bunch implementation activities.
- The results of examination spray activities.

It becomes a **Nonconformity No. 2016.12 with Minor Category**

4.1.4

Dendymarker POM has recorded the origin of FFB source that sent by supplier. On period of June 2015 – May 2016, mill was receiving the FFB from PT DMIL, PT TI and scheme smallholder of PT DMIL. There is no third party which send FFB to Dendymarker POM.

4.1.2 Status: Nonconformity No. 2016.11 with Minor Category

4.1.3 Status: Nonconformity No. 2016.12 with Minor Category

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

Agronomy SOP No. AGRONOMI/SOP/V/PT/2013, explains about fertilization technical work, the essential elements needed for fertilization, kind of fertilizer, fertilizer sampling. Dose of fertilizer is determined by consideration of the results of leaf analysis, the results of the study, the age and condition of the plants, soil analysis, climate, nutrient balance and cost efficiency.

4.2.2

Records of fertilization activity in a daily report of Fertilization Supervisor, for example fertilization activity on 2 April 2016 in PT.DMIL, BR2 Estate Block I31 (8 worker) with work performance 16 Ha (1525 kg) with total amount of the plants 140 palm/ ha and Fertilizer dose 5.5 Kg/palm (this is in accordance with the fertilization recommendation). Based on the results of field visits in the block K22, it is known that the company has been carrying out fertilization in accordance with the fertilizer recommendation (Zinc Sulfate fertilizer 1 Kg/palm). Based on explanation **Nonconformity No. 2014.2 with minor category is closed**

PT.TI has documented the Fertilization Realization Records in accordance with fertilizer recommendation example in blok J23:

- Dose recommendations palmo fertilizer 4.18 Kg/ palm.
- Time recommendation 2 times (April/May 2016 and Sep /Oct 2016)
- Realization fertilization on block J23 (828 plants) planting year 2010 with the amount of fertilizer 2,278 kg (2.75 kg/palm) the next fertilization is planned in September 2016.

Management unit has records the fertilizer usage per ton of TBS, example:

PT.DMIL

No.	Fertilizer type	Fertilizer usage (Kg)	TBS Production	Kg fertilizer/Ton TBS
1	Dolomit	197,000	25,453.55	7.74
2	NPK	200,000	25,453.55	7.86
3	Urea	118,000	25,453.55	4.64
4	RP	177,000	25,453.55	6.95
5	Borate	6000	25,453.55	0.24

4.2.3

Company has the leaf analysis record which conducted by Sembawa Research Institute. For example leaf analysis results in PT.DMIL Block J15 contain parameters N (3.73%), P (0.17%), K (0.99%), Ca (0.77%), Mg (0.37%), B (14 ppm), Fe (34 ppm), Cu (4 ppm), Zn (21 ppm). The company has soil analysis activities in 2016 records. Leaf analysis activity carried out annually. For example, in block J19 with the results of the analyzed parameters were: N (0.69%), P (343 ppm), K (0.10%), Mg (1.52), CEC (57.89). Fertilizer recommendations from the Sembawa Research Institute: Rubber Research Center in February 2016. The fertilization recommendations have been using soil and leaf analysis.

4.2.4

PT.DMIL has been utilizing the Empty Fruit Bunch as nutrient recycling for example in block E25 has been implemented application Empty Fruit Bunch as much 51.36 ton with a dose is 90 Kg/palm. Result of field observation in PT DMIL Block L13 is known that the company has implemented Empty Fruit Bunch in accordance with procedure. In addition, PT DMIL also utilize oil palm residues as nutrient recycling, example field observation in H27 and H28, are known that the company has chop up the plant stems and then spread evenly on inter row.

Status: Comply

4.3
Practices minimize and control erosion and degradation of soils.
4.3.1

The result of the documents verification is known that the area is classified as marginal land is a peat soil contained in PT Dendy marker Indah Lestari. The company has have the land distribution map that explains the peat distribution and depth with a scale of 1: 50,000

Based on land capability map (scale of 1: 120,000), its informed the area of PT Tebo Indah are: Flat (0-2%), the ramps (2-15%), and undulating (15-25%). Based on that explanation, there were no area that identified as a marginal land.

4.3.2

The company has SOP of the Marginal Land Management (SOP Agronomi/X/MLM/2013) includes explanation of planting strategy in a steep slope.

The action taken by the company at the time of plantings on the certain level of a slope is by terracing and planting the legume. The activities records shown are:

- Records of maintenance the legume in Block Q17 with 9 worker with results of 4.5 Ha. Based on field observations, it is known that there is a Cover crop in well-maintained condition.
- Available record of terrace level monitoring:

Date	Block	Terrace Haigh	Description
06 June 2016	N30	1.2 M	There Is no longer decline, it is already filled with beans.

4.3.3

The company has SOP of "Plantation Grading and Compacting Road" which is containing road maintenance activities. Company has record of maintenance roads example in PT.DMIL Block J24 Division IV planting year 2010 with 1 worker with the results of 200 Meters.

4.3.4 & 4.3.6

Records of peatland management:

PT.DMIL has a Map of Water Management with scale of 1: 40.000 explains the inlet in Block A1; B1; B03; B04 and B05 on BR1 Estate (Mandang River as the source) and Outlet in block L28; L29; K29; J30 (Abang River).

In addition, PT. DMIL also have Water Management equipment Monitoring map with scale of 1:150,000 that describes the location:

- Water Level location (136 pieces)
- Piezo Meter location (55 units)
- Over Flow location (20 units)
- Construction of water gate (2 units has been constructed and 4 units are not realized yet).
- Installation of subsidence pole (14 units).

The Company has calculating/monitoring groundwater depth measurements in the block with Pieziometer procedures in accordance with Doc. No. SOP-DMIL-PM-III-2013 1 January 2013. The water level maintained at 50-60 Cm. Field Visits results:

- Field Observation in Block K21 is known that there is a measurement of peats' water with level 60 cm, observation piezometers 055 with groundwater levels in 75 Cm and subsidence pole (not decreasing = 0cm), Permanent Bund Off in good condition.
- Watergate plan Observation (now in the form of semi permanen Watergate which uses sandbags) in Block J6. PT.DMIL has shown Agreement Letter of Water Gate manufactures dated 16 June 2016 No. SPK 014/SPK/DMIL/VI/2016 with a construction period is 30 calendar days.
- Based on the field visit results, it is known that there are soil-covers planting and selective weeding.

4.3.5

PT DMIL has conduct the drainability assessment for peat soil. The result of assessment shows that the averange of peat subsidence is 1.58 cm/year, so the area of peatland still can last up to \pm 142 years.

Status: Comply

4.4

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

4.4.1

The company has implemented water management in company operational area both in estate and mill. Sample of

implementations are no chemical spraying in riparian area and area, monitoring on water use for FFB process, monitoring on river water quality, water area mapping in the operational area, water level monitoring using piezometer, water gate and over flow on peat land area, treatment of mill effluent against national threshold standard before discharge the effluent to the water body.

However, the company has not been able to show a holistic water management of company operation both for mill and estate. Therefore, **Nonconformity 2016.14 with Minor Category is raised.**

4.4.2

The company has SOP for riparian protection that is documented in SOP of riparian area management (SOP-DMIL-PKSS-III-2013). The SOP covers the determination of riparian zone and its demarcation. Further, the company has a policy on steep and riparian area protection.

Field visit to Hitam River in block A 08 PT DMIL and Keruh River block S23 Afdeling II, PT Tebo Indah the riparian had been planted since 1998 before the HCV identification is conducted, the palm oil tree upkeep is manual and no chemical application. Further, visit in Belilas River in block J18/19 Afdeling IV the riparian area is secondary forest with natural vegetation. Based on this observation, the company has demonstrate its protection effort to maintain and protect its riparian area.

4.4.3

Dendymarker Indahlestari mill has managed its effluent of FFB processing as regulated. Document review shows there is monthly effluent quality against national regulation for waste that is discharge to water body. The company has permit to discharge treated effluent in Musi Rawas's Head of Sub District Decree no. 296/Kpts/BLHD/2012 dated 12 April 2012. The effluent quality test result by accredited laboratory shows that the effluent quality has met the national regulated threshold. Field visit to Waste Water Treatment Plant (WWTP) shows that the facility is well managed.

4.4.4

The company records its water use for FFB process. The average water use per tonne FFB for period of January – June 2016 is 0.85 m³/tonne FFB

4.4.1 Status: Nonconformity 2016.14 with Minor Category

4.5

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

4.5.1

Company has a IPM programs, there are:

1. Based on Agronomy SOP CHAPTER VI, census/detections of Leaf eater's caterpillar pests is performed by each harvester and maintenance worker. Routine census/detections are conducted every month by the maintenance supervisor. Chemical control will be conducted when attack rate is severe (found > 7 caterpillars //frond).
2. Based on the Agronomy SOP CHAPTER VI, rat's census conducted every month. Chemical control will be conducted when attack rate is severe (found > 5% damage from tree sample).
3. To avoid hedgehog's attacks and other vertebrate pests are protected with made a individual fencing for each plants on areas near the forest.

4. Owl's Nest Box addition Plan of Semester 1 2016:

Month	Planning	Realization	Total Gupon
January	5	2	20
February	4	2	22
March	4	2	24
April	4	-	24
May	4	-	24
June	3	-	24

5. *Turnera subulata* planting plans and realization, for example in block J21 planned planting of 300 plants and 100 plants have been realized.

Company has shown a record of pests and diseases attack census (Leaf-Eater Caterpillar, Rat, Termites, *Ganoderma* and *Oryctes*) made every month, for example,

- Census on June 2016 in PT DMIL Block I21 from 287 sample plants that found leaf Eater Caterpillar with attack variation is 4-6 caterpillar/frond (exceeds the threshold that should be controlled chemically), Rat (no attack), Termites (no attack), *Ganoderma* (no attack) and *Oryctes* (no attack).
- Observations on June 2016 in PT. Tebo Indah Block J22 from 100 sample plants that found 1 Leaf Eater Caterpillar at the 6th census point (still below the threshold), Rat (no attack), Termites (no attack), *Ganoderma* (no attack) and *Oryctes* (no attack).
- Implementation of palm oil trees injection records in block I21 dated 19 June 2016 with 13 worker with the results of 790 plants. Based on the field visits in block I21 discovered caterpillar attack rate marked by numerous frond that attacked by caterpillar and there are mark of insecticide injection on plants that attack by caterpillar.

Based on explanation **Nonconformity No. 2014.3 with minor category is closed**

4.5.2

Company also has IPM training records, such as:

- Training/socialization of leaf-eaters caterpillar spraying on 4 January 2013, 13 March 2013, 13 May 2013 and 27 July 2013.
- Training/socialization of termite pest control manually on 15 April 2013.
- Training/introduction of termite pest on 19 February 2013.
- Training of pests and diseases dated 20 May 2015 at the Teluk Pandak Estate was attended by 32 participants.

Based on explanation **Nonconformity No. 2014.3 with minor category is closed**

Based on interviews with IPM's officers, it is known that the officer had known procedures for implementation of Integrated Pest Management. However the documentation of IPM less appropriate such as reporting template. The management unit needs to improve the completeness of IPM monitoring document (**OFI**).

Status: Comply

4.6

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

4.6.1

The Company has SOP of Pesticide Management No. SOP Agronomi/VI/PP/2013, that explained:

- Order to avoid accidents or unwanted side effect, it is important to know the good ways to manage pesticide and always follow the provision in the case of pesticide's usage and storage, knowing the poisoning symptoms as well as the resolving actions. Good pesticide management is primarily intended to achieve optimum efficiency of pesticide usage.
- Classification of the pesticide by the target.

4.6.2

Based on documents verification the pesticides usage in 2014, 2015 and 2016, it is known that there are different types of used pesticides. The Company has a list of the types of used pesticides by considering the target species (according to the recommendations of the Agronomy Division) and by considering the price (made by the Head Office Purchasing Section). The use of pesticides is conducted if the pest census results have exceeded the economic threshold and still perform owls' to control rats and planting the beneficial plant for controlling the leaf-eater caterpillars.

The Company has a work program for the application of pesticides each month adjusted with annual work plan of the company. For example: Plan of maintenance oil palm circle with chemis in block J20 in June 2016 the implementation planned for 33.8 hectares and now has been realized on 23 June 2016. The document of pesticides usage year 2016 in PT DMIL explains about the list type, pesticides usage dose, the active ingredient usage, the LD50 of the active ingredient, targeted species **but does not include the amount of active ingredient implemented per hectare**. While PT Tebo Indah has shown the pesticide usage document in 2016 which informs about the list type, pesticides usage dose, active ingredients usage, the LD50 of the active ingredient, the species targeted and the amount of active ingredient implemented per hectare. It becomes a **Nonconformity No. 2016.14 with Major Category**.

4.6.3

Based on the field visits results is known that Integrated Pest Management plan had been implemented, for example:

- Owl monitoring dated 2 June 2016 in PT.DMIL Block D5 with observations results are 1 eggs and 3 owl.
- Owl monitoring dated 1 June 2016 in PT. Tebo Indah block Q29 with observations result 1 adult bird.
- *Turnerasubulata* plants treatment records, for example in PT.TI block Q29 dated 9 June 2016.
- *Turnerasubulata* planting plans and realization, for example in PT.DMIL block J21 planting of 300 plants is planned and 100 plants is realized.

4.6.4

PT DMIL and PT Tebo Indah did not have a complete list of pesticides that are designated World Health Organization Class 1A - 1B, pesticides listed in the Stockholm and Rotterdam Convention. PT.DMIL has a memo from General Manager (No 005/GM-DI/II/2015 dated 25 January 2016) about the prohibition of the use of active paraquat ingredient herbicide. Based on field observation and interview with storage officer, it is known that PT.DMIL does not use pesticide with paraquat active ingredient.

Based on document review in PT Tebo Indah, it is known in 2015 company use 60 liters paraquat herbicide (dose 0.02 liters/ha) and use in 2016 is 59.27 ha (dose 0.02 L/Ha). Based on that explanation, PT.TI has not show the evidence to reduce of using herbicide with paraquat active ingredient. It becomes a **Nonconformity No. 2016.16 with minor category**.

4.6.5

PT.TI has given Herbicide application training attended by 15 spraying personnel in the Teluk Pandak Plantation Office by Plantation Agency Tebo District. In addition, PT.DMIL also has given training of limited pesticides user on 05 December 2013 with attended 50 worker by Plantation Agency Musi Rawas Utara District. Based on field observations and interviews with the spraying workers, it is known that the workers understand how to do spraying properly and safely.

4.6.6, 4.6.7 & 4.6.10

Based on interviews with spray workers, spray supervisor, pesticides' mixer and storage workers, it is known that they understand the risks and dangers of pesticides in accordance with the guidance MSDS and Hazard Identification and Risk Analysis (HIRAC) documents. The company always pays attention to the implementation of the pesticide according to the label on the product, for example regarding the type of protective equipment used and the use of the dose should not exceed the recommended dosage label. Based on the field observations and interviews with spray workers, it is known that the workers had been wearing appropriate PPE and conduct periodic replacement. For example handover replacement of PPE BR2 Estate dated 2 March 2016, each morning during the morning assembly, the use of PPE are examined. PPE spray teams in particular have been provided in the spray equipment warehouse.

The company has have SOP of Hazardous Material Handling include pesticides (No. document SOP-TI-LB3/11 in 2013 and SOP-DMIL-B3/11 in 2013). Based on the field observation in pesticide warehouse and Hazardous warehouse, it is know that the company has been storing pesticides and pesticide containers in accordance with applicable regulations follow the Hazardous waste storage permit and applicable SOP. Based on the documents verification and field observation, it is known that pesticide containers are stored in a temporary Hazardous waste storage and there is no pesticide containers usage found.

4.6.8

The Company does not undertake spraying by air, Spraying activities are performed manually using the Knapsack tool.

4.6.9

Based on the field observations, it is known that the company has had HIRAC document and MSDS document that inform about the pesticides handling were stored in pesticides warehouse and affixed at the spray tank. Based on interviews with workers' representatives, spraying supervisor always reminded about the correct handling of pesticides on the morning assembly and interviews result with farmers representatives that the farmers already had knowledge about pesticides handling. Refreshment training on how spraying on 6 April 2016 was attended by 26 workers reported by IPM Assistant and RSPO Assistant.

Company has given training for Warehouse personnel, such as:

1. Certificate of OHS Chemistry Officer of Musi Rawas Utara Labour Agency on behalf of H.Tobib Abdurrahman and Lapal Talenta (Warehouse personnel).
2. Decree of Labour Agency of Tebo district No. 560/616/PK/Sosnakertrans/2014 dated December 22, 2014 about implementation of OHS Chemistry training for five officers of PT Tebo Indah.

Based on the interview with warehouse personnel and operational managers, it is known that the concerned party has understand about proper waste disposal procedures.

4.6.11

Company shows the results of medical examinations to 7 workers in Bingin Rupit Estate 2 and 15 workers in PT.TI on 14 June 2016 with the results of health outcomes with a few notes for examples are mild anemia, mild hypertension, proteinuria, but within the health results there have been recommended by doctors that the workers should drinking plenty of water, improving nutrition and consuming ferrum tablet.

Based on list of spray workers and health examination data, the management unit has not been able to show that all spray workers has been carried out health checks. For example, in BR-2 there are 4 workers who have not been examined.

Nonconformity No. 2016.16 with Major Category.

The conducted medical examination is a blood test to determine the level of hemoglobin and physical examination. Unit management can re-ensure the medical examination can indicate that not absence of pesticide exposure to workers.

(Observation)

Based on interviews with workers, explained that the spray workers have conducted a medical examination and there are no workers who suffered illnesses due to pesticides exposure.

4.6.12

The Company shows Policies to Prevent Pregnant and Breastfeeding Women for Handling Pesticides approved by the COO on 29 June 2016 explaining that pregnant women and Breastfeeding should not undertake activities related to pesticides.

To identify pregnant and Breastfeeding women, the company routinely checks every 2 months and makes a statement that workers are not pregnant and Breastfeeding. For example in PT. DMIL conducts the inspection on 16 June 2016 and in PT.TI conducts the inspection on 1 May 2016. The entire inspection are recorded in the Justification Letter Not pregnant and Breastfeeding women and in the Statement Letter from the workers.

4.6.11	Status: Nonconformity No. 2016.16 with Major Category.
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4.7

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

4.7.1

The Policy on Occupational Safety and Health still unchange from the previous assessment. The policy is available in Indonesian language. OHS policy has been socialized to workers, for example in PT.TI be held on the National OHS ceremony on 12 February 2016 with participant 156 workers.

The Company showed P2K3 Work Program in 2016 that describes activities to improve the performance of the company's OHS. Undertaken activities include P2K3 meeting, an inventory of the OHS problems, inspection, work accident investigation, training and education, P2K3 report and emergency response training.

As evidence of the plan has been carried out, there are:

- Implementation of P2K3 meeting that discusses the OHS problem, for example P2K3 meeting in PT. DMIL on 5 January 2016 and in PT.TI on 13 May 2016.
- Training about OHS include OHS Chemistry staff training, first aid training and Fire training (see Indicator 4.8.2)
- Report P2K3 are routinely performed every 3 months and has been reported to Labor Agency. For example PT.DMIL P2K3 Reports Quarter 1 year 2016 January-March 2016 received on 18 April 2016 and PT.TI P2K3

Reports Quarter 1 year 2016 January-March 2016 received on 18 April 2016.

4.7.2

Companies already have documents Hazard Risk Identification Assessment and Control, the document is in the form of a matrix consisting of the type of work, potential hazards, risks arising, risk control, and residual risk. Conducted risk identification covers all types of operational activities of mill and plantation.

Based on the field visit at the WTP, it is known that workers have been using PPE with the type of shoes, long-sleeved work clothes, cloth gloves, masks. Based on the chemical MSDS (Nalco 2811 PULV) type of PPE is recommended mask / respirator with dust barrier Management Unit can re-ensure the type of PPE is in accordance with the standard are listed in the MSDS / label products. **OFI**

4.7.3

The Company has give training about safe work to the worker, all the training activities have been recorded in the minutes, the attendance list, photos and certificates, for example:

- OHS Chemistry officer Certificate in PT.DMIL with total of 3 workers for example Rozali on 20 April 2016
- Spraying training in PT.TI conducted on 24 February 2016 for 16 workers with a trainer from Plantations Agency
- Boiler Operator License, for example in the name of Danil Portega No. 560/11/SIO/Nakertrans /2013.
- Welder certification, for example in the name of Dodi Kristiansyah No. 560/12/SIO/Nakertrans.

Based on interviews with workers and supervisor in the harvest and spray activity, explained that the company has been providing training to employees on how to work and safety work.

The Company also provided PPE to the workers with the evidence is receipt and PPE handover report. Provided PPE have been adjusted with risk identification, for example for the spray workers who have been given Aphrone and rubber gloves on 12 February 2016. Based on explanation **Nonconformity No. 2014.4 with minor category is closed**

Based on the field in the BR-2 Estate in the harvest, there are workers who are using a inadequate shoe. It shows that the company does not have a system to ensure workers use the PPE according to risk. **Nonconformity No. 2016.17 with Major categories**

4.7.4

The Company has appointed the person in charge for the OHS implementation in P2K3 Organizational Structure which has been approved by the Labor Agency and in accordance with the regulations. PT.DMIL P2K3 structure was approved by Decree No. 004/Kpts/IV/Nakertrans/2016 dated 20 April 2016 and the structure P2K3 PT.TI approved by Decree No. 560/477/PK/SOSNAKERTRANS/2016 dated 1 June 2016.

Meeting to discuss OHS has done every month in accordance with applicable regulations. For example in PT.TI meeting on 13 May 2016 and attended by 35 staff and workers belonging to the P2K3 organization, that discusses the changes in the P2K3 structure. Based on interviews with Worker Unions, explained that the union and the company has always held a meeting in which to discuss about OHS.

4.7.5 & 4.7.7

Procedures regarding emergency response is still the same as the previous assessment. Established procedures has included the identification of emergencies, fire prevention, occupational accident data recording, and natural disaster.

The Company has conducted training for employees of the company, for example: first aid training in PT.DMIL factory to 15 employees on 15 May 2016 and in PT.TI first aid Training conducted on 19 December 2015 to 12 workers with a trainer from the Labor Agency. Based on interviews with the harvest supervisor, it is known that workers carrying first aid equipment and can explain the usefulness of the first aid tool.

The Company shows the Facilities and Infrastructure Prevention & Control of Fire data which describes the type and list of

emergency response equipment owned by the company, such as water pumps, hoses, 2 units water tanks, truck and automobile transportation, shovel, fire-fighting clothes, P3K boxes, fire tower, APAR. Based on a field visit to the fire extinguishing equipment warehouse, it is known that the equipment in a good condition for used and in Hazardous Waste warehouse, it is known that in the area of work has been completed by first aid tools.

Based on workplace accidents reports in 2015 and workplace accidents report in January-March 2016, there are no accidents in the company. Based on interviews with the Labor Agency, there are no BPJS employment insurance claims and the company has been awarded Zero Accident (16 May 2016).

4.7.6

The Company is able to show the evidence of contributions payment for accident insurance of all permanent workers on the period of May 2016. However, based on verification document Work Accident Insurance payment and an interview with the daily paid workers, it is known that not all BHL workers enrolled in workplace accident insurance. **Nonconformity No. 2016.18 with Minor category.**

4.7.3 Status: Nonconformity No. 2016.17 with Major category

4.7.6 Status: Nonconformity No. 2016.18 with Minor category

4.8

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

4.8.1

The Company showed a training program, among others:

- PT.DMIL: Training programs listed in the Work Program and OHS training document for year 2016 which explains the First Aid training, Fire Simulation handling and external training schedule.
- PT.TI: Training programs listed in Work Program and Labor Employment Training document for year 2016 which explains the training schedule of First Aid, Fire, medical personnel training, pesticides usage training, cooperative management training, supervisor administration training, OHS Chemistry officer training.

Based on interviews with workers and supervisor in the harvest and spray activity, explained that the company has been providing training to employees on how fires work and also ways of handling the fires.

The management unit has not been able to show that the identification of needs and training programs include occupations and positions for all workers. **Nonconformity No. 2016.19 with Major Categories**

4.8.2

The Company is able to show evidence of training have been conducted in the form of attendance lists, photos, news events and training certificate, for example:

PT.DMIL

- First Aid Training at the factory to 15 employees on 15 May 2016
- OHS Chemistry officers Certificate with the number 3, for example an Rozali workers on 20 April 2016

PT.TI

- Fire-fighting Training which took place on 21 December 2015 to 20 workers with a trainer from Labor Agency
- Spraying Training done on 24 February 2016 for 16 workers with a trainer from Plantations Agency.

Unit management can re-ensure the training records for each worker (**Observation**)

4.8.1 Status: Nonconformity No. 2016.19 with Major Categories

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

The company has environmental impact document (AMDAL) for PT DMIL that covers 17,793 ha and mill with 4x60 tpm FFB/hour approved by Environmental bodies of Sumatera Selatan Province on Decree no. 021/BPD/III-AMD/99 dated 19 March 1999. There is also AMDAL for PT Tebo Indahlestari covering location permit of 9,112 ha approved by Head of Tebo District by lettler no. 462/2006 year 2009. The process on EIA assessment has involved consultation with stakeholder as one of government regulation requirement. The two environmental impact documents cover environmental impact resulting from company operation such as development on road, drainage, FFB processing, plantation upkeep and pest and disease control on geophysics-chemist component such as quality of air, surface water, soil erosion and soil fertility; biological component such change on ecosystem, flora structure, wildlife habitat, pest and disease and water biota; social economic component, public health and monitoring plan.

Environmental impact on replanting activity is specifically studied and documented in social and environmental impact of replanting for 2014 – 2020 period. The document explains the impact study of replanting on soil and water, biodiversity and social both internal (worker) and social (surrounding community). There is an enclosed evidence that the assessment is conducted with stakeholder consultation.

5.1.2 and 5.1.3

As part of the implementation, the company develops environmental management and monitoring plan that is reported to the relevant agency regularly every semester. Therefore, there is an evaluation of monitoring result taken place every semester as required in government regulation on RKL-RPL reporting. The plan is available in matrix completed with the timetable of each activity. There is also the recommended for some of monitoring parameter in place. PT DMIL appoints ISPO-RSPO PIC as PIC for monitoring the implementation, meanwhile PT Tebo Indah appoints PIC on Human Resource and General as the PIC .

Document review shows that RKL-RPL report for semester 2 year 2015 has been sent to the relevant local government agency and the company has conducted peat subsidence monitoring, quality test on effluent, river water, air and noise level, potency of land fire and flora and fauna status. However, the result of BOD and COD test parameter in Belilas River in PT Tebo Indah are passed the regulated threshold and there is no evaluation over this condition. Based on the review, the **Non-conformity No 2016.20 with Minor Category** is raised.

5.1.2	Status: Non-conformity No 2016.20 with Minor Category
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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 and 5.2.2

The company has identified its HCV area for both PT DMIL and PT Tebo Indah. The identification is conducted separately and available in two different documents. The identification is led by ALS HCV assessor (Kresno Dwi Santoso). In PT DMIL, HCV area is identified for 2,893.50 ha consisting of flooded area for 1,300.54 ha and rare ecosystem for 1,592.96 ha and HCV area in PT Tebo Indah is 246.06 Ha.

In PT DMIL, there are 22 RTE species of fauna and 5 RTE species of flora. Meanwhile in PT Tebo Indah there are 9 RTE species of fauna. The conservation status of the species is based on IUCN, CITES and PP 7. The HCV map is available. There is a HCV area of riparian area protection by non-chemical treatment for the planted one and the protection and enrichment of natural vegetation for the one that has been planted yet. There is also monitoring on RTE species. However, there is no management plan has been developed by the company. Therefore, **Nonconformity 2016.21 with Major Category is raised**

5.2.3, and 5.2.4

The company has SOP of flora and fauna protection (SOP-DMIL-PFF-IV-2013) and the company has conducted socialization on HCV and RTE species through morning briefing to the workers. However, there is no policy on sanction given to the company worker who caught in hunting, collecting, harm or kill RTE species in accordance with national regulation. Therefore, **Nonconformity 2016.22 with Minor Category is raised.**

Based on field visit to Hitam River in block A 08 PT DMIL and Keruh River block S23 Afdeling II, PT Tebo Indah revealed that the company has protected its HCV area for example, the planted riparian area there is non-chemical treatment and for the planted one, there is protection and enrichment of its natural vegetation. Based document review, there is also monitoring on RTE species and according to interview with the HCV PIC it is evaluated and reported monthly to Unit Manager in monthly meeting.

5.2.5

Based on HCV identification area there is 5.5 ha of total HCV area of PT Tebo Indah is under claim by local people. The ficus plantation is claimed owned by the claimant's ancestor. Since, the HCV has not been determined by the company against HCV identification conducted by the appointed consultant, non-conformity is not yet raised. The non-conformity of minor 5.2.5 may raised when the 5.5 ha of rubber area is determined as company HCV area and it will be panelled by RSPO certification committee of PT Mutuagung Lestari by the time the company HCV area is established by company management.

5.2.2 Status: Nonconformity 2016.21 with Major Category

5.2.3 Status: nonconformity 2016.22 with Minor Category

5.3

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

5.3.1

PT Tebo Indah has the identification of waste products produced and the management of the waste products produced. The identified waste source such as hazardous waste source including agrochemical waste, domestic waste and medical waste. However, PT DMIL has not identified its waste products produced. Therefore, **Nonconfirmity 2016.23 with Major category** is raised for PT DMIL.

5.3.2 and 5.3.3

The company has put an effort to manage and reduce and recycle their waste products produced as below:

- The company has monitored and documented their hazardous waste in the hazardous waste balance sheet and stored in permitted hazardous waste storage. It is revealed during document review and field visit to hazardous waste storage of PT DMIL and PT Tebo Indah. However, based on documents review of hazardous waste balance sheet record in PT Tebo Indah, there is hazardous waste that is kept over the maximum storing period. Based on that evidence, **Nonconformity 2016.24 with Major category is raised.**
- The hazardous waste is disposed of to the licensed third party transported by licensed hazardous waste transporter. There are agreements between the company and both parties. The company has documentation of hazardous waste to the transporter in form of hazardous waste manifest. Based on explanation **Nonconformity No. 2014.5 with minor category is closed**
- Reducing pollution from fossil fuel use, the company uses shell and fiber as boiler fuel
- Medical waste is sent to government sub-district hospital (RSUD Tebo). However, the company is not able to show the medical waste disposal agreement as regulated. Therefore, **Nonconformity 2016.25 with Minor category is raised.**
- Based on field observation to employee housing complex in PT DMIL and PT Tebo Indah, the domestic has been well organized.

Although the company has demonstrated their waste management is their operation, the company cannot show their waste management and disposal plan yet. Based on this issue, **Nonconfirmity 2016.25 with Minor category is raised.**

Each unit management of PT DMIL and PT Tebo Indah has its owned permitted hazardous waste storage for both PT DMIL and

5.3.1 Status: Nonconfirmity 2016.23 with Major category

5.3.2 Status: Nonconformity 2016.24 with Major category

5.3.3 Status: Nonconformity 2016.25 with Minor category

5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.		
5.4.1 The company has been using renewable energy of shell for boiler fuel in order to reduce the use of fossil fuel. The use of shell per MT FFB processed is 1.32 kWh/MT FFB. Other company effort to reduce the use of fossil fuel is by budgeting fossil fuel for vehicle and machinery operation. The fossil fuel budget will control the fossil fuel use. Further, there is also routine engine maintenance to increase engine efficiency intended to reduce the use of fossil fuel.		
	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 Standard Operating Procedure on Land Preparation section (No. SOP Agronomy//LP/2013, August 2014) that explains the company implement policy of Zero Burning that land clearing is conducted without burning. Based on the documents review, the company does not perform clearing the new land for 2015 and based on field visits and interviews with the Government, it is known that the company does not perform land clearing activities and operational activities with burn. In 2015, land fires have occurred, but it is caused by fire spreading from a fires that occurred outside of operating areas of PT.DMIL.		
	Status: Comply	
5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1, 5.6.2 and 5.6.3 The company has assessed polluting activity such as air ambient, emission, and effluent quality. The assessment result is conducted by authorized laboratory refers to national regulation. However, the company cannot provide identification result of significant GHG emission and pollution source. Based on that verification, Nonconformity 2016.26 with Major category is raised. Further, the company has not calculated their GHG emission using RSPO recommended tools or its equivalent and not yet report it to RSPO, therefore Nonconformity 2016.27 with Minor category is raised.		
5.6.2	Status: Nonconformity 2016.26 with Major category	
5.6.3	Status: Nonconformity 2016.27 with Minor category	
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 and 6.1.2 The environmental management and monitoring plan document of PT DMIL and PT Tebo Indah have included social impact assessment. Further, both companies also have social assessment (SIA) conducted by Sonokeling Akreditasi Nusantara Consultant in 2013. The second SIA assessment covering social impact from company operational both eksternal and internal impacts such as social impact from infrastructure development, scheme smallholder, job opportunity, business opportunity, community and environment health, industrial relation between company and worker, carrier opportunity, salary and worker's facilities. The assessment included that participation of stakeholder covering as well local community where the evidence of the consultation is attached in the annex of SIA document. Based on consultation with board of koperasi known that they can express their view freely during the consultation meeting with the company.		
6.1.3 The plan to implement result of social assessment in RKL-RPL is provided in the form of matrix in RKL-RPL document.		

Meanwhile, the plan derived from SIA result conducted by the consultant has been in place yet, therefore there is **Nonconformity 2016.28 with Major category**.

6.1.4

RKL-RPL is evaluated every semester and reported to the relevant agency in each semester as well. There is also Corporate Social Responsibility program that is developed, implemented and evaluated yearly. The company has done questionnaire evaluation to local community, however, the result of the questionnaire has not been analysed yet, therefore, **Nonconformity 2016.29 with Minor category** is raised.

6.1.5

The existence of the smallholder is acknowledged within the SIA assessment as part of the surrounding community. Based on interview with member of Koperasi, the main impact of the company operational is on the income of the smallholder.

6.1.3	Status: Nonconformity 2016.28 with Major category
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6.1.4	Status: Nonconformity 2016.29 with Major category.
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6.2

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

6.2.1 and 6.2.2

There is an available SOP of communication no. 19/KIM-DMIL/2013 and no. 032/TI-PK/2010 explaining on internal and external communication mechanism and the feedback. FPIC has not been regulated in the SOP, however, based on interview with community they are informed if any company operational will impact them. Moreover, the community understand the mechanism to correspond with the company. The company also appoints PIC who is responsible for the communication with stakeholders. At current, the community feel that the communication with the company is good.

6.2.3

The company has a list of the company stakeholder including local government, surrounding Head of Village and smallholder. The record of communication is kept in the communication logbook including actions taken for responding stakeholder's input.

Based on stakeholder consultation with the surrounding Village of PT TI and PT DMIL. The consultation with local government agency revealed that they understand the communication mechanism and aspiration/information request is responded properly.

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's communication SOP explains mechanism for handling complaints and grievance. The SOP regulates the time period for responding any complaint and grievance. The company appoints CSR manager for the PIC to receive complaint and grievance. Based on interview with local people, the company has handle and response complaint and grievance in timely manner. It is supported by Interview result with Union Worker, Committee Gender and housing complex resident. SPSI informs, if any complaint related to company worker, they are involved. Interview with KUD shows that the company also involve government agency (BPN) in scheme smallholder development process. However, the company has not regulated the anonymity protection of whistle blower (**Nonconformity 2016.30 with Major category**).

6.3.2

Based on document review, there is a documentation of grievance resolution process. The outcome then reported to the parties involved. It is also revealed during the stakeholder consultation with Head of Village and community representative of Beringin Jaya Village, Kerta Sari Village and Bingin Rupit Village of PT DMIL and Head of Village and community representative of Teluk Pandak Village, Mangunjaya Village, Koperasi Tujuan Murni of PT TI.

6.3.1	Status: Nonconformity 2016.30 with Major category
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6.4

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

6.4.1; 6.4.2

The company has had the SOP of land acquisition and compensation mechanism which approve on 1 August 2014. The procedure has been explained that the land acquisition process is conducted with the involvement of local communities and landowner. Public consultation with the communities around known that the process of land acquisition has been conducted by involving the communities, the village authorities, landowners, the neighbouring parties and the company.

6.4.3

The process and the agreement of land acquisition has been documented by the company and stored by the CSR department. Documentation of land acquisition has involved land owners, the neighbouring parties and village authorities.

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

Based on workers list in May 2016, the status of workers in the scope of the company includes permanent workers and daily paid workers. For the basic wage, the company refers to the minimum wage set by the government. That are:

- PT.DMIL: Refers to the South Sumatra Governor Decree No. 117/Kpts/Manpower/2016 date 1 February 2016 explains that sectoral minimum wages of South Sumatra province for plantation sector is 2,250,000.
- PT.TI: Refers to Jambi Governor Decree No. 460/KEP.GUB/DISSOSNAKERTRANS/2015 date 30 October 2015 about Jambi Minimum Wage Fixing year 2016 is Rp. 1,906,650.

The documentation of the company's payroll is in Wages List and Transfer Evidence through Bank. Based on the documents in May 2016, it is known that the payment of wages to workers in accordance with the minimum wage set by the government.

Based on interviews with factory and harvest workers, the company has been paying salaries in accordance with the minimum wage the government and the Labor Agency explained that in 2015-2016 there is no problem concerning the remuneration of employees.

6.5.2

Labor law in the company listed in:

- Collective Labor Agreement which was legalized on 30 May 2014 by the Department of Labor with the letter number 560/01/PKB/DKCSNT/2014. Collective Labor Agreement describes the employment relationship, days and hours of work, permits and leave, wages, OHS, Social Security, skills enhancement program, termination of employment until the violations and sanctions.
- Agreement letter that describes the type of work, hours of work, wages paid, overtime. The agreement letter is available in Indonesian and has been signed by the company and the representative of workers.

Based on interviews with Worker Unions and Labor Agency, in 2015-2016 there were no issues/problems regarding employment and wages in PT.DMIL and PT.TI.

Document review showed that the work agreement with the contractor does not explain about obligation complying with labor laws such as minimum wage, workplace accident insurance, etc. Based on the explanation, the **Non-conformity No. 2014.08 with minor category upgrade to Major.**

6.5.3

Based on the field observation in employee housing, there are houses, places of worship and artesian well with a preserved and decent condition. For medical services, the company has registered the workers into health insurance on

BPJS. For the education of children, the education are available in the villages surrounding the company, the company only provides a shuttle car school for the children.

6.5.4

Based on a field visit to the workers housing, it is known that there is a stall/shop that sells basic necessities and location of PT.TI and PT.DMIL is within range 10-15 km (can be reached 30 minutes) from the district town.

6.5.2	Status: Nonconformity No 2014.08 from Minor upgrade to Major
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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

Policy on freedom of association in the company unchanged from the previous assessment contained in Memorandum No. 000 012 / PT.DI-GM / III / 2013 dated March 3, 2013.

The company shows evidence of giving the workers freedom to form worker unions and has registered in the Labor Agency. For example, the Worker Union in PT.DMIL has legalized with the letter of legalization of the Board of Workers Union on PT. DMIL with letter No. 45/100 / SK / L / VII / 2013 Period 2013 -2018.

6.6.2

The company is able to shows the minutes of meetings between company and worker representatives, for example a meeting on the extension of the Collective Labor Agreement which took place on 1 March 2016 which explains that the validity period of employment agreement was extended up to July 2016, followed by 9 worker that representatives of companies and worker unions. Based on interviews with Worker Union, the result of minutes of the meeting is held by the chairman of Worker Union and the company. Worker unions also explained that the communication between the workers with the company goes well.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The company's policy on worker age is set in the Collective Labor Agreement between the company (President Director, Office Manager and PRO) with Worker Union PT. DMIL article 12 of the labor requirements which must be aged 18 years or older. Based on Employee Data in May 2016, there are no workers who are under 18 years old.

Based on the field visit on Estate and Mill and interview with Worker Union and the workers, there are no workers who are under 18 years old. One of the basic recruitment is the worker's age has been over 18 years.

Status: Comply

6.8

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

6.8.1 & 6.8.2

The Company has a corporate social policy signed by the Chief Operational Officer on 29 June 2016 applicable in PT. DMIL and PT. TI, on the first point that the contents of all the staff/employees should be treated properly and fairly in matters relating to recruitment, advancement, conditions and job description, regardless of race, degree, ethnicity, gender, skin color, physical imperfections, sexual orientation, organizational membership, political views, religion and age.

The company shows Permanent Employee Data in May 2016 that describes the employee's name, job title, location, place and date of birth, no ID, address, past education, religion, gender and the date of entry. Based on interviews with Worker Union, Gender Committee and workers, all workers explained that the company does not discriminate against the workers. Recruitment and promotion are based on assessment which is performed every year.

6.8.3

The Company has a Collective Labor Agreement which describes the position promotion based on working period and job performance. The company shows examples of Raden Jamhuri promotion from first supervisor to field assistant on 1 April 2016 and there are Employee Performance Evaluation Form as the basis for appointments with aspects of assessment work instructions, job responsibility, initiative, loyalty, honesty, teamwork, discipline work and the targets achievement.

Status: Comply

6.9

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

6.9.1

Policy to prevent all forms of harassment and sexual violence still unchanged from the previous assessment that listed at SOP Documents No. SOP-DMIL-PS-III-2013 and No. Document 033 / TI-PK / 2014 date 1 March 2013.

Evidence of the policy implementation is that the company already has a Gender Committee. There are changes to the organization structure of the Gender Committee of PT. DMIL on 1 December 2015 and for PT.TI there are no changes in the structure of the Organization.

Based on interviews with the Gender Committee, gender committee and female workers routinely perform activities for mothers in the company. In addition, there is Gender Committee organizational socialization and meeting conducted in May 2016 followed 62 people with the discussion of the function of equalizing the rights, the submission of complaints of sexual harassment and the determination of the meetings held every three months.

6.9.2

Policies to protect the reproduction rights still unchanged from the previous assessment, contained in the memorandum from the Director of operations date 15 May 2013 No. 021 / DirOp-DMIL / V / 2013. Based on interviews with female workers in the BR-2 and PT.TI, the workers have learned about the right to leave given to women who are experiencing menstruation and childbirth.

6.9.3

The company has SOP of Handling of Sexual Harassment Complaints (66/PKPS-DMIL/2013 date 6 May 2016) which explains the procedures for submitting complaints in the formal and Informal ways. In the procedures for the submission of complaints by informal channels explained that victims can submit complaints through people who are trusted to maintain confidentiality. Based on interviews with the Gender Committee, during year 2015 there were no complaints regarding sexual harassment.

Status: Comply

6.10

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

6.10.1 and 6.10.2

Buying FFB from smallholder, the company determines the price referring to update FFB price issued by the Plantation Agency of Musi Rawas District.. Based on interview with Board of Koperasi, the price disseminated to the smallholder every two weeks through Koperasi and there is no complaint on FFB price.

6.10.3 and 6.10.4

Based on interview with local contractor, there is contract agreement between the company and the local business partner. The agreement is signed by both party and the contractor understand their right and obligation. The copy of contract is kept by both party. Interview with the local contractor of CPO transporter informs that the payment of the finished job is paid in timely manner and agreed and it is in line with the document review showing the contractor payment is on time referring to the agreement. During the interview with KUD, the payment is delivered by transfer.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 and 6.11.2

The company develops CSR program as one mechanism to facilitate the needs of the local people. During the interview with local stakeholder, PT Tebo Indah has considering and involving local community need into the program but for PT DMIL there is no involvement yet of the local community in CSR program development (**Nonconformity 2016.31 with Minor Category**). Sample of company contribution for local development is the use of local contractor for CPO transporter and the cooperation with KUD. Moreover, most of company's employer is local people. It is supported by local community statement during stakeholder consultation. There is also list of FFB supplier of scheme smallholder in the mill's supply base. Based on interview with the smallholder in PT DMIL, there was a technical training on BMP from the company, however, lately, there is no longer such training. However, still based on interview with smallholder, there is still support from the company on scheme smallholder such as continuous FFB purchase and any aid support still given by the company.

6.11.1 Status: Nonconformity 2016.31 with Minor Category

6.12

No forms of forced or trafficked labour are used.

6.12.1 & 6.12.2

Based on the employees' list documents and Work Agreement, it is known that workers in PT.DMIL and PT.TI are permanent and daily paid workers. Based on interviews with Worker Unions and the Labor Agency, it is known that all workers are permanent employees in the company.

6.12.3

Based on interviews with the Labor Agency and employees' list documents, the company has no temporary workers and foreign workers. Most workers in the company is a community around the company.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The company had a Human Rights Policy that was legalized by the Chief Operational Officer on 29 June 2016 that explains the company is committed to the principles of human rights. The Company has conducted socialization of human rights policy to the employees and staff, for example in PT. DMIL socialized on 30 June 2016. Based on interviews with workers at the BR-2 Estate, DMIL Mill and PT.TI, explained that the workers had known human rights policy of the company.

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

The scope of this certification is based on HGU. The scope of certification in PT DMIL and PT TI has had AMDAL document and RKL-RPL document, which also explain about scheme smallholders. PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 2014.

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

PT. Dendymarker Indah Lestari has the record of Due Diligence of Plantation and Palm Oil Mill of PT DMIL (PT. Agro Investama Gemilang) Musi Rawas District in 2012 by PT. Primakelola Agribisnis Agroindustri containing land suitability

based on the physical condition of the field. Based on the study including land suitability of S3-adsn (in accordance with the marginal), it can be upgraded to S2-s with the term of liming, manuring, and the maintenance of water system. Based on a feasibility study, in PT Tebo Indah it is obtained the land suitability of class S1 and S2.

7.2.2

The company has SOP of the Marginal Land Management (SOP Agronomi/X/MLM/2013) includes explanation of planting strategy in a steep slope.

The action taken by the company at the time of plantings on the certain level of a slope is by terracing and planting the legume. The activities records shown are:

- Records of maintenance the legume in Block Q17 with 9 worker with results of 4.5 Ha. Based on field observations, it is known that there is a Cover crop in well-maintained condition.
- Available record of terrace level monitoring:

Date	Block	Terrace Haigh	Description
06 June 2016	N30	1.2 M	There Is no longer decline, it is already filled with beans.

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

There is land clearing in certification scope after November 2005 without a prior HCV assessment. The company has conduct disclosure of liability to RSPO by email on 25 July 2014. The validation progress of Remediation and Compensation Plan (RACP) for the area opened since 1 November 2005 without a prior HCV assessment in accordance with RACP Procedure will be observed again on the next visit (Observation). PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 2014.

7.3.2; 7.3.3

Based on the email from the company on 30 September 2014 known that Land Use Change Analysis (LUCA) for the area of certification scope that opened without a prior HCV assessment also has been reported to RSPO. Based on LUCA is known that the area which clearance since 1 Nov 2005 without HCV assessment consist of coefisient 0 and 0.4. The progress of LUCA validation for the area opened since 1 November 2005 without a prior HCV assessment will be observed on the next visit (Observation). Based on interview and document review known that the oldest planting year in PT DMIL is 1996 and the land clearing of PT TI was conducted in 1998 but the planting activity was conducted on 2006.

7.3.4; 7.3.5

Management unit has had document of HCV area management and monitoring plan as written on the criteria 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

Records of peatland management:

PT.DMIL has a Map of Water Management with scale of 1: 40.000 explains the inlet in Block A1; B1; B03; B04 and B05 on BR1 Estate (Mandang River as the source) and Outlet in block L28; L29; K29; J30 (Abang River).

In addition, PT. DMIL also have Water Management equipment Monitoring map with scale of 1:150,000 that describes the location:

- Water Level location (136 pieces)
- Piezo Meter location (55 units)
- Over Flow location (20 units)
- Construction of water gate (2 units has been constructed and 4 units are not realized yet).
- Installation of subsidence pole (14 units).

The Company has calculating/monitoring groundwater depth measurements in the block with Piezometer procedures in accordance with Doc. No. SOP-DMIL-PM-III-2013 1 January 2013. The water level maintained at 50-60 Cm. Field Visits results:

- Field Observation in Block K21 is known that there is a measurement of peats' water with level 60 cm, observation piezometers 055 with groundwater levels in 75 Cm and subsidence pole (not decreasing = 0cm), Permanent Bund Off in good condition.
- Watergate plan Observation (now in the form of semi permanen Watergate which uses sandbags) in Block J6. PT.DMIL has shown Agreement Letter of Water Gate manufactures dated 16 June 2016 No. SPK 014/SPK/DMIL/VI/2016 with a construction period is 30 calendar days.
- Based on the field visit results, it is known that there are soil-covers planting and selective weeding.

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

Operation area used by the company is the community's land that has been compensated. Document review showed that latest land compensation conduct in 2014 in PT DMIL and for PT TI is still process the land acquisition. Based on interview with communities around the company (Village of Beringin Jaya, Kerta Sari, Bingin Rupit in Musi Rawas Utara District and Village of Teluk Pandak, Mangunjaya in Tebo Districts) known that the land relinquishment conducted non-coercive and voluntarily.

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

Document of HCV assessment has explained about the traditional rights and use rights that exist in the operations area of the company. Based on HCV assessment known that local people have individual right to use the land. The company has had the SOP of land acquisition and compensation mechanism. The procedure has been explained that the land acquisition process is conducted with the involvement of local communities and the landowners. Based on interview with communities around the company (Village of Beringin Jaya, Kerta Sari, Bingin Rupit in Musi Rawas Utara District and Village of Teluk Pandak, Mangunjaya in Tebo Districts) known that the land relinquishment conducted non-coercive and voluntarily.

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

Standard Operating Procedure on Land Preparation section (No. SOP Agronomy/I/LP/2013, August 2014) that explains the company implement policy of Zero Burning that land clearing is conducted without burning.

Based on the documents review, the company does not perform clearing the new land for 2015 and based on field visits and interviews with the Government, it is known that the company does not perform land clearing activities and operational activities with burn. In 2015, land fires have occurred, but it is caused by fire spreading from a fires that occurred outside of operating areas of PT.DMIL.

Status: Comply

7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
There is no land clearing and no new area expansion since 2009, therefore the company conducted no HCS assessment.		
	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.		
<ul style="list-style-type: none"> - The company has plan to reduce environmental and social impact as planned in the RKL-RPL management and monitoring plan. It has been implemented and reported every semester. - Waste reduction by using shell as fossil fuel - Routine maintenance of machinery and vehicle to increase engine efficiency and routine emission test is conducted > Both effort is intended to reduce GHG emission 		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Dendymarker POM is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is Plasma.</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&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>Estimates of CPO and PK produced by Dendymarker POM obtained from the data of 12 months before the audit activities and have been described in this ASA-1 report.</p>
	Status: Comply
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> • RSPO IT Platform member registration number: RSPO_PO1000004037 • Certified CPO and PK sold to each buyer period of 27 July 2015 to 27 June 2016: no transaction via etrace • Certified CPO and PK via greenpalm period of 27 July 2015 to 27 June 2016: no transaction via greenpalm
	Status: Comply
E.3	Documented procedures
E.3.1	<p>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:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; 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. <p>Dendymarker POM has had SOP of traceability, but the procedure did not explain how to trace the source of raw material came from certified area or non certified area. based on the explanation found Nonconformity No. 2016.32.</p>
	Status: Nonconformity No. 2016.32
E.3.2	<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>

Dendymarker POM has had SOP of traceability, but the procedure did not explain how to trace the source of raw material came from certified area or non certified area. based on the explanation found **Nonconformity No. 2016.32**.

Status: Nonconformity No. 2016.32

E.4 Purchasing and goods in

E.4.1

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

- **Certified and non-certified FFB received period of 27 July 2015 to 27 June 2016**

Month	FFB		Total
	RSPO Certified	Non Certified	
27 - 31 July 15	1,030.320	250.010	1,280.330
August 15	6,840.500	803.940	7,644.440
Sept 15	7,391.240	731.980	8,123.220
Oct 15	8,006.350	820.290	8,826.640
Nov 15	5,971.620	736.830	6,708.450
Dec 15	4,261.880	520.200	4,782.080
Jan 16	4,987.339	404.940	5,392.279
Feb 16	3,719.732	284.240	4,003.972
Mar 16	3,725.198	243.200	3,968.398
Apr 16	2,982.190	152.850	3,135.040
May 16	3,280.196	147.070	3,427.266
1 - 27 June 16	3,699.557	227.470	3,927.027
	55,896.122	5,323.020	61,219.142

Status: Comply

E.4.2

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

Interviews with management representatives note that they do not yet know if the production of certified products have been close to the projection volume of RSPO certificate then it will be reported to the certification body. The management unit has not been able to demonstrate the system to inform CB when there is excessive production from RSPO certificate. Based on the explanation found **Nonconformity No. 2016.33**

Status: Nonconformity No. 2016.33

E.5 Record keeping

E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.**
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)**

Since Dendymarker POM get RSPO certificate until ASA-1, known that there is no despatch of CSPO and CSPK.

Status: Comply

E.5.2

In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

Dendymarker POM does not perform activities of palm kernel crushing to the independent palm kernel crushers.
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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-1	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari and PT Tebo Indah have neither use the certificate logo whether on-product or off-product yet.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari and PT Tebo Indah have neither use the certificate logo whether on-product or off-product yet.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari and PT Tebo Indah have neither use the certificate logo whether on-product or off-product yet.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari and PT Tebo Indah have neither use the certificate logo whether on-product or off-product yet.	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

Management unit(s) observed: 1. PT Katingan Mujur Sejahtera (KMS) 2. PT Pagatan Usaha Makmur (PUM)		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>PT KMS</p> <ul style="list-style-type: none"> Location Permit: Decree of Katingan Regent No. 500/223/KPTS/VIII/2011 dated 9 August 2011 jo No 525.21/357/KPTS/XII/2012 dated 6 December 2012 Environmental Permit: Decree of Katingan Regent Number. 525.21/173/KPTS/IV/2013 dated 22 April 2013. Deed of Incorporation from Notary Public No 43 dated 31 Dec 2007 Company registration from integrated license service offices on behalf of Katingan Regent No. 15.12.1.01.226 date 12 August 2013 Approval in principle of release converted production forest area for oil palm plantations: Decree of Ministry of Forestry No. S.283/Menhut-II/2014 dated 25 June 2014 <p>PT PUM</p> <ul style="list-style-type: none"> Location Permit: Decree of Katingan Regent No. 500/224/KPTS/VIII/2011 dated 9 August 2011 jo No 525.21/356/KPTS/XII/2012 dated 6 December 2012 Environmental Permit: Decree of Katingan Regent Number. 525.21/172/KPTS/IV/2013 dated 22 April 2013. Deed of Incorporation from Notary Public No 108 dated 29 May 2009 Company registration from integrated license service offices on behalf of Katingan Regent No. 15.12.1.01.225 date 12 August 2013 Approval in principle of release converted production forest area for oil palm plantations: Decree of Ministry of Forestry No. S.323/Menhut-II/2014 dated 12 August 2014 	
	Status: Comply	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	<p>PT KMS</p> <ul style="list-style-type: none"> Location Permit: Decree of Katingan Regent No. 500/223/KPTS/VIII/2011 dated 9 August 2011 jo No 525.21/357/KPTS/XII/2012 dated 6 December 2012 Approval in principle of release converted production forest area for oil palm plantations: Decree of Ministry of Forestry No. S.283/Menhut-II/2014 dated 25 June 2014 <p>PT PUM</p> <ul style="list-style-type: none"> Location Permit: Decree of Katingan Regent No. 500/224/KPTS/VIII/2011 dated 9 August 2011 jo No 525.21/356/KPTS/XII/2012 dated 6 December 2012 Approval in principle of release converted production forest area for oil palm plantations: Decree of Ministry of Forestry No. S.323/Menhut-II/2014 dated 12 August 2014 	
	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 parties.	X or√
	The company's communication SOP explains mechanism for handling complaints and grievance. The SOP regulates the time period for responding any complaint and grievance. The company appoints CSR manager for the PIC to receive complaint and grievance.	
	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	X or√

	and other stakeholders to express their views through their own representative institutions.	
	<p>Agro Investama as the parent company has had the SOP of land acquisition and compensation mechanism which approve on 1 August 2014. The procedure has been explained that the land acquisition process is conducted with the involvement of local communities and landowner.</p> <p>PT PUM not yet conduct land acquisition</p> <p>Land acquisition process by PT KMS was conducted through an agreement between land owner and witnessed by parties. the completeness of document of land acquisition consist of:</p> <ul style="list-style-type: none"> • certificate of land acquisition (<i>Perjanjian Pelepasan Hak Atas Tanah</i>) signed by Land Owner, Head of subdistrict, Head of Village, company representatives. • sketch of the area signed by Land Owner, Head of Village, neighbouring parties. • Verification of correctness of land ownership or <i>Tatah</i> signed by company representatives, Head of Village, village team leader and Subdistrict team leader. • approval letter for land reales signed by land owner's wife • Certificate of recognition of <i>Tatah</i> signed by Land Owner, Head of Village, neighbouring parties. • Resident Identity Card (KTP) of land owner and payment invoice. <p>PT KMS has been acquiring land in an area of 3,085.93 hectares.</p>	
	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.	X or√
	HCV assessment has been conducted by RSPO Approved Assessor in PT PUM and PT KMS on May – September 2014	
	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.	X or√
	<p>Agro Investama as the parent company has had the SOP of land acquisition and compensation mechanism which approve on 1 August 2014. The procedure has been explained that the land acquisition process is conducted with the involvement of local communities and landowner.</p> <p>PT PUM not yet conduct land acquisition</p> <p>Land acquisition process by PT KMS was conducted through an agreement between land owner and witnessed by parties. the completeness of document of land acquisition consist of:</p> <ul style="list-style-type: none"> • certificate of land acquisition (<i>Perjanjian Pelepasan Hak Atas Tanah</i>) signed by Land Owner, Head of subdistrict, Head of Village, company representatives. • sketch of the area signed by Land Owner, Head of Village, neighbouring parties. • Verification of correctness of land ownership or <i>Tatah</i> signed by company representatives, Head of Village, village team leader and Subdistrict team leader. • approval letter for land reales signed by land owner's wife • Certificate of recognition of <i>Tatah</i> signed by Land Owner, Head of Village, neighbouring parties. • Resident Identity Card (KTP) of land owner and payment invoice. 	
	Status: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	Agro Investama as the parent company has had the SOP of land acquisition and compensation	

	<p>mechanism which approve on 1 August 2014. The procedure has been explained that the land acquisition process is conducted with the involvement of local communities and landowner.</p> <p>PT PUM not yet conduct land acquisition</p> <p>Land acquisition process by PT KMS was conducted through an agreement between land owner and witnessed by parties. the completeness of document of land acquisition consist of:</p> <ul style="list-style-type: none"> • certificate of land acquisition (<i>Perjanjian Pelepasan Hak Atas Tanah</i>) signed by Land Owner, Head of subdistrict, Head of Village, company representatives. • sketch of the area signed by Land Owner, Head of Village, neighbouring parties. • Verification of correctness of land ownership or <i>Tatah</i> signed by company representatives, Head of Village, village team leader and Subdistrict team leader. • approval letter for land reales signed by land owner's wife • Certificate of recognition of <i>Tatah</i> signed by Land Owner, Head of Village, neighbouring parties. • Resident Identity Card (KTP) of land owner and payment invoice. 	
	Status: Comply	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

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

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
2014.01	Minor 4.1.2	Operational Records. Operational records proving the activity implementation that refers to the SOP is not appropriate, among others: <ul style="list-style-type: none"> Based on the study of the document and interview with harvest supervisor, it is known that the harvest supervisor does not fill in the harvest inspection form according to the SOP of Harvesting. Reports of plant maintenance plans and realization especially manual circle stating that Block F7, F8 (March 2014) and F9, F10 (February 2014) has been conducted. However, based on the field observation it is known that the manual circle has not been conducted. 	PT DMIL & PT Tebo Indah	Minor	ASA-1	The company must carry out the operational activities according to applicable SOP.	Root cause: Supervisor still do not understand about SOP of harvesting Corrective action harvest inspection form has been carried out according to procedure Preventive Action Estate Manager will remind and give instructions to always adhere to the SOP, especially during the morning briefing Auditor observation 15 May 2014. <ul style="list-style-type: none"> The company provided document of harvesting area examination on 25 March 2014 in Afdeling I Block U10 at BR 1 signed by the foreman. The document informed the name of harvesters (Sunarso and Zanhuri) Line Number (2 and 4) and document of harvesting area examination in block H17/H18/H19 Division IV Teluk Pandak on 1 March 2014. 	Closed	1 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<ul style="list-style-type: none"> Company showed evidence of documentation photographs of the result of circle cleaning in block F7, F8, F9 that has been done. The photos showed several circles are in clean condition. <p>However, evidence needs to be supported by field examination so it will be observed in the next visit.</p> <p>1 July 2016 The results of field visits and interviews is known that the foreman had done filling harvest inspection form.</p> <p>The results of field visits and verification document it is known the circle upkeep activities are conducted in accordance with program</p>		
2014.02	Minor 4.2.2	<p>Records of activities in maintaining and improving soil fertility.</p> <p>In 2013 PT DMIL did not conduct the manuring according to recommendation set.</p>	PT DMIL	Minor	ASA-1	Company must conduct the manuring in accordance with recommendation has been set.	<p>Root Cause fertilization document is not found during the audit</p> <p>Corrective Action The controlling and repair archiving system</p> <p>Previntive Action</p>	Closed	1 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>the general manager will always remind the Estate Manager and archives PIC to archive all documents into an archive folder as soon as it is finished document.</p> <p>Auditor observation 15 April 2014 Company has demonstrated document of manuring recommendation of PT DMIL by PT Primakelola Agrobisnis Agroindustri in 2013.</p> <p>Company has shown the Recapitulation of Manuring Application/ Realization report in BR 1, for example the use of RP fertilizer in May 2013 with recommendation 1.8 kg/palm, fertilizer applied is 170,000 for the application area of 1,565 Ha, the dose of fertilizer/hectare is 108.1 kg/ha. Based on this record, there is no sufficient evidence that the dose used is in accordance with recommendation (1.8 kg/palm).</p> <p>1 July 2016 The results of documents verification and interviews with workers, it is known realization of</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							fertilizer has been done in accordance with the recommendation of fertilization.		
2014.03	Minor 4.5.1	Monitoring record of IPM covering area including the training. <ul style="list-style-type: none"> PT DMIL has not been able to provide evidence of IPM record covering area monitoring: termites' attack, ganoderma, <i>Oryctes rhinoceros</i> that is planned to be conducted every month. PT DMIL and PT TI have not been able to provide evidence that they have conducted training related to Integrated Pest Management. 	PT DMIL & PT Tebo Indah	Minor	ASA-1	Company must be able to provide record of IPM which describe monitoring area including the training.	Root Cause Late in doing Identification of Disease & Pests (termite, ganoderma, <i>Oryctes rhinoceros</i>) Corrective action Identification has been done and will continue to be done routinely Preventive Action Early identification will routinely performed Auditor Conclusion: 15 April 2014. Company presented the evidence of improvement, such as: 1. Observation record of pest and disease attack (rats, termites, ganoderma and <i>Oryctes</i>) conducted monthly. For example, there was no attack in Block D2 BR 1 on 29 January 2014. 2. The monitoring of nettle caterpillars is conducted every month. For example, there was no attack in Block E1 on 7	Closed	1 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>February 2014.</p> <p>3. Record of IPM training:</p> <ul style="list-style-type: none"> IPM training (includes training on pest observation system/ census, census team, observation procedure, observation frequency, pest calculation procedure, biological control and recognition of natural enemies) on 4 April 2014 at the training center of PT Tebo Indah attended by 14 participants (attendance list and training materials available). <p>PT DMIL has not shown the training on IPM. The records show were records of training for chemical control (spray, the use of PPE and the danger of agrochemicals for pregnant and lactating mothers).</p> <p>1 July 2016 The results of document review and interviews, the IPM officer has been understood how the monitoring and recording of pest monitoring.</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
2014.04	Minor 4.7.6	<p>OHS Equipment Compliance.</p> <p>Based on the result of interview with spray workers in Block S15 Afdeling 1 and upkeep workers of manual circle in T15 Afdeling 1, it is known that the company has not demonstrated the compliance of PPE (shoes) for all workers in accordance with applicable regulation.</p>	PT Tebo Indah	Minor	ASA-1	Company must provide evidence of the compliance of Personal Protection Equipment for workers in accordance with the instruction from occupational safety experts.	<p>Root Cause Companies submit PPE workers through the foremen and then handed over to workers</p> <p>Preventive action PPE such as boots has been handed over to workers</p> <p>Preventive action The PPE handover from supervisors to employees will be monitored. in addition, the the number will be available according to relevant regulations</p> <p>Auditor Conclusion 15 April 2014. Company showed evidence of PPE handover in the form of boots to afdeling 1-4 as much as 130 boots. However, there is no sufficient evidence that the PPE has been handed over to workers</p> <p>1 July 2016 The Company showed evidence of PPE provision to employees, for example:</p> <ul style="list-style-type: none"> Handover evidence of giving Earplug to 14 mill workers DMIL 	Closed	1 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<ul style="list-style-type: none"> Handover PPE book in BR-2 Estate example handover PPE to aldi (harvester) on 21 april 2016 with type helmets, shoes, gloves Handover PPE evidence (Aprhone and rubber gloves) in PT.TI on 12 February 2016 to 15 spray worker <p>Provision of PPE has been compliance with OHS officer instructions listed in risk identification.</p>		
2014.05	Minor 5.3.1	<p>Plan for hazardous waste management in accordance with applicable regulation.</p> <p>Company has not been able to provide evidence that the company partner contractor has not conducted hazardous waste management in a responsible way (waste oil spilled).</p>	PT DMIL & PT Tebo Indah	Minor	ASA-1	Company must be able to show the evidence of hazardous waste management in accordance with applicable regulation.	<p>Root Cause Contractor considers the oil waste that produced too little and lack of understanding related to the management of hazardous waste.</p> <p>Corrective action Hazardous waste from contractor submitted to the company to be managed in conjunction with the company's hazardous waste.</p> <p>Preventive action Making the revised agreement include a clause that the contractor must comply with hazardous waste management.</p>	Closed with observat ion	1 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>Conducting socialization to worker contractors in cooperation with the company.</p> <p>Estate manager is obliged to oversee the management of B3 waste produced by the contractor.</p> <p>Auditor conclusion 1 July 2016 Unit management has been handover the contractor hazardous waste to the company.</p> <p>The management unit has shown record of socialization to the contractors and third party contractors that have been explained in accordance with the requirements of the RSPO standard</p>		
2014.06	Minor 5.6.2	<p>Records of identification, monitoring and POME management methodology</p> <p>Company has not been able to provide evidence of POME management in accordance with applicable regulation. Based on the effluent monitoring result BOD and COD parameters are above the Threshold Value.</p>	PT DMIL	Minor upgrade Major	30 August 2016	Company must be able to provide evidence of POME management in accordance with applicable regulation	<p>Root Cause The unavailability of the aerator as part of WWTP processing equipment in the mill</p> <p>Corrective Action Company provide aerator as one equipment component in the management of the WWTP.</p> <p>Preventive Action</p>	Closed	28 June 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>Monitoring the aerator functions and perform maintenance routinely of equipment and other facilities to supporting the management of the WWTP.</p> <p>Auditor Conclusion 28 June 2016 Based on field observation to WWTP facility in PT DMIL, it known that the company was managing POME accordance with applicable regulations. Has done counting the wastewater discharge that flowed water bodies.</p> <p>Effluent quality monitoring conducted regularly with the results of the testing of wastewater in April and May in accordance with the quality standards for wastewater discharge into water bodies.</p> <p>Based on the explanation, Nonconformity No. 2014.06 is closed.</p>		
2014.07	Minor 6.1.1	Public Participation in Social Impact Management and Monitoring Plan. Based on the interview in several	PT DMIL & PT Tebo Indah	Minor	ASA-1	Company must be able to provide evidence that the community has been involved in social impact management and	Root Cause Companies late socializing and realization of involving the community in the management plan and social impact monitoring.	Closed	15 April 2014

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		villages visited and document review, there is no sufficient evidence that the company has involved the community in planning social impact management and monitoring.				monitoring.	<p>Preventive action Had a meeting with the local community, and has made the management plan and monitoring social impact</p> <p>Preventive action Plan a meeting with the local community routinely</p> <p>Auditor Conclusion: 15 April 2014 The records evidence in the form of Program Plan has been available to be implemented in each management unit (PT DMIL & PT TI). The plan was set based on the result of the meeting with local communities (attendance list and photos of the event available).</p>		
2014.08	Minor 6.5.2	<p>Work agreement/contract with contractors requires that the contractors comply with applicable regulation in term of employment.</p> <p>There are work agreements/contracts with contractors that have not required the contractors to comply with applicable regulation</p>	PT DMIL & PT Tebo Indah	Minor upgrade Major	30 August 2016	The company must determine the work agreement/contract with contractors requires them to comply with applicable regulation in term of employment.	<p>Root Cause Clause in the agreement / contract with the contractor is not yet complete</p> <p>Corrective action Already carried out the revision on the contractual, by inserting clauses in accordance with applicable laws and regulations including labor law</p>	Closed	24 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		in term of employment.					<p>Preventive action The extension of the agreement and the new agreement will be equipped with a clause that in accordance with applicable laws and regulations including labor law</p> <p>Auditor conclusion 15 April 2014. Company demonstrated an example of agreement No. 01/BR-I/SPK-PT. DMIL/II/2014 informing that contractors only comply with the responsibilities of occupational accidents (article 2), does not employ children (article 4).</p> <p>However, there are still unclear requirements for other employment regulations. For example, the obligation in using PPE, remuneration in accordance with Regional Minimum Wage and provision of labor insurance.</p> <p>Example of Work Agreement Letter for Tebo Indah has not been demonstrated yet.</p> <p>1 July 2016 The result of verification document showed that the work agreement</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>letter with the contractor does not explain about the obligation of complying with labor laws such as minimum wage, workplace accident insurance, etc.</p> <p>29 July 2016 The Company showed Work Agreement Letter that explained the contractor shall comply with the provisions of legislation such as minimum wage, Social Security Labor, OHS and other regulations. For example in the Work Agreement Letter for Heavy Equipment Rent with PT Teguh Mandiri Sentratama (No. 02/SPK/DMIL-EST/VII/2016 dated July 11, 2016).</p> <p>Company need to show the way/system to ensure that all agreements had arranged a clause explaining that the contractor compliance with applicable regulations in terms of employment.</p> <p>Based on the explanation, Nonconformity No. 2014.08 is still open.</p> <p>24 August 2016 Company has shown a mechanism</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>to ensure that all agreements had arranged a clause that the contractor compliance with applicable regulations in terms of employment in the form of an internal memo from the Director of PT Tebo Indah and PT Dendymarker Indah Lestari dated August 15, 2016 concerning the content of agreements clauses and/or employment contract. The internal memo containing instructions for the management board to make Work Agreement Letter with contractor that should explain:</p> <ul style="list-style-type: none"> - Include a clause on compliance with applicable legislation - Wage reference based on minimum wage set by government - Social Security Labor - Monitoring of at least 3 times for obedience the implementation of agreement by the contractor (beginning, middle and end of the contract) <p>The memo also explained about the completeness of the work contract clause on labor regulations such as the provision of PPE, work</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>insurance, OHS and the minimum wage. Memo is equipped with a monitoring form contractor on PT DMIL and PT Tebo Indah.</p> <p>The implementation of the memo will be verified again at the next surveillance audit (surveillance 2).</p> <p>Based on the explanation, Nonconformity No. 2014.08 is closed.</p>		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
2016.01	1.1.1	Dissemination of Information Types Based on the interviews with the Secretary of Bingin Rupit Village, Head of Beringin Jaya Village, Head of Kerta Sari Village, Head of Mangunjaya Village, Head of Teluk Pandak Village, Plantation Agency, Labour Agency and Enviromental Agency are told that the information obtained from the company through public relations division with the approval from the head of the company. However, stakeholders do not know about the information types that can be accessed/requested and there are no provided evidence of socialization of the information types that can be accessed/requested by stakeholders.	PT DMIL and PT TI	Minor	ASA-2	Company must be able to demonstrate evidence of socialization of information type which is can be accessed/requested by stakeholders.	Root cause: Corrective action: Preventive action: Auditor Conclusion:		
2016.02	1.2.1	Monitoring document and reporting to Agencies Based on the verification document, found that:	PT DMIL and PT TI	Major	30 August 2016	Companies must be able to show evidance the submission of all monitoring documents and reporting to the	Root cause: Archive/copy report that have been made and/or receipt evidence tucked among other documents	Closed	29 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		<ul style="list-style-type: none"> PT DMIL has not been able to show evidence of submission of the land use title area utilization report as written in Government Regulation No. 40 year 1996 and Investment Development report. PT Tebo Indah has not been able to show evidence of submission of the land use title area utilization report as written in Regulation No. 40 year 1996 and Investment Development report. 				relevant agencies.	<p>Corrective action: Looking for the report and/or receipt evidence in all store document place.</p> <p>Preventive action: Tidying and reorganize the storage archive for all documents</p> <p>Auditor Conclusion: 29 July 2016 The company has been show the evidence of delivering information to the relevant agencies, namely:</p> <ul style="list-style-type: none"> Development progress of oil palm plantations PT Tebo Indah to National Land Agency of Tebo District on June 29, 2016. Land use report of concession area at PT Dendymarker Indah Lestari to National Land Agency of Musi Rawas Utara dated July 13, 2016. Report of investment activity second quarter of year 2016 to the Regional Investment Agency of Tebo District dated July 13, 2016. Report of investment activity second quarter of year 2016 to the Regional Investment Agency of Musi Rawas Utara District dated July 22, 2016. 		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							Based on the explanation, Nonconformity No. 2016.03 is closed.		
2016.03	1.3.1	<p>Policy Concerning The Commitment To Integrity And Ethical Behavior Code</p> <p>The company has not been able to show evidence of the existence and implementation of ethical behavior integration code, there are:</p> <ol style="list-style-type: none"> There has not been any written policy that contains a commitment to integrity code and ethical behavior in entire operational and transactions. The policy cover at least: <ul style="list-style-type: none"> Respect for fair conduct of business. A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources. Information that is open in accordance with applicable laws and practices that have been received. Policies' evidence are documented and communicated to all employees and operating units, 	PT DMIL and PT TI	Minor	ASA-2	Companies must be able to show evidence of the existence and implementation of a code integerasi and ethical behavior commitment.	<p>Root cause:</p> <p>Corrective action:</p> <p>Preventive action:</p> <p>Auditor Conclusion:</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		including third-party contract.							
2016.04	2.1.1 2.1.3 2.1.4	<p>List Regulations, Mechanisms and Systems for Ensuring Compliance</p> <p>Management unit has not shown evidence of rules identification and systems that record to ensure legal compliance. In addition, there is a legal non-compliance is identified, among others:</p> <ul style="list-style-type: none"> Based on verification document THR Payment year 2016 in PT.DMIL documents study which describes the number of PHL working days from July 2015 - May 2016, it is found that there are workers who worked for 21 days for 3 months in a row but has not been appointed as permanent employees. This is not in accordance with the Ministry of Labor Decree No. 100 of 2004. Based on visits and interviews with the tractor operator, operators have not been followed and had Heavy equipment Licence. This is not in accordance with the Ministry of Labor Regulation No. 09 of 	PT. DMIL & PT. TI	Major	30 August 2016	<p>Unit Management must be able to show evidence of:</p> <ul style="list-style-type: none"> Identification of the relevant regulations. Records of evaluation rules. Follow-up to the evaluation results that non-compliance with the regulations 	<p>Root Cause: Not yet updated the list of regulations and their implementation.</p> <p>Corrective Action: Updating the list of legislation and conduct regulatory compliance such as, promote the daily worker who work 21 days in 3 months consecutive became permanent worker and take care of operator license.</p> <p>Preventive Action: HR/GA Assistant and head of the administration to monitor and ensure compliance with the regulations.</p> <p>Auditor Conclusion: 12 August 2016 Company showed a document of Evaluation Regulations that took place on June 30, 2016 was approved by the Director with the type of regulations in the field of land (19 regulations), Agronomy (3 regulations), Employment (12 regulations), Environment (33 regulations), OHS (9 regulations). The entire evaluation stated that the</p>	Closed	24 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		2010.					<p>company has been comply with regulations that has been identified. Company can show follow-up on non-compliance with regulations, among others:</p> <ul style="list-style-type: none"> • Noncompliance with Labour Ministry Decree No 100 of 2004 has been filled with the Evidence of Appointment Decree of daily worker who have been worked for 21 days in 3 months consecutive become permanent employees for 12 employees in BR II Estate, for example, Decree Letter No. 106/DMIL/GM/SKU/VIII/2016 for Azuar Tobri on August 12, 2016. • Noncompliance with Labour Ministry Regulation No. 09 in 2010 has been filled with shown of license operator for DS.Irawan with number 560/03/SIO.T/Nakertrans/XI/2015 dated August 1, 2016 from Labour Agency of Musi Rawa Utara District with a validity period until July 31, 2019 <p>Evidence of compliance with the regulations will be verified again at the next visit.</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>Company have not shown the identification of regulation that describe changes to the latest regulations and evaluation, for example:</p> <ul style="list-style-type: none"> • Governor Regulation about minimum wage in 2016 • Government Regulation about Hazardous Waste Management. Company still using the old regulation <p>Based on the explanation, Nonconformity No. 2016.03 is still open.</p> <p>24 August 2016 The company has to provide evidence of identification latest regulatory changes include:</p> <ul style="list-style-type: none"> • Jambi Governor Decree No. 460/KEP.GUB/Dinsosnakertrans/2015 about minimum wages in Jambi year 2016 • Government Regulation No. 101 on 2014 about Hazardous Waste Management <p>Also given the company's internal mechanism in the form of an internal memo regarding compliance and updating the law and regulations that</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>applicable, dated August 18, 2016 from the Director of PT Tebo Indah and PT Dendymarker Indah Lestari. The mechanism explained obligations of the company's operations comply and carry out the provisions of applicable laws, the appointment of PIC at the unit level management operations (Estate and Mill) is Human Resource Assistant and Head of Administration to create a list of rules, monitoring of compliance with the regulations, updating of legislation every month and evaluate the new legislation.</p> <p>Implementation of compliance with applicable legislation will be verified again at the next surveillance (ASA 2).</p> <p>Based on the explanation, Nonconformity No. 2016.04 is closed.</p>		
2016.05	2.2.1	<p>Document land legality</p> <p>Based on verification document and field visit that there area some operation area which are beyond the land permit consist of Block R.31; A20-22; B16-20; C19-22;</p>	PT TI	Major	30 August 2014	Management unit must able to show land legality for entire operational area.	<p>Root Cause: Handling the document is still in the process</p> <p>Corrective Action: For land category No.1, the handling of land legality is already completed</p>	Closed	24 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		D19-21; E19-22; F15-16; G20-21; H16-21; L10-12; M7-8; M11-12; O11; P11-13; Q13-14; R13-14; T6-8; U6-7; V7; V18; W13-16; W18-19. Management unit has not shown land legality for entire operational area.					<p>in the form location permits. While for the handling of legality land category No.2 and No.3 will be performed in 2017.</p> <p>Preventive Action: Implement the plan that has been made in accordance with the time frame consistently</p> <p>Auditor Conclusion 29 July 2016 The company has shown time frame for the handling of operational areas that are outside of the concession. The company could not show the legality of land for the entire operational area. Based on the explanation nonconformity No 2016.05 is still open</p> <p>24 August 2016 The Company provides evidence of corrective in the form of a written statement from the management of PT Tebo Indah dated August 19, 2016 which stated that the land of PT Tebo Indah which do not have the land permit in accordance with the applicable regulations will be met and completed in accordance with the time frame company and land outside</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							of land permit requested to be removed from the scope of the RSPO certification. Based on the explanation nonconformity No 2016.05 is closed		
2016.06	2.2.2	Procedure monitoring of legal boundaries Management unit has have procedure of boundaries pole maintenance, however realization of maintenance not accordance to the procedure. On the procedure describe that legal boundary monitoring is monitor once a month but the realization in PT DMIL is twice a year and in PT TI every three month.	PT DMIL dan PT TI	Minor	ASA-2	Managementunit should conduct socialization relevant procedures of maintenance boundary pole to the officer, implement the maintenance of boundary pole in accordance with the procedures and documented.	Root cause: Corrective action: Preventive action: Auditor Conclusion:		
2016.07	2.2.3	Land Dispute Record Management unit has have procedure of land dispute completion, however management unit can not shows the records of resolution process of land dispute	PT TI	Minor	ASA-2	Management unit must implement and document procedures for settling land disputes.	Root cause: Corrective action: Preventive action: Auditor Conclusion:		
2016.08	2.2.5	Procedure of Participation For Mapping Land Conflicts	PT TI	Minor	ASA-2	The company must have the procedure for participatory mapping of	Root cause: Corrective action:		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		The company can not show the procedure for participatory mapping of land dispute.				land dispute, conducting a socialization the procedure to stakeholders, and implement and document the procedure	Preventive action: Auditor Conclusion:		
2016.09	2.2.6	Policy About Prohibit The Use Of Mercenaries And Para-Militaries The company can not shows the policy about prohibit the use of mercenaries and para-militaries in their operations.	PT DMIL and PT TI	Major	30 August 2016	The company must shows the policy about prohibit the use of mercenaries and para-militaries in their operations and must conduct socialization to related stakeholder.	Root Cause: There are no instructions/policy/ Internal Memo which regulates the prohibition of the use of mercenaries/ paramilitaries. Corrective Action: Management publishing Internal Memo/instructions about banning the use of mercenaries or paramilitaries. Preventive Action: Management will always update the new provisions that should be implemented into Internal Memo/ Instructions to be carried out in the company's operations. Auditor Conclusion 29 July 2016 The company has made internal memo from the Director of PT DMIL and PT IT dated July 20, 2016 which describes the prohibition of the use of mercenaries / paramilitaries. This	Closed	29 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							policy has also been socialized to units on July 22, 2016 in PT IT and PT DMIL. Based on the explanation nonconformity No 2016.09 is closed		
2016.10	3.1.1	Management Plan PT DMIL and PT TI has not been able to show management or business plan document (minimum three years).	PT DMIL and PT TI	Major	30 August 2016	PT DMIL and PT TI must show management or business plan document (minimum three years) include: <ul style="list-style-type: none"> - Plan for management of scheme smallholders (where appropriate) - Quality of planting materials - Crop projection = Fresh Fruit Bunches (FFB) yield trends - Mill extraction rates = Oil Extraction Rate (OER) trends - Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends - Forecast prices - Financial indicators – profitability forecast (income vs cost) - Projected expansion (area, mill capacity, 	Root Cause: Business plan already exists but is stored in the Head Office so can not be shown at the time of the audit. Corrective Action Business Plan that is to be presented to the team of auditors at the time of fulfillment NCR Preventive Action For the future, at the time of the next audit will be prepared a copy of the business plan, or at least should be sent via email from HO to site Conclusion Auditor: 29 July 2016 PT DMIL and PT TI has shown business plan for the period 2016 - 2021 which describes the production of FFB, CPO, PK, the extraction rate, assuming the price of products (CPO and PK), cost, investment plan, the estimated profit, the management of plasma, facilities, etc. However the company has not shown evidence of	Closed	25 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
						<p>infrastructure, social amenities)</p> <ul style="list-style-type: none"> - General strategy and allocation for environmental and social management (refer to P5, P6 and P8) <ol style="list-style-type: none"> 1. evidence of annual plan evaluation. 2. SOP of monitoring and newly the information (Division IT and Process). 	<p>evaluation the annual planning and procedures for monitoring and updating information. Based on the explanation Nonconformity No 2016.10 is still open.</p> <p>12 August 2016 The Company has shown an evaluation of the annual plan which describes the production, cost, etc. But the company has not shown procedures for monitoring and updating information. Based on the explanation Nonconformity No 2016.10 is still open.</p> <p>25 August 2016 The company has shown SOP of renewal and delivery of information (080/DMILT-PPI/2016 dated August 24, 2016) which describes the PIC renewal and delivery of information. Based on the explanation Nonconformity No 2016.10 is Closed</p>		
2016.11	4.1.2	<p>Mechanism To Check Consistent Implementation Of Procedures</p> <p>The company has not been able to show the master list of all the SOP and has not been able to show the</p>	PT DMIL and PT TI	Minor	ASA-2	<p>Company must show:</p> <ul style="list-style-type: none"> - Master list of entire SOP - mechanisms and implementation to check the 	<p>Root cause:</p> <p>Corrective action:</p> <p>Preventive action:</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		mechanisms and implementation to check the consistency of the implementation procedure (SOP),				<p>consistency of the implementation procedure (SOP), includes: mechanism of change/ SOP revision</p> <ul style="list-style-type: none"> - Mechanism of changes / SOP revisions. - Internal control procedures (eg audit and review, field inspection) are devoted to examine the implementation of SOP. - Trained and competent personnel assigned to carry out internal control activities. - Internal Audit should be carried out regularly covering entire SOP implementation. - Procedures for evaluation and continuous improvement 	Auditor Conclusion:		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
						actions.			
2016.12	4.1.3	Records of monitoring and implementation The company has not been able to show the assessment report on the SOP implementation in accordance with existing mechanisms, for example: <ul style="list-style-type: none"> • The results of the examination fertilization activities. • The results of examination LCC maintenance activities. • The results of examination empty fruit bunch implementation activities. • The results of examination spray activities. 	PT DMIL and PT TI	Minor	ASA-2	Companies must be able to show the valuation report on the application of SOP in accordance with existing mechanisms. In addition the company should be able to demonstrate to follow up on the results of the audit nonconformities that have been conducted.	Root cause: Corrective action: Preventive action: Auditor Conclusion:		
2016.13	4.4.1	Surface water management plan The management unit has conducted water management and monitoring to retain the quality and availability of surface water, however company has not been able to show the existence of overall management plan in all operational aspects of the plantation.	PT DMIL dan PT TI	Minor	ASA-2	The management unit should develop a surface water management plan that includes surface water management in all aspects of operations with implementation time table and the monitoring. Company should ensuring the work plan is understood by person in charge. The water	Root cause: Corrective action: Preventive action: Auditor Conclusion:		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
						management plan should include identification of water resources, water use efficiency, water reuse, impact on water catchment areas and the availability of water for the stakeholders, access to water throughout the year to stakeholders and prevention of surface water contamination.			
2016.14	4.6.2	Pesticide Use Record PT DMIL has not been able to show records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications)	PT DMIL	Major	30 August 2016	PT DMIL must able to show records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) and socialized to related officer.	Root Cause Recording system and the use of pesticides listed is incomplete and has not been updated Corrective Action Make a record of the pesticides use that have been done. Preventive Action For the future, the recording of pesticide use will be made in a manner consistently according to the implementation. Auditor Conclusion 29 July 2016 The Company has shown pesticide usage records that describe the trade	Closed	27 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>name, active ingredient, type of work, units, amount of usage, the work, the dose / Ha and active material per Ha. However the company has not shown the system to record the use of pesticides and recording socialization to workers. Based on the explanation Nonconformity No 2016.14 is still open</p> <p>24 August 2016 The company has shown evidence of corrective action in the form of recordings LD50 for each pesticide and the mechanism/system for recording the use of pesticides in the form of workflow for recording of pesticides that includes the phases of recording from made a plan daily work, the making of expenditures, warehouse administration, application in the field of up to foreman administration and administrative divisions. Give also an example of the use of forms for each phase of recording.</p> <p>The Company provides evidence of corrective in the form of limited pesticide training evidence dated March 22, 2016, however requested in this nonconformity No. 2016.14 is</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>socialization of mechanism recording pesticide use to workers. Based on the explanation Nonconformity No 2016.14 is still open</p> <p>27 August 2016 The Company has shown evidence of socialization about the recording of pesticide use in the field are held on August 27, 2016 with the amount of participant is 19 workers (clerk). Based on the explanation Nonconformity No 2016.14 is Closed</p>		
2016.15	4.6.11	<p>Medical check up of operator pesticide</p> <p>Based on list of spray workers and health examination data, the management unit has not been able to show that all spray workers has been carried out health checks. For example, in BR-2 there are 4 workers who have not been examined.</p>	PT.DMIL	Major	30 August 2016	<p>The company should be able to shows:</p> <ul style="list-style-type: none"> • Medical checkup program • The evidence of the entire workers' medical checkup result 	<p>Root cause At the time of the medical check-up, the fourth of the workers is absent from work.</p> <p>Corrective Action Already conducted a medical check-up by a doctor and check pregnancy by midwives.</p> <p>Preventive Action: For the future will be instructed to enter the work at the time of medical check-up and subsequent check-up if the worker at that time did not go to work.</p>	Closed	24 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>Auditor Conclusion: 29 July 2016 The Company shows the results of medical check-up to four workers who have not attended in the last the medical check-up. The medical check-up has been conducted on July 19, 2016.</p> <p>But the company has not been able to show medical check-up program to ensure all workers that handling chemical has been checked his health. Based on the explanation Nonconformity No 2016.15 is still open</p> <p>24 August 2016 The company has provided corrective evidence in the form of the inspection program in 2017 which include medical check-up for spraying worker who exposed the chemicals including pesticides. Medical check-up program has been endorsed by the Director of PT Indah Lestari Dendymarker.</p> <p>In addition, the company showed SOP of worker medical check-up No. 071/DMIL-TI-PKK/2016 related to the preparation of medical check-up</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>program o by each management unit from estate and mill and made regularly minimum once a year Implementation of the SOP will be verified again at the next surveillance (ASA 2)</p> <p>Based on the explanation Nonconformity No 2016.15 is Closed</p>		
2016.16	4.6.4	Pesticide UseRecord <ol style="list-style-type: none"> PT DMIL and PT Tebo Indah did not have a complete list of pesticides that are designated World Health Organization Class 1A - 1B, pesticides listed in the Stockholm and Rotterdam Convention. Based on document review in PT Tebo Indah, it is known in 2015 company use 60 liters paraquat herbicide (dose 0.02 liters/ha) and use in 2016 is 59.27 ha (dose 0.02 L/Ha Based on that explanation, PT.TI has not show the evidence to reduce of using herbicide with paraquat active ingredient. 	PT. DMIL and PT. TI	Minor	ASA-2	<p>Company must be able to demonstrate evidence of pesticide category World Health Organization Class 1A or 1B, or listed in the Stockholm or Rotterdam Conventions, and paraquat, is not used, except in specific situations that have been identified in the guidelines Best Management Practices national. The use of pesticides must be minimized and eliminated as part of the plan, and should only be used in exceptional circumstances.</p>	<p>Root cause:</p> <p>Corrective action:</p> <p>Preventive action:</p> <p>Auditor Conclusion:</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
2016.17	4.7.3	Personal Protection Equipment Based on the field in the BR-2 Estate in the harvest, there are workers who are using a inadequate shoe (the shoe is torn). It shows that the company does not have a system to ensure workers use the PPE according to risk	PT DMIL	Major	30 August 2016	The management unit should have a system that ensures the provision of PPE workers in decent condition and if it is not feasible to do the replacement.	<p>Root Cause SOP is still in draft form</p> <p>Corrective Action SOP of work safety and work safety equipment has been made and approved</p> <p>Preventive Action Periodic monitoring will be done in the creation and implementation of the SOP.</p> <p>Auditor Conclusion 12 August 2016 The Company show the SOP about Safety Equipment (069/DMIL-KKPKK/2013 dated August 1, 2016 was approved by the Director) which describes the system administration of PPE, duties and responsibilities of each position, type of PPE, types of PPE and the level of damage as a determinant for replacement of shoes.</p> <p>However the company has not arrange the PPE replacement system and PPE conditions for types other than shoes. Based on the explanation, Non conformity No. 2016.18 is still open.</p>	Closed	25 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							25 August 2016 The Company has shown SOP of work safety and work safety equipment (069/DMIL-KKPKK/2016 dated August 22, 2016) which describes the procedure of procurement, replacement and other provisions for personal protective equipment. Based on the explanation, Non conformity No. 2016.18 is Closed.		
2016.18	4.7.6	Work Accident Insurance Based on verification document Work Accident Insurance payment and an interview with the daily paid workers, it is known that not all BHL workers enrolled in workplace accident insurance	PT DMIL and PT TI	Minor	ASA-2	The management unit should be able to show: <ul style="list-style-type: none"> • Systems to ensure that all workers have enrolled in work accident insurance. • Evidence that all workers have been registered in work accident insurance 	Root cause: Corrective action: Preventive action: Auditor Conclusion:		
2016.19	4.8.1	Training Program The management unit has not been able to show that the identification of needs and training programs include occupations and positions for all workers.	PT DMIL and PT TI	Major	30 August 2016	The management unit should be able to show: <ul style="list-style-type: none"> • The procedure for identifying training needs. • The training program includes the cultivation of oil 	Root Cause Identification and training programs have been created and made available, but at that time have not been approved by the management Corrective Action Training identification, training	Closed	24 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
						palm, environment and HCV, social and OHS.	<p>programs and SOP has been approved and handed over to a team of auditors</p> <p>Preventive Action HR & Legal Dept as PIC will implement the SOP in a timely manner, including implement the identification of training needs and subsequently making of the training program</p> <p>Auditor Conclusion 12 August 2016 The Company showed a training program for 2016 and 2017 in the field of cultivation of oil palm and mill processing, supporting fields(public relations, labor issues and licensing, the sale of FFB, CPO and PK, mapping, management of sustainable palm oil, preparation of the budget), the field of HR, field of environmental & HCV (waste management, HCV and SIA management plan and GHG emissions management), field of OHS, training for cooperative plasma/stakeholders. In the training program, the company has identified the trainees that have been adapted to the type of training that will be conducted.</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>However company has not been able to show the procedures to identify training needs. Based on the explanation, Non conformity No. 2016.19 is still open.</p> <p>24 August 2016 The Company provides evidence of corrective in the form of SOP identification of training needs no. 070/DMIL TI-IKP/2016 dated August 18, 2016 concerning the PIC which is responsible for the identification of training needs is Human Resource and Legal and mechanisms for identification of training needs that includes all levels/ positions level, departments and functions in the organization, the formulation of training programs and the time of preparation, review by the Director of HR and legal and has been approval by the Director.</p> <p>Based on the explanation, Non conformity No. 2016.19 is Closed</p>		
2016.20	5.1.2	<p>The mechanism of monitoring the implementation of EIA</p> <p>Based on the verification of test results is known that BOD and COD</p>	PT TI	Minor	ASA-2	Unit management needs to ensure mechanisms evaluation for implementation EIA and feedback of the	<p>Root cause:</p> <p>Corrective action:</p> <p>Preventive action:</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		values in Belilas and Pengabuan River does not comply with the required quality standards				evaluation results of the environmental management plan.	Auditor Conclusion:		
2016.21	5.2.2	HCV Management Plan The management unit has made the management of HCV area and has been monitoring the presence of protected species, however, the management unit has not been able to shows HCV area management plans and protected species.	PT. DMIL and PT. TI	Major	30 August 2016	Unit management should have a management plan HCV areas and protected species that include describes: <ul style="list-style-type: none"> • Determination of HCV areas • The mechanism for the protection of all components identified HCV • Rules for time management and / or monitoring Included are a form of socialization to employees and the community around the company • The management plan must be understood by the relevant officers. 	Root Cause During the audit, HCV management plan is not finished yet Corrective Action Accelerate the completion of making the HCV management plan and is now has been completed. Preventive Action For further, the management will always monitor/follow up of all liabilities related to arrange the HCV Auditor Conclusion 24 August 2016 The Company has submitted a document management plan for the management of HCV at PT Dendymarker Lestari and PT Tebo Indah in August 2016 and has been endorsed by the Director. The document includes the determination of HCV area by the company covering an area of 2,893.50 Ha for PT DMIL and 264.08 Ha for PT Tebo Indah and management plans for HCV areas, but not include	Closed	26 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>implementation time frame which includes the time frame for the program socialization routinely to the employees, protected species monitoring (PT DMIL) and routinely patrol the HCV area. The company also has not shown evidence has been given an understanding of the HCV work program management to the relevant officers at level of field implementers.</p> <p>Based on the explanation, Non conformity No. 2016.21 is still open.</p> <p>26 August 2016 The company has shown additional corrective evidence such as the revision of the management plan of HCV management for PT DMIL and PT Tebo Indah containing the location, type of HCV, threats, management plans and time frame implementation, monitoring plan and procedure implementation time and PIC are responsible for the implementation of each activity monitoring and management. There are a matrix of implementation time frame plan of HCV area management.</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>The company also shown evidence of socialization the work program to the management unit in the estate level. Evidence of socialization in the form of email correspondence from Head Office to the Management Unit PT DMIL and PT Tebo Indah on HCV management plan management PT DMIL and PT Tebo Indah.</p> <p>Based on the explanation, Non conformity No. 2016.21 is Closed</p>		
2016.22	5.2.3	<p>The company's policy on sanctions for disciplinary action against the employee to a protected species</p> <p>The management unit has not been able to demonstrate the existence of policies relating to sanctions against employees proven to capturing, hurting, collecting or killing protected species in accordance with company rules and the applicable national law.</p>	PT. DMIL and PT. TI	Minor	ASA-2	The management unit should have a policy on sanctions against employee's proven misconduct against protected species including the capturing, hurting, collecting or killing species in accordance to the company regulations and the applicable national law. In addition the company should socialize all employees in the company.	<p>Root cause:</p> <p>Corrective action:</p> <p>Preventive action:</p> <p>Auditor Conclusion:</p>		
2016.23	5.3.1	Identification of waste and pollution sources and the	PT DMIL	Major	30 August	The management unit should have the	<p>Root Cause: Identify the sources of waste/pollution</p>	Closed	24 August

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		<p>management</p> <p>The management unit has been managing sources of waste and pollution, but the management unit has not have a list of sources of waste and pollution for both plantation and mill.</p>			2016	identification of sources of waste and pollution as well as to socialize to all related employees	<p>and its management has been created and prepared, but not yet complete and therefore can not be shown to the auditor</p> <p>Corrective Action At this time identifying sources of waste and pollution as well as its management has been completed and handed over to a team of auditors</p> <p>Preventive Action For futher, RSPO assistant in the site (part of sustainability) assigned to up date the identification of sources of waste, manage and perform their socialization</p> <p>Auditor Conclusion 24 August 2016 The company has provided the corrective evidence in the form of a document identifying sources of waste and pollution in PT DMIL with categorized the sources of waste and pollution from operational activities in the household/domestic, activities mill by describing the types of waste and pollution that produced from each activity and formulate the management plan of waste/pollution</p>		2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>were identified.</p> <p>The Company has also provided the socialization regarding the identification and handling of pollution and waste to the staff and employees of PT DMIL on August 19, 2016.</p> <p>Based on the explanation, Non conformity No. 2016.23 is Closed</p>		
2016.24	5.3.2	<p>All chemicals are disposed in accordance with applicable regulations</p> <p>The management unit has own a license for Hazardous waste temporary storage, has a partnership with the transporter and hazardous waste licensed collector. However, it is found their hazardous waste at the hazardous waste temporary storage, hazardous waste has exceeded the allowable storage period (over 90 days). The Company has filed an application for extension to the storage period of Enviroment Agency of Musi Rawas Utara, but has not received a response yet.</p>	PT DMIL	Major	30 August 2016	Management Unit should ensure responses from Enviroment Agency regarding the extension of the storage period and ensure a storage time frame monitoring mechanism and documentation of hazardous waste implemented in accordance with applicable regulations and SOP of management unit regarding hazardous waste management	<p>Root Cause: The volume of hazardous waste produced by PT DMIL quite small and Enviroment Agency does not respond the proposed letter about the extension of store period.</p> <p>Corrective Action: PT DMIL send all Hazardous Waste that still exist in the Hazardous Waste Temporary Storage to the licensed transporter (PT Bumi Khatulistiwa) and hazardous waste handlers licensed (PT Horas Miduk) on August 1, 2016</p> <p>Preventive Action Performing of monitoring the maximum storage time limit in Hazardous Waste Temporary Storage</p>	Closed	26 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>Auditor Conclusion: 12 August 2016 PT DMIL send all Hazardous Waste that still exist in the Hazardous Waste Temporary Storage to the licensed transporter (PT Bumi Khatulistiwa) and hazardous waste handlers licensed (PT Horas Miduk) on August 1, 2016.</p> <p>However the company has not show written mechanism regarding the monitoring of storage time limit and implementation for documentation of hazardous waste in accordance with applicable regulations and SOP regarding hazardous waste management. Based on the explanation, Non conformity No. 2016.24 is still open</p> <p>26 August 2016 The Company provides additional corrective evidence in the form of SOP of hazardous waste management and non hazardous waste (06/IPLB3-DMIL/2013 dated August 24, 2016) about the storage procedure, plan for reduction the hazardous waste and non hazardous waste, the storage period, recording and reporting.</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							Based on the explanation, Non conformity No. 2016.24 is Closed		
2016.25	5.3.3	management plan of Waste source and the pollution The management unit has not any plans yet to manage waste and pollution sources to avoid and reduce pollution. Management Unit of PT Tebo Indah cannot show Work Agreement Letter for medical waste disposal to Tebo Regional Hospital	PT DMIL and PT TI	Minor	ASA-2	Management Unit must develop management plans for waste and pollution sources based on the identification of waste sources and pollution to reduce and avoid pollution. Waste and pollution management plan shall be ensured in accordance with applicable regulations. The management unit should also show the cooperation of hazardous waste management, especially medical wastes in PT TI	Root cause: Corrective action: Preventive action: Auditor Conclusion:		
2016.26	5.6.2	Identification of greenhouse gas emissions and Significant pollutants and the reduction efforts The management unit has not done pollution's identification and significant emissions	PT DMIL	Major	30 Agustus 2016	Management unit should identify pollution and greenhouse gas emissions significantly and develop management plans of the identification result that indicate objects, targets,	Root Cause During the audit, identification of Greenhouse Gases and pollutants is not finished yet. Corrective Action Accelerating the document creation of identification Greenhouse Gases	Closed	26 August 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
						and time frame of implementation.	<p>and pollutants, at this time has been completed and handed over to the auditor team</p> <p>Preventive Action For further, the management will always monitor / follow up of all liabilities dealing with greenhouse gases and pollutants</p> <p>Auditor Conclusion 24 August 2016 In July 2016, the company has been calculating the greenhouse for PT DMIL and concurrently with these activities, company has been identify sources of greenhouse gas emissions and pollutants significantly. Identification is done in cooperation with PT Sonokeling Akreditas Nusantara. In the document the calculation of GHG informed of the source of GHG emissions from the company's operational activities and mitigation measures undertaken. However the management plan does not include time frame of implementation.</p> <p>Based on the explanation, Non conformity No. 2016.26 is still open</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							26 August 2016 The Company has provided additional corrective evidence in the form revise of management plan and greenhouse gas mitigation by stating the time frame of implementation. Based on the explanation, Non conformity No. 2016.26 is Closed		
2016.27	5.6.3	GHG calculations and the reporter The management unit has not calculated the greenhouse gas emissions by using the method of calculation established by the RSPO or other equivalent methods and has been approved by RSPO and has not reported the result to the RSPO Secretariat	PT DMIL and PT TI	Minor	ASA-2	Management Unit must ensure the calculation of greenhouse gas using the method of calculation established by the RSPO or other equivalent methods and have been approved by the RSPO as well as ensuring there is an annual report of greenhouse gas calculation to the Secretariat	Root cause: Corrective action: Preventive action: Auditor Conclusion:		
2016.28	6.1.3	Preparation of social impact management plan based on the identification result of SIA The management unit has a plan for social impact management plan based on RKL-RPL study which is summarized in the matrix of RKL-	PT. DMIL and PT. TI	Major	30 August 2016	Management Unit should prepare a social impacts work plan as a follow up of the Social Impact Assessment study as a reference of social management by including a clear time frame in	Root Cause During the audit, making of SIA management plan has not been completed. Corrective action: Accelerate the the completion of making of SIA management plan and	Closed	26 Agustus 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
		RPL, but has not been able to shows social impact management plan as a follow up of the Social Impact Assessment study result				every component of its activities and the appointment of the person in charge for the implementation of the management plan.	<p>is now complete.</p> <p>Preventive Action For further, the management will always monitor / follow up of all liabilities related to the setting SIA.</p> <p>Auditor Conclusion 12 August 2016 The Company have shown a document of management plan social impact assessment for PT DMIL and PT Tebo Indah, in August 2016 and has been endorsed by the management of PT DMIL representative a.n Beni Hendrawan as Director of PT Dendymarker Indahlestari. SIA management plan includes components prepared (aspects of the target) and alternative strategies and activities.</p> <p>However, the matrix is not explained the time frame and the person in charge of the management plan.</p> <p>Based on the explanation, Non conformity No. 2016.28 is still open</p> <p>26 August 2016 The Company has submitted additional evidence in the form of a</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							<p>revised matrix SIA for the management plan and monitoring plan in PT DMIL and PT Tebo Indah. The management plan includes components affected, the impact assessment, alternative strategies and activities, the parties involved, the objectives, expected results, time frame and PIC. while for the monitoring plan covering the affected component, location, time of execution, executing, indicators, reporting (evaluation year) and PIC.</p> <p>Based on the explanation, Non conformity No. 2016.28 is Closed</p>		
2016.29	6.1.4	<p>Evaluation of the implementation of the work plan involving the affected communities</p> <p>The management unit has conducts a survey using questionnaire associated with response / public complaints against the existence of PT Tebo Indah and PT DMIL conducted in 2015, but has not yet to be evaluated and the conclusion is reinserted as consideration material of social impact management plan.</p>	PT DMIL and PT TI	Minor	ASA-2	Unit management must ensure that the results of the evaluation of the implementation of the work plan has been carried out is assessed and used as an input of work plan improvement of social impact management which is performed at least once in two years.	<p>Root cause:</p> <p>Corrective action:</p> <p>Preventive action:</p> <p>Auditor Conclusion:</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
2016.30	6.3.1	<p>Anonymity and protection of whistle-blowers</p> <p>The management unit has procedures regarding internal and external communication No. 032/TI-PK/2010 but has not set the anonymity of the reporter and whistle-blower as a form of protection.</p>	PT DMIL and PT TI	Major	30 August 2016	The management unit should set the protection of the anonymity of the reporter and whistle-blower in policy of reporter and / or a whistle-blower to ensure his/her anonymity.	<p>Root cause: There are no instructions/policy/internal memo regarding the protection of witnesses and victims</p> <p>Corrective Action Management has published internal memo containing the protection of witnesses and victims</p> <p>Preventive Action Management will always update the new provisions that should be implemented into the internal memo/instruction</p> <p>Auditor Conclusion 29 July 2016 The Company has shown the company's policy about protection of the anonymity of the reporter and whistle-blower in the form of Internal Memo from the Director of PT DMIL dated July 14, 2016. The internal memo describes the protection of employees who are witnesses or victims from reporting, inquiry, investigation, prosecution until the court proceedings and the subsequent process until the completion of the case.</p>	Closed	29 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							Based on the explanation, Non conformity No. 2016.30 is closed		
2016.31	6.11.1	Preparation Of Community Empowerment Program (CSR) In a Participatory The management unit has not been able to show the preparation of the work program of CSR has been involving community actively	PT DMIL	Minor	ASA-2	The management unit should include active participation in the preparation of the company's CSR program and accompanied by evidence of community involvement	Root cause: Corrective action: Preventive action: Auditor Conclusion:		
2016.32	E.3.1	Procedure of Supply Chain Dendymarker POM has had SOP of traceability, but the procedure did not explain how to trace the source of raw material came from certified area or non certified area	PT DMIL and PT TI	NC	30 Juli 2016	The management unit should be able to shows supply chain procedures that explain how to search the TBS from RSPO-certified plantation and non-certified RSPO. In addition the management unit should be able to show socialization of supply chain procedures to the involved parties	Root Cause At the time of SOP Product Traceability are made, the company has not gotten RSPO certification, so it is not a major concern. Corrective Action: Revise the existing SOP with inserting the provisions required or conditions should exist for companies that have RSPO certification. Preventive Action For further will proactively update the SOPs related to the requirements of companies that have RSPO certification and implement the SOP consistently.	Closed with observ ation	29 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
							Auditor Conclusion 29 July 2016 The management unit has shown SOP of Product Traceability No. 07/KP-DMIL/2013, Rev 1 dated July 21, 2016 explaining that FFB that comes from the RSPO certified Estate the Delivery FFB Letter will be stamped FFB RSPO, while FFB is derived from the Estate that is not/has not been certified RSPO must stamp FFB Non RSPO. In addition the company also has socialized product traceability procedure on July 23, 2016 to the relevant parties such as GM, mill manager, estate manager, weights bridge officer, assistants, etc. Based on the explanation, Non conformity No. 2016.32 is closed		
2016.33	E.4.2	Projected Overproduction Of Certified Tonnage The management unit has not been able to demonstrate the system to inform CB when there is excessive production from RSPO certificate.	PT DMIL	NC	30 Juli 2016	The management unit should be able to shows the system to inform CB when there is an excessive production of projected certified tonnage. Unit management should socialize the officer who	Root Cause: In the SOP has not mentioned that subject Corrective Action Revising the existing Procedure. Preventive action Implementing the procedure	Closed with observ ation	29 July 2016

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
						is responsible for running the system.	<p>consistently</p> <p>Auditor Conclusion 29 July 2016</p> <p>The management unit has shown SOP of Traceability Product No. 07/KP-DMIL/2013, Rev 1 dated July 21, 2016. These procedures include the reporting of production which regulates the management unit every day must make a report and send it to the production operational section in Head Office.</p> <p>Furthermore operational staff at Head Office in charge to monitoring the entire production site that is already getting RSPO certification for comparison with the projected tonnage limit and stated in the certificate. If production is already approaching the limit of tonnage that has been stated in the certificate, it must notify to the Legal and General Affairs to be reported to the certification body that issued the certificate RSPO.</p> <p>Based on the explanation, Non conformity No. 2016.33 is closed</p>		

No.	Ref Std/ Indicator	Non-conformance	Area	Grade	Time Limit	Corrective Action Required	Observation and Date	Status	Closing Date
2016.34	RSPO Certificati on System 4.2.4.e	Partial Certification. There is an operational activity on planting since 1 January 2010 in PT TI (a subsidiary of PT DMIL) which has not meet the RSPO New Planting Procedure outside the NPP area that has been done	PT. DMIL	Minor	ASA-2	RSPO members must be able to shows compliance with the New Planting Procedure for the entire operational area by planting year over 1 January 2010 in accordance with the RSPO Certification System.	Root cause: Corrective action: Preventive action: Auditor Conclusion:		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.1.4	PT DMIL not receive FFB from third parties, the management unit must have procedures for FFB supplier selection if it receives FFB from third parties.
2	4.5.2	The management unit needs to improve understanding the worker for monitoring IPM.
3	4.6.11	Unit management can ensure that a medical check-up may indicate there is not of pesticide exposure to workers. (Observation)
4	4.7.2	Management Unit can re-ensure the type of PPE is in accordance with the standar are listed in the MSDS / label products. (Observation)
5	4.8.2	Unit management can re-ensure the training records for each worker (Observation)
6	6.2.3	The management unit needs to complete the list of stakeholders that realted tothe operations of the company including NGOs, civil society organizations etc.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	6.1	The Company has realized the construction of smallholdings to the public as evidence of commitment to social responsibility.

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

Public issue	Management response	Auditor response
KUD Pakar Maur <ul style="list-style-type: none"> Members of cooperatives consists of 12 village are the village of Noman, Noman Baru, Batu Gajah Lama, Batu Gajah Baru, Maur Lama, Maur Baru, Bingin Rupit, Beringin Jaya, Muara Rupit, Lubuk Rumbai, Lubuk Rumbai Baru and Pantai. Total members there are 2,937 members and 1,093 members plasma phase II. Since 2006, smallholders group under KUD are managing the scheme smallholder plantation. Payments are paid every month by the company and in accordance with the agreement. Road maintenance is aided by the company. KUD holds plasma agreements and each head villager had been given a copy of the agreements. The company has a special manager in charge of plasma. 1 person get 1 hectare in accordance with the decision of the Regent of Musi Rawas. The average income is Rp 250,000 / month. Communication with the company has been running well, for example the issue that is related to the management which wants to be returned to the company. 30% of the FFB productions are used to cover plantations development loan payments. There is no problem in the land of conflict areas. Land Permit separation process between the company and KUD still running, and also the maintenance of SHM (completed target is on July 2016). The process has been running since 2012. 	<ul style="list-style-type: none"> True True Will be maintained Will be maintained True True True Will be maintained True Will be maintained True 	<p>In accordance with criteria 1.1; 1.2; 2.2; 4.3; 4.8; 5.5 6.2; 6.10 and 6.11.</p>

Public issue	Management response	Auditor response
<ul style="list-style-type: none"> - FFB prices are in accordance with the government, within one month there are 2 times the prices issued by the government. - The Company has socialized technical related to palm oil plantations. - There are some cases of fires and the company quickly provides aid because The Company has adequate fire extinguish equipment. 	<ul style="list-style-type: none"> - True - Training has been done on an informal basis in the form of guidance and counseling - fire originating from outside the area and quickly dealt with complete equipment 	
CV Usaha Gemilang - CPO transporter contractor. <ul style="list-style-type: none"> - Contractors are located in Lubuk Linggau and SPK is stored in the office. - Field officer liability is making a communication with the factory, using safety shoes, using helmets, should not smoke. - Transporter must bring DO to enter the factory. - So far there are no problems in terms of payment. - The shipment must be accompanied by a permit from the factory and a scale card. The shipments also need to be equipped by seal. - There has never been a complaint for cooperation with companies. - There are no cases of bribery or corruption. - PPE is provided by the contractor. - If PPE left behind or forgotten then it will be lent by the company. 	<ul style="list-style-type: none"> - True - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained 	In accordance with criteria 1.3; 4.1; 4.7 and 6.10
Worker Unions of PT DMIL and PT Tebo Indah <ul style="list-style-type: none"> - Industrial relationship with the company has been fairly 	<ul style="list-style-type: none"> - Will be maintained 	In accordance with criteria 4.7; 6.3; 6.5; 6.6 and 6.11

Public issue	Management response	Auditor response
<p>harmonious.</p> <ul style="list-style-type: none"> - Worker Union conduct internal meetings once in a month. - The companies involved SPSI when there are problems associated with employees. - Since the new management of PT DMIL in 2012, there has never been a case of layoffs. The action taken by the company was limited to disciplinary action. - Most of the company's workers are locals near the company. - The Company does not prohibit its employees to do assembly and association. - Employees get health facilities other than BPJS for daily worker, which are getting treatment from the clinic for at PT IT and get refund for the treatment in PT DMIL. - There are no school facilities but stated in compensation for all children of school employees and there is scholarships to college. - The Company informs about delivery mechanisms grievances / complaints are through their direct supervisor or non-direct supervisor (Manager). If there are complaints from employees, the company has been responsive enough to provide a response within one month and the fastest is in one week. - Employees are given information about employee rights, including leave entitlements of employees. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained - True - Will be maintained - Will be maintained - Will be maintained - Will be maintained 	
<p>Gender committees</p> <ul style="list-style-type: none"> - Gender Committee has a program of activities related to the socialization of sexual harassment, violence and health programs. - Gender Committee facilitates gender grievance/ 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained 	<p>In accordance with criteria 6.9</p>

Public issue	Management response	Auditor response
<p>complaints by creating the gender committee complaints post in the company.</p> <ul style="list-style-type: none"> - So far no complaints about sexual abuse and violence - About complaints issue in general, the response of the company is quite fast and accommodating. - The company supports all activities program undertaken by the gender committee. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained 	
<p>Beringin Jaya Village</p> <p>Based on interviews with Head of Village:</p> <ul style="list-style-type: none"> - There is no conflict with the company. - The issue of contamination until now did not exist. - Communications regarding a request for information, conflict resolution, aid requests are submitted to the head of the company through public relations division. - There are supports from companies for example, heavy equipment, and worship facilities development assistance. - There are support from companies for example, Independence Day event Assistance and the cleanliness of the village. - There are no obstacles in the access in reaching residents' area that are in the area of company. - The relations with the company are very good and satisfying. - People know riparian conservation area and the protected animals. - There is no use of mercenaries for security. Security personnel supplied from the village community. - Job vacancies submitted by the company. - Cooperating of handling fires. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained 	<p>In accordance with criteria 2.2; 5.1; 5.2; 5.3; 5.5 and 6.11</p>

Public issue	Management response	Auditor response
Kerta Sari village Based on interviews with Head of Village: <ul style="list-style-type: none"> - There is no conflict with the company. - The issue of contamination until now did not exist. - Communications regarding a request for information, conflict resolution, aid requests are submitted to the head of the company through public relations division. - There are support from companies for example, the art galleries and construction for mosque, independence Day event Assistance and the cleanliness of the village. - There are no obstacles in the access in reaching residents' area that are in the area of company. - The relations with the company are very good and satisfying. - HCV Socialization areas and protected animals have been conducted. - There is no use of mercenaries for security. Security personnel supplied from the village community. - Job vacancies submitted by the company. - Cooperating of handling fires. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained 	In accordance with criteria 1.1; 2.2; 5.1; 5.3; 5.5; 6.2 and 6.11.
Bingin Rupit village Based on interviews with village secretary: <ul style="list-style-type: none"> - There is no conflict with the company. - The issue of contamination until now did not exist. - Communications regarding a request for information, conflict resolution, aid requests are submitted to the head of the company through public relations division. - There are supports from companies for example, Independence Day event Assistance, mosque 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained 	In accordance with criteria 1.1; 2.2; 5.1; 5.2; 5.3; 6.2 and 6.11

Public issue	Management response	Auditor response
<p>development, etc.</p> <ul style="list-style-type: none"> - There are no obstacles in the access in reaching residents' area that are in the area of company. - The relations with the company are very good and satisfying. - HCV Socialization areas and protected animals have been conducted. - There is no use of mercenaries for security. Security personnel supplied from the village community. - Discussion regarding the HGU area disengagement plan to the plasma has been conducted. - There are PT DMIL areas that are used by local community for example in Bingin Rupit roadside area. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Now, already in process at BPN - Will be maintained 	
<p>Consultation with the head and Community representatives of Teluk Pandak Village; head and community representatives of Mangunjaya Village; KUD Tujuan Murni.</p> <ul style="list-style-type: none"> - There is no conflict with the company. - At the opening of the PT Tebo indah land area is the land of the people who submitted to the company by the 75:25 revenue sharing systems. - The issue of contamination until now did not exist. - Communications regarding a request for information, conflict resolution, aid requests are submitted to the head of the company through public relations division. - There are supports from companies for example, Independence Day event Assistance, mosque development, assistance for events in Teluk Pandak village. - 70% of workers at PT Tebo Indah are from locals. 	<ul style="list-style-type: none"> - Will be maintained - True - Will be maintained - Will be maintained - Will be maintained - Will be maintained 	<p>In accordance with criteria 1.1; 2.2; 5.1; 5.2; 5.3; 6.2; 6.10 and 6.11</p>

Public issue	Management response	Auditor response
<ul style="list-style-type: none"> - There are no obstacles in the access in reaching residents' area that are in the area of company. - The relations with the company are very good and satisfying. - HCV Socialization areas and protected animals have been conducted. - There is no use of mercenaries for security. Security personnel supplied from the village community. - Determination of FFB prices for plasma (smallholder) are greater than the price that determined by Plantation Agency. - Meeting of production achievement result and revenue sharing for the village cooperatives are conducted every 6 months by involving Plantation Agency and KUD. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained 	
Environment Agency in Musi Rawas Utara District <ul style="list-style-type: none"> - There are no changes in the operations and environmental documents. - The report shall be reported on a regular basis (RKL-RPL, Liquid Waste Reports and Hazardous Waste Report). - There is no issue of environmental pollution. - There is a problem that is the water channel of Hazardous Waste Temporary Storage which can produce environmental pollution when observed by the Environment Agency on 23 June 2016. - The company has owned Land Application and Hazardous Waste Temporary Storage permit and it is still within the validity period. - There is issue of fires in 2015, It can be confirmed at the Plantation Agency. - The Agency still does not understand the types of 	<ul style="list-style-type: none"> - True - Will be maintained - Will be maintained - Has been repaired - Will be maintained - Will be maintained - fires came from community land, as has been clarified by the relevant agencies. - not yet disseminated 	<p>In accordance with criteria 2.1; 4.4; 5.1; 5.3 and 5.5</p> <p>Raised NC No. 2016.1 caused not yet giving the types of documents that can be accessed by public in Indicator 1.1.1</p>

Public issue	Management response	Auditor response
documents that can be accessed by public.		
Labour Agency in Musi Rawas Utara Agency <ul style="list-style-type: none"> - Has had P2K3 structure and report of all activities on a regular basis (every 3 months). - Have workers certificate and Collective labor agreement. - BPJS Employment Registration must be done for the entire status of the worker (permanent employees, certain time workers or daily paid worker). - There are no foreign workers or AKAD workers. The Company prefer workers from the surrounding area. - The minimum wage should follow South Sumatra minimum wage. - There has not any socialization of the documents types that can be accessed by public. - Communication between agencies and the company is doing well. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained - Will be maintained - not yet disseminated - Will be maintained 	<p>In accordance with criteria 2.1; 4.7; 6.2; 6.5 and 6.12</p> <p>Raised NC No. 2016.1 caused not yet giving the types of documents that can be accessed by public in Indicator 1.1.1</p>
Plantation Agency of Musi Rawas Utara District <ul style="list-style-type: none"> - Report progress on the plantation business development conducted regularly every 6 months. - There is an issue of fires in 2015 with a total burn area \pm 300 Ha, the company has made the reporting and the Agency has conducted a survey with the result that the fire was not caused by PT.DMIL. Fire comes from the surrounding plantation communities. - There is a circular letter to prohibit fires and to provide guidance to the surrounding community to refrain from burning. The company must have the fire prevention 	<ul style="list-style-type: none"> - Will be maintained - fires came from community land, as has been clarified by the relevant agencies. - Will be maintained 	<p>In accordance with criteria 2.1; 2.2; 5.5; 6.2 and 6.11</p> <p>Raised NC No. 2016.1 caused not yet giving the types of documents that can be accessed by public in Indicator 1.1.1</p>

Public issue	Management response	Auditor response
<p>infrastructure and firefighters.</p> <ul style="list-style-type: none"> - The company currently more communicative, but communication is usually done through GM. - Plasma created are still going well, there are no issues that arise. - There is no issue of land disputes. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained 	
<p>National Land Office of Lubuk Linggau City</p> <ul style="list-style-type: none"> - There is no land dispute. - There is HGU reduction progress \pm 4,000 Ha with the purpose of plasma plantation for the local community. The process is done in the Regional Office of South Sumatra Province. 	<ul style="list-style-type: none"> - Will be maintained - True 	In accordance with criteria 2.2
<p>Labour Agency of Tebo District</p> <ul style="list-style-type: none"> - Mandatory reporting has been done regularly (P2K3 report, accidents and Compulsory Labor Report). - Monitoring was conducted in April 2016 with the results of PPE has been implemented, has firefighters team and first aid officer that have been certified. - Has had a fire extinguisher and regularly tested. - Heavy equipment operators license are still valid. - There are no foreign workers and AKAD workers. - Workers are from the local community around the companies. - The minimum wage is in accordance with Jambi Governor Decree. - The Company has paid employees holiday allowance on 29 June 2016. This is in accordance with the circular letter 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained - True - Will be maintained - Will be maintained - Will be maintained 	<p>In accordance with criteria 2.1; 4.7; 5.5; 6.2; 6.3 and 6.5</p> <p>Raised NC No. 2016.1 caused not yet giving the types of documents that can be accessed by public in Indicator 1.1.1</p>

Public issue	Management response	Auditor response
<p>given to the company.</p> <ul style="list-style-type: none"> - Communications are good. - There are no labor issues and OHS. - The absence of a claim for accident insurance (BPJS Employment). - Have obtained a certificate Zero Accident period 2015. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained 	
<p>Environment Agency of Tebo District</p> <ul style="list-style-type: none"> - There are no changes in the operations and environmental document. - Mandatory reports such as RKL-RPL, Hazardous waste report has been carried out regularly in accordance with regulations. - Latest Supervision is conducted in June 2016 with the result that the company has not been able to show the test results of air and water wells, Hazardous Waste Temporary Storage is still lacking symbols. - There is no issue of environmental pollution. - Had known how to communicate with the company. - Has not knows the type of document that is available for public. - Hazardous Waste Temporary Storage Permit is still valid. - There is no issue of fires in 2015. 	<ul style="list-style-type: none"> - Will be maintained - Will be maintained - Will be maintained - Will be maintained - True - not yet disseminated - Will be maintained - Will be maintained 	<p>In accordance with criteria 2.1; 5.1; 5.3 and 5.5</p> <p>Raised NC No. 2016.1 caused not yet giving the types of documents that can be accessed by public in Indicator 1.1.1</p>
<p>Plantation Agency of Tebo District</p> <ul style="list-style-type: none"> - Lack of maintenance and fertilization in plasma so the productivity is very low. - There is no CSR activity information. CSR program should be coordinated with agencies in advance. 	<ul style="list-style-type: none"> - Fertilization is done in accordance with the SOP Company - Will be communicated to the relevant agency 	<p>In accordance with criteria 4.1; 2.2 and 6.11</p>

Public issue	Management response	Auditor response
<ul style="list-style-type: none"> - Frequent land disputes, company can reduce the occurring land disputes and for the time being there are no cases of land disputes. 	<ul style="list-style-type: none"> - land dispute resolved in accordance with procedures 	
National Land Agency of Tebo District <ul style="list-style-type: none"> - There are no indigenous lands in PT.TI area and the area is above the APL area. - Payment of compensation is based on the measurement results which are conducted together with BPN. - There is a proposal to made land permit. - There is a land dispute, but have been resolved by the company. - Communication between companies with agency is in good condition. 	<ul style="list-style-type: none"> - True - True - True, the land permit is for mill and plantation - land dispute resolved in accordance with procedures - Will be maintained 	<p>In accordance with criteria 2.2; 2.3; 6.2 and 6.4</p>

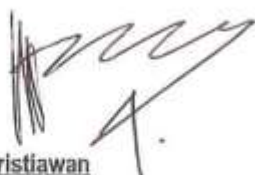
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. Dendymarker Indah Lestari
Management Representative

Mutuagung Lestari
Lead Auditor



Rio Christiawan

Wednesday, 07 September 2016



Ardiansyah

Wednesday, 07 September 2016

APPENDICES

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	KUD Pakar Maur	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
2	Local Contractor (CV Usaha Gemilang-Transportation) CPO	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
3	Worker Union of PT.DMIL	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
4	Gender Committee	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
5	Beringin Jaya Village	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
6	Kerta Sari Village	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
7	Bingin Rupit Village	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
8	Enviromental Agency	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
9	Labor Agency	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
10	Plantation Agency	Musi Rawas Utara District, Sumatera Selatan Province	-	Interview	28 June 2016	√	
11	National Land Agency	Lubuk Linggau City, Sumatera Selatan Province	-	Interview	28 June 2016	√	
12	Enviromental Agency	Tebo District, Jambi Province	-	Interview	30 June 2016	√	
13	Labor Agency	Tebo District, Jambi Province	-	Interview	30 June 2016	√	
14	Plantation Agency	Tebo District, Jambi Province	-	Interview	30 June 2016	√	
15	National Land Agency	Tebo District, Jambi Province	-	Interview	30 June 2016	√	
16	Teluk Pandak Village	Tebo District, Jambi Province	-	Interview	30 June 2016	√	
17	Mangun Jaya Village	Tebo District, Jambi Province	-	Interview	30 June 2016	√	
18	KUD Tujuan Murni	Tebo District, Jambi Province	-	Interview	30 June 2016	√	
19	Worker Union of PT.TI	Tebo District, Jambi Province	-	Interview	30 June 2016	√	

20	Wahana Lingkungan Hidup	Jakarta, Indonesia	informasi@walhi.or.id	Email	09 June 2016		√
21	Aliansi Masyarakat Adat Nusantara	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	09 June 2016		√

Appendix 2. Assessment Program

Date	27 June – 2 July 2016	
Actual	PROCESS	AUDITOR
Monday, 27 June 2016		
07.30 – 08.30 09.00 – 14.00 15.00 – 16.00 16.00 – 17.00	JAKARTA → BENGKULU LINGGAU → SITE OPENING MEETING Review of Previous Visit Non-conformance (ST-1 & ST-2)	ARD/ MES/ MR/ YM
Tuesday, 28 June 2016		
08.00 – 12.00	Stakeholders consultation to Nearest village and community leader Stakeholders consultation to Government Institution Review of Previous Visit Non-conformance (ST-2)	MES MR ARD/ YM
12.00 – 13.00	BREAK	ARD/ MES/ MR/ YM
13.00 – 16.00	Stakeholders consultation to Labour union (SPSI), Gender Committee and local contractor Stakeholders consultation to Transporter of CPO and PK Clarification of Public Consultation and field observation	YM ARD ARD/ MES/ MR/ YM
Wednesday, 29 June 2016		
08.00 – 12.00	Field Observation BINGIN RUPIT-2 ESTATE <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, IPM, Road Maintenance Worker facilities (housing, health clinic, clean water, landfill, etc); Hazardous Waste Material (Limbah B3); Hazardous Material (B3) management and Land Fire facilities Legal operational and HCV Area	ARD/ MES/ MR/ YM MR YM MES ARD
12.00 – 13.00	BREAK	ARD/ MES/ MR/ YM
13.00 – 16.00	Field Observation to DENDYMARKER POM <ul style="list-style-type: none"> Process Station (Grading – despatch) WWTP; WTP; Hazardous Waste Warehouse; Drainage; Collecting place of fiber, shell and EFB. Hazardous Warehouse; Workshop; Engine Room; Boiler 	ARD/ MES/ MR/ YM MR YM MES ARD
18.30 – 19.30	CLOSING MEETING	ARD/ MES/ MR/ YM
20.00 – 24.00	Travelling PT Dendymarker – Tebo	ARD/ MES/ MR/ YM
Thursday, 30 June 2016		
08.00 – 09.00	OPENING MEETING	ARD/ MES/ MR/ YM
09.00 – 12.00	Stakeholders consultation to Related Government Institution (Tebo District Government and local NGO)	MR
09.00 – 12.00	Legal operational and Conservation Area	ARD

12.00 – 13.00	Field Observation PT TEBO INDAH: Worker facilities (housing, health clinic, clean water, landfill, etc); Hazardous Waste Warehouse; Hazardous Material Warehouse and Land Fire facilities Review of Previous Visit Non-conformance (ST-2) and Document Review BREAK	YM MES ARD/ MES/ MR/ YM
13.00 – 16.00	Stakeholders consultation to Nearest village and community leader Stakeholders consultation to Labour union (SPSI), Gender Committee and local contractor	ARD/ MES YM
Friday, 1 July 2016		
08.00 – 12.00	Field Observation PT TEBO INDAH: Manuring, Spraying, Harvesting, IPM, Road Maintenance Review of Previous Visit Non-conformance (ST-2) and Document Review	MR/ MES ARD/ YM
12.00 – 13.00	BREAK	ARD/ MES/ MR/ YM
13.00 – 15.30	Continue checklist and audit finding preparation	ARD/ MES/ MR/ YM
15.30 – 16.00	CLOSING MEETING	ARD/ MES/ MR/ YM
Saturday , 2 July 2016		
08.00 – 12.00	SITE → JAMBI	ARD/ MES/ MR/ YM
13.00 –	JAMBI → JAKARTA	ARD/ MES/ MR/ YM