

***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 Subsidiary of SIPEF GROUP**

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 2017**

Date of Certificate Expiry : **26 July 2020** Date of License Expiry : **26 July 2018**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	10 - 14 July 2017	Trismadi Nurbayuto, Andi Pasaribu, Dwi Haryati,Radityo Puspanjana	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	13 September 2017

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Figure 1. Location Map of PT Dendymarker Indahlestari

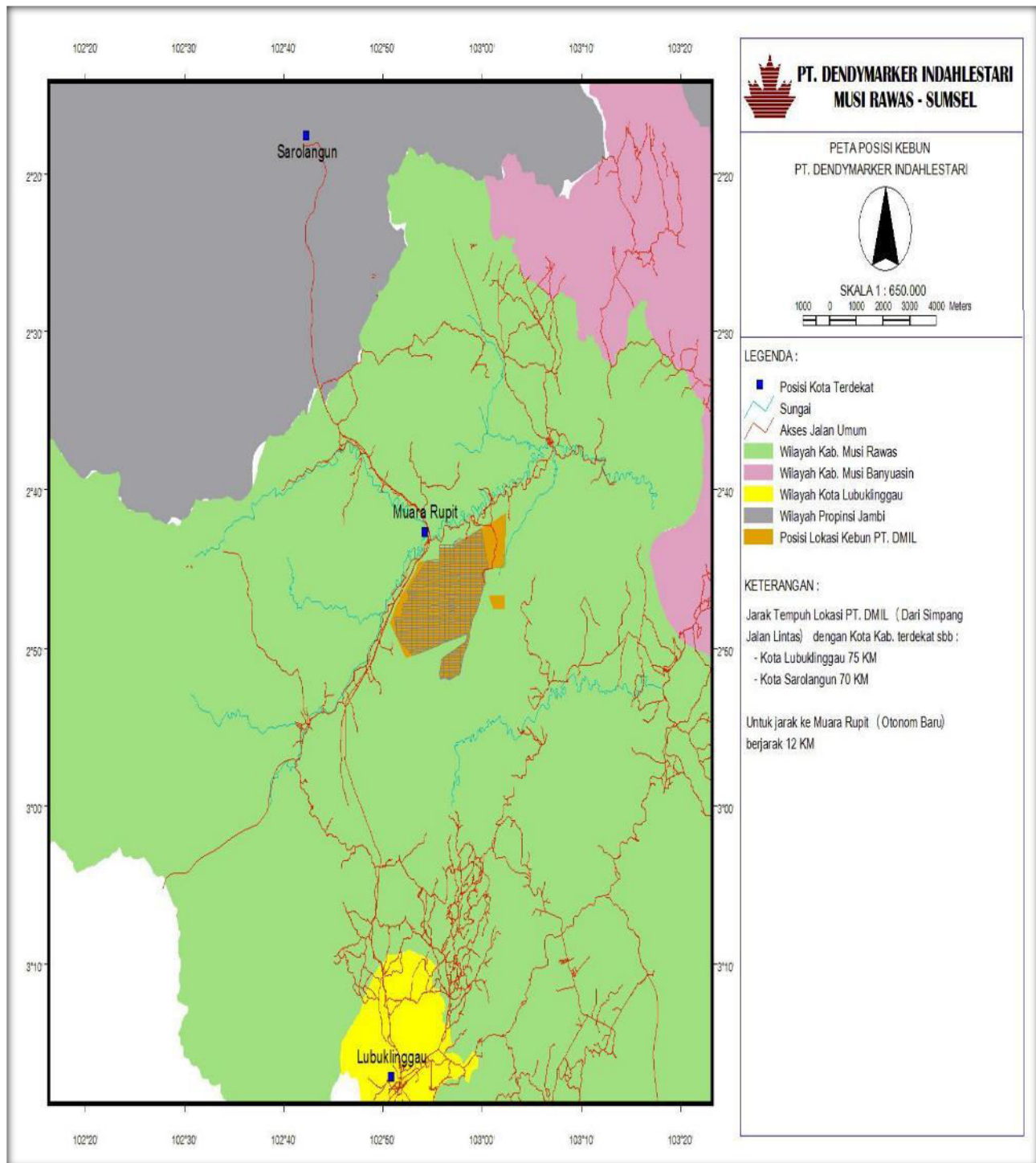


Figure 2. Location Map of PT Tebo Indah



Figure 3. Operational Map of PT Dendymarker Indahlestari

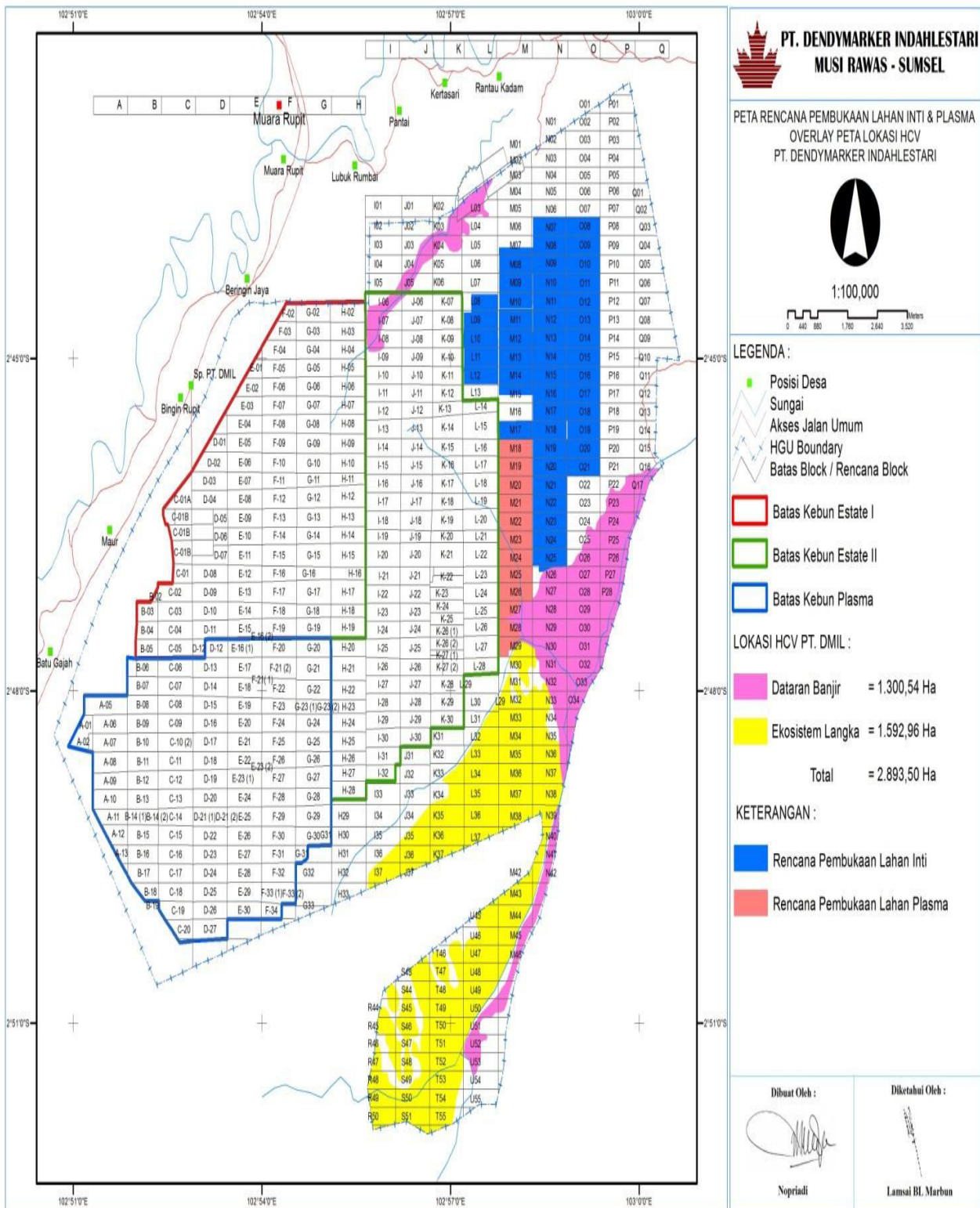
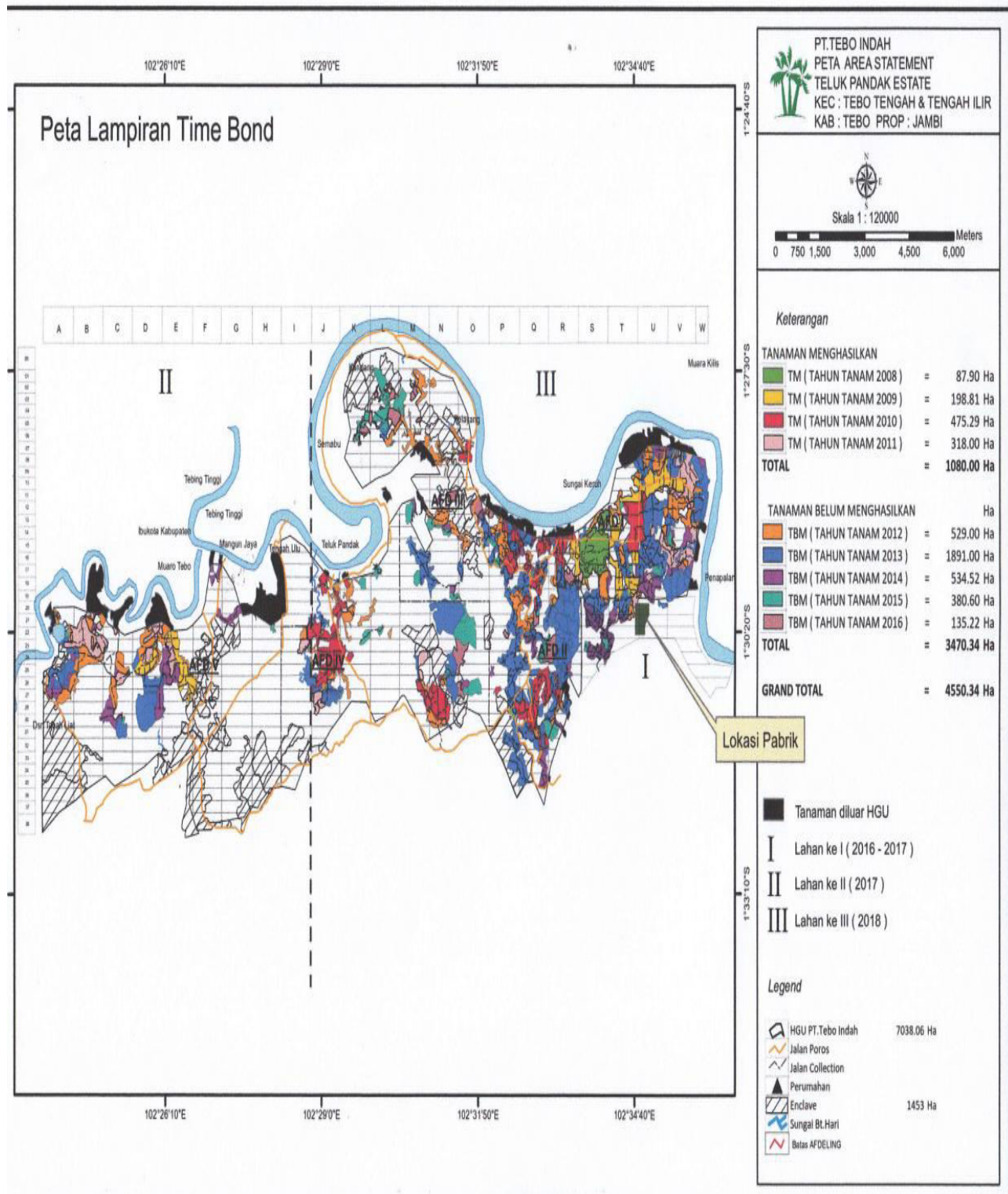


Figure 4. Operational Map of PT Tebo Indah



Abbreviations Used

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</i> (Land Use Permit)
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</i> (OHS Guiding Committee)
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</i> (Environment Management Plan)
RPL	:	<i>Rencana Pemantauan Lingkungan</i> (Environment Monitoring Plan)
RTE	:	Rare, Threatened and Endangered
SIA	:	Social Impact Assessment
SOP	:	Standart Operating System

THR	:	<i>Tunjangan Hari Raya</i> (holiday allowance)
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">Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th September 2016.RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Dendymarker Indah Lestari – Subsidiary of SIPEF Group	
1.2.2	Contact person	Olivier Tichit	
1.2.3	Organisation address and site address	RSPO registered company: Gedung Bank Sumut 7 th Floor, Jl Imam Bonjol No. 18, 20152 Medan, Sumatera Utara Province – Indonesia Site Location: Karang Dapo 1 Viilage, Karang Dapo Sub-District, Musi Rawas District, South Sumatera Province	
1.2.4	Telephone	+62 61 415 2043	
1.2.5	Fax	+62 61 452 0908	
1.2.6	E-mail	ortichit@sipef.com	
1.2.7	Web page address	www.tolantiga.com	
1.2.8	Management Representative who completed the application for certification	Olivier Tichit (Director)	
1.2.9	Registered as RSPO member	1-0021-05-000-00 - 7 th December 2005	
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
	Dendymarker POM	Karang Dapo 1 Viilage, Karang Dapo Sub-District, Musi Rawas District, South Sumatera Province	LatitudeLongitude
			S 02° 47’ 45.28”E 102°56’ 45.56”
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Bingin Rupit-1 Estate (BR-1)	Village of Bingin Rupit and Beringin Jaya, Muara Rupit Sub-District, Musi Rawas District, South Sumatera Province.	S 02° 47' 42.5"	E 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° 48' 58.7"	E 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° 31' 11"	E 102°30' 57.3"		
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		20,742.97 Ha		
	• Community		- Ha		
1.5.2	Area Statement	PT Dendymarker Indah Lestari (Ha)	PT Tebo Indah (Ha)	Total (Ha)	
	• Total area	13,704.91	7,038.06	20,742.97	
	• Mature area	4,868.95	1,443.28	6,312.23	
	• Immature area	3,018.54	2,671.40	5,689.94	
	• Infrastructure (Building, Road and bridge)	364.77	402.77	767.54	
	• Nursery	38.05	-	38.05	
	• Mill	7.34	-	7.34	
	• Reserve Area	2,248.75	2,256.55	4,505.30	
	• HCV Area	2,893.50	264.06	3,157.56	
	• Not planted Area (canal)	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	-	624.76	347.82	972.58		
	2015	-	939.22	362.03	1,301.25		
	2016	-	694.13	135.22	829.35		
	TOTAL	2,489.20	5,398.29	4,114.68	12,002.17		
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)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Dendymarker POM	20	56,340.01	9,127.08	16.20	2,377.55	4.22
	<i>*Production data source from 12 months before assessment</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Bingin Rupit 1	2,662.83	2,489.20	26,550.47	10.96	26,550.47	100
	Bingin Rupit 2	11,042.08	5,398.29	25,474.55	10.42	25,474.55	100
	Teluk Pandak	7,038.06	4,114.68	11,226.03	7.78	-	-
	TOTAL	20,742.97	12,002.17	63,251.05	10.02	52,025.02	
	<i>*Production data source from 12 months before assessment</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	KUD Muar Kaur (Uncertified RSPO)	(associated smallholders)	2,973 smallholders	2,937 Ha	4,261.31		
	Plasma Pantai Inti (Uncertified RSPO)	(associated smallholders)	1,093 smallholders	1,093 Ha	53.68		
	TOTAL			4,314.99			
	<i>*Source Production Data on 12 months before assessment</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 27 July 2016 to 26 July 2017 (tonnes/year)		Actual certified product 27 July 2016 to 8 July 2017 (tonnes/year)	
	• FFB Production			70,341		52,440.08	

	<ul style="list-style-type: none">CPO ProductionPalm Kernel (PK) Production	12,678	8,740.44	2,204.34																									
1.8.2	Product selling																												
	Tonnage of selling product	Actual selling product period 26 July 2016 until 8 July 2017																											
	<ul style="list-style-type: none">CSPO		18.00																										
	<ul style="list-style-type: none">CSPK		424.69																										
	<ul style="list-style-type: none">CPO under other scheme trading (e.g ISCC, RFS)																												
	<ul style="list-style-type: none">CPO under conventional trading (if any)		9,081.89																										
	<ul style="list-style-type: none">PK under other scheme		-																										
	<ul style="list-style-type: none">PK under conventional trading (if any)		1,943.40																										
1.8.3	Estimate of Certified FFB Claim																												
	<table><tr><th>Name of Estate(s)</th><th>Total Area (Ha)</th><th>Planted Area (Ha)</th><th>FFB (tonnes/year)</th><th>Yield (tonnes/ha/year)</th></tr><tr><td>Bingin Rupit 1</td><td>2,662.83</td><td>2,489.20</td><td>29,878</td><td>12.00</td></tr><tr><td>Bingin Rupit 2</td><td>11,042.08</td><td>5,398.29</td><td>28,748</td><td>5.33</td></tr><tr><td>Teluk Pandak</td><td>7,038.06</td><td>4,114.68</td><td>11,787</td><td>2.86</td></tr><tr><td>TOTAL</td><td>20,742.97</td><td>12,002.17</td><td>70,413</td><td>5.87</td></tr></table>	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	29,878	12.00	Bingin Rupit 2	11,042.08	5,398.29	28,748	5.33	Teluk Pandak	7,038.06	4,114.68	11,787	2.86	TOTAL	20,742.97	12,002.17	70,413	5.87			
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Teluk Pandak	7,038.06	4,114.68	11,787	2.86																									
TOTAL	20,742.97	12,002.17	70,413	5.87																									
	<i>*Projected FFB production for 12 months of certificate</i>																												
1.8.4	Estimate of Certified Palm Product Claim																												
	<table><tr><th rowspan="2">Name of Mill</th><th rowspan="2">Capacity (tonnes/ hour)</th><th rowspan="2">FFB Processed (tonnes/year)</th><th colspan="2">CPO</th><th colspan="2">Palm Kernel</th><th rowspan="2">Supply Chain Module</th></tr><tr><th>Out put (tonnes)</th><th>Extraction (%)</th><th>Out put (tonnes)</th><th>Extraction (%)</th></tr><tr><td>Dendymarker POM</td><td>20</td><td>70,413</td><td>12,674</td><td>18.00</td><td>3,169</td><td>4.50</td><td>MB</td></tr></table>	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module	Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	Dendymarker POM	20	70,413	12,674	18.00	3,169	4.50	MB								
Name of Mill	Capacity (tonnes/ hour)				FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module																			
		Out put (tonnes)	Extraction (%)	Out put (tonnes)		Extraction (%)																							
Dendymarker POM	20	70,413	12,674	18.00	3,169	4.50	MB																						
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>																												
1.9	Other Certifications																												
	ISO 9001:2008		-																										
	ISO 14001: 2004		-																										
	OHSAS 18001:2007		-																										
	ISCC		-																										
	Others		ISPO Certificate → MUTU-ISPO/044 valid 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																											
	Muko Muko Mill		Muko Muko Estate																										
			S. Betung Estate																										

(PT Agro Muko)	2011	Tanah Rekah Estate	2011	Mukomuko Regency, Bengkulu Province, Indonesia	Certified February 2011
		Talang Petai Estate			
		S. Kiang Estate			
		KMD			
Bunga Tanjung Mill (PT Agro Muko)	2011	Bunga Tanjung Estate	2011	Mukomuko Regency, Bengkulu Province, Indonesia	Certified February 2011
		Air Bikuk Estate			
		Air Buluh Estate			
		KMD			
		Air Majunto Estate (PT Mukomuko Agro Sejahtera)	2014	Mukomuko Regency, Bengkulu Province, Indonesia	Certified February 2015
		Malin Deman Estate	2014	Mukomuko Regency, Bengkulu Province, Indonesia	Certified February 2015
Bukit Maradja Mill (PT Tolan Tiga)	2010	Bukit Maradja Estate (PT Eastern Sumatra Indonesia)	2010	Simalungun Regency, Sumatera Utara Province, Indonesia	Certified May 2010
		Kerasan Estate (PT Kerasan Indonesia)			
Perlabian Mill (PT Tolan Tiga)	2010	Perlabian Estate	2010	Simalungun Regency, Sumatera Utara Province, Indonesia	Certified May 2010
		Tolan Estate			
Umbul Mas Wisesa Mill (PT Umbul Mas Wisesa)	2014	UMW South Estate	2014	Labuhan Batu Selatan Regency, Sumatera Utara Province, Indonesia	Certified March 2015
		UMW North Estate			
		Toton Usaha Mandiri Estate			
-	-	PT Agro Kati Lama	2021	Musirawas Regency, Sumatera Selatan Province, Indonesia	Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014.
-	-	PT Agro Muara Rupit	2024	Musirawas Utara Regency, Sumatera Selatan Province, Indonesia	Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014.
-	-	PT Agro Rawas Ulu	2024	Musirawas Regency, Sumatera Selatan Province, Indonesia	Still developed (It has been RSPO NPP), RSPO public Notification

					on 31 st March 2014.
Hargy Mill (Hargy Oil Palm Limited (HOPL))	2009	Hargy Estate	2009	East of Bialla, West New Britain Province , Papua New Guinea	Certified April 2009
Navo Mill (Hargy Oil Palm Limited (HOPL))	2009	Navo Estate	2009	50 Kms East of Bialla, West New Britain Province, Papua New Guinea	Certified April 2009
		Bakada Estate			
		Mengen Estate			
Barema Mill (Hargy Oil Palm Limited (HOPL))	2014	Barema Estate	2014	30 Km East of Bialla, West New Britain Province, Papua New Guinea	Certified April 2014
Dendymar ker Indah Lestari Mill (PT Dendymar ker Indah Lestari)	2015	Bingin Rupit 1 Estate	2015	Musirawas Utara Regency, Sumatera Selatan Province	The Most recent acquisition was on 1 st August 2017, it has been certified on 2015
		Bingin Rupit 2 Estate			
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 Mill certified (2018). The progress for smallholder is socialization of Best Management Practices and RSPO.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-2	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead Auditor). Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this audit, he assigned to verify legal aspect, land dispute and SCCS. Andi Pratama Pasaribu (Auditor). Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005 etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he assigned to verify of OHS aspect and best management practices aspect. Radytio Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. During this audit, he assigned to verify environmental aspect, and High Conservation Value. Dwi Haryati (Auditor). Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study: Agronomy. Has experience on Palm Oil Plantation as Sustainability staff. Training have been followed : Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. Aspects to be audited: best management practices, Occupational Health and Safety (K3), Social Worker. During this audit, she assigned to verify social welfare and transparency.
Major NC Verification	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead Auditor). Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During Major Verification, he assigned to verify non major conformities of legal aspect and environment aspect. Hasiholan Sihombing (Auditor Trainee). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for seven (7) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Auditor ISPO training, awareness RSPO P&C and certification system, Quality Management Systems training (ISO 9001:2015), Environmental Management Systems training (ISO 14001:2015), OHS General Expert training, OHSAS 18001:2007 training and ISO 17021 & 17065 training. During Major Verification, he assigned to verify major nonconformities of Best Management Practices aspect, Worker Welfare and OHS aspect under supervise by Lead Auditor.

2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-2	Number of auditors : 4 auditor Number of days for ASA-2 at site : 5 days Number of working days for ASA-2 at site : 20 Working days
Major Verification	Number of auditors : 2 auditor Number of days for Major Verification at site : 3 days Number of working days for Major Verification at site : 6 Working days
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PT Dendymarker Indah Lestari to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (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. Some opportunities for improvement of the results (ASA-2) delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-3). Improvement of findings from main assesment findings were observed by auditors at this (ASA-2) assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of (ASA-3). The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
ASA-2	<p>The sampling method, based on:</p> <ol style="list-style-type: none"> 1. Location choosen 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-1 Estate and Teluk Pandak Estate. 2. Consideration of issues that arising from document verification and stakeholder consultation that is fundamental and cricial. <p>Dendymarker POM</p> <ol style="list-style-type: none"> 1. Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. 2. Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker. 3. Mill Dranage. Observations mill effluent lines, sanitation mill and flow of leaching mill. 4. Hazardous waste temporary warehouse. Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. 5. Loading Ramp. Observation due to the receiving process of fresh fruit bunch, grading, and record of grading result 6. WWTP. Observation management effluent. Field observations related to Ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent. 7. WTP Stasiun. Observation and interview with operator towards technical, OHS and manpower aspects. 8. EFB, Shell and Fiber station. Observations related to the suitability of waste management with SOPs and environmental aspect. 9. Engine room. Observation and interview with the worker related to implementation of OHS, understanding of safe working, administration of fossil fuels use. 10. Processing Station. Observation and interview with the operator of processing station regarding to the work procedure and its implementation, the implementation of occupational health and safety, payroll and the submission of complaint mechanism.

DMIL-BR1

1. **HCV area, Hitam Riparian, Blok Ig/H4, Afdeling BR-1.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees.
2. **HCV area, Abang Riparian, Blok L28 / M29, Afdeling BR-1.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees.
3. **Chemically weed control, Block H16 Division IV.** Observation and interview with supervisor and the applicator of pesticide regarding to the procedure of weed control by chemically, the implementation of occupational health and safety, payroll, and the submission of complaint mechanism.
4. **Harvesting, Block D9 of Division II.** Observation and interview due to the activity of supervisor and pesticide applicator of harvesting related to the process of harvesting, implementation of occupational health and safety, payroll and the submission of complaint mechanism.
5. **Water outlet, Block D3 of Division I.** Observation due to the implementation of water management and the monitoring technic of water level.
6. **Pole subsidence. Block D3 of Division I.** Observation due to the monitoring instrument of soil pest surface decline.
7. **Boundaries Pole 004, Block 62 of Division I.** Observation due to the availability and maintenance for the sign of legal boundaries pole.
8. **Boundaries Pole 002 and 003.** Observation due to the availability and maintenance for the sign of legal boundaries pole. Based on the field visit, it's known that the pole is located to the area which occupied by community.

DMIL-BR2

1. **Fire equipment storage.** Observation on the provision of fire equipment, the condition and the preparedness of fire equipment and its documentation.
2. **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.
3. **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.
4. **Daycare.** Observation on the facilities, daycare employee status and the understanding of the assigned personnel on his/her task.
5. **Landfill.** Observation on landfill condition, the waste handling mechanism.
6. **Fertilizer warehouse.** Observation on fertilizer store mechanism, MSDS and the recording of incoming and outgoing fertilizer.
7. **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.
8. **Engine room BR-1.** Observation on the environment condition, hazardous waste handling and emergency response such as if any fire condition.
9. **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.
10. **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:

1. **Harvesting, Block of R15.** Observation and interview due to the activity of supervisor and pesticide applicator regarding to the procedure, implementation of occupational health and safety, payroll and the submission of complaint mechanism.
2. **Boundaries pole of TI-36.** Observation due to the availability and maintenance for the sign of legal boundaries pole.
3. **Boundaries pole of TI-08.** Observation due to the availability and maintenance for the sign of legal boundaries pole.
4. **Clinic.** Observation on health facility, medical waste handling, general health condition of workers, management

- of hazardous waste and record of accidents.
5. **Hazardous waste temporary warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.
 6. **Fertilizer and chemical Warehouse.** Field observations related to condition in the chemical warehouses and management of hazardous, OHS implementation and toxic materials.
 7. **Fire equipment storage.** Observation on the provision of fire equipment, the condition and the preparedness of fire equipment and its documentation.
 8. **PPE Warehouse of Spraying team and mixing area.** Observation the conditions PPE of warehouse and PPE handling.
 9. **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, management of hazardous waste and social worker.
 10. **Engine room.** Observation and interview with the worker related to implementation of OHS, understanding of safe working, administration of fossil fuels use.
 11. **Lubricant Warehouse.** Field observations related to condition in the lubricant warehouses and management of hazardous waste, OHS implementation.
 12. **HCV area, Bungkal Riparian, Blok D26/E27, Afdeling 5.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, agrochemical application, hunting and illegal logging of natural trees.
 13. **HCV area, Kait Riparian, Blok B24/B25.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, agrochemical application, hunting and illegal logging of natural trees.
 14. **HCV area, Belilas Riparian, Block J22 Afdeling 4.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, agrochemical application, hunting and illegal logging of natural trees.
 15. **Housing complex of Division I.** Observation on employee house condition, domestic waste management, provision of clean water and electricity, environmental sanitation and employee complaint handling situation.
 16. **Landfill.** Observation on landfill condition, the waste handling mechanism.

Stakeholder interview

1. **Employee interview in PT. DMIL.** Spraying : 4 (four) female employees and 2 (two) male employees, including supervisor.
Harvesting : 2 (two) employees and 1 (one) supervisor
2. **Employee interview in PT. Tebo Indah.** Harvesting : 2 (two) employees and 1 (one) supervisor.
3. **Community figures of Maur Baru Village, Lubuk Rumbai Village, Pantai Village.** Interview in term of the positive and negative impacts caused by PT DMIL.
4. **Community figures of Aburan Village.** Interview in term of the positive and negative impacts caused by PT Tebo Indah.
5. **Local Contractor PT DMIL,** Interview in term of agreement letter, payment, safety and health (OHS).
6. **Interview and consultation with Worker Union, Gender Committee and Local Contractor in PT DMIL** on 10 July 2017 and in PT. TI on 13 July 2017.
7. **Local Contractor PT Tebo Indah,** Interview in term of agreement letter, payment, safety and health (OHS).
8. **Interview and consultation with Worker Union, Gender Committee and Local Contractor in PT Tebo Indah** on 13 July 2017.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Dendy Marker Indah Lestari and PT Tebo Indah was held by:</p> <p>Public Notification www.mutucertification.com on 06 July 2017.</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples.</p> <ol style="list-style-type: none"> 1. Public consultation by interview with government agencies in Musi Rawas District and Tebo District on 15 July 2017 and 13 July 2017 2. Public consultation by interview with locals of the nearby village (Maur Baru Village, Lubuk Rumbai Village, Pantai Village and Abuaran Village) on 11 July and 15 July 2017. 3. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative and gender

	commiitee) on 10 July 2017 and in PT. TI on 13 July 2017.
	Numbers of input from stakeholders were clarified by PT Dendymarker and PT Tebo Indah
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit ASA-3 will be determined one year after this ASA-2 (July -2018).

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Dendymarker Indah Lestari POM – PT Dendymarker Indah Lestari, SIPEF GROUP operation consisting of one (1) mill and two (2) oil palm estates and 1 estate under PT Tebo Indah.

During the assessment, there were 36 Nonconformities were assigned against Major Compliance Indicator(s); thirty-six (36) nonconformities were assigned against Minor Compliance Indicators; and six (6) nonconformities and one (1) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc...). Those corrective action(s) taken that consist of *thirty-six (36)* Major non-conformities had been closed out shall be verified during next assessment.

After the ASA-2 the certified unit has to provide corrective action to complying the non-conformances in 60 days (especially Major Non-conformance) prior the auditor team recommends to continue the certification.

Due to the certified unit has not been able to closed the major non-conformities within sixty days after the audit conducted, therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *suspended (12 September 2017)* and given another sixty days to show the corrective actions taken..

The certified unit has showed the corrective action to closed out all the major non-conformities, therefore on *14 September 2017* the MUTUAGUNG LESTARI have recommend to lift the suspension and may continue the certificate

MUTUAGUNG LESTARI found that Dendymarker Indah Lestari POM – PT Dendymarker Indah Lestari, SIPEF GROUP complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, 30 September 2016.

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	<p>The certificate holder has a list of stakeholders that has been updated in 2017 by the CSR manager. Updates are made every time there is a change or change of stakeholder arrangement. The types of information provided and accessible to stakeholders are classified into confidential data, limited data and general data. Based on interviews with the villages of Maur Baru, Lubuk Rumbai and the coastal villages, the community has not received any socialization related to communication and consultation procedures. This prompted Minor Raised to be Major Non conformity NCR 2016.01.</p> <p>The certificate holder shows evidence of stakeholder participation documentation, for example, the minutes of meeting socialization of FFB pricing for May 2017 period held on June 3, 2017 at KUD Pakar Maur Office, meeting with Head regent of Musi Rawas Utara and head of BPN Musi Rawas related to HGU. The evidence shown is not enough to answer the description of non-conformity that is indicated socialization of the type of information that can be accessed by</p>	

stakeholders and stakeholder understanding of the type of information.

Based on the above description, the minor nonconformities 2016.01 on ASA-1 have not been met and become Major (Open) in ASA-2.

1.1.2

The Company has procedures to respond the stakeholders in the Request of Information procedure with no. 04 / PI-DMIL / 2013 and Procedure of Request Information with No.04 / ISPO-SOP / TI / 2013. This procedure is still the same as the previous assessment.

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 flowchart, it is told that the time information response is 30 days.

Information requests records by stakeholders are available, for example :

- Aid of Religion activities like Quranic competition with memo No.009 / PT DMIL / CSR / II / 2017 dated 3 February 2017 from CSR manager. The accommodation was given to Rantau Kadam Village given on March 5, 2017.
- In the year 2017 there are 10 incoming letters PT Tebo Indah for example letter no B / 247/012017 regarding the certificate of Occupation of Occupation of Employment BPJS.

Based on document review, some requests for information or financial assistance have been addressed but not all contain the time in response the information. This makes the indicator an improvement opportunity (OFI). The Company has the opportunity to complete the recording of requests for information with the response date of the management unit (although it is a response to the request for assistance).

1.1.1	Status: Nonconformity No. 2016.01 with Minor Raised be Major Category.	Open
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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: imited / secret data (such as Internal memo, Documents on leave, Letter of Decree, 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 stakeholder consultation with smallholders, the document of deduction of the smallholders payment can be access by the smallholders and they have know the debt of plasma payment through cooperative.

	Status: Comply	
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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 **Nonconformities No. 2016.03 with minor raised to Major category**

1.3.1	Status: Nonconformities No. 2016.03 with minor raised to Major category	Open
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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

Legal License compliance:

PT Dendymarker Indahlestari

The company has shown the fulfillment evidence of applicable legal requirement, such as :

1. The company has already owned the deed of incorporation's document
2. The company has already owned the plantation business permit for processing.
3. The company has already owned the plantation business permit for cultivation.
4. The company has already owned the land tenure document in the form of land use title certificate

The certificate of land use title No, 04 of 1998, there's a revision due to the extent on 27 July 2016 which is comply with the re-measurement result from the beginning as wide as 17,793.5 hectare to **13,704.91 hectare**.

PT Tebo Indah

1. There's deed of last amendment of PT Tebo Indah with reference No.20 of 2008 on 21 November 2008.
2. The decree of Tebo Region No. 64 of 2015 regarding to the amendment of plantation business permit of PT Tebo Indah on 22 Desember 2015 which is as wide as **7,038.06 hectare**.
3. The certificate of land use title and building rights title which are still occur.

The document which is related to the legality of estate was saved by legal department at the head office

Environment compliance:

PT DMIL

- Has complied with possession of a document related to EIA (Environmental Impact Analyst) and reporting RKL-RPL periodically to the government agency, for example: implementation report of RKL / RPL in the second semester of 2016 to DLHP Kab. Musi Rawas Utara on February 8 2017.
- Has a temporary storage hazardous wastes and reported the waste balance refers to PP No.101 Tahun 2014. Permit storage of warehouse hazardous wastes comply decision of Musi Rawas Utara regent No. 396/KPTS/DPE-LH/MRU/2016 on October 5 2016, valid for 5 years.
- Land preparation without burning and has the infrastructure in fire anticipation, according to Permentan No. 26 of 2007 section 15.
- Compliance with the permit to dispose the liquid waste into rivers / canals. According to Decree of regent musu rawas utara nomor 395/KPTS/DPE-LH/MRU/2016 on Wastewater Disposal Permits for Water Resources on October 5, 2012, valid for 2 years.
- The Compliance Regulatory, is owned by the sustainability team and SPO officer Saved on estate and Palm oil Mill.
- Certificate holder proves its compliance toward the applicable regulations, such as: having plantation permit PT DMIL (No. 576 of 2008) and PT TI (No. 640/Kpts/HK.350/Dj.Bun/VIII/2001), having a license for schedule waste PT DMIL (No. 396/KPTS/DPE-LH/MRU/2016) and PT TI (No 458 of 2013), land application license and having environment impact analysis and the provision of social insurance for manpower. The entire copy of the rules is stored in the office of each unit. Based on interviews with relevant institutions (Plantation Agency, Labor Agency, and, National Land Agency, and Environment Environmental Agency), it is noted that the management unit has complied with the regulations related to the estate, employment and the environment.

Based on document review and interviews with workers, the number of working days as daily workers such as BR-2 warehouse attendants from March to May 2017 worked for 21 days in three consecutive months but has not been appointed permanent employees. This is not in accordance with Kepmenaker No. 100 of 2004.

There is a non-compliance is identified, among others: **Nonconformity No. 2017.01 with Major categories**

2.1.2 & 2.1.3

Certificate holder has a mechanism to identify, implement and evaluate the compliance with the law described in SOP of Rules and Other 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, sector and international treaties ratified by Indonesia.

This procedure has explained the PIC who is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Based on this mechanism, the company identifies the type of legislation that must be met and classify them in a group of HCV, Labor, Environment, Licensing and OHS.

2.1.4

The system of change in law has not been recorded and implemented. **It was raised as Non Conformities No. 2017.02.** According to document verification, certification unit was shown updated regulation. For example: Man Power Regulation No. 1 of 2017. However, there are no record of change of law register and evaluation of the implementations.

2.1.1

Status: Nonconformity No. 2017.01 with Major category

2.1.4

Status: Nonconformities No. 2017.02 with minor category

Open

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 Major

PT Dendymarker Indahlestari

The company has shown the fulfillment evidence of applicable legal requirement, such as :

1. The company has already owned the deed of incorporation's document.
2. The company has already owned the plantation business permit for processing.
3. The company has already owned the plantation business permit for cultivation.
4. The company has already owned the land tenure document in the form of land use title certificate

The company with related institution (National Land Agency) have been done the re-measurement of own estate area and plasma on 4 to 24 April 2016. There's a revision for area on 27 July 2016 which is comply with the re-measurement result from the beginning as wide as 17,793.5 hectare to be **13,704.91 hectare**. Whereas half of the land use title area is returned to the country and distributed to the community in order to be the plasma estate.

PT Tebo Indah

1. There's the deed of last amandment of PT Tebo Indah with the reference No. 20 of 2008 on 21 November 2008.
2. The decision of Tebo Region with reference No. 641 of 2015 regarding to the amandment of plantation business permit of PT Tebo Indah on 22 December 2015 which is as wide as **7,038.06 hectare**.
3. The certificate of land use title and building rights title which are still occur.

Based on the field visit at the pole of 34 at block S14 of Division I of PT Tebo Indah, it's indicated that there's a cultivation outside of the land use title. However, it's still could not be shown by the document which can explain due to the case adequately. **The non conformity No. 2017.03 as major category.**

2.2.2 Minor

PT DMIL has already owned the standard operational procedure for the maintenance of land use title boundaries pole (31/PHGU-DMIL/2013) which is established by COO, Director of HR and Legal, and the Director of Operational on 10 May 2013. Based on this procedure, it's known that the weed cleaning is done periodically for each month.

PT Tebo Indah has also already owned the standard operational procedure for the maintenance of land use title boundaries pole (31/TI-RSPO/2014) which is established by the head of administration, Manager, and General Manager of Operational on 18 January 2014. Based on this procedure, the weed cleaning is done periodically for each month. From the result of monitoring, it's know that the monitoring activity is done every three months.

The assisstant of GIS has shown the location map of boundaries pole with the scale 1 : 30,000. Based on the result of field trip, the land use title boundaries pole 004, 003, and 003 have been maintained well. However, the boundaries pole

002 and 003 for this time have been controlled by other parties (community estate).

Based on the explanation above, it's known that the realization of monitoring for land use title at PT Tebo Indah and PT DMIL do not comply with its procedure. **The non conformity No. 2016.06 as minor category.**

Unit of management still could not shown the evidence of visual documentation which can be reassure the team of auditor that all boundaries pole have been maintained well and comply with the standard operational procedure which is already established. **The non conformity No.2016.06 (minor raised to major category).**

2.2.3 Minor

PT DMIL

The result of public consultation with the community of Mawar Baru Village, Lubuk Rumbai, and Pantai Village, it's known that there's a land conflict to the unmanaged area by company, but it's located to company's land use title area. However, based on the result of public consultation with National Land Agency of Musi Rawas and the around village (Kertasari, Beringin Jaya), it's known that there's no land conflict.

PT TI

Based on the public consultation with Mangun Jaya and Teluk Pandak Village, it's known that there's no land claim conflict in the area of PT Tebo Indah. However, based on the result of document review, it's shown that there're 6 (six) land conflicts which is happen in the area of company. Unit of management could not shown the record of land conflict resolution process which has been happened. **The non conformity No. 2016.07 as minor category.**

ASA-2

Unit of management could not shown the system which is capable to do the monitoring and documentation to detail of all disputes/land dispute potentials with its resolution plan. **The non conformity No. 2016.07 (minor raised to major).**

2.2.4 Major

The company has already owned the standard operational procedure of conflict resolution (024/PK-DMIL/2013) which is established on 23 May 2013 by COO, Director of HR and Legal, and Director of Operational. This procedure is explaining related to :

- The land inventory which is done by estate, land owner, village officer or muspika.
- Creating map location

The result of public consultation with the community whom around village of PT DMIL (Mawar Baru, Lubuk Rumbai, and Pantai Village) and PT Tebo Indah (Abuaran and Tengah Ulu Village), it's known that there're no land conflicts that significantly causing the disturbance to the operational activity of the company.

2.2.5 Minor

PT. DMIL

The company has already owned the standard operational procedure of conflict resolution which is explaining due to if there's any kind of land conflict, then the map location must be created and the report of inventory result must be signed by the estate manager, land owner, village officer and or muspika.

PT TI

Unit of management could not shown the mapping procedure for land conflict which is done participatively. **The non conformity No. 2016.08 as minor raised to major.**

Based on the field visit at the estate of PT DMIL and PT TI, it's known that there's still not enough evidence which could shown that the participative mapping has been already done and involving the impacted parties who occupy the land use title area of the company.

2.2.6 Major

The company has been made the internal memo from the Director of PT DMIL and PT TI on 20 July 2016 which was explaining due to the ban of using the mercenaries / paramilitary. This policy also has been socialized to unit on 22 July

2016 at PT TI and PT DMIL.

The result of public consultation with the villagers who are in the area of PT DMIL (Mawar Baru Village, Lubuk Rumbai Village, and Pantai Village) and PT TI (Abuaran Village and Tengah Ulu Village), it's known that there's no record of conflict resolution by using violent ways and intimidative. Such as by using the paramilitary.

Major 2.2.1 Minor 2.2.2 Minor 2.2.3	Status: Non conformity No. 2017.03 as major category Non conformity No.2016.06 (minor raised to major category). Non conformity No. 2016.08 as minor raised to major	
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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 Major

There's no customary rights in the operational area of PT DMIL and PT TI. The cultivated area by the company is the state land and individual land which have been already released by using the compensation. For the land tenure at PT DMIL is done by using the scheme of selling and buying, whereas at PT TI is done by the rent scheme.

Agro Investama as the group of PT DMIL and TI, has been owned the land tenure administration by using the indemnity mechanism (AIG.SOP.32.80109.03A.03 on 1 August 2014). This procedure is explaining related to :

- The administration process of land tenure by using the indemnity mechanism which is start from survey, data collection, mapping, negotiation, and determination the needs of fund.
- The Estate Manager creates team to do the survey, data collection and mapping.
- Based on the activity which has been done, the topographic assistant has made the reportation with the result as : data of coordinate or the tracking of ownership or land tenure, data of coordinate or the tracking of planting sites grow, and the land registration.
- The CSR Manager is performing the function of approach and offering with the owner or land manager. Then team of negotiation is creating and authorizing the minutes of measuring for the land area document and minutes of plant inventory growth.
- The Estate Manager leads the formation of the implementation team for land aquisition cost. After received the payment, the land manager signed the transfer document and payment receipt then did the documentation with the person in charge of payment.

The indemnification procedure which is owned by the company, explained regarding to :

- The Estate Manager / CSR Manager is recording and inventory the ownership of land and planting vegetation grow in the area which will be compensated.
- Ensuring that the compensated area is free from the forest area.
- Checking the completeness of land legality document such as the release of rights letter.
- Do the negotiation of price with land owner and create an official report of compensation negotiation.

2.3.2 Minor, 2.3.3 Minor and 2.3.4 Major

Based on the result of document review, field visit and interview with stakeholder, it's known that PT DMIL didn't do the expansion of area. Meanwhile for PT TI still do the process of land tenure with rental pattern to the community. The company has shown a declaration letter of land transfer which is explaining such as :

- The identity of land owner
- The adjacent parties
- The company already got as much as 75% of net proceeds from the sales of fresh fruit bunch.
- The participant of scheme smallholders got as much as 25% of net proceeds from the sales of fresh fruit bunch.

The validity of this agreement is for 35 years, since the letter of land transfer has been already signed. If the time period is expired and not renew anymore, so the land of each scheme smallholders will be returned to the owner in appropriate with the statement of smallholders transfer letter.

Based on the result of document verification and public consultation with villagers who are living around the area of PT TI (Abuaran Village and Tengah Ulu Village), it's known that the copy of agreement has been signed by all parties. The

agreement has been already agreed without coercion. All copies of agreement and or the agreement with society is written in Bahasa which could be understood by all related parties. The land that already submitted to the company is the private land and not the land of community. So, in the process of land acquisition, the owner represented of themselves.

	Status: Comply	
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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 has not been able to show management or business plan document (minimum three years). It becomes a **Non-Conformity No. 2017.04 with Major Category**.

The company has not been able to show a long-term management or business plan Document (minimum three years).

3.1.2

Non-conformity No.2017.05.

PT DMIL

The Company has not been able to show an annual plan of replanting program with projections of at least the next 5 years which are reviewed annually.

For PT Tebo Indah have not plan for replanting for next 5 years because the oldest year for planting year is 2008.

3.1.1	Status: Nonconformity No. 2017.04 with Major Category.	Open
3.1.2	Status: Nonconformity No. 2017.05 with Minor 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 Major

PT DMIL

The company has been already owned the standard operational procedure as the general guidance of operational parties in carrying out of technical activities of sustainable palm oil cultivation (code of document DMI.SOP.32.80104.01.A.01 in 2013). In the standard operational procedure of cultivation, already explained it into the planning of planting, nursery, preparation before do the planting, land clearing and planting, pest of oil palm disease and the way to manage it, weeds and controller, manuring, maintenance of immature plant, maintenance of mature plant also harvesting and transportation.

The company has been already owned the standard operational procedure in 2013 for the processing of plantation product such as (SOP PMKS-SOP/01) regarding to weighbridge, PMKS-SOP/02 regarding to grading, PMKS-SOP/03 regarding to stew station, PMKS-SOP/04 regarding to press station. This standard operational procedure has been already including the complete procedure at palm oil mill such as the receiving process of fresh fruit bunch, sterilization, threshing, press, clarification, nut and kernel, boiler and the chamber of machine, water treatment, final effluent and washing of storage tank also standard operational procedure for the laboratorium of palm oil mill, measuring guidance the quality of CPO and PK.

PT. Tebo Indah

The company has been already owned the standard operational procedure as the general guidance of operational parties in carrying out of technical activities of sustainable palm oil cultivation (code of document TI.SOP.32.80104.01.A.01 in 2013). In the standard operational procedure of cultivation, already explained it into the planning of planting, nursery, preparation before do the planting, land clearing and planting, pest of oil palm disease and the way to manage it, weeds and controller, manuring, maintenance of immature plant, maintenance of mature plant also harvesting and transportation.

The result of document review, it's known that the company still could not shown the management system of nursery plant which is in appropriate with the adequate guidance of agronomy.

Based on the result of field visit, it's found the fact that :

1. At the Block D9 of division II, Bingin Rupit 1, it seems like the harvesting path, circle, and the condition of frond still have not maintained well. Based on the interview with harvester and supervisor, it's obtained the information that the condition of harvesting plot which is not ideal has been involved the difficulties in the process of harvesting and evacuation the fresh fruit bunch to the fruit collecting point.
2. At the block R14 and T8, the afdeling II of PT TI, it's identified that the condition of circle and harvesting path which are not maintained well due its rotation.

Based on the result of field visit, this matter has been **the non conformity No. 2017.06 as major indicator**.

4.1.2 Minor

The company still could not shown the mechanism for checking the consistency due to the implementation of procedure and also its documentation. **The non conformity NO 2016.11 as minor category raised to major**.

4.1.3 Minor

The company still could not shown the report of evaluation result due to the implementation of standard operational procedure in appropriate with the prevailing mechanism.

- The checking result of manuring activity
- The checking result for the maintenance LCC activity
- The checking result for the activity of empty fruit bunch application
- The checking result of spraying activity

The non conformity No 2016.12 with the minor category raised to major.

4.1.4

Dendymarker POM has recorded the origin of FFB source that sent by supplier. On period of August 2016 – July 2017, mill was receiving the FFB from PT DMIL and scheme smallholder of PT DMIL. There is no third party which send FFB to Dendymarker POM.

Major 4.1.1

Status: Non conformity No. 2017.06 as major indicator

Minor 4.1.2

Non conformity No 2016.11 with the minor category raised to major

Minor 4.1.3

Non conformity No 2016.12 with the minor category raised to major

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 Minor and 4.2.2 Minor

The company has been already owned the procedure which is related to the efforts to manage the land soil, the standard operational procedure of agronomy No. SOP AGRONOMI/V/PT/2013. In the standard operational procedure, it's explained the technical work of manuring, the essential element which is needed in manuring, kinds of manure, sampling of manure. The dosage of manure is determined by the consideration of leaf analysis result, result of research, the age and condition of plant, land analysis, climate, the nutrient balance, and cost efficiency.

The realization of manuring activity has been recorded in manuring schedule document and realization of 2017. Based on the data which is listed in the report, it's known that the realization of manuring still not completely done as the target which has been already appointed. As for the example, the manuring of Dolomite at Block B02 of Bingin Rupit 1 Estate with the wide area is as much 4.30 hectare, the dosage is as much 0.6 kg/point has just been realized only for the first semester.

4.2.3 Minor

Unit of management still could not shown the implementation evidence for the sampling of land and the newest leaf. **The non conformity No. 2017.07.**

4.2.4 Minor

Based on the result of land analysis, the estate of PT DMIL is located on peat soil with sufficient organic ingredient. So, there's no activity for the utilization organic material of plant processing residue. However the management unit has license to final discharge of effluent.

Minor 4.2.3	Status: Non conformity No. 2017.06 as minor indicator
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4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 Major

Based on the document review, it's known that the area which is categorized as marginal land is peat land which is located at PT Dendy Marker Indah Lestari. The company has been already owned the map of land distribution which is explaining the distribution of peat land and its depth with scale 1:50,000 with the information as below :

Thickness of Peat	Wide (Ha)
Mineral Land	780
10-49 cm	2174,20
50 – 99 cm	5.160,70
100 -150 cm	3.345,60
150 -200 cm	4.513,00
200 - >300 Cm	1.280,00
Total	13487,3

PT. Tebo Indah

There's a contour and scale map with scale 1:120,000, including the flat area (0-3%), ramp area (3-8%), and undulating area (8-15%)

No.	Slope (%)	Wide(Ha)
1	0 – 8	3.994,94
2	8 – 15	2.408,06
3	15 – 25	635,06
	Total	7.038,06

Source: HCV Identification

The company has been already owned maps which are related to the land condition, such as :

1. Map of land capability with scale 1:120,000, including the flat area (0-2%), ramp land (2-15%), and undulating area (15-25%). Based on the data, there's no marginal land which is identified.
2. Land height topographic map of South Sumatera Province which is referring to land system and land sustainability Ref Pro 1987 map and thematic forestry base map.

4.3.2 Minor

The company has already owned the standard operational procedure of marginal land management (SOP of Agronomy/X/MLM/2013). The area at PT Dendymarker Indah Lestari is peat land area so the strategical management of the area with a certain slope is not needed. Meanwhile, at PT Tebo Indah Lestari, the slope level of land has been already presented briefly in the data as below :

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

The effort which is done by the company to prevent the erotion in the slope area by implementing the contour terrace in planting path and did the planting of LCC. By using of this technic, it's expected that it could be able to suppress or minimize the rate of erotion.

4.3.3 Minor

The company has been already owned the standard operational procedure of plantation grading and road compaction which is containing the name of project as grading and road compaction, type as collection, transport and main road which

are containing the activity or road maintenance by grading and compaction. Nowadays, the work of road maintenance at PT DMIL and PT TI is done by using the machine assistance and manually. Type of the heavy equipment which is owned by the company such as 2 (two) units of road greeder, 2 (two) units of vibro compactor, and 1 (one) unit of tractor loader backhoe.

The work of road maintenance is recorded in manager monthly report, which is shown the data programme and realization of road maintenance, numbers of hour meter (HM) that has been used, cost and etc. During the audit activity, the auditor was got the opportunity to see directly the activity of mechanical road maintenance along the main road of PT Tebo Indah.

4.3.4 Major

The company has been done the calculation or measuring monitoring of water depth inside the block by using piezometer procedure which is in appropriate with Doc. No. Dok. No. SOP-DMIL-PM-III-2013 on 1 January 2013. Piezometer procedure is made by BR-2 Manager (Yusuf Rido Harahap), checked by General Manager (Lamsai B. L. Marbun), and approved by Director of Operational (John M. Hutagalung). The water level is maintained at the level of 50-60 cm.

The result of visit at the water outlet in block D3 of Division-1 BR-1, fact was found that the water outlet still not yet function properly. **The non conformity No. 2017.08**

4.3.5 Minor

The company has been done the review due to peatland depletion which is informed in the map of peatland depletion of PT DMIL. The review result is as below :

- The average of peatland height : 41,25 mdpl
- The average of river water level : 39 mdpl
- The average of peat decline : 1,58 cm/year
- So, the elevation of peatland depletion $22,5 \text{ mdpl} / 1,58 \text{ cm} = 142 \text{ years}$.

4.3.6 Minor

PT DMIL and PT TI don't have the area which is categorized as marginal land (sandy areas, low organic content, and acid sulphate soil). However, PT DMIL has the area with peat categorized so it'll be needed water strategic management in peat area by always maintaining the level of water and also minimizing the decline of land subsidence.

Major 4.3.4	Status: Non conformity No. 2017.08 major indicator.
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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.

The company has not been able to show a holistic water management of company operation both for mill and estate. Therefore, Based on verification ASA-2 **Nonconformity 2016.14 Minor Raised to Major**.

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 I9/H4 afdeling BR-1 PT DMIL and Kait River in block B24/B25, 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 Kait River in block B24/B25 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.

Visit to Bungkal river in block D26 / E27 Afdeling V PT Tebo Indah in riparian still use agrochemical such as fertilizer. Has become **NCR 2017.18 indicator 5.2.2 Major ASA-2.**

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 no395/KPTS/DPE-LH/MRU/2016 dated 5 October 2016, valid 2 years. 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 2017 is 1,26 m³/tonne FFB. Based on field observation to WTP station, it was found that flowmeter for domestic and processing purposes were in good condition. Record of flowmeter were showed by the Operator during observation.

4.4.1 Minor

Status: Nonconformity 2016.14 Minor Raised to Major.

4.5

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

4.5.1 Major

PT. DMIL

It's already shown the programme of integrated pest management which is documented in agronomy procedure due to pest palm oil disease and how to control it. The document is explaining due to the early warning system method, census of pest palm oil disease up to control method which is developed by the company. Based on the interview result with operational staff, currently the main enemy of palm oil plant in Bingin Rupit is Ganoderma Fungus.

PT. TI

Unit of management still could not shown the plan and implementation of integrated pest management. **The non conformity No. 2017.09**

4.5.2 Minor

Unit of management still could not shown the evidence of training implementation and integrated pest management to the employee. **The non conformity No. 2017.10**

Major 4.5.1
Minor 4.5.2

Status: Non conformity No. 2017.09
Non conformity No. 2017.10

4.6

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

4.6.1 Major

The company has been already owned the standard operational procedure of pesticide management No. SOP AGRONOMY/VI/PP/2013. In chapter three point D, it's explaining that according to avoid the accident or the unwanted side effect so it must be known the best way to manage the pesticide and always following the applicable regulation in terms of use and storage, knowing the symptoms of poisoning as well as the necessary actions to overcome them. Best pesticide management especially intended to reach the efficiency for the using of optimum pesticide.

Based on field visit to the pesticide warehouse and the procurement record, all incoming pesticides and used has been documented well. All pesticides has been registered at the Ministry of Agriculture. Such as the pesticide with trade name as Prima UP (registered with number of registration RI.01030120031779), Chepate (registered with number of registration RI.01010120083032), etc. Based on the interview with pesticide applicator, all pesticides which are used have been in appropriate as the target. Such as herbicide active material of isopropyl aminaglifosat which is used to control the narrow-leave weeds.

4.6.2 Major

Unit of management still could not shown the record of pesticide which is used and also the calculation of LD50. **The non conformity No. 2017.11.**

4.6.3 Major

Pesticide application programme is documented in monthly work plan and created by the assistance of division and approved by the estate manager. The implementation of plan is referring to the result of Early Warning System or Pest Cencus which was done by the officer of integrated pest management. Such as :

1. Based on the standard operational procedure of agronomy, chapter VI, the early observation of leaf feeding pest is done by every harvester and nursery. The daily observation is also done each month by the maintenance supervisor. The chemical control will be done if the level of heavy attack is found more than 7 (seven) nettle caterpillars in each frond.
2. Based on the standard operational procedure of agronomy, chapter VI, the rat observation is done for each month. The chemical control will be done if the level of heavy attack is found more than 5 (five) percent in every single sample of tree.
3. In order to avoid the hedgehog attack and any other kind of vertebrate pests that protected is by creating the individual fence of plant in the near forest area.

Based on document review, it's known that the using of chemical material is only allowed if there's any kind of pest attack that happened above the economic threshold. There's no record for the using of pesticide which is prophylactic.

4.6.4 Minor

Based on the audit result, it's found that :

1. PT DMIL and PT Tebo Indah still not yet owned the complete list of pesticide that include in the World Health Organization for the category as Class 1A-1B and listed in Convention of Stockholm and Rotterdam.
2. Based on document review, it's known that at PT Tebo Indah, the using of herbicide in 2015, there's the using of herbicide paraquat as much as 60 liters (dosage 0.02 liter/hectare) and the using until July 2016 is as much as 59.27 Ha (dosage 0,02 Ha). Based on this matter, there's no evidence which is available due to the reduction usage of paraquat.

Based on this fact, this matter has been **the non conformity No. 2016.06 as minor indicator which is raised to major.**

4.6.5 Major dan 4.6.6 Major

The companys has been already owned the standard operational procedure of hazardous handling (number of document SOP-TI-LB3/11 in 2013 and SOP-DMIL-B3/11 in 2013). This procedure contains as below :

- General storage requirement of hazardous material
- Storage building requirement
- Storage procedure
- Reporting

Based on the interview result with pesticide applicator, it's known that they have been trained how to applied pesticide safely. Such as must use the complete personal protective equipment, not lifting nozzle too high and applying it not against the wind blow. Furthermore, all workers must do the medical check up regularly in order to monitor the level of employee's health.

The field visit result of spraying activity at the Block H16 of Division IV Bingin Rupit Estate, it's known that all employees have been equipped with the adequate personal protective equipment such as boot, mask, apron, rubber gloves and helmet. Based on the information which is gotten from the employee, the personal protective equipment has been distibuted regularly in every semester. The condition of personal protective equipment is monitored every day by the supervisor and will be substituted just in case of damage.

Based on the field visit to the warehouse of hazardous waste, it's found that there're used package of pesticide that returned to the warehouse.

4.6.7 Minor, 4.6.8 Major & 4.6.9 Minor

The company has been already owned the hazard identification risk assessment and control document. This document is in the form of matrix and consists of types of work, potential hazard, risk management, and risk residual risk. The identification is done in every kind of activity. Kind of activity which has been identified at the estate (activity of land clearing, nursery, harvesting, and transportation), and spraying is including into the activity of nursery plant. According to field observation to BR-2 Estate PT DMIL and emplacement of PT TI, there area facilities for cleaning up and storage space for keeping PPE's and working tools. Based on the result of document review, result of public consultation with internal stakeholder (pesticide applicator) and external stakeholder (government agencies and social community), it's known that the company never applied the pesticide from the air.

4.6.10

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 field observations in knapsack warehouse and pesticide warehouse, known former pesticide containers are not placed in temporary hazardous storage. In the knapsack warehouse there are broken knapsack and former pesticide containers. **Nonconformity 2017.12 with minor category**

4.6.11

PT DMIL has 21 pesticide applicators and PT TI has 15 pesticide applicators. There are results of medical examinations to 21 workers in PT DMIL dated 16 May 2017 with the results all of pesticide applicators on normal conditions. However there are no annual medical surveillance records in PT TI of year 2017. **It was raised as Non conformities No. 2017.13**

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.

There are no evidence that all pesticide applicators were not pregnancies and breastfeeding conditions. **It was raised as nonconformities No. 2017.14.**

PT DMIL

Certification unit was shown pregnancy checking by midwife on May 2017, however there are no evidence that all of pesticide applicators in June and July 2017 were not pregnancies and breastfeeding conditions.

PT TI

Certification unit just shown statement letter from all pesticide applicators were not pregnancies and breastfeeding conditions. But there are no evidence of pregnancy checking by midwife every month.

4.6.4	Status: non conformity No. 2016.06 minor indicator raised to major	Open
4.6.10	Status: Nonconformity 2017.12 with minor category	
4.6.11	Status: Nonconformities No. 2017.13 with Major Category	
4.6.12	Status: Nonconformities No. 2017.14 with Major Category	

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 same with the previous assessment. The policy is available in Indonesian language and signed by Chief Operational Officer dated 10 January 2013. 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 2017 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.

All of OHS program was not implemented. **It was raised as nonconformities No. 2017.15.**

1. According to document verification and interview with safety officer in PT DMIL, that known all of operators with high risk working area in DMIL POM no specific medical checkup has been performed. For example: there are no audiometric test to all operators in high noise levels. Therefore there are no spirometric test to all of operators in high which work on volitions and full of air pollution.
2. According to field observations to DMIL POM, that known:
 - All of hydrant box were not completed with hose drill and nozzle.
 - There are no fire extinguisher on risk of fire area.
 - Indicated the workers who smokes in the work area.

4.7.2

The company has performed the latest document (16 January 2017) of identification and assessment of risks to each operational activities described in "form of Source Hazard Identification, Assessment and Risk 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.

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:

- Spraying training in PT.TI conducted on 24 February 2016 for 16 workers with a trainer from Plantations Agency
- Boiler Operator License in PT DMIL No. 560/15/SIO/Nakertrans /2013.
- Wheel Loader License in PT TI No. 560/04/SIO.WIL/Nakertrans/2015
- Tractor operator license in PT DMIL No. 560/03/SIO.T/Nakertrans/2015.

OHS program and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis was no available to all workers. **It was raised as nonconformities No. 2017.16.**

PT DMIL

1. According to field observation in DMIL POM that known several workers was no using adequate PPE's, such as:
 - Sortation operator in loading ramp was no using safety shoes.
 - Sterilizer operator was no using safety shoes and ear plug.
 - Clarification operator was no using ear plug.
 - Power plant operator was no using earplug/earmuff.
 - CPO and FFB transport driver was no using safety shoes and helmet.
2. Identified spinning machine in transfer carriage and clarification station without safety covers.
3. Several of first aid box is uncompleted in accordance to Manpower Regulation No. 15 of 2008. Such as: first aid box in schedule waste in Mill, spraying foreman, harvesting foreman, central warehouse, workshop in Mill and Estate.

PT TI

1. Based on field observation and interview with several harvesting employees in Block R15, Afdeling 2, Teluk Pandak Estate. Obtained information that if the PPE used is damaged/broken then the employee will provide their own, until the next allocation period.
2. Several of first aid box is uncompleted in accordance to Manpower Regulation No. 15 of 2008. Such as: first aid box in schedule waste, workshop and harvesting foreman.

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. 560/001/PK-KWT/Disnakertrans/2017 dated 26 January 2017. Safety officer in each unit has been certified from Man Power Ministry. PT DMIL No. Reg. 81174/PK3/AJ/16/2016/P1 dated 6 December 2016. However a safety officer in PT TI

was on extend of license progress, it accordance to statement letter from Regional Coordinator of Labor Inspectors Province Jambi No. 560/007/PK-KWT/Disnakertrans/2017 dated 3 July 2017. Meeting to discuss OHS has done every month in accordance with applicable regulations. The certification units also has been report quarterly P2K3 to related agency.

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 POM dated 8 September 2016 and DMIL estate dated 7 September 2016 and in PT.TI first aid Training conducted on 19 December 2015 to 12 workers with a trainer from the Labor Agency. 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, fire tower, fire extinguisher.

Based on workplace accidents reports in 2016 and workplace accidents report in January-June 2017, 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 on July 2017 for PT TI.

4.7.6

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, PT DMIL and PT TI has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Moreover, interview with contractor revealed that contractor's personnel have also been registered in manpower insurance/ BPJS.

4.7.3	Status: Nonconformity No. 2017.16 with Major category	Open
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4.8

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

4.8.1

All of training program records related to the aspects of RPSO P&C was no available. **It was raised as nonconformity No. 2017.17.**

Based on document verification there are program training year of 2017 as: IPM, FFB quality, Piezometer, Emergency response preparedness, workers, gender, water management, OHS, PPE's and Schedule Waste. However there are no program training related to other aspects as: HCV and SCCS.

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:

- Harvesting and safety aspect training record on 27 September 2016
- Herbicide and safety aspect training record on 13 October 2016
- Piezometer maintenance training record on 24 January 2017
- IPM training record on 10 March 2017

Schedule waste training record on August 2016

4.8.1	Status: Nonconformity No. 2017.17 with Major Category	Open
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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 ton 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 Indah covering location permit of 9,112 ha approved by Head of Tebo District by letter 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.

PT Tebo Indah

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 ASA-2, the **Non-conformity No 2016.20 Minor raised to major**. Based on the review ASA-2 PT Tebo Indah has not reported the RKL-RPL implementation report for 2nd semester of 2016.

5.1.2	Status: Non-conformity No 2016.20 Minor raised to major
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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. There is management plan has been developed by the company however no implementation yet, therefore **Nonconformity 2017.18 with Major Category is raised**.

PT Tebo Indah

The Company has developed HCV management plan for PT DMIL and PT Tebo Indah which contains location, type of HCV, threat, management plan and time frame of implementation. However not has been implemented, for example based on field visits in Bungkal River, Kait River and Belilas River, no HCV signboards, no agrochemical signboard ban, no buffer zone sign board. **Nonconformity 2017.18 with Major Category.**

5.2.3 and 5.2.4
PT DMIL

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. There is policy on sanction given to the company worker who caught in hunting, collecting, harm or kill RTE species in accordance with national regulation explained in form letter no 001140A/PTDI-GM/XIII/2016 from general manager, however has been no socialization of the policy to all workers in the company. Therefore, **Nonconformity 2016.22 Minor Raised to Major.**

PT TI

There is no policy and socialization on sanction given to the company worker who caught in hunting, collecting, harm or kill RTE species in accordance with national regulation. **Nonconformity 2016.22 Minor Raised to Major.**

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 2016.22 Minor Raised to Major.
5.2.3
Status: Nonconformity 2017.18 with Major 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 and PT DMIL 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.

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.
- 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.
- 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 still is not able to show the medical waste disposal agreement as regulated. Therefore on ASA-2, **Nonconformity 2016.25 Minor Raised to Major.**
- Based on field observation ASA-2 (**Nonconformity 2016.25 Minor Raised to Major**) is known:
 - In the workshop there is hazardous waste used rag

<ul style="list-style-type: none">• in knapsack warehouse there is hazardous waste broken knapsack• The drainage channel at LB3 TPS is in a state of disrepair so that the B3 spill is potentially released to the environment.• In the engine room there is hazardous waste oil filter• In the fertilizer storage there is hazardous waste former hazardous material• Temporary hazardous waste is not in accordance with the requirements in the license such as: there is no label and symbol hazardous waste.		
5.3.3	Status: Nonconformity 2016.25 Minor Raised to Major.	
5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.		
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 Major & 5.5.2 Minor In standard operational procedure for the part of land preparation (No. SOP Agronomy//LP/2013 on August 2014) which is explaining that the company has been implemented the zero burning policy namely land clearing of estate without burning. Based on document review and interview with social community and government agency, it's known that the company didn't do the new land clearing or expansion during 2015. The field visit result showed that there's no signs of wildfire in the land preparing process but entirely done mechanically by using the heavy equipment.		
	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 ASA-2, Nonconformity 2016.26 Minor Raised to Major . 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 Minor Raised to Major .		
5.6.2	Status: Nonconformity 2016.26 Minor Raised to Major.	Open
5.6.3	Status: Nonconformity 2016.27 Minor Raised to Major.	
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 Certificate Holder has document of Social Impact Assessment. The assessment process was done on 2013.. These documents was explained of negative and positive impact of plantation and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. There was showed also the minutes		

meeting of consultation process with community surround. The evidence was consisting of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report.

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 study is aim to identify the environmental and social impacts, activities that become the source of the impact, components and or the parties potentially affected, options to mitigate environmental and social impacts.

6.1.3

PT DMIL and PT Tebo Indah

The management unit has not been able to demonstrate the Implementation of the Social Impact Management and Monitoring Plan as a follow-up of the Social Impact Assessment study. **Nonconformity 2017.19.**

6.1.4

The management unit has conducted a survey using questionnaire method related to public responses / complaints to the existence of PT Tebo Indah and PT DMIL conducted in 2015, but has not been evaluated and the conclusion is re-incorporated as consideration for improvement of the social impact management plan. **Nonconformity 2016.29. Minor Raised to Major**

6.1.5

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

6.1.3

Status: Nonconformity 2017.19 with Major category

6.1.4

Status: Nonconformity 2016.29 with Minor Raised to Major

Open

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

The certificate holder has procedure of communication no. 19/KIM-DMIL/2013 and no. 032/TI-PK/2010 The procedure explaining on internal and external communication mechanism and the feedback.

PT DMIL and PT Tebo Indah

Nonconformity 2017.20.

- The company shows evidence socialization of Communication and Consultation SOP to Sungai Keruh Village and Penapalan Village (Scope of PT Tebo Indah), but not all villages included in the list of stakeholders in PT DMIL and PT Tebo Indah have been socialized.
- Field trips to Maur Village, Lubuk Rumbai, and Pantai Village (scope of PT DMIL), Desa Tengah Ulu and Aburan (Scope of PT Tebo Indah) are known that the community is not yet aware of the Communication Procedure.

6.2.2 and 6.2.3

The certificate holder 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.

Nonconformity 2017.21

The company has not shown enough evidence of the recording of communication including confirmation receipt of the recording of communication and the attempt was made to build understanding of the affected parties, and the company has not enough evidence to have a recording of responses / follow up on input from the parties.

- Based on the document review, the company has not demonstrated sufficient evidence of communications recording to build stakeholder understanding as well as records of responses / follow up on input from the parties.

Based on interviews with the villagers of Maur Village, Lubuk Rumbai, and Pantai Village (Scope of PT DMIL), Tengah Ulu Village and Aburan Village (Scope of PT Tebo Indah); Informed that the community around the village has not understood the form of communication with the company.		
6.2.1 6.2.3	Status: Nonconformity 2017.20 with Major category Status: Nonconformity 2017.21 with Minor category	Open
6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
6.3.1 The company has system for dealing the dispute and complaint. These system was refer to several procedures, consist of ; Communication Procedure (SOP No. 19/KIM-DMIL/2013 and No. 032/TI-PK/2010); SOP Mechanism of Complaints Handling of PT Tebo Indah Management. Administrative SOP Document (029 / TI-KM / 2012) effective date from 1 June 2012, endorsed by this Procedure aims to provide guidance on complaints handling of PT TI management by stakeholders addressed to operational units., the procedures also equipped with a Flow Chart. This procedure was explained that the company will protect the whistleblower In the form of Internal Memo Director of PT DMIL dated July 14, 2016 concerning the protection of witnesses and victims in which to regulate the protection of employees who became witnesses or victims from reporting, investigation, prosecution to court proceedings and further process until the completion of the case.		
6.3.2 Based on verification of complaint document and information by management unit representative that known in period of one year from ASA-1 ASA-2, there was grievances from workers (PT Tebo Indah) such as the stock of first aid box that are incomplete and repair roads that are difficult to pass because of the rain conditions. Based on interviews with the village and internal stakeholder such as labor union submitted that if there are complaints and complaints then the results will be submitted to interested parties and related.		
	Status: Comply	
6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
6.4.1; 6.4.2 The company has 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 neighboring 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 neighboring 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 2017, the status of workers in the scope of the company includes permanent workers and daily contract workers. For the basic wage, the company refers to the minimum wage set by the government. That are: <ul style="list-style-type: none"> PT.DMIL : Refers to the South Sumatra Governor Decree No. 772/KPTS/DISNAKERTRANS/2016 date 27 December 2016 explains that sectoral minimum wages of South Sumatra province for plantation sector is 2,430,000 IDR PT.Tebo Indah : Refers to Jambi Governor Decree No. 919/KEP.GUB/DISSOSNAKERTRANS/2016 date 31 October 2016 about Jambi Minimum Wage Fixing year 2017 is 2,063,.950 IDR. 		

The documentation of the company's payroll is in Wages List and Transfer Evidence through Bank. Based on the documents in May 2017, it is known that the payment of wages to workers :

Non-conformity No.2017.22

PT Tebo Indah

Based on the welfare list document review (office) of May 2017) Daily Contract Workers office (housekeeping) get wages under minimum wages Jambi Rp 2,063,950) or Rp 82,558 / HK, for example:

Worker 1 on May 2017 get wage Rp 1,200,000, - HK = 24 (Rp 50.000 / HK)

Worker 2 on May 2017 get wage Rp 312.000, - HK = 12 (Rp 26.000 / HK)

Worker 3 on May 2017 get wages Rp 650.000, - HK = 25 (Rp 26.000 / HK)

This is not in accordance with Permenakertrans No.7 of 2013 on Minimum Wages Article 15: Employers are prohibited from paying wages lower than the minimum wage set.

Based on interviews with harvester as well as a document review of BR2 II PT DMIL, harvest workers have earned wages in accordance with minimum wage requirements. It also gains benefits such as transport allowances, housing, water, electricity. In addition, based on interviews with the Labor Agency, explained that in PT DMIL and PT Tebo Indah there is no problem regarding wages of employees.

6.5.2

Labor law in the company listed in:

- Collective Labor Agreement which was legalized on 07 June 2017 by the Department of Labor with the letter number 560/002/PKB/NAKERTRANS/VI/2017.. 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 Local contractor, in 2016-2017 there were no issues/problems regarding employment and wages in PT.DMIL and PT.TI.

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 the company has provided welfare facilities such as homes, educational facilities, clean water, electricity and for those living outside the company then get benefits such as transportation allowances, water, electricity, school education.

6.5.1

Status: Nonconformity No 2017.22 with Major category

Open

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

Certificate holder has 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 which was legalized on 07 June 2017 by the Department of Labor with the letter number 560/002/PKB/NAKERTRANS/VI/2017.

6.6.2

Records of union worker meetings have been documented for example :

PT DMIL

- On April 10, 2017, the internal union discussed the socialization of the management of the period of 2017-2018 attended by 7 administrators
- On July 5, 2017 discusses about the outcome of the discussion meeting PKB.

PT Tebo Indah

March 2nd, 2017 discusses the working hours of security, has been settled in a familial manner with the management that was attended by 52 workers.

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 June 2017 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 promotion from temporary worker to permanent worker in DMIL POM and BR-2 Estate in accordance to General Manager Letter Decree No. 107.A/DMIL/GM/SKU/VIII/2016 dated 12 August 2016; No. 106.A/DMIL/GM/SKU/VIII/2016 dated 12 August 2016. Therefore General Manager Letter Decree No. PT TI-GMO/Kpts/190/IV/2017 dated 5 April 2017 in PT TI.

Status: Comply

6.9

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

6.9.1 and 6.9.2

Certificate holder has a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. Policy regarding sexual harassment is still the same as the previous assessment which is listed in No. Document SOP-DMIL-PS-III-2013 and No. Document 033 / TI-PK / 2014 dated March 1, 2013.

The policy stated that the development and implementation of policies to protect female workers from crime and sexual harassment as well as protecting the rights associated with female reproduction. The company has had a Gender Committee as a forum to ensure the policies of female workers protection are implemented.

The results of interviews with gender committee in Bingin Rupit estate known that the company has formed a gender

committee to handle the issues of female workers. In addition, also delivered that the company is given the reproductive rights, such as menstruation and pregnant leave in accordance with the applicable procedures.

Nonconformance 2017.23.

PT Tebo Indah

- Based on document review, the management unit has not documented the company's policy regarding sexual harassment and violence prevention.
- Based on interviews with spray worker division I not yet know about the existence and program of gender committee.

6.9.3

Complaints and response mechanism is not change from previous assessment that listed on the 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 document verification of Complaints Book, there are no complaints related to sexual harassment and violence. Based on information from gender committee, that the handling of issues about sexual harassment and violence will be resolved together with gender committee and the identity of reporter will be protected.

6.9.1	Status: Nonconformity No 2017.23 with Major category	Open
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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 Sumatera Selatan Province. Based on interview with Board of Cooperative, the price disseminated to the smallholder every two weeks through Cooperative 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 and FFB 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 Cooperative board, the payment is delivered by transfer.

Status: Comply	
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6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 & 6.11.2
Non-conformity No.2016.31 (NC ASA-1 Minor Raised to be Major)

The management unit has not been able to demonstrate that the CSR work program has actively involved the community.

Contributions to local development proven by partnership with local communities through local transaction i.e development smallholding, local contractors, Payment of taxes and CSR programme.

In other side, the certificate holders also providing the development of smallholders scheme. This is an efforts that have been allocated to improve smallholder productivity by the certificate holder. The involvement of local contractors and local purchasing. Contract records showed some estate operational activity that involves local people. Besides that, the company has a social commitment in terms of CSR programmes.

6.11.1	Status: Nonconformity 2016.31 Minor Raised to be Major	Open
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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, there are no issues

related to force labor in PT DMIL and PT TI. Based on interviews with harvester as well as a document review of BR2 II PT DMIL, harvest workers have earned wages in accordance with minimum wage requirements. It also gains benefits such as transport allowances, housing, water, electricity. In addition, based on interviews with the Labor Agency, explained that in PT DMIL and PT Tebo Indah there is no problem regarding wages of employees.

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 Major & 7.2.2 Minor
PT. Dendymarker Indah Lestari

The company has been already owned the record of due diligence estate and palm oil mill of PT DMIL (PT Agro Investama Gemilang), District of Musi Rawas in 2012 by PT Primakelola Agribisnis Agroindustri which is listed the land conformity based on the physical conditional in the field. Based on the review, it's including the land conformity of S3-adsn (in appropriate with marginal), and could be increased to S2-s with calcification condition, manuring and the maintenance of water system.

PT. Tebo Indah

The company has been already owned the record of feasibility study of PT Tebo Indah, and based on feasibility study, it's obtained the land Class of S1 and S2.

PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 2014.

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.

Nonconformity 2017.24 with category major

PT DMIL

CH shows an email to RSPO dated June 9, 2017, note that LUCA updated PT DMIL version of the company is "0" Liabilities. However, the RSPO's response has not yet been shown which states that LUCA PT DMIL has been received (Pass).

PT Tebo Indah

CH shows the concept note email to the RSPO dated July 12, 2017, however it has not been shown that the IT Notes Concept Note has been received.

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 coefficient 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, however 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

PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 2014.

7.3.1 Status: Nonconformity 2017.24 with category major

7.4

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

Based on the document review, it's known that the area which is categorized as marginal land is peat land which is located at PT Dendy Marker Indah Lestari. The company has been already owned the map of land distribution which is explaining the distribution of peat land and its depth with scale 1:50,000 with the information as below :

Thickness of Peat	Wide (Ha)
Mineral Land	780
10-49 cm	2174,20
50 – 99 cm	5.160,70
100 -150 cm	3.345,60
150 -200 cm	4.513,00
200 - >300 Cm	1.280,00
Total	13487,3

PT. Tebo Indah

There's a contour and scale map with scale 1:120,000, including the flat area (0-3%), ramp area (3-8%), and undulating area (8-15%)

No.	Slope (%)	Wide(Ha)
1	0 – 8	3.994,94
2	8 – 15	2.408,06
3	15 – 25	635,06
	Total	7.038,06

Source: HCV Identification

The company has been already owned maps which are related to the land condition, such as :

1. Map of land capability with scale 1:120,000, including the flat area (0-2%), ramp land (2-15%), and undulating area (15-25%). Based on the data, there's no marginal land which is identified.

2. Land height topographic map of South Sumatera Province which is referring to land system and land sustainability Ref Pro 1987 map and thematic forestry base map.

PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 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.

7.5.1 Major

PT DMIL

The company has been done the new planting. However, it's still in the same area of land use title that already owned. The company also has been done the new planting procedure on January 2014.

PT TI

The company has been done the new planting outside of the owned land use title. The land distribution scheme for the estate area is done by profit sharing system as much as 75 : 25, whereas the fresh fruit bunch that has been matured as much as 75% (net) for the company and 25% for the land owner. The company also has been done the new planting procedure on January 2014, however it's only for the area which is in the land use title. Based on the result of document review and interview, known that the utilization is done with the approval from land owner.

Based on the interview with management, it's known that the management for the outside area of land use title caused by the community whom wanted to do the hand overing of land in a half. If only a half which is accepted (inside of land use title), so the community will not hand over it. The company finally do the management for all areas that hand over from the community even though it's outside from the land use title.

PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 2014.

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.

PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 2014.

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 Major & 7.7.2 Minor

In the standard operational procedure, part of land preparation No. SOP Agronomy/II/LP/2013 on August 2013 which is explaining that the company has been implemented zero burning policy namely estate land clearing without burning.

Based on the document review and interview with social community and government agency, it's known that the company didn't do the new land clearing or expansion during 2015. Result of field visit showed that there's no signs of burning in the land preparing process, however entirely done mechanically by using the heavy equipment.

PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 2014.

	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. PT DMIL and PT TI also has been conduct NPP which submitted in RSPO website on January 2014.		
	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.		
The company has conducted RSPO internal audit annually. The last internal audit has been held on June 2017. There are also any continuous improvement on Environment and social such as: <ul style="list-style-type: none">- Routinely environment quality test per semester.- The management unit has been realized associate smallholders in PT DMIL and PT TI.		
	Status: Comply	

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements																		
E.1	Definition																		
E.1.1																			
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.																			
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.																			
	Status: Comply																		
E.2	Explanation																		
E.2.1																			
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																			
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 report.																			
<table><tr><th colspan="2">The previously volume of certified products in the Certificate Mutu-RSPO/065 (July 27, 2016 to July 26, 2017)</th><th colspan="2">The projection volume of certified products (July 27, 2017 to July 26, 2018)</th></tr><tr><td>FFB</td><td>70,431</td><td>FFB</td><td>70,413</td></tr><tr><td>CPO</td><td>12,678</td><td>CPO</td><td>12,674</td></tr><tr><td>CSPK</td><td>3,169</td><td>CSPK</td><td>3,169</td></tr></table>				The previously volume of certified products in the Certificate Mutu-RSPO/065 (July 27, 2016 to July 26, 2017)		The projection volume of certified products (July 27, 2017 to July 26, 2018)		FFB	70,431	FFB	70,413	CPO	12,678	CPO	12,674	CSPK	3,169	CSPK	3,169
The previously volume of certified products in the Certificate Mutu-RSPO/065 (July 27, 2016 to July 26, 2017)		The projection volume of certified products (July 27, 2017 to July 26, 2018)																	
FFB	70,431	FFB	70,413																
CPO	12,678	CPO	12,674																
CSPK	3,169	CSPK	3,169																
	Status: Comply																		
E.2.2																			
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).																			
• RSPO IT Platform member registration number: RSPO_PO1000004037																			
CPO sales from 27 July 2016 – 8 July 2017																			
Month	Volume (Kg)	Buyer	RSPO/Non RSPO																
27 – 31 Jul-16	142,572	PT Sinar Alam Permai	Non RSPO																
Aug-16	913,345	PT Sinar Alam Permai, PT Tunas Baru Lampung, & PT Suryatama Kencana Jaya	Non RSPO																
Sep-16	1,168,708	PT Sinar Alam Permai, PT Tunas Baru Lampung, & PT Suryatama Kencana Jaya	Non RSPO																
Oct-16	1,360,040	PT Tunas Baru Lampung & PT Indokaryawa Internusa	Non RSPO																

Nov-16	1,127,923	PT Budi Nabati Perkasa, PT Tunas Baru Lampung, PT Sinar Alam Permai	Non RSPO & RSPO (18MT)
Dec-16	921,777	PT Sinar Alam Permai, PT Budi Nabati Perkasa, PT Suryatama Kencana Jaya	Non RSPO
Jan-17	675,302	PT Tunas Baru Lampung, PT Budi Nabati Perkasa	Non RSPO
Feb-17	535,156	PT Sinar Alam Permai, PT Budi Nabati Perkasa	Non RSPO
Mar-17	473,971	PT Sinar Alam Permai, PT Budi Nabati Perkasa	Non RSPO
Apr-17	382,909	PT Tunas Baru Lampung, PT Budi Nabati Perkasa, PT Sinar Alam Permai	Non RSPO
May-17	405,030	PT Budi Nabati Perkasa, PT Sinar Alam Permai	Non RSPO
Jun-17	800,286	PT Sinar Alam Permai	Non RSPO
1-8 Jul-17	192,870	PT Sinar Alam Permai	Non RSPO
TOTAL	9,099,889		

During last year, there are CSPO sold with volume 18 MT.

PK sales from 27 July 2016 – 8 July 2017

Month	Volume (Kg)	Buyer	RSPO/Non RSPO
27 – 31 Jul-16	41,544	PT Berkas Sawit Sejati	Non RSPO
Aug-16	242,396	PT Berkas Sawit Sejati, PT Budi Nabati Perkasa	RSPO (50 MT)&Non RSPO
Sep-16	311,892	PT Budi Nabati Perkasa, PT Tumbuh Jaya Sentosa	Non RSPO
Oct-16	347,704	PT Berkas Sawit Sejati, PT Tumbuh Jaya Sentosa	RSPO 100 MT & Non RSPO
Nov-16	291,958	PT Berkas Sawit Sejati, PT Tunas Baru Lampung	RSPO 100 MT & RSPO 50 MT; Non RSPO
Dec-16	244,000	PT Berkas Sawit Sejati, PT Tunas Baru Lampung, PT Budi Nabati Perkasa	RSPO 20 MT, RSPO 7 MT, Non RSPO
Jan-17	170,699	PT Tunas Baru Lampung, PT Budi Nabati Perkasa, PT Berkas Sawit Sejati	RSPO 47.96 MT, RSPO 50 MT, Non RSPO
Feb-17	134,529	PT Berkas Sawit Sejati	Non RSPO
Mar-17	117,106	PT Berkas Sawit Sejati	Non RSPO
Apr-17	101,500	PT Berkas Sawit Sejati	Non RSPO
May-17	106,426	PT Budi Nabati Perkasa	Non RSPO
Jun-17	206,937	PT Berkas Sawit Sejati	Non RSPO
1-8 Jul-17	51,400	PT Berkas Sawit Sejati	Non RSPO
TOTAL	2,368,090		

During last year, there are CSPK sold with volume 424.96 MT

Status: Comply

E.3 Documented procedures

E.3.1

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

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

The Company has SOP Traceability No. 07/KP-DMIL2013 Rev-01 dated 21 July 2016.

- All of FFB which sent to the mill should be completed with FFB Consignment signed by Estate Management.
- FFB from RSPO Certified estate should be stamp with "TBS RSPO" on FFB Consignment.
- If any mixing block (RSPO Certified and Non Certified) in PT DMIL and PT TI, when harvesting activity. It should be separated between RSPO Certified and Non RSPO on each FFB Consignment.
- Security should be verify all of FFB received from RSPO certified or Non RSPO area or company.
- Production Report made by each manager and its known by General Manager, it will be reported to BOD and Legal and General Affair Division in Head Office.
- Operational staff in Head Office will monitoring FFB, CPO and PK production according to limitation on annex 1 RSPO Certificate from CB's.
- If CPO and PK production close to the certificate limit, Legal and General Affair Division will reporting to the CB's to increasing CPO and PK quota.
- Estate Manager and Mill Manager has responsibility

Estate Manager and Mill Manager has responsibility and authority the implementation of these requirements.

Status: Comply

E.3.2

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

The Company has SOP Traceability No. 07/KP-DMIL2013 Rev-01 dated 21 July 2016.

- All of FFB which sent to the mill should be completed with FFB Consignment signed by Estate Management.
- FFB from RSPO Certified estate should be stamp with "TBS RSPO" on FFB Consignment.
- If any mixing block (RSPO Certified and Non Certified) in PT DMIL and PT TI, when harvesting activity. It should be separated between RSPO Certified and Non RSPO on each FFB Consignment.
- Security should be verify all of FFB received from RSPO certified or Non RSPO area or company.
- Production Report made by each manager and its known by General Manager, it will be reported to BOD and Legal and General Affair Division in Head Office.
- Operational staff in Head Office will monitoring FFB, CPO and PK production according to limitation on annex 1 RSPO Certificate from CB's.
- If CPO and PK production close to the certificate limit, Legal and General Affair Division will reporting to the CB's to increasing CPO and PK quota.

Estate Manager and Mill Manager has responsibility and authority the implementation of these requirements.

The certification unit was shown, record of FFB receives, CPO&PK sending.

FFB Consignment from each estates, such as:

- FFB Consignment from Bingin Rupit-1 Estate dated 8 July 2017 No. 0008366 from Division1, Block 1C. FFB: 242 bunches, netto: 3,100 Kg. Weight bridge ticket No. 67538 dated 8 July 2017 transport Number: BG 8027 H netto: 3,100 Kg; there are RSPO stamp on FFB consignment as information.
- FFB Consignment from Bingin Rupit-2 Estate dated 8 July 2017 No. 122636 from Division 3. FFB: 460 bunches, netto: 6,600 Kg. Weight bridge ticket No. 67541 dated 8 July 2017 transport Number: BD 8104 GK netto: 6,600 Kg; there are RSPO stamp on FFB consignment as information.

- FFB Consignment from Bingin Rupit-3 Estate (Non RSPO) dated 8 July 2017 No. 03335 from Division Maur II. FFB: 325 bunches, netto: 2,170 Kg. Weight bridge ticket No. 67548 dated 8 July 2017 transport Number: BG 8224 LG netto: 2,060 Kg.

CPO & PK Delivery Order (Non RSPO)

- DO No. PODM/19/2017 dated 6 July 2017 from PT Sinar Alam Permai by transporter: CV Usaha Gemilang, Quantity: 200 MT. Weight bridge ticket no. 67483 to PT Sinar Alam Permai vehicle no. BA 8135 RP, volume: 9,010 Kg.
- DO No. PKDM/09/17 dated 3 July 2017 from PT Berkas Sawit Sejati by transporter: CV Acan Brothers, Quantity: 50 MT. Weight bridge ticket no. 67394 to PT Berkas Sawit Sejati vehicle no. BA 9755 PG, volume: 10,430 Kg.

PK Delivery Order (RSPO)

- DO No. PKDM/02/17 dated 23 January 2017 from PT Budi Nabati Perkasa by transporter: CV Acan Brothers, Quantity: 50 MT. Weight bridge ticket no. 6341 to PT Budi Nabati Perkasa vehicle no. BG 9596 H, volume: 9,470 Kg.

Status: Comply
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 2016 to 8 July 2017

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
27 - 31 July 16	822,480	35,870	858,350
August 16	5,431,655	336,280	5,767,935
Sept 16	6,509,978	450,740	6,960,718
Oct 16	7,863,289	598,890	8,462,179
Nov 16	6,530,006	495,290	7,025,296
Dec 16	5,251,124	517,195	5,768,319
Jan 17	3,819,678	343,710	4,163,388
Feb 17	3,136,138	195,960	3,332,098
Mar 17	2,685,177	192,280	2,877,457
Apr 17	2,177,180	228,030	2,405,210
May 17	2,289,695	262,480	2,552,175
June 17	4,545,463	190,450	4,735,913
1-8 July 17	1,378,220	52,755	1,430,975
Total	52,440,083	3,899,930	56,340,013

Status: Comply
E.4.2
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

As verified during the ASA-2, Production of FFB, CPO and Kernel during the period of a year (27 July 2016 to 26 July 2017) no overproduction of certified tonnage.

The previously volume of certified products in the Certificate Mutu-RSPO/065 (July 26, 2016 to July 20, 2017)

The actual volume of certified products (July 26, 2016 to July 8, 2017)

FFB	70,431	FFB	52,440.08
CPO	12,678	CPO	8,740.44

CSPK		3,169 CSPK		2,204.34	
		Status:			
E.5		Record keeping			
E.5.1					
<p>a. 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.</p> <p>b. 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.</p> <p>c. 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.)</p>					
Since Dendymarker POM get RSPO certificate until ASA-1, known that there is no despatch of CSPO and CSPK.					
DMILPOM has had a monthly report which describes about FFB received, CPO Production, PK Production, CPO Shipping, PK Shipping and product stocks. During the period of 27 July 2016 – 8 July 2017 there are shipping of CSPO and CSPK. The following is a product shipment data from DMIL POM:					
Certificate Period		CPO (Kg)		PK (Kg)	
		RSPO	Uncertified	RSPO	Uncertified
27 – 31 Jul-16		-	142,572	-	41,544
Aug-16		-	913,345	50000	192,236
Sep-16		-	1,168,708	-	311,892
Oct-16		-	1,360,040	100000	247,704
Nov-16		18,000	1,109,923	150000	141,958
Dec-16		-	921,777	27000	217,000
Jan-17		-	675,302	97960	72,739
Feb-17		-	535,156	-	134,529
Mar-17		-	473,971	-	117,106
Apr-17		-	382,909	-	101,500
May-17		-	405,030	-	106,426
June 17		-	800,286	-	206,937
1-8 July 17		-	192,870	-	51,400
TOTAL		18,000	9,081,889	424,960	1,942,971
The company has showed certified CPO/PK delivery document as follows:					
CPO & PK Delivery Order (Non RSPO)					
<ul style="list-style-type: none">- DO No. PODM/19/2017 dated 6 July 2017 from PT Sinar Alam Permai by transporter: CV Usaha Gemilang, Quantity: 200 MT. Weight bridge ticket no. 67483 to PT Sinar Alam Permai vehicle no. BA 8135 RP, volume: 9,010 Kg.- DO No. PKDM/09/17 dated 3 July 2017 from PT Berkas Sawit Sejati by transporter: CV Acan Brothers, Quantity: 50 MT. Weight bridge ticket no. 67394 to PT Berkas Sawit Sejati vehicle no. BA 9755 PG, volume: 10,430 Kg.					
PK Delivery Order (RSPO)					
<ul style="list-style-type: none">- DO No. PKDM/02/17 dated 23 January 2017 from PT Budi Nabati Perkasa by transporter: CV Acan Brothers, Quantity: 50 MT. Weight bridge ticket no. 6341 to PT Budi Nabati Perkasa vehicle no. BG 9596 H, volume: 9,470 Kg.					
		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-2	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-2	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-2	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-2	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.

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

SIPEF GROUP Time Bound Plan is explained in table section 1.10. SIPEF GROUP has achieved 5 management units in Indonesia and 3 Management Units in Papua New Guinea that RSPO certified. Total management unit in SIPEF GROUP are 8 in Indonesia, and 1 in Papua New Guinea. Therefore since 1st August 2017 SIPEV NV has acquisition 1 company in Sumatera Selatan Province, Indonesia. SIPEF GROUP has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that SIPEF GROUP is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the SIPEF GROUP representative on August 2017, by the Sustainability Director.

MUTU has verified partial certification for un-certified unit's subsidiary of SIPEV NV based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit PT Agro Kati Lama, PT Agro Muara Rupit and PT Agro Rawas Ulu seen. Internal audit report shows 24 non-conformities in PT Agro Kati Lama; 32 non-conformities in PT Agro Muara Rupit; 31 non-conformities in PT Agro Rawas Ulu and finding were raised. The internal audit report indicated, there was no land conflict and labor dispute noted.</p> <p>Positive assurance has been provided by General Manager South Sumatera Operation, as lined out in "Pernyataan Kesanggupan Memenuhi Prinsip dan Kriteria RSPO dan Kebijakan-Kebijakan Perusahaan", dated 19th December 2016. The statement indicated that PT Agro Kati Lama, PT Rawas Ulu, and PT Agro Muara Rupit – as a member of RSPO, committed to respect and implement company policies, as well as following and implementing all RSPO requirements related to development of new</p>

		plantation. Companies are committed to perform continuous improvement to comply with all principle and criteria. Companies also committed to follow up all finding, both internal and external.
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> Primary forest. Any area identified as containing High Conservation Values (HCVs). Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: PT Umbul Mas Wisesa was following RSPO Remediation and compensation procedure.</p> <p>Auditor Verification: Audit team does notice PT Umbul Mas Wisesa was following RSPO Remediation and compensation procedure. Remediation and compensation plan was evident, progress report in line with plan was evident. For all other non-certified unit, land clearing/conversion/planting was carried out after HCV assessment carried out.</p>
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: All new planting after January 1st, 2010 have undergone and complies with RSPO New Planting Procedure.</p> <p>Auditor Verification: RSPO NPP for PT Mukomuko Agro Sejahtera has been uploaded in RSPO website for public notification on 6th March 2012.</p>
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: All land conflict is following FPIC principle.</p> <p>Auditor Verification: Internal Audit PT Agro Kati Lama, PT Agro Muara Rupit and PT Agro Rawas Ulu seen. Internal audit report shows 24 non-conformities in PT Agro Kati Lama; 32 non-conformities in PT Agro Muara Rupit; 31 non-conformities in PT Agro Rawas Ulu and finding were raised. The internal audit report indicated, there was no land conflict noted.</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No outstanding labor dispute noted.</p> <p>Auditor Verification: Internal Audit PT Agro Kati Lama, PT Agro Muara Rupit and PT Agro Rawas Ulu seen. Internal audit report shows 24 non-conformities in PT Agro Kati Lama; 32 non-conformities in PT Agro Muara Rupit; 31 non-conformities in PT Agro Rawas Ulu and finding were raised. The internal audit report indicated, there was no labor dispute noted.</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: No outstanding legal non-compliance identified.</p> <p>Auditor Verification:</p>

		<p>Internal Audit PT Agro Kati Lama, PT Agro Muara Rupit and PT Agro Rawas Ulu seen. Internal audit report shows 24 non-conformities in PT Agro Kati Lama; 32 non-conformities in PT Agro Muara Rupit; 31 non-conformities in PT Agro Rawas Ulu and finding were raised. The internal audit report indicated, there was no serious legal non-compliance identified. However, internal audit raised findings related to consistent update on list of relevant laws and regulations. Management unit was conducting correction and corrective action to rectify this issue.</p>
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3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

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

NCR No.	:	2016.01	Issued by	:	Dwi Haryati
Date Issued	:	1 st July 2016	Time Limit	:	12 th September 2017
NC Grade	:	Minor Raised to Major	Date of Closing	:	18 August 2017
Standard Ref. & Requirement	:	1.1.1 A list of information relating to criterion 1.2 should be made available to relevant stakeholders.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the interview result with the secretary of Bingin Rupit Estate, Head of Bringin Jaya Village, Head of Kerta Sari Village, Head of Mangunjaya Village, Head of Teluk Pandak Village, The Representative of Plantation Agency, Labour Agency, and enviroment bodies, it's submitted that due to getting the information from company via public relation by the approval of company head. However, the stakeholder still not yet knew the types of information which could be accessed or requested and there's still no socialization evidence due to the type of information which could be accessed or requested by the stakeholders.					
Root Cause Analysis <i>(filled by organization audited):</i> The standard operational of procedure has been already created, however it's still need to be reviewed in order to be implemented and adjusted with the condition of stakeholder around the estate.					
Correction <i>(filled by organization audited):</i> SOP has been created completely in the form of SOP of inovation and delivering information to stakeholder, whereas list of dcoument is given with 3 (three) categories within such as private, limited, or public. The SOP within is presented into some types of document that categorized regarding to the three categories, such as : <ul style="list-style-type: none">- Private information, in the form of employee's salary, employee's assessment, and compensation for employee.- Limited information, in the form of health insurance, operational budget, donation document, and land study (Enviromental Impact Assessment, HCV)- Public information in the form of policy, SOP, and labour/general data. The socialization for SOP implementation has been done to the related stakeholder around the estate area.					
Corrective Action <i>(filled by organization audited):</i> SOP is distributed to the site in order to be implemented by following the procedure which has been explained into the SOP, whereas still have to pay attention regarding to the existing document category (private, limited, and public).					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification of Auditors July 10, 2017 The Company shows evidence documentation the minutes of meeting socialization FFB pricing for the period of May 2017 held on June 3, 2017 at the KUD Pakar Maur Office. Participants of the socialization are representatives of PT DMIL, KUD Pakar Maur administrators and Plasma Member Representatives. In addition, stakeholder participation was demonstrated, for example, meeting with the Regent of Musi Rawas Utara and Head of National Land Agency Musi Rawas Utara on March 10, 2017 on Discussion on the separation of estate and plasma Land Use Title. The Company also shows a questionnaire form regarding the responses / complaints of PT DMIL workers with some work related questions. <i>The evidence shown is not sufficient to answer the description of non-conformity that is evidence of socialization of the type of information that can be accessed / requested by stakeholders and stakeholder understanding of the type of information provided by the company and accessible to stakeholders.</i>					

Based on the above description, the minor incompatibility of 2016.01 on ASA-1 has not been fulfilled and **become Major (Open)**.

(Auditor Verification on 18 August 2017)

Unit of management has shown the corrective evidence : SOP of innovation and delivering information to stakeholder with the reference number of document 090/DMIL TI-PPIPK/2017 on 17 July 2017. This standard operation of procedure was established by the operational director, human resource and legal director, and also president director. This standard operation of procedure is describing several documents which is categorized into three kinds of categories, such as :

- Private information, as for the example consist of employee's payroll, employee's assessment, and employee's compensation.
- Limited information, as for the example consist of health insurance, operational budget, document of donation, and land studies (Environmental Impact Analysis, HCV)
- Public information, such as policy, standard operational of procedure, and data of labour / general.

Furthermore, unit of management has shown the corrective evidence in the form of :

- Attendance list of socialization to the internal stakeholder (worker), such as on 18 August 2017 which is located at the central office.
- Attendance list of socialization due to the standard operational procedure of innovation and delivering information to the stakeholder on 31 July 2017. This socialization is attended by the representative of village cooperative unit, Rupit sub district secretary, the village head and the headman around the estate.
- Attendance list of socialization due to the standard operational procedure of innovation and delivering information to stakeholder. This socialization activity was conducted at Aburan Village (PT Tebo Indah) to the eight of village officers.
- Attendance list of Sungai Keruh Village which was attended by 8 (eight) village officers.
- Attendance list of Penapalan Village which was attended by 7 (seven) officers and villagers.

Auditor's conclusion:

Based on the corrective evidence which is shown, so the non conformity number 2016.01 declared as comply (observation).

Verified by Diverifikasi oleh	:	Dwi Haryati
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NCR No.	:	2016.03	Issued by	:	Trismadi Nurbayuto
Date Issued	:	1 July 2016	Time Limit	:	12 September 2017
NC Grade	:	Minor raised to Major	Date of Closing	:	31 August 2017
Standard Ref. & Requirement	:	1.3.1. Growers and millers commit to ethical conduct in all business operations and transactions.			
Non-Conformance Description & Evidence observed (filled by auditor):					
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.

Root Cause Analysis *(filled by organization audited):*

Commitment due to the code of integrity and ethical behavior which has been already made and contained into the guidelines of behavior. However, related to the socialization and its implementation, will be re-optimized in order to run the consistency.

The guidelines of behavior's document has been already implemented in 2014. The implementation of socialization to the employee has been already done, and then implemented to all new employees.

Correction *(filled by organization audited):*

The socialization and implementation due to the guidelines of behavior has been conducted. At the beginning, this matter has been implemented both at the head office and site. All employees are required to fill and sign the form of appendix A, which is consist of employee's statement as below :

- Not receiving any kind of gift and others.
- Has no kind of conflict of interest
- Has no kind of relatives, either directly or indirectly.

If during the work, the employee is receiving any kind of gift or other kind of it, so they must be required to fill and sign the form of apendix B, whereas all kinds of it will be submitted to the human resource department, and then will be used for all kinds of employee's activity.

Corrective Action *(filled by organization audited):*

The implementation of socialization is done regularly in order to the employee more knowing and understanding due to the guidelines of behavior. For the further, it could be obeyed by all employees in order to create the transparant environment of work. The socialization will be conducted every once in three months with human resource deparment as person in charge.

Assessor Evaluation and Conclusion *(filled by auditor):*
(Verification on 16 August 2017)

The company has shown the guidelines of behavior's document which is signed by the president director and human resource and legal director on 7 August 2014.

The important point within the document such as :

- Each employee has to provide the professional services with full integrity.
- Each employee is not allowed by directly or indirectly to receive and give any kind of gift from other party.
- Doesn't have any kind of conflict of interest (including ban of corruption)
- Create the positive work atmosphere and trying to reduce the negative impact which is caused by the non constructive and pessimistic comment.
- Each employee is prohibited for notifying, leaking, or disclosing the confidential information to other party.

This policy has been socialized via email on 7 August 2014 to all heads unit of estate and palm oil mail. Furthermore, it's also has been socialized to all employees on 3 February 2017.

Verification on 31 August 2017

The company has been shown the socialization report on 31 July 2017 regarding to the code of integrity and ethical behavior at the enviroment of work to the contractor of PT Aditya Putra Ophirindo and CV Paramita at PT DMIL; otherwise at PT TI has been socialized to CV Alam Jaya.

Auditor's Conclusion:

Based on the root cause analysis, correction and corrective action which has been shown, so this non conformity has been complied.

Verified by : Trismadi N

NCR No.	: 2016.06	Issued by	: Andi Pratama Pasaribu
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017
NC Grade Grade	: Minor raised to major	Date of Closing	: 7 September 2017
Standard Ref. & Requirement	: 2.2.2 Legal boundaries are demonstrated clearly and maintained.		
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Deskripsi Ketidaksesuaian & Bukti yang diamati <i>(dilengkapi oleh auditor):</i></p> <p>Legal boundaries are not demonstrated clearly and maintained yet 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, however the realization in PT DMIL is twice a year and in PT TI every three month.</p> <p>ASA-2 Management unit could not be shown by the document which can explain due to the case adequately.</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i> The boundaries pole is available and comply with the numbers that can be found in the map of land use title certificate or national land agency, and has been maintained in appropriate with the standard operational of procedure. However, the photo and monitoring report update still not yet including the whole or total of land national agency boundaries pole.</p>			
<p>Correction <i>(filled by organization audited):</i> Consession territory area in the field is shown by the land use title boundaries pole that has been monitorized, which is detailed by the surveyor in monitoring check of national land agency boundaries pole's form, including the existency of boundaries pole (move, lost, exist), the condition of boundaries pole (damage, tilt, lost), cleanliness (hygiene, soiled), colour and inscription (faded, clear). Based on the result of monitoring, the numbers of land use title boundaries pole is comply/exist, clean, and obvious.</p>			
<p>Corrective Action <i>(filled by organization audited):</i> Management will be re-assure the implementation of routine monitoring due to the existence and condition of land use title boundaries pole, including the existence of boundaries pole (which is checked by using coordinate point/map of land use title boundaries pole, if it's lost must be immediately re-installed), condition of boundaries pole, cleanliness (number of boundaries should be read obviously), and the colour of inscription (if the number and colour have been already faded must be made created immediately and repainted). The monitoring will be done by the assistant of GIS/surveyor and the assitant of RSPO for every three months.</p>			
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 4 September 2017</p>			

PT DMIL

The company has been shown the land use title boundaries pole of monitoring result documentation on July 2017, which is known that there're 174 of boudaries pole in good condition, and inside of the photo has been completed with each coordinate of boundaries pole.

Field Verificationon 7 September 2017

Based ont the field observation result to the land use title No. 006 at the block of H02/F02, Division One, BR-1 Estate, it's known that the condition of land use title boundaries pole in well maintain and demarked.

PT TI

The company has been shown the land use title boundaries pole of monitoring result documentation on June 2017 which is known that there're 73 of boundaries pole, and inside of the photo has been completed with each coordinate of boundaries pole.

Field Verification 5 September 2017

Based on the result of field observation to land use title boundaries pole No. TI 6 and TI 68 at the 5th section, it's known that the boundaries pole in well maintain condition and demarked.

Based on the root cause analysis, correction and corrective active which have been shown, so the non conformity has been complied.

Verified by : Trismadi N
Diverifikasi oleh

NCR No.	: 2016.07	Issued by	: Andi Pratama Pasaribu
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017
NC Grade	: Minor raised to major	Date of Closing	: 5 September 2017
Standard Ref. & Requirement	2.2.3 In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.		

Non-Conformance Description & Evidence observed (filled by auditor):
Deskripsi Ketidakesuaian & Bukti yang diamati (dilengkapi oleh auditor):

Monitoring and documentation of land dispute
ASA-1

Management unit has have procedure of land dispute completion, however management unit can not shows the records of resolution process of land dispute.

ASA-2

Unit of management could not shown the system which is capable to do the monitoring and documentation to detail of all disputes/land dispute potentials with its resolution plan. **The non confirmity No. 2016.07 (minor raised to major).**

Root Cause Analysis *(filled by organization audited):*

The record of land dispute settlement process is available, however the data is a document with limited category.

Correction *(filled by organization audited):*

In order to the needs of audit, this document is issued and given the information in the form of land dispute occur which is happened in January 2017. The problem that already occurred has been sought settlement and the agreement has been already gotten that could be accepted by the concerned and the company.

In case of the land dispute settlement, the flow has already created which is involving the land owner, village team, assistant of GIS, staff and manager of CSR, and the clerk of CSR, in order to reach the whole result and the same thing won't be repeated anymore.

Corrective Action *(filled by organization audited):*

The document of land dispute settlement, conducted by the site and choosing the limited PIC, who could be known and saved the information, so in the next audit, it can be given directly.

The PIC can provide the document of land dispute to the PIC of RSPO at the site.

Assessor Evaluation and Conclusion *(filled by auditor):*
Observation on 16 August 2017

It's already shown the corrective evidence as below :

1. Flow process of land dispute settlement
2. The letter of land sharing agreement on behalf of Husin and Asma at PT TI which was signed on 5 April 2017.
3. Photos of dispute settlement.

Verification on 4 September 2017

The company has shown list of land dispute in 2016 at the operational area of PT TI which is consist of 2 (two) disputes on behalf of Sukar as much as 0.25 Ha and on behalf of Husin as much as 2.31 Ha. All disputes have been already solved by the company on December 2016, whereas completed with participatory map, signed by the witnesser of land owner. It's also has been already completed by the documentation of land compensation submission.

In 2007 there's the land dispute in the partnership area at Section two between Mr Husin and Mrs Asma as much as 2.31 Ha, whereas the dispute has been already solved by both of sides on 5 April 2017. It's known that Mr Husin has gotten the land as much as 1.31 Ha and 1.00 Ha for Mrs Asma.

Verification on 5 September 2017

The company has shown the monitoring result of land dispute settlement at PT TI, whereas since 2016 to April 2017, there're 5 (five) cases of land dispute that has been already solved, such as :

1. On behalf of Sukar, as much as 0.25 Ha, solved in 2016 which is in appropriate with the letter of land submission No. 001/SKR-TKM/SPPL/XII/2016, signed by the heirs, company's party, union and task force (muspika). There's also the participatory map which is signed by all related parties that has been mentioned before.
2. On behalf of Roni, as much as 0.87 Ha, solved in 2016, which is in appropriate with the letter of land submission No. 002/SKR-TKM/SPPL/XII.2016, signed by the heirs, company's party, union and task force (muspika). There's also the participatory map which is signed by all related parties that has been mentioned before.
3. On behalf of Fatmawati namely Tema, as much as 1.10 Ha, solved in 2016 which is in appropriate with the letter of land submission No. 004/SKR-TKM/SPPL/XII/2016, signed by the heirs, company's party, union and task force. There's also participatory map which is signed by all related parties that has been mentioned before.
4. On behalf of Hasan Basri, as much as 0.90 Ha, solved in 2016 which is in appropriate with the letter of land submission No. 006/SKR-TKM/SPPL/XII/2016, signed by the heirs, company's party, union and task force (muspika). There's also participatory map which is signed by all related parties that has been mentioned before.

5. In 2007, there's land dispute in the partnership area at Section 2 between Mr husin and Mrs Asma, as much as 2.331 Ha, whereas it has been already solved by both of sides on 5 April 2017. Mr Husin has gotten the land as much as 1.31 Ha and 1.00 Ha for Mrs Asma. The document has been completed with participatory map and signed by the owner of each land.

The latest monitoring result, it's known that there's no more land dispute from April to August 2017.

Based on the root cause analysis and corrective action, it's been complied. So, the non conformity has been complied.

Verified by : Trismadi N

NCR No.	:	2016.08	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	14 July 2017	Time Limit	:	12 September 2017
NC Grade	:	Minor raised to major	Date of Closing	:	12 September 2017
Standard Ref. & Requirement	:	2.2.5 For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
Participatory map with related stakeholder ASA-1 The company can not show the procedure for participatory mapping of land dispute.					
ASA-2 Based on the field visit at the estate of PT DMIL and PT TI, it's known that there's still not enough evidence which could shown that the participative mapping has been already done and involving the impacted parties who occupy the land use title area of the company.					
Root Cause Analysis <i>(filled by organization audited):</i> Conflict or dispute which are related to the land, is documented by each case between the impacted parties and company. In this matter, the impacted parties are person to person or within each document (related parties). So that, the global map of whole land use title area has never been made which is showing whole conflict of areas.					
Correction <i>(filled by organization audited):</i> The participatory map has been already created whereas presented the whole land use title area, not only at PT DMIL but also PT TI, and it's shown that the whole areas which is still in conflict or dispute situation. As for this map is authorized by the representative of citizen, the head of village, and the director of company. With the existence of this map, it's expected that could be a reminder to resolve any kind of land conflict immediately, in order to reach the agreement between the parties from citizen and company.					

Corrective Action *(filled by organization audited):*

The participatory map will always be monitorized and updated which is keep up with the latest update, nor if there's any kind of new land conflict in the land use title area of the company.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 4 September 2017

The company has shown the SOP of land conflict participatory mapping No. 094/DMILTI-PPLK/2017 on 17 July 2017, and the point is if there's any kind of land conflict, it will be needed the parcitipatively mapping with the land owner whom dispute.

Other than that, it's shown the map of land use title at PT DMIL and PT TI which is signed by the operational director and the head of village.

Verification on 5 September 2017

The company has shown the monitoring result of land dispute settlement at PT TI, whereas since 2016 to April 2017, there're 5 (five) cases of land dispute that has been already solved, such as :

1. On behalf of Sukar, as much as 0.25 Ha, solved in 2016 which is in appropriate with the letter of land submission No. 001/SKR-TKM/SPPL/XII/2016, signed by the heirs, company's party, union and task force (muspika). There's also the participatory map which is signed by all related parties that has been mentioned before.
2. On behalf of Roni, as much as 0.87 Ha, solved in 2016, which is in appropriate with the letter of land submission No. 002/SKR-TKM/SPPL/XII.2016, signed by the heirs, company's party, union and task force (muspika). There's also the participatory map which is signed by all related parties that has been mentioned before.
3. On behalf of Fatmawati namely Tema, as much as 1.10 Ha, solved in 2016 which is in appropriate with the letter of land submission No. 004/SKR-TKM/SPPL/XII/2016, signed by the heirs, company's party, union and task force. There's also participatory map which is signed by all related parties that has been mentioned before.
4. On behalf of Hasan Basri, as much as 0.90 Ha, solved in 2016 which is in appropriate with the letter of land submission No. 006/SKR-TKM/SPPL/XII/2016, signed by the heirs, company's party, union and task force (muspika). There's also participatory map which is signed by all related parties that has been mentioned before.
5. In 2007, there's land dispute in the partneship area at Section 2 between Mr husin and Mrs Asma, as much as 2.331 Ha, whereas it has been already solved by both of sides on 5 April 2017. Mr Husin has gotten the land as much as 1.31 Ha and 1.00 Ha for Mrs Asma. The document has been completed with participatory map and signed by the owner of each land.

Verification on 7 September 2017
PT DMIL

Based on the montitoring result, it's known that there're 6 (six) cases of dispute that have been resolved in 2017, such as :

1. On behalf of Zaidibni as much as 50 Ha at the block of J31-J32 has been resolved on April 2017, the letter of statement of land disposal and participatory map has been verified by the team of auditor.
2. On behalf of Syamsudin, as much as 23 Ha, at the block of I2-15 has been resolved on May 2017, the letter of statement of land disposal and participatory map has been verified by the team of auditor.
3. On behalf of Zakaria, as much as 160 Ha, at the block of I36-I37 has been resolved on May 2017, the letter of statement of land disposal and participatory map has been verified by the team of auditor.
4. On behalf of Awal, as much as 25 Ha at the block of K31 has been resolved on June 2017, the letter of statement of land disposal and participatory map has been verified by the team of auditor.
5. On behalf of Yanto PK, as much as 18 Ha at the block of L13 has been resolved on June 2017, the letter of statement of land disposal and participatory map has been verified by the team of auditor.
6. On behalf of Nawir, as much as 12 Ha at the block of L29 has been resolved on June 2017, the letter of statement of land disposal and participatory map has been verified by the team of auditor.

Verification on 12 September 2017

The company has shown the corrective evidence, such as :

1. Monitoring document of land dispute.
2. Recapitulation of land dispute in the operational area of PT Dendymarker Indahlestari in 2017, whereas from 6 cases have been already resolved.
3. The map of company's land use title after the disposal area as much as 4,088.59 Ha on 27 July 2016. The area which is observed by the auditor (Pole of Land National Agency 002), include into the area of disposal. Therefore, the status of the land is returned to the country and no longer as under control of company.

Based on the corrective evidence that has been shown, so the non conformity is declared as closed with observation.

Verified by : **Andi P Pasaribu**

NCR No.	: 2016.11	Issued by	: Andi Pratama Pasaribu
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017
NC Grade	: Minor raised to major	Date of Closing	:
Standard Ref. & Requirement	: 4.1.2 Checking or monitoring of operations procedures is conducted at least once a year.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Checking or monitoring of operations procedures mechanism can not shown yet The company still could not shown the mechanism for checking the consistency due to the implementation of procedure and also its documentation.			
Root Cause Analysis <i>(filled by organization audited):</i> The new procedure is being reviewed. After the final result is already gotten, then will be united with the existing procedure and the update list will be created.			
Correction <i>(filled by organization audited):</i> The update list of procedure or registration for the whole procedure is complete and established by the management, which is can be used for all aspects of palm oil plantation, such as procedure of agronomy, palm oil mill, budget, finance and accounting, human resource, legal, logistic/procurement, marketing, business process, corporate audit, and sustainability.			
Corrective Action <i>(filled by organization audited):</i> The procedure will be re-reviewed (if needed), updated or revised, adjusting to the actual condition on the field. Therefore, the procedure of registration will be equipped as needed.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 4 September 2017 The company has shown the management system of registration or list of SOP which is consist of 11 (eleven) elements. Field Verification on 7 September 2017			

The SOP of internal audit No. 105/DMILTI-IA/2017 is showed, revised 00 on 17 July 2017 that was established by the president director, human resource and legal director, and also operational director. The aim of this procedure is to know the effectiveness of company's policy implementation and authenticating the implementation of SOP at work place that has been in appropriate with the policy and company's goal, also suggest the operational improvements in order to increase the efficiency and effectivity. The conduction of internal audit is done with a frequency once in a year, whether for the external audit is done with a frequency once in three years.

In the SOP, it's presented the mekanisme of corrective action on non conformity finding, whereas the auditee is responsible to execute the corrective action for it as the SOP procedure, work instruction, and memorandum within not longer than 60 days of work

Based on the root cause identification, corrective evidence and corrective action which is shown, this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	:	2016.12	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	14 July 2017	Time Limit	:	13 September 2017
NC Grade	:	Minor raised to major	Date of Closing	:	7 September 2017
Standard Ref. & Requirement	:	4.1.3 Records of monitoring and any follow-up actions shall be available.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
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.					
Root Cause Analysis <i>(filled by organization audited):</i> The assessment due to the SOP implementation of agronomy for the plant nursery has been already done (for PT TI was implemented on 12-15 June, whether PT DMIL on 17-21 January). However, during the audit implementation, it still could not yet be presented, due to the format of visit report.					
Correction <i>(filled by organization audited):</i> The assessment result in the form of report or verification sheet indeed made into visit report document. Within the report, it's mentioned the detail of field or land condition such as photos of finding and the information of it, also the direction to improve the condition during finding to be appropriate with the rule or practice of agronomy at the palm oil mill.					
Corrective Action <i>(filled by organization audited):</i> The operational section has been distributing the visit report as the verification result due to the land condition to PIC of RSPO in order to it could be saved as the document or record related to the implementation requirement of RSPO.					

Assessor Evaluation and Conclusion (filled by auditor):
Observation on 16 August 2017

It's been shown the corrective evidence such as the field visit report of operational director to PT Tebo Indah (16 June 2017) and PT Dendymarker Indahlestari (23 January 2017). However, it still could not be shown the evaluation evidence and correction for the field's finding (the work which still could not complied the SOP) that identified.

Verification on 4 September 2017
PT DMIL

The wholesale collective agreement letter No.003/SPK/DMIL/IV/2017-revised on 9 April 2017 between PT DMIL and PT Aditya Putra Ophirindo for the drain flushing activity along 18.900 m (size 3x2x2 m) and along 5.400 m (size 2x2x2 m). The settlement period is 2 (two) months.

The documentation of some corrective evidences :

- The clearance of harvesting path at block K-21
- The drain flushing at BR-2 Estate
- The field drain at block H-08

PT TI

The field corrective documentation of operational director visits:

- The manual slash job
- Fresh fruit bunch grading result at the fruit collecting point on 1 June 2017 in Division 4; 41% of raw fruit and 59% of ripe fruit.

Field Verification on 5 September 2017
PT TI

Based on the field observation to the block T8 (Year of Planting 2013) dan R14 (Year of Planting 2010), Section II of PT Tebo Indah, it's found that the manual nursing harvesting path and circle's condition have been done. It's also shown the realization record of manual nursing that has been already done by the company. The observation is also done at the block T9, section II of PT TI and it can be concluded that the realization of manual nursing has been done in appropriate with the record that already given.

PT DMIL

The field observation has been done at the block I10 and I20, division 1, BR-1 estate and also at the block K27 and H15, division 2. The observation result in the field, it's concluded that the realization of manual nursing is available to clean up the circle of harvesting path. However for the block D9, division 2, BR-1 estate which is the location of non conformity finding during ASA-2 audit still could not yet done the manual nursing to clean up the circle and harvesting path.

Based on the root cause analysis, correction and corrective action which has been shown, also the field verification result in each unit, so this non conformity has been complied.

Verified by : Trismadi N

NCR No.	: 2016.13	Issued by	: Radytio Puspanjana
Date Issued	: 1 Juli 2016	Time Limit	: 12 September 2017
NC Grade	: Minor Raised to Major	Date of Closing	: 6 September 2017
Standard Ref. &	: 4.4.1 The management plan of surface water		

Requirement	
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i></p> <p>PT DMIL & PT TI Unit of management has been done the water management and its monitoring to keep the quality and availability of surface water. However, unit of management still could not yet shown the availability for the whole management plan within all estate operational aspects.</p> <p>ASA-2 Based on the observation result at the riparian area of PT DMIL, it's known that there's no sign board and paint for spray boundary marks. Other than that, based on the field observation result to the riparian area of PT TI, it's known that there's no signboard and paint for spray boundary marks.</p>	
<p>Root Cause Analysis <i>(filled by organization audited):</i></p> <p>The surface water management has been done which is following the actual condition at the field. Meanwhile, for the whole estate is created by following the development or realization running at the land. The signboard or spray boundary marks has been already installed at the particular location considered by the worker. However, it will be re-reviewed to be able for adding the installation location.</p>	
<p>Correction <i>(filled by organization audited):</i></p> <p>The surface water management has been created for whole estates, with mainly trench management, in order to the sediment could not increase the TSS at the river, in the form of periodically dredging (each semester). The additional of signboard installation point has been done at the considered location by the worker and located at the riparian area.</p>	
<p>Corrective Action <i>(filled by organization audited):</i></p> <p>Issued the instruction for trench dredging implementation in order to be reached as the predetermined period plan, and the signboard could be monitored. During the muster morning, the briefing is given for spraying worker in order to put the attention of signboard boundaries mark that allowed for spray activity.</p>	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p> <p>Verification on 4 September 2017 The company was showing the internal memo from the president director to the general manager of PT Tebo Indah and PT DMIL on 28 July 2017 regarding to the surface water management. It's submitted the things that should be done :</p> <ol style="list-style-type: none"> 1. Melaksanakan rencana pengelolaan air permukaan sesuai program Implement the surface water management plan according to the programme. 2. Memastikan PIC yang bertanggungjawab terhadap realisasi sesuai dengan jadwal. Ensure that the PIC who is responsible for the realization in accordance with the schedule. 3. Mempersiapkan semua kebutuhan yang akan digunakan dalam teknis pelaksanaan Prepare all needs that will be used in the technical implementation. 4. Memberikan laporan pengelolaan air permukaan. Provide the report of surface water management. <p>The signboard installment documentation and paint of boundary mark in each unit of PT DMIL at the block I-08 meanwhile for PT TI is at the riparian and reservoir.</p> <p>Field Verification on 5 September 2017</p> <p>PT TI Based on the field observation at Belilas and Bungkal ripaian, it's known that the signboard and spray boundary mark</p>	

have been available.

PT DMIL

Based on the field observation to Hitam Riparian at block I-09, division 1, BR-1 Estate and Abang Riparian at block L-28, Division 2, BR-2 Estate, it's known that there're sign board and paint of spray boundary mark.

Based on the field observation, it could be concluded that the non conformity No. 2016.13 declared as complied.

Verified by Diverifikasi oleh	: Trismadi N
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NCR No.	:	2016.16	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	14 July 2017	Time Limit Batas Waktu	:	13 September 2017
NC Grade	:	Minor raised to major	Date of Closing	:	16 August 2017
Standard Ref. & Requirement	:	4.6.4 The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Usage Pesticide Classified as 1A and 1B WHO Has Not Monitored Well Based on the audit result, it's found that : <ol style="list-style-type: none">1. PT DMIL and PT Tebo Indah still not yet owned the complete list of pesticide that include in the World Health Organization for the category as Class 1A-1B and listed in Convention of Stockholm and Rotterdam.2. Based on document review, it's known that at PT Tebo Indah, the using of herbicide in 2015, there's the using of herbicide paraquat as much as 60 liters (dosage 0.02 liter/hectare) and the using until July 2016 is as much as 59.27 Ha (dosage 0,02 Ha). Based on this matter, there's no evidence which is available due to the reduction usage of paraquat.					
Root Cause Analysis <i>(filled by organization audited):</i> Complete list of pestiside which include in world health organization category for class 1A-1B and mentioned into the convention of stockholm and rotterdam is saved at the head office, due to the procurement for the estate is always through and reviewed at the head office. Plan for the reduction usage of paraquat will be implemented according to the land condition.					
Correction <i>(filled by organization audited):</i> The head office has been distributing the complete list of pestiside which include in world health organization category for class 1A-1B and mention into the convention of stockholm and rotterdam to site. It could be used as the guidance for the submission of procurement. Plan for the reduction usage of paraquat which has been made will be implemented especially for circle spray job, harvesting path, fruit collecting point, shruberry spray, and conducted during the period of 2017 to 2019, such					

as :

- In 2017, for circle spray, harvesting path, and fruit collecting point, are given in 2 (two) rotations by the consumption of usage as much as 100% (the total usage of herbicide/glyphosate is 0%), meanwhile for shruberry spray is given in 1 (one) rotation by the consumption of usage as much as 100% (the total usage of herbicide/glyphosate is 0%).
- In 2018, for circle spray, harvesting path, and fruit collecting point, are given in 1 (one) rotation by the consumption of usage as much as 100% (the total usage of herbicide/glyphosate is 0%), meanwhile for shruberry spray is given in 1 (one) rotation by the consumption of usage as much as 50 % (the total usage of herbicide/glyphosate is 50%).
- In 2019, for the circle spray, harvesting path, fruit collecting point, are given in 1 (one) rotation by the consumption of usage as much as 50% (the total usage of herbicide/glyphosate is 50%), meanwhile for shruberry spray has been already for not using the paraquat (100% of glyphosate).
- In 2020, for the circle spray, harvesting path, fruit collecting point, and shruberry spray has been already for not using the paraquat (100% of glyphosate).

Corrective Action *(filled by organization audited):*

The head office will be reviewing each demand due to the procurement of herbicide as paraquat type, whereas in each submission will be completed into the plan that spell out the location or block which will be done, numbers of hectare, the dosage per hectare, so the usage of paraquat will be especially applicated to the specific location that really need for using the paraquat

The head office will be ensuring that the procurement of paraquat should be concentrated, if there's no local or self procurement directly at the estate.

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

Observation on 16 August 2017

Has been already shown the corrective evidence, such as :

1. List of prohibited pesticide and pesticide in monitoring which is released by UTZ (www.utz.org)
2. Internal memo from the operational director No. 004/IM/Dir-OPS/VII/2017 on 27 July 2017 regarding to the reduction pesticide with paraquat active material. In the internal memo or paraquat reduction table attachment that is shown still not yet specifically organize how much physical volume of reduction which will be done.

Verification on 4 September 2017

The company has shown the paraquat reduction usage programme for each unit as below :

The company has shown the paraquat usage justification until 2020, whereas the zero paraquat will be targeting in 2020. The following below is the paraquat usage programme made by the company :

(Year)	PT DMIL Volume (Litre)	PT TI Volume (Litre)
2017	6,164.52	4,945.11
2018	2,659.86	1,755.02
2019	1,112.61	794.72
2020	0	0

Based on the evidences which have been shown, it could be concluded that this non conformity declared as complied.

Verified by : **Trismadi N**

NCR No.	: 2016.18	Issued by	: Trismadi Nurbayuto
Date Issued	: 1 July 2016	Time Limit	: 12 September 2017
NC Grade	: Minor raised to Major	Date of Closing	: 4 September 2017
Standard Ref. & Requirement	: 4.7.6. All workers should be provided by the medical treatment which is covered in accident insurance.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the review document of work accident insurance payment and interview with worker, it's known that not all of daily labors are registered into work accident insurance.			
Root Cause Analysis <i>(filled by organization audited):</i> The daily labours still not yet registered to social security administration bodies due to the company is still waiting until all copies of each worker's identity collected completely, such as copy of identity card or family registration card.			
Correction <i>(filled by organization audited):</i> Currently, the communication to the office of social security administration bodies is already done. In order to facing the obstacle, so the solution is that the registration for the participant of social security administration bodies (daily labour) can be processed without waiting for the completeness identity of worker.			
Corrective Action <i>(filled by organization audited):</i> For each kind of the additional new daily labour, the company will do directly registration to social security administration bodies without waiting for the completeness copies of worker's identity (for this matter such as identity card or family registration card).			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 12 July 2017 Unit of certification has shown the list of daily labour at BR-1 Estate as much as 33 persons and for BR-2 as much as 41 persons. From 41 persons of daily workers at BR-2, known that 12 persons have been informed and registered in social security administration bodies. As for the example, on behalf Mario (1700514731); Jhon (1705147156); and Dodi Alatas (17005147107) which have been already become as permanent employees. Verification on 13 July 2017 Unit of certification has been shown the detail list of daily labour at PT TI as much as 88 persons and also payment evidence on June 2017. Verification on 4 September 2017 Unit of certification has been shown the detail list of daily labour at PT TI as much as 92 persons and also payment evidence on July 2017. Based on root cause analysis, corrective and preventive action that have been shown, so this non conformity declared as complied.			
Verified by	: Trismadi N	Diverifikasi oleh	

NCR No.	: 2016.20	Issued by	: Radytio Puspanjana
Date Issued	: 1 Juli 2016	Time Limit	: 12 September 2017

NC Grade	:	Minor Raised to Major	Date of Closing	:	16 August 2017
Standard Ref. & Requirement	:	5.1.2 The monitoring mechanism of EIA implementation			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT TI Based on verification test result, it's known that the number of BOD and COD at Belilas and Pengabuan river downstream did not comply with the required standard quality. Based on the result of ASA-2 document review on 13 July 2017, it's known that : The company still not yet shown the evidence of EIA implementation. Based on the result of ASA-2 document review on 13 July 2017, it's known that the company still not yet notifying the implementation report of environmental management plan/enviromental monitoring plan for the second semester of 2016 and first semester of 2017.					
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Sampling on the past period was done during the dry season, so the content of organic material in the water quite high. It's cause the number of BOD and COD were beyond the required standard quality.- During the drafting and reporting of environmental management plan/environmental monitoring plan implementation in the second semester of 2016, the transformation officer of PT Tebo Indah on the site is occured. Therefore, the report still could not yet be signed by the authorized party. The Person In Charge for this report was resigned from PT Tebo Indah, so the report of environmental management plan/environmental monitoring plan implementation could not yet be finalizing, whereas finally the finalization of this report is continued by the new person in charge who has been just choosen, along with the drafting report for the first semester in 2017.					
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none">- The sampling has been already done in order to do the drafting implementation report of environmental management plan/environmental monitoring plan, whereas the test result of the number of BOD and COD for the new or actual period has been shown the improvement and under the enviromental standard quality.- The implementation report of environmental management plan/environmental monitoring plan for the second semester of 2016 and the first semester of 2017 have been drafted and submitted to the enviromental bodies of Tebo District.					
Corrective Action <i>(filled by organization audited):</i> Provide the designation and instruction to Marliyana Veronika S. (HR Site) as the person in charge whom responsible for whole things which are related to the drafting and reporting of environmental management plan/environmental monitoring plan implementation report.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 16 August 2017) PT TI The company has been sent the environmental management plan/enviromental monitoring plan implementation report for the second semester of 2016 and first semester of 2017 to the environmental bodies of Tebo District on 17 July 2017. Based on the explanatory environmental management plan/environmental monitoring plan implementation report for the second semester of 2016, it's known that the number of BOD and COD at Belilas and Pengabuan downstream river have been complied with the surface water standard quality which is required in company's regulation number 82 in 2001. The test of surface water quality was done on 20 May 2017 by the enviromental laboratory of PT Jambi Lestari International, the point of water sampling test was taken at the upstream and downstream of Belilas river, Keruh river, pangabuan river, and batanghari river. The company has own the internal memo from the director regarding to the establishment for the Person In Charge of environmental management plan/environmental monitoring plan draft and report on 20 July 2017. Within the internal memo, one kind of duty as the person in charge is to coordinate the drafting report and submit the implementation					

report of environmental management plan/environmental monitoring plan routinely (once every six months) to the related institution.

Based on root cause analysis, corrective and preventive action which have been shown, so this non conformity declared as complied.

Verified by : Radityo P
Diverifikasi oleh

NCR No.	: 2016.22	Issued by	: Radytio Puspanjana
Date Issued	: 1 Juli 2016	Time Limit	: 12 September 2017
NC Grade	: Minor Raised to Major	Date of Closing	: 4 September 2017
Standard Ref. & Requirement	: 5.2.3 Company's policy regarding to the sanctions for disciplinary action which is done by the employee due to the protected species		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> There's still not yet any available kind of company's policy regarding to the indisciplinary action which is done by the employee due to the protected species. Based on the field visit result and ASA-02 document review on 12 July 2017, it's known that : PT DMIL Unit of management was showing the form letter No. 001140A/PTDI-GM/XIII/2016 from General Manager to BR-1, B-2, BR-3 estate and whole staffs and employees, which within it, already convey regarding to the policy of wildlife hunting prohibition to all employees in appropriate with the statue No. 5 in 1990 clause 21. However, the company still could not yet be able to show the socialization policy evidence to all workers in the company. PT TI Unit of management still could not yet be able to show the availability of policy which is related to the sanction for the employee whom evident that catch, hurt, collect, or kill the protected species in appropriate with company's regulation and applicable national law and the socialization policy evidence to all workers in the company.			
Root Cause Analysis <i>(filled by organization audited):</i> At PT Dendymaker Indahlestari, the related policy for hunting the protected wildlife has been already known and implemented by the person in charge of RSPO, refering to the guidance of high conservation value study result, whereas the socialization to the employee has been done by area recognition of high conservation value. However, it still not yet specifically refer to the protected wildlife. At PT Tebo Indah, the related policy for this matter still in knowledge of study result by the PIC of RSPO, and more written policy will be made and socialized.			
Correction <i>(filled by organization audited):</i> The socialization for the protected wildlife material has been done in both of site, whereas the knowledge will also be given and the criminal sanction if violated, in appropriate with the statue No. 5 in 1990 chapter XII, which is written the longest period of punishment and fine as much as Rp 200.000.000,-			
Corrective Action <i>(filled by organization audited):</i> The socialization will be done periodically, and the territorial boundaries of HCV with the estate estate more can be introduced, so the employee will be more understand and care due to the condition of protected wildlife in order to stay awake.			

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 4 September 2017
PT DMIL

The company has been already shown the evidence of policy socialization regarding to the sanction for disciplinary action for the protected wildlife to staff, such as head of administration coordinator, manager of BR3, assistant of ISPO/RSPO, General Manager Operational, Mill Manager on 17 July 2017.

PT TI

The company has been already shown the internal memo No. 005/IM/Dir-Ops/VII2017 from the director of operational to General Manager of PT Tebo Indah and team on 27 July 2017, within in the form letter was submitting the hunting prohibition policy of protected wildlife to all employees in appropriate with the status No. 5 in 1990 clause 21. The company also has been shown the policy socialization evidence on 22 August 2017 to the General Manager Operational, Head of Administration, Estate Manager, Assistant of ISPO/RSPO, Assistant of Topography, Human Resource and General Affair Assistant, Assistant of Section I, IV, V, Supervisor of Section II, Supervisor 1, Head of Mechanic, Agronomist Clan, and the socialization was done at the office.

The company also has been already shown the evidence of letter form socialization record regarding to the wildlife hunting prohibition for 12 (twelve) employees at PT Dendymarker Indah Lestari on 22 August 2017, meanwhile the socialization for 21 (twenty one) employees done in the same day at PT Tebo Indah.

Based on root cause analysis, corrective and preventive action which have been done, so the non conformity declared as complied.

Verified by : Trismadi N

NCR No.	: 2016.25	Issued by	: Radytio Puspanjana
Date Issued	: 1 Juli 2016	Time Limit	: 12 September 2017
NC Grade	: Minor Raised to Major	Date of Closing	: 5 September 2017
Standard Ref. & Requirement	: 5.3.3 Pollution and Waste Management Plan		

Non-Conformance Description & Evidence observed (filled by auditor):
PT TI

Unit of management of PT Tebo Indah could not yet shown the hazardous waste destruction cooperative agreement letter to Tebo Regional Public Hospital.

The disposal plan and management waste to keep off or reduce the pollution must be documented. However, it still not yet been implemented.

Based on field visit result and ASA-2 document review on 13 July 2017, known that :

- There's rug of hazardous waste which is found in the unlicensed place at the workshop.
- There's the broken knapsack which is stored in warehouse
- The drainage drain at hazardous waste landfill was in a damage condition so the spill of hazardous waste potentially released to the enviroment.
- The hazardous waste landfill still not yet in appropriate with the license required, such as: there's no standard operational procedure of hazardous waste management and no label which is available found on the hazardous waste package.
- There's used air filter at the genset house.
- There's painted can in the front of fertilizer warehouse drumpster.

Root Cause Analysis (filled by organization audited):

- The cooperative agreement letter between PT Tebo Indah and Tebo Regional Public Hospital has not been resent yet by Tebo Regional Public Hospital.
- The neglect of employee has been already happened so some of the hazardous waste was scattered and not in a proper shelter.
- The canal of drainage has been already exist, according to its purpose, and sufficient. However it will be refined.
- According to the label of hazardous waste, it's been already exist and placed in the proper location. However, during the lifting process of hazardous waste on the previous period, the label is carried away and has not been yet returned.

Correction (filled by organization audited):

- PT Tebo Indah and Tebo Regional Public Hospital is cooperating in order to manage the medical solid waste.
- The internal memo is issued that remind the employee for not to be careless in terms of laying down, disposing, and storing the hazardous waste in its place.
- Accomplishing the canal of drainage.

Corrective Action (filled by organization audited):

- Renew the cooperative agreement with Tebo Regional Public Hospital if necessary.
- Ensure that all of the employees have a clean and tidy working culture.
- Constantly maintain the canal of drainage routinely.

Assessor Evaluation and Conclusion (filled by auditor):

The company has been shown the corrective evidence as below:

- Contaminated package report transfer for broken knapsack as much as 61 units and 0.5 kg of used pilly package on 14 July 2017
- Transfer report of water cleaner as much as 5 pieces from the genset house on 14 July 2017.
- The transfer report of used pesticides jerry can as much as 22 pieces and 3.5 kg for momento pesticides package and pilly on 14 July 2017.

However, the company still could not yet be able to show root cause analysis in order to prevent the same thing will be reoccur at the different place and there's no documentation evidence which is comply with the owned hazardous waste management standard operational procedure.

Verifikasi auditor tanggal 4 September 2017 (Auditor's Verification on 4 September 2017)

- The company has been shown the cooperative agreement letter between PT Tebo Indah and Sultan Thaha Saifuddin Regional Public Hospital on 30 March 2017 which is according to the generated management of medical waste by PT Tebo Indah that came from the company's polyclinic by using the incinerator. The validity of the cooperative agreement letter is for 3 (three) years until 30 March 2020.
- The transfer report of medical waste on 19 July 2017 which was consist of 7 (seven) types of waste, and the destruction documentation at the hospital has been verified.

- The company has been shown the internal memo from the director to all employees of PT Tebo Indah on 20 July 2017, regarding to not being careless of work and behave. The memo was informing such as below:
 1. The worker must be focus and use the equipment which is in accordance with the provision given.
 2. Obey all rules, standard operational procedure, bonding work and not doing the carelessness, such as placing, disposing, and storing the hazardous waste in its place (do not throw away haphazardly).
 3. If there's any kind of violation due to this memo or announcement, so the warning will be given for the concerned person,

Field Verification on 5 September 2017

Based on the field visit result to hazardous waste landfill, it's known that :

1. Scale and log book at the hazardous waste landfill, such as : used oil (181.5 litre); used filter (35 pcs); rag (3 kg); used battery (8 pcs); contaminated package (135.81 kg); paint used can (2.8 kg); used sack fertilizer (15 pcs)
2. Fire extinguisher at the hazardous waste landfill and workshop in pressurized condition.
3. Symbol and label of hazardous waste has been appropriated with each type of its character and refer to the regulation of environmental ministry No. 14 in 2013.
4. The drainage which is behind of the hazardous waste landfill has been maintained and there's no hazardous waste spill potential to the enviromental.

Based on root cause anaylsis, correction and corrective action which have been shown, so this non conformity has been complied.

Verified by : Trismadi N

NCR No.	: 2016.26	Issued by	: Radytio Puspanjana
Date Issued	: 1 Juli 2016	Time Limit	: 12 September 2017
NC Grade	: Minor Raised to Major	Date of Closing	: 4 September 2017
Standard Ref. & Requirement	: 5.6.2. Identification of green house gases emission and significant pollutant and its reduction		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT DMIL & PT TI Unit of management still not yet do the significant identification of pollution and emission.			
Root Cause Analysis <i>(filled by organization audited):</i> Unit of management still not yet do the significant identification of pollution and emission.			
Correction <i>(filled by organization audited):</i> PT DMIL and PT TI has been already gotten the update result due to the sources of green house gases emission and will be included into the report, whereas the data of one year period is collected and identified or grouped. The source identification of green house gases emission is adjusted to the method or calculator which will be used into the calcution of emission (for this matter is using the calculator which appropriate to RSPO)			
Corrective Action <i>(filled by organization audited):</i> All datas which is needed due to the reporting of green house gases emission will be recapitulated routinely, so the month by month data could be reached, and will make it easier for the drafting report. The internal of company will be renew all things which are related to the reporting obligation of green house gases emission.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			

Verification on 24 Agustus 2016

PT DMIL

On July 2016, the company has been already done the calculation of green house gases for PT DMIL and also along with the activity, the significant source identification green house gases emission and pollutant. The identification is done in collaboration with PT Sonokeling Akreditasi Nusantara. Within the document of green house gases calculation, it's informed regarding to the source of green house gases emission from the company's operational activity and mitigation measures undertaken. **However, the management plan still not yet cover the timeliness of implementation.**

Based on the corrective result, **so the NC 2016.06 still not yet comply.**

Auditor's verification on 16 August 2017

PT TI

The company has been done the identification of emission which informed within the green house gases calculation report and mitigation effort. Based on the report, it's known that the source of emission and also its mitigation effort, such as :

Land clearing and planting of mitigation effort, such as :

- Zero burning
- Planting of emission absorbent plants
- Identification of conservation area
- Enriching of woody plant at the riparian
- Do the maintenance of machine and transportation arrangement.

Maintenance and harvesting mitigation effort, such as :

- Manuring effectively
- Do the socialization to all levels of worker due to the green house gases mitigation programme as a result of manuring activity.
- Application of pesticides according to the dose.
- Housing, the mitigation effort is the using of fossil fuel for the availability of electricity, maintenance of machine, the routine monitoring of emission, the waste dumping on landfill and the retrenchment of electricity.

PT DMIL

The company has been done the identification of emission which is mentioned within the green house gases calculation report and its mitigation effort. Based on the source of emission and mitigation effort report, such as :

Land clearing and planting of mitigation effort, such as :

- Zero burning
- Planting of emission absorbent plants
- Identification of conservation area
- Enriching of woody plant at the riparian
- Do the maintenance of machine and transportation arrangement.

Maintenance and harvesting mitigation effort, such as :

- Manuring effectively
- Do the socialization to all levels of worker due to the green house gases mitigation programme as a result of manuring activity.
- Application of pesticides according to the dose.
- Housing, the mitigation effort is the using of fossil fuel for the availability of electricity, maintenance of machine, the routine monitoring of emission, the waste dumping on landfill and the retrenchment of electricity.
- The reducing of fossil fuel usage
- Maintenance of machine routinely
- The periodical testing of emission

- Socialization to the worker due to the green house gases mitigation.
- The needs of energy and material within the management process of CPO.

Verification on 4 September 2017

The company has been shown the record of green house gases reduction effort such as the explanation above.

Based on root cause analysis, corrective and preventive action, so this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	: 2016.27	Issued by	: Radytio Puspanjana
Date Issued	: 1 Juli 2016	Time Limit	: 12 September 2017
NC Grade	: Minor Raised to Major	Date of Closing	: 16 August 2017
Standard Ref. & Requirement	5.6.3 The calculation and reporting of green house gases emissions		
Non-Conformance Description & Evidence observed (filled by auditor):			
PT DMIL dan PT TI Unit of management still not yet done the calculation of green house gases by using the calculation method which is established by RSPO or other equivalent method and has been already gotten the approval from RSPO also still not yet reported it to the secretariat of RSPO.			
Root Cause Analysis (filled by organization audited):			
PT DMIL and PT TI is been doing the renewal sources of green house gases emission, so the newest report did not yet could be submitted. Other than that, the data reconciliation is been doing regarding to the previous period of emission source, which will be synchronized with the newest report.			
Correction (filled by organization audited):			
PT DMIL and PT TI has been already gotten the update result due to the sources of green house gases emission, which will be included within the report, whereas the one year data is collected and identified or grouped. The source identification of green house gases is appropriated with the method or calculator will be used into the emission calculation (for this matter is using the calculator which appropriate with RSPO).			
Corrective Action (filled by organization audited):			
All datas which are needed regarding to the reporting of green house gases emission will be recap routinely, so the month by month data could be reached and will be easier in the drafting report. All datas which are needed regarding to the reporting of green house gases emission will be recap routinely, so the month by month data could be reached and will be easier in the drafting report.			
Assessor Evaluation and Conclusion (filled by auditor):			
Auditor's Verification on 16 August 2017 The calculation report of green house gases emission has been reported to the secretariat of RSPO on 15 August 2017, with the detail as below :			
PT DMIL The company has been done the identification of emission which is mentioned within the report of green house gases calculation and mitigation effort. The calculation of green house gases emission which is done during the period of			

2016 to 2017 and has been sent to RSPO by using the Palm Green House Gases Version 3.0.1 RSPO.

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	-0.7	OER	18.47	FFB Processed	21380.75
PK	-0.7	KER	5	CPO Produced	3948.49

Land Use	ha
OP planted area	10668.19
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	0

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	56141.04	7.12	-	-	19792.28	7.12	75933.32	14.24
*CO ₂ emissions from fertilizer	8660.46	1.1	-	-	0	0	8660.46	1.1
**N ₂ O emissions	6791.41	0.86	-	-	0	0	6791.42	0.86
Fuel consumption	130.14	0.02	-	-	0	0	130.14	0.02
Peat Oxidation	0	0	-	-	0	0	0	0
Sinks								
Crop sequestration	-73840.6	-9.36	-	-	-26032.2	-9.36	-99872.75	-18.72
Conservation Sequestration	0	0	-	-	0	0	0	0
Total	-2117.52	-0.26	-	-	-6239.89	-2.24	-8357.41	-2.5

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	4190.99	0.17
Fuel consumption	188.9	0.01
Grid Electricity Utilisation	453.01	0.02
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	4832.9	0.23

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0
Divert to anaerobic digestion	0

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	0
Divert to methane capture (flaring)	0
Divert to methane capture (electricity generation)	0

PT TI

The company has been done the identification of emission which is mentioned within the calculation report of green house gases and mitigation effort. The calculation of green house gases emission which is done during the period of

2016 to 2017 dan has been sent to RSPO by using Palm GHG Version 3.0.1 RSPO.

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	0	OER	0	FFB Processed	0
PK	0	KER	0	CPO Produced	0

Land Use	ha
OP planted area	3000
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	0

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	2135.2	7.12	-	-	-	-	2135.2	7.12
*CO ₂ emissions from fertilizer	27906.54	9.3	-	-	-	-	27906.54	9.3
**N ₂ O emissions	13390.15	4.46	-	-	-	-	13390.15	4.46
Fuel consumption	48.24	0.02	-	-	-	-	48.24	0.02
Peat Oxidation	0	0	-	-	-	-	0	0
Sinks								
Crop sequestration	-28085.2	-936	-	-	-	-	-28085.2	-936
Conservation Sequestration	0	0	-	-	-	-	0	0
Total	34612.93	11.54	-	-	-	-	34612.93	11.54

Based on root cause analysis, corrective and preventive action, so this non conformity declared as complied.

Verified by : Radytio P

NCR No.	:	2016.29	Issued by	:	Dwi Haryati
Date Issued	:	1 st July 2016	Time Limit	:	12 th September 2017
NC Grade	:	Minor Raised to Major	Date of Closing	:	13 September 2017
Standard Ref. & Requirement	:	6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The management unit has conducted a survey using questionnaire method related to public responses / complaints to the existence of PT Tebo Indah and PT DMIL conducted in 2015, but has not been evaluated and the conclusion is re-incorporated as consideration for improvement of the social impact management plan.					
Root Cause Analysis <i>(filled by organization audited):</i> During the conduction of ASA-2, the evaluation is been doing in order to know the community's response due to the existence of company. So, the implementation evaluation evidence could not been given.					

Correction *(filled by organization audited):*

Based on the evaluation result due to the response from community, it's known that the document of social impact assessment still appropriate, so it didn't need to do the revised of document. This evaluation result is mentioned within the report which attended by the representative of village, for the scope village of PT DMIL such as Lubuk Rumbai Village, Pantai Village and Maur Village. Meanwhile for the scope of PT TI, such as Sungai Keruh Village, Penapalan Village, and Semabu Village.

Corrective Action *(filled by organization audited):*

The internal memo was issued on 28 July 2017 that the CSR Manager as person in charge will conduct the evaluation every once in two years whereas for the next evaluation will be done in 2019 in order to know the progress or conformity of social impact assessment document which exist today with the actual or the latest will be.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification of July 13, 2017

The company showed evidence improvement of socialization program and coordination of CSR program 2017 on December 20, 2016 at Maur Baru village. Attached a list of attendance attended by Head of Beringin Jaya village, Maur Baru Village, and head of Beringin Rupit. However, no evidence of the results of the evaluation has been made and the conclusions as an improvement of the work plan in the reassessment of SIA every 2 years. Based on the important evidence, incomplete mismatches have not been met (Open).

Verification on 4 September 2017

The company has been shown the response evaluation report due to complaint of community and consultation due to the existence of company on 27 July 2017 which is signed by the head of village around of each unit.

Based on the evaluation result, it's known that the social impact assessment management plan still as same as the previous one and there's no revise.

Verification on 13 September 2017

The social impact assessment meeting evaluation report has been shown which involve the representative of community and internal memo on 28 July 2017 (look at the corrective action).

Based on the corective evidences which have been shown, so this non conformity declared as complied.

Verified by Diverifikasi oleh	: Andi P Pasaribu
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NCR No.	:	2016.31	Issued by	:	Dwi Haryati
Date Issued	:	1 st July 2016	Time Limit	:	12 th September 2017
NC Grade	:	Minor Raised to Major	Date of Closing	:	4 September 2017
Standard Ref. & Requirement	:	6.11.1 Contributions to local development that are based on the results of consultations with local communities shall be demonstrated.			
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has not been able to demonstrate that the CSR work program has actively involved the community.					

Why can not show evidence of CSR work program preparation that has actively involved the community?	
Root Cause Analysis <i>(filled by organization audited):</i> The newest CSR programme is made after accomodating the community's aspiration which was got from the socialization or consultation result between the company and community..	
Correction <i>(filled by organization audited):</i> The company and villager have been done the socialization due to the existing CSR programme, whereas this programme is drafted based on the review result of social impact assessment management plan.	
Corrective Action <i>(filled by organization audited):</i> The CSR programme will be drafted based on the review result of social impact assessment management plan and conducted routinely.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification of July 13, 2017 The Company showed evidence of improvements in the form of socialization documentation and coordination of CSR programs in 2017 on December 20, 2016 at the rumors of the New Maur village. Attached attendance list attended by Kades Beringin Jaya, New Maur Village, Village Treasurer and head of Beringin Rupit. However, there has not been enough evidence of the active form of community communication regarding the identification of local development needs and priorities. Based on the evidence provided, then the inconsistency is stated not fulfilled (Open). Verification on 4 September 2017 PT DMIL Unit of certification has been shown the CSR programme which involve the participative of community on 31 July 2017 at Maur Baru Village, Lubuk Rumbai Village, and Pantai Village. This programme is consist of infrastructure, the pattern of partnership or plasma, job vacancy, business opportunity and the increasing of revenue, and health of community environmental. PT TI Unit of certification has been shown the CSR programme which involve the participative of community on 20 July 2017 at Desa Ulu Village, Semabu Village, Teluk Pandak Village, and Kandang Village. This programme is consist of infrastructure, the pattern of partnership or plasma, job vacancy, business opportunity and the increasing of revenus, and health of community enviromental. Based on root cause analysis, corrective and preventive action, so this conformity declared as complied.	
Verified by Diverifikasi oleh	: Trismadi N

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

NCR No.	: 2017.01	Issued by	: Dwi Haryati
Date Issued	: 14 th July 2017	Time Limit	: 12 th September 2017
NC Grade	: Major	Date of Closing	: 12 September 2017
Standard Ref. & Requirement	2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Evidence of compliance with relevant laws and regulations has not been demonstrated. Based on document review and interviews with workers, the number of working days of Daily Contract workers eg BR-2 servant warehouses from March to May 2017 has working for 21 days for 3 consecutive months, however not yet appointed as full-time employees. This is not in accordance with Kepmenaker No. 100 of 2004.			
Root Cause Analysis <i>(filled by organization audited):</i> The understanding and coordination are need to be improved between the field assistant, head of administration, estate manager, and human resource. So, the hiring process of daily worker whom has been worked more than 3 (three) months with 21 (twenty one) days numbers of working day for each month become hung up.			
Correction <i>(filled by organization audited):</i> All of daily workers with 21 manday per month during 3 months has been appointed as permanent workers.			
Corrective Action <i>(filled by organization audited):</i> The internal memo is issued whereas to instruct and remind regarding to the provision of employment, especially the decree of ministry of labour No. 100 in 2004.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 4 September 2017 The company has been shown the daily worker employment appointment letter to be permanent employee consist of 1 (one) fire guard, 1 (one) helper mechanic workshop, 1 (one) warehouse assistant, and 38 (thirty eight) harvesters. Such as : <ol style="list-style-type: none">1. The decision letter No. 021/DMIL/GM/SKU/VII/2017 on 21 July 2017 on behalf of Andep Piltra (warehouse assistant), date of appointment on 1 August 2017.2. The decision letter No. 022/DMIL/GM/SKU/VII/2017 on 21 July 2017 on behalf of Ismail Azmi Ginting (helper mechanic workshop), date of appointment on 1 August 2017.3. The decision letter No. 023/DMIL/GM/SKU/VII/2017 on 21 July 2017 on behalf of Mario (harvester), date of appointment on 1 August 2017. The internal memo is showed regarding to the implementation of labour regulation provision No. 100 in 2004 on 31 July 2017 which is made by the director. The content of internal memo is the instructor of director in order to process and hire the employee or worker which has been worked according to the following provision as below : <ul style="list-style-type: none">- Have been worked for 3 months or more.- Worked more than 21 days for each month. Field Verification on 6 September 2017 Based on the interview with grading worker (Hendri), sterilizer operator (Endar), and boiler operator (Sobirin) at Dendymarker Palm Oil Mill, it's known that on August 2017, the employee's status has been already become the current time agreement due to the turnover management from PT Agro Investama to PT Tolan Tiga Indonesia. However, the work termination has been done to the employee by the management of PT Tolan Tiga Indonesia and the rights has been granted in appropriate with the applicable regulation. (the evidence of severence payment or			

termination work of rights are in appropriate with the regulation).

Verification on 12 September 2017

On 1 August 2017, the change of ownership shares has been done from the management of Agro Investama Gemilang (AIG) to the management of SIPEF GROUP. Therefore, the work termination has been done to all employees. Due to this matter, the company has been shown the corrective evidence, such as :

1. List of laid off compensation calculation for permanent employee and daily worker with its payment receipt.
2. The reappointment of employee by using the letter of current time agreement. As for the example, the cooperative agreement letter on behalf of Hendri, Endar Susastra, and Sobirin which is known and signed by the labour agency of Musi Rawas Utara District.

Based on some facts which have been mentioned above, so this non conformity declared as Closed with Observation.

Verified by : **Andi P Pasaribu**

NCR No.	: 2017.02	Issued by	: Trismadi N
Date Issued	: 14 July 2017	Time Limit	: ASA-3
NC Grade	: minor	Date of Closing	:
Standard Ref. & Requirement	2.1.4. System that record every change within the law must be implemented		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The change of system within the law still not yet been recorded and implemented.			
PT DMIL&PT TI Based on the result of document verification, unit of certification was showing the new regulation, such as the regulation of ministry of labour No. 1 in 2017. However, it still could not been shown the record of change (law register) and the evaluation due to its implementation.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Correction <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.3	Issued by	: Andi Pratama Pasaribu			
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017			
NC Grade	: Major	Date of Closing	: 12 September 2017			
Standard Ref. & Requirement	: 2.2.1 Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.					
Non-Conformance Description & Evidence observed (filled by auditor): Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land could not yet been shown. Based on the field visit at the pole of 34 at block S14 of Division I of PT Tebo Indah, it's indicated that there's a cultivation outside of the land use title. However, it's still could not be shown by the document which can explain due to the case adequately.						
Root Cause Analysis (filled by organization audited): The document is archived at the head office and also has the limited access, whereas the document could be issued if necessary and has been already gotten the approval from the authorized.						
Correction (filled by organization audited): In the area which has been already mention from the result of audit, the land that has been already owned the legality in the form of land transfer document that mentioned into notary deed on behalf of the consignee and the rights management of land to be in cooperation with Tujuan Murni Village Cooperative Unit as the party whom received the transfer rights of land in order to be cooperated.						
Corrective Action (filled by organization audited): The person in charge is given in order to keep the related document on site, so it could be submitted if necessary. However, it still need to be coordinated with the head office if it will be distributed to the concerned party						
Assessor Evaluation and Conclusion (filled by auditor): Auditor's observation on 16 August 2017 It's already been shown the corrective action in the form of transfer and management land rights agreement letter from the member of Tujuan Murni Village Cooperative Unit to the cooperative management (chairman and secretary) as recorded in notary deed No. 8 on 8 March 2006 which was recorded by Izmiral, SH as the notary. However, any other kind of supporting evidence still could not yet been shown that could explain due to the deliniation of operational area to the area which is owned by the cooperative.						
Verification on 4 September 2017 The company has been shown the location land map of Tujuan Murni Village Cooperative Unit which is signed by the Rachmad Umar, SH as the notary on 25 August 2017.						
Field Verification on 5 September 2017 The field observation result to block of R14 at section II of PT Tebo Indah, it's known that the company has been already given red mark on the palm stem as the boundary between core estate and Tujuan Murni Village Cooperative Unit. However, it still could not been yet shown the programme of physical boundary (red mark) for 7 (seven) location						

which in appropriate with other kind of notary deed.

Verification on 12 September 2017

The border marking programme of L and D land use title of PT Tebo Indah has been shown. The activity has been planned for September 2017.

Based on the document which has been mentioned above, so this non conformity declared as Closed with Observation.

Verified by : **Andi P Pasaribu**

NCR No.	: 2017.04	Issued by	: Dwi Haryati
Date Issued	: 14 th July 2017	Time Limit	: 12 th September 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	3.1.1 A minimum 3 year company work plan document must be available, including a plasma farmer development plan if any.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Document of long-term corporate work plan not yet available. PT DMIL The company still could not yet been shown the a long-term management or business plan Document (minimum three years)			
Root Cause Analysis <i>(filled by organization audited):</i> The management plan or company's long term business (PT DMIL and PT TI) has been available and recorded at the head office (Jakarta) due to there're some confidential informations (related to the balance sheet or financial of the company).			
Correction <i>(filled by organization audited):</i> At the head office (Jakarta), the management plan or company's business is prepared or printed which is consist of fresh fruit bunch, CPO, and PK production plan, needs of manure, expense of plan maintenance, plan of plant, capital expenditure, cash flow, etc. PT DMIL and PT TI have been owned the management plan for the period of 4 (four) years from 2017 to 2020. As for the plan in 2018 and beyond, will be reviewed by following the update due to the actual condition in the last year of 2017.			
Corrective Action <i>(filled by organization audited):</i> The management plan will be submitted first to the site and any kind of information that could be given will be choosen, by not reducing the substance of the parent document. Of the entire items which within in management plan, the part that directly related to the operational which will be distributed to the estate, such as the production plan of fresh fruit bunch, CPO, PK, and plan of plant.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor's verification on 18 August 2017			

The company has been shown the corrective evidence such as the long term business plan document for the period of 2017 to 2020. The business plan is informing the production plan of fresh fruit bunch, CPO, palm kernel oil, cost estimation, profit, tax, and etc that established by the president director. However, the company still could not yet been shown as below:

The evaluation evidence due to the annual planning and monitoring procedure also the renewal of information & management plan document or business that consist of information as below:

- The management plan of partnership smallholders (if necessary)
- The quality of seed
- The plant projection = fresh fruit bunch trend yield
- The level of mill extraction = oil extraction rate trend
- Cost production = cost per ton of crude palm oil trend
- The financial indicator – estimation of profit (revenue vs cost)
- The expansion projection (area, capacity of mill, infrastructure, social facility)
- The general strategy and allocation for environmental and social management

Verification on 4 September 2017

The company has been shown the long term plan document for 2017 to 2027. Some indicators within the long term plan such as : plan of plant numbers, production of fresh fruit bunch, CPO, Kernel, OER, KER, cost estimation, revenue, profit, tax, and etc which are established by the president director.

Based on root cause analysis, corrective and preventive action, so this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	:	2017.05	Issued by	:	Dwi Haryati
Date Issued	:	14 th July 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor): The annual plan for replanting with a projection of at least the next 5 years is not yet available.					
PT DMIL The Company has not been able to show an annual plan of replanting program with projections of at least the next 5 years which are reviewed annually.					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

NCR No.	: 2017.6	Issued by	: Andi Pratama Pasaribu			
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017			
NC Grade	: Major	Date of Closing	: 7 September 2017			
Standard Ref. & Requirement	: 4.1.1 Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.					
Non-Conformance Description & Evidence observed (filled by auditor): Implementation of Standard Operating Procedures (SOPs) for estates and mills did not match The result of document review, it's known that the company still could not shown the management system of nursery plant which is in appropriate with the adequate guidance of agronomy. Based on the result of field visit, it's found the fact that : 1. At the Block D9 of division II, Bingin Rupit 1, it seems like the harvesting path, circle, and the condition of frond still have not maintained well. Based on the interview with harvester and supervisor, it's obtained the information that the condition of harvesting plot which is not ideal has been involved the difficulties in the process of harvesting and evacuation the fresh fruit bunch to the fruit collecting point. 2. At the block R14 and T8, the afdeling II of PT TI, it's identified that the condition of circle and harvesting path which are not maintained well due its rotation.						
Root Cause Analysis (filled by organization audited): The standard operational procedure which is still not yet completed with the requirement regarding to the rotation control of plant maintenance. The detail of this matter actually has been already drafted since April 2017. However, it still need to be reviewed in order to reach the guidance which could be implemented and complied with the field condition.						
Correction (filled by organization audited): The SOP has been successfully finished on 17 July 2017 (The SOP of weed management that control regarding to the mainatenance rotation, which is presented the weed management programme that has been appropriate with agronomy principle). The explanation regarding to the rotation of plant maintenance consist of slashing job, spray of wood, jack of wood, pull of beans, spray of circle/harvesting path/fruit collecting point, circle scratch, weed management/spot spraying/wiping are detailed for each age of plant (Immature Plant, Mature Plant).						
Corrective Action (filled by organization audited): The standard operational procedure is distributed to the site in order to be complemented as the weed management programme within it. The realization due to the control of worker or employee is optimized in order to be appropriated with the weed management management within the standard operational procedure.						
Assessor Evaluation and Conclusion (filled by auditor): Auditor's observation on 16 August 2017 The corrective evidence has been shown in the form of standard operating procedure of weed management (No. 092/DMIL-TI-PG/2017 on 17 July 2017). The document is explaining regarding to the procedure of weed management. However, it still could not yet been shown that the evidence has been socialized and implemented on the field.						

Verification on 4 September 2017
PT DMIL

The standard operational procedure socialization of weed management to all staffs on 19 July 2017. Other than that, it's been shown the documentation of harvesting path and circle which have been cleaned.

PT TI

The standard operational procedure socialization of weed management to all staffs on 19 July 2017. Other than that, it's been shown the documentation of harvesting path and circle which have been cleaned.

Field Verification on 5 September 2017
PT TI

Based on the field observation to the block of T8 (Year of planted in 2013) and R14 (Year of planted in 2010), section II of PT Tebo Indah, it's known that the manual maintenance has been done due to the condition of row, circle, and harvesting path. The realization record of manual maintenance that has been done by the company is also been shown. The observation has been also done to the block of T9, section II of PT Tebo Indah and it could be concluded that the realization of manual maintenance has been implemented in appropriated with the record which is given.

PT DMIL

The field observation was done at the block of I-10 and I-20, division 1 of BR-1 estate and also block of K-27 and H-15, Division 2 of BR-2 Estate. Based on the field observation result, it's concluded that there's the realization job of manual maintenance to clean the circle and harvesting path. However, at the block of D9, Division 2, BR-1 Estate which is the location of non conformity on ASA-2 audit, it's known that the manual weeding the circle and harvesting path still not yet been done. The company has been shown the manual maintenance work programme for the block of D9 which is planned on November 2017.

Based on root cause analysis, corrective and preventive action and the field visit result, so this non conformity declared as complied

Verified by : Trismadi N

NCR No.	:	2017.07	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	14 July 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.2.3 Records of periodical leaf, soil and visual analysis shall be available			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
Evidence of periodical leaf, soil and visual analysis can not shown yet Unit of management still could not shown the implementation evidence for the sampling of land and the newest leaf.					
Root Cause Analysis <i>(filled by organization audited):</i>					

Management of PT DMIL and PT TI has been done the sampling test of soil and leaves which is assisted by Sembawa Research Bodies, and its result mentioned into the report that can be used as the reference recommendation of manuring. The document is kept by the Head Office, due to its result is special and explained the actual condition of the estate (plant nutrition and soil nutrient).

Correction *(filled by organization audited):*

The sampling result of land and leaves from Sembawa Research Bodies has been provided to the site. However it's only limited to the doze of manuring recommendation in order to be the guidance of manure application on the land. Meanwhile for the condition of land and plant nutrient which are mentioned within the report will be kept at the head office. Based on the test result that was given by Sembawa Research Bodies, it's informed the land condition based in terms of N, P₂O₅, K, Ca, Mg, and KTK by each or beside block parameters. For the condition of leaves in terms of N, P, K, Ca, Mg, B, Fe, Cu, and Zn by each or sampling block parameters.

Corrective Action *(filled by organization audited):*

The site will keep the doze of manure recommendation from Sembawa Research Bodies, and for the next step, the update test will be done due to its condition, which is adjusted to the purchase period of manure. The document which is showing the actual condition of land and leaves nutrient will be kept at the head office, due to the data is not categorized as technical data to be done on site, but as the reference to specify the doze of manure.

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

Verification on 16 Agustus 2017

The corrective evidence has been shown in the form of palm oil plantation manuring recommendation document of PT Dendymarker Indah Lestari for the first and second semester of 2016. Based on the document, the latest of LSU and SSU were conducted in 2016, in order to the drafting needs of manure recommendation in 2016 (the sampling test was done on 4 to 9 January 2016). However, it still could not yet been ascertained that the sampling test has been done in 2017.

Based on the corrective evidence that has been done, so this non conformity declared as still not yet complied.

Verified by : **Andi P Pasaribu**

NCR No.	:	2017.08	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	14 July 2017	Time Limit	:	13 September 2017
NC Grade	:	Major	Date of Closing	:	12 September 2017
Standard Ref. & Requirement	:	4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
Water Management did not implemented well The result of visit at the water outlet in block D3 of Division-1 BR-1, fact was found that the water outlet still not yet function properly.					

Root Cause Analysis *(filled by organization audited):*

During the ASA-2 audit, the repair of water outlet at block D3, Division 1 of BR-1 is in the process stage of material procurement, so it still could not yet function properly.

Correction *(filled by organization audited):*

After the required material is available, the repair must be done immediately in order to optimizaing the water outlet function and keep the availability of water in the operational area of PT DMIL. Currently, the water outlet works properly.

Corrective Action *(filled by organization audited):*

Do the monitoring gradually which is in appropriate with the other kind of water governance observation activity. The monitoring activity of water outlet condition will be done simultaneously with the monitoring of piezometer / twice in a week.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 4 September 2017

The company has been shown some corrective documentation such as :

1. Photo of water outlet repair
2. The monitoring of water level and piezometer in 2016.
3. The monitoring of water level and piezometer from January to March 2017.

Field Verification on 6 and 7 September 2017

- Based on field observation to the water outlet at Block D3, Division 1 of BR-1 has been already in good condition, **however at Block L28, Division 2 of BR 2 there's no water outlet. So, it still could not yet been ascertained that the water management in peatland area and water level of ground level which is managed by the company in appropriate with the criteria of RSPO.**
- The monitoring result of water level and piezometer in trench during the period April to August 2017 have been shown
- Based on the field observation in block K02, K07, division 2, BR-2 Estate, it's found three points of each piezometer with the water ground level as much 39.5 cm; 40 cm;

Verification on 12 September 2017

The documentation evidence in water outlet of block L28 has been done and revised, and also monitoring data of water ground level since 1 September 2017.

Based on the corrective evidence, this non conformity declared as closed with observation.

Verified by : **Andi P Pasaribu**

NCR No.	: 2017.09	Issued by	: Andi Pratama Pasaribu
Date Issued	: 14 Juli 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	: 5 September 2017
Standard Ref. & Requirement	: 4.5.1 Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.		

Non-Conformance Description & Evidence observed (filled by auditor):

Implementation of Integrated Pest Management (IPM) did not monitored yet.

PT. Tebo Indah

Unit of management still could not shown the plan and implementation of integrated pest management.

Root Cause Analysis (filled by organization audited):

The document has been available, however the content of material within is the record of integrated pest management which still below the control threshold, so according to the person in charge of site on site during the document audit did not need to be shown.

Correction (filled by organization audited):

The record of integrated pest management activity can already be distributed, although the intensity of attack is very low (still under control). However, it still need to be monitored in order to know more detail of management condition at the estate.

Corrective Action (filled by organization audited):

The monitoring update has been already provided due to the integrated pest management, whereas although there's no attack that has been happened, the record of document which can conyed the information must be able, so the condition of estate can always be monitored.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor's observation on 16 August 2017

1. Recap of pest attack in 2016 and 2017 of Section I – V of PT Tebo Indah
2. Monitoring book of pest & disease.
3. The planting photo of turnera subulata

However, it still could not yet been shown clearly the plans of integrated management pest that already established by the management and its implementation.

Verification on 4 September 2017

company has been shown the document plan of integrated management pest on 23 August 2017 which are consists of :

1. (Identification of Pest)
2. Monitor (Early Warning System; census of pest or disease; the calculation of tolerance threshold)
3. Management (when prevention by managing plants, land and ecosystems)

Field Verification on 5 September 2017

Based on field observation to the block of E27, Section V of PT Tebo Indah, it's found the useful plant in the form of Turnera Subulata. This matter is in appropriate with the provided documentation evidence.

Based on the field verification which has been done, it could be concluded that the non conformity 2017.09 with major category declared as complied.

Verified by : Trismadi N
Diverifikasi oleh

NCR No.	: 2017.10	Issued by	: Andi Pratama Pasaribu
Date Issued	: 14 Juli 2017	Time Limit	: ASA-3

NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.5.2 Training records of Integrated Pest Management (IPM) shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor): Training records of Integrated Pest Management (IPM) can not be shown Unit of management still could not shown the evidence of training implementation and integrated pest management to the employee.					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				
Diverifikasi oleh	:				

NCR No.	:	2017.11	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	14 Juli 2017	Time Limit	:	12 September 2017
NC Grade	:	Major	Date of Closing	:	4 September 2017
Standard Ref. & Requirement	:	4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor): Pesticide usage and LD50 Calculation Unit of management still could not shown the record of pesticide which is used and also the calculation of LD50.					
Root Cause Analysis (filled by organization audited): The complete usage record of pesticides as the required format by RSPO still not yet fully enough used on the site. The available data is using the usual form that applied on the site, in order to make it easier within the operational understanding for daily activity.					
Correction (filled by organization audited): The format that used in daily activity is the usual form for the estate operational activity in order to make it easier and simple. This form is sufficient to record the data or basic info from the field regarding to the usage of pesticides. The usage of format which is equipped mainly with LD50 information and made during the recap of daily activity in					

monthly/semester data.

The usage recap of pesticide at PT TI and PT DMIL for 6 (six) months / per semester has been made whereas the information regarding LD50 is already presented.

Corrective Action *(filled by organization audited):*

The daily format usually used by the operational section, then all daily datas will be collected and recaped by the person in charge on site (assistant of RSPO) in order to create the usage record of pesticide include the information of LD50, as the required format from RSPO.

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

Auditor's observation on 16 August 2017

The corrective evidence in form of pesticide usage record of PT Dendymarker Indah Lestari has been shown and mentioned the related data such as type of pesticide or trade name, active material, type of work, unit, numbers of usage, the applicated total area, doze, LD50 (dermal and oral), active material per hectare, and etc.

Verification on 4 September 2017

The internal memo No. 006/ IM/Dir-Ops/VII/2017 on 23 July 2017 regarding to the record mechanism and calculation of LD50. Basically, the supervisor is reporting the usage of chemical material to the administration of division to be recaped and LD50 will be monitored by the assistant of RSPO.

Based on root cause analysis, correction and corrective action that have been shown, this non conformity declared as complied.

Verified by : **Andi P Pasaribu**

NCR No.	:	2017.12	Issued by	:	Radytio Puspanjana
Date Issued	:	14 Juli 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.6.10 . The proper waste disposal as the procedure which has been understood comprehensively by worker and manager must be able to be shown.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT TI The waste disposal still not yet been done properly as the procedure. Based on the field visit at knapsack and pesticides warehouse, it's known that there's used pesticides which is not placed on the licensed hazardous waste landfill.					
Root Cause Analysis <i>(filled by organization audited):</i> There's negligence of employee so some of hazardous wastes are scattered and not on the shelter should be.					
Correction <i>(filled by organization audited):</i> The internal memo is issued that remind to the employee in order to not be careless in terms of put, throw away, and keep the hazardous waste on the shelter should be.					

Corrective Action *(filled by organization audited):*

Ensure that the all employees have a neat and clean culture of work.

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

The company has been shown the corrective evidence in the form of:

1. The transfer report of contaminated package such as broken knapsack as much as 61 (sixty one) units and 0.5 kg for the used package of pilly on 14 July 2017.
2. The transfer report of used pesticides jerigen as much as 22 pcs and 3.5 kg for momento pesticides and pilly on 14 July 2017.

However the company still could not yet been shown the root cause analysis in order to prevent the same incident could be recur again at the different place and there's no documentation evidence that comply with the standard operating procedure of hazardous waste management that owned.

Auditor's verification on 4 September 2017

The company has been shown the internal memo from the director to all employees of PT TI on 20 July 2017 regarding to work and not careless behave. The memo is consist of :

- The worker must be focus and using the proper equipment as required.
- Obey all rules, SOP, work instruction and not careless behave, such as put, throw away, keep the hazardous waste on the shelter should be (do not throw away haphazardly).
- If there's any kind of violation due to the internal memo or announcement, then the warning will be given to the concerned, either the lightest warning (oral) to the most severe warning according to company regulations.

Field Verification on 5 September 2017

Based on the field observation result to the hazardous waste landfill, known that :

1. Scale and log book at the hazardous waste landfill, such as : used oil (181.5 litre); used filter (35 pcs); rag (3 kg); used battery (8 pcs); contaminated package (135.81 kg); paint used can (2.8 kg); used sack fertilizer (15 pcs)
2. Fire extinguisher at the hazardous waste landfill and workshop in pressurized condition.
3. Symbol and label of hazardous waste has been appropriated with each type of its character and refer to the regulation of environmental ministry No. 14 in 2013.

Based on root cause analysis, correction and corrective action that have been shown, so this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	: 2017.13	Issued by	: Trismadi N
Date Issued	: 14 July 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	: 30 August 2017
Standard Ref. & Requirement	: 4.6.11. The annual specific medical surveillance for the operator of pesticides, and the documented action in order to handle the health conditions should be able to be shown		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> There are no annual medical surveillance records in PT TI of year 2017			
PT TI Based on the result of document review and interview with the assistant of company and general, it's known that the			

specific annual medical supervision for all operators of pesticide still not yet been conducted in 2017

Root Cause Analysis *(filled by organization audited):*

The general medical supervision of pesticide operator has been already conducted periodically. However will be specialized for the criteria which is related to organs that are likely to be exposed to pesticides.

The management still not yet been chosen the person in charge whom responsible due to the conduction of special medical examination for the operator of pesticide.

Correction *(filled by organization audited):*

The medical examination in order to know more specifically due to the condition of pesticide operator has been already conducted on August 2017 by Prodia, whereas the criteria such as spirometry (that related to respiratory organs) and cholinesterase (the indicator level of pesticide poisoning) have been already known in each worker.

Based on the examination result, it's known that all spray workers at PT Tebo Indah are in good condition due to both parameters (below the threshold). Other than that, during the examination, it's also directly asked to each spray worker that there's no complaint.

The management of PT Tebo Indah regularly provide milk for each spray worker and following the conducted period at the estate in order to neutralize the pesticide residue due its work.

Corrective Action *(filled by organization audited):*

In order to conduct the health condition examination of pesticide operator either in general terms or criteria, such as complete blood test, complete urine, nor special, such as spirometry and cholinesterase parameters are more done as optimal as possible, then the human resource of site is been chosen as the person in charge whom will be conducting the realization of its implementation.

The instruction is issued in order to the conduct special health examination (cholinesterase and spirometry) applicator of pesticide at least once in a year.

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

Verification on 18 August 2017

The company has been shown the record of special health examination activity by Prodia Laboratory such as : spirometry and audiometry that done on 11 August 2017 for 34 (thirty four) applicators of pesticide and 5 (five) operator who work at the high noise area (the operator of genset and heavy equipment).

Other than that, it's also has been shown the examination result of spirometry for 34 (thirty four) applicators of pesticide and known that there're 32 (thirty two) persons in normal condition and 2 (two) persons in light restrictive (on behalf of Dewi as sprayer and Anharurdin as administration of warehouse).

Verification on 30 August 2017

The company has been shown the health examination result as below :

1. Cholinesterase for 31 (thirty one) applicators of pesticide that was done on 17 August 2017 by Jambi Prodia Laboratory and known that entirely within normal limits.
2. Spirometry for 20 (twenty) applicators of pesticide that was done on 17 August 2017 by Jambi Prodia Laboratory and known that 18 (eighteen) persons in normal condition and 2 (two) persons indicated with light restrictive on behalf of Anharudin and Lismiar. By the doctor whom perform the examination, it's highly recommended to do the physical exercise.
3. Audiometry for 2 (two) persons of genset operator and 2 (two) persons of heavy equipment operator which was done on 21 August 2017, whereas the result shown within normal condition.

Based on root cause analysis, correction and corrective action that have been shown, so this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	: 2017.14	Issued by	: Trismadi N
Date Issued	: 14 July 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	4.6.12. all works which are related to pesticide not allowed to be done by women whom pregnant or breastfeeding.		
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> There are no evidence that all pesticide applicators were not pregnancies and breastfeeding conditions.</p> <p>PT DMIL Unit of certification has been shown the pregnancy examination result by the tocologist on May 2017. However, it still could not yet been shown that the applicators of pesticide whom work on June and July 2017 are not in pregnant or breastfeeding condition.</p> <p>PT TI Unit of certification has been shown the letter of statement that the applicators of pesticide are not in pregnant or breastfeeding condition.</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i> The examination condition of pregnancy and / or breastfeeding for female employee which is related to pesticide has been already done during the previous period (May 2017). However the routine examination will be more conducted in order to monitor the condition of female worker regarding to the monitoring of being pregnant and / or breastfeeding or not.</p>			
<p>Correction <i>(filled by organization audited):</i> The realization of examination implementation has been already done again on July 2017 in order to know the actual condition of female employee whom in pregnant and / or breastfeeding condition or not. For the female spray worker on the site of PT TI, there's no one whom found in pregant and / or breastfeeding condition as same as the worker at PT DMIL. The management has been already banned the female worker whom in pregnant and / or breastfeeding condition to work on the section which is associated with pesticide, such as become the team of plant spray. If there's found the worker whom in pregnant and / or breastfeeding condition, then will be transferred to any other kind of work which is not associated to pesticide.</p>			
<p>Corrective Action <i>(filled by organization audited):</i> In order to further re-assure that the examination of pregnancy and / or breastfeeding should be done periodically or each month, then the head office is issuing the internal memo that the General Manager, Estate Manager, and Human Resource of Site are instructed to manage the implementation of examination to each female employee whom</p>			

associated with pesticide.

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

Verification on 18 August 2017

The company has been done some corrective evidence such as below :

1. The internal memo from the director of PT DMIL and the director of PT TI on 17 July 2017 which is addressed to the general manager, estate manager and human resource department of site. It's explained that :
 - a. Each month routinely examination for female spraying team in order to ensure that there's none whom in pregnant and breastfeeding condition.
 - b. The prohibition for female employee whom in pregnant or breastfeeding condition to do the work which is associated with pesticide.
 - c. If the examination result found that there's pregnant or breastfeeding employee, then will mutate the female employee to the type of work which is not associated with pesticide.
2. The physical examination result (weight and blood pressure) on 19 July 2017 for 30 (thirty) persons of female pesticide applicator at PT Tebo Indah, it's known that there's no one whom in pregnant and breastfeeding condition.
3. Pregnancy examination result for 9 (nine) persons of female pesticide applicator on 9 June 2017 at PT DMIL, it's known that there's no one whom in pregnant condition.
4. Pregnancy examination result for 10 (ten) persons of female pesticide applicator on 17 July 2017 at PT DMIL, it's known that there's no one whom in pregnant condition

Based on root cause analysis, correction and corrective action that have been shown, so this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	: 2017.15	Issued by	: Trismadi N
Date Issued	: 14 July 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	: 12 September 2017
Standard Ref. & Requirement	: 4.7.1. The safety and health policy must be available. The plan of safety and health which is consist of all activities must be documented and implemented, also the level of its effectiveness is monitored.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> All of OHS program was not implemented PT DMIL 3. According to document verification and interview with safety officer in PT DMIL, that known all of operators with high risk working area in DMIL POM no specific medical checkup has been performed. For example: there are no audiometric test to all operators in high noise levels. Therefore there are no spirometric test to all of operators in high which work on volitions and full of air pollution. 4. According to field observations to DMIL POM, that known: - All of hydrant box were not completed with hose drill and nozzle. - There are no fire extinguisher on risk of fire area. - Indicated the workers who smokes in the work area.			

Root Cause Analysis *(filled by organization audited):*

- The implementation of specifically health examination still on exploration process with the laboratory which is competent and own the complete facility or equipment.
- Hose and nozzle also fire extinguisher are kept at the warehouse of special fire prevention equipment.
- The possibility of some employees whom careless or smoke in the area of work.

Correction *(filled by organization audited):*

- The specific health examination has been already done for palm oil mill of PT DMIL at Prodia of Jambi's branch office.
- Hose and nozzle also fire extinguisher have been already returned, installed, and put according to its place.

Corrective Action *(filled by organization audited):*

- For the next year, PT DMIL will be keep coordinate with Prodia of Jambi's branch office
- The internal memo is issued regarding to reaffirmation of smoking banned at the area of work.

In order to prevent the recurrence of fire extinguisher that did not work, then the management will do the efforts as below :

- Empowering the office of safety and health committee at palm oil mill.
- Establishing the officer whom responsible to do the routinely examination.
- Do the monthly inspection, such as the inspection of hazardous waste landfill (Document No. ENC/DOC/04), whereas within it includes of fire extinguisher.
- Do the implementation meeting standard operating procedure of safety and health committee No. ENC/SOP/01, which is one of the agenda within it regarding to the result of monthly inspection.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 31 August 2017

1. The company has been shown the spirometry health examination result by Prodia on 27 July 2017 that consist of 1 (one) person of warehouse administration, 2 (two) persons of waste water treatment pond operator, 1 (one) person of water treatment plant operator, whom all of them are in normal condition.
2. The audiometry examination result by Prodia on 27 July 2017 that consist of supervisor of boiler, clarification, sterilizer, and 3 (three) persons of genset operator, whom all of them are in normal condition.
3. The company has been shown the photo storage of fire extinguisher that was placed on the wall near the stove, also hose and nozzle on hydrant.
4. Internal memo from the director to all employees regarding to smoking banned in the area of work on 17 July 2017.

Field Verification on 6 September 2017

Based on the field observation to Dendymarker Palm Oil Mill, there're facts on field such as below:

1. The fire extinguisher has been available in the area with fire potential. However the fire extinguisher that found in the warehouse of hazardous waste has been expired. It's seen from the indicator of fire extinguisher which is in red point. The procurement evidence for 6 (six) tubes of it on 4 September 2017 and still on delivery process to the mill location.
2. The mill owns as much as 5 (five) points of hydrant which is consist of 2 (two) hydrants with box within hose and nozzle, meanwhile 3 (three) hydrants with not yet owned box, hoze and nozzle. Of 3 (three) hydrants which not yet owned box, hoze, and nozzle there's 1 (one) hydrant that in broken condition or did not work. The simulation is done due to 2(two) hydrants and could be concluded that it did work properly. However on of hoze was in leak condition.
3. Based on the information from mill manager, the procurement of new hose and nozzle for 3 (three) hydrants has been done and still on delivery process to the mill location. The procurement evidence for 5 (five) boxes of hydrant, 10 (ten) units of hydrant hose with the size is 2 x 30 meters and 10 (ten) units of hydrant nozzle on 4 September 2017 and still on delivery process to the mill location.
4. During the field observation, there's no employee whom smoke in the area of work and based on the interview which is done due to the grading employee, security, sterilizer operator, pressing operator, clarification operator, boiler operator and engine room operator, it could be concluded that the employees have been alread known that smoking in the area of work is banned by the company.

Field Verification on 7 September 2017

Dendymarker Mill has been shown the documentation substitution of fire extinguisher which is not pressurized in the hazardous waste landfill with new pressurized fire extinguisher.

Verification on 12 September 2017

The company has been shown the corrective evidence such as :

1. Hydrant box No. 1 (one) to 5 (five) that already completed with hose and nozzle.
2. Photo of hydrant trial simulation No. 1 (one) to 5 (five).
3. Report of fire fighting simulation on Friday, 8 September 2017 that was attended by 9 (nine) persons of fireman and its documentation photo.
4. The training certificate of fire fighting on behalf of 9 (nine) employees.

Based on corrective evidence which has been sent, this non conformity declared as Closed with Observation.

Verified by : **Andi P Pasaribu**

NCR No.	: 2017.16	Issued by	: Trismadi N
Date Issued	: 14 July 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	: 13 September 2017
Standard Ref. & Requirement	: 4.7.3 All operators whom can threaten the safety and health must be reviewed of its risk. The procedure and action in order to handle the risks which has been already identified must be documented and implemeted. All preventive actions which are attached in produce must be monitored properly and implemented to the worker.		
Non-Conformance Description & Evidence observed (filled by auditor): Not all procedures and actions to deal with risk which identified have been documented and implemented. PT DMIL 1. According to field observation in DMIL POM that known several workers was no using adequate PPE's, such as: - Sortation operator in loading ramp was no using safety shoes. - Sterilizer operator was no using safety shoes and ear plug. - Clarification operator was no using ear plug. - Power plant operator was no using earplug/earmuff. - CPO and FFB transport dirver was no using safety shoes and helmet. 2. Identified spinning machine in transfer carriage and clarification station without safety covers. 3. Several of first aid box is uncompleted in accordance to Manpower Regulation No. 15 of 2008. Such as: first aid box in schedule waste in Mill, spraying foreman, harvesting foreman, central warehouse, workshop in Mill and Estate. PT TI 1. Based on field observation and interview with several harvesting employees in Block R15, Afdeling 2, Teluk Pandak Estate. Obtained information that if the PPE used is damaged/broken then the employee will provide their own, until the next allocation period. 2. Several of first aid box is uncompleted in accordance to Manpower Regulation No. 15 of 2008. Such as: first aid box in schedule waste, workshop and harvesting foreman.			
Root Cause Analysis (filled by organization audited): Some employees has been careless with not using the personal protective equipment which is proper with the provision while working at palm oil mill. Regarding to the box of first aid kit is still on replacement process due to the previous content which already expired.			

Correction *(filled by organization audited):*

The announcement is issued be in the form of internal memo in order to remind all employees for always using the personal protective equipment as the available required standard. It there's any kind of violation that found, so the warning will be given. According to the box content of first aid kit which is expired has been already replaced with the new one.

Corrective Action *(filled by organization audited):*

The appointment of person in charge whom will be responsible due to the compliance of occupational safety and health equipment standard also to provide the briefing that the equipment should be maintained in order to keep it function properly

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 31 August 2017

The company has been shown some corrective evidences as below :

- Internal memo from the director to the general manager of PT DMIL and PT TI on 28 July 2017, such as :
 1. Re-inventory of all operational aspects which are requiring the personal protective equipment.
 2. Drafting list of personal protective equipment which is consist of type, numbers, and location/section.
 3. Distributing the personal protective equipment which is in accordance with needs and designation.
 4. Drafting the replacement list of personal protective equipment which is exist in accordance with its period or time.
 5. Provide the briefing to all staffs and employess regarding to the obligation for maintain and keep the personal protective equipment function properly.
- Photo of safety cover setting-up in transfer carriage.
- Photo of first aid kit box and drugs at the hazardous waste warehouse, workshop and PT TI.
- Transfer report of personal protective equipment for boot at PT Tebo Indah on 20 July 2017 to the employee of Section II.

Field Verification on 5 September 2017

- Based on field observation result to the central warehouse of PT Tebo Indah, there're spare boots as much as 10 pairs of shoes.
- Based on the field observation to the hazardous waste landfill and workshop of PT Tebo Indah, it's found that the content of first aid kit box has been already appropriate.
- The company has been shown the purchase bill of materials for the content box of first aid kit which is carried by the supervisor to the field.

Field Verification on 6-7 September 2017

- The sorting/grading officer, sterilizer operator, pressing operator, clarification operator, boiler and engine room operator have been used the personal protective equipment in according to risk identification.
- The helmets are available for the guest enter to the mill at the security posts. The security officer said that the procedure for entering to the mill must be used personal protective equipment.
- The transfer carriage which is at the mill has been already set-up with safety cover entirely.
- The box content of first aid kit at the mill office, mill workshop, and mill hazardous waste workshop has been already appropriate.
- The box content of first aid kit which is carried by the supervisor to field has been shown. **However, the supervisor still not yet shown any kind of its content and the monitoring of it.**

Verification on 13 September 2017

The company has been shown the corrective evidence in the form of first aid kit box transfer on 8 September 2017 for each unit office of estate and field supervisor. However, the content of first aid kit box still not yet in appropriate with the applicable regulation (there're only nine items). The company has been also shown the statement letter from the doctor of company on 13 September 2017 which is informed the content of first aid box that available today still adequate for first handling of work accident.

Based on documents that have been shown, then this non conformity declared as Closed with Observation.

Verified by : Andi P Pasaribu

NCR No.	: 2017.17	Issued by	: Trismadi N
Date Issued	: 14 July 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	: 7 September 2017
Standard Ref. & Requirement	: 4.8.1. Formal training programme which is including all aspects of RSPO Principle and Criteria must be available, and consist of regular assessment due to the needs of training and documentation programme.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> All of training program records related to the aspects of RPSO P&C was no available PT DMIL & PT TI However there are no program training related to other aspects as: HCV and SCCS.			
Root Cause Analysis <i>(filled by organization audited):</i> The training programme which has been already drafted still could not yet been realized with the pre-existing plan. However in the terms of running the operational of estate has been followed the standard.			
Correction <i>(filled by organization audited):</i> The realization of existing training has been already implemented in the form of basic assessment training of NKT area which is conducted by HCV-NI in Palembang. PT DMIL and PT TI have been included their employees whom associated with this material.			
Corrective Action <i>(filled by organization audited):</i> The training will be more optimized in accordance with the existing programme. Whereas the training will be appropriated or provided by following type of material that necessary by the company, and the participant of training will be appropriated with the employee's grade in order to reach the more maximize understanding after training. Therefore, after the training, the concerned employee could be submitted the material of training on the internal of department or division.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 18 August 2017 The company has been shown the training programme for staff in 2016 to 2020, such as : <ul style="list-style-type: none">- (the assessment and management identification of HCV)- (the assessment of HCV)- Traceability- (social impact management of palm oil plantation)- (Training of occupational safety and health)- (The management of hazardous waste)- (RSPO Internal Audit)			

- (The Conflict Resolution in palm oil plantation)
- lahan (Handling and Control the fire of forest and land)
- ISO 9001, 14001, 11000
- GIS
- (the biodiversity survey)
- (the introduction for the species of flora and fauna)

The certificate training for 7 (seven) staffs of PT DMIL and PT TI which is done on 24 to 29 July 2017 by HCV-NI.

Verification on 30 August 2017

The document of training programme which is shown still as same as the previous, if seen from the grade within the matrix of training programme, it could only be provided for the manager to supervisor level.

Field Verification on 7 September 2017

The training programme is shown due to all RSPO Principle and Criteria for PT Tebo Indah in 2017 to 2018, whereas the participant whom programmed start from the level of staff until worker. As for the example, the training of New Planting Procedures (NPP) which is planned on December 2017, the training programme of HCV which is planned on July 2017, training programme of mill waste handling which is planned on January 2018.

The training programme is shown due to all RSPO Principle and Criteria for PT Tebo Indah in 2017 to 2018, whereas the participant whom programmed start from the level of staff until worker. As for the example, the training of New Planting Procedures (NPP) which is planned on December 2017, training programme of HCV which is planned on July 2017, training programme of mill waste handling which is planned on January 2018.

Based on root cause analysis, correction, and corrective action, then this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	: 2017.18	Issued by	: Radytio Puspanjana
Date Issued	: 14 Juli 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	: 12 September 2017
Standard Ref. & Requirement	: 5.2.2 Steps in order to keep and/or protect the HCV and RTE should be implemented according to management plan.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT DMIL Steps in order to keep and protect the HCV and RTE species still could not yet been able to be implemented according to management plan. The company has been drafted the management plan of HCV for PT DMIL which is contain the location, type of HCV, treat, management plan and its timing implementation. However its implementation evidence still not yet been available. PT TI The company has been already drafted the management plan of HCV for PT DMIL and PT Tebo Indah which is contain the location, type of HCV, treat, management plan and its timing implementation. However it's still not yet been enough			

evidence that it has been implemented well such as based on field visit result at Bungkal Riparian, Kait, and Belilas that there's no signboard of HCV, banned signboard of agrochemical application, the sign of buffer zone and the application of agrochemical (manure and spray) on buffer zone.

Root Cause Analysis *(filled by organization audited):*

The realization of environmental management implementation which is regarding to HCV area could not yet been optimally run. Due to the guidance which is still necessary that could be able to be the reference for the person in charge in order to be more implemented of HCV management plan.

Correction *(filled by organization audited):*

The standard operating procedure for the management of NKT area and biodiversity has been already made, which could be the guidance within the HCV area management in order to create the area that function as buffer zone would be maintained, then could be optimized the environmental carrying capacity.

Within the standard operating procedure described the HCV area management procedure that consist of survey, marking area, routine patrol, rehabilitation of the area if disturbed, and routine counseling.

Corrective Action *(filled by organization audited):*

The person in charge on site will do the implementation of management in accordance with the existing plan and do the consultation with concerned stakeholder, such as the environmental bodies and plantation agency if necessary.

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

Auditor's Verification on 16 August 2017

The company has been shown the corrective evidence in the form of standard operating procedure No. 093/DMILTI-PNKH/2017 regarding to the NKT area management and biodiversity. Within the procedure described as below :

- The identification of conserved / protected areas
- Do the survey and inventory due to all conservation areas.
- The marking of conservation area on map and classified in accordance with the RSPO guidance as the basis of determination and marking on field.
- Do the routinely patrol in the area of NKT, conservation, and HCV.
- Do the rehabilitation due to the area of NKT, conservation, and HCV.
- Do the routinely counseling regarding to the purposeful of NKT, conservation, and HCV area.

PT DMIL

Still not yet enough evidence regarding to the implementation of HCV management plan for PT DMIL which contained the location, type of HCV, treat, management plan and timing of implementation (such as the result on the activity of ASA-2).

PT TI

The company has been already drafting the HCV management plan for PT DMIL and PT Tebo Indah that contained the location, type of HCV, treat, management plan and the timing of implementation. However, still not yet enough evidence due to it's been already implemented well, such as based on field visit result at Bungkal Riparian, Kait, and Belilas, there's no signboard of HCV, signboard of banned agrochemical application, the marking of buffer zone, and the agrochemical application (manure and spray) in buffer zone. Request to be shown the improvement evidence entirely in accordance with the field visit result during the activity of ASA-2.

Verification on 4 September 2017

PT DMIL

- The documentation of HCV bound marking.
- The installment of HCV signboard at Abang Riparian, Hitam Riparian, and other river.
- The installment of signboard for RTE and protected species.

PT TI

- The installment of HCV signboard at Kait Riparian, Bungkal, Belilas, and other river.

Field Verification on 5-6 September 2017

Based on the field observation at Belilas and Bungkal Riparian in PT TI, it's known that the signboard and spray bound mark have been already available.

Based on the field observation to Hitam riparian at block I09, BR-1 estate and Abang riparian, block L-28, BR-2 riparian in PT DMIL, it's known that the signboard and spray bound mark have been already available.

Verification on 12 September 2017

The company has been shown the corrective evidence such as below :

1. The attendance list of HCV socialization to the employee at PT DMIL and PT TI on 8 September 2017.
2. Monitoring recap or surveillance patrol of HCV on January to July 2017.

Based on the corrective evidence that has been already shown, then this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	: 2017.19	Issued by	: Dwi Haryati
Date Issued	: 14 th July 2017	Time Limit	: 12 th September 2017
NC Grade	: Major	Date of Closing	: 4 September 2017
Standard Ref. & Requirement	6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified , shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The social impacts management and monitoring plan has not been documented. PT DMIL and PT TI The management unit has not been able to demonstrate the Implementation of the Social Impact Management and Monitoring Plan as a follow-up of the Social Impact Assessment study.			
Root Cause Analysis <i>(filled by organization audited):</i> The company firstly conduct the evaluation due to social activity that has been already realized in order to be optimized to the next social management plan.			
Correction <i>(filled by organization audited):</i> PT DMIL and PT TI have been already drafting the social management plan in order to be implemented on the estate. This plan could be executed within short term, middle term, or long term, and also incidental or continuously. As for the information, the available plan has been made during 5 (five) years.			
Corrective Action <i>(filled by organization audited):</i> The management plan regarding to social impact assessment at PT DMIL and PT TI has been made as the following up of social impact assessment review result. With the availability of this document, then PT DMIL and PT TI could be increasing the participation at the enviromental of estate. The response of evaluation due to the next social			

management plan will be done for once in two years by CSR Manager.

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

Auditor's Verification on 18 August 2017

The company has been shown the social impact assessment management plan document evidence of PT DMIL and PT Tebo Indah. Matrix of internal social impact management plan of PT DMIL and PT Tebo Indah has been drafted within the implementation schedule including its responsibilities. However, it still could not yet been shown the documentation due to the consultation of impacted parties.

Verification on 4 September 2017

The company has been shown the consultation record with all parties in each unit on 27 July 2017.

Based on root cause analysis, correction and corrective evidence that have been shown, then this non conformity declared as complied.

Verified by : Trismadi N

NCR No.	:	2017.20	Issued by	:	Dwi Haryati
Date Issued	:	14 th July 2017	Time Limit	:	12 th September 2017
NC Grade	:	Major	Date of Closing	:	18 August 2017
Standard Ref. & Requirement	:	6.2.1 Communication and consultation procedures shall be documented.			
Non-Conformance Description & Evidence observed (filled by auditor): Communication and consultation procedures have not been documented.					
PT DMIL and PT TI					
<ul style="list-style-type: none">The company shows evidence of socialization of Communication and Consultation SOP to Sungai Keruh Village and Penapalan Village (Scope of PT TI), however not all villages included in the list of stakeholders in PT DMIL and PT TI have been socialized.Field trips to Maur Village, Lubuk Rumbai, and Pantai village (scope of PT DMIL), Tengah Ulu and Aburan Village (Scope of PT TI) are known that the community is not yet aware of the Communication Procedure.					
Root Cause Analysis (filled by organization audited): The socialization implementation regarding to the communication and consultation to each stakeholder has been already done. However the frequency to each village will be more increased, especially to villagers and resident devices. In technically implementation will be more completed with complete documentation or record of attendance.					
Correction (filled by organization audited): The re-socialization has been done to each stakeholder and realized within good documentation in the form of attendance list for the participant whom participated to the activity. In the scope of PT DMIL, it's been already done in some villages such as Lubuk Rumbai Village, Pantai Village, Maur Lama Village, Maur Baru Village, Noman Village, Batu Gajah Village, Noman Baru Village, and Batu Gajah Baru Village. In the scope of PT TI also has been already done in some villages such as Tengah Ulu Village, Aburan Village, Keruh Village, Penapalan Village, Semabu Village, Mangun Jayo Village, Teluk Pandak Village, and Kandang Village. During the implementation of communication and consultation with each stakeholder, it's always given the freedom					

of expression, freedom of association, not discriminate, open/transparency, also created an atmosphere of mutual respect and appreciation.

Corrective Action *(filled by organization audited):*

The socialization regarding to standard operating procedure of communication and consultation to stakeholder should be implemented periodically and documented, whereas this matter is in line with the internal memo that issued by head office which contain the instruction and affirmation to General Manager and CSR Manager due to this socialization implementation realization.

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

Auditor's Verification on 18 August 2017

The company has been shown the corrective evidence such as :

- The communication socialization of PT Tebo Indah at Aburan Village, Sungai Keruh Village, Penapalan Village, Mangunjayo Village on 19 July 2017.
- The stakeholder communication socialization and CSR programme of PT Tebo Indah at Tengah Ulu Village, Tebo Tengah District on 20 July 2017 and attended by secretary of village and social communities as much as 3 (three) persons.
- The stakeholder communication socialization and CSR programme of PT Tebo Indah at Semabu Village, Teluk Pandak Village, and Kandang Village on 21 July 2017.
- The stakeholder communication socialization of PT DMIL at the village government of Maur Baru, Lubuk Rumbai, Pantai, Maur Lama, Noman, Batu Gajah, Noman Baru and Batu Gajah Baru on 31 July 2017 and attended by villagers and residence devices.
- The internal memo from director to the general manager of PT DMIL and PT Tebo Indah on 17 July 2017 regarding to the socialization of communication and consultation standard operating procedure. The internal memo is explaining in accordance with the instruction to whole range of management, especially general manager and CSR manager in order to do the socialization implementation of standard operating procedure, and other requirement that related with communication and consultation to all stakeholders

Based on corrective evidence that has been sent, then the non conformity No.2017.20 declared as complied (Observation).

Verified by : **Dwi Haryati**

NCR No.	:	2017.21	Issued by	:	Dwi Haryati
Date Issued	:	14 th July 2017	Time Limit	:	12 th September 2017
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.			
Non-Conformance Description & Evidence observed (filled by auditor):					
Not enough evidence the recording of communication including confirmation of receipt of the recording of communication and the attempt was made to build understanding of the affected parties, and the company has not enough evidence to have a recording of responses / follow up on input from the parties.					
Based on the document review, the company has not demonstrated sufficient evidence of communications recording to build stakeholder understanding as well as records of responses / follow up on input from the parties.					

Based on interviews with the villagers of Maur Village, Lubuk Rumbai, and Pantai Village (Scope of PT DMIL), and Tengah Ulu and Aburan Village (Scope of PT TI); Informed that the community around the village has not understood the form of communication with the company.	
Root Cause Analysis <i>(filled by organization audited):</i>	
Correction <i>(filled by organization audited):</i>	
Corrective Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by Diverifikasi oleh	:

NCR No.	:	2017.22	Issued by	:	Dwi Haryati
Date Issued	:	14th July 2017	Time Limit	:	12th September 2017
NC Grade	:	Major	Date of Closing	:	7 September 2017
Standard Ref. & Requirement	:	6.5.1 Wage documentation and work conditions should be available in accordance with applicable labor requirements.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Wages do not meet the applicable employment requirements.					
PT TI Based on the welfare list document review (office) of May 2017 daily contract office workers (housekeeping) get wages under minimum wages (Province Minimum Wage Jambi Rp 2,063,950) or Rp. 82,558 / working days, for example: Worker-1 in May 2017 get wage Rp 1,200,000, - working days = 24 (Rp 50.000 / working days) Worker-2 in May 2017 get wage Rp 312,000, - working days = 12 (Rp 26.000 / working days) Worker-3 month of May 2017 get wage Rp 650.000, - working days = 25 (Rp 26.000 / working days) This is not in accordance with Permenakertrans No.7 of 2013 on Minimum Wages Article 15: Employers are prohibited from paying wages lower than the minimum wage set.					
Root Cause Analysis <i>(filled by organization audited):</i> The establishment of monthly operational demand fund still not yet divided the fee for level of upper assistant, whereas this fee should be created with special submission as assistant allowance fee, not as direct wage to the concerned.					
Correction <i>(filled by organization audited):</i> All types of operational cost at PT Tebo Indah estate are re-classified according to the allocation. Whereas for this finding, the upper assitant fee are incorporated into the assitant allowance section, and calculated on the own paper, so the charge of fee will not be included within the group of employees whom receiving wage. The realization of this implementation is done during the submission of demand operational fund on July 2017 and the submission of following months, such as for helper cost is charged as the allowance of level assistant upwards. For the three persons whom become the audit finding, the cost will be included as the allowance of assitant, such as : <ul style="list-style-type: none"> - On behalf of Zuriah as much as Rp 1.250.000,- as the allowance for the job at the mess of general manager. - On behalf of Susilawati (has been replaced by Yanti) as much as Rp 650.000,- as the allowance for the job at mess of fifth section. 					

- On behalf of Fitri as much as Rp 650.000,- as the allowance for the job at the mess of first section.

Corrective Action *(filled by organization audited):*

Charge of the helper fee for level assistant upwards always separately submitted during each end of the month on demand operational fund that has been already fundy by the authorized parties at the estate. For further re-assure, the human resource at the head office is always coordinating with the human resource at site and head of administration in order to be consistent on its implementation. If there's any kind of same thing which found or recurrent, then the submission of demand operational fund will not be approved by head office and return to site to be revised.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 4 September 2017

The company has been shown wage receipt for 9 (nine) housekeepers of mess on July 2017. However the wage that has been given still not yet in accordance with the applicable regulation.

Field Verification on 7 September 2017

List of working hour is showed due to 9 (nine) housekeepers at PT Tebo Indah on August 2017 and wage payment slip on August 2017. There're 9 (nine) housekeepers whom average in working days as much as 3 (three) hours and 1 (one) hour for 2 (two) housekeepers. After the multiplication of applicable minimum wage is done, it could be concluded that the housekeeper wage has been paid in accordance with the applicable regulation.

The company has been shown household assistant system improvement plan of PT Tebo Indah which is signed by human resources manager on 7 September 2017. Whereas 9 (nine) of household assistants will be departed as unit payment with 40 (forty) hours of working hour in a week or 173 (one hundred and seventy three) hours per month. 6 (six) persons whom will be responsible for 2 (two) houses, meanwhile 3 (three) others will be responsible for 1 (one) house. All of servant will be appointed as permanen workers.

Based on corrective evidence that has been verified, then the non conformity declared as complied (Observation).

Verified by : Trismadi N

NCR No.	:	2017.23	Issued by	:	Dwi Haryati
Date Issued	:	14 th July 2017	Time Limit	:	12 th September 2017
NC Grade	:	Major	Date of Closing	:	18 August 2017
Standard Ref. & Requirement	:	6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.			
Non-Conformance Description & Evidence observed (filled by auditor): . Company policy on prevention of sexual harassment and violence has not been documented and communicated. Deskripsi Ketidakesuaian & Bukti yang diamati (dilengkapi oleh auditor): PT Tebo Indah <ul style="list-style-type: none">Based on document review, the management unit has not documented the company's policy regarding sexual harassment and violence prevention.Based on interviews with spray worker division I not yet know about the existence and program of gender committee.					

Root Cause Analysis *(filled by organization audited):*

The company's policy regarding to sexual harassment and violence has ever been created and mentioned within the standard operating procedure of sexual harassment complaint handling. However, regarding to the socialization and implementation on site will be more optimized in order to reach the comfortable condition for female worker in the enviromental of estate.

The gender committee is already established since 2014 during PT Tebo Indah was started the RSPO implementation and renewed on the beginning of 2017 in order to renewing the organization existing. The implementation of activity or socialization to the employee has ever been implemented, and will be further improved, also the understanding regarding to some use of the terms at gender committee.

Correction *(filled by organization audited):*

The socialization or actibity and the implementation on site regarding to the existence of gender committe has ever been implemented and documented well, as below :

- The renewal of gender committee organizational structure on January 2017.
- The socialization regarding to health both of mother and child.
- The socialization of environmental hygiene
- The socialization of occupational health and safety.

Other than than, in every kind of meeting that conducted by gender committee always accompanied with core materials, in terms of maintaining cultural estate full of kinship, harmonious, and comfortable, whereas also informed that this matter is also in line with custom and religion. It's also informed that in the enviromental of estate should be able to keep the courtesy in terms of speech, dress, and other thing regarding to the causes of potential sexual harassment.

In order to take the time so that female / mothers could be more gathered, then some activities are conducted such as planting plant, cleaning plant, and also recreation with family.

Corrective Action *(filled by organization audited):*

The implementation of activity / socialization is done periodically (each month) in order to the employee will be know more regarding to the existence and purpose / function of gender committee on site, then for the further, this organization could be more felt and useful for all women/ mothers also employees.

Assessor Evaluation and Conclusion *(filled by auditor):*
Auditor's Verification on 18 August 2017

The company has been shown as below :

- Standard operating procedure of sexual harassment complaint handling with document number 050/DMIL TI-PKPS/2014, on 6 January 2014. Established by the president director, director of human resource and legal, and director of operational.
- Gender committee organizationl structure preparation meeting of PT Tebo Indah. It's conducted on 24 January 2014. Also informed regarding to Tebo Indah gender committee board of management.
- The attendance list of PT Tebo Indah gender committee meeting for the period of January to July 2017 at PT TI meeting room that discussed regarding to the new gender committee formation structure, the socialization of mother and child, the socialization of environmental hygiene, and occupational health and safety.
- The example of PT TI minutes of meeting that informed the agenda which will be discussed each month. The material that presented such as the prevention of sexual harassment, recreation activity for the fellow members of gender committee, courtesy in order to prevent the sexual harassment.

Based on the evidence that has been shown, then the non conformity NO. 2017.23 declared as complied (observation).

Verified by	:	Dwi Haryati
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NCR No.	: 2017.24	Issued by	: Trismadi N			
		Diterbitkan oleh				
Date Issued	: 14 July 2017	Time Limit	: 12 September 2017			
		Batas Waktu				
NC Grade	: Major	Date of Closing	: 18 August 2017			
		Tanggal Terpenuhi				
Standard Ref. & Requirement	7.3.1. There should be available evidence that there's no new planting which is replacing the forest area or other area that required to maintain or increase one of (or more) High Conservation Values (HCVs) since November 2005. The new planting should be designed and managed in such way thus ensuring that the identified HCV will be well groomed and / or increased its quality (look at the criteria 5.2).					
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> There's no evidence according to no new planting which is replacing the primary forest or other area that required to maintain or increase one of HCVs since November 2005. PT DMIL Unit of certification has been shown the email to RSPO on 9 June 2017, known that the update LUCA of PT DMIL is 0 (zero) liabilities. However, it still could not yet been shown the answer from RSPO that declared the LUCA acceptance of PT DMIL (pass). PT TI Unit of certification has been shown the email concept note to RSPO on 12 July 2017. However, it's still could not yet been shown that the concept note of PT TI has been already accepted (pass).						
Root Cause Analysis <i>(filled by organization audited):</i> PT DMIL and PT TI have been sent the related document to RSPO. However, it's still on clarification stage and two ways correspondence between company with RSPO. The company is very concerned of this matter, which is shown by always do the communication with the person in charge of RSPO.						
Correction <i>(filled by organization audited):</i> The always on communication result between company and RSPO, then from RSPO precisely RSPO Compensation sent an email in the form of confirmation that RSPO P & C 7.3.1 at the area of PT DMIL and PT TI could be solved during the next surveillance audit (ASA-3) and for the current audit (ASA-1) could be given a closed status.						
Corrective Action <i>(filled by organization audited):</i> Two ways corespondence between company and RSPO will always be intertwined, then if RSPO needs the additional data regarding to this report, the company could be distributed soon, so the review process could be run smoothly and the final result could be reached and also approved by RSPO.						
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 18 August 2017 The company has been shown the corrective evidence in the form of communication with RSPO Compensation Executive on 15 August 2017, which informed that based on BHCVWG meeting result, known that PT DMIL LUCA review process and RaCP of PT TI still on process. Currently, the status of certificate can be continued with note that it should be completed on next surveillance.						

Based on root cause analysis, correction and corrective evidence that has been shown, then this non conformity declared as complied with observation (closed with observation). Whereas the progress of PT DMIL LUCA and RaCP of PT TI will be re-verified on the next assessment.

Verified by : Trismadi N

NCR No.	: 2017.25	Issued by	: Trismadi N
Date Issued	: 7 September 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	: 13 September 2017
Standard Ref. & Requirement	RSPO Certification System tahun 2007 (RSPO Certification System 2007) 4.2.4 Organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm will be permitted to certify individual management units and/or subsidiary companies.		
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i></p> <p>Based on the information during re-visit field due to the major non conformity which was done on 5 to 7 September 2017, known that :</p> <p>The whole range of management (general manager to manager level) have been already taken by the new owner (Tolan Tiga Indonesia/SIPEF Group) since 1 August 2017. Other than that, the interview with some employees at palm oil mill, known that the severance pay has been already paid on the beginning of August 2017 by Tolan Tiga Indonesia/SIPEF Group.</p> <p>The company has been shown the statement letter that was signed by the president director of PT Dendy Marker Indah Lestari on 7 September 2017. It's informed that :</p> <p>Referring to the permit of foreign investment principles No. 2722/IP/PMA/2017 on 12 July 2017 (PT Dendymarker Indah Lestari is taken over by PT Tolan Tiga Indonesia. then there's no supply base replacement of PT Dendymarker Indah Lestari RSPO Certificate, namely : Bingin Rupit 1 Estate, Bingin Rupit 2 Estate at Musi Rawas Utara District and PT Tebo Indah at Tebo District).</p> <p>However, it still could not yet been shown some documents to the certification bodies such as :</p> <p><i>1 For groups with complex management structures the following are required:</i></p> <p><i>(b) Ditto in respect of each of the operating groups.</i></p> <p><i>(c) Application for membership by the top asset owning company/companies.</i></p> <p><i>(d) Application for membership by the managing agency company/companies.</i></p> <p>The revision of time bound plan and its justification for all subsidiaries under PT Dendymarker Indahlestari.</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i></p> <p>During the implementation of ASA-2 (10 to 14 July 2017), there's no realization of PT Dendymarker Indahlestari majority share takeover by PT Tolan Tiga Indonesia (SIPEF Group).</p>			
<p>Correction <i>(filled by organization audited):</i></p>			

After the realization of share majority take over on 31 July 2017, all related documents (notarial deed, permit of investment coordinating board, time bound, declaration, etc) have been already submitted to the auditor.

Corrective Action (filled by organization audited):

The company will run the time bound in accordance with drafted plan and submitted to the auditor.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 13 September 2017

The company has been shown the corrective evidence such as :

1. Progress against time bound plan SIPEV NV (Partial Certification).
2. Time Bound Plan of PT Tebo Indah
3. The replacement of shareholder notarial deed of PT Dendymarker Indahlestari No. 104 on 31 July 2017 that informed the sale of shares, whereas **49.391 shares on behalf of PT Agro Inti Semesta and 938.416 shares on behalf of PT Tolan Tiga Indonesia.**
4. The principle permit of foreign invesment No. 2722/1/IP/PMA/2017 on 12 July 2017 that issued by Head of Invesment Coordinating Board c.q. Deputy of Investment Services.
5. The update of time bound plan has been already shown from the management of SIPEF GROUP on 2017.

Based on corrective evidences, this non conformity declared as complied.

Verified by : **Andi Pratama Pasaribu**

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description Deskripsi
1	1.1.2	The company has the opportunity to complete the record of information request list with the fulfillment date response from unit of management.

3.5.4 Noteworthy Positive Components

No	Description Deskripsi
1	The commitment of company regarding to the principles implementation of sustainable palm oil.
2	PT DMIL has been already gotten the certificate of ISPO.
3	PT TI has been already gotten the Zero Accident Award on 2016 and 2017.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Sub Division Head of Environment Agency in Musi Rawas Utara Regency <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. - The company has owned Land Application and Hazardous Waste Temporary Storage permit and it is still within the validity period. - There are no land fire issues during 2016. 	<p>In accordance with criteria 2.1; 4.4; 5.1; and 5.3.</p>
Head of Labour Agency in Musi Rawas Utara Regency <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. - Communication between agencies and the company is doing well. 	<p>In accordance with criteria 2.1; 4.7; ; 6.5 and 6.11</p>
Sub Division Head of Plantation Agency Musi Rawas Utara Regency <ul style="list-style-type: none"> - Report progress on the plantation business development conducted regularly every 6 months. - The company currently more communicative, however 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. 	<p>In accordance with criteria 2.1; 2.2; and 6.10.</p>
Labour Agency of Jambi Province, Unit Muaro Tebo Regency <ul style="list-style-type: none"> - Mandatory reporting has been done regularly (P2K3 report, accidents and Compulsory Labor Report). - 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 zero accident award year of 2016. 	<p>In accordance with criteria 2.1; 4.7; ; 6.5 and 6.11</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<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). 	
Environment Agency Head of Muaro Tebo Regency <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. - There is no issue of environmental pollution. - Had known how to communicate with the company. - Hazardous Waste Temporary Storage Permit is still valid. - There are no land fire issues during 2016. - Consideration to reporting UKL-UPL monitoring for pra construction activity in TI POM. - Consideration to conduct environment quality test in accordance to period, for example: semester 1 on January – June and semester 2 on July – December. 	<p>In accordance with criteria 2.1; 4.4; and 5.3.</p> <p>It was raised as nonconformity 5.1.2.</p>
Sub Division Plantation Agency Head of Muaro Tebo Regency <ul style="list-style-type: none"> - Consideration to report all sub system in report progress on the plantation business development, not only area statement and production data. - Frequent land disputes, company can reduce the occuring land disputes and for the time being there are no cases of land disputes. 	<p>In accordance with criteria 2.1; 2.2; and 6.10.</p>
National Land Agency Head of Muaro Tebo Regency <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, however have been resolved by the company. <p>Communication between companies with agency is in good condition.</p>	<p>In accordance with criteria 2.2; 2.3; 6.4 and 6.10.</p>
Tengah Ulu Village Community <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. - There are supports from companies for example, Independence Day event Assistance, mosque development, assistance for events in Tengah Ulu Village. - The relations with the company are very good and satisfying. - HCV Socialization areas and protected animals have been 	<p>In accordance with criteria 1.3; 2.2; 2.3; 5.2; 6.4 and 6.10.</p>


Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>conducted.</p> <p>There is no use of mercenaries for security. Security personnel supplied from the village community.</p>	
<p>Maur Baru 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. 	<p>In accordance with criteria 2.2; 5.1; 5.2; 5.3; 5.5 and 6.11</p>
<p>Lubuk Rumbai 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. 	<p>In accordance with criteria 2.2; 5.1; 5.2; 5.3; 5.5 and 6.11</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
Pantai 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. 	In accordance with criteria 2.2; 5.1; 5.2; 5.3; 5.5 and 6.11
Aburan 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. 	In accordance with criteria 2.2; 5.1; 5.2; 5.3; 5.5 and 6.11
Local contractor transport TBS PT DMIL from Maur Village. <ul style="list-style-type: none"> - Cooperation with the company since 2008 of transporting FFB from plantation to Oil Mill with total fleet of 8 units of trucks. - Payment by the company is on time accordance with the agreement. However, if there is a delay it can still be tolerated because it is still within the limits of the stipulated 	In accordance with criteria 1.3; 4.1; 4.7 and 6.10

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>period.</p> <ul style="list-style-type: none"> - Contract of work has been signed by both parties on stamp duty and kept by each party. - The work agreement has included aspects of OHS and employment such as the provision of PPE and the Social Security of Labor (BPJS Employment). - Each unit has 1 driver and loading workers ranging from 1-4 people depending on the condition of the FFB. - The company provides employment opportunities for local contractors such as transport of FFB, empty bunches, CPO transport. <p>Local contractor CPO transporter PT DMIL from Bingin Rupit Village.</p> <ul style="list-style-type: none"> - Cooperation with the company since 2012. - Currently has 4 units of CPO tanks with a capacity of 8-9 tons. - Payment is made according to DSS and timely. At least one month before the deadline date. Within one month more than one contract depends on CPO production. - There are contracts of work which are renewed annually, mutually agreed upon and signed on the stamp of Rp. 6,000 and kept one file by each party. - The work agreement has included aspects of OHS and employment such as the provision of PPE, the minimum wage, and the Social Security of Labor (BPJS Employment). - The company has provided employment opportunities and opens employment primarily to local communities. <p>Local contractor transport TBS PT Tebo Indah from Penapalan Village Central Tengah Hilir Kabupaten Tebo Tengah.</p> <ul style="list-style-type: none"> - Work with companies on personal behalf for 4 years. - Working agreement with 6 month period renewed. - The contractor adheres to the employment aspect such as the use of PPE in the operational area. - The company provides employment opportunities for local contractors from surrounding communities such as transport of FFB, CPO, empty bunches and others. - There is a major requirement of the company for local contractors who will partner, that already has a tax payer number and the trucking Driver must have a Driver License. - Payments have gone smoothly in accordance with the clause on the employment agreement. <p>Payments are made every time by bank transfer.</p>	
<p>Worker Unions of PT DMIL</p> <ul style="list-style-type: none"> - Served as chairman of Worker Unions PT DMIL from April 4, 2017 to April 2018. - The company facilitates and supports Worker Unions 	<p>In accordance with criteria 4.7; 6.3; 6.5; 6.6 and 6.11.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>activities, such as providing meeting rooms for members and consumption</p> <ul style="list-style-type: none"> - Company wages in accordance with District Minimum Wage South Sumatra is Rp. 2,430,000, - / month or Rp. 97,200 / Working Day - Meeting of Worker Union members routinely done every 3 months and available minutes. - Related to health issues the company has been working with the community Health center. - There has been no workplace accidents causing fatality in the last year, only minor work accidents where workers can work again. - Accident Insurance for workers have been registered and paid. - There is no record of industrial relations cases. - The last meeting with the company is the time of ratification of the Joint Working Agreement in June 2017. - The company has provided facilities for housing facilities and infrastructure, and public facilities. For those living outside the company / village people, however obtaining transportation allowance, housing, electricity, water, school children's allowance. - The company has conducted special health checks for sprayers every year. - The company provides equal employment opportunities for all local or overseas workers. - The company provides freedom of association for all workers including contract workers. This is set out in the CLA and company policy. <p>Worker Unions of PT DMIL and PT Tebo Indah</p> <ul style="list-style-type: none"> - The company provides freedom of association for all workers in PT Tebo Indah. - Internal meetings are held every 2 weeks in each division or depending on the need. - There is documentation and minutes of union activities. - The company provides a place facility if there are SP activities that require a special place. - In the past year, there have been several meetings with the company and have been resolved by deliberation. - Company wage in accordance with Province Minimum Wage of Jambi is Rp 2,063,950, - / month or Rp 82,558 - / hari - There has been no workplace accidents causing fatality in the last year, only minor work accidents where workers can work again. - The company is quite open in solving the problem. - Special health checks for labor such as sprayers, operators, warehouses are examined whole as physical, urine, blood. Last implemented in 2016. - The company announces to the surrounding villages if there is a job vacancy, however it is not there because it is 	

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>fully occupied.</p> <ul style="list-style-type: none"> - Health facilities in collaboration with BPJS doctors in Muara Tebo, and referral to UD Muara Tebo Hospital. - There is a health facility with 1 medical person on duty. - The company provides equal employment opportunities for all local or overseas workers. - The company has provided housing facilities and infrastructure, and public facilities. Workers who do not live in the estate then there is compensation in the form of payment of crossings and between picking from crossing into the estate using pick up, Dump truck or tractor. <p>There are aspirations about housing facilities that can be upgraded to permanent buildings and increased welfare.</p>	
<p>Gender Committee</p> <ul style="list-style-type: none"> • The company has a policy of preventing sexual harassment and is implemented with the establishment of the Gender Committee. • The gender committee has several programs such as: Posyandu, worker health examination, environmental hygiene work, socialization of sexual harassment prevention, use of PPE, complaint reporting mechanism and complaints. • Gender committees work with local midwives and community Health centers. • The company provides facilities such as day care.No reports of incidents of sexual harassment and domestic violence occurred in the company. 	<p>Interviews and observations of female workers, there is no indication of violations of women's rights. In accordance with criteria 6.9.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>Signed on behalf of:</p> <p>PT Dendymarker Indah Lestari Management Representative</p>  <p>Olivier Tichit 13 September 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> 13 September 2017</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Local Contractor (CV Usaha Gemilang- CPO Transportation)	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	10 July 2017	√	
2	Local Contractor (CV – Aldira FFB Transportation)	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	10 July 2017	√	
3	Worker Union of PT.DMIL	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	10 July 2017	√	
4	Gender Committee	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	10 July 2017	√	
5	Maur Baru Village	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	11 July 2017	√	
6	Lubuk Rumbai Village	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	11 July 2017	√	
7	Pantai Village	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	11 July 2017	√	
8	Aburan Village	Muaro Tebo Regency, Jambi Province	-	Interview	14 July 2017	√	
9	Tengah Ulu Village	Muaro Tebo Regency, Jambi Province	-	Interview	14 July 2017	√	
10	Sub Division Head of Environment Agency Musi Rawas Utara Regency	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	11 July 2017	√	
11	Head of Labour Agency	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	11 July 2017	√	
12	Sub Division Head of Plantation Agency Musi Rawas Utara Regency	Musi Rawas Utara Regency, Sumatera Selatan Province	-	Interview	11 July 2017	√	
13	Labour Agency of Jambi Province, Unit Muaro Tebo Regency	Muaro Tebo Regency, Jambi Province	-	Interview	14 July 2017	√	
14	Environment Agency Head of Muaro Tebo Regency	Muaro Tebo Regency, Jambi Province	-	Interview	14 July 2017	√	
15	Sub Division Plantation Agency Head of Muaro Tebo Regency	Muaro Tebo Regency, Jambi Province	-	Interview	14 July 2017	√	
16	National Land Agency Head of Muaro Tebo Regency	Muaro Tebo Regency, Jambi Province	-	Interview	14 July 2017	√	

17	Wahana Lingkungan Hidup	Jakarta, Indonesia	informasi@wahi.or.id	Email	06 July 2017		√
18	Aliansi Masyarakat Adat Nusantara	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	06 July 2017		√
19	<p>Internal Stakeholders:</p> <p>PT DMIL</p> <ul style="list-style-type: none"> • 4 Female spraying workers, 2 Male spraying workers and foreman in BR-1 Estate. • 2 Male Harvesters and 1 Foreman in BR-1 Estate • 2 Male Store Keeper. • 1 Head of Workshop. • 1 Worker in Facilities for Cleaning up. • 2 Female worker in Daycare. • 1 house wife in housing complex. • 4 operators (Boiler, Genset, Sterilizer) and 1 Workshop workers in POM. <p>PT TI</p> <ul style="list-style-type: none"> • 2 Harvester and 1 foreman. • 2 house wife in housing complex. 	-	-	Interview	During audit activity.	√	

Appendix 2.a Assessment Program

Date/ Tanggal	10 - 15 July 2017	
PROGRAM	PROCESS / HAL YANG DIAUDIT	AUDITOR
Monday, 10 July 2017		
05.45 – 07.10 07.10 – 12.00 14.00 – 15.00 15.00 – 17.00	JAKARTA → JAMBI JAMBI → TEBO OPENING MEETING in Teluk Pandak Estate PT TI Review of Previous Visit Non-conformance (ASA-1)	TNB/APP/DWH/TYO
Tuesday, 11 July 2017		
08.00 – 12.00	Stakeholders consultation to Nearest village and community leader Stakeholders consultation to Government Institution Field Observation Teluk Pandak Estate <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, IPM, Road Maintenance, Legal operational and Conservation Area Worker facilities (housing, health clinic, clean water, landfill); Hazardous Waste Material (Limbah B3); Hazardous Material (B3) management and Land Fire facilities 	TYO TNB APP DWH
12.00 – 14.00	BREAK	TNB/APP/DWH/TYO
14.00 – 17.00	Stakeholders consultation to Labour union (SPSI), Gender Committee and local contractor Stakeholders consultation to Transporter of FFB, and other Local Contractor Clarification of Public Consultation and field observation	DWH TNB TNB/APP/DWH/TYO
Wednesday, 12 July 2017		
08.00 – 12.00	Completion of Check List and Clarification of Public Consultation and field observation	TNB/APP/DWH/TYO
12.00 – 13.00	BREAK	
13.00 – 20.00	PT TI to Lubuk Linggau	TNB/APP/DWH/TYO
Thursday, 13 July 2017		
08.00 – 09.00 09.00 – 12.00	OPENING MEETING in PT DMIL Stakeholders consultation to Related Government Institution (Musi Rawas District Government and local NGO) Stakeholders consultation to Nearest village and community leader Field Observation Teluk Pandak Estate <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, IPM, Road Maintenance, Legal operational and Conservation Area Worker facilities (housing, health clinic, clean water, landfill); Hazardous Waste Material (Limbah B3); Hazardous Material (B3) management and Land Fire facilities 	TNB TYO APP DWH
12.00 – 14.00	BREAK	TNB/APP/DWH/TYO
14.00 – 17.00	Stakeholders consultation to Labour union (SPSI), Gender Committee and local contractor	DWH

	Stakeholders consultation to Transporter of FFB, and other Local Contractor	TYO
	Completion of Check List and Clarification of Public Consultation and field observation	TNB/APP
Friday, 14 July 2017		
08.00 – 11.30	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 • Supply Chain 	APP TYO DWH TNB
11.30 – 14.00	BREAK	TNB/APP/DWH/TYO
14.00 – 17.00	Completion of Check List and Clarification of Public Consultation and field observation	TNB/APP/DWH/TYO
19.00 – 20.00	CLOSING MEETING	TNB/APP/DWH/TYO
Saturday, 15 July 2017		
08.00 – 13.00	PT DMIL → BENGKULU	TNB/APP/DWH/TYO
16.00 –	BENGKULU → JAKARTA	

Appendix 2.b Major Verification Program

Date	5 – 8 September 2017		
PROGRAM	AUDIT PROCESS	AUDITOR	
Tuesday, 5 September 2017			
08.10 – 09.35 10.00 – 11.00 11.00 – 12.00	JAKARTA → MUARA BUNGO (NAM AIR) MUARA BUNGO → PT TEBO INDAH OPENING MEETING	TNB/HSS	
12.00 – 14.00	BREAK		
14.00 – 17.00	MAJOR VERIFICATION Legal & Environment Non Conformance Nonconformance Verification Best Management Practices & OHS Non Conformance		TNB/HSS TNB/HSS
19.00 – 23.00	PT TEBO INDAH → LUBUK LINGGAU	TNB/HSS	
Wednesday, 6 September 2017			
08.00 – 08.30 09.00 – 12.00	Opening Meeting Field Observation to DENDYMARKER POM	TNB/HSS	
12.00 – 14.00	Environment & Legal Nonconformance Verification OHS Nonconformance Verification BREAK		TNB HSS
14.00 – 17.00	Field Observation to DENDYMARKER POM		
Thursday, 7 September 2017			
08.00 – 12.00 12.00 – 14.00 15.00 – 16.00	Field Observation to Bingin Rupit-1 Environment & Legal Nonconformance Verification BMP & OHS Nonconformance Verification BREAK CLOSING MEETING	TNB HSS	
Friday, 8 September 2017			
07.50 – 09.00	Lubuk Linggau → Jakarta (Batik Air)		TNB/HSS