

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management Organisation : **Dendymarker Palm Oil Mill – PT Dendymarker Indah Lestari, Subsidiary of SIPEF GROUP**
 Plantation Name : **PT Dendymarker Indah Lestari – Sei Mandang Estate, Sei Liam 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 September 2019**
 Date of Certificate Expiry : **26 July 2020** Date of License Expiry : **26 July 2020**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	08 to 12 July 2019	Leonada (Lead Auditor); Asystasya Aishah Silalahi, Hasiholan Sihombing, Bayu Yogatama	Taufik Margani	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	02 September 2019

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FIGURE

Figure 1. Location Map of PT Dendymarker Indah lestari

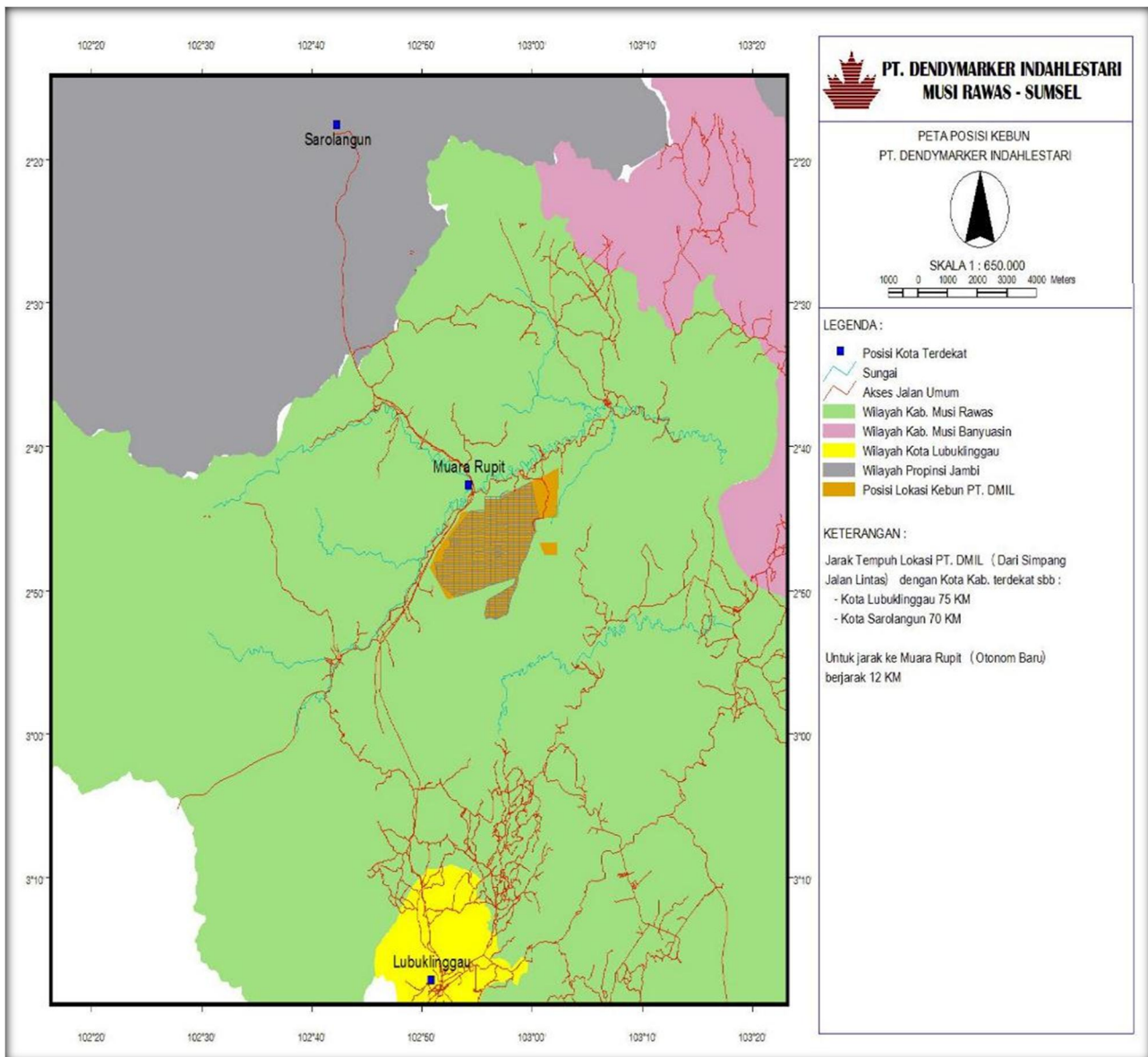
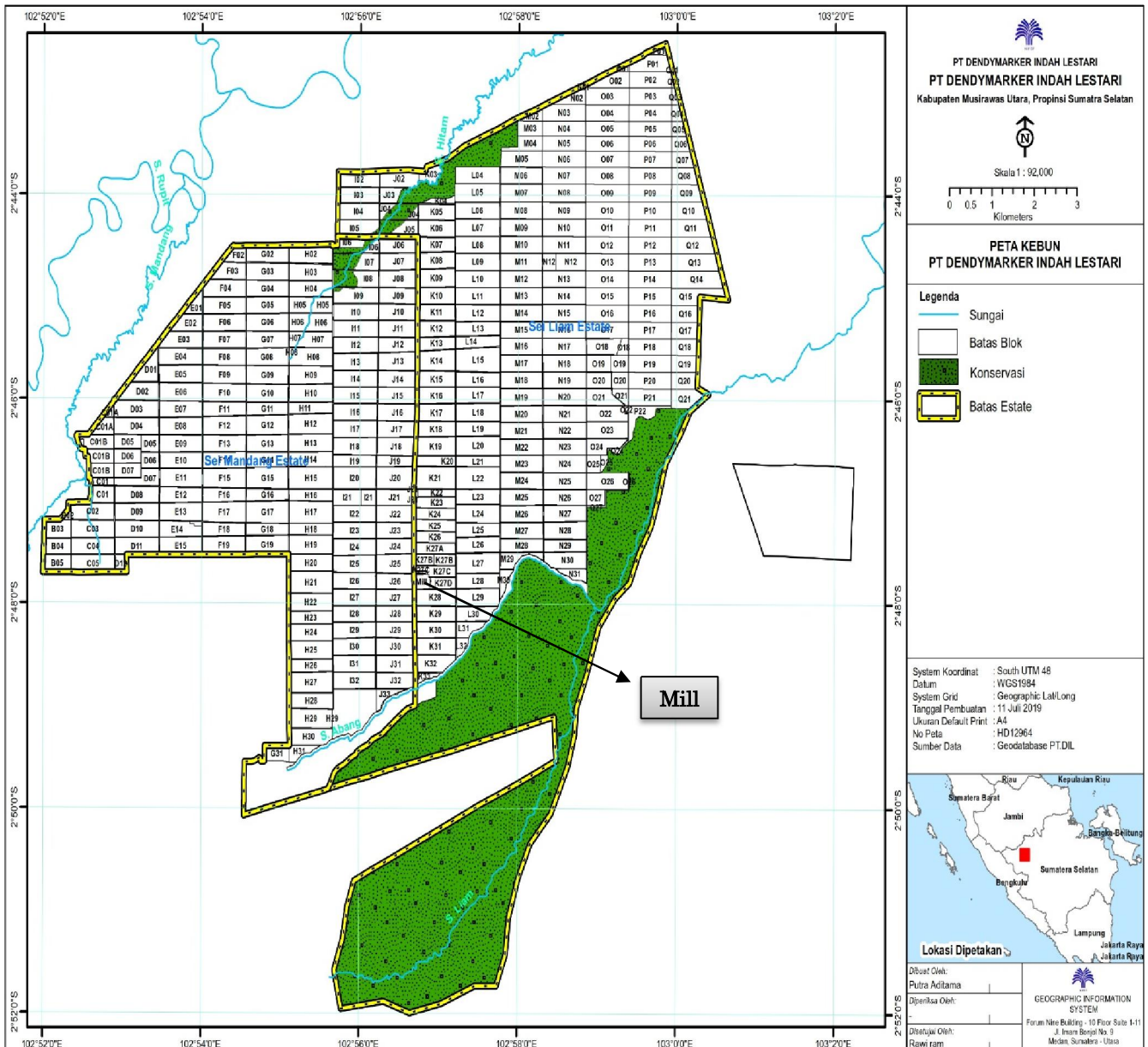


Figure 2. Operational Map of PT Dendymarker Indah Lestari



Glossary

ASA	: Annual Surveillance Assessment
BPJS	: <i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
CD	: Community Development
CH	: Certificate Holder
CPO	: Crude Palm Oil
CSPK	: Certified Sustainable Palm Kernel
CSPO	: Certified Sustainable Palm Oil
CSR	: Corporate Social Responsibility
DIL	: Dendymarker Indah Lestari
EIA	: Environment Impact Assessment
EFB	: Empty Fruit Bunch
FFA	: Free Fatty Acid
FFB	: Fresh Fruit Bunch
FPIC	: Free Prior Informed Consent
HCV	: High Conservation Value
HGU	: <i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	: Hazard Identification and Risk Assessment Control
ILO	: International Labour Organization
IPM	: Integrated Pest Management
KER	: Kernel Extraction Rate
KUD	: Koperasi Unit Desa (<i>village cooperative</i>)
MSDS	: Material Safety Data Sheet
OER	: Oil Extraction Rate
OFI	: Opportunity For Improvement
OHS	: Occupational Health and Safety
P2K3	: Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS Committee
PK	: Palm Kernel
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PPE	: Personal Protective Equipment
RSPO	: Roundtable and Sustainable Palm Oil
SCCS	: Supply Chain Certification System
SIA	: Social Impact Assessment
SOP	: Standard Operating Procedure

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, July 2016 (Endorsed by the RSPO Board of Governors meeting on 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 revised on 14 June 2017 (Module E for CPO Mill)RSPO Certification System for Principles and Criteria, June 2017 (Endorsed by the RSPO Board of Governors on 14th of June 2017)	
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	Hamdani	
1.2.3	Organisation address and site address	RSPO registered company: Gedung Forum Nine Lt. 10 Suite 1 - 11, Jln. Imam Bonjol No. 9 Medan 20112, 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	hamdani@sipef.com	
1.2.7	Web page address	www.tolantiga.com	
1.2.8	Management Representative who completed the application for certification	Hamdani (SM – ENC)	
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	PT Dendymarker Indah Lestari - Dendymarker POM, Sei Mandang Estate and Sei Liam 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
			LatitudeLongitude
	Dendymarker POM	Karang Dapo Viilage, Karang Dapo Sub-District, Musi Rawas	S 02° 47' 44"E 102° 56' 42"

		District, Sumatera Selatan Province, Indonesia		
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Sei Mandang Estate	Village of Bingin Rupit and Beringin Jaya, Muara Rupit Sub-District, Musi Rawas District, Sumatera Selatan Province, Indonesia	S 02° 46' 29"	E 102° 52' 30"
	Sei Liam Estate	Village of Karang Dapo, Karang Dapo Sub-district, Musi Rawas District, Sumatera Selatan Province, Indonesia	S 02° 46' 54"	E 102° 56' 41"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		13,704.91	Ha
	• Community		-	Ha
1.5.2	Area Statement			
	• Total area		13,704.91	Ha
	• Mature area		4,564.15	Ha
	• Immature area		1,592.73	Ha
	• Mill		9.46	Ha
	• Emplishment		41.11	Ha
	• Road and bridge		411.87	Ha
	• Trenches		132.72	Ha
	• Others area		3,972.14	Ha
	• HCV		2,980.73	Ha
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Sei Mandang Estate	Sei Liam Estate	Total
	1996	268.52	-	268.52
	1997	649.13	-	649.13
	1998	2,094.98	-	2,094.98
	1999	-	369.95	369.95
	2000	-	531.80	531.80
	2012	-	117.37	117.37

	2013	79.43	452.97	532.40			
	Sub Total Mature	3,092.06	1,472.09	4,564.15			
	2018	459.51	503.60	963.11			
	2019	328.82	300.80	629.62			
	Sub Total Immature	788.33	804.40	1,592.73			
	TOTAL	3,880.39	2,276.49	6,156.88			
1.6.2	New Planting area after January 2010		- 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 (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Dendymarker POM	20	63,535.55	12,350.04	19.44	2,586.38	4.07
	*Production data source from 12 months before assessment (July 2018 to June 2019)						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Mature Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Sei Mandang	5,070.08	3,092.06	25,339.40	8.19	25,339.40	100
	Sei Liam	8,634.83	1,472.09	11,745.19	7.98	11,745.19	100
	TOTAL	13,704.91	4,564.15	37,084.59	8.13	37,084.59	100
	*Production data source from 12 months before assessment (July 2018 to June 2019)						
	*Yield is FFB/total mature area						
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)		
	Sei Rupit Estate (RSPO Noncertified)	Subsidiary of SIPEF	2,973	2,937	2,277.07		
	Agro Kati Lama North (RSPO Noncertified)	Subsidiary of SIPEF	-	70.32	2,992.63		
	Agro Kati Lama South (RSPO Noncertified)	Subsidiary of SIPEF	-	574.22	6,873.74		
	Agro Muara Rupit East (RSPO Noncertified)	Subsidiary of SIPEF	-	156.37	6,025.97		
	Agro Muara Rupit West (RSPO Noncertified)	Subsidiary of SIPEF	-	871.24	2,622.98		
	Agro Rawas Ulu East (RSPO Noncertified)	Subsidiary of SIPEF	-	199.48	3,146.88		
	Agro Rawas Ulu West (RSPO Noncertified)	Subsidiary of SIPEF	-	45.75	1,236.00		
	Koperasi Beringin Jaya (RSPO Noncertified)	Independent Smallholder	1,514	574.22	1,065.08		

	Koperasi Rawas Jaya (RSPO Noncertified)	Independent Smallholder	-	-	108.90			
	Koperasi Tingkip Jaya Raya (RSPO Noncertified)	Independent Smallholder	-	-	101.71			
	TOTAL				26,450.96			
	*Source Production Data on 12 months before assessment (July 2018 to June 2019)							
1.7.4	Product categories	FFB, CPO, PK						
1.8 Estimate Tonnage of Certified Product								
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim (tonnes/year)	Actual certified product for last year (tonnes/year)					
	• FFB Production	48,227*	37,084.59					
	• CPO Production	9,263*	7,169.34					
	• Palm Kernel (PK) Production	2,008*	1,509.14					
	Ext Volume has been approved on 17 July 2019							
1.8.2	Product selling	Period of actual selling product for last year						
	Tonnage of selling product							
	• CSPO sold as RSPO certified product	0						
	• CSPK sold as RSPO certified product	0						
	• CSPO sold under other scheme	0						
	• CSPK sold under other scheme	0						
	• CSPO sold as conventional	7,169.34						
	• CSPK sold as conventional	1,509.14						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Mature Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Sei Mandang	5,070.08	3092.06	26,750	8.65			
	Sei Liam	8,634.83	1472.09	12,500	8.49			
	TOTAL	13,704.91	4,564.15	39,250	8.60			
	*Projected FFB production for 27 July 2019 to 26 July 2020							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO Out put (ton)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	Dendymarker Palm Oil Mill	20	39,250	7,850	20.00	1,750	4.46	MB
	*Projected CSPO and CSPK production for 27 July 2019 to 26 July 2020							
1.9 Other Certifications								
	ISPO	MUTU-ISPO/044						

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				
	Muko Muko Mill (PT Agro Muko)	2011	Muko Muko Estate	2011	Mukomuko District, Bengkulu Province, Indonesia	Certified
			Sei Betung Estate			
			Tanah Rekah Estate			
			Talang Petai Estate			
			Sei Kiang Estate			
			KMD			
	Bunga Tanjung Mill (PT Agro Muko)	2011	Bunga Tanjung Estate	2011	Mukomuko District, Bengkulu Province, Indonesia	Certified
			Air Bikuk Estate			
			Air Buluh Estate			
			KMD			
			Air Majunto Estate (PT Mukomuko Agro Sejahtera)	2014		Certified
			Malin Deman Estate Estate (PT Mukomuko Agro Sejahtera)			Certified
			Ex. PT Asri Rimba Wirabhakti	2020		A new NPP will be submitted waiting for HCV, LUC review
	Bukit Maradja Mill (PT Tolan Tiga)	2010	Bukit Maradja Estate (PT Eastern Sumatra Indonesia)	2010	Simalungun District, Sumatera Utara Province, Indonesia	Certified May 2010
			Kerasan Estate (PT Kerasan Indonesia)			
			PT. Timbang Deli Indonesia	2018		Certified 2018
	Perlabian Mill (PT Tolan Tiga)	2010	Perlabian Estate	2010	Labuhan Batu District, 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 District, Sumatera Utara Province, Indonesia	Certified March 2015
			UMW North Estate			
			Toton Usaha Mandiri Estate			
	-	-	PT Agro Kati Lama	2021	Musirawas District, 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 District, 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 District, 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
	Dendymarker Indah Lestari Mill (PT Dendymarker Indah Lestari)	2015	Sei Mandang Estate	2015	Musirawas Utara District, Sumatera Selatan Province	The Most recent acquisition was on 1 st August 2017, it has been certified on 2015
			Sei Liam Estate			
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	<p>Independent supplier Dendymarker Indahlestari POM received FFB from independent smallholder such as KUD Berjaya, KUD Rawas Jaya and KUD Tingkip Jaya. The agreement set only for FFB selling independently and no need to RSPO certification.</p> <p>Smallholder Scheme PT. Dendymarker Indahlestari has cooperation with KUD Pakar Maur based on agreement deed No. 1 dated 3 July 2006 with a notary. Total area of KUD Pakar Maur are 2,937 Ha that has been planned to replanting on 2019 – 2023. From the results of interviews with KUD Pakar maur, KUD Biru Makmur and KUD Maju Mandiri, it was conveyed that currently there is an internal conflict within the KUD's internal body. 9 Villages previously joined in 1 KUD Pakar Maur, currently do not want to join again and have formed 9 new KUD in each village, which are:</p> <ol style="list-style-type: none"> 1. Noman Village, KUD Tunas Mekar, legal entity No. 0926/BH/VII.4/2013 dated 25 March 2013 2. Batu Gajah Village, KUD Karpida, legal entity No. 0091/BH/PAD/KWK.6/III/1996 3. Maur Village, KUD Pakar Maur, legal entity No. 003092/BH/90 dated 10 September 1990 4. Maur Baru Village, KUD Maju mandiri, legal entity No. 00416/BH/VII.4/2009 dated 16 May 2009 5. Bingin Rupit Village, KUD Biru Makmur, legal entity No. 0925/BH/VII.4/2013 dated 25 March 2013 6. Beringin Jaya Village, KUD Jaya Makmur Tani, legal entity No. 01 dated 18 July 2018 7. Lubuk Lumbai Village, KUD Serasi, legal entity No. 00209/BH/VI.7 dated 5 December 2000 8. Muara Rupit Village, KUD Keluarga Serasan, legal entity No. 002-165.A/BH/PAD/VI.7 dated 25 March 2005 9. Pantai Village, KUD Mitra Bersama, legal entity No. 006622/BH/VII.4/10 dated 21 April 2010 <p>Reasons for leaving KUD Pakar Maur:</p> <ul style="list-style-type: none"> • KUD has never been conducted an annual meeting since 2015 • Team 8 villages are not recognized as members • Cooperative mechanisms are not working • KUD does not involve village teams in strategic policies • Village team coordination was always hampered by KUD Pakar Maur • KUD Pakar maur is not transparent in finance 					

- The member has stated out from KUD Pakar Maur

This matter was reinforced by the decree No. 075/KPTS-DISPERINDAG/2018 dated 12 February 2018 by the head of the industrial, trade and cooperative of Musi Rawas Utara district, which stipulates:

- Management of plasma plantations must be carried out by each villages / KUD's (9 KUD's)
- Each KUD's (9 KUD's) manages independently administration and operations without having ties with KUD Pakar maur
- All cooperatives (9 KUD's) in order to make direct contact with the company (PT. Dendymarker Indahlestari)

Currently, operational activities of plasma have been carried out by each KUD's and related to sending FFB still sent to PT. Dendymarker Indahlestari as independent supplier. Based on the results of the verification, it can be seen that the initial agreement between PT. Dendymarker Indahlestari with KUD Pakar Maur has been canceled because technically the KUD Pakar Maur is no longer running and replaced by 9 new KUD's, which currently only have cooperation in buying and selling FFB with the company as independent supplier. So, the KUD Pakar Maur concluded not applicable for certification at this time.

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-4	<p>1. Leonada (Lead Auditor). Bachelor of agriculture for plant breeding and seed technology programme study, department of agronomy, faculty of agriculture in Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and sustainability in private company of Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: training of Indonesian sustainable palm oil (ISPO) lead auditor, training of RSPO lead auditor, RSPO SCCS training, SA 8000, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, lead auditor ISO 9001; 2008, ISO 14001; 2005, training of management development program agronomy, training of analysis base solution for operation, training of integrated pest management (IPM), use of limited pesticides training, training management of waste pesticides and fertilizers, training mediation and conflict resolution, RSPO social and worker welfare training, general safety specialist training, health and safety management system (SMK3) auditor. In this audit He conducted an assessment on transparency, Legal and land dispute.</p> <p>2. Hasiholan Sihombing (Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course by Checkmark, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. He has experienced in various audit activities related to the certification system of sustainable palm oil plantation since 2016. During this audit, he assigned to verify best management practices, long term plan, OHS aspects.</p> <p>3. Asystasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verify Social, Worker Welfare aspects and SCCS.</p> <p>4. Bayu Yogatama (Auditor). Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this audit, he verify Environmental Aspect, HCV, and Green House Gases.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-4	<p>Number of auditors: 4 auditor</p> <p>Number of days for ASA-4 at site: 5 days</p> <p>Number of working days for ASA-4 at site: 20 Working days</p>
2.2.2	Assessment Process
ASA-4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dendymarker Indah Lestari to the requirements of 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 Revised June 2017 (Module E for CPO Mill).</p> <p>From morning until afternoon, the team traveled from Jakarta to Lubuk Linggau by plane and travel to site by car. Then continued holding an opening meeting. The opening and closing meeting was held in the Meeting Room attended</p>

by the Regional Director, Senior Estate Manager, Estate Manager, Mill Manager, Assistants, and other related personnel's. During audit activity, auditors always accompanied by client and the documents are presented well. The audit is conducted in accordance with audit plan.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results ASA delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA).

Improvement of findings from surveillance assesment findings were observed by auditors at this ASA assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA.

The assessment program please find Appendix 2.

2.2.3 Location of Assessment

ASA-4 Number of unit in this certification activity is 1 (one) Mill and 2 (two) Own Estates. The auditor team used the $(0.8\sqrt{y}) \times (z)$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. (y) is the number of estate and (z) multiplier defined by the risk assessment. The consideration for risk assessment are geographic locations, distance of estate, complexity of labour, landscape setting, presence of HCV, number of communities/conflict, legality etc. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Dendymarker POM) and two estate (Sei Mandang Estate and Sei Liam Estate).

Sei Liam Estate

- **HGU Poles No. 012, 013, 057 & 058.** Observation on boundaries poles, coordinates, maintenance, and demarcation.
- **Block K14 Division 2 (5 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure, the implementation of occupational health and safety and also worker welfare.
- **Block L19 Division 2 (5 harvester).** Observation and interview with harvester related fruit ripeness, safe working practices, the implementation of occupational health and safety and also worker welfare.
- **Block N15 Division 4 (3 Fertilizer Applicator).** Interview with the fertilizer applicator related type of fertilizer use according to the procedure and also worker welfare.
- **Block M12 Division 4 (Fire Tower).** Observation condition of fire tower.
- **Block L10 Division 4 (Replanting Area).** Observation area of replanting.
- **Block L11 Division 4 (Land Preparation of Replanting).** Observation area land preparation of replanting.
- **Block K21 Division 2 (Barn Owl Nest Observation).** To check nest condition.
- **Block M25 Division 2 (Peat Area).** Observation peat area, water management, water level monitoring, piezometer monitoring and subsiden pole conditions and staff interviews on monitoring techniques.
- **Block L26 Division 1 (Peat Area).** Observation peat area, water management, water level monitoring, piezometer monitoring and subsiden pole conditions and staff interviews on monitoring techniques.
- **HCV block M30** Observation related HCV management
- **Water Intake** Observation related water management
- **Fertilizer storage.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure
- **Pesticide Storage.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure
- **Wash and storage of spray equipment.** Observation and interview related management of hazardous waste (pesticide).
- **Daycare.** Observation related facilities daycare.
- **Housing (old)** Observation and interview related facilities & infrastructure, domestic waste, and others.
- **Generator House** Observation and interview related Environmental aspect, OHS implementation.

- **Workshop** Observation and interview operator related to job descriptions and his responsible. There are also observed fire extinguisher and First Aid Kit at Workshop office.
- **Can Storage.** Observation and interview on environmental aspect, OHS implementation, management of pesticide and understanding of working procedure.

Sei Mandang Estate

- **HGU Poles No. 145 & 146.** Observation on boundaries poles, coordinates, maintenance, and demarcation.
- **Fertilizing Activity block I24 division I.** Observation and interviews regarding work procedures, worker welfare and safety aspect.
- **Harvesting Activity block D8 division IV.** Observation and interviews regarding work procedures, worker welfare and safety aspect.
- **Spraying Activity block E3 division V.** Observation and interviews regarding work procedures, worker welfare and safety aspect.
- **FFB Loading Activity block D8 division IV.** Observation and interviews regarding work procedures, worker welfare and safety aspect.
- **Owl Box block D5 division IV.** Observation of integrated pest management.
- **Subsiden Poles block D8 division IV.** Observation of peat management.
- **Water level block D8, E12 division IV.** Observation of peat management.
- **Logger of water level block F17 division IV.** Observation of peat management.
- **Hitam River block I06/I07** Observation on river boundary and maintenance.
- **Pesticide Storage.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure
- **Wash and storage of spray equipment.** Observation and interview related management of hazardous waste (pesticide).
- **Can Storage.** Observation and interview on environmental aspect, OHS implementation, management of pesticide and understanding of working procedure.
- **Fertilizer storage.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure
- **Daycare.** Observation and interview related facilities daycare and others.
- **Landfill block C1 Div 4.** Observation related domestic waste management
- **Firefighting Facilities.** Observation and interview related to fire preparedness
- **Housing (old)** Observation and interview related facilities & infrastructure, domestic waste, and others.
- **Central Housing (New)** Observation and interview related facilities & infrastructure, domestic waste, and others.
- **Generator House** Observation and interview related Environmental aspect, OHS implementation.

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- **Weighbridge Station.** Observation and interviews regarding work procedures, worker welfare and safety aspect.
- **Security Post (2 security).** Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
- **Loading Ramp (2 workers).** Observation and interview with sortation personnel related to personel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria.
- **Sterilizer Station (1 worker).** Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
- **Press Station (1 worker).** Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.

	<ul style="list-style-type: none"> • Boiler Station (1 workers). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Engine Room Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Kernel Station (2 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Water Treatment Plant. Observation and interview related management of WTP. • WWTP. Observation and interview related management of management of POME • Hazardous waste storage. Observation and interview related management of hazardous waste. • Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management • Chemical storage observation and interview related hazardous material and hazardous waste management. • Empty Bunch Area Observation related waste management • Hydrant simulation <p>Interview with Stakeholder</p> <ul style="list-style-type: none"> • Environmental Agency. Interview about environment issue. • Manpower and transmigration agency. Interview about employment and worker issues. • Surrounding communities and previous land owner of Karang Dapo and Bingin Rupit Village. Interview about land issues, social, and environmental aspect. Only 2 from 6 sample of previous land owner can be interviewed. The others are could not be reached and sick.. • Pakar Maur Cooperative, Maju Mandiri and Biru Makmur Cooperative. Interview about worker, OHS, and social aspect. • Local Contractor of CV Tamras Indah. Interview about worker, OHS, and social aspect. • Labor union, gender committee, worker cooperative of PT DIL. Interview about employment and worker issue.
2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Dendymarker Indah Lestari was held by:</p> <ul style="list-style-type: none"> • Public Notification on website of PT Mutuagung Lestari (www.mutucertification.com) on 24 June 2019 (http://mutucertification.com/notification-of-rspo-surveillance-4-of-pt-dendymarker-indahlestari-pom-subsiary-of-sipef-group/) • Public consultation meeting with government institution in Musi Rawas Utara District on 9 July 2019. • Public consultation meeting with community(s) including previous land owner on 10 July 2019. • Public consultation meeting with Pakar Maur Cooperative, Maju Mandiri and Biru Makmur Cooperative on 9 July 2019. • Public consultation meeting with internal stakeholders and contractor on 9 July 2019. <p>Numbers of input from stakeholders were clarified by PT Dendymarker Indah Lestari.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4 Determining Next Assessment	
	The next visit (RC) will be determined one year after this ASA-4 (July 2020).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there was no Nonconformities assigned against Major Compliance Indicator raised; one (1) nonconformity was assigned against Minor Compliance Indicators raised; and no nonconformance against supply chain requirement for CPO mill raised and six (6) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Dendymarker POM – PT Dendymarker Indah Lestari, Subsidiary of SIPEF Group complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016); RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D for CPO Mill); and RSPO Certification System for Principles and Criteria, June 2017 (Endorsed by the RSPO Board of Governors on 14th of June 2017).

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>Company has the list of document that can be accessed by stakeholder, such as company's policies, OSH document, HCV document, SIA document, document of complaint response, continuous improvement plan, CD & CSR document, land use title, plantation permit, and environment document. Company also submit mandatory reporting regularly to related statutory bodies as part of providing information to stakeholders, such as:</p> <ul style="list-style-type: none"> - Employment reporting to Manpower Agency of Musi Rawas Utara Regency on 19 June 2019 - Plantation report to Plantation Agency of Musi Rawas Utara Regency on 11 January 2019 <p>Mechanism for providing information is listed in SOP of Responding to Requests for Information No. ENC-01-11/04-03-2019/Rev. signed by President Director on 18 March 2019. The procedure explain that all the information request will be responded by company in 7 – 25 days after the incoming letter. Based on interview with statutory bodies in Musi Rawas Utara Regency, Bingin Rupit Village, and Karang Dapo Village, it is known that that they don't have any difficulty to communicate with the company for information request.</p>	
1.1.2	<p>Mechanism providing information is listed in SOP of Responding to Requests for Information No. ENC-01-11/04-03-2019/Rev. signed by President Director on 18 March 2019. The procedure explain that all the information request will be responded by company in 7 – 25 days after the incoming letter. The person in charge for communication and consultation is Estate Manager. The information request from stakeholders is about assistance proposal and mandatory reporting information and has been documented by company in <i>Agenda Surat Masuk</i>. For example: The letter on 27 May 2019 from government of Musi Rawas Utara Regency regarding the request for souvenir assistance for the 6th Anniversary of Musi Rawas Utara Regency. The company has responded to the request for information by showing the minutes of the handover of souvenirs to the Government of Musi Rawas Utara Regency on 26 June 2019.</p>	

	Status: Comply	
1.2		
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
1.2.1		
<p>Company has the list of document that can be accessed by stakeholder, such as company's policies, OSH document, HCV document, SIA document, document of complaint response, continuous improvement plan, CD & CSR document, land use title, plantation permit, and environment document. These documents are available in estate and mill office. Public document is displayed in notice board or can be accessed through company's website. Therefore, the document publicly available. Besides, based on interview with statutory bodies of Musi Rawas Utara Regency, it is known that they know how to access company's public document.</p> <p>Company also has monitoring and management report, such as OHS implementation report, report of environmental management and monitoring plan, land use report, and plantation activities report. These documents also can be accessed by public through the mechanism which has determined by the company.</p>		
	Status: Comply	
1.3		
Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1		
<p>Company has code of conduct document signed by President Director on 7 August 2014. Code of conduct explain, among others:</p> <ul style="list-style-type: none"> - Maintain and respect personal matters of fellow employees, such as religion, religious / national holidays, status, ethnicity / race, and family - Not drunk, use drugs, or trade it - Do not persuade leaders, subordinates, or fellow employees to do something that is against the law - Do not take illegal actions such as gambling, stealing, or embezzling company prices, fraud or illegally trading company prices <p>This policy has been socialized to the workers in each unit and local contractors. Based on interview with worker in estate and mill, it is known that they understand about the code of conduct. And also, contractor knew and understand about the ethical conduct. This policy is available in Indonesian Language.</p>		
	Status: Comply	
PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS		
2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1.		
<p>The certificate holder (CH) has list of regulations of 2019 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. The company has shown the evidence of legal requirements compliance such as plantation bussines permit for cultivation No. 576 year of 2008, dated 28 May 2008 for areas 17,973.5 Ha and plantation business permit for processing No. 575 year of 2008, dated 28 May 2008 for mil capacity at 20 ton FFB/hour.</p> <p>The other compliances of regulations are regarding to environment aspects are EIA management and monitoring in routinely, hazardous waste storage license approved by local government. Compliances of workers and OHS regulations are provided the minimum wage, company safety & occupational health, transporting and forklift operator etc. Based on interview with stakeholders such as government agencies and other stakeholders such as workers union and surrounding communities it is known that the company has comply the related regulations for example: hazardous waste storage permit, there is no environment issues etc.</p>		

2.1.2, 2.1.3 & 2.1.4

Procedure of legal requirement which presented in document No 11/PH-DMIL/2013 dated 13 May 2013. The procedure explaining person who have responsibility to update the regulation and law, identification and inventory, evaluation and monitoring Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. The Internal audit of regulations compliance are conducted annually as example on 30 June 2019. The internal audits have shown the company's compliance of legal requirements according to the list of regulations 2019.

Status: Comply

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

The certificate holder (CH) has managed totaling area for about 13,704.91 Ha as scope of certification, that covered in HGU document according to decree of national land agency No. 38/HGU/BPN/98 dated 26 June 1998, certified by HGU certificate No. 04 year of 1998 dated 20 October 1998 with covering area 17,793.5 Ha, valid for 30 years. The covering area of HGU that has been revised on 27 July 2016 according to national land agency letter No: 4079/23.3-400/X/2014 dated 24 October 2014 become 13,704.91 Ha. The company has obtaining a location permit from governor of South Sumatera in 1995, which the corporate areas are originates from converted forest status that has been release by decree of forest minister No. 3/KPTS-II/1997 dated 5 January 1998.

2.2.2

Procedure of legal boundary poles monitoring and maintenance is presented in document LCA 01-04/01-02-2019/Rev.0, mentioned that maintenance was carried out by estate. The Estate management were able to shows location of boundary poles map as well as its coordinate points, which presented in document of HGU poles map with scale 1:50,000. Boundary poles monitoring record in July 2019 informed that from 125 total poles are 29 poles in Sei Mandang Estate and 21 poles in Sei Liam Estate were in good condition and satisfactory maintained, the other poles are monitored as missing poles. The company has a plan to reset the poles in field and this matter become opportunity for improvement (OFI).

Based on field observation to HGU poles No. 012, 013, 057, 058 (Sei Liam Estate), HGU poles No. 145 & 146 (Sei Mandang Estate), it could be concluded that estate management has monitored their boundary legal poles, clearly demarcated and visibly maintained. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of the land title and confirmed that there has been no planting beyond the legal demarcated boundary areas of the plantation.

2.2.3, 2.2.4, 2.2.5, 2.2.6

The certificate holder has established the mechanism for conflict resolution and land dispute in the procedure No. LCA 01-03/01-02-2019/Rev.0. Based on interview with communities and field observations, there were no significant land disputes and no indication of contractually army or paramilitaries using in plantation area of PT. Dendymarker Indahlestari. However, based on the verification results of the Sipef group team as the new owner of PT. Dendymarker Indahlestari in 2017 found that a portion of the company's area had not been managed because it was identified as being still managed by the communities. Then the company carries out plans and efforts to resolve this matter by identifying and compensating for areas managed by the community. Based on the results of verification, it was found that in 2018 there were 3,577.91 Ha of land that could not be managed which in 2019 could be completed and planted with an area of 1,087.25 Ha, with several locations carried out by compensation In 2018 for 35 people covering 19.98 Ha.

At present there is still an area of 2,490.66 hectares which cannot be managed by the company. The company is still identifying whether the land is still managed by the communities or not. Efforts to provide compensation for lands that are still managed by the community are still being carried out as shown in the evidence of compensation during 2019 there were 14 people covering an area of 38.41 Ha. Based on the results of interviews with the communities (previous landowner and head of Karang Dapo Village and Bingin Rupit Village), it is known that there is no conflict regarding this situation, the

company did not clear the land in areas that have not been acquired, the company made compensation to the landowners before land clearing and planting.

Status: Comply

2.3

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

2.3.1, 2.3.2, 2.3.3 & 2.3.4

The certificate holder (CH) has FPIC procedure No. LCA 01-03/01-02-2019/Rev.0 regarding to land and planting compensation. Based on interview with communities are known that there are no indigenous rights or customary rights and there is no issues regarding to FPIC process. The compensation process are not diminish the legal/customary right, landowners are given the freedom to release their land without coercion.

PT. Dendymarker Indahlestari had a HGU certificate in 1998, then the company is currently part of Sipef group management as a result of take over in August 2017 from the group of PT Agro Investama Gemilang (AIG), so that the land acquisition documents before the HGU issued cannot be traced. The land acquisition documents that can be transferred from PT Agro Investama Gemilang (AIG) to Sipef group are compensation documents after the issuance of the HGU due to unresolved claims or compensation.

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Status: Comply

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

3.1

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

3.1.1

The company has documented the 2019-2023 Business Plan Year which contains General Field Work (plant maintenance such as weeding, pest and disease, road and bridges, pruning, manuring, organic manuring, suplaying and scrubbing, upkeep drainage, soil and water conservation, boundary and fences, harvesting (supervision, harvester, tools, and vehicle loading ramps), harvesting total financing, FFB Total Field Cost, CPO and PK rendering projections and Estimated FFB, CPO and PK prices. Annual planning also evaluated at the end of year and compared with realization. It annual planning can be adjusted based on field condition, financial condition or another reason.

Based on information from representative management (estate manager), the long-term plan has been planned well with top management (company directors) and sufficient or feasible as a management plan for achieving the long term economic and financial.

3.1.2

PT DIL has a replanting plan until 2022. In 2018, PT DIL has already begun replanting 486.53 Ha on Sei Mandang Estate. The following are outlined PT DIL replanting plans:

Year	Sei Liam Estate (Ha)	Sei Mandang Estate (Ha)
2018	-	486.53
2019	1,000	1,371.82
2020	1,014.19	1,163.50
2021	675.89	1,096.67
2022	796.20	205.45
2023	-	-

The company has periodic reviews conducted monthly. The results of the review contain, among others, the progress of replanting and reporting to the Senior Operations Manager and General Manager.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

There is no change on procedure by the certified unit since the last assessment until this assessment (ASA-4) covered in "Standard Operating Procedure For Oil Palm". The document contains about the procedure for pre-development survey, assessment and planting, nurseries, land clearing and preparation, legume cover crop, oil palm planting, upkeep and maintenance of oil palm, harvesting of Fresh Fruit Bunches, plant protection, pest, and disease management, oil palm to oil palm replanting, EFB mulching, and oil palm thinning technique.

Meanwhile, with regard to the processing in the mill, the company has had the document of processing job execution procedures (SOP of mills). The SOP consists of FFB Grading, Laboratory Sampling and testing procedures, general and security, weighbridge, loading ramp, sterilization station, threshing station, pressing station, clarification station, kernel recovery station, boiler house, power plant, water treatment plant, waste management, land application and solid waste, EFB utilization, workshops, electricity system, quality, storage and delivery of CPO and kernel, and laboratory.

Interviews were conducted to harvester, pesticides applicator, and manuring worker in Sei Liam Estate and Sei Mandang Estate. Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.

The entire procedure both of plantation and mill has been included of safe working instruction, other than those described in the HIRAC document.

4.1.2 and 4.1.3

The company has conducted annually internal monitoring to ensure implementation of procedures. The monitoring conducted through annually operational internal audit by internal audit department and RSPO internal audit by sustainability department. The records of internal audit on 2018 has been documented. Non compliance records of internal audit has been corrected and verified by management.

Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc. The field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems. There is an internal audit from the company to check and monitoring the performance of contractor related to compliance to company procedure.

4.1.4

The certificate holder already has the SOP No. DMPOM-WI/PROD/001A which regulates the acceptance of the FFB of third parties, and regulate the acceptance of certified and uncertified FFB. Dendymarker POM has recorded the origin of FFB source that sent by supplier. On period of July 2018 – June 2019, the mill received FFB from certified area (Sei Mandang Estate & Sei Rupit Estate) and received from uncertified sources such as Agri Kati Lama Estates, Agro Muara Rupit Estates, Agro Rawas Ulu Estates and independent smallholders.

	Status: Comply	
4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1 and 4.2.2 <p>The company has also demonstrated inorganic fertilization and organic fertilization procedures (OPM-06-01 / 02-10-2017 / Rev 2 and OPM-06-02 / 02-10-2017 / Rev 2). The procedure contains, among other things, the method of fertilization that is applied in accordance with the principle of 4T (on time, right of position, right on target and right type), determination of resources, preparation of documents and competence of workers, fertilization procedures, fertilizer transportation, application of fertilizer (in the area of plants immature, yielding plants and nurseries) and mechanical application methods (including fertilizer distribution, calibration, reports and evaluation, work performance).</p> <p>The company shown the program and the realization of fertilization application for period until June 2019. Based on document review and interview with the staff, the realization of fertilization in Sei Mandang Estate and Sei Liam Estate is in accordance to the program. Fertilization programs are on going and the company continues to target completion based on fertilizer recommendations. The auditor conducted an interview with the fertilizer workers at Sei Mandang Estate and Sei Liam Estate. Fertilization is done manually by workers. Workers can also explain the fertilization procedure well, which is in accordance with the dosage determined based on the recommendations.</p> 4.2.3 <p>CH has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit analysis (LSU) to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely and it is supported by well-trained census officer in each division. SSU is conducted every 5 year, meanwhile LSU is conducted annually. The last LSU result was issued on March 2019 and the last SSU result was issued on April 2019. Visual observations performed every year at the time of leaf analysis activities. Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyze the potential of disease which is likely to become endemic of a particular disease.</p> <p>Result of soil and leaf analysis published recommendation on fertilizer doses to produce an optimal production of palm fruit. Principles of fertilization are giving treatment on the ground to produce the nutrients required by palm and generating optimal results.</p> 4.2.4 <p>The company has carried out recycling activities. Nutrient recycling is derived from the accumulation of oil palm plant biomass at the time of replanting, frond stacking from former harvesting activities, and planting of cover crop.</p>		
	Status: Comply	
4.3 Practices minimize and control erosion and degradation of soils.		
4.3.1 and 4.3.2 <p>The results of the document study revealed that the area of PT Dendymarker Indah Lestari was classified as marginal land is peat soil. The company has a land distribution map which explains the distribution of peat soil and its depth with a scale of 1:50,000. Based on the soil survey map, it was informed that the slope of the land in the company's operational area is in the flat category (0-2° or 0-4%). Thus, the company does not have a sloping area management strategy.</p> 4.3.3 <p>The company shows a road maintenance program for 2019 period. Sei Mandang Estate and Sei Liam Estate have classified roads based on their conditions (good, medium and heavy). From these data the company made priority programs in road improvement. For example, the realization of road improvements in Sei Mandang Estate has reached 7,000 meters on June 2019.</p> <p>Based on field observations throughout the audit activities, it was concluded that the road conditions on the PT DIL were in good condition and could be passed.</p>		

4.3.4 and 4.3.6

The company has calculated / monitored the measurement of groundwater depth in the block with Piezometer procedures according to Doc. No. SOP-DMIL-PM-III-2013 dated January 1, 2013. The Piezometer procedure is made by the Manager, examined by the General Manager, and approved by the Operations Director. Water level is maintained at the level of 50-60 cm.

PT DIL can show water level and piezometer monitoring documents from December 2017 to June 2019. The company has a manually calculated monitoring (piezometer) of 30 units throughout PT DIL. The calculation results show the average groundwater level of 30 cm below the ground level. The company also has a piezometer which is monitored automatically (digitally) using 3 loggers on Sei Mandang Estate and 1 on Sei Liam Estate. The calculation results show the average groundwater height of 3 cm below the ground surface. At the time of visit in block M25 Division 4 Sei Liam Estate, water table measured were about 30 cm below ground surface. Moreover, soft grasses and nephrolepis has looks maintained to retain soil moisture on the field.

The company has also shown PT Dendymarker Indah Lestari's Pole Subsidized Peat Monitoring Form document. Monitoring of land subsidence (subsidence poles) is carried out in 12 points in the PT DIL area since December 2017 with the duration of monitoring every 6 months, with the result of the average rate of decline being 0.66 cm. Data is made by a Water Management Assistant and approved by the Manager. In general the results of monitoring subsidence stakes concluded that there was no significant land subsidence. This is because water conditions are maintained and the company also has a good water management system. Based on field observations in Block M25 Division 4 of Sei Liam Estate and in Block D08 Division 4 of Sei Mandang Estate, it was found that the company had installed piezometers and subsidence poles.

4.3.5

The company has been done the review due to peatland depletion which is informed in the map of peatland depletion of PT DIL. 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 $22,5 \text{ mdpl} / 1,58 \text{ cm} = 142 \text{ years}$.

Status: Comply	
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4.4
Practices maintain the quality and availability of surface and ground water.
4.4.1

Certificate holder 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.

Certificate holder has identified the water source and conducted the efficiency of water use by monitoring the water use in DMOM every day Field visits on block I07 at Sei Mandang Estate for examples, found that companies managed Hitam river riparian by marked the buffer zone (throughout 50 m bothsides on riparian), and signboard placement.

Company also conducted regularly water quality testing every semester for Mandang River, Liam River, and Rupit River. Based on workers interview on estate housing shown that drinking water for them originated from refill water, while for employees who have occupied a new residential area, the source of drinking water comes from companies that are processed through water treatment.

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 I06/I07 Sei Mandang Estate had been planted since 1998 before the HCV identification

is conducted, the palm oil tree upkeep is manual and no chemical application. Boundary spray and signboard well maintained.

4.4.3

CH has managed its effluent of FFB processing as regulated based. 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 decree of Investment Services and integrated services, North Musi Rawas Regency 04/22/KPTS/DPM-PTSP/2018 dated 1 November 2018, valid 2 years. Waste water quality testing document review shown for July 2018 – April 2019 all of waste water testing parameters are compliant to the standards quality, and all of waste water management and monitoring has been reported to related institutions per 3 month regularly. Field visit to Waste Water Treatment Plant (WWTP) shows that the facility is well managed.

4.4.4

Water use monitoring is carried out periodically and recorded, for example the use of water for the past six month is 291,762 m³ for FFB processing of 295,172 tons or equivalent to 0.99 m³ / ton FFB. Observation at the DPOM water treatment plant finds monitoring for boilers and the process of water use is carried out periodically by officers, and flowmeters function normally.

Status: Comply

4.5

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

4.5.1

The company has demonstrated the Pest and Disease SOP with No. OPM-07-00 / 02-10-2017 / Rev.2. The SOP is about introducing types of pests and diseases. In addition, the company also has SOP Detection and Census No. OPM-07-01 / 02-10-2017 / Rev.2 which regulates the objectives and scope of procedures, detection and census procedures. According to IPM activity records for 2018 until June 2019 such as program and realization of rat census, leaf eating caterpillar census, and ganoderma census, it could be concluded that all the census results were still under its economic threshold. There is no invasive species attack. This may lead to zero use of pesticides for pests and diseases control. It could be concluded that IPM techniques implemented by biological methods is effective to control pests and diseases, and also to minimize the use of chemicals. Furthermore, according to pesticides used record in 2018 until June 2019, agrochemical uses was only implemented for weeds control purposes.

Based on field observation on harvesting, spraying and manual weeding activities, it was concluded that there were no significant pest attacks. This is in accordance with the result of the census.

4.5.2

The company has records of the training implementation for staff who are involved in the implementation of integrated pest management, for example, Integrated Pest Management training on 16 March 2018 with the number of participants are 20 employees consisting of census operators, supervisors, and field assistants. Based on interview with the worker revealed that the worker understand the method of plant pest and diseases census or detection.

Status: Comply

4.6

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

4.6.1

The company has Pesticide Management SOP No. SOP AGRONOMI / VI / PP / 2013. In CHAPTER III point D, explained that in order to avoid unwanted accidents or side effects, it is necessary to know the ways of managing pesticides that are good and always follow the applicable provisions in terms of use and storage, knowing symptoms of poisoning and actions needed to overcome them. Good management of pesticides is primarily aimed at achieving optimum efficiency in using pesticides.

Based on field visits and interviews with 8 pesticide applicator in division 2 of Sei Liam Estate and division 5 of Sei Mandang Estate, it was concluded that workers knew about the function of the chemical used and selective when doing

the spraying activity, as for example for glyphosate material used to spray the circle and harvesting path only while the weeds in inter row not sprayed. The company used *Isopropil amina glyphosate*, *Metil metsulfuron*, *Ammonium glufosinate*, and *triclophyr*, which have received permission from the government.

4.6.2

The company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, FFB production and pesticide unit/kg FFB. This document is constantly recorded and updated by Estate Sustainability Officer each month.

4.6.3

The company has shown a pesticide application program documented in a monthly work plan prepared by the assistant division and approved by the estate manager. The implementation of the plan implemented refers to the results of the EWS and / or pest census carried out by IPM officers. Based on document review and field observation, several IPM program with biological approach that has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar by planting beneficial plant such as *Turnera subulata* and *Casia cobanensis*. Moreover, the company has also conducted early detection routinely listed in the monthly report of early warning system. There is no prophylactic use, it is shown that any pest control using pesticide is based on census result.

4.6.4

The company has demonstrated the SIPEF Policy on 22 November 2016 which includes, among other things, special attention given to the use of pesticides. Integrated Pest Management Plan developed for all operations and reviewed annually. All active ingredients used are also reviewed annually for their safety and efficacy. Pesticides in class IA and IB according to WHO are used only if there are no alternatives available. Paraquat has been removed (prohibited) for all operating units in 2016. Based on document verification and field visit to pesticide storage, there is no paraquat and WHO Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions application from 2018 until June 2019.

4.6.5; 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with pesticide applicator in division 2 of Sei Liam Estate and division 5 of Sei Mandang Estate, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse.

The pesticide applicator also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as respirator mask, gloves, safety shoes, apron and goggles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the estate office. Therefore, based on field observation to mixing area in Sei Mandang Estate, that known there are storage for keeping all PPE's and spraying tools after use.

4.6.6

The company has hazardous waste handling SOP (2013 SOP-TI-LB3 / 11 document number and 2013 SOP-DMIL-B3 / 11). This SOP contains procedures for general storage requirements for hazardous waste materials, storage building requirements, storage procedures and reporting.

Field observations in Sei Mandang Estate revealed that all pesticide packaging was washed/rinsed in a special washing place, then recorded by the warehouse clerk then sent to temporary hazardous waste warehouse in each Estate. The packaging of used pesticides is stored and collected in the licensed in temporary hazardous waste, documentation (log book) has been done well. Based on field visit at pesticide storage (Sei Liam and Sei Mandang Estate), its know that the pesticide was manage accordance with the procedure.

4.6.8

Based on a review of documents and interviews with management staff, the company did not perform the application of pesticides 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). Training for workers and staff regarding hazardous & toxic material handling have been conducted on 22 May and 20 June 2019. 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 interview with sprayer team in Block K14 Division 2 Sei Liam Estate known that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. Field visit during audit on toxic & hazardous waste storage on Sei Liam and Sei Mandang Estate found company showed proper ways for ex agrochemical disposal.

4.6.11

The company has list of pesticide operator based on latest data of June 2019 as many as 50 workers of Sei Liam Estate and 64 workes of Sei Mandang Estate. Medical examination (cholinesterase) has been conducted on 28 June 2018 to all pesticides workers in PT DIL. The result of medical examination is informed to the workers and all pesticide operators are in a healthy condition (normal result). And also, based on interview with the workers, it is known that they are never get experience of occupational injury which caused by chemical such as irritation.

4.6.12

The company has a commitment that prohibited pregnant or breastfeeding women as written in procedure No OPM-09-03/02-10-2017/Rev.2 The Use, Store, and Discard Pesticide. The company shall make sure workers who use pesticides are healthy and not pregnant or breastfeeding (for women). Based on interview with pesticide applicator in Sei Mandang and Sei Liam Estate known that they has been attended safety handling of pesticide training including pesticide risk for pregnant or breast feeding worker. Women workers usually notice their field supervisor if any pregnant or breast feeding worker to substitute to the non-chemical works. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or lactating.

Status: Comply

4.7

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

4.7.1

CH has a policy of occupational safety and health available in Indonesian language. The policy has been legalized and updated on 2014 by President Director of PT Tolan Tiga Indonesia (name of SIPEF holding in Indonesia). The company's commitment on the implementation of occupational health and safety within company's operation. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

Interviews were conducted to estate workers (harvesters, manuring workers, and pesticides applicators) and mill workers (boiler operator, engine room operator, etc). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

4.7.2

The company shown the document of hazard identification, risk assessment and risk control which issued on January 2019. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at workshop in Dendymarker POM and agrochemical warehouse in Sei Mandang Estate, it was clearly confirmed that workers had been aware related potential risk and hazards

in the work place. Following up on this, the company has been reduce the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

4.7.3

Based on documents verification and interviews, it is known that all operators at Dendymarker POM and Estate already have lisense such as boiler operators, lift carrier operators, welders and electrical technician. The management unit has had the training plan for workers exposed to high noise levels such as training of procedure, socialization of HIRAC and safety briefing before work.

Based on field visits and interviews with workers, the company has provided PPE to workers. PPE provided adequate and appropriate based on the results of identification of sources of hazard and risk control. PPE for type of glove, ear plug, ear muff, helmet, apron, goggles and safety shoes can be replaced immediately if damaged. This is evidenced by shown the recording of PPE distribution documents to the workers and the workers recognition from interviews also confirmed it.

Based on interviews with contractor workers, workers admitted that PPE was provided by contractors, but there were several workers who admitted that they used their own PPE. The company has shown the form of evaluation and monitoring of PPE use to contractor workers and ensures that every worker is required to use PPE when working and may not work if they do not use PPE. Companies have the opportunity to increase monitoring to ensure that PPE contractor workers are available. **OFI**

4.7.4

The company already has persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (P2K3) established in each management unit. The organization routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting were recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

4.7.5

The company has made efforts to prevent emergencies and accidents. The company has procedures related to the handling of emergencies and accident investigation, the procedure is still the same as the previous assessment. The procedures also explained that records of all accidents shall be kept and periodically reviewed. The company has emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water tank, and other supporting equipment. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in the mill and the result of the experiment was concluded that the hydrant tool is ready for use. As well as fire extinguishers in the estate, from the results of simulations carried out, it was concluded that fire extinguishers was ready for use.

PT DIL has already licensed first aid officers and there was first aid internal training conducted on 12-13 December 2018 which was attended by 18 participants. Based on field visits and interviews, it was found that all the supervisor in each of activities were equipped with first aid kit and had been trained on the use of first aid boxes and the supervisor explained the usefulness of each first aid kit.

4.7.6

The company has provide medical care for permanent worker. Medical care is covered by employment and health insurance (*BPJS*). The payment for *BPJS* is conducted every month according to the available rule. Work accident will be reported to the *BPJS* Agency and claim for it will be done if the medical process has been completed. Based on interview with permanent workers in estate and mill, it is known that workers is have been registered in employment insurance (*BPJS Ketenagakerjaan*) and health insurance (*BPJS Kesehatan*). But, there is a non-conformity in this indicator, such as:

- Based on interviews with spray workers, fertilizer workers and loose fruit picker workers in Sei Mandang Estate and also spray workers and fertilizer workers at Sei Liam Estate who are workers from contractors who work with companies, it is known that all workers have not received work accident insurance.

- Based on interviews with CV Wijaya contractors, it is known that all contractor workers have not been protected by work accident insurance.

There is not enough evidence that all contractor workers are protected by work accident insurance. **This becomes a Non-conformity No. 2019.01 with Minor Category.**

4.7.7

CH has calculated the Lost Time Accident every month for monitoring the recording of occupational accidents. It shown the Lost Time Accident calculation per June 2019. This document informs the number of worker, number of working days, the number of non effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of SR and FR is reviewed regularly and will be evaluated at monthly meeting of OHS Committee.

4.7.6	Status: Non-conformity No. 2019.01 with Minor Category.
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4.8

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

4.8.1

Company has training program for workers for period of 2019 for worker and contractor workers. The aspect in the training program are such as environment, labor best management practice aspect, and others. Some of training program, namely:

- Harvest management, harvesting techniques & fruit quality in January 2019
- Storage, packing and application of fertilizers (including OSH and environmental aspects) in February 2019
- Awareness and implementation of RSPO and SCCS in March 2019
- Storage, mixing and application of pesticides (including OSH and environmental aspects) in April 2019
- Awareness and implementation of OSH, risk assessment, MSDS in August 2019

Based on interview with worker in estate and mill, they have received some training related to their work, such as work procedure training, emergency response, and first aid training. The training has been documented into minutes of meeting, list of attendees, and photo activity.

4.8.2

Company has showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. For example:

- Training of harvesting management on 29 April 2019 in Division F2 Sei Liam Estate attended by 24 participants
- Socialization of company's policies on 14 May 2019 attended by 27 participants
- Socialization of sexual harassment and reproductive rights protection on 7 May 2019 in Division 3 Sei Mandang Estate attended by 27 participants
- Training of spraying technique on 11 January 2019 in Block H10 Sei Mandang Estate attended by 10 participants

Status: Comply

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

5.1

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

5.1.1

The company has environmental impact document (AMDAL) that covers 17,793 ha and mill with 60 ton FFB/hour approved by Environmental bodies of Sumatera Selatan Province on Decree no. 021/BPD/III-AMD/99 dated 19 March 1999. 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, 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 DIL appoints ISPO-RSPO PIC as PIC for monitoring the implementation.

Document review shows that *RKL-RPL* report for semester 2 year 2018 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-fauna status. Based on evaluation of *RKL/RPL*, all parameter has been accordance with regulation.

Status: Comply

5.2

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

5.2.1, 5.2.2

The company has identified its HCV area on 2013. The identification is led by ALS HCV assessor (Kresno Dwi Santoso). 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. The results of digitization and re-measurement by the PT DIL GIS team in June 2019 it was found that the HCV area was 2,980.73 Ha. There are 22 RTE species of fauna and 5 RTE species of flora, 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 while for HCV areas in the form of natural forests, management is carried out by maintaining forest areas without any treatment.

5.2.3 and 5.2.4

The company has SOP of flora and fauna protection (SOP-DMIL-PFF-IV-2013) and the company has conducted socialization on HCV and RTE species through morning briefing to the workers. 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, The company has conducted socialization to employees and the community, as an example of socialization to harvesting employees on February 27, 2018 at Sei Liam Estate attended by 17 employees. And HCV socialization to Rumbai Village Community was held on June 28, 2018 which was attended by 13 participants.

Based on the results of interview and field visit to block L19 with harvester and block N15 Division 4 fertilizer applicator in Sei Liam Estate. It was known that the labor had understood the types of animals protected. In addition, the labor also explained that socialization related to RTE species was carried out during the morning briefing.

The Company has shown a monthly monitoring document for checking the river riparian areas including area boundary checking, sign board checking, visual monitoring of vegetation and fauna. Based on the document, it is known that monitoring has been carried out periodically and effectively in accordance with the program that has been established.

5.2.5

Results of the verification documents, field visits and interviews with villagers obtained information that there are no areas

of HCV-related and affect the local community.

Status: Comply

5.3

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

5.3.1

The company has identified the resulting waste which is contained in the PT DIL Waste Identification List. In the document, describes activities that produce Non-hazardous waste and hazardous Waste. Some examples of hazardous waste produced, among others: ex chemical, chemical / oil spills, contaminated PPE, used oil, used oil filter, contaminated majun, Ink / toner, medical waste, used lights, etc.

5.3.2 and 5.3.3

The company has a hazardous and hazardous waste management document No PMKS-SOP/15. In the procedure section it is explained about the management and storage of hazardous waste. In terms of hazardous waste management, the Company cooperates with third party, namely PT Amindy Barokah Sumut as indicated by SPK No. 324/DMIL-ABS/SPK-LB3/IV/2019 dated April,26, 2019 and valid until 1 year. PT Amindy BARokah Sumut has a permit to manage and transport hazardous waste from the authorized agency. CH has shown documents for handling hazardous waste in the form of a logbook, balance sheet and manifest of hazardous waste transported on Junel 27, 2019.

The results of interviews with workers, namely chemical warehouse officer and hazardous waste officer, were conveyed that officers knew the hazardous waste management mechanism. They also have trained for hazardous management training. All hazardous waste is placed in the hazardous waste warehouse and then transported by licensed transporters and hazardous waste collectors. Based on field visit in the plantation office, mill office and houseng complex known that no ex pesticides or hazardous material containers used for household purposes.

The company has demonstrated other waste management such as factory solid waste, liquid waste, and domestic waste. Utilizes shell and fiber waste as boiler fuel which can be shown in the table below:

Month /2018	Shell for boiler (kg)	Fiber for boiler (kg)
July	298061	645798
August	360360	781365
September	400022	866714
October	343360	743946
November	313723	679734
December	316554	685867

The company manages domestic waste by dumping it into the landfill located in the Estate area in Blok C1 Div 4 Sei Mandang Estate. The waste is separated for organic and anorganic waste. The results of the housing estate field visit show that the company has provided a final waste disposal site as a domestic waste collection place.

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
- 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
- Observation during audits at temporary hazardous&toxic waste storage shown that all of hazardous waste are compliant with the periods in permit (< 365 days).

The implementation of waste management was accordance with management plan.

Status: Comply

5.4
Efficiency of fossil fuel use and the use of renewable energy is optimised.
5.4.1

Company already have commitment to reducing fossil fuel by renewable energy usage. Shell and fiber usage have been monitored per month and realization of fossil fuel usage.

During January - December 2018 the number of uses or efficiency of the shell and fiber is as follows.

- Fiber 6,231,479 kg equivalent to NCV 14,332,400,550
- Shells 2,876,067 are equivalent to NCV 9,778,627,800
- Total NCV 24,111,028,350 Kcal
- Equivalent to HSD oil 2,296,288
- CPO Production 8,636,759 kg
- Total Renewable Energy/ton CPO 2.792kcal/ton CPO

Other company effort to reduce the use of fossil fuel is by budgeting fossil fuel for vehicle and machinery operation. The fossil fuel budget will control the fossil fuel use. Further, there is also routine engine maintenance to increase engine efficiency intended to reduce the use of fossil fuel.

Status: Comply

5.5
Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.
5.5.1, 5.5.2

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 and 5.6.2

To reduce pollution and emission, the company has identified the pollution sources and emissions and the management steps which are described in SOP of Waste Management. In addition, company also identified GHG sources included management plan for reducing it.

All waste including emissions and pollutions sources from Mill and Estate are identified and recorded on waste and pollution identification risk 2018 document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods January 2018 – April 2019 sighted that all of waste water testing parameters is compliant to the standards quality.

CH already has a sound inspection mechanism that regulates audiometric tests for employees with high noise exposure, audiometric examination is conducted once a year. To prevent hearing loss of mill workers with high noise exposure CH checks the worker's PPE every day before the activity begins. And place a warning sign in each area with a noisy sound.

5.6.3

CH also has conducted GHG emission calculations period 2018 use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply Full Version"

Summary of Net GHG Emissions

Emission per product	tCO₂e/tProduct
CPO	54.85
PK	54.85

Production	t/yr
FFB processed	60747.28
CPO produced	6952.77
PK produced	1477.28

Extraction	%
OER	11.45
KER	2.43

Lan use	Ha
Planted area	19306.59
Planted on peat	7982.39
Conservation Area	4673.02

Summary of field emission and Sinks

Description	Own crop		Group		3rd party	
Emissions Sources	tCO₂e	tCO₂e/tFFB	tCO₂e	tCO₂e/tFFB	tCO₂e	tCO₂e/tFFB
Land conversion	42272.07	1.17	60110.25	2.92	27211.99	6.67
CO ₂ emmisions from fertilizer	2142.24	0.06	20274.17	0.98	0	0
NO ₂ emissions	40836.2	1.13	6669.66	0.32	20815.65	5.1
Fuel comsumption	393.01	0.01	272.49	0.01	0	0
Peat oxidation	284012.3	7.87	0	0	151826.2	37.21
Sinks						
Crop sequestration	-55599.2	-1.54	-80509.8	-3.91	-35880.1	-8.79
Sequestration in Conservation area	-27138	-0.75	-3161.36	-0.15	0	0
Total	286918.7	7.95	3655.44	0.18	163973.8	40.19

Summary Oil Mill Emissions and Credits

Remarks	tCO₂e	tCO₂e/t FFB
Emissions sources		
POME	7528.39	0.12
Fuel consumption	276.83	0
Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	7805.22	0.13

Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

POME Divert to Anaerobic Digestion

Divert to anaerobic pond (%)	100
Divert to methane capture (flaring) (%)	0
Divert to methane capture (electricity generation) (%)	0
.	
Status: Comply	
PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills	
6.1	
Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.	
6.1.1 and 6.1.2	
<p>Social impact assessment was conducted in October 2013 in collaboration with Sonokeling Akreditasi Nusantara involving local communities. SIA documents have identified the positive and negative impacts of the company's operational activities. Aspects that are assessed include demographics, livelihoods, occupation and land use, income level, community economic facilities and infrastructure, education, health, religion, ethnicity and customs, kinship systems, and social organizations.</p> <p>Social impact assessment has involved affected parties. This can be seen from the Minutes and attendees list at the opening meeting activities, focus group discussions, and field assessments. The focus group discussion was held on 3 - 5 November 2013 which was attended by representatives of the villages of Keratasari, Pantai, Karang Dapo, Lubuk Rumbai, Beringin Jaya, Bingin Rupit, Maur Baru, Noman Baru, Batu Gajah, and Muara Rupit.</p> <p>The method of activities carried out included conducting interviews and FGDs. Each stakeholder can express their opinion without intervention.</p>	
6.1.3, 6.1.4, and 6.1.5	
<p>The latest review of Social management plan was done in 2017. Based on the review, there is no change in social management and monitoring plan for 2013.</p> <p>The company has made a management and monitoring plan its realization for the 2018 period. The social management plan for 2019 has also been arranged based on the distribution of questionnaires on 15 October 2018, for example questionnaire to Beringin Jaya Village and Noman Village. The company can improve it again for completing the management plan and monitoring carried out by stating the management period and the person in charge (OFI). The person in charge of implementing the plan is the Estate Manager.</p> <p>Implementation of social management plan among others:</p> <ul style="list-style-type: none"> • Empowering local workers in job opportunities at PT DIL • Use local contractors for upkeep activities • Providing PPE for all workers • Development of smallholders <p>Management and monitoring plan identified for 2019, among others:</p> <ul style="list-style-type: none"> • Transparency of revenue sharing of smallholder • Facilitating employment training • Planning CSR program • Providing assistance for empowering the household economy <p>Based on interview with representative of Bingin Rupit and Karang Dapo Village, all social impact has been covered in the social management plan.</p>	
Status: Comply	

6.2

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

6.2.1

Mechanism for consultation with stakeholder is listed in SOP of Responding to Requests for Information No. ENC-01-11/04-03-2019/Rev.1 signed by President Director on 18 March 2019. Based on the procedure, information or communication requests can be submitted to the unit manager / department head or staff. Then it will be recorded in the record of requests for information. This procedure available in Bahasa Indonesia. Based on interview with statutory bodies in Musi Rawas Utara Regency, surrounding village, and smallholder, it is known that they understand how to communicate and consult with company.

6.2.2, 6.2.3

The PIC for consultation and communication with the community is Estate Manager. Based on the manual Estate department document, the estate manager has the task of consulting and communicating with the community.

The latest list of stakeholder is available for year of 2019, consist of statutory bodies, local communities, worker organization, FFB supplier, hospital, local contractor, and insurance company. The information request from stakeholders is about assistance proposal and mandatory reporting information and has been documented by company in *Agenda Surat Masuk*. For example: The letter on 27 May 2019 from government of Musi Rawas Utara Regency regarding the request for souvenir assistance for the 6th Anniversary of Musi Rawas Utara Regency. The company has responded to the request for information by showing the minutes of the handover of souvenirs to the Government of Musi Rawas Utara Regency on 26 June 2019.

Status: Comply

6.3

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

6.3.1

Company has a mechanism of complaint and grievance handling in Procedure of Internal Grievance No. HRD-04-01/01-04-2019/Rev.1 and External Grievance No. HRA-04-02/01-02-2018/Rev.0. Complaint from worker complaints can be submitted to the supervisor's manager and discuss for 10 days in response to complaints. CH will protect the identity of complainant as written in Whistleblowing Policy (QMM-40-01-P16/14-01-2019/Rev.1). Based on interview with worker in POM and estate, it is known that workers understand how to deliver their complaint if any. Based on interview with representative of Karang Dapo and Bingin Rupit Village, it is known that they understand the mechanism to deliver their complaint if any.

6.3.2

Complaint from external and internal stakeholder is documented in *Buku Rekaman Keluh Kesah*. During 2019, there are several complaints, for example:

- Complaint on 18 June 2019 about parking lot for motorcycle. This complaint was responded by company by allowed to make motorcycle parking lot in Sei Mandang Estate
- Complaint on 6 January 2019 from Head of Noman Village about job opportunity in PT Dendymarker Indah Lestari. This complaint is responded by Estate Manager on 6 January 2019 by explaining to the complainant.

The respond for complaint has been documented by company in form of minutes of meeting of photo documentation. Company can improve the documentation of complaint resolution by record it to *Buku Rekaman Keluh Kesah (OFI)*.

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 & 6.4.3

The Company has compiled a procedure of Land Compensation (No. LCA 01-03/01-02-2019/Rev.0). The procedure is covered the process of identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation. The scope of procedure is all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. Based on interview with communities are known that there are no indigenous rights or customary rights and there is no issues regarding to FPIC process. The compensation process are not diminish the legal/customary right, landowners are given the freedom to release their land without coercion.

PT. Dendymarker Indahlestari had a HGU certificate in 1998, then the company is currently part of Sipef group management as a result of take over in August 2017 from the group of PT Agro Investama Gemilang (AIG), so that the land acquisition documents before the HGU issued cannot be traced. The land acquisition documents that can be transferred from PT Agro Investama Gemilang (AIG) to Sipef group are compensation documents after the issuance of the HGU due to unresolved claims or compensation.

Based on the verification results of the Sipef group team as the new owner of PT. Dendymarker Indahlestari in 2017 found that a portion of the company's area had not been managed because it was identified as being still managed by the communities. Then the company carries out plans and efforts to resolve this matter by identifying and compensating for areas managed by the community. Based on the results of verification, it was found that in 2018 there were 3,577.91 Ha of land that could not be managed which in 2019 could be completed and planted with an area of 1,087.25 Ha, with several locations carried out by compensation In 2018 for 35 people covering 19.98 Ha.

At present there is still an area of 2,490.66 hectares which cannot be managed by the company. The company is still identifying whether the land is still managed by the communities or not. Efforts to provide compensation for lands that are still managed by the community are still being carried out as shown in the evidence of compensation during 2019 there were 14 people covering an area of 38.41 Ha. Based on the results of interviews with the communities, it is known that the company did not clear the land in areas that have not been acquired, the company made compensation to the landowners before land clearing and planting.

Status: Comply

6.5

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

6.5.1

Company has copy of Sumatera Selatan Governor Decree No 757/KPTS/DISNAKERTRANS/2018 about sectoral minimum wage of Sumatera Selatan Province. Based on the decree, minimum wage for plantation sectoral is Rp 2,820,000/month and for processing sector is Rp 2,940,000.

Company showed wage documentation for each unit. Based on document verification, the basic wage is in accordance with applicable regulation. For example:

- Sei Mandang Estate worker with registration number 0301, payslip for May 2019. The basic wage is according to sectoral minimum wage and he also gets rice allowance of Rp 273,000.
- Mill worker with registration number 0031, payslip for May 2019. The basic wage is according to sectoral minimum wage, gets rice allowance, and overtime for 34,8 hours is paid in accordance with regulation.
- As for harvesters, the wage is paid in accordance with tonnage/day and it is above applicable minimum wage.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours and wages payment too. Based on interview with worker in Mill and Estate, there is no complaint about wages. It is in accordance with Governor Decree applicable.

6.5.2

Company has collective labour agreement of PT Dendymarker Indah Lestari period of 2017 – 2019. The agreement is ratified by Manpower and Transmigration Agency of Musi Rawas Utara Regency through decree no 560/002/PKB/NAKERTRANS/VI/2017. Until now the company is extending the agreement, so the old agreement is still

valid. This document is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on. Based on interview with the worker, it is known that they understand about worker's rights and obligation as written in agreement. It has been socialized to the worker by management representative.

Type of worker in PT Dendymarker Indah Lestari is contract worker and permanent worker. Company showed the work agreement for contract worker. The contract explains about agreement period, work placement, payment, medical facility, social insurance and other provisions. This contract has been signed by both parties.

6.5.3 & 6.5.4

Based on field observation in housing complex in Sei Liam and Sei Mandang Estate, it is known that company has been providing housing facilities, lighting and water, places of worship, school buses, clinics and educational facilities (kindergarten, elementary). Based on interview with the residents, it is known that there is no complaint related to housing facilities. The facilities provided by the company is adequate. And also it is known that one house is occupied by one family and the condition of housing is still in good shape. Adequate food supply can be accessed by the worker from nearest market.

Status: Comply

6.6

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

6.6.1

The policy related to form and join worker union is listed Human Rights Policy which states that the the company provides freedom and supports for each employee to establish a union (association). The policy is written in Bahasa Indonesia. Based on interview with representative of worker union, it is informed that company is giving freedom for worker to express their opinion. And also, Company did not give any intervention related to worker union activity. Worker union has registered to Labor and Transmigration Agency of Musi Rawas Utara Regency with registration number 250/001/SP/Nakertrans/2017 on 28 December 2017.

6.6.2

Union conducted internal meeting periodically or where there is an issue with company. There are meeting documentation, such as minutes of meeting on 24 June 2019 between foreman from Sei Mandang and Sei Liang Estate attended by 27 participants. The documentation in form of minutes of meeting, photos, and list of attendees and available in office unit. It is available for member if they were asking.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Company has child protection policy signed by President Director in March 2013 and it explains about prohibition of using workers under the age of 18 years. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Labor and Transmigration Agency of Musi Rawas Utara Regency and field observation in estate and POM, there is no issue regarding child labor. Based on interview with worker in estate and POM, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children.

Status: Comply

6.8

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

6.8.1 & 6.8.2

Company has policy related to Equation of Job Opportunities (March 2010) which explained that company will not

discriminate against anyone in recruitment. Based on field observation and interview with spraying and manuring female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from committee of worker union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion.

6.8.3

Company kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. The new recruitment is conducted in accordance with the procedure. It is based on skill, capabilities, and health condition for all workers. Worker promotion, mutation or demotion is done through the employee performance assessment. Company showed documentation of employee promotion for 2019 period, for example application for the appointment of 12 contract workers of division 2 into permanent worker by showing the results of the assessment as material for recommendation to appoint employees.

Status: Comply

6.9

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

6.9.1, 6.9.2, 6.9.3

Policy to maintain morality are included in the Sexual Harassment Policy signed by the President Director in March, 2014. The policy explains that company is committed to a harmonious and productive work environment for its employees. This commitment is to create a work atmosphere that is free from sexual harassment. Based on interview with female worker in Estate, it is known that they understand the policy. It is also known that they understand the mechanism of complaint submission. Also, interview with committee of Gender Committee, it is known that there is no issue or complaint related to sexual harassment on the workplace.

Company has formed gender committee for handling the harassment issue around female workers. Complaint can be submitted to board of bipartite cooperation, gender committee, or their foreman. Based on interview with the board of gender committee, the company provides the female worker with menstrual leave, pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, Company give special breast feeding time for female worker, but prohibit the worker from working with chemical material.

Status: Comply

6.10

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

6.10.1 & 6.10.2

Company showed "FFB Price Document" from Plantation Agency of Sumatera Selatan Province for period of 17– 31 May 2019. The document FFB price has been known by scheme smallholder farmers by online or through mill management. Based on interview with representative of Pakar Maur Cooperative and FFB supplier, it is known that there is no complaint about FFB price.

6.10.3 & 6.10.4

The company has an agreement contract with cooperative and FFB Supplier. Each contract document, signed by both parties as evidence that a work agreement has been agreed. Contract agreement documents are kept by both parties, which will be used as legal references. The agreements explains the criteria for FFB grading, payment, and signed by both parties

Based on interviews with contractor (CV Tamras Indah), FFB supplier (Maju Mandiri Cooperative) and Pakar Maur Cooperative, payments are made on time. For example payment documentation for Maju Mandiri Cooperative period of May 2019 is made in accordance with the FFB price and year of planting oil palm. There are no complaints related to late payments.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The company has participated in local development by partnering with local contractors. Company showed work agreement with 5 local contractor and has been signed by company and contractor. Besides, company also implemented the CSR program, for example:

- Donation for mass circumcision in Noman Baru Village on August 2018
- Donation for socialization and technical guidance for school programs in April 2018

Realization for local development in CSR program is based on proposal which submitted to the company. The company also held meetings with the surrounded community on 15 October 2018 to optimize and remain the target of community development. This meeting is held along with discussion about social impact assessment.

6.11.2

The company has contributed to increasing the productivity of smallholder farmers. Based on interview with board of Pakar Maur Representative, it is known that company conduct training about agronomy aspect to farmers and smallholder workers.

Status: Comply	
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6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

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

Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.

Status: Comply	
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6.13

Growers and millers respect human rights

6.13.1

Company has policy on human rights signed by President Director on 2016. The policy explains SIPEF recognizes that Human Rights are universal and apply to all, without any form of distinction. It has been socialized to the workers and contractor, for example on 14 May 2019 attended by 27 participants. As for socialization to contractor, it is written in work agreement with Company. Based on interview with worker in estate and mill, they know and understand about workers' rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there was a complaint, the complaint can still be resolved by amicable way between employees.

Status: Comply	
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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

There is no land clearing and no new area expansion since 2009, the CH currently has the new planting, but on certified area. An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders are still applicable and documented. Please refer to Criteria 5.1

and 6.1.

	Status: Comply	
7.2		
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
7.2.1 and 7.2.2		
The results of document review, field visits and interviews found that there is no land clearing and no new area expansion since 2009, the CH currently has the new planting, but on certified area.		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.3.5		
There is land clearing in certification scope after November 2005 without a prior HCV assessment. The company has conduct disclosure of liability to RSPO by email on 25 July 2014. The company showed a reply email from RSPO (King Suli) on of May 21, 2018 stating that the company received a grace period for one year (until ASA-4) while waiting for the results of the Panel Compensation. For a while, audit surveillance can be done,		
When the ASA-4 audit was conducted, the company showed an email containing questions to the RSPO that had been completed with the continuation of LUCA and the compensation plan of PT Dendymarker Indah Lestari on July 8, 2019. response from RSPO (King Suli) dated July 8, 2019 <i>"The RSPO Secretariat has been trying to get the clarification to the LUCA review report since last year and we have managed to get the relevant clarification after setting up a call with them. I would need to retrace all the old emails to find out pre-2017, what was the status of the concept note if there was one submitted"</i>		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1 and 7.4.2		
There is no land clearing and no new area expansion since 2009, the CH currently has the new planting, but on certified area.		
	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		
There is no land clearing and no new area expansion since 2009, the CH currently has the new planting, but on certified area. Compensation progress on certified area has been verified and describe at criteria of 2.3 and 6.4.		
	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		
There is no land clearing and no new area expansion since 2009, the CH currently has the new planting, but on certified area. Compensation progress on certified area has been verified and describe at criteria of 2.3 and 6.4.		
	Status: Comply	

7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
7.7.1, 7.7.2 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 There is no land clearing and no new area expansion since 2009, the CH currently has the new planting, but on certified area. Result of filed visit showed that there's no signs of burning in the land preparing process, however entirely done mechanically by using the heavy equipment.		
	Status: Comply	
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1, 7.8.2 There is no land clearing and no new area expansion since 2009, the CH currently has the new planting, but on certified area. Therefore the company conducted no HCS assessment. CH 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.		
8.1.1 The company has implemented the RSPO Internal Audit on 11 – 14 March 2019 and management review conduct annually at 25 May 2019. All aspect regularly reviewing and evaluation to ensure effectiveness for improvements such in best management practices aspect which in pest monitoring and evaluation known that biological control can managed the pest population. In social aspect known that CSR program and participatory SIA can effectively manage the social impacts etc. The others improvement that implemented will describe below. Worker Welfare <ul style="list-style-type: none">• Appointment of contract workers into permanent worker• Provision of ongoing employee housing• Supply of processed water from Mill Aspects of Best Management Practices The Company has implemented a commitment to continuous improvement, including: <ul style="list-style-type: none">• Control of rat pests using owl predators (<i>Tyto alba</i>).• Biological leaf caterpillar pests control by planting and maintaining (conservation) beneficial plants, such as <i>Antigonon leptosus</i>, <i>Cassia cobanensis</i>, and <i>Turnera subulata</i>.• Since 2018, the company is no longer using <i>Paraquat</i>.		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

3.2.1 General Chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>The certificate holder take legal ownership and physically handles RSPO certified sustainable oil palm products. The entire area, mill and storages are owned by the organization and all processing from FFB to CPO/PK are done by Dendymarker Indahlestari Palm Oil Mill. The site use contractor for handling CPO, which is PT. Muti Mulia that under contract with Dendymarker Indahlestari Palm Oil Mill.</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The certificate holder does not buy CPO/PK from any RSPO licensed traders or distributors. CSPO and CSPK are produced from certified FFBs processed that supplied from its own estates.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>The parent company are member of RSPO (Sipef Group):</p> <ul style="list-style-type: none"> - Number of RSPO membership: 1-0021-05-000-00 - RSPO IT Platform of Dendymarker Indahlestari Palm Oil Mill: RSPO_PO1000004127.
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Parent company or site has no processing aids</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>The certificate holder has applied mass balance supply chain model correctly and there is no declassification. The mill received FFB from certified area (Sei Mandang Estate & Sei Liam Estate) and received from uncertified sources such as Agri Kati Lama Estates, Agro Muara Rupit Estates, Agro Rawas Ulu Estates and independent smallholders.</p>
	Status: Comply
5.2.2	

The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
The certificate holder has applied mass balance supply chain model only.	
	Status: Comply
5.3	Documented procedures
5.3.1 The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
The certificate holder has the documents of supply chain procedures for Mass Balance models No. document SOP No. MKT-03-06/04-03-2019/Rev.0. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including training records. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017.	
The procedures also identified role of implementation responsibility persons that trained and responsible person in the whole process of supply chain. Based on field observation at Weighbridge station and interview with sampled person in the mill, the operator has knowledge and able to demonstrate the implementation of SCCS.	
	Status: Comply
5.3.2 The site shall have a written procedure to conduct annual internal audit	
The Procedure to conduct annual internal audit are describe in SOP No. SOP No. ENC-01-02/04-03-2019/Rev.2, which describes the internal audit conducted annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The last internal audit are conduct at 11 – 14 March 2019 with finding regarding to overproduction report, removing stock etc, which has been closed out.	
	Status:
5.4	Purchasing and goods in
5.4.1 The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Dendymarker Indahlestari Mill has not purchased CSPO or CSPK. The mill received FFB from certified and uncertified sources. Based on documents verification of FFB receives for example on July 2019 are known that all data such as name, address, date of transaction, date of issued claim, transport documentation were match without any non compliance.	
	Status: Comply
5.4.2 The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Dendymarker Indahlestari Mill has not purchased CSPO or CSPK. However, the mechanism of handling non-conforming oil palm products of FFB received (certified or non-certified) has describe in SOP No. DMPOM-WI/PROD/001A, which explain that non-conforming oil palm products as a false in FFB received notes (certified or non certified) and regarding of FFB received records. To handling on this non-conforming are to corrected the record base on FFB source (certified or non certified areas) and monitored by mass balance record documents.	
	Status: Comply
5.5	Outsourcing activities
5.5.1 In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure	

that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
The certificate holder has the agreements with a third parties in terms of transporting CPO that ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary. The contractor of CPO transporter is PT. Muti Mulia, agreement No. 2018/Angkutan/CPO/DMIL/01 dated 7 August 2018.	
	Status: Comply
5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
The certificate holder has legal ownership of CPO and PK products which in the transport of CPO are given to third parties. The agreements with contractors are ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary. The contractor of CPO transporter is PT. Muti Mulia, agreement No. 2018/Angkutan/CPO/DMIL/01 dated 7 August 2018.	
	Status: Comply
5.5.3 The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
Transportation of CPO has been carried out by third parties and the company has detailed records of the contractors used, wich is PT. Muti Mulia, with adress in Padang – West Sumatera Province.	
	Status: Comply
5.5.4 The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
A contractor used (names and contact details) has been informed to the CB, which is PT. Muti Mulia	
	Status: Comply
5.6	Sales and goods out
5.6.1 The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
There is no sales of RSPO certified product on this license periods 27 July 2018 – 26 July 2019. All product are sold as uncertified or as conventional.	
	Status: Comply
5.7	Registration of transactions
5.7.1 Supply chain actors who:	

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

There is no sales of RSPO certified product on this license periods 27 July 2018 – 26 July 2019. All product are sold as uncertified or as conventional.

Status: Comply

5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

There is no sales of RSPO certified product on this license periods 27 July 2018 – 26 July 2019. All product are sold as conventional. All RSPO certified products that sold as conventional have been removed from plam trace:

- **Certified CPO sold to as conventional**

Date	Buyer	Volume (Ton)
30/4/2019	Removing stock	2,000.3
24/6/2019	Removing stock	4596.51
9/7/2019	Removing stock	572.53
TOTAL		7,169.34

- **Certified Palm Kernel sold as conventional**

Date	Buyer	Volume (Ton)
30/4/2019	Removing stock	607.04
24/6/2019	Removing stock	790.79
9/7/2019	Removing stock	111.31
Total		1,509.14

Status: Comply

5.8 Training

5.8.1

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

SCCS training are planned annually, for example training on 8 March 2018.

Status: Comply

5.8.2

Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed

The certificate holder has provided training at 8 March 2018 for personnel carrying out the tasks critical to the effective

implementation of the supply chain certification standard requirements, such as: processing clerk, grading operator, weighbridge operator, documents controller, etc. Based on interview at weighbridge station is known that the operator and SCCS person in charge have understand the RSPO supply chain procedures.

Status: Comply

5.9 Record keeping

5.9.1

The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements

The certificate holder has maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements. Those are describe in this ASA-4 report on section of Module E CPO Mills - Mass Balance Requirements.

Status: Comply

5.9.2

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

The retention times for all records and reports are keep in minimum 10 years According to the procedure SOP No. MKT-03-06/04-03-2019/Rev.0. Based on documents verification it's concluded that the record of supply chain are available since the mill was certified (27 July 2015).

Status: Comply

5.9.3

The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.

FFBs, CSPO and CSPK produced and/or claimed records are kept in minimum 12 months. Record of all certified palm oil / palm kernel oil volumes purchased (input) and claimed (output) for period of twelve months:

Period	CPO production (MT)		Total	CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Conventional	
July 2018 to June 2019	7,169.34	5,180.70	12,350.04	-	-	7,169.34	7,169.34
Total	7,169.34	5,180.70	12,350.04	-	-	7,169.34	7,169.34

Period	PK production (MT)		Total	PK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Conventional	
July 2018 to June 2019	1,509.14	1,077.24	2,586.38	-	-	1,509.14	1,509.14
Total	1,509.14	1,077.24	2,586.38	-	-	1,509.14	1,509.14

Status: Comply

5.10 Conversion factors

5.10.1

Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries

The certificate holder doesn't applied a conversion rate.

	Status: Comply
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate. The certificate holder doesn't applied a conversion rate.
	Status: Comply
5.11	Claims
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims. There is no sales of RSPO certified product on this license periods 27 July 2018 – 26 July 2019. All product are sold as conventional.
5.11	Status: Observation
5.12	Complaints
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints. Procedures for stakeholders complaints established in the document No. SOP No. MKT-03-02/26-04-2018/Rev.1. Based on complaints document verification is known that there is no complaint regarding SCCS for last a year.
	Status: Comply
5.13	Management review
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken The certificate holder has management review conduct annually at 25 May 2019.
	Status: Comply
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> Results of internal audits covering RSPO Supply Chain Certification Standard. Customer feedback. Status of preventive and corrective actions. Follow-up actions from management reviews. Changes that could affect the management system. Recommendations for improvement. The content of management review related to SCCS are the result of internal audit, customer feedback, work process, preventive and corrective actions, follow up actions and recommendations for improvement.
	Status: Comply
5.13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> Improvement of the effectiveness of the management system and its processes. Resource needs. The Management review are include the decision and actions related to improvement of the effectiveness of the management system and its processes and Resource needs.
	Status: Comply

3.2.3 (Module E) CPO Mills - Mass Balance Requirements

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.																
SCSS module used in Dendymarker Indahlestari Mill is Mass Balance (MB), because the mill receives FFB from certified areas and non certified sources.																
	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.																
Estimate product certified CPO and PK for period 27 July 2019 – 26 July 2020 are describe at this ASA-4 report (basic info 1.8.3). Actual tonnage in this license period 27 July 2019 – 26 July 2020:																
<table><tr><th rowspan="2">Products</th><th colspan="3">Tonnes/year</th></tr><tr><th>Estimate</th><th>New Estimate</th><th>Actual (until June 2019)</th></tr><tr><td>CSPO</td><td>5,263</td><td>9,263*</td><td>7,169.34</td></tr><tr><td>CSPK</td><td>1,108</td><td>2,008*</td><td>1,509.14</td></tr></table>		Products	Tonnes/year			Estimate	New Estimate	Actual (until June 2019)	CSPO	5,263	9,263*	7,169.34	CSPK	1,108	2,008*	1,509.14
Products	Tonnes/year															
	Estimate	New Estimate	Actual (until June 2019)													
CSPO	5,263	9,263*	7,169.34													
CSPK	1,108	2,008*	1,509.14													
*The projected volume has been extended on 17 July 2019																
	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_PO1000004127																
All RSPO certified products sold as conventional and have been removed from plam trace:																
• Certified CPO sold to as conventional																
<table><tr><th>Date</th><th>Buyer</th><th>Volume (Ton)</th></tr><tr><td>30/4/2019</td><td>Removing stock</td><td>2,000.3</td></tr><tr><td>24/6/2019</td><td>Removing stock</td><td>4596.51</td></tr><tr><td>9/7/2019</td><td>Removing stock</td><td>572.53</td></tr><tr><td colspan="2">TOTAL</td><td>7,169.34</td></tr></table>		Date	Buyer	Volume (Ton)	30/4/2019	Removing stock	2,000.3	24/6/2019	Removing stock	4596.51	9/7/2019	Removing stock	572.53	TOTAL		7,169.34
Date	Buyer	Volume (Ton)														
30/4/2019	Removing stock	2,000.3														
24/6/2019	Removing stock	4596.51														
9/7/2019	Removing stock	572.53														
TOTAL		7,169.34														
• Certified Palm Kernel sold as conventional																
<table><tr><th>Date</th><th>Buyer</th><th>Volume (Ton)</th></tr><tr><td>30/4/2019</td><td>Removing stock</td><td>607.04</td></tr><tr><td>24/6/2019</td><td>Removing stock</td><td>790.79</td></tr><tr><td>9/7/2019</td><td>Removing stock</td><td>111.31</td></tr><tr><td colspan="2">Total</td><td>1,509.14</td></tr></table>		Date	Buyer	Volume (Ton)	30/4/2019	Removing stock	607.04	24/6/2019	Removing stock	790.79	9/7/2019	Removing stock	111.31	Total		1,509.14
Date	Buyer	Volume (Ton)														
30/4/2019	Removing stock	607.04														
24/6/2019	Removing stock	790.79														
9/7/2019	Removing stock	111.31														
Total		1,509.14														
	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 certificate holder has the documents of supply chain procedures for Mass Balance models No. document SOP No. MKT-03-06/04-03-2019/Rev.0. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including training records. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017.																
The procedures also identified role of implementation responsibility persons that trained and responsible person in the whole process of supply chain. Based on field observation at Weighbridge station and interview with sampled person in the mill, the operator has knowledge and able to demonstrate the implementation of SCCS.																
	Status: Comply															
E.3.2																
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.																
The certificate holder has FFB reception procedures SOP No. DMPOM-WI/PROD/001A, which describes the process of receiving and verifying of FFB from certified or non certified areas. The weighbridge clerk recording FFB received, separated by FFB quantity of certified and non-certified then will be input into MB daily Report. Based on interview with weighbridge operator it is known that the personnel can explain the source of uncertified and certified FFB.																
	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.																
The certificate holder has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 Months:																
<table><tr><th rowspan="2">Month</th><th colspan="3">FFB (ton)</th></tr><tr><th>RSPO Certified</th><th>Non Certified</th><th>Total</th></tr><tr><td>July 2018 to June 2019</td><td>37,084.59</td><td>26,450.96</td><td>63,535.55</td></tr><tr><td>Total</td><td>37,084.59</td><td>26,450.96</td><td>63,535.55</td></tr></table>		Month	FFB (ton)			RSPO Certified	Non Certified	Total	July 2018 to June 2019	37,084.59	26,450.96	63,535.55	Total	37,084.59	26,450.96	63,535.55
Month	FFB (ton)															
	RSPO Certified	Non Certified	Total													
July 2018 to June 2019	37,084.59	26,450.96	63,535.55													
Total	37,084.59	26,450.96	63,535.55													
	Status: Comply															
E.4.2																
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.																
The overproduction of projected volume has been inform to the CB. Actual tonnage in periods 27 July 2018 – 26 July 2019:																
<table><tr><th rowspan="2">Products</th><th colspan="3">Tonnes/year</th></tr><tr><th>Estimate</th><th>New Estimate</th><th>Actual (until June 2019)</th></tr><tr><td>CSPO</td><td>5,263</td><td>9,263*</td><td>7,169.34</td></tr><tr><td>CSPK</td><td>1,108</td><td>2,008*</td><td>1,509.14</td></tr></table>		Products	Tonnes/year			Estimate	New Estimate	Actual (until June 2019)	CSPO	5,263	9,263*	7,169.34	CSPK	1,108	2,008*	1,509.14
Products	Tonnes/year															
	Estimate	New Estimate	Actual (until June 2019)													
CSPO	5,263	9,263*	7,169.34													
CSPK	1,108	2,008*	1,509.14													
*The projected volume has been extended on 17 July 2019.																
	Status: Comply															

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>							
The Certificate holder has record and balance all received of RSPO FFB and deliveries of RSPO certified CPO and PK. The Volume of certified CPO and PK are delivered from accounting system according to conversion by percentage of FFB certified. The sales of RSPO product claim for period of 12 Months are sold from a positive stocks, which are no sales of RSPO certified product on this license periods 27 July 2018 – 26 July 2019. All product are sold as conventional:							
Period	CPO production (MT)		Total	CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Conventional	
July 2018 to June 2019	7,169.34	5,180.70	12,350.04	-	-	7,169.34	7,169.34
Total	7,169.34	5,180.70	12,350.04	-	-	7,169.34	7,169.34
Period	PK production (MT)		Total	PK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Conventional	
July 2018 to June 2019	1,509.14	1,077.24	2,586.38	-	-	1,509.14	1,509.14
Total	1,509.14	1,077.24	2,586.38	-	-	1,509.14	1,509.14
.							
	Status: Comply						

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-4	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari have neither use the certificate trademark whether on-product or off-product yet.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or√
ASA-4	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari have neither use the certificate trademark whether on-product or off-product yet.	√
	Status: Comply	
3.	Implementation of Certificate and trademark is not used on product	X or√
ASA-4	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari have neither use the certificate trademark whether on-product or off-product yet.	√
	Status: Comply	
4.	Controlling of Certificate and trademark, including withdrawing inappropriate trademark.	X or√
ASA-4	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari have neither use the certificate trademark 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: The internal audit has been conducted for all uncertified units:</p> <ul style="list-style-type: none"> • PT. Agro Muara Rupit was conducted on 8-10 October 2018; • PT. Agro Kati Lama was conducted on 10-13 September 2018; • PT. Agro Rawas Ulu was conducted on 21-3 October 2018; <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</p> <p>Each company provide correction and corrective action on the base to ensure all RSPO P&C requirements are implemented.</p> <p>Positive assurance has been provided by General Manager South Sumatera Operation, as lined out in</p>

		<p>"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 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.</p>
2.2.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: PT Umbul Mas Wisesa was following RSPO Remediation and compensation procedure.</p> <p>Auditor Verification: Assessment team checked to confirm any land conflict/liabilities on RaCP tracker and found note "The compensation plans for PT. Umbul Mas Wisesa and PT. Toton Usaha Mandiri (SIPEF) have been approved by the Compensation Task Force during the staged implementation of the RaCP between May 2014 and November 2015".</p> <p>All new planting after January 1st, 2010 have undergone and complies with RSPO New Planting Procedure/RSPO NPP. RSPO NPP for PT. Agro Muara Rupit, PT. Agro Kati Lama, PT Agro Rawas Ulu have been published in RSPO website.</p>
2.2.3	<p>Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<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. RSPO NPP for PT. Agro Muara Rupit, PT. Agro Kati Lama, PT Agro Rawas Ulu have been published in RSPO website. RSPO NPP for PT. Asri Rimba is waiting for HCV ALS review and LUC review.</p>
2.2.4	<p>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>	<p>Company Group/Holding Statement: All land conflict is following FPIC principle.</p> <p>Auditor Verification: The assessment team has conducted a search in internet to confirm that there is a lodged land conflict that was recorded as complaint under RSPO Case. Tracker; raised by individual on those units that have not been certified. RSPO Case Tracker recorded complaint to PT. Agro Muara Rupit, dated 17 May 2017. The complainant brought forward the issue of fraudulent land title to</p>

		<p>RSPO. The complainant claimed that his land was fraudulently sold by his cousin to PT. Agro Muara Rupit, a subsidiary of SIPEF Group. The summary presented in the RSPO Case Tracker:</p> <p>On 25 July 2017 - Secretariat to write to the company and inform them on the complaint.</p> <p>On 24 August 2017 (CP Meeting) - Secretariat to wait for reply from the company.</p> <p>On 28 August 2017 - Secretariat received response from the company.</p> <p>On 5 September 2017 - Complainant failed to provide the document.</p> <p>On 11 September 2017 - Secretariat has sent an email to SIPEF.</p> <p>On 26 September 2017 (CP Meeting) - Secretariat to draft the decision letter.</p> <p>On 18 June 2018 – Complaint Panel to deliver a decision.</p> <p>On 25 July 2018 – Complaint Panel to deliver a decision.</p> <p>On 23 August 2018 – Draft decision letter to be reformatted.</p> <p>On 19 September 2018 – Decision Letter – Complaints Panel.</p> <p>On 26 September 2018 – The decision letter finalised and to be delivered to Parties.</p> <p>On 24 October 2018 – Complaint Panel Decision letter has been sent to parties. Deadline for submission of appeals is on 20 December 2018.</p> <p>On 20 December 2018 – The complaint is officially closed.</p> <p>The case tracker available on link https://askrspo.force.com/Complaint/s/case/50090000028Es1JAAS/detail.</p> <p>Assessment team checked to confirm any land conflict/liabilities on RaCP tracker and found note “The compensation plans for PT. Umbul Mas Wisesa and PT. Toton Usaha Mandiri (SIPEF) have been approved by the Compensation Task Force during the staged implementation of the RaCP between May 2014 and November 2015”.</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: No labor dispute noted. The assessment team has conducted a search in internet to confirm that there is no new comments or dispute raised by the communities related to labor dispute on those units that have not been certified.</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>

		No non-legal compliance noted. The assessment team has conducted a search in internet to confirm that there is no new comments or dispute raised by the communities, related to legal non-compliance on those units that have not been certified.
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3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	: 2018.01	Issued by	: Trismadi N
Date Issued	: 6 July 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 12 July 2018
Standard Ref. & Requirement	: 6.10.4. The agreed payment must be paid in a timely manner.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
During the audit activity, the auditor team conducted interviews with administrators and members of the Plasma Cooperative in the New Maur Village (KSU Maju Mandiri) and Lubuk Rumbai Village (Koperasi Serasih). It was explained that usually TBS payments are made every 10th of the month. However, the sale of FFB in May 2018 has been delayed, which until now has not been paid by the company. While the explanation from the Plasma Manager, the unit has sent an invoice to the Finance Department on June 5, 2018. However, this has not been in accordance with the PT Tolan Tiga Indonesia No. FAD Memorandum General Manager. 68 / FAD / 09-16 September 6, 2016, which states that the bill after arriving at FAD HO Medan. Payment will take approximately 7 working days; if clearing to a different bank requires an additional 1-2 working days.			
Root Cause Analysis <i>(filled by organization audited):</i>			
<ol style="list-style-type: none">1. There is a disruption of the system that processes payments at the head office where uploads cannot be accepted by the LFD system and it takes several days to repair.2. Leave with Idul Fitri in June 2018 for 10 days (from 11 June - 20 June 2018), so the process becomes delayed.3. Company rules that require the transfer recipient's account number to use the vendor account number (cooperative) and not be allowed to use a personal account number according to circular PD No. 02 / PD-Cir / III / 2018.4. It takes time to manage the account numbers of cooperatives, especially newly formed cooperatives, because some plasma owners from certain villages wish to form cooperatives outside the Maur Experts cooperative that has become the parent cooperative.			
Correction <i>(filled by organization audited):</i>			
<ol style="list-style-type: none">1. The system has been repaired by the IT Department and has been running normally.2. Payment of the Plasma TBS has been made in the May 2018 sales period, on July 5, 2018. Proof of payment to the plasma member in the name of Taufik is attached (statement concerned).3. Account numbers for all cooperatives are available.4. A meeting has been held with the cooperative management to submit the payment process by the company on July 9, 2018 (the minutes of the meeting are attached).			
Corrective Action <i>(filled by organization audited):</i>			
<ol style="list-style-type: none">1. Ensure that all plasma participants who will receive payment transfers are registered as members of the cooperative.2. PT DIL has submitted an official letter to the cooperative regarding the payment of PT DIL's plasma bill (Proof of receipt by the oldest cooperative).3. Plasma KTUs and KTU Region Main Offices will follow up after bills are sent so that payments or transfers can be made on time.			

4. Anticipate holidays in making payments, and convey information to cooperatives if there are constraints in implementing payments.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification July 12 2018

The company shows some proof of improvement as follows:

1. Memorandum from the President Director to all Estate and Mill at Musi Rawas Regional Office No. 02 / PD-CIR / III / 2018 dated March 12, 2018. It was explained that: In relation to the automatic payment system, the payment to vendore can be with condition that the "Company Name" is the same as "Beneficiary Name / bank account of the vendor ". Company can allow exceptions but they are separated and BOD approved.
2. Minutes of receipt of plasma bill payments in May 2018 to KSU "Maju Mandiri" at Maur Baru Village dated July 6, 2018.
3. Letter from PT DIL's SRTE Estate Manager No. 000.038 / PT. DIL / SRTE / VII / 2018 dated July 10, 2018 to all KUD and TPK, Regarding: PT DIL Plasma Bill Payment. It was explained that the KUD who did not have an account immediately made it, the TBS sales bill to be sent to the SRTE office for a maximum of the 2 nd of the following month, the bill making process up to the maximum payment process was 17 working days. There is also proof of receipt of the letter to KUD and TPK.
4. The attendance list, meeting minutes and documentation of the meeting between the plasma and PT DIL on 9 July 2018 were attended by 11 people.

Auditor's conclusion:

Based on the evidence of improvements shown, this non conformise has been fulfilled.

Verifikasi ASA 4

The company shows evidence of FFB payment for smallholder and local contractors for the period of May 2019. For example:

Maju Mandiri Cooperative

FFB sale periode 01 – 15 May 2019 for 43,820 kg x Rp 1,267 = Rp 55,519,940

FFB sale periode 16 – 31 Mei 2019 for 53,720 kg x Rp 1,215 = Rp 65,269,800

Deduction = Rp 38,229,449

Total payment = Rp 82,560,291

Paid on 20 June 2019 Through Bank Mandiri Imam Bonjol Medan

CV Razqa Jaya Mandiri

Payment for upkeep activity periode May 2019 on 25 June 2019 through Bank Mandiri Imam Bonjol, Medan.

Verified by : **Trismadi N**

NCR No.	2018.02	Issued by	Trismadi N
Date Issued	6 July 2018	Time Limit	One month/5 August 2018
NC Grade	Major	Date of Closing	20 July 2018
Standard Ref. & Requirement	General Chain of Custody Clause 5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 		

	<ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.
	<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Conventional sales of CSPO and CSPK have not reduced the volume quota of CSPO and CSPK at the RSPO IT Platform. During the audit activity at Dendymarker Oil Mill (DMOM), the auditor team interviewed the Marketing Department (HO) staff by telephone, explaining that the authority to update the RSPO Palmtrace was at the SIPEF Belgium Office. The Marketing Department only has an obligation to report CPO and PK sales transactions every month to the SIPEF Belgium Office. Based on the study of DMOM massbalance report documents period: July 27, 2017 s.d. June 30, 2018 it is known that there are conventional sales of CSPO and CSPK products, each CSPO: 1,093.47 MT and CSPK: 28.39 MT. However, the results of verification by the auditor team at the RSPO Palmtrace revealed that there had been no reduction in the volume quota of CSPO and CSPK.</p>
	<p>Root Cause Analysis <i>(filled by organization audited):</i> Lack of marketing communication with antwerp so that there has been no quota deduction in the PT DIL etrace account.</p>
	<p>Correction <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> PD immediately asked the antwerp to take action to cut the CPO / PK quota at Etrace PT DIL And Anterp has cut CPO / PK quota on PT DIL's etrace account
	<p>Corrective Action <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> HO Medan marketing team participated in the RSPO SCCS v.2014 rev.2017 training held by ENC HO Medan team on July 19, 2018 Medan Marketing HO Team will send by email any volume of certified RSPO CPO / PK sold under other schemes or like conventional, or in case of production shortages, loss or damage to Anterp for CPO / PK quota deduction at Etrace Anterp reports every deduction that has been made in relation to Medan Marketing Team PD tells Antwerp that the above procedure is mandatory
	<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p> <p>Verification July 12 2018 The company shows proof that conventional sales have been removed dated July 9, 2018 on the palm trace account with CSPO Volume: 1,093.47 MT (No. ST-TR-238b908b-8ed8) and CSPK volume 28.39 MT (No. ST-TR-3a5df02d- b0a2).</p> <p>Verification July 20 2018 The company shows some proof of improvement as follows:</p> <ol style="list-style-type: none"> The training record on the RSPO Standard Revision V. 2014 (Rev. 2017) to 7 Marketing Department staff was conducted on July 19, 2018. The auditor team also verified the training material delivered by the trainer (SM. ENC Dept.). Email from President Director to Marketing Antwerp as a precautionary measure so that it will not happen again in the future, as follows: Taking this into account, we request that the Marketing Team consider the following items: <ul style="list-style-type: none"> Medan Marketing - The Commander adhere to the RSPO SCCS Training standard SCCS v.2014

rev.2017.

- This training will be performed by Senior Manager ENC, Mr. Hamdani on 19 July 2018.
- Medan Marketing - Submit to Antwerp via email the CPO / PK RSPO certified volumes sold under other scheme.
- Addition to identify as conventional, underproduction, loss damage and other adjustment to the CPO / PK quota in Etrace.
- Marketing Antwerp - Report any deductions or adjustments that have been made in etrace to marketing

Auditor's conclusion:

Based on the analysis of the root causes, corrective and preventive actions that have been demonstrated, this non conformise has been fulfilled.

Verified by	:	Trismadi N
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3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

NCR No.	: 2019.01	Issued by	: Hasiholan Sihombing
Date Issued	: 12 July 2019	Time Limit	: RC
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).		
Evidence observed (filled by auditor): <ul style="list-style-type: none"> Based on interviews with spray workers, fertilizer workers and loose fruit picker workers in Sei Mandang Estate and also spray workers and fertilizer workers at Sei Liam Estate who are workers from contractors who work with companies, it is known that all workers have not received work accident insurance. Based on interviews with CV Wijaya contractors, it is known that all contractor workers have not been protected by work accident insurance. 			
Non-Conformance Description (filled by auditor): There is not enough evidence that all contractor workers are protected by work accident insurance.			
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			

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1		Progress of work agreement with 9 plasma cooperatives in collaboration on replanting, plasma management and sale of FFB.
2	2.2.2	Monitoring of boundary poles
3	4.7.3	Improve monitoring to ensure that contractor PPE is available
4	5.2.4	Evaluation of follow-up HCV monitoring for further management plans
5	6.1.3	Make a social management and monitoring plan and scheduled along with the PIC
6	6.3.2	Recording of external and internal complaint resolution documents into " <i>Buku Rekaman Keluh Kesah</i> "

3.5.4 Noteworthy Positive Components

No	Descriptions
1	The company's commitment to implement the principles of sustainable palm oil management.
2	PT DIL has obtained an ISPO Certificate.
3	PT DIL has obtained the Blue Proper Management of Peat from the Ministry of Environment and Forestry.
4	The use of technology in the form of loggers for monitoring groundwater level automatically.
5	Not use herbicides made from paraquat anymore.
6	Good teamwork in providing data during the audit.
7	Provision of housing facilities for employees.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Environmental and Land Agency of Musi Rawas Utara District. <ul style="list-style-type: none"> • The company already has Land Application and Temporary Storage for Hazardous and Toxic Waste Permit. • The company has reported reports of Hazardous and Toxic Waste, Liquid Waste and management and monitoring plan Report regularly. • Fire reports are also routinely conducted by the company. • In general in environmental aspects, the company has complied with applicable regulations. • There is no environmental issue in the area of the company that goes to the environmental agency for 1 last year. • The company has permission to dispose of waste water. • Communication between the company and the agency is also well established. 	<p>In accordance with criteria 2.1, 5.1, 6.5, 6.6</p> <p>All permits held are still valid (Hazardous Waste storage permit, domestic liquid waste permit and liquid waste application permit) are discussed in indicator 2.1.1</p> <p>The company already has environmental documents specified in indicator 5.1.1</p>
Plantation Agency of Musi Rawas Utara District. <ul style="list-style-type: none"> • The Company has a Plantation Business License (IUP). • Report on plantation business activities (LKUP) are routinely reported. • There are still unfinished issues regarding the plasma area around 430 ha. • Fire Extinguisher Equipment of company is sufficient and one year behind there is no issue of land fires that occurred in the area of PT DIL. • Communication between the company and the agency is also well established, and if the office requested data, the company quickly responded. 	<p>Auditor has verified the compliance with the principles & criteria of RSPO on criteria 2.2; 2.3 and 6.4.</p>
Manpower Agency (Industrial Relationship) of Musi Rawas Utara District. <ul style="list-style-type: none"> • The wages of all workers have been paid in accordance with the provisions of the government (regional minimum wage of South Sumatera Province). • No issue of child labor and discrimination • Manpower Agency already know what information data can be requested to the company. Information can be accessed by verbal means or by mail or email. • The company already has collective labor agreement. • The company has labor union • P2K3 report are also routinely conducted by the company. • The company has registered "BPJS" Employment and "BPJS" Health to all employees. • The company uses a lot of casual daily workers. 	<p>Auditor has verified the compliance with the principles & criteria of RSPO about worker welfare and industrial relationship on indicator 6.5.1, 6.5.2, 6.6.1, 6.7.1, 6.8.1, 6.9.1.</p>
Surrounding communities and previous land owner of Karang Dapo and Bingin Rupit Village	

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> Communication between PT Dendymarker Indah Lestari and representative of villages went well. There is no complaint about company's operational activity. However, village communities feels that company's assist in CSR aspect is less. There is no land conflict with PT Dendymarker Indah Lestari. There is no land fire in previous year. Company helps increase economy level of communities by agreement with local contractor. Also some of villagers work in PT Dendymarker Indah Lestari. 	<p>Auditor has verified the compliance with social and worker welfare aspect in criterion 6.8 and 6.11. As for assistance for village, company has CSR program and has implemented it. It has explained in indicator 6.11.1.</p>
Pakar Maur Cooperative <ul style="list-style-type: none"> Operational activity is managed by cooperative member The oldest planting year is 1994. Replanting will be conducted as soon as possible. There are internal conflict between cooperative and its member. However, it does not affect the agreement between cooperative and PT Dendymarker. FFB payment is made on time. FFB price is in accordance with FFB price set by Plantation Agency of Sumatera Selatan Province. 	<p>The company has implemented the principles & criteria of RSPO on criteria 6.10</p>
Maju Mandiri and Biru Makmur Cooperative <ul style="list-style-type: none"> Cooperative were part of Pakar Maur Cooperative. The separation from Pakar Maur Cooperative has been known by Cooperative Agency. Agreement is still uses Pakar Maur Cooperative. FFB payment is made on time. FFB price is in accordance with FFB price set by Plantation Agency of Sumatera Selatan Province. The company has provided training related to RSPO and agronomic techniques to smallholders 	<p>The company has implemented the principles & criteria of RSPO on criteria 6.10</p>
Local Contractor of CV Tamras Indah <ul style="list-style-type: none"> Contractor activities is FFB transporting to mill and upkeep activity. Cooperation relationship with the company went well. Contractor payment is done on time. Monthly wage for contractor worker is above the minimum wage. PPE is provided by contractor. BPJS participation of contractor worker is the responsibility of the contractor. Company has socialized the OHS policy and technique procedure to contractor and will be forwarded to the member. 	<p>The company has implemented the principles & criteria of RSPO on indicator 4.7.3, and 6.10.4.</p> <p>As for Social insurance, it becomes non conformity and explained in indicator 4.7.6</p>
Worker Union Interview with Head of Worker Union <ul style="list-style-type: none"> Basic wage in accordance with Sectoral Minimum Wage of Sumatera Selatan Province 2019. There is no complaint about wage, overtime payment, or worker welfare issue. 	<p>The company has implemented the principles & criteria of RSPO about worker welfare and industrial relationship on indicator 4.7.3, 6.5.1, 6.5.2, 6.6.1, 6.7.1, 6.8.1, 6.9.1.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> Harvesters are paid according to work basic and premium basic. As for processing worker in mill, overtime is paid in accordance with regulation PPE is provided by company. Company provided source of clean water, houses, health, and other facilities to guarantee worker welfare. 	
Gender Committee <ul style="list-style-type: none"> Women worker usually work as pesticide operator, fertilizer application worker, and administration. Company provides women worker with reproductive rights, such as menstrual leave for about 2 days, maternity leaves for about 3 months, breastfeeding break time. There is no complaint about sexual harassment. Company provides crèche in every afdeling. Gender committee has socialized about mechanism of complaint to worker, especially women worker. 	<p>The company has implemented the principles & criteria of RSPO on indicator criteria 6.9 about reproductive rights for woman worker.</p>
Cooperative of Employee <ul style="list-style-type: none"> Cooperative is named "Koperasi Lestari Maju Bersama". Cooperative is engaged in consumption. The member of cooperative is as many as 116 members. Annual meeting periode 2018 has been conducted on September 2018 Company lend a building for cooperative activities. 	<p>According to workers the company provides the freedom to form cooperatives</p>

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

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

Signed on behalf of:

PT Dendymarker Indah Lestari
Management Representative



Hamdani
Friday, 30 August 2019

PT Mutuagung Lestari
Lead Auditor



Leonada
Friday, 30 August 2019

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Manpower and Transmigration Agency	Musi Rawas Utara District	-	Interview	9 July 2019	✓	
2	Environmental and Land Agency	Musi Rawas Utara District	-	Interview	9 July 2019	✓	
3	Plantation Agency	Musi Rawas Utara District	-	Interview	9 July 2019	✓	
4	Land Agency	Musi Rawas District	-	Interview	9 July 2019		✓
5	Surrounding communities and previous land owner of Karang Dapo and Bingin Rupit Village. Only 2 from 6 sample of previous land owner can be interviewed. The others are could not be reached and sick.	Musi Rawas Utara District	-	Interview	10 July 2019	✓	
6	Pakar Maur Cooperative	Musi Rawas Utara District	-	Interview	9 July 2019	✓	
7	Maju Mandiri and Biru Makmur Cooperative	Musi Rawas Utara District			9 July 2019		
8	Local Contractor of CV Tamras Indah	PT DIL	-	Interview	9 July 2019	✓	
9	Gender Committee	PT DIL	-	Interview	9 July 2019	✓	
10	Worker Union	PT DIL	-	Interview	9 July 2019	✓	
11	Cooperative of Employee	PT DIL		Interview	9 July 2019	✓	
12	Sei Mandang Estate: - 1 warehouse worker - 1 Operator Generator house - 1 Daycare Worker - 1 Fertilizer warehouse worker - 4 Pesticide Applicator - 3 harvester - 3 Fertilizer Applicator	Sei Mandang Estate	-	Visit and Interview	9 July 2019	✓	
13	Sei Liam Estate: - 1 warehouse worker - 1 Operator Generator house - 1 Daycare Worker - 1 Fertilizer warehouse worker - 2 Operator workshop - 5 Pesticide Applicator - 5 harvester - 3 Fertilizer Applicator	Sei Liam Estate	-	Visit and Interview	10 July 2019	✓	
14	Dendymarker POM: - 1 Operator WTP - 1 Operator WWTP - 1 worker Hazardous waste storage - 1 worker Chemical storage - 2 security	Dendymarker POM	-	Visit and Interview	9 July 2019	✓	

	<ul style="list-style-type: none"> - 2 workers in loading ramp - 1 worker in sterilizer station - 1 worker in press station - 1 worker in boiler station - 1 worker in engine room station - 2 workers in kernel station 						
15	Sawit watch	Bogor, Indonesia	info@sawitwatch.or.id	Email	03 July 2019		✓
16	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	03 July 2019		✓
17	WALHI	Jakarta, Indonesia	informasi@walhi.or.id	Email	03 July 2019		✓
18	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	03 July 2019		✓

Appendix 2. Assessment Program

DATE	8 – 12 July 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 8 July 2019		
09.00 – 10.30	Jakarta → Lubuk Linggau	All Auditor
10.30 – 14.00	Lubuk Linggau → PT DIL	
14.00 – 17.00	Opening meeting <ul style="list-style-type: none">Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) Documents Review <ul style="list-style-type: none">Review of previous assessment findingsVerification of Basic Information Mill and EstateConfirmation of Time Bound PlanReview of Partial CertificationVerification of P n C documents	
Tuesday, 9 July 2019		
08.00 – 12.00	Stakeholders consultation to related agencies Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Smallholders, Third Party Supplier (if any), local NGO (if any) Field Observation to SEI MANDANG ESTATE Aspect to be verified : <ul style="list-style-type: none">Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism AspectImplementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place), HCV area.	HSS AAS LEO BYG
12.00 – 14.00	Break	
14.00 – 17.00	Field observation to DMIL POM : <ul style="list-style-type: none">Supply Chain verification (FFB Receiving, Weighbridge),Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond & land application	LEO HSS/AAS BYG
Wednesday, 10 July 2019		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners.	AAS

DATE	8 – 12 July 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	Sei Mandang Estate & Sei Liam Estate Implementation of Legal Aspect (Land Ownership, Legal Boundaries)	LEO
	Field Observation to SEI LIAM ESTATE Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect - Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place), HCV area. 	HSS BYG
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> • Melanjutkan Kunjungan lapangan dan Klarifikasi Hasil Kunjungan Lapangan // Continue Field Observation and field observation clarification • Verifikasi dokumen dan melengkapi checklist // Verification of documents and completing checklist 	All Auditor
Thursday, 11 July 2019		
08.00 – 12.00	<ul style="list-style-type: none"> • Continue Field Observation and field observation clarification • Verification of documents and completing checklist 	
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> • Continue Field Observation and field observation clarification • Verification of documents and completing checklist Interim Meeting (closing meeting preparation)	All Auditor
Friday, 12 July 2019		
08.00 – 10.00	Closing Meeting	
10.00 – 12.00	Site – Lubuk Linggau	
12.45 – 14.00	Lubuk Linggau → Jakarta	All Auditor