

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

**[ ✓ ] Re-Certification**

Name of Management : Daya Labuhan Indah 2 Palm Oil Mill – PT Daya Labuhan Indah subsidiary of  
Organisation Wilmar International Limited

Plantation Name : PT Daya Labuhan Indah: Wonosari Estate & Sei Deras Estate  
PT Perkebunan Milano: Cabang Dua Estate

Location : Sei Tampang Village, Bilah Hilir Sub-District, Labuhanbatu District, Sumatera  
Utara Province, Indonesia

Certificate Code : **MUTU-RSPO/047**

Date of Initial Registration : 08 October 2014

Date of Last Issued : 21 October 2019                      Date of License Issue : 01 November 2019

Date of Certificate Expiry : 07 October 2024                      Date of License Expiry : 07 October 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>RC</b>	<b>24 to 29 June 2019</b>	Andi Pratama Pasaribu (Lead Auditor), Mohamad Amarullah, Steve Mualim and Rindu Galih Rezza Rachmansyah	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>RC</b>	<b>21 October 2019</b>

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on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

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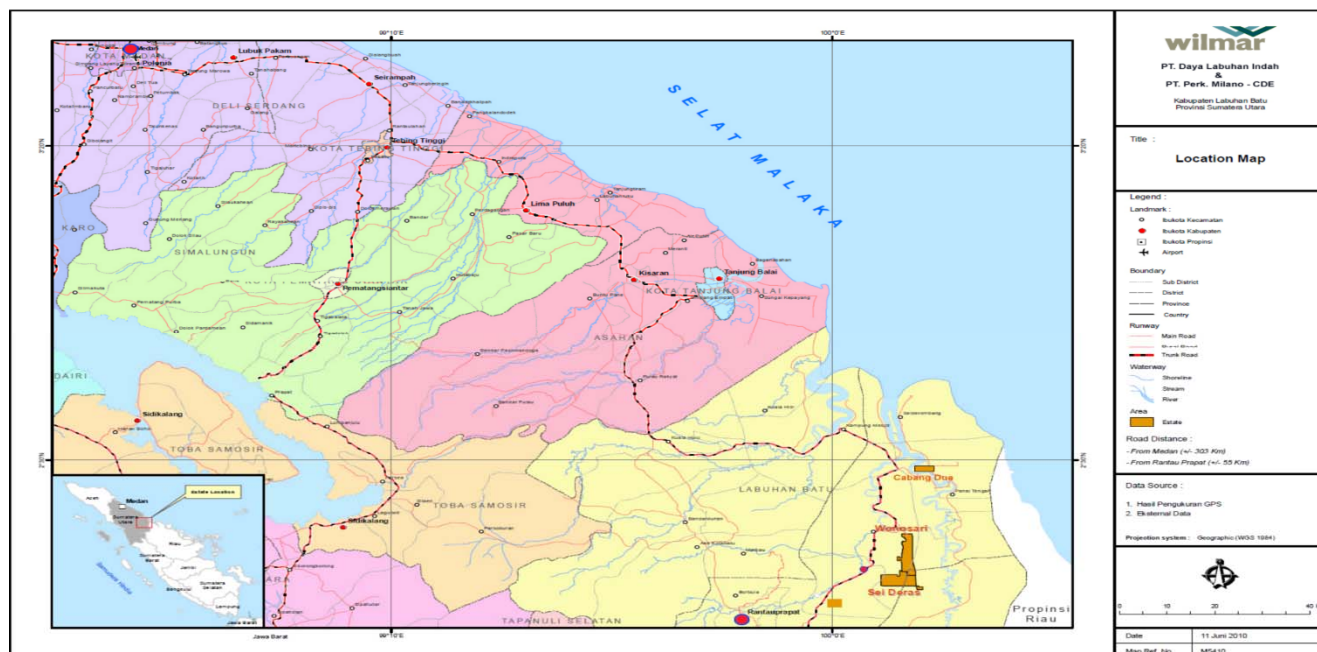
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**Figure 1. Location Map of PT Daya Labuhan Indah and PT Perkebunan Milano**



**Figure 2. Operational Map of PT Daya Labuhan Indah – Wonosari Estate & Sei Deras Estate**

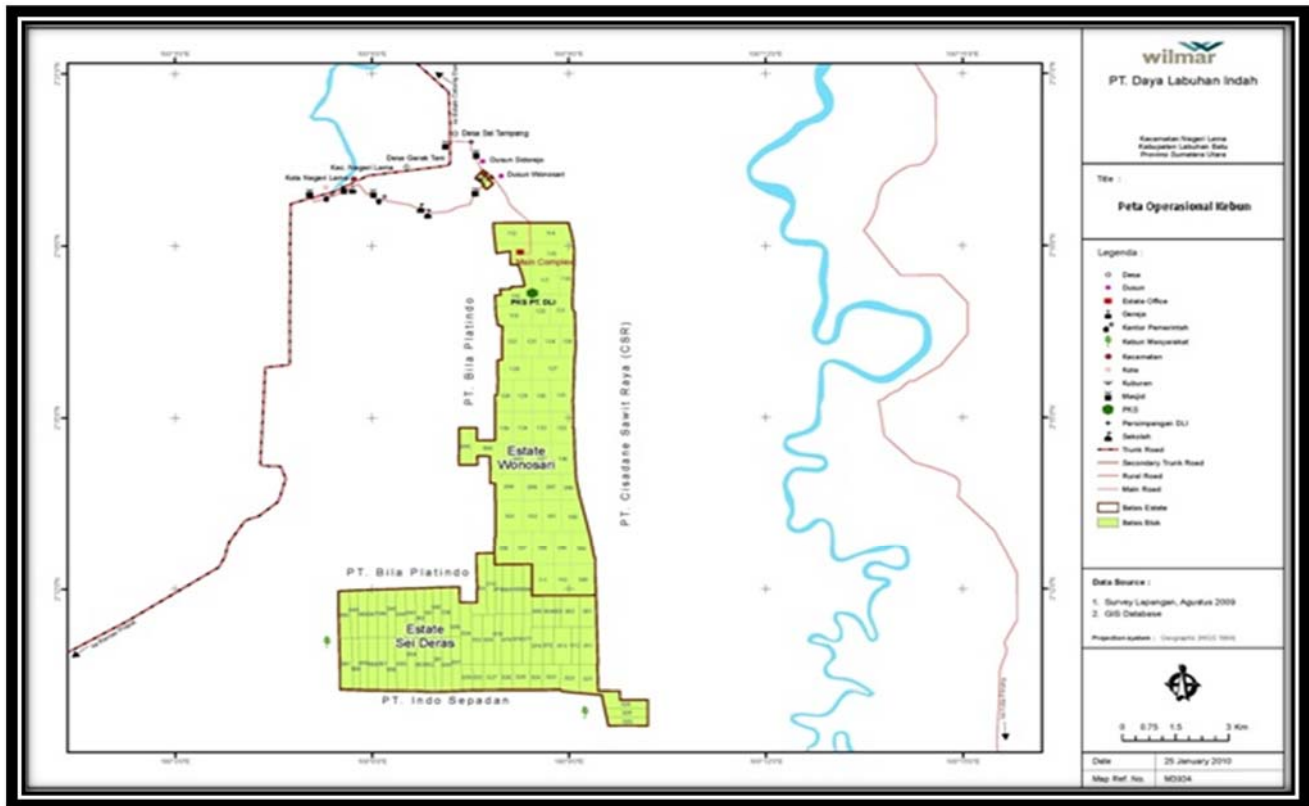
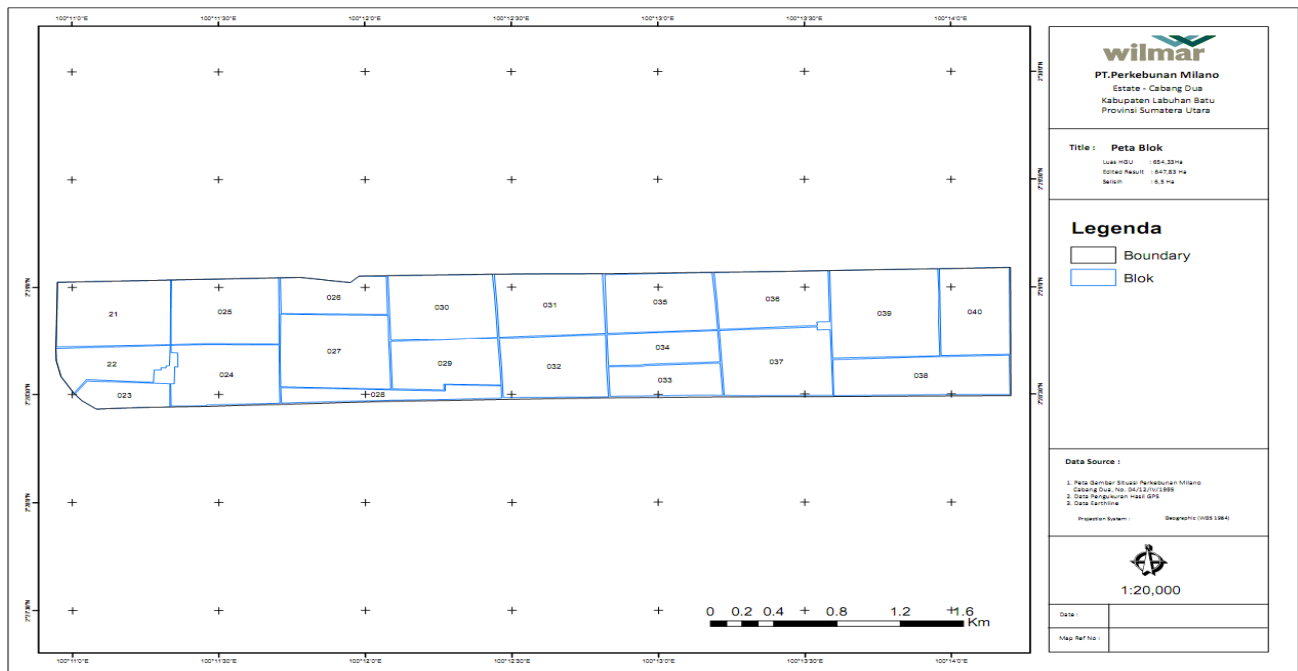


Figure 3. Operational Map of PT Perkebunan Milano – Cabang Dua Estate



### Abbreviations Used

AGM	:	Assistant General Manager
APAR	:	Fire Extinguisher
ASA	:	Annual Surveillance Assessment
BLH	:	Environment Agency
BOD	:	Biochemical Oxygen Demand
B3	:	Scheduled Waste
BM	:	Bina Mitra
CB	:	Certification Body
CDE	:	Cabang Dua Estate
DO	:	Dissolved Oxygen
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Cooperation Social Responsibility
DM	:	Division Manager
DLI	:	Daya Labuhan Indah
EFB	:	Empty Fruit Bunch
EHS	:	Environment, Health, and Safety
EIA	:	Environment Impact Assessment
EM	:	Estate Manager
FFB	:	Fresh Fruit Bunch
FGD	:	Focus Group Discussion
FPIC	:	Free, Prior, Informed, Consent
GHG	:	Green House Gasses
HCV	:	High Conservation Value
HGU	:	Land Use Title
HRD	:	Human Research Development
HRGA	:	Human Resource and General Affair
IP	:	Identity Preserved
IPM	:	Integrated Pest Management
ISPO	:	Indonesia Sustainable Palm Oil
IU	:	Immature Upkeep
IUP	:	License of Plantation
KSD	:	Kebun Sei Deras
KTU	:	Head of Administration
KWS	:	Kebun Wonosari
LB3	:	Scheduled Waste
LCC	:	Legume Cover Crop
LD50	:	Lethal Dose 50
LUCA	:	Land Use Change Analysis
LSU	:	Leaf Sampling Unit
MB	:	Mass Balance
MSDS	:	Material Safety Data Sheet
MT	:	Metric Ton
MU	:	Mature Upkeep
NGO	:	Non Government Organization
NIOSH	:	National for Occupational Safety and Health

OHS	:	Occupational Health and Safety
P2K3	:	Guiding Committee Of Occupational Safety & Health
P3K	:	First Aid Kit
PIC	:	Person In Charge
PK	:	Palm Kernel
PKB	:	Collective Labor Agreement (Perjanjian Kerja Bersama)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	Company Regulation (Peraturan Perusahaan)
PPE	:	Personal Protective Equipment
RKL/RPL	:	Environment Management and Monitoring
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened, and Endangered
SCCS	:	Supply Chain Certification System
SEIA	:	Environmental Impact Assessment
SERBUNDO	:	Serikat Buruh Perkebunan Indonesia
SOP	:	Standard Operational Procedure
SSU	:	Soil Sampling Unit
TPS	:	Temporary Storage
TPSA	:	Landfill Area
RTE	:	Rare, Threatened or Endangered
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>	
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Indonesian National Interpretation of RSPO P&amp;C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30<sup>th</sup> September 2016.</li> <li>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 / E for CPO Mill)</li> <li>RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul>
<b>1.2</b>	<b>Organisation Information</b>	
1.2.1	Organisation name listed in the certificate	Daya Labuhan Indah 2 Palm Oil Mill – PT Daya Labuhan Indah subsidiary of Wilmar International Limited
1.2.2	Contact person	Jules Sonny Parapat
1.2.3	Organisation address and site address	<p><b>RSPO registered company</b> 56.Neil Road Singapore, Singapore 088 030 (65) 6216-0244</p> <p><b>Liaison Office</b> Medan: Jln Putri Hijau Ged JW Marriott Lt 7, 8, 9, Selalas, Medan Barat Kabupaten/Kota: Medan Kode pos: 20114 Fax: 061 4143150 - 061 4575104</p> <p>Jakarta: Multivison Tower Lt. 15 Jl. Kuningan Mulia Blok B9, Kuningan, Jakarta 12980 – Indonesia</p>
1.2.4	Telephone	(62-21) 2938- 0777
1.2.5	Fax	-
1.2.6	E-mail	<a href="mailto:jules.parapat@id.wilmar-intl.com">jules.parapat@id.wilmar-intl.com</a>
1.2.7	Web page address	<a href="http://www.wilmar-international.com">www.wilmar-international.com</a>
1.2.8	Management Representative who completed the application for certification	Jules Sonny Parapat (Indonesia Certification Lead)
1.2.9	Registered as RSPO member	2-0017-05-000-00 (registered since August 16 <sup>th</sup> 2005)
<b>1.3</b>	<b>Type of Assessment</b>	
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base Daya Labuhan Indah 2 Palm Oil Mill, Wonosari Estate, Sei Deras Estate and Cabang Dua Estate
1.3.2	Type of certificate	Single
<b>1.4</b>	<b>Locations of Mill and Plantation</b>	
1.4.1	Location of Mill	



	Name of Mill	Location	Coordinate		
			Latitude	Longitude	
	Daya Labuhan Indah 2	Sei Tampang Village, Bilah Hilir Sub-district, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 17' 10"	E 100° 08' 27"	
1.4.2	Location of Certification Scope of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Wonosari Estate	Sei Tampang Village, Bilah Hilir Sub-district, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 17' 54"	E 100° 08' 16"	
	Sei Deras Estate	Bilah Village, Bilah Hilir Sub-district, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 10' 47"	E 100° 08' 08"	
	Cabang Dua Estate	Sei Nahodaris Village, Panai Tengah Sub-district, Labuhanbatu District, Sumatera Utara Province, Indonesia	N 02° 08' 36"	E 100° 11' 18"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		6,226.58	Ha	
	PT Daya Labuhan Indah		5,572.25	Ha	
	PT Perkebunan Milano		654.33	Ha	
	• Community		-	Ha	
1.5.2	Area Statement				
		Wonosari Estate (Ha)	Sei Deras Estate (Ha)	Cabang Dua Estate (Ha)	Total (Ha)
	Total area	2,944.59	2,627.66	654.33	6,226.58
	Planted area				
	• Mature Area	2,581.65	2,483.29	340.33	5,405.27
	• Immature Area	-	-	271.92	271.92
	Building and roads	350.03	34.21	39.67	423.91
	Mill	12.91	-	-	12.91
	HCV	-	9.12	2.41	11.53
	Occupation area	-	101.04	-	101.04
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Wonosari Estate	Sei Deras Estate	Cabang Dua Estate	Total
	2009	582.12	-	-	582.12
	2010	904.23	-	-	904.23
	2012	-	613.12	-	613.12
	2013	-	995.11	71.81	1,066.92
	2014	836.84	810.17	268.52	1,915.53

	2015	258.46	64.89	-	323.35		
	Sub Total Mature	2,581.65	2,483.29	340.33	5,405.27		
	2017	-	-	271.92	271.92		
	Sub Total Immature	-	-	271.92	271.92		
	TOTAL	2,581.65	2,483.29	612.25	5,677.19		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Daya Labuhan Indah 2	30	137,846	31,185	22.61	5,239	3.80
	*Production data source from 12 months before assessment (June 2018 to May 2019)						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Wonosari Estate	2,944.59	2,581.65	52,152.59	20.20	52,152.59	100.00
	Sei Deras Estate	2,627.66	2,483.29	59,117.26	23.81	59,117.26	100.00
	Cabang Dua Estate	654.33	612.25	8,238.02	24.21	8,238.02	100.00
	TOTAL	6,226.58	5,677.19	119,507.87	22.11	119,507.87	100.00
	*Production data source from 12 months before assessment (June 2018 to May 2019)						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Merbau Estate (RSPO certified)	PT Perkebunan Milano subsidiary of Wilmar International Ltd	-	974.77	18,298.24		
	-	-	-	-	-		
	TOTAL					18,298.24	
	*Production data source from 12 months before assessment (June 2018 to May 2019)						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume 8 October 2018 – 7 October 2019) (MT)		Last Year Actual Certified Volume (June 2018 – May 2019) (MT)	
	FFB Processed						
	• Identity Preserved			156,145		137,846	
	• Mass Balance			5,810		0	
	CPO Production						
	• Identity Preserved			37,476		31,185	
	• Mass Balance			1,394		0	

	Palm Kernel (PK) Production							
	• Identity Preserved			7,808	5,239			
	• Mass Balance			291	0			
	Source: processed data period June 2018 – May 2019							
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (MT)						
	CSPO sold as RSPO certified product	IP : 31,078 MB : 0						
	CSPK sold as RSPO certified product	IP : 5,219 MB: 0						
	CSPO sold under other scheme	0						
	CSPK sold under other scheme	0						
	CSPO sold as conventional	0						
	CSPK sold as conventional	0						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Wonosari Estate	2,944.59	2,581.65	59,700	23.10			
	Sei Deras Estate	2,627.66	2,483.29	60,100	24.20			
	Cabang Dua Estate	654.33	612.25	8,100	13.20			
	TOTAL	6,226.58	5,677.19	127,900	22.51			
	*Projected FFB production for 12 months certificate period.							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO	Palm Kernel	Supply Chain Module		
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Daya Labuhan Indah 2	30	121,505	27,400	22.50	6,100	5.00	IP
			6,395	1,400		300		MB
	*Projected FFB production for 12 months certificate period.							
1.9	Other Certifications							
	ISO 9001:2008		-					
	ISO 14001: 2004		-					
	OHSAS 18001:2007		-					
	ISCC		-					
	ISPO		MUTU-ISPO/092 valid 4 Aug 2017 – 3 Aug 2022					
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	Sapi (1 + 2)	2008	Sapi 1 & 2. Kiabau	2008	Sandakan, Sabah, Malaysia	Certified		

Sabahmas	2008	Sabahmas	2008	Lahad Datu, Sabah, Malaysia	Certified
Reka Halus	2008	Reka Halus	2008	Sandakan, Sabah, Malaysia	Certified
Saremas 1	2008	Saremas 1, Saremas 2 (Div D), Suai	2008	Miri Serawak, Malaysia	Certified
Saremas 2	2008	Saremas 2 (exclude Div D), Kaminsky, Segarmas	2008	Miri Serawak, Malaysia	Certified
Terusan (1 + 2)	2009	Terusan 1 & 2, Rumidi	2009	Sandakan, Sabah, Malaysia	Certified
Ribubonus	2009	Ribubonus	2009	Sandakan, Sabah, Malaysia	Certified
Sri Kamusan	2010	Hibumas 1, Hibumas 2, Sri Kamusan, Jebawang, Sekar Imej, Sapi Sugut	2010	Sandakan, Sabah	Certified
PT Perkebunan Milano	2009	Sei Daun, Batang Saponggol, Marbau	2009	North Sumatra	Certified
PT Mustika Sembuluh (POM 1 & POM 2)	2009	Mustika Sembuluh 1, Mustika Sembuluh 2, Mustika Sembuluh 3, KUD Bitu Maju Bersama	2010	Central Kalimantan	Certified
PT Kencana Sawit Indonesia	2010	Kencana Sawit Indonesia, Koperasi Swamata	2010	West Sumatra.	Certified
PT. Kerry Sawit Indonesia (POM 1 and POM 2)	2010	Kerry Sawit Indonesia 1, Kerry Sawit Indonesia 2, Kerry Sawit Indonesia 3	2011	Central Kalimantan	Certified
		KUD Sejahtera Bersama, KUD Kosudra, KUD Tabiku Makmur, KUD Karya Bersama	2020	Central Kalimantan	-
PT. Tania Selatan	2010	Burnai Barat, Burnai Timur	2010	South Sumatra	Certified
		KUD Bumi Jaya, KUD PUMA, KUD Tunggal Mulya, KUD Sinar Sawit Bahagia, KUD Dwi Tunggal, KUD Tani Mandiri, KUD Maju Jaya	2016	South Sumatra	Certified
PT. AMP Plantation	2011	AMP I, AMP II, AMP III, AMP IV, Koperasi Tompek Tapian Kandis, Koperasi AWM, Koperasi Bukit Sandiang Tigo, Koperasi Mutiara Sawit Jaya	2011	West Sumatra	Certified
		KUD Dastra II, KUD Dastra 1	2019	West Sumatra	-
PT. ANI (Sambas)	2018	ANI Sambas	2018	West Kalimantan	IC
		KUD Cempaka Biru, KUD Sentama Lestari (Plasma binaan ANI 1 Sambas)	2018	West Kalimantan	IC
PT. Buluh Cawang Plantation	2012	Bumi Arjo, Dabuk Rejo, Sukamulya, Bambu Kuning	2012	South Sumatra	Certified
PT. Bumi Kencana	2012	Bumi Sawit Kencana 1, Bumi Sawit Kencana 2, Karunia Kencana Permaisejati 1	2013	Central Kalimantan	Certified

PT. Sarana Titian Permata (POM 1 and POM 2)	2023	Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3	2023	Central Kalimantan	-
PT. Gersindo Minang Plantation	2013	Gersindo Minang Plantation, Permata Hijau Plantation-1, Permata Hijau Plantation-2	2013	West Sumatra	Certified
		KUD Sasak, KUD Kapar, Mutiara Bosa Sikilang, Permata Sawit Maligi	2019	West Sumatra	-
		PHP-1 (block 22)	2020	West Sumatra	-
PT. Daya Labuhan Indah	2013	Wonosari, Sei Deras, Cabang Dua	2013	North Sumatra	Certified
PT. Milano (Cabang Dua Estate)	2013	(Supply base DLI-2)	2013	North Sumatra	Certified
PT. Agro Palindo Sakti	2014	PT Agro Palindo Sakti Estate	2014	South Sumatra	Mill stop operation
PT. Mentaya Sawit Mas	2015	Mentaya Sawit Mas 1, Mentaya Sawit Mas 2, Bumi Sawit Kencana 2	2015	Central Kalimantan	Certified
PT. Sinarsiak Dianpermai	2020	PT Sinarsiak Dianpermai Estate	2020	Riau	-
PT. Murini Sam Sam	2015	Murini Sam Sam Estate	2015	Riau	Certified
PT Bumi Pratama Khatulistiwa	2017	Bumi Pratama Khatulistiwa Estate Buluh Cawang Estate	2017	West Kalimantan	Certified
PT Karunia Kencana Permaisejati	2017	PT. Karunia Kencana Permaisejati 1, PT. Karunia Kencana Permaisejati 2, PT. Karunia Kencana Permaisejati 3	2017	Central Kalimantan	Certified
PT Rimba Harapan Sakti	2015	PT. Rimba Harapan Sakti 1, PT. Rimba Harapan Sakti 2, PT. Kerry Sawit Indonesia 3	2015	Central Kalimantan	Certified
PT Agronusa Investama Landak	2020	PT ANI 2 Landak PT Pratama Procentindo	2020	West Kalimantan	-
PT. Agro Palindo Sakti 2	2020	Agro Palindo Sakti, Putra Indotropical, Daya Landak Plantation, Indoresin Putra Mandiri	2020	West Kalimantan	-
PT. Agroindo Indah Persada 2	2023	PT Agroindo Indah Persada Estate	2023	Bangko – Jambi	NPP Audit
PT. Musi Banyuasin Indah	2020	Sei Selabu, Sei Jarum, KUD Karya Gatra, KUD Karya Makmur Sriwijaya, KUD Panca Karya Jaya, KUD Sumber Makmur, KUD Tri Tunggal Karya	2020	South Sumatera	-

	BBPOP (Benso Plantation)	2015	Benso, Benso Smallholder	2015	Ghana	Certified
	*) updated 02 August 2019, reduction of scope PT Perkebunan Anak Negeri Pasaman (PANP Estate) and PT Karya Agung Megah Utama (KAMU Estate).					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Until this audit, Daya Labuhan Indah 2 POM has no engagement with associated smallholder and outgrower for certifiable standard.					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>RC</b>	<p><b>1. Andi Pratama Pasaribu (Lead Auditor).</b> Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS, lead auditor RSPO supply chain by BMTRADA etc. He has some experiences of Sustainability Palm Oil scheme audit in Indonesian and Malaysia in best management practices, land legality, environmental, social and worker welfare aspect and supply chain. During this audit, he verify land legality, social and supply chain aspect.</p> <p><b>2. Mohamad Amarullah (Auditor).</b> Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experience as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has attended several trainings such as lead auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, SA 8000 Awareness, ISO 14001, HCV, SCCS, etc. Has conducting several RSPO, ISPO and MSPO audit scheme as an auditor and lead auditor with expertise on best management practices for estate and mill (BMP), environment, conservation, safety, legal, social and supply chain aspects. Fluent in Bahasa, Malay and English. At the time of audit, has verify aspect of transparency and BMP.</p> <p><b>3. Rindu Galih Rezza Rachmansyah (Trainee Auditor).</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 1 year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on BUMN Indonesia as Assistant. Training which had attended including Training Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, Training ISPO, RSPO awareness, RaCP and NPP awareness for RSPO, OHSAS 18001 : 2007. He has been involved in several audit activities related to sustainable palm oil certification since 2017 covering Best Management Practices aspect, OHS, social aspect and worker welfare aspect. During the assessment, he support to verified worker welfare, social aspect and OHS.</p> <p><b>4. Steve Mualim (Auditor).</b> Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as an environmental management consultant in 2012 and sustainable palm oil assurance auditor since 2013. Has attended several trainings i.e.: supply chain, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, ISO 9001:2008, etc. Has conducting several audit for RSPO, ISPO and MSPO scheme with expertise on best management practices, conservation and environmental management. Fluent in Bahasa and Chinese Mandarin. In this audit He conducted an assessment on social aspect, HCV, waste management, and environmental management.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>RC</b>	<p>Number of auditor: 3 auditor and 1 trainee auditor</p> <p>Number of days for <b>RC</b> at site: 4 days</p> <p>Number of working days for <b>RC</b> at site: 12 working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Daya Labuhan Indah to 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 30<sup>th</sup> September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D and E for CPO Mill).</p> <p>Auditor team traveling on Monday, 24 June 2019 by using train from Medan to Rantau Prapat. It take time approximately 9 hours from Medan to site of PT. Daya Labuhan Indah. opening meeting has been held on Tuesday, 25 June 2019 in Wonosari Estate attended by auditor team and management representatives. Document verification separated in each estates and mill. Closing meeting held on Friday 28 June 2019. There is no diverging opinion that delivered by auditee</p>



during the closing meeting.

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 **Re-Certification** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.1**).

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

The assessment program please find Appendix 2

### 2.2.3

### Locations of Assessment

#### RC

Number of units in this certification activity is 3 (three) estates, which supply the raw material (FFB) to DLI 2 POM. In conducting the assessment, the team of auditors use the clause 4.7.1 on RSPO Certification System For Principle and Criteria (Endorsed June 2017) *"The CB's procedures shall include the sampling methodology (see 4.7.2) for initial certification, surveillance and re-certification audits, where there are more than four estates or associated smallholders, otherwise all estates must be visited as part of the assessment"*. The team of auditors determined that the sampling locations are 1 (one) Palm Oil Mill (DLI 2 POM) and 3 (three) Estates (Cabang Dua, Wonosari and Sei Deras Estate).

#### DLI-2 POM of PT DLI – 25 June 2019

- **Grading Station.** Observation and Interview with Supervisor, Foreman and 2 FFB Graders, on their understanding towards FFB sources from PT DLI (KWS and KSD) and PT Milano (CDE and MBE), technical (sampling method, FFB quality standard and recording), OSH, manpower and environment aspects, as well as facilities provided by the company.
- **Loading Ramp Station.** Observation and interview with 1 Operator, on his understanding towards technical, OSH, manpower and environment aspects, as well as facilities provided by the company.
- **Sterilizer Station (Vertical).** Observation and interview with 1 Operator, on his understanding towards technical, OSH, License, manpower and environment asects, as well as facilities provided by the company.
- **Kernel Station.** Observation and interview with 1 Operator, on his understanding towards technical, OSH, manpower and environment aspects, as well as facilities provided by the company. The worker has works less than 1.5 years and promoted into permanent worker after 6 month of probation period.
- **Boiler Station.** Observation and interview with 1 Operator, on his understanding towards technical, Boiler Capacity (20 ton/hour), License, OSH, manpower and environment aspects, as well as facilities provided by the company. DLI-2 POM has 4 Boiler Operators with Class 1 License.
- **Power House Station.** Observation and interview with 1 Operator, on his understanding towards technical, Generator Capacity (3 units with capacity > 200 kVA, e.g.: 48 kW, 125 kW and 400 kW), License for Electrical Expert, OSH, manpower and environment aspects, as well as facilities provided by the company.
- **Clasrification Station.** Observation and interview with 1 Operator, on his understanding towards technical, OSH, manpower and environment aspects, as well as facilities provided by the company.
- **Press Station.** Observation and interview with 1 Operator, on his understanding towards technical, OSH, manpower and environment aspects, as well as facilities provided by the company.
- **Security Gate.** Observation and interview with security officer regarding of receive and dispatch procedure.
- **Weighbridge.** Observation and interview with weighbridge operator regarding of receive and dispatch procedure, certified and noncertified product recapitulation etc.
- **Hydrant Simulation No. 04 & No. 05.** Observation related to simulation of emergency procedure.
- **Laboratorium.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Lubricants store.** Observation related OHS and material handling
- **Chemical store.** Observation related OHS and material handling
- **Workshop.** Obervation related OHS and waste management
- **Diesel fuel tank.** Observation related OHS and material handling



- **Water treatment plant.** Observation related OHS and water usage monitoring
- **EFB burner.** Observation for EFB management
- **Empty bunch area.** Observation for EFB management
- **Effluent pond.** Observation for POME management
- **Hazardous waste store.** Observation related OHS and material handling

### Cabang Dua Estate (CDE) Division 1 of PT Perkebunan Milano – 26 June 2019

- **Block 47.** Observation and interview with 2 **Loosefruit Collectors** (all female), on their understanding towards technical, premium calculation, daily work base, OSH, manpower, environment and conservation aspects, as well as facilities provided by the company.
- **Block 49.** Observation of **Manual Circle Weeding** works and interview with Foreman and 2 workers (1 male and 1 female) which also fertilizer applicators, on their understanding towards technical, OSH, manpower, environment and conservation aspects, as well as facilities provided by the company.
- **Block 46/47/52.** Observation to **beneficial plant (*Turnera subulata*) planting** on the edge of collection and/or main road (canal).
- **Block 55.** Observation to **Barn Owl (*Tyto alba*) Nest** which expected to control rat population on radius about 40 ha. However, there is no sign of nest occupation.
- **Block 59.** Observation to **Water Level Stick (Ruller)** which installed on drainage canal and **Subsidence Pole** which installed since 2011. Measurements indicates that average water level and subsidence rates on the visiting Block were about 60 cm and 2.12 cm/year, respectively. Estate management informed that there were 20 spots of water level monitoring throughout the CDE.
- **Block 56.** Observation to **Harvesting** activities and interview with Foreman and 1 Harvester, on their understanding towards technical, premium calculation, daily work base, harvesting rotation, OSH, manpower, environment and conservation aspects, as well as facilities provided by the company.
- **Block 60.** Observation to **Herbicide Application** (Glinat and Tiara) on the palm circle and harvesting path, and interview with Foreman, 1 Tractor Driver and Pesticide Applicators (5 males and 3 females), on their understanding towards technical, OSH, manpower, environment and conservation aspects, as well as facilities provided by the company.
- **Block 42/43.** Observation to Flap Gate which aims for water management control on the estate.
- **Boundary Pole BPN I (Block 41) and BPN VI (Block 60).** Observation of demarcation area and it maintain.
- **HCV Area, Cemetery Block 41.** Observation of conservation area.
- **Manuring Worker.** Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Feromon Trap at Block B2, 46 & 52.** Observation related to Integrated Pest Management for *Oryctes rhinoceros* control.
- **Landfill block D2 44.** Observation for domestic waste management
- **Diesel fuel store.** Observation related OHS and material handling
- **Hazardous waste store.** Observation related OHS and material handling
- **Workshop.** Observation related OHS and waste management
- **Fertilizer store.** Observation related OHS and material handling
- **Fertilizer washing sack area.** Observation for OHS and material handling
- **PPE store and spraying team rinse store.** Observation for OHS and waste management
- **Chemical store.** Observation related OHS and material handling
- **Lubricants store.** Observation related OHS and material handling
- **Power house.** Observation for OHS and waste management
- **Potable water depot.** Observation for workers facilities
- **Clinics.** Observation for workers facilities and OHS
- **Kindergarden.** Observation for workers facilities.
- **Firefighting simulation.** Observation for emergency response team and OHS
- **Housing.** Observation for workers facilities, waste management, and OHS

### Wonosari Estate (KWS) of PT DLI – 27 June 2019

- **Boundary Pole BPN PT DLI XXXII (Block 116).** Observation of demarcation area and it maintain.

- **Landfill block 147 div 2.** Observation for domestic waste management
- **Workers housing div 2.** Observation for workers facilities, waste management, and OHS
- **Elementary school div 2.** Observation for workers facilities and OHS
- **Daycare.** Observation for OHS and worker facilities
- **Diesel fuel tank div 2.** Observation related OHS and material handling
- **PPE store and spraying team rinse store div 2.** Observation related OHS and waste management
- **Fertilizer washing sack area div 1.** Observation related OHS and material handling
- **PPE store and spraying team rinse store div 1.** Observation related OHS and waste management
- **Fertilizer store.** Observation related OHS and material handling
- **Chemical store div 1.** Observation related OHS and material handling
- **Workshop.** Observation related OHS and waste management
- **Diesel fuel tank div 1.** Observation related OHS and material handling
- **Power house div 1.** Observation for OHS and waste management
- **Hazardous waste store.** Observation related OHS and material handling
- **Firefighting simulation.** Observation for emergency response team and OHS
- **Clinics.** Observation for workers facilities and OHS

### Sei Deras Estate (KSD) of PT DLI – 27 June 2019

- **Boundary Pole BPN PT DLI 01 (Block 82) and BPN PT DLI 03 (Block 102).** Observation of demarcation area and it maintain.
- **Division 1 Block 83.** Observation to **Fertilizer (Urea) Application** activities and interview with Foreman and 5 Applicators (all female), on their understanding towards technical, OSH, manpower, environment and conservation aspects, as well as facilities provided by the company.
- **Division 1 Block 72.** Observation to **Water Level Monitoring Stick** and **Peat Subsidence Pole** which installed since 2010/2011. Measurements indicates that average water level and subsidence rates on the visiting Block were about 75 cm and 2.10 cm/year, respectively. Estate management informed that there were 64 spots of water level monitoring and 9 spot of subsidence monitoring throughout the KSD.
- **Division 1 Block 60.** Observation to **Herbicide Application** on the palm circle and harvesting path, and interview with Foreman and Pesticide Applicators (9 females and 3 males), on their understanding towards technical, OSH, manpower, environment and conservation aspects, as well as facilities provided by the company.
- **Division 1 Block 62.** Observation to **HCV (1.1; 1.3; 1.4; 2.3; 3 and 4.1)** management area.
- **Chemical Warehouse.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Oil Warehouse.** Observation related to emergency procedure and material handling.
- **Spare Part Warehouse.** Observation related to emergency procedure and material handling.
- **Solar Tank.** Observation related to emergency procedure and material handling.
- **Rinse House and PPE Warehouse.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Workshop.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Fire Fighting Simulation.** Observation related to simulation of emergency procedure.
- **Clinic.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Child Daycare.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Housing Complex Division 1.** Observation related to employee facilities, management of domestic waste, emergency response facilities, provision of clean water and electricity.
- **Landfill Block 87 Division 1.** Observation for domestic waste management

### Stakeholder

	<ul style="list-style-type: none"> <li>Public consultation with government of Labuhanbatu District, Province of Sumatera Utara (National Land Agency; Environmental Agency; Manpower Agency; and Agriculture Agency)</li> <li>Public consultation with surrounding community (Local Contractor, Bilah Village, Sei Tampang Village and Sei Nahodaris Village)</li> <li>Public consultation with Internal Stakeholders (Gender Committee and Labor Union)</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>The public consultation with stakeholders to PT Daya Labuhan Indah done through:</p> <ul style="list-style-type: none"> <li>Public announcement on RSPO website on 17<sup>th</sup> May 2019.</li> <li>Conduct a public announcement on the CB website (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 17<sup>th</sup> May 2019.</li> <li>Conducting visits and direct interviews with stakeholders (National Land Agency; Environmental Agency; Manpower Agency; and Agriculture Agency of Labuhanbatu District, Sumatera Utara Province) on 25<sup>th</sup> June 2019.</li> <li>Conduct consultations via email questionnaire to NGOs (WALHI, Sawit Watch, World Wildlife Fund for Nature, and Aliansi Masyarakat Adat Nusantara) on 18<sup>th</sup> June 2019.</li> <li>Conducting visits and direct interviews with stakeholders (Local Contractor, Bilah Village, Sei Tampang Village and Sei Nahodaris Village) on 25<sup>th</sup> – 26<sup>th</sup> June 2019</li> <li>Conducting Interviews with the Gender Committee and Labor Union PT Daya Labuhan Indah on 25–26 June 2019.</li> </ul>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <i>ASA-1.1</i> ) will be conducted eight (8) month to twelve (12) month after date of annual license.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were three (3) Non-Conformities were assigned against Major Compliance Indicators; two (2) Non-Conformities were assigned against Minor Compliance Indicators; and one (1) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (*document record/photographic/etc*). Those corrective actions taken that consist of three (3) Major Non-Conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Daya Labuhan Indah 2 Palm Oil Mill – PT Daya Labuhan Indah subsidiary of Wilmar International Limited complied with the requirements of Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30<sup>th</sup> 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 and E for CPO Mill); and RSPO Certification System for Principles and Criteria, 14 June 2017.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>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.</b>	
<b>1.1.1 and 1.1.2</b>	<p>PT DLI shows list of stakeholder for period June 2019, which lastly updated on June 2019 by Public Relation Unit (<i>Unit Bina Mitra</i>), consist of 31 government representatives, 13 village representatives, 2 elders, 23 suppliers, 3 NGO, 2 Press, 1 Bank/Creditor, 3 surrounded Companies and 3 internal organization. The list has informed name of institution, address, contact number and PIC. Stakeholders were mostly located on Sub-District of Bilah Hilir, District of Labuhanbatu. Furthermore, PT Perkebunan Milano shows list of stakeholder for period 2019, which lastly updated on June 2019 by Public Relation Unit (<i>Unit Bina Mitra</i>), consist of 30 government representatives, 7 village representatives, 1 elders, 23 suppliers, 1 NGO, 1 Press, 1 Bank/Creditor, 2 surrounded Companies and 1 internal organization. The list has informed name of institution, address, contact number and PIC. Stakeholders were mostly located on Sub-District of Panai Tengah, District of Labuhanbatu.</p> <p>List of company informations that could be accessed by stakeholders or public for PT DLI and PT Perkebunan Milano is presented in document No. 061/DLI/KWS/Ext/VII/2015 and No. 097/MLN-CDE/Ext/VII/2017, respectively. Those information are consist of 17 type of information such as documents related to land title and business permit, environment, occupational health and safety, company profile and organization structure, company policy, complaint and grievance record, negotiation record, sustainable and continuous improvement management plan, etc. The list of stakeholder has been socialize to 16 related stakeholders on 01 July 2015 and 31 July 2017. All report related to government institutions has also could be accessed by public. Request of information which not listed above shall be after permitted by top management.</p>	

Procedure of information request and service for PT Daya Labuhan Indah (PT DLI) is presented in document No. SOP-BNM-003 dated 01 February 2015, while for PT Perkebunan Milano (PT Milano) is presented in document No. PRO-BM.GEN-002 and PRO-BM.GEN-005. Those procedure mentioned that all information requested shall be responses less than 1 (one) month. Information could be requested through several media, such as Official Letter, Suggestion Box, Email, etc. Personal General Affair (PGA) and Public Speaker are the PIC who make sure that all information requested is immediately responses after approved by Estate/Mill Manager. The PIC for PT DLI and PT Milano has appointed through Decree of Senior Human Resources Region (Sr-HRR) Sumatera Utara No. 001/DLI-HRD/SK/II/2019 dated 01 February 2019 and No. 001/MLN-HRD/SK/II/2019 dated 28 January 2019, respectively.

The PIC mentioned that Information which has no listed on public document, is approved when permitted by top management. Especially for regular compulsory report which delivered to several Agencies, receipt of report delivery is made as evidence of response. Information request and response is recorded on the Logbook of Letter In and Out. According to Logbook record for period 2018/2019 in PT DLI and CDE PT Milano, it was known that there were no information request from stakeholder. Mostly Letter-In were about funding proposal. According to interview with surrounding communities of PT DLI and PT Milano, Environment Agency, Plantation Agency and manpower Agency of Labuhanbatu District, it was known that company management is considered cooperative in providing data requested and/or data which presented in periodic compulsory report.

**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

List of company informations that could be accessed by stakeholders or public for PT DLI and PT Perkebunan Milano is presented in document No. 061/DLI/KWS/Ext/VII/2015 and No. 097/MLN-CDE/Ext/VII/2017, respectively. Those information are consist of 17 type of information such as documents related to land title and business permit, environment, occupational health and safety, company profile and organization structure, company policy, complaint and grievance record, negotiation record, sustainable and continuous improvement management plan, etc. The list of stakeholder has been socialize to 16 related stakeholders on 01 July 2015 and 31 July 2017. All report related to government institutions has also could be accessed by public. Request of information which not listed above shall be after permitted by top management. PT DLI and CDE of PT Milano management are able to shows evidence of information/report delivery to several government institutions, for example as recapitulate in the following Table:

Institution	Type of Report	Date of Delivery		
		KWS/KSD	DLI-2 POM	CDE
Manpower Agency	WLTk Annual 2018	22 Mar 2019	30 Aug 2018	25 Mar 2019
	P2K3 Quarter I 2019	27 May 2019	30 Apr 2019	18 Apr 2019
Plantation Agency	Land Fire Quarter II 2019	23 Jan 2019	-	16 Jan 2019
	LKUP Annual 2018	11 Feb 2019	11 Feb 2019	16 Jan 2019
Environment Agency	RKL/RPL Semester II 2018	01 May 2019	01 May 2019	16 Jan 2019
	Hazardous Material Q-I	30 Apr 2019	30 Apr 2019	18 Apr 2019
Land Agency	HGU realization 2018/2019	20 Feb 2019	-	18 Jun 2019

According to the table above, it could be concluded that PT DLI and PT Perkebunan Milano has monitor compulsory periodic report and deliver it on time.

**Status: Comply**

### 1.3

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

#### 1.3.1

The company has a Corporate Ethics Code (applicable to Plantation & Industry), Approved by the Country Head, known by HRGA Corporate Head (Human Resource and General Affair) and Examined by the Sustainability Division Head, effective from 15 December 2015, Revision 01 28 / 3/2016 (Document No: 044 / DIR-KP / XII / 2015).



The code of ethics is communicated by giving out information to workers and contractors regarding the policy and to ensure that workers are willing to follow the conditions stated in the policy, workers and contractors make written statements including:

- A statement that the worker has known the code of ethics and will carry out his obligations as a worker to comply with this on 26 December 2018 for workers from PT Perkebunan Milano – Cabang Dua Estate a. Rahmad S, Budi Harto and others.
- The Integrity Pact between PT Perkebunan Milano – Cabang Dua Estate and local contractors to find out and implement the company code of ethics that applies while working in the company's operational environment. The integrity pact was made on 12 December 2018 by a contractor Raslin, dated 17 December 2018 by a contractor Khairul Anwar Lubis, and 18 December 2018 for contractors A. Triwahyudi.

Based on the results of interviews with local contractors it is known that so far the company has always delivered socialization related to the code of ethics to the local contractor at the time of signing the employment contract so that the contractor understands the provisions well and also has an integrity pact signed to comply with this.

**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

The company has shown evidence related to compliance with the applicable laws and regulations in Indonesia including:

##### Compliance with Land Title

As explained in the previous assessment, DLI 2 POM and its supply bases operated **6,226.58 Ha** area. Those area covered by land title as follows:

- Land use title (HGU) of PT Daya Labuhan Indah (Wonosari Estate, Sei Deras Estate) covers **4,694.5 ha**. Valid for 30 year (until 2022)
- Land use title (HGU) of PT Perkebunan Milano (Cabang Dua Estate) covers **654.33 ha**. Valid until August 2021.

Total → **5,348.83 Ha**

##### Compliance with Plantation Business Permit

1. PT. Daya Labuhan Indah has had a plantation permit as follows:

- **Plantation Business Permit for Processing (IUP-P)** covers **30 tons of FFB/hour** processing capacity, based on Labuhanbatu Regent Decree No. 180/27/Huk/2012, dated 12 October 2012.
- **Plantation Business Permit (IUP)** covers **4,694.5 ha** area and **30 tons of FFB/hour** processing capacity, based on Labuhanbatu Regent Decree No. 180/100/Huk/2013, dated 28 March 2013.

2. PT. Perkebunan Milano has had a plantation permit **Plantation Business Permit (IUP)** covers **654.33 ha** area, based on Labuhanbatu Regent Decree No. 180/21/Huk/2013, dated 4 April 2013.

Meanwhile, the non-HGU area also had a plantation permit as follows:

1. **Plantation Business Permit (IUP)** covers **445.88 ha** area, based on Labuhanbatu Regent Decree No. 180/102/HUK/2014, dated 8 April 2014.
2. **Plantation Business Permit (IUP)** covers **431.87 ha** area, based on Labuhanbatu Regent Decree No. 503/327/BPPTPM-LS/2014, dated 5 September 2014.

##### Compliance with Labor Regulations

- The company has applied a minimum wage in the wage system and is in accordance with Ministry of Manpower Regulation No. 07/2013 concerning Minimum Wages
- The company has a wage structure and scale for each level of work and is in accordance with Ministry of Manpower Regulation No. 01/2017 concerning Wage Structure and Scale
- The company has regularly reported the Annual Mandatory Workforce Report and in accordance with Ministry of Manpower Regulation No. 18/2017 concerning Mandatory Reporting on Labor

### **Compliance with OHS Regulations**

- The company has 2 workers on duty and licensed as Electrical OHS Technicians and for Electric OHS Experts the company still submits its training to the Sumatera Utara Provincial Manpower Office to include training, but until now the OHS Company Services registered at the agency does not have a schedule training for Electric OHS Experts. This is evidenced by letter No. 001 / PKS / DLI-2 / EL / VI / 2019 from the company to the Sumatera Utara Provincial Manpower Office on 20 June 2019 regarding the request for the schedule for the implementation of certification training for Electrician OHS Experts, the letter has been responded to by the related party by sending a letter No. 142-7 / WIL-IV / DTK / SU / 2019 dated 24 June 2019 regarding the response to the previous letter and stated that until now there has been no schedule for training certification for Electricity OHS Experts held by OHS Company Services in Sumatera Utara Province.
- The company has permits for machinery and heavy equipment vehicles in accordance with applicable regulations including:
  - ❖ Permission No. 560/999 / NAKER-4/2007 for Diesel Motors which have been routinely inspected on 26 July 2018 and must be re-examined on 27 July 2019.
  - ❖ Permission No. 560 / 010-6 / Naker-4/2008 for Wheel Loaders which have been routinely inspected on 26 July 2018 and must be re-examined on 27 July 2019.
- The company has workers with a license / certificate for jobs that require special expertise in OHS accordance with what is required in legislation, including:
  - ❖ License as Transport and Lifting Equipment Operator (Bulldozer) in the name of Nasrudin with license No. 63690-OPK3-LT / PAA / VI / 2016 which is valid until 16 June 2021
  - ❖ License as Transport and Lifting Equipment Operator (Dump Truck) in the name of Junaidi with license No. 140054-OPK3-LT / PAA / 2019 which is valid until 01 April 2024
  - ❖ License as Power & Production Equipment Operator (Turbine Engine) in the name of Suri Marisno with license No. 150-OPM-K3 / PTP / V / 2017 which is valid until 01 March 2022
  - ❖ License as Power & Production Equipment Operator (Diesel Motor) in the name of Suri Marisno with license No. 136-OPM-K3 / PTP / V / 2017 which is valid until 01 March 2022
  - ❖ License as Boilerman Class 1 in the name of Bahriun Rambe with license No. 1123 / OPK3 / B.1 / X / 2015 which is valid until 12 August 2020
  - ❖ License as Boilerman Class 1 in the name of Sarmono with license No. 762 / OPK3 / B.1 / VI / 2018 which is valid until 04 April 2023
  - ❖ License as Welder Class 3 in the name of Repin Sitanggang with certificate No. 289 / JL / PNK3 / V / 2013
  - ❖ License as Welder Class 3 in the name of Aswin Hariadi with certificate No. 753 / JL / PNK3 / IX / 2015
- The company has a Clinic License along with doctors and paramedics who have attended "Hiperkes" (Industrial hygiene, ergonomic and health) training in accordance with applicable regulations, including:
  - ❖ Clinic License No. 503.445.1 / 439 / DPMPSTSP-BP4 / 2018 dated 11 December 2018 for PT Daya Labuhan Indah Clinic which is valid for 5 years
  - ❖ Doctor in the name of Piter Situngkir with Hiperkes No. certificate. 21,695 / DH-VII / 09 which was passed in November 2009
  - ❖ Paramedic in the name of Armijah Harahap with the Hiperkes No. certificate. 102 / BK3-MDN / X / 2009 which was passed in November 2009
  - ❖ Paramedic in the name of Fatmawati with the Hiperkes No. certificate. 10.482 / DH-VII / 09 which was passed in November 2009
  - ❖ Paramedic in the name of Titiek Ismiarti with Hiperkes No. certificate. 10.476 / DH-VII / 09 which was passed in November 2009

### **2.1.2; 2.1.3 & 2.1.4**

The company has a list of regulations for legal compliance in each estate and mill consisting of regulations on a regional, national and international scale. the list of rules is divided into 4 parts, namely:

- Law Register for Occupational Safety and Health (OHS) is 42 regulations
- Law Register for Plantation (related to Plantation Business) is 73 regulations
- Law Register for Worker Welfare is 53 regulations
- Law Register for Environmental is 68 regulations

The company has a mechanism to update the regulation in SOP-GEN-017 which explains that every year a regulatory

update will be carried out by staff from the Safety Officer, Human Resources and Bina Mitra department as PIC in accordance with the presence or absence of new regulations that are relevant to the business plantation and certification. The company has been evaluated the compliance and implementation of regulation annually which is conducted in conjunction with RSPO audit activities.

The company has also conducted an RSPO internal audit on 02 January 2019 for PT Daya Labuhan Indah and 22 January 2019 for PT Perkebunan Milano - Cabang Dua Estate, where at the time of the audit the activity was carried out in conjunction with the inspection regarding compliance with relevant regulations. In addition to conducting audit activities, the company has also carried out reviews related to the list of regulations each year. the last review was conducted on 01 March 2019 with the result that there were additional new regulations in the law register, including:

- Additions to the Law Register for the Worker Welfare, namely the Governor's Decree related to District Sectoral Minimum Wages in 2019.
- Additions to the Law Register for the OHS, namely Presidential Regulation No. 07/2019 concerning Occupational Diseases
- Additions to the Law Register for the Environment, namely the Minister of Environment and Forestry Regulation No. 95/2018 concerning Licensing for the Management of Hazardous and Toxic Wastes Integrated with Environmental Permits through the Licensing of Entrepreneurs Trying to be Integrated Electronically.
- Additions to the Law Register for Plantation, namely Regulation of the Minister of Agriculture No. 05/2018 concerning the Opening and / or Processing of Plantation Land without Burning.

Based on the that description, **Non Compliance No. 2018.02 has been closed.**

**Status: Non Compliance No. 2018.02 has been closed.**

## 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

#### Land Title

As explained in the previous assessment, DLI 2 POM and it supply bases operated **6,226.58 Ha** area. Those area covered by land title as follows:

- Land use title (HGU) of PT Daya Labuhan Indah (Wonosari Estate, Sei Deras Estate) covers **4,694.5 ha**. Valid for 30 year (until 2022)
- Land use title (HGU) of PT Perkebunan Milano (Cabang Dua Estate) covers **654.33 ha**. Valid until August 2021.

Total → **5,348.83 Ha**

Based on that, there was **877.75 Ha** area are now on progress which is divided in to 22 cadastral map. According to the cadastral map released by land national title on 2016, those area located into 2 district Labuhanbatu and Labuhanbatu Selatan.

Certificate holder/seeker consider to fulfil the land title for the non-HGU area according to the *RSPO update statement on Hak Guna Usaha on 13 July 2019, stated that: for RSPO grower members that are currently RSPO certified but area yet to obtain the HGU, their certification will continue and they can proceed to recertification.*

#### Plantation Business Permit

1. PT. Daya Labuhan Indah has had a plantation permit as follows:

- **Plantation Business Permit for Processing (IUP-P)** covers **30 tons of FFB/hour** processing capacity, based on Labuhanbatu Regent Decree No. 180/27/Huk/2012, dated 12 October 2012.
- **Plantation Business Permit (IUP)** covers **4,694.5 ha** area and **30 tons of FFB/hour** processing capacity, based on Labuhanbatu Regent Decree No. 180/100/Huk/2013, dated 28 March 2013.

2. PT. Perkebunan Milano has had a plantation permit **Plantation Business Permit (IUP)** covers **654.33 ha** area, based on Labuhanbatu Regent Decree No. 180/21/Huk/2013, dated 4 April 2013.

Meanwhile, the non-HGU area also had a plantation permit as follows:

1. **Plantation Business Permit (IUP)** covers **445.88 ha** area, based on Labuhanbatu Regent Decree No.



180/102/HUK/2014, dated 8 April 2014.

2. **Plantation Business Permit (IUP)** covers **431.87 ha** area, based on Labuhanbatu Regent Decree No. 503/327/BPPTPM-LS/2014, dated 5 September 2014.

Based on that fact concluded that all operational area has been covered by plantation permit.

### **2.2.2**

#### **Previous NC's**

The certificate holder has not been able to show evidence that all HGU poles have been identified and maintained in accordance with the provisions in Government Regulation No. 24 of 1997 on land registration, and SOP-GEN-007 on maintenance of HGU boundary.

Based on the HGU Map (Attachment of HGU Certificate No. 01 of 1992), Wonosari Estate Boundary Map and Sei Deras Estate (internal version), and field observations, there are still some unsuitable issues:

- In the document of Minutes of Monitoring of HGU poles of PT DLI, it is stated that the base of monitoring of the poles is the Situation Draw Map No. 4/12/1989 (area 5,394 ha). Based on the study of HGU Decree No. 29 / HGU / BPN / 92, it is known that the map is not a final map (area 4,694.5 ha), because there is still an area of 699.5 Ha that has not been issued. In addition, the number and number of poles in the map is not the same as the HGU Map (Appendix of HGU Certificate No. 01 of 1992). Note: the map number of the parcels in the certificate is unknown
- Total of 40 HGU poles contained in HGU Map (Appendix of HGU Certificate No. 01 of 1992) have not been fully identified in Boundary Maps of internal management version.
- Many numbers of HGU Poles in the Boundary Map (internal version) are inconsistent with HGU Map (Appendix of HGU Certificate No. 01 of 1992).
- Based on field observation, there are HGU poles in lost condition, that is HGU Poles No. XVI (No. 32) and HGU pole No. XXXIII (No. 21). And there are HGU pole in damaged condition, namely No. XXIII (No.10). Note: Roman numerals are in accordance with the HGU Maps (Certificate), and the latin number corresponds to the internal identification map.

#### **Verification on 28 June 2019**

Certificate holder has shown corrective evidence such as boundary poles monitoring report in each unit. Based on that report known that each unit has conducted boundary poles maintenance regularly (weeding, re-painting and rebuilding for broken/lost poles). However, there is no evidence of synchronize of boundary poles numbering between cadastral map with internally numbering on the ground. Based on that, it raised as **nonconformity No. 2018.03 indicator minor raised to major**.

### **2.2.3; 2.2.4; 2.2.5**

According to land historical record, known that concession area of Wonosari and Sei Deras Estate (PT Daya Labuhan Indah) was owned by Asam Jawa Group and Cabang Dua Estate (owned by PT Perkebunan Milano) before took over by Karya Praja Nelayan Group (KPN Group). During year 2001, PT Perkebunan Milano was took over by Wilmar International Ltd. On 2005, Wilmar also took over PT. Daya Labuhan Indah. After this process, there was no record of expansion by Wilmar.

Based on public consultation with village representatives near the plantation area (Bilah and Sei Tampang Village on 25 June 2019 and Sei Nahodaris Village on 26 June 2019) informed that there is no land dispute case around the concession area until now.

### **2.2.6**

Wilmar International Limited has had Human Right Policy which was published in June 2014 and endorsed by the Group and Group Head Plantation CSR Head. In the policy stated that the commitment Wilmar supports the respect and protection of human rights as a policy anti child labor, OHS, providing equal opportunity for everyone, reports and complaints, anti-sexual harassment, anti-violence and torture, respect for reproductive rights, and social responsibility company. This policy applies to all companies under subsidiaries of Wilmar International Limited including suppliers and contractors. Based on the results of consultation with employee representatives (gender committee on and labor union, village representatives from Bilah, Sei Tampang and Sei Nahodaris villages and related agency of Labuhanbatu district known there was no issues of the use of confrontation and intimidation by the company to maintain peace and order, and

there is no indication of the use of military or mercenaries.		
2.2.2	<b>Status:</b> <b>Non-Conformity No. 2018.03 with Major category (Minor raise to Major)</b>	
<b>2.3</b> <b>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.</b>		
<b>2.3.1; 2.3.2; 2.3.3; 2.3.4</b> <p>Based on document Identification of HCV and stakeholder consultation, there was not found customary / indigenous rights in operational area. There was the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The evidences comprising of participants' list and photographs.</p> <p>Based on public consultation with village representatives from Bilah Village, Sei Tampang and Sei Nahodaris known that there was no customary right in or near the concession area of PT Daya Labuhan Indah and PT. Perkebunan Milano (Cabang Dua Estate). All land acquisition between local people and company representatives conducted as mutual agreement between the land owner witnessed by village head and village representatives. All agreement that signed by all parties involved documented in Bahasa.</p>		
	<b>Status: Comply</b>	
<b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b>		
<b>3.1</b> <b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b>		
<b>3.1.1</b> <p>Long term management of PT DLI is presented in document of "PT DLI Financial Projection from 2019-2024", which consist several parameters on financial, area statement, crop and estate cost, FFB processed and milling cost, plantation development cost, capital expenditure of estate and mill, as well as sustainability implementation cost. For example, projection of FFB processed, CPO production, Kernel production, mill utilization, FFB price, CPO price and kernel price for period 2023 are 324,250 ton; 67,642 ton; IDR 15,389/kg; 91.90 %, IDR 1,992/kg, 8,685/kg and IDR 6,080/kg, respectively. Management unit stated that the business plan are subjected to changed and reviewed annually by the respective management through considering actual trends and dynamic situation which predicted could be changed in the future. Management review has refers to Procedure No. SOP-GEN-018 dated 15 August 2015. The objective of annual review is to optimize the company resources to obtain a satisfactory goal. The longterm plan was extracted more details in annual budget plan which prepared by the Estate Manager. Regarding peat management, the current water management has considered satisfactory. Furthermore, the company has no plan for smallholders scheme.</p>		
<b>3.1.2</b> <p>Wonosari Estate (KWS) and Sei Deras Estate (KSD) management of PT DLI and Cabang Dua Estate (CDE) of PT Milano mentioned that among criteria of replanting are 25 years planting cycle, productivity bellow 16 ton/ha/year and planting density has less than 100 palms/ha. Replanting in PT DLI and CDE PT Milano is summarized as follows:</p> <ul style="list-style-type: none"> <li>According to information from Estate management of PT DLI and planting data review, it was known that first cycle of palms were planted between 1991 to 1996, while second cycle which the present palms were planted starting from 2009 to 2015. The later year were covers area for about 314.85 ha. Thus, there is no replanting program in the near future.</li> <li>According to information from Estate management of CDE of PT Milano and planting data review, it was known that first cycle of palms in CDE were planted between 1986 to 2008, while second cycle which the present palms were planted starting from 2013 to 2017. The later year were covers area for about 271.92 ha. Thus, there is no replanting program in the near future.</li> </ul> <p>Based on explanation above, it could concluded that there is no replanting plan for the next five years (up to 2024/2025). According to year of planting only, the next replanting is expected to be carried as early on 2034 in KWS.</p>		
	<b>Status: Comply</b>	

### 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

Estate and Mill management informed that there are no revision on the current procedure of oil palm agronomy and processing, describes as follows:

- Procedure for oil palm processing are presented in document No. SOP-MILL-001 to No. SOP-MILL-044, with the most updated was dated on 05 December 2017. The procedure has covers FFB acceptance, FFB Grading, Weigh Bridge, FFB processing, laboratory works, operational on processing Stations (Loading Ramp, Sterilizer, Thresher, Digester, Screw Press, Vibrating Screen, Crude Oil Tank, Decanter, Oil Tank, Sludge Tank, Depericarper, Nut Silo, Ripple Mill, LTDS, Claybath and Kernel Silo), dispatch of CPO and kernel, transportation and supply chain management system.
- Procedure for oil palm agronomy are presented in document No. PRO-EST-001 to PRO-EST-018, with the most updated was dated on 01 April 2019. The procedure has covers nursery, legume cover crop, replanting, field upkeep, harvesting, as well as integrated pest and disease management.
- Procedure of safety are presented in several documents such as No. PRO-EHS-14 dated 01 March 2012 and No. SOP-GEN-025 dated 01 February 2015 about PPE, No. PRO-GEN-013 dated 01 July 2012 about emergency situation including first aid, No. SOP-GEN-002 dated 01 February 2015 about HIRAC and No. FRM-GEN-068 about fire monitoring. Further detail on safety working procedure is described in Hazard Identification Risk Assessment Control (HIRAC) and Material Safety Data Sheet (MSDS) of agrochemicals.

According to procedure review, it could be concluded that the oil palm agronomy and processing procedures were still relevant with current situation and covers all main aspects from the estate to the mill. All procedures were available in Bahasa. Furthermore, based on observation to estate and mill office, it was known that the procedure were available onsite, distributed by Document Controller. Based on observation and interview with workers on the estates and mill, it was known that in general the workers were able to explain and demonstrate their technical matters in accordance with the procedure. Furthermore, they are also able to explain safety aspect, as well as type, usage and management of personal protective equipment (PPE) being used during working hours.

##### 4.1.2

List of procedure is presented in document No. FRM-GEN-012-019 and No. Form-EHS/DLI/002-00 dated 01 April 2019 which updated by Document Controller. In order to ensure consistency compliance towards procedure implementation, the CH has several mechanism which presented in several documents, such as Annual Management Review meeting which presented in document No. FRM-GEN-018-007 dated 27 March 2019; Monthly Crop and Cost Meeting which presented in document Form No. FRM-GEN-083 for April and May 2019; RSPO and ISPO Internal Audit and Correction report which presented in document No. FRM-GEN-004 (Rev. 04) and No. FRM-GEN-015-004 (Rev. 02) dated 02 January 2019 for PT Perkebunan Milano and PT DLI, respectively; Daily FFB Grading Report; Maintenance book; Quality Agro Management System (QAMS) report; Annual Internal audit such as System Development Control (SDC), internal audit RSPO and ISPO. Every findings of audit is compulsory to be followed up, approved by the respective PIC and recorded on Problem Identification Corrective Action (PICA) sheet.

##### 4.1.3

The CH is able to shows record of monitoring as well as its follow up, for example, summary of RSPO/ISPO internal audit is describes as follows:

- Integrated RSPO and ISPO Internal audit of CDE-PT Perkebunan Milano is conducted by Internal Auditor, presented in document No. FRM-GEN-004 dated 22 January 2019. The audit has resulting 15 non conformities findings. Apart on Permit findings, follow up of finding, as well as correction evidence of specific findings were available and fully settled up on 01 March 2019.
- Integrated RSPO and ISPO Internal audit of DLI-2 POM is conducted by Internal Auditor, presented in document Form No. FRM-GEN-015-004 (Rev. 02) dated 02 January 2019 and approved by Operating Unit Manager on 23 January 2019. The audit has resulting 8 non conformity findings notes which all had been fully comply on 20 February 2019. Moreover, there are 5 opportunity of improvement identified during the audit. Follow up of finding, as well as correction evidence of specific findings were available.

### 4.1.4

DLI-2 POM management informed that there is no change of FFB supply base, which has consist of three estates, i.e. Wonosari Estate (KWS) and Sei Deras Estate (KSD) from PT Daya Labuhan Indah and Cabang Dua Estate (CDE) from PT Perkebunan Milano (PT Milano). Furthermore, according to FFB acceptance record for period 2018/2019 review, it was known that DLI-2 POM has also receive other FFB RSPO-certified from estate under PT Perkebunan Milano, i.e. Merbau Estate. Moreover, there is no FFB supply cooperation with other company and 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

Procedure related to soil fertility is presented in several documents, as follows:

- Procedure No. SOP-EST-002 (Rev. 00) dated 01 June 2007 about planting of legume cover crop (LCC). The procedure mentioned that the LCC is conducted for more N-fixation on the soil.
- Procedure No. SOP-EST-004 (Rev. 01) dated 08February 2012 about manual manuring.the procedure covers type of fertilizer, time of application, fertilizer placement, fertilizer management, frequency pf application, etc.
- Procedure No. SOP-EST-004A (Rev. 0) dated 24 August 2016 about leaf sampling unit (LSU). The procedure mentioned that LSU shall be conducted annually for annual manuring program calculation reference.
- Procedure No. SOP-EST-004B (Rev. 00) dated 24 August 2016 about soil sampling unit (SSU). The prcedure mentioned that SSU shall be conducted every five years. The data also to be used for annual fertilizer calculation program.

Estate management informed that LSU, SSU and manuring program were conducted and recommended by Agronomist team from Research and Development Department of Wilmar Sumatera Utara Region. Based on field observation to sampled estates in PT DLI and CDE, it was known that estate management has satisfactory conducting LCC planting, especially on immature areas and conducting fertilizer application as recommended by Agronomist team.

#### 4.2.2

According to fertilizer monitoring program 2018/2019 which informed type of fertilizers, dosage, volume and hectarages of application, time of application. According to estate review, it was known that manuring program for period 2018 had been completed on October 2018 for mature area and December 2018 for immature area. Among fertilizer recommended are NPK, NPK Super, Dolomite, Kieserite, Borate, Urea, MOP, RP, HGFB, CaCO<sub>3</sub>, CuSO<sub>4</sub> and ZnSO<sub>4</sub>. Estate management has monitor the used of fertilizers and satisfactory documented. Uses of fertilizers for Semester 1 2019 (mt) is summarized as follows:

- Fertilizer application in mature area of CDE has fully completed on May 2019, which consist of 2.386 mt of Dolomite; 61.860 mt of CaCO<sub>3</sub>; 1.514 mt of ZnSO<sub>4</sub>; 6.043 mt of Borate; 7.119 mt of CuSO<sub>4</sub>; and 118.662 mt of NPK (7:6:34+TE). Total area of application was 340.33 ha.
- Fertilizer application in mature area of KSD for Semester 1 2019 has fully completed on May 2019 except for Dolomite due to delay in delivery. Realization of manuring program are 856.300 mt of NPK Super K; 17.882 mt of CuSO<sub>4</sub>; 62.52 mt of ZnSO<sub>4</sub>; 300.850 mt of CaCO<sub>3</sub>; and 47.813 mt of Borate. Total area of application was 2,481.41 ha.

Fertilizer application in mature area for example on Division 2 KWS has fully completed on April 2019 except for Dolomite due to delay in delivery. Realization during Semester 1 are 421.936 mt of NPK Super K; 14.557 mt of CuSO<sub>4</sub>; 11.375 mt of ZnSO<sub>4</sub>; 230.584 mt of CaCO<sub>3</sub>; and 22.028 mt of Borate. Total area of application was 1,228.02 ha.

#### 4.2.3

Procedure of leaf and soil sampling is presented in document No. SOP-EST-004A (Rev. 0) dated 24 August 2016 and No. SOP-EST-004B (Rev. 00) dated 24 August 2016, respectively. Results of leaf and soil sampling was used as reference for annual manuring recommendation. Leaf and soil laboratory testing works is conducted by Ecological Management Unit (EMU) R&D Laboratory Wilmar International Plantation in Central Kalimantan Project (CKP). Analysis of leaf and soil sampling results for annual manuring recommendation is conducted by Agronomist team from Research and Development Department. Estate management is able to shows soil and leaf sampling analysis documents, as follows:

### CDE – PT Perkebunan Milano

- Leaf analysis results is presented in document No. 30/BAHAN TANAMAN/III/2018/MLN with Ref. No. 022/PT.MILANO/III/2018 dated 19 June 2018.
- Soil analysis is presented in document No. 20/Tanah/XII/2014/MLN dated 30 December 2014 with Ref. Order No. 104/PT/MILANO/XII/2014 dated 10 December 2014.

### KSD and KWS – PT DLI

- Leaf analysis results is presented in document No. 31/BAHAN TANAMAN/III/2018/DLI with Ref. No. 022/PT.MILANO/III/2018 dated 19 June 2018.
- Soil analysis is presented in document No. 20/Tanah/XII/2014/MLN dated 30 December 2014 with Ref. Order No. 104/PT/MILANO/XII/2014 dated 10 December 2014.

Parameters measured on leaf sampling analysis are dry matters content of macro (N, P, K, Mg, Ca) and micro (B, Cu, Zn) nutrients. Meanwhile parameters measured in soil sampling analysis are texture, density, pH, permeability class, pH, C-Organic, N-Total, C/N Ratio, Total and Available P, Cation Exchange Capacity (CEC) and nutrient content (Ca, Mg, K, Na, P, K, Fe, Cu, Zn and Mn).

#### 4.2.4

Estate management did not implementing by-products application such as EFB and POME as part of nutrient cycling strategy, due to the presence of peat area in both PT DLI and PT Perkebunan Milano. However, nutrient strategy which actually implemented on the field as are observed were came from stacking fronds during harvesting and pruning, as well as trunk chipping during replanting or removing unproductive palms.

**Status: Comply**

### 4.3

#### Practices minimize and control erosion and degradation of soils.

##### 4.3.1

PT DLI (KWS and KSD) and CDE Estate of PT Milano has soil map with scale 1:25,000 and 1:50,000 which derived from Semi Detail Soil Survey Report, conducted by Param Agricultural Soil Survey, Sdn. Bhd. in November 2008. According to the report, it was known that soils in PT DLI were fully covered by peat soil with several depth, divided into four category, e.g.: Shallow (50-100 m), moderate (100-150 cm), deep (150-300 cm) and very deep (>300 cm). All peat were categorized as marginal with saprist decomposition level. However, there is no sulfidic marine clay deposits. Very deep peat soils which considered as fragile soil has occupy for about 40 % from PT DLI total area, while the rest were considered as marginal area. Main limitation for oil palm cultivation on PT DLI were mainly due to very poorly drained property. Meanwhile, it was known that almost 80 % of CDE were peat soil with various depth from shallow to deep. The rest were mineral soils over recent riverine alluvium. Eventhough there is no fragile soil in CDE, however, it has the same main limitation with estates of PT DLI, which is has a very poorly drained soil property. Based on explanation, it found be concluded that estate management has a proper soil map which informed the presence of fragile and marginal area.

##### 4.3.2

Based on semi detail soil survey analysis, it was known that slope condition in PT DLI and CDE of PT Milano are dominantly flat to undulating, which ranged between 0° to 6°. Thus, there is no soil management limitation due to hilly to steep area. Limitation were mostly due to very poorly drained soil property and prone flooded area. To overcome this matters estate management has conducting field drains system.

##### 4.3.3

Program of road maintenance has found on annual budget plan which included on Budget of transportation cost. Road maintenance activities were consist of manual maintenance such as cover crop clearance, pruning on collection road, surface reparation through laterites, road grading and road compaction. PT DLI estates and CDE-PT Perkebunan Milano are able to shows recapitulation of road maintenance realization for period 2019 which presented in Monograp TM, summarized as follows:

- Up to June 2019, road maintenance realiazation in the main road of CDE was about 213.82 ha.
- Up to may 2019, KSD management has conducting road maintenance such as road compaction and grading for



about 627 m and 528 m in the main road and collection road, respectively.

- In January 2019, KWS management has conducting maintenance of 4 units Culverts in Division 1 Block I27 and road graveing for about 300 m in Blok I26.

Road maintenance map, heavy machinery work record and field supervisor work book were available. CDE management has 1 unit of excavator for road maintenance, canal desilting and ground compaction purposes. Another heavy machineries unit such as Compactor, Grader and Bulldozer were lease from PT DLI. Based on filed overview, it was known that road conditions were generally well maintained and easily passable by transportation unit.

#### **4.3.4**

According to soil survey report, it was known that peat soils in PT DLI and CDE – PT Perkebunan Milano were covers about 100 % and 80 %, respectively, with various depth from shallow to very deep. Procedure of peat monitoring and management is presented in document No. SOP-EST-028 (Rev. 00) dated 01 February 2015. The procedure mentioned that water level on peat areas shall be maintained on 60-80 cm through arrangement of sand weirs and flap gate. Water level and peat subsidence monitoring should be conducted every month and every semester, respectively.

Estate management are able to shows monitoring record of monthly water level and subsidence rate, as follows:

- Water level monitoring in CDE is presented in document No. FRM-EST-056. Monthly record during 2019 period were available. According to document review, it was known that average of water level in 21 monitoring spots were maintained beetwen 60-80 cm. Furthermore, peat subsidency report is presented in document No. FRM-EST-057. According to document review, it was known that average of pet subsidency rates in 3 monitoring spots were waries from 0.88-3.00 cm/year with median about 2.00 cm/year. Subsidency poles were installed in 2011. Observation on water level monitoring and subsidency pole is conducted in Div. 1 Block 59, while Flap Gate is observed on Block 42/43.
- Water level monitoring in KSD is presented in document No. FRM-EST-056. Monthly record during 2019 period were available. According to document review, it was known that average of water level in 33 monitoring spots in Divisi 1 and 32 spot in Division 2, were maintained beetwen 60-80 cm. Furthermore, peat subsidency report is presented in document No. FRM-EST-022-032. According to document review, it was known that average of peat subsidency rates in 9 monitoring spots were waries from 0.00-3.00 cm/year with median about 1.20 cm/year. Subsidency poles were installed in 2010/2011. Observation on water level monitoring and subsidency pole is conducted in Div. 1 Block 72.
- Water level monitoring in KWS is presented in document No. FRM-EST-022-031. Monthly record during 2019 period were available. According to document review, it was known that average of water level in 27 monitoring spots in Divisi 1 and 23 spot in Division 2, were maintained beetwen 60-80 cm. Furthermore, peat subsidency report is presented in document No. FRM-EST-022-032. According to document review, it was known that average of peat subsidency rates in 8 monitoring spots were waries from 0.55-2.00 cm/year with median about 1.45 cm/year. Subsidency poles were installed in 2010/2011. Observation on water level monitoring and subsidency pole is conducted in Division 1 Block 72.

#### **4.3.5**

CDE PT Perkebunan Milano and PT DLI management shows drainability assesment which presented in Levelling Survey Report Ref. No. 015/GIS/Survey/GIS/2012 when the study is carried out on 11-23 October 2012. Summary of study is describes as follows:

- To continue research and study on water flows movement as analyzed through considering contour line within the estates.
- To continue the existing water management system, as well as monitoring of water level and peat subsidencies.
- To identified root of cause and effect on prone flooded area.

#### **4.3.6**

As mentioned in Indicator 4.3.1 and 4.3.2, it was known that main soil limitation in PT DLI and CDE-PT Perkebunan Milano were due to presence of peat soils which has a very poorly drained soil property. Agronomy strategy to overcome this stuation was refers to procedure No. SOP-EST-022 and document No. SOP-EST-028 (Rev. 00) dated 01 February 2015. Based on field observation and document review, several strategy which already implemented by estate management was adoption a proper peat management as follows:

- Water managemet through maintaining water level at 60-80 cm and monitoring of peat subsidency rate as indicator of water management quality.

- Installing field drain with pattern 1:4 and flap gate.
- Canal desilting for water discharge and application of kaptan which aims to increase soil pH.
- Peat compaction with "hole in hole" planting method, which starts implemented on palms planted in 2014 forward.
- Maintaining land cover crop which aims to retain soil moisture on the field.
- Fertilizer application as in accordance with Agronomist recommendation., especially additional micronutrient on B, Cu and Zn.

**Status: Comply**

### 4.4

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

##### 4.4.1

Company shown the practices to maintain the quality and availability of surface and ground water. Water management plan for POM and estate are listed on 2018-2019 water management plan document. These document describe the water source identification, POM water usage efficiency, peat soil management, and conservation/catchment area protections.

Based on field visits on block 083 sei deras estate found that companies managed peat land by maintaining water level at 50-70 cm. Field visits on conservations area block 062 sei deras setate shown, companies also have buffer zone marking, perform revegetation with bamboos, and HCV signboard placement.

Over all, particularly for peat land company has implemented management by water table monitoring, subsidence monitoring, weirs and bund off construction and regular maintenance, and water collection drain cleaning.

PT DLI and PT Milano has shown testing result of clean water parameter for second semester 2018 (tested on 13 December 2018) by "laboratorium Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit Kelas 1 Medan". Each testing were done on each estate that consist of physics, chemical and microbiology parameter with total 22 parameters per samples. **Based on this explanation NCR 2018.04 is closed.**

##### 4.4.2

Company shown the map for wetlands identifications in 1:45.000 scale. HCV identifications document 2009 shown there is no indications of river flow on companies area and water sources area determined by company are catchment area (danau biru) covered 3.42 ha. For this conservation area management company has procedure listed on conservations area procedure (SOP-GEN-010).

Field observations at HCV area block 062 div 1 sei deras estate shown that company managed catchment area by buffer zone marking, perform revegetation with mahogany, and HCV signboard placement. Meanwhile regarding peatland management, based on field visits on block 083 sei deras estate found that companies managed peat land by maintaining water level at 50-70 cm

##### 4.4.3

Waste water produced by DLI 2 palm oil mill processed at waste water treatment plant based on procedure SOP-Mill-031, untill it complying to standards before it distributed into water stream based on decree of Captial investment and integrated services of Labuhanbatu regent No 503.660.31/266/DPMPSTSP-BP2MNP/2018 valid until 2023.

Waste water has been monitored every months and monitoring period Jan-May 2019 indicates that all of waste water testing parameters are still compliant to the standards quality, for example BOD on May 2019 are 28.68 mg/l (< 100 mg/l). Waste water management done by company were also reported and submitted per three month basis to environmental agency of Labuhanbatu regent.

##### 4.4.4

Field observations on DLI 2 POM water treatment plant found that monitoring for raw and process water usage was done by offcer periodically, and flowmeters at inlet/outlet serve normally. POM water usage eificency procedure listed on WTP operations SOP-GEN-030. Standards of water usage for FFB process recorded on 2019 budget projected 1.85 m<sup>3</sup>/tonne FFB processed. Water usage monitoring was done periodically and recorded, for example on May 2019 FFB processed was 11664 mt, process water usage 12,394 m<sup>3</sup>, and water usage eificency was 1,12 m<sup>3</sup>/tonne FFB processed.

Status: Non Compliance No. 2018.04 is closed

### 4.5

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

#### 4.5.1

The CH has committed to implement integrated pest management (IPM) which presented in several document for example Document No. SOP-EST-013 (Rev. 01) dated 01 February 2015 about pest and diseases detection and census and No. SOP-EST-018 (Rev. 03) dated 01 September 2016 about pests and diseases management control. The estate management has a program of integrated pest management and its realization which presented in monthly report, for example as follows:

#### **Early Warning System (EWS) and Census Analysis**

Record of census is presented in document No. FRM-EST-024 and/or FRM-EST-020 which signed by Field Assistant, Supervisor and Estate Manager. Estates management were able to shows census records for several pest such as Termite, Rat, Oryctes, Leave Eating Catterpillar, as well as its recommendation, for example as follows:

- Based on census of termite in Block 113 KWS on 26 March 2019, it was known that incidence was 0.35 %. Thus, recommendation termite population control through application of Fipronil with dosage 0.05 ml/ha is given by R&D Staff and has been implemented on 27 March 2019, recorded on document No. FRM-EST-025. One week after application, it was known that there is no more termite incidence. Hence, there is no more chemical application on the particular Block.
- Based on census of leaf eating caterpillar (LEC) in Block 77 KSD on 14 February 2019 (Form No. FRM-EST-019), it was known that incidence was generally medium (>10/fronds), which need to be controlled by insecticide. Thus, recommendation of LEC population control through application of Cypermethrin with dosage 0.30 litre/tank is given by R&D Staff and has been implemented on 15 February 2019. One week after application, it was known that there is no more termite incidence. Hence, there is no more chemical application on the particular block.
- There was application of Cypermethrin on CDE immature area (planted in 2017). This is has been carried out as recommended by Group Estate Manager which presented on Letter No. 002/MLN-GM/Int/IV/2017 dated 12 April 2017.

#### **Biological Method for Pest Population Control**

- Estate management has conducting beneficial plants for leaf eating caterpillar and bagworm population control. This is confirmed during field observation along the edge of main road and collection road.
- Estate management has adopting barn owl (*Tyto alba*) for rat population control. Based on observation to Barn Owl Nest in all estates, it was known that occupation level were generally low.
- Estate has also adopting Pheromone trap for Rhino beetle (*Oryctes rhinoceros*) population control, especially on surrounded replanting or immature Block areas. This is confirmed during field observation to Block 45 CDE.

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Tiara 20 WG (Methyl Metsulfuron) could be substitute with Glinat 150 SL (Ammonium Glufosinat) or Garlon 670 EC (Triclophyr Butoksi Ester).

#### 4.5.2

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards integrated pest and disease management, for example as follows:

- Training of weeding management through manual, mechanical, biological and chemical method, as well as environment aspect and safe working practicese for Foreman and 10 Pesticide Applicators of CDE, where conducted on 20 March 2019 in CDE Meeting Room.
- Training of pesticide application (spraying) and its safety aspect for KSD iwas conducted on 25 February 2019. Attended by 24 pesticide applicators.. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.
- Training of pesticide application (spraying) and its safety aspect for KWS iwas conducted on 15 February 2019. Attended by 32 pesticide applicators.. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.



- Training of census technique on KSD and KWS were conducted in 25 February 2019 and 12 April 2019, respectively, attended by 35 related workers. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.

Based on field observation and interview with Foreman and Pesticide Applicators in Division 1 Block 60 CDE and Division 1 Block 74 KSD, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (ex. HCV area), PPE's to be used, as well as its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals.

**Status: Comply**

### 4.6

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

##### 4.6.1

Procedures related to pest and disease management as mentioned in Indicator 4.5.1 has mentioned that the use of agrochemical should be based on census analysis evaluation when the level of incidence is more than threshold limits. In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Tiara 20 WG (Methyl Metsulfuron) could be substitute with Glinat 150 SL (Ammonium Glufosinat) or Garlon 670 EC (Triclophyr Butoksi Ester).

According to record of pesticide usage for period 2018/2019, as well as observation to Pesticide Store, pesticides used in PT DLI and PT Perkebunan Milano are consist of 7 type of herbicide and 5 type of insecticide. Those pesticides mentioned above were listed in Pesticide and Fertilizer Directorate through [http://pestisida.id/simpes\\_app/rekap\\_formula](http://pestisida.id/simpes_app/rekap_formula). For biological control purposes, estate management has conducting planting of beneficial plants (*Turnera subulata*, *Antigonon leptopus* and *Cassia cobanensis*) for leaf eating caterpillar and bagworm population control. This is confirmed during field observation along the edge of main road and collection road. Furthermore, estate management has adopting barn owl (*Tyto alba*) for rat population control through nest installation, as observed to Barn Owl Nest in all Estates. The nest is expected to covers rats population in radius 40 ha. However according to monitoring record, nest occupation level were seems not satisfactory. Moreover, estate has also adopting Pheromone trap for Rhino beetle (*Oryctes rhinoceros*) population control, especially on surrounded replanting or immature Block areas. This is confirmed during field observation to Block 45 CDE.

Based on field observation and interview with Foreman and Pesticide Applicators in in Division 1 Block 60 CDE and Division 1 Block 74 KSD, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (ex. HCV area), PPE's to be used and its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals.

##### 4.6.2

The company has Recommendation for Pesticide Storage and Usage, for example recommendation for CDE is presented in Letter Head Unit of Technical and Operational from Manpower Agency of Sumatera Utara Province No. 67-7/WIL-IV/DTK/SU/2018 dated 09 July 2018. Record of pesticide applied is presented in document of "Record of Pesticide Used on Applied Area". For example recapitulation for period January to May 2019 in PT DLI and Period 2018 to May 2019 for CDE of PT Perkebunan Milano is presented in the following Tables:

##### PT DLI – January to May 2019

Pesticide	LD-50 (oral)	Wonosari Estate		Sei Deras Estate	
		(l or kg)	(as/ha)*	(l or kg)	(as/ha)*
Garlon 670 EC	> 250 mg/kg	302.51	0.027	286.02	0.015
Glimax 480 SL	>2,000 mg/kg	2,675.00	0.155	2,519.49	0.093
Tiara 20 WG	>2.0 g/kg	129.08	0.004	46.24	0.002
Regent 50 SC	> 92 mg/kg	17.30	0.012	-	-
Penalty 50 SC	> 92 mg/kg	-	-	39.00	0.037
Bravo 50 EC	> 250 mg/kg	631.86	0.086	-	-
Capture 100 EC	> 250 mg/kg	-	-	59.00	0.018

(Note: as: active substance)

**CDE of PT Perkebunan Milano – January to December 2018 and 2019**

Pesticide	LD-50 (oral)	2018		Jan – May 2019	
		(l or kg)	(as/ha)*	(l or kg)	(as/ha)*
Glisat 480 SL	> 5.0 g/kg	125.40	0.124	-	-
Starlon 665 EC	> 4,000 mg/kg	5.07	0.013	-	-
Garlon 670 EC	> 250 mg/kg	56.74	0.012	26.45	0.020
Glimax 480 SL	>2,000 mg/kg	-	-	410.88	0.149
Tiara 20 WG	>2.0 g/kg	35.86	0.002	10.50	0.002
Glinat 150 SL	>3,570 mg/kg	160.22	0.049	1.00	0.001
Basta 150 SL	> 250 mg/kg	499.00	0.052	134.80	0.053
Regent 50 SC	> 92 mg/kg	-	-	2.55	0.011
Marshal 200 EC	> 8.75 g/kg	1,892.00	0.139	189.70	0.035

The company has satisfactory records and monitor the used of pesticides.

**4.6.3**

Program and realization of pest management was presented in monthly report which describes EWS and census analysis, biological control and pesticide application, for example as follows:

**Early Warning System (EWS) and Census Analysis**

- Based on census of termite in Block 113 KWS on 26 March 2019, it was known that incidence was 0.35 %. Thus, recommendation termite population control through application of Fipronil with dosage 0.05 ml/ha is given by R&D Staff and has been implemented on 27 March 2019, recorded on document No. FRM-EST-025. One week after application, it was known that there is no more termite incidence. Hence, there is no more chemical application on the particular Block.
- Based on census of leaf eating caterpillar (LEC) in Block 77 KSD on 14 February 2019 (Form No. FRM-EST-019), it was known that incidence was generally medium (>10/fronds), which need to be controlled by insecticide. Thus, recommendation of LEC population control through application of Cypermethrin with dosage 0.30 litre/tank is given by R&D Staff and has been implemented on 15 February 2019. One week after application, it was known that there is no more termite incidence. Hence, there is no more chemical application on the particular Block.
- There was application of Cypermethrin on CDE immature area (planted in 2017). This is has been carried out as recommended by Group Estate Manager which presented on Letter No. 002/MLN-GM/Int/IV/2017 dated 12 April 2017.

**Biological Method for Pest Population Control**

- Estate management has conducting beneficial plants for leaf eating caterpillar and bagworm population control. This is confirmed during field observation along the edge of main road and collection road.
- Estate management has adopting barn owl (*Tyto alba*) for rat population control. Based on observation to Barn Owl Nest in all estates, it was known that occupation level were generally low.
- Estate has also adopting Pheromone trap for Rhino beetle (*Oryctes rhinoceros*) population control, especially on surrounded replanting or immature Block areas. This is confirmed during field observation to Block 45 CDE.

**4.6.4**

Wilmar Group has a commitment on reduction of World Health Organization (WHO) Pesticides category Class 1A and 1B which presented Policy of No Deforestation, No Peat And No Exploitation dated 05 December 2013. The policy mentioned that the use of pesticides categorized by WHO Class 1A or 1B, or as set forth in the Stockholm or Rotterdam conventions shall not be used unless under certain circumstances or emergency conditions. Furthermore, Paraquat is strictly prohibited to be used in Wilmar operational area. Based on pesticide used records in 2018/2019 in all sampled estates as mentioned in Indicator 4.6.1 and 4.6.2, it could be concluded that there is no pesticides listed in WHO Appendix 1A, 1B and/or listed in Stockholm or Rotterdam Convention as well as paraquat. The estate has no more use rodenticide since 2019. Moreover, all pesticides used by the CH were listed on [www.pestisida.id](http://www.pestisida.id) by Department of Agriculture, Republic of Indonesia

**4.6.5**

Procedure of pesticide application has refers to Material Safety Data Sheet (MSDS) of pesticide products, Hazard Identification Risk Assessment Control (HIRAC) for estate, procedure No. SOP-EST-018 (Rev. 03) dated 01 September 2016 about pesticide application and No. SOP-EST-009 (Rev. 00) dated 01 April 2011 about safety pesticide application. All reference mentioned in the former has covers guideline of storage and handling of pesticides, handling of accident and first aid, risk identification, pesticides spills and leaks handling, PPE, physical and chemical properties, reactivity and material stability, toxicology and ecology information, pesticide wastes handling and transportation.

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards integrated pest and disease management, for example as follows:

- Training of weeding management through manual, mechanical, biological and chemical method, as well as environment aspect and safe working practicese for Foreman and 10 Pesticide Applicators of CDE, where conducted on 20 March 2019 in CDE Meeting Room.
- Training of pesticide application (spraying) and its safety aspect for KSD iwas conducted on 25 February 2019. Attended by 24 pesticide applicators.. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.
- Training of pesticide application (spraying) and its safety aspect for KWS iwas conducted on 15 February 2019. Attended by 32 pesticide applicators.. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.

Based on observation and interview with Foreman and Pesticide Applicators in Division 1 Block 60 CDE and Division 1 Block 74 KSD, it was known that workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV area), as well as PPE's to be used and its management (placement). Furthermore, pesticide applicators also explained that breastfeeding and pregnant women were strictly prohibited to works related with agrochemicals.

Pesticide Applicators has equipped with PPE such as face shield helmet, respirator mask, apron, boots and rubber gloves. The PPE could be replaced when broken or unproper to be used. However, estate management is not be able to shows that Respirator used has in accordance with respirator spec mentioned in MSDS which required NIOSH Standard (for example Glinat). Thus, raised **NCR No. 2019.01 with Major Category**.

#### **4.6.6**

Procedure of pesticide storage is presented in document No. SOP-STR-002 dated 01 February 2015 about material storage, which mentioned standard of Store building such as has a good ventilation, hard surface and pesticide should be arranged on top of palette, etc. Furthermore, the Storage has also need to be equipped with hazardous symbols, MSDS, emergency kit (first aid, shower, eye wash), emergency flowchart, emergency call, fire extinguisher, spill kit, etc. Based on observation to Pesticides Store in KSD, KWS and CDE, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level were displayed properly. There are special place used for pesticide mixing and PPE's place in both estates.

Procedure of used pesticide containers management is presented in document No. SOP-EST-020 (Rev. 02) dated 01 February 2015 while procedure on hazardous materials handling is presented in document No. SOP-GEN-005 (Rev. 3) dated 01 October 2015. Procedure mentioned that used pesticide containers shall be delivered and placed on the permitted Hazardous Waste Store, and prohibit to be use for household purposes, unless reuse for related pesticide application activities. Used containers has been managed as refers to PP No. 101 in 2014. Permit of Hazardous Waste Store for CDE and KWS are shows to the Labuhanbatu District Decree, Sumatera Utara No. 503.660.3/140/DPMPTSP-BP2MNP/2019 dated 26 February 2019 and Decree No. 503.660.3/214/DPMPTSP-BP2MNP/2019 dated 01 April 2019, respectively. Both permit were valid for five years.

Based on observation to Hazardous Waste Store in CDE and KWS, it was known that used pesticide containers were placed properly and delivered to the permitted collector, namely PT Shali Riau Lestari. Furthermore, as observed on employees housing complex area, it was known that there is no reuse of used pesticide containers for household purposes, plant pot and water containers. Detail on used pesticide containers record is further explained in Indicator 5.3.2.

**4.6.7**

Procedure of pesticide application has refers to Material Safety Data Sheet (MSDS) of pesticide products, Hazard Identification Risk Assessment Control (HIRAC) for estate, procedure No. SOP-EST-018 (Rev. 03) dated 01 September 2016 about pesticide application and No. SOP-EST-009 (Rev. 00) dated 01 April 2011 about safety pesticide application. All reference mentioned in the former has covers guideline of storage and handling of pesticides, handling of accident and first aid, risk identification, pesticides spills and leaks handling, PPE, physical and chemical properties, reactivity and material stability, toxicology and ecology information, pesticide wastes handling and transportation.

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards integrated pest and disease management, for example as follows:

- Training of weeding management through manual, mechanical, biological and chemical method, as well as environment aspect and safe working practicese for Foreman and 10 Pesticide Applicators of CDE, where conducted on 20 March 2019 in CDE Meeting Room.
- Training of pesticide application (spraying) and its safety aspect for KSD iwas conducted on 25 February 2019. Attended by 24 pesticide applicators.. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.
- Training of pesticide application (spraying) and its safety aspect for KWS iwas conducted on 15 February 2019. Attended by 32 pesticide applicators.. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.

Based on field observation and interview with Foreman and Pesticide Applicators in Division 1 Block 60 CDE and Division 1 Block 74 KSD, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV), as well as PPE's to be used and its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals. Furthermore, based on field observation to Pesticides Store in all sampled estates, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level were displayed properly. Estate management has provide special place for applicators, PPE and applicator devices washing, as well as its storage. This is confirmed during observation to CDE and KSD. Pesticide mixing has carried out on the special place, located nearby the pesticide Store. There is special vehicle to distribute water for mixed-pesticide dilution on the field. Clean water has placed separately on the vehicle for cleaning purposes. Moreover, based on observation to employees housing complex area, it was known that there is no reuse of used pesticide containers for household usage.

**4.6.8**

Based on information from estate unit management, surrounding communities and Government Institutions of Labuhanbatu District, it was known that there is no aerial pesticide application in PT DLI and PT Milano. All pesticides were applied conventionally.

**4.6.9**

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards integrated pest and disease management, for example as follows:

- Training of weeding management through manual, mechanical, biological and chemical method, as well as environment aspect and safe working practicese for pesticide application supervisor and 10 Pesticide Applicators of CDE, where conducted on 20 March 2019 in CDE Meeting Room.
- Training of pesticide application (spraying) and its safety aspect for KSD it was conducted on 25 February 2019. Attended by 24 pesticide applicators.. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.
- Training of pesticide application (spraying) and its safety aspect for KWS it was conducted on 15 February 2019. Attended by 32 pesticide applicators.. Minutes of training is presented in document No. FRM-GEN-000-079. Certificate of training were available.

However, PT DLI and PT Perkebunan Milano do not have smallholders cooperation scheme.

**4.6.10**



Toxic and Hazardous waste including ex agrochemicals management was done based on SOP-GEN-005 procedure. Field visit during audit found that, companies showed proper ways for agrochemical waste disposal for example all ex chemicals containers were kept on temporary hazardous storage at wonosari estate, cabang dua estate, and DLI 2 POM. Information obtained based on interview are spraying team on Sei Deras estate recognized how to properly disposed waste materials and workers (including staff and managers) have been trained by company about waste and hazardous materials handling such as MSDS.

### Evidence observed :

- Waste identification for PT DLI has been identified by company and listed on formulir FRM-GEN-005-078 on August 2018, this identification has specified that ex lubricants containers, used oil, oil filter, and ex agrochemical are categorized as hazardous waste
- Based on procedures hazardous waste handling and management SOP-GEN-005 on November 2017 on point 5.1.9 explained that on Sei deras estate hazardous waste must be stored on specific storage, and not contaminated to other non hazardous materials.
- Field observastion on Sei Deras estate found there is petrokum (obsolete agrochemicals) and ex starlon, tiara, garlon containers that stored on chemical store.

### Non-Conformance Description :

Company are not able to proof that pesticides/agrochemical waste has been handled based on current procedures. **NCR 2019.2 as Minor category**

### 4.6.11

The company has routine medical supervision records (health checks) for all workers who work with chemicals in each unit. Health checks are conducted routinely every year, the following are the results of examinations that have been carried out by companies working with the Laboratory of Prodia in 2018:

- Cabang Dua Estate - Cholinesterase examination was carried out on 22 December 2018 for 16 workers and for the results of the inspection it was stated that all workers in good health and cholinesterase content were within normal limits. The results of the examination have been socialized to workers on 11 March 2019.
- Cabang Dua Estate - Cholinesterase examination was conducted on 25 June 2018 for 38 workers and for the results of the examination it was stated that 37 workers were in good health and the content of cholinesterase was within normal limits while 1 worker was found to have an increase in cholinesterase content. The results of the examination were socialized to workers on 28 June 2018. For workers who experience an increase in cholinesterase content, a re-examination is carried out after 3 months of temporary assignment to work not related to chemicals and the results of re-examination on 28 September 2018, the worker concerned Cholinesterase content has been reduced but it is still above the threshold so workers are permanently assigned to maintenance work not related to chemicals.
- Sei Deras Estate - Cholinesterase examination was carried out on 22 December 2018 for 35 workers and for the results it was found that there were 10 workers who experienced an increase in cholinesterase content and 25 workers under normal conditions. For workers who are declared to have a disturbance, the company conducts assignments to work that is not related to chemicals and is checked again after 3 months, namely on 20 March 2019. The results of the final inspection stated that 3 workers were in normal condition and 7 workers were still disturbed so workers it is permanently re-employed in previous work (not related to chemicals)
- Wonosari Estate - Cholinesterase examination was carried out on 22 December 2018 for 52 workers and for the results it was found that there were 16 workers who experienced an increase in cholinesterase content and 36 workers under normal conditions. For workers who are declared to have a disturbance, the company conducts assignments to work that is not related to chemicals and is checked again after 3 months, namely on 20 March 2019. The results of the final inspection stated that 1 worker is in normal condition and 15 workers are still experiencing interference so workers it is permanently re-employed in previous work (not related to chemicals)

Based on the results of document review and interviews with company documenters, it is known that the company plans a health examination in 2019 which will be held in July 2019, so that when the audit activity takes place there is no record of the results of the inspection that has been carried out. Based on the results of interviews with spray workers it is known that the company routinely carries out health checks for all workers who work with chemicals and the results of these checks are always socialized to workers. If there are health problems, workers will be temporarily transferred and further medical examinations will be carried out.

### 4.6.12

The company has an Internal Memorandum No. 001 / HRR-MLN / Int / V / 2016 which was approved by Human Resources Region Manager on 24 May 2016 concerning Prohibition of Spraying and Fertilizing Work for Pregnant & Breastfeeding Women. The memorandum states that female workers who are known to be pregnant or breastfeeding are prohibited from working on chemicals (spraying and manuring) and must be transferred to other jobs not related to chemicals or lighter work.

The company has a list of workers who work as pesticide operators and currently there are as many as 48 female workers who work as spraying officers. The company also conducts routine pregnancy checks for female workers who work with chemicals (spraying and manuring) every 3 months. Based on the results of examinations conducted by the company, it is known that there were no pregnant and lactating workers at the final examination. So the company can ensure that there are currently no female workers who are pregnant and breastfeeding who work with chemicals.

Based on the results of field visits and interviews with spray workers, it is known that currently there are no workers who are pregnant / breastfeeding who work as sprayers / manuring because the company has banned the existence of pregnant / breastfeeding workers who work with chemicals. The company also conducts prenatal checks regularly every 3 months to ensure that no pregnant / nursing workers work with chemicals.

<p>4.6.5 4.6.10</p>	<p><b>Status:</b> <b>Non-Conformity No. 2019.01 with Major Category</b> <b>Non-Conformity No. 2019.02 with Minor Category</b></p>	
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### 4.7

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

#### 4.7.1

The company has an Occupational Safety and Health Policy approved by Country Head on 01 April 2019 stating that *"At Wilmar, we are committed to providing a safe and healthy work environment for employees and stakeholders. We believe that all incidents and work-related illnesses can be prevented, and we will work relentlessly to improve safety performance towards ZERO incidents"*. In an effort to achieve this, the company has the following strategies:

- Implement an integrated and correct EHS management system.
- Develop and implement minimum standards of safety, environment and process security.
- Develop an EHS reporting program, system and continue to apply a culture of reporting openness.
- Make continuous improvements to safety and health performance through setting goals, targets, annual evaluation and focus on measuring the progress of the objectives that have been set, and communicating them to stakeholders.
- And other strategies.

Based on the results of interviews with harvest, manuring, spray workers and operators in the mill, it is known that the company has routinely socialized the OHS policy when the muster morning are held and the socialization is usually combined with other company policies. In addition to being socialized verbally, the company also has several OHS policy warnings found in estate offices and in several other locations, so workers are very easily aware of this.

The company annually has an OHS work program for estate and mill as a reference for implementing OHS in the company. The following are the 2019 OSH work programs that have been compiled by the company including:

- Activation of work permits for hazardous jobs
- Providing routine OHS care to employees
- Regular supervision at work
- Control the feasibility and adequacy of work tools
- Signboard and PPE
- Enforcement of the rules for using PPE
- Investigation and analysis of each work accident incident
- OHS socialization
- Basic OHS training for new workers
- First aid socialization
- Socialization of work ergonomics.
- Etc.

In running the OHS work program in 2019, the company has shown evidence of activities that have been carried out routinely every month, namely:

- OHS inspection reports on plantations and factories from January - May 2019 which explain the OHS structuring inspection activities in the company and actions taken to improve / maintain good OHS implementation.
- Report on accident investigations from January - May 2019 that inform the sources of accidents, chronological accidents, until the evaluation results so that the accident does not recur.
- Records of OHS socialization to all workers including contractor workers who work in the company, this is done to provide knowledge about OHS to workers so that they can be adhered to and applied properly.

#### **4.7.2 & 4.7.3**

The company has a risk assessment for each operational activity in the estate and mill, the results of the assessment are reported in the document "Identification of Aspects and Evaluation of Environmental Impacts and Analysis of Hazard and Risk of OHS (HIRAC)". The document informs about the types of activities, sub-activities, potential / actual environmental / hazardous safety hazards, conditions, potential / actual environmental impact / OHS risks, likelihood, severity, level of initial risk, significant aspects, types of controls available, factors influence, level of risk after control, risk category, advanced risk control and others. HIRAC evaluations are carried out routinely every year in accordance with the results of monthly evaluations carried out by the P2K3 organization, identified hazard risks, records of work accidents and other OHS-related evaluations. If there are additions or subtractions related to this matter, it will be immediately added / subtracted in the related documents. The latest evaluation is on 02 January 2019 for Mill and Estate. The document also covers operational activities in the estate and mill including:

- Estate are set for 02 January 2019 - Fertilization activities, spraying, pest & disease, manual weeding, harvesting, pruning, transportation, infrastructure, heavy equipment operations, fires, landscaping, floods, land clearing, planting, relocation, vehicle operations, maintenance vehicles, warehouse operations, office operations and other activities.
- Mill are set on 02 January 2019 – FFB Sortation activity, security, CPO dispatch, core dispatch, storage, logistics, scrap metal site, location of scales, offices, housing activities, neighborhoods around housing, infrastructure, houses of worship, LB3 polling stations, warehousing , loading ramp, sterilizer, thresher, press, kernel, clarification, WTP, engine room, boiler and activities in other locations.

The company has an OHS inspection procedure that is carried out every month to find out hazard sources and monitor emergency response equipment owned. In addition, the company has a work accident investigation procedure that is used to determine the initial identification of an accident, the cause of the accident, the analysis and actions taken. Based on the results of a document study, it is known that all accidents that occur in the company have been investigated and reported to the relevant agencies.

The company has the HIRAC document and the PPE Standards for each job (estate and mill) that explain the specifications of the PPE used for each job, including:

- Work as harvesters requires PPE in the form of a helmet, boots, gloves, and glasses. If the conditions on the ground are in a smoky condition, workers must use masks (carbon masks) that have been provided by the company.
- Work as a sorting officer requires PPE in the form of a helmet, safety shoes and gloves. If the conditions at the mill are in a smoky condition, workers must use the masks (carbon masks) provided.

The company has documented the distribution of PPE to all workers and currently the company has a policy related to the obligation to replace PPE to all workers if the PPE is damaged. The company always provides PPE stock as much as 20% of the needs in the warehouse of each unit. The following is proof of the handover of PPE that has been shown by the company including:

- Submission of replacement PPE in the form of 4 helmets and 3 pieces of safety shoes on 10 December 2018 in Cabang Dua Estate
- Submission of the replacement of PPE in the form of 2 helmets and boots on 28 January 2019 in Cabang Dua Estate
- Submission of Mill Service Clothing Sets for 112 DLI 2 POM workers as many as 112 sets of clothes on 02 May 2019
- Submission of Safety Shoes for 112 DLI 2 POM workers as many as 112 pairs on 02 May 2019
- Submission of Earplugs for 14 DLI 2 POM workers on 14 June 2019
- Submission of PPE in the form of masks to 19 Sei Deras Estate workers on 28 June 2019

- Submission of PPE in the form of safety shoes for 7 workers at the Wonosari Estate on 10 June 2019
- Submission of PPE in the form of rubber gloves, cloth gloves, masks, boots and aprons to 15 workers on the Wonosari Estate on 12 June 2019
- Submission of PPE in the form of glasses and boots to 22 workers at Sei Deras Estate on 18 January 2019
- Submission of PPE in the form of glasses and boots to 25 workers at Sei Deras Estate on 16 January 2019

Based on the results of field observations in estate and mill, it was found that all observed workers had used appropriate PPE in accordance with the provisions stipulated in the HIRAC and found no workers using damaged / improper PPE. This is in line with the results of interviews with fertilizer, harvest and spray workers who stated that so far if the PPE used was damaged, the workers would immediately request reimbursement to the company and the company would immediately replace the PPE with the new PPE stock in the warehouse. In addition, the company has a policy to always provide PPE stock as much as 20% of workers' needs. The policy has been well implemented by the company.

#### 4.7.4

The company has a P2K3 (Guiding Committee of Occupational Safety & Health) organization that functions as an organization that implements and implements OSH in the operational environment of the plant and factory. The organization has also been endorsed by relevant agencies including:

- Decree of the Head of Labor Inspection in Region IV of the Sumatera Utara Provincial Manpower Office No. KEP.48-7 / P2K3 / Wil-IV / DTK / SU / 2018 dated 26 March 2018 which describes the organizational structure of P2K3 PT Daya Labuhan Indah for Estate, P2K3 management consists of coaches, chairmen, and secretaries, members (supervision, research, evaluation, training / counseling and health. The P2K3 Secretary is an OSH Expert in the name of Ansyari Amanda Siregar who has received a Decree of Appointment as OHS Expert company with No. KEP.170 / Naker-BinawasK3 / II / 2017 dated 28 Feb 2017 which is valid for 3 years.
- Decree of the Head of Labor Inspection in Region IV of the Sumatera Utara Provincial Manpower Office No. KEP.57-7 / P2K3 / Wil-IV / DTK / SU / 2018 dated 22 June 2018 which describes the organizational structure of P2K3 PT Daya Labuhan Indah for Mill, P2K3 management consists of coaches, chairmen, secretaries, members (programs, patrols, training, coordinator and members of each station if, document control). The P2K3 Secretary is an OSH Expert in the name of Riduwan Purba who has obtained a Decree of Appointment as OHS Expert company with No. KEP.6009 / Naer-BinawasK3 / III / 2018 dated 08 March 2018 which is valid for 3 years.
- Decree of the Head of Labor Inspection in Region IV of the Sumatera Utara Provincial Manpower Office No. KEP.3079 / P2K3 / DSTKT-4/2016 dated 13 December 2016 which explained the organizational structure of P2K3 PT Perkebunan Milano – Cabang Dua Estate, P2K3 management consisted of coaches, chairmen, secretaries, members (supervision, research, evaluation, training / counseling and health. The Secretary of P2K3 is OHS Expert in the name of Ali Rasiden Daulay who has obtained a Decree of Appointment as an OSH Expert with No. KEP.1093 / Naer-BinawasK3 / IV / 2018 dated 16 April 2018 which is valid for 3 years.

The company has carried out P2K3 meetings / meetings regularly once a month and has been well documented (minutes, documentation and attendance available). The meetings that have been conducted include:

- P2K3 Board Management Cabang Dua Estate Meeting on 21 May 2019 which was attended by 18 participants who discussed periodic inspections of workers in 2018 and OHS evaluation results for the current month.
- P2K3 management unit meeting of DLI 2 POM on 15 May 2019 which was attended by 12 participants discussing performance review, work days audit and OHS evaluation results for the current month.
- P2K3 Management Meeting of Sei Deras & Wonosari Estate units on 02 May 2019 which was attended by 15 participants and discussed work accidents, the implementation of OHS in the current month and the implementation plan for the following month.

#### 4.7.5

The company has Emergency Situation Action SOP No. PRO - GEN - 013 dated 01 July 2012. The scope of the SOP includes the handling of emergencies in the form of fire, spill, accident, earthquake, and riots that cause personnel injury or asset loss. Written SOPs in Indonesian and socialized to employees through information boards in the estate and mill office. The company has a work accident investigation which is part of the evaluation of the application of OHS in the company. If an accident occurs, the company will conduct an investigation of the accident in order to find out the root of the problem and also to determine the precautions so that the accident does not recur. The company also routinely reports the incidence of work accidents to the relevant agencies in accordance with the applicable regulations for claims of



workplace accidents that occur.

Based on the results of field observations in mill, houses and offices, it is known that the company has warnings related to the evacuation route in each room / location that makes it easier for workers to understand it and carry out these instructions when an emergency occurs. These warnings cover the gathering area, evacuation route, and other things. The company also always provides safety briefings for each guest / worker who has just entered the company area so that the new guest / worker understands the emergency procedures owned by the company.

The company has a list of first aid kits / boxes available in each unit and routine monitoring is carried out every month related to the availability / condition of the 21 items in it. The following are the number of first aid kits / boxes available, including:

- Cabang Dua Estate - Has 14 first aid kit field officers along with first aid kits and 10 first aid kits available in the room. Based on the results of the first aid kit monitoring document review in January-June 2019, it is known that all conditions and the number of items available in first aid are in good condition.
- Sei Deras Estate - Has 31 first aid kit field officers along with first aid kits and 15 first aid kits available in the room. Based on the results of the first aid kit monitoring document review in January-June 2019, it is known that all conditions and the number of items available in first aid are in good condition.
- Wonosari Estate - Has 32 first aid kit officers along with first aid kits and 15 first aid kits available in the room. Based on the results of the first aid kit monitoring document review in January-June 2019, it is known that all conditions and the number of items available in first aid are in good condition.
- DLI 2 POM - Has as many as 14 field first aid officers along with first aid kits available in the room. Based on the results of the first aid kit monitoring document study in January-June 2019, it is known that all conditions and the number of items available in first aid are in good condition.

The company routinely conducts first aid training to first aid workers and workers to be able to understand the functions and procedures for using first aid when an accident occurs. The following is a recording of first aid training conducted by the company, including:

- First Aid and Emergency Response Training on 31 December 2018 attended by 25 participants
- First aid training on 10 May 2019 which was attended by 23 participants
- First aid training on 04 December 2018 which was attended by 47 participants
- First aid training on 29 August 2018 which was attended by 83 participants

Based on the results of field observations and interviews with the harvest, manuring and spray foremen who served as first aid officers, it was found that the number of items in the first aid kit was 21 items and available in good condition. Workers and officers can also simulate the functions and procedures for using the first aid kit.

#### **4.7.6**

The company has registered all its employees in the BPJS Health and Employment program in accordance with government regulations in worker welfare in Indonesia. The company can also show proof of payment of routine BPJS fees paid monthly to all workers in each estate and mill, including:

- Payment of BPJS Employment period of May 2019 for 858 workers in Sei Deras and Wonosari Estate on 13 June 2019 through Bank Mandiri.
- Payment of BPJS Health period of June 2019 for 425 workers in Sei Deras Estate on 02 June 2019 through Bank Mandiri
- Payment of BPJS Health period of June 2019 for 433 workers in Wonosari Estate on 02 June 2019 through Bank Mandiri
- Payment of BPJS Employment period of May 2019 for 131 workers in Cabang Dua Estate on 10 June 2019 through Bank Mandiri.
- Payment of BPJS Health period of June 2019 for 131 workers in Cabang Dua Estate on 10 June 2019 through Bank Mandiri.
- Payment of BPJS Employment period of May 2019 for 97 workers in DLI 2 POM on 16 June 2019 through Bank Mandiri.
- Payment of BPJS Health period of June 2019 for 97 workers in DLI 2 POM on 16 June 2019 through Bank Mandiri.

Based on the results of interviews with harvesting, spraying, manuring workers and mill operator's, it is known that workers and their families receive free health services at the company's clinics and hospitals according to the BPJS services registered. For labor guarantees including accidents, they are also entirely borne by the company and Employment BPJS, this is indicated by evidence of claims submitted to the BPJS from companies and workers who did not pay the fees when arranging it.

### Non-Conformity No. 2019.03

#### Evidence observed:

- The company has a Work Agreement No. 01 / DLI / KW / SPK / VI / 2019 dated 26 June 2019 and No. 02 / DLI / KSD / 06/2019 dated 24 June 2019 with CV Parlan Jaya for home construction work of employees in Wonosari and Sei Deras Estate. In article 6 of the agreement it was stated that the Second Party must report to the First Party the number of workers who were health checked and registered with the BPJS program in accordance with company rules.
- Based on the results of interviews with representatives of contractors (CV Parlan Jaya), information was obtained that not all workers had been registered in the BPJS program in accordance with applicable regulations.

#### Non-Conformance Description:

The company has not been able to show evidence that all workers working in a company area, including contractor workers have been registered in the BPJS program in accordance with the work agreement agreed upon by both parties.

#### 4.7.7

The company has recorded work accident by using Lost Time Accident (LTA) matrix as a reference to find out and calculate the total loss of workdays, severity rate and frequency rate of all accidents that occur in the company. The following is a record of workplace accidents that occurred during the past year (June 2018 - May 2019) that use the LTA matrix, including:

Information	Cabang Dua Estate	Sei Deras Estate	Wonosari Estate	DLI 2 POM
Work Accident:				
1. Fatality	0	0	0	0
2. Lost Time	2	16	51	1
3. Non Lost Time	2	5	4	0
Total Lost Time	19	22	55	3
<b>Severity Rate</b>	<b>58.7</b>	<b>22.9</b>	<b>88.1</b>	<b>1.93</b>
<b>Frequency Rate</b>	<b>6.2</b>	<b>16.7</b>	<b>48.3</b>	<b>0.64</b>

Based on the table above it is known that during the period June 2018 - May 2019 there were 81 accidents that occurred with a total loss of working days as many as 99 days for all units.

4.7.6	<b>Status:</b> <b>Non-Conformity No. 2019.03 with Minor Category</b>	
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#### 4.8

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

#### 4.8.1 & 4.8.2

The company has a training program for all estate and mill workers that have been prepared annually. The 2019 estate and mill training program are as follows:

##### Mill Training

- Lockout & Tagout training
- Confined Space Entry Training
- Working at Height Training
- Incident & Hazard Reporting training
- Hotwork training
- Training / Simulation of the Fire & Emergency Response Team (TPKD)
- Gender Socialization & Waste Management

- RSPO-SCCS Training / Socialization
- Electrical Safety Training
- Emergency Action Plan Training
- PPE training
- Planned Safety Inspection & Housekeeping training
- Water Management Training
- Emergency Response Training
- Power & Production Equipment OHS Training

### **Estate Training**

- Soil and Leaf Analysis Training
- Training on Pest Census Techniques
- Training on Fruit Census Techniques
- Social Impact Management Training
- Harvest Training and Harvest Quality
- Fertilization Training
- Salary Component Socialization
- Weeding Manual Training
- Emergency Response Training
- First aid training
- Work Accident Investigation Training
- Socialization Identification of Environmental Impact Analysis and K3 Risk
- Socialization of RSPO, ISPO, MSDS, APD and OTP (Target Program Objects)
- Core Value & Foremanship Training
- BPJS socialization
- Collective Labor Agreement socialization

Identification of training needs for each worker has been included in the 2019 Training Matrix document available in estate and mill. In the matrix explain the training needs for each job, including:

- Harvester requires harvest quality training, Collective Labor Agreement socialization, emergency response training, first aid training, socialization of PPE and others.
- Mechanics need work procedure training, first aid, PPE, OHS, ISPO, RSPO and other socialization.
- Nurses need first aid training, PPE, accident investigation, ISPO, RSPO, management of social and other impacts.

The company in carrying out training conducted for all its workers every year has carried out an assessment related to the understanding of workers who have been trained, this is evidenced by the results of the assessment of training understanding that can be shown along with the minutes of training conducted.

Companies can show evidence of the realization of training that has been carried out in accordance with the training programs they have, including:

- Process OHS Training on 23 April 2019 which was attended by 10 participants in DLI 2 POM
- Maintenance OHS Training on 20 April 2019 which was attended by 18 participants in DLI 2 POM
- OHS training for contractor workers on 26 April 2019 which was attended by 9 participants in DLI 2 POM
- Training of OHS and FFB Transportation Procedures on 05 March 2018 which was attended by 31 participants in Sei Deras Estate
- Heavy Equipment Operator Training on 01 March 2019 which was attended by 38 participants in Wonosari Estate
- OHS Training on 11-16 August 2019 for contractors worker which was attended by 21 participants in Sei Deras & Wonosari Estate
- OHS socialization and Use of PPE to contractor workers on 13 July 2018 which was attended by 3 participants in Cabang Dua Estate
- Ergonomic Training, MSDS and OHS for Spraying on 18 June 2019 which was attended by 18 participants in Cabang Dua Estate

- FFB Census Training on 24 April 2019 which was attended by 9 participants in Cabang Dua Estate
- Manuring Training on 20 March 2019 which was attended by 12 participants in Cabang Dua Estate

Based on the results of interviews with harvesters, fertilizers, sprayers and factory operators, it is known that all workers have received regular training each year related to their respective work and workers have understood their duties and responsibilities well in accordance with the procedures they have. Assessment after training has been carried out by the company to ensure that workers have fully understood the training provided.

**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 possess four environment impact assessment document covering different area with the following details :

- *Analisa Dampak lingkungan (ANDAL)* for estate area of 4694.5 ha in 2009 and 30 tonne FFB/hour
- *Upaya pengelolaan dan pemantauan lingkungan (UKL/UPL)* for sei deras estate covered 445.88 ha in 2014
- *Upaya pengelolaan dan pemantauan lingkungan (UKL/UPL)* for sei deras estate covered 431.87 ha in 2014
- *Upaya pengelolaan dan pemantauan lingkungan (UKL/UPL)* for cabang dua estate covered 654.33 ha in 2012

All of the EIA documents explained all activities for pre construction, construction, operation, and post operation for example (road construction, field drain construction, housing and facilities, waste water treatment plant, IPM, replanting, and etc) covered the palm oil mill, sei deras estate, wonosari estate, cabang dua estate.

##### 5.1.2

On 2014 companies make changes related enviromental management for EFB waste management from composting to furnace burning. Regarding to this PT DLI possess revision for environmental management plan (RKL/RPL) and shown the environmental permit no 503.660/326/BLH-LB/2014 .

Timetable for the implementation of the management and monitoring has been provided within "Rencana kelola dan pemantauan lingkungan" (RKL/RPL) and company shown periodically report to related institution.

##### 5.1.3

Company have planned and includes monitoring protocol outlined in periodically environmental monitoring and management plan (RKL/RPL) and implemented this plan to monitor the effectiveness of the management activities to mitigate negative impact and enhance postive impacts, for example regarding water management aspects, company has included the results of water level monitoring on peat areas on semester 2 2018 monitoring parameters .

Evaluation for second semester 2018 monitoring results also presented on 2nd semester 2018 RKL/RPL report, based on the report there is no any of non-conforming against testing and monitoring result.

**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

PT DLI has conducted the identification over HCV in 2013 done by RSPO Approved Assessor. The identification was done based on HCV identification in Indonesia guideline, June 2008 and involving personnel and local communities on the identification process by stakeholder consultatons on May 2013. Based on identification result, there was an HCV area about  $\pm$  9.12 Ha that consists of 3.42 Ha (Danau Biru) in a form of peat area, which covered with natural vegetation and  $\pm$  5.7 Ha in a form of trench for wild fire boundary.

Meanwhile PT Milano (Cabang Dua Estate) has conduct the HCV identifcation in 2009 done by RSPO approved assessor. The identification was done based on HCV identification in Indonesia guideline 2008, and this identification was done by affected parties participation via stakeholder consultation on 2009. Based on identification result, there was an HCV area

about  $\pm 2.41$  Ha that consists of 0.01 Ha in a for sacred place such as cemetery and  $\pm 2.4$  Ha in a for trench for wild fire boundary.

### 5.2.2 & 5.2.3

HCV identification found there is no RTE species presence on CDE, meanwhile some RTE species are presence on PT DLI e.g *Rhipidura javanica*, *Prionailurus bengalensis*, *Elanus caeruleus*. To protect this species and enhance HCV areas, company has established HCV management plan periods 2019 that consists of HCV management for each HCV attributes that presents on each estates.

Related to RTE species, company had RTE species protections procedures SOP-GEN-013 on 2015 stated that all workers including contractors are not allowed to hunt, to raise, and killed all RTE species. Evidence for workforce educations related to RTE species are available and verified by auditors team, for examples on March 2019 for CDE and April 2019 for KSD. Housing visit on CDE, KWS, and KSD found there is no RTE / wild species reared by workers.

To provide protection against such RTE species, management unit has made the hunting ban signboard, patrolling, rehabilitation of riparian as habitat and report to relevant agencies (Nature Conservation Agency). Company also conduct regular inspection for HCV/RTE species protection, last inspection was done on June 2019 indicates there is no land fire occurrence, and no wild animal traps presence on HCV areas.

Field visit on block 62 KSD shown the condition of HCV areas has been covered by natural vegetation. Interview with spraying team found that them recognized HCV area as a protected area and the they also recognized no chemical applications on conservation areas. Workers also have deep understanding related to protected species, a ban on hunting of protected species.

### 5.2.4

Regularly patrols record shown company has been monitored illegal activity such as wild hunting and landfire occurrence. All of records for monthly patrols on each estate are available and verified by auditors. For example patrols summary results for May 2019 for KSD found there is no RTE species reared on KSD workers housing meanwhile wild species presence during patrols was *varanus salvator* and *halycon smyrnensis*.

The result of monitoring also reported to government institution every six month listed on RKL/RPL report. Related upcoming dry seasons forecasting, As the results of monitoring output, company has plan feed back into the management plan 2019 for that included enhance management for area "sekat bakar" by trench normalisation that planned to be done on august 2019.

### 5.2.5

Results of the verification documents, field visits and interviews with villagers obtained information that there is no areas of HCV-related and affect to the local community. Curent HCV 6 (cemetery) on CDE are not have any inheritor (*ahli waris*) yet, but company still provides management and monitoring for this HCV areas.

**Status: Comply**

## 5.3

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

### 5.3.1

Certification holder are able to show the document of *Identifikasi Sumber Limbah dan Polusi* listed on document No. Form-EHS/DLIII-069-00 approved on 2018. This document described product and source of waste or pollution, for example:

Source of waste or pollutant from Mill :

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

Source of waste or pollutant from Estate:

- Product waste: waste oil, waste diesel, used batteries, oil filters, lamp, pesticide containers, etc
- Source of waste: transportation, workshop, housing and office, estate etc

### 5.3.2



During Recertification audits, document and field observation at temporary hazardous waste storage shown that all of hazardous waste are compliant with the periods in permit (less than 180 days). Records shown hazardous waste were delivered on February 2019 and all records such as logbook, balance sheet and manifest are well documented, for example manifest AAO0012562 for CDE, carrier vehicle BM8432JU for 250 litre kg ex lubricants.

All chemicals and their containers including hazardous waste are disposed responsibly based on procedure SOP-GEN-005 about ex agrochemicals and hazardous waste management.

All ex chemicals containers kept on temporary hazardous storage at estate and mill, and the company has a permit for hazardous storage issued by decree environmental agency of Labuhanbatu regent for each estate and mill. Regarding hazardous waste disposal, PT Daya Labuhan Indah and PT Milano has collaborate with PT Shali Riau Lestari (licensed collector by decree of environmental minister SK.879/Menlhk/setjen/PLB.3/11/2016 valid until 2021).

### 5.3.3

There is no waste management plan changes since last audits. All waste has identified and managed in accordance with management plan. Result of field visit to Mill, it is known that mill effluent were processed on effluent pond until it comply with standard before being discharge to water bodies; empty fruit bunch are collected in the empty bunch areas and then disposed by using EFB furnace, shell and fiber are utilized as a renewable fuel for boiler, chemical containers including pesticide containers have been stored at licensed scheduled waste storage. Meanwhile, field visit on workers housing on CDE, KWS, and KSD found that domestic waste (organic / inorganic) are disposed by zero burning method to domestic landfill areas on each estates.

**Status: Comply**

### 5.4

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

#### 5.4.1

Company have planned and implemented fiber and shell usage for fossil fuel substitution. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Realization of fossil fuel usage (for transportation, generator set, and etc are 7,325 litre) during May 2019. During Jan-May 2019, the usage of fiber and shell as renewable energy resulting the average energy efficiency as following details :

- diesel fuel are 2.78 litre/mt CPO
- electricity are 100.15 Kwh/mt CPO
- shell usage are 0.29 mt shell/mt CPO
- fiber usage are 0.57 tonne fiber/mt CPO

**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

Zero burning policy was issued by Group Plantation Head and Head of CSR Group on September 2010 and there is another policy which presented in No Deforestation, No Peat, No Exploitation (NDPE) dated 05 December 2013 which mentioned that usage of fire during replanting is strictly prohibited. This matters has also mentioned in procedure of planting No. Pro-EST-002 dated 01 July 2012 and No. SOP-EST-003 (Rev. 01) dated 01 February 2015 for CDE - PT Perkebunan Milano and PT DLI, respectively. As informed by Plantation Agency and Environment Agency of Labuhanbatu District, as well as information from representative surrounding Villages, it was known that there is no burning activities for land clearing in PT DLI and PT Perkebunan Milano. Land preparation is conducted mechanically by heavy equipments.

#### 5.5.2

There is no use of fire for pest management purposes. Estate management prefer to control pest population by biological method instead of chemicals. This matter is further explained in Criteria 4.5 and 4.6. Based on long term management plan, it was know that there is no plan for replanting in the near future. The coming replanting is expected to be carried out in 2034 in KWS. However, estate management stated that land clearing during replanting which carried out during 2009 to 2017 had been conducted manually through zero burning method.



**Status: Comply**
**5.6**
**Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**
**5.6.1 & 5.6.2**

All waste including emissions and pollutions sources from Mill and estate are identified and recorded on waste and pollution identification 2018. Potential GHG emission from estate and mill activities that has been identified including for examples transportation activities, manuring activities, peatland emission, and boiler emission.

Company have implemented the use of fiber and shell for fossil fuels substitution. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring period Jan-May 2019 shown that all of waste water testing parameters is compliant to the standards quality (see indicator 4.4.3). meanwhile company also conduct regular emission testing for semester basis, 2nd semester 2018 teseting results indicates boiler emission has been met with standard quality.

**5.6.3**

Daya Labuhan Indah II POM and supply bases has calculated GHG emissions for period 2018 using RSPO PalmGHG calculator version 3.01 (apply full version) option no 1, the results of this calculation are presented as following details:

Emmision per product	tCO <sub>2</sub> e/tProduct
CPO	9.96
PK	9.96

Production	t/yr
FFB processed	132,030.38
CPO produced	30,072.98
PK produced	5,336.95

Extraction	%
OER	22.78
KER	4.04

Land use	Ha
Planted area	6,503.98
Planted on peat	4,963.24
Conservation (non forested)	11.73

Summary of field emission and Sinks

Descripton	Own crop			Group		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ ha	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ ha	tCO <sub>2</sub> e/tFFB
Land conversion	49,270.16	9.88	0.45	14,967.24	9.88	0.64
CO <sub>2</sub> emissons from fertilizer	5,023.19	1.01	0.05	1,396.3	0.92	0.06
NO <sub>2</sub> emissions	37,904.95	7.6	0.35	5,313.61	3.51	0.23
Fuel consumption	1,419.39	0.28	0.01	649.05	0,43	0.03
Peat oxidation	239,969.73	48.1	2.21	3,1024.27	20.47	1.32
Sinks						

Crop sequestration	-46,701.57	-9.36	-0.43	-14,186.96	-9.36	-0.6
Sequestration in Conservation area	0	0	0	0	0	0
Total	286,885.85	57.51	2.64	39,163.51	25.84	1.66

### Summary Oil Mill Emissions and Credits

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
Emissions sources		
POME	26,272.22	0.2
Fuel consumption	318.18	0
Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	26,950.4	0.2

### 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

Based on document review, net GHG emission for year 2018 were increased compared to last year net GHG emission (9.96 vs 11.49) t CO<sub>2</sub>/t product

**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 & 6.1.2**

PT DLI and PT Milano has conduct social impact assessment by independent consultant. The scope of study are impact of plantation and mill operation to workers and community surrounding company areas. These assessment also identified negative and positive impact of plantation and mill operation towards social aspect.

Based on document review shown that current SIA has describing and identified potential social impact related vulnerable groups, community perception, environment and health, local economy, land use changes, livestock intrusion by shepherd, workers facilities and etc.

SIA identifications was also done based on affected parties consultation, this matter are amplified by stakeholders e.g Sei Tampang and Bilah villagers during stakeholder consultation and besides that based on interview with local community shown that major impacts has been identified and managed by company.

### Evidence observed :

- Social impact identification on 2009 document review shown that Cabang dua estate are located on Sei Nahodaris villages, subdistrict of Panai Tengah
- On 2018, PT Perkebunan Milano has revised SIA and this SIA establishment are not yet covered affected parties participation for examples related stakeholders i.e Sei Nahodaris villages for CDE

### Non-Conformance Description :

Company (CDE) are not able to shown that SIA has been done based on participation of affected parties. **NCR 2019.4 with major category**

### 6.1.3 & 6.1.4

Company has established management plan and monitoring plan related for social impact based on the impact identification. This plan has been informed the positive and negative impact including management planning time frame and the person in charge for the activity, such as: potential environment pollution, community perception, cow intrusion, and workers facilities. PIC for social management and monitoring are personnel general affair, staff bina mitra, and community development officer. Review for social management and monitoring plan for PT DLI and PT Milano was develop respectively on 2018 and 2019. Major impacts that affect communities from company operations among others are perception regarding CD/CSR, livestock intrusion by sheperds, and workers facilities.

Social monitoring plan were implemented by affected parties participatory for examples thorough discussion and interview on 2018 for wonosari, kampung bilah, sei tampang, sidorejo, and pekan bilah villagers. Documentation of social impact monitoring activities (by interview and discussion) are available for each stakeholders. Interview with representative of local community and villagers obtained information that affected parties surrounding company are participated when socila management/monitoring plan review was conducted.

Based on interview with local community (Sei tampang and bilah villages) found there is no significant impact/issues caused by company because company have effectively implemented social management and monitoring during 2018. Result monitoring for social impact on surrounding PT DLI and PT Milano affected parties periods 2018 shown the main issues that still presence until now is related local workers accpetance, regarding this as monitoring output PT Milano and PT DLI has plan to regularly develop socialization for related stakeholders to informed the job vacancy.

PT DLI (KWS and KSD) has conduct review for social management and monitoring plan on July 2018 as a gudilines to establish social monitoring/management plan periods 2019-2021. This review has been involving affected parties participation by focus group discussion that attend by repreentatives on Wonosari, bilah, sei tampang, sidorejo, and pekan bilah villages. **Based on this explanation NCR 2018.05 is closed.**

### 6.1.5

There is no scheme smallholders that supplied FFB to DLI 2 POM.

6.1.2	<b>Status:</b> <b>Non-Conformity No. 2019.04 with Major category</b>	
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### 6.2

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

### 6.2.1 and 6.2.3

Procedure of public communication, information request and service for PT Daya Labuhan Indah (PT DLI) is presented in document No. SOP-BNM-003 dated 01 February 2015, while for PT Perkebunan Milano (PT Milano) is presented in document No. PRO-BM.GEN-002 and PRO-BM.GEN-005. Those procedure mentioned that all information requested shall be responded less than 1 (one) month. Information could be requested through several media, such as Official Letter, Suggestion Box, Email, etc. Personal General Affair (PGA) and Public Speaker are the PIC who make sure that all information requested is immediately responded after approved by Estate/Mill Manager. The PIC for PT DLI and PT Milano has appointed through Decree of Senior Human Resources Region (Sr-HRR) Sumatera Utara No. 001/DLI-HRD/SK/II/2019 dated 01 February 2019 and No. 001/MLN-HRD/SK/II/2019 dated 28 January 2019, respectively. Both PT DLI and PT Perkebunan Milano has list of stakeholders, summarized as follows:

- PT DLI shows list of stakeholder for period June 2019, which lastly updated on June 2019 by Public Relation Unit (*Unit Bina Mitra*), consist of 31 government representatives, 13 village representatives, 2 elders, 23 suppliers, 3 NGO, 2 Press, 1 Bank/Creditor, 3 surrounded companies and 3 internal organization. The list has informed name of institution, address, contact number and PIC. Stakeholders were mostly located on Sub-District of Bilah Hilir, District of Labuhanbatu.
- PT Perkebunan Milano shows list of stakeholder for period 2019, which lastly updated on June 2019 by Public Relation Unit (*Unit Bina Mitra*), consist of 30 government representatives, 7 village representatives, 1 elders, 23 suppliers, 1 NGO, 1 Press, 1 Bank/Creditor, 2 surrounded companies and 1 internal organization. The list has informed name of institution, address, contact number and PIC. Stakeholders were mostly located on Sub-District of Panai Tengah, District of Labuhanbatu.

Based on interview with Plantation Agency and Environment Agency of Labuhanbatu District, as well as with representative from Bilah Sei Tampang and Sei Nahodaris Villages, it was known that both company has considered cooperative in conducting communication and information service to all stakeholders, through appointed PIC, known as Public Speaker.

### 6.2.2

Person in charge (PIC) for information request, social and public communication is conducted by Personalia General Affair (PGA) and Public Speaker from PT DLI and PT Perkebunan Milano, which appointed through Decree of Senior Human Resources Region (Sr-HRR) Sumatera Utara No. 001/DLI-HRD/SK/II/2019 dated 01 February 2019 and No. 001/MLN-HRD/SK/II/2019 dated 28 January 2019, respectively. Job description of PIC are to communicate surrounding communities aspiration to the top management if necessary, as a company representative and to ensure that the process is accordance with procedure, through several communication media such as communication (conversation), official letter, suggestion box, email, etc. Coordination with other division might be needed for communication purposes. Based on interview with representative from Bilah Sei Tampang and Sei Nahodaris Village, it was known that company Public Speakers were familiar with village societies. Communication so far is considered satisfactory.

**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

Mechanisms for dealing with complaints and disputes are contained in the procedure of communication and consultation. The procedure set the policy of whistleblower protection and legal protection, and provide assurance to the complainant who already have a good willing to report of alleged abuse or practice of divergence. Also explained that the company encourages the complainant to write clear and complete identity at the time reported the deviations that occur. All forms of reporting irregularities will be guaranteed confidentiality by the company. If the complaints cannot be resolved by consultations, it can follow up to next step or through process to RSPO. Based on public consultation with respective stakeholder (labor union, gender committee and village representatives from Bilah Village, Sei Tampang and Sei Nahodaris known that Certificate Holder has an effective complaint mechanism through written letters, mailboxes etc. All stakeholder understood that they can submit complaints anonymously and their names protected.

#### 6.3.2

Based on the results of consultations with the Environmental Agency, plantation agency, local contractor, labor union, gender committee and village representatives from Bilah Village, Sei Tampang and Sei Nahodaris known that there were no disputes submitted to the certificate holder.

**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

Certificate holder has prosedure of land acquisition or to identify customary right (SOP *Pembebasan Lahan*, Doc number SOP-IJIN LAHAN&OPS-006). This procedure guiding respective staff of management to ensuring all land acquisition are

comply with the national or local requirement and informed to the respective stakeholder especially if any indigenous people or customary right. Based on document verification and interview with related stakeholder (village representatives) known that there was no new expansion after this concession took over by Wilmar International Ltd.

### 6.4.3

The company has documented all of land compensation process. The documentation comprise of map, negotiation result (minutes of meeting), land release letter, payment receive was filled in estate office based on land location. Based on Procedure Implementation Mechanism Communication and Consultation With Community (PRO-BM.BEN-001). The documentation of land compensation process are limited access and should approved by Document & Legal Department and Manager of Estate if any related parties will access this document. These documents can access with letter of Information Request from another parties to the company. Based on public consultation with village representatives from Bilah Village, Sei Tampang and Sei Nahodaris known land acquisition has finished by former company owner. So there was no specific document regarding on that.

**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 & 6.5.2

The company has a Collective Labor Agreement (PKB) and Company Regulation (PP) as the basis for running the employment system in accordance with the laws of the company. Collective Labor Agreement (PKB) and Company Regulation (PP) that have been owned by the company, including:

- Company Regulation of PT Daya Labuhan Indah-2 Mill which has been ratified by the Labuhanbatu District Manpower Office with Decree No. 568/563 / DTK-4/2017 dated 13 July 2017. The company regulation describes work relations, work time, official travel, social security and welfare, resting and leaving work by getting wages, occupational safety and health, rules and regulations discipline, termination of employment, settlement of complaints, implementing regulations, and closing conditions.
- Collective Labor Agreement between PT Daya Labuhan Indah and SERBUNDO PT Daya Labuhan Indah which has been endorsed by the Labuhanbatu District Manpower Office with Decree No. 560/6604 / DTK-4/2017 dated 14 December 2017. The Collective Labor Agreement describes the obligations and reciprocal rights, work relations, work time, rest and leaving work by getting wages, wages, BPJS Employment, discipline and disciplinary sanctions , form of termination of employment, and closing conditions
- Collective Labor Agreement between PT Perkebunan Milano and SERBUNDO PT Perkebunan Milano which was approved by the Sumatera Utara Provincial Manpower Office with Decree No. 15-6 / DTK / 2018 dated January 22, 2018. The Collective Labor Agreement describes the obligations and reciprocal rights, work relations, work time, rest and leaving work by getting wages, wages, BPJS Employment, discipline and sanctions for discipline, forms termination of employment, and closing conditions

Based on the results of a study of the list of company workers in May 2019, it is known that there are currently no contract workers who work in companies because all of the current employment is permanent workers. However, the company has a worker history document that informs them regarding the employee's personal data, application letter, first employment contract, letter of appointment as permanent worker and other information. From these data, there are work contracts that use Indonesian and have been approved by both parties, so that all parties have agreed and understood the contents of the contract.

The company has a determination related to the minimum wage set by the government and internal company, these stipulations include:

- Decree of the Governor of North Sumatra No. 188.44 / 1574 / KPTS / 2018 dated 31 December 2018 concerning the Sectoral Minimum Wage of Labuhanbatu District in 2019 which came into force from 1 January 2019 in the amount of Rp. 3,010,000,-
- Internal Memorandum No. 010 / HC-IM / I / 2019 dated January 18, 2019 concerning Wage Scale of Group 2A, 2B, 2C and 2D. The memorandum explains that the current minimum wage is set at Rp. 3,010,000, - in accordance with government provisions and regulating the wage scale for all workers including the following:



Worker Class	Minimum Wage	Medium Wage	Maximum Wage
2A	3,010,000	3,211,000	3,411,000
2B	3,125,000	3,923,000	4,720,000
2C	3,524,000	4,405,000	5,286,000
2D	3,965,000	4,957,000	5,947,500

Based on the results of the wage document review in all units, it is known that the wage conditions in the company are currently in accordance with the regulations / requirements set by the government, such as stipulating minimum wages, calculation and payment of overtime, and other workers' rights / provisions. This is in line with the results of interviews with harvesters, fertilizers and sprayers stating that the company has implemented wage conditions in accordance with applicable laws and regulations such as minimum wages and overtime payments.

Based on the results of interviews with the Labuhanbatu District Manpower Office and labor union it was known that during the past year there had never been any events / issues related to violations committed by the company to its workers, this was because the company had implemented labor regulations in accordance with applicable regulations.

The company uses a day rate payment system (unit days) for all workers, except for harvest workers who use a piece rate payment system. In the case of wages for harvesters, the company uses a piece rate system based on the work obtained in working for one day, but there is a basic target that must be achieved in one day. If the worker does not get the harvest base target but has worked for 7 hours, the company will continue to provide a minimum wage of 1 working day. Meanwhile, if workers work beyond the harvest base target, they will get additional incentives in the form of money in accordance with the multiple of the target base that is achieved by the worker. In addition, the company has a wage deduction provision given to harvest workers if they carry out harvest activities outside of the specified requirements such as harvesting unripe bunch, empty bunch and others. In the case of providing wage deduction, the company will deduct it from harvest incentives that are obtained not from the workers' basic wages.

Based on the results of a review of harvest workers' wage documents, it is known that the company has provided wages that are above the minimum wage set by the government, but this is also supported by interviews with harvest workers who state that wages received with the piece rate system are above The minimum wage is determined and so far there has never been a mistake in the calculation of the work results obtained. For wage deduction due to violation of the provisions in the work mentioned earlier, the workers know this well and the reduction is not subject to the basic wage of the worker.

### 6.5.3

The company has an inventory of welfare facilities in the form of housing for its workers in each unit according to their needs. The following are housing facilities in each unit, including:

- Cabang Dua Estate - Has 1 unit house facilities with a type of permanent G1 house, 3 units of G6 and 4 units of G10.
- Sei Deras Estate - Has 1 unit house facilities with a type of permanent G1 house, 10 units of G2, 3 units of G6 and 20 units of G10.
- Wonosari Estate - Has 1 unit house facilities with a type of permanent G1 house, 2 units of G2, 2 units of G4, 2 units of G6 and 20 units of G10.
- DLI 2 POM - Has 2 units of house facilities with type of permanent G1 types, 2 units of G2 and 6 units of G 10.

Based on the results of field visits it is known that the company has provided adequate welfare facilities for workers such as housing, the availability of clean water and drinking water (drinking water depots at home), availability of electricity (PLN), the availability of health facilities in each unit and maintained by doctors and paramedics (nurses and midwives), worship facilities for workers. In addition, the company provides educational facilities in the form of elementary school kindergarten located in the company environment as well as the provision of school buses for transportation equipment for children of workers. All these facilities can be easily accessed by all workers and their families.

### 6.5.4

The company has made it easier for workers and their families to obtain food sources by providing cooperative employees who sell the daily needs of workers and give vegetable traders access to sell in the workers' housing area. In addition there are also workers who open small shop stalls to sell daily necessities in each housing. Based on the results of



interviews with workers, labor unions and gender committees, it was found that workers had no difficulty in obtaining food sources because the company had provided cooperatives selling daily necessities and vegetable sellers were given access to sell in their houses. Besides that, workers can buy these needs to markets around the company's area with access that is not too difficult.

**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 & 6.6.2

The company has a Freedom of Association Policy for employees that was ratified by the HRD Head dated 02 January 2007. The policy explains that the Company guarantees the freedom of each employee to form and become a member of a Trade Union or Labor Union in accordance with the applicable Laws. In addition, the company has a PKB and PP which states that the company has recognized the existence of unions in the company and provided support to all workers who wish to associate. These policies are known by workers and all levels of workers (permanent workers, migrants, non-migrants, contract workers and others) can join to become members of trade unions in the company.

Labor unions have been formed in companies formed by workers and supported by the company. for now there are 2 labor unions that have registered and organized in the company including:

#### **SERBUNDO PT Daya Labuhan Indah**

- Chairman: Mizaro
- Deputy Chairman: Ferdinan Tambunan
- Secretary: Doni Hermawan
- Chamberlain: Budiarmo
- The number of members registered for now is 287 members for the Wonosari Estate and 201 members for Sei Deras Estate

#### SERBUNDO PT Perkebunan Milano unit Branch Two Estate

- Chairman: Prayetno
- Deputy Chairman: Jumali
- Secretary: Erwanto
- Chamberlain: Erikson Rismanto
- The number of members for now is 130 members.

The company has documentation and minutes of union meetings with companies including:

- Meeting between SERBUNDO's management and PT Daya Labuhan Indah on 02 May 2019 which discussed sports facilities, water resources, commitment to run company policies and other discussions attended by 14 participants.
- Meeting between SERBUNDO's management and PT Perkebunan Milano – Cabang Dua Estate on 02 May 2019 which discussed the request for THR funds, proposals for meat money assistance, change of working days and other discussions attended by 9 participants.
- Meeting between SERBUNDO management and PT Perkebunan Milano – Cabang Dua Estate on 25 April 2019 which discussed the discussion of premiums, receipt of workers for children of workers and other discussions attended by 11 participants.

Based on the results of interviews with labor union officials it is known that the company strongly supports the formation of labor unions in companies and every worker is given the freedom to join in it. In the formation and activities of labor unions there has been no intervention from the company, this is because all activities and formation of labor unions are carried out independently from the workers without any company intervention.

**Status: Comply**

### 6.7

**Children are not employed or exploited.**

### 6.7.1

The company has a Child Labor Policy signed by the Group Plantation Head and CSR Head Group on September 2010. The policy explains:

- Will not employ children who are included in the provisions of the ILO conventions, even if there are laws or regulations from the State and local authorities that allow them
- Will comply with all applicable child labor laws and regulations, including all matters relating to payroll, working hours, overtime and workplace conditions
- Opposing all forms of exploitation of children. The company will not provide employment to children before they reach the age permitted by law to complete compulsory education, in accordance with the provisions of the local government
- Expect business partners and institutions that work together to have and apply the same standards and comply with government legal regulations in the operating place. If Wilmar discovers this violation and is not corrected, we will take serious action, including termination of business relations.
- It is the responsibility of local management and the HRD department to implement and ensure compliance with this policy in all Wilmar operations and facilities.

In addition to these policies, the company also has a PKB and PP governing the minimum age limit for workers is 18 years and there is a prohibition to employ children under that age. Based on the results of a study of the list of workers' documents and field observations, there were no workers under the age of 18 at the time of receiving workers. This was also reinforced by the results of interviews with labor unions and gender committees which stated that within the scope of the company there were no workers aged less than 18 years.

**Status: Comply**

### 6.8

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

#### 6.8.1; 6.8.2 & 6.8.3

Policies related to the absence of discrimination against employees have not changed from the previous assessment. The company has a policy on equal opportunities to get employment opportunities, September 2010 signed by Group Plantation Head and CSR Head Group. The policy explains that Wilmar supports the principles of justice and aims to treat everyone with respect, free from discrimination that violates the law and ethics. In particular, this policy aims not to discriminate against gender, race or ethnicity, disability, sexual orientation, age or belief; but to develop a global workforce that has capabilities based on objective assessment.

The company has established a policy on non-discrimination and equal opportunities for all workers, this is evidenced by the composition of workers in the company originating from a variety of different ethnic groups including, Minang, Java, Batak, Nias and Bugis. Based on the results of interviews with workers, trade unions and gender committees found that the recruitment of workers was based on the needs of the company regardless of ethnic background, religion, race and class. All prospective employees have the right to get the opportunity to work according to their scientific background and company needs. In addition, during the years 2018-2019 there were no issues regarding discrimination against workers.

**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

The company has a policy on equal opportunities to get employment opportunities, September 2010 signed by Group Plantation Head and CSR Head Group. The policy explains that Wilmar supports the principles of justice and aims to treat everyone with respect, free from discrimination that violates the law and ethics. In particular, this policy aims not to discriminate against gender, race or ethnicity, disability, sexual orientation, age or belief; but to develop a global workforce that has capabilities based on objective assessment.

The company also has a policy in the form of Intern No. Memorandum. 026 / WIP-HRD / Int-VIII / 2009 which was approved by HRD Head Memed Kosasih on 12 August 2009. The memorandum explained that all employees must maintain decency and security while in the workplace and prohibit any element of sexual harassment and oppression of women.

The company has formed a gender committee to deal with areas of concern to women in the company, including:

### **PT Daya Labuhan Indah Gender Committee**

- Protector: Sulistiarto, Jinggo Panjaitan, Marnangon Sitorus.
- Chairman: Sampe Martinus, Riduwan Purba, Khairudin Hasibuan
- Secretary: Lamria Lumbantoruan, Hotmariana Saragih, Andi Syahputra.
- Counseling and socialization section: consists of 15 members.
- Consultation section: consists of 10 members.
- The protection, prevention and enforcement section consists of 9 members.

### **PT Perkebunan Milano - Cabang Dua Estate Gender Committee**

- Protector: Gift Mufti Lubis, SB Manurung, J Saragih.
- Chairman: Rahmad S
- Secretary: Karningsih.
- Counseling and socialization section: consists of 6 members.
- Consultation section: consists of 6 members.
- The protection, prevention and enforcement section consists of 4 members

The company has a gender committee work program in 2019 with activities such as gender restructuring, regular management meetings every semester, gender socialization, hygiene awareness and environmental management. Based on the results of interviews with female workers in spray and fertilizer activities, it is known that the workers have known the committee of the gender committee and have received information on women's rights (gender). In addition, during the past year there has never been any sexual harassment / violence that occurred in the operational area.

Based on the results of interviews with the committee members of the gender committee, it was found that policies related to gender and women's rights determined by the company became a reference for administrators to carry out activities and outreach to workers. During the past year there have been no incidents or issues related to sexual harassment, domestic violence, child labor or human rights violations.

**Status: Comply**

### **6.10**

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

##### **6.10.1; 6.10.2; and 6.10.4**

Mill only received FFB from certified sources (own estates or other certified estate under Wilmar International Limited). Mill did not have any smallholder scheme.

##### **6.10.3**

Unit Management has had an agreement with local contractor in order to increase income's of local contractor. For example, based on document verification unit management has paid sport facilities (CV Yenni Jaya Bersama) according to the agreement on 11 March 2019.

**Status: Comply**

### **6.11**

#### **Growers and millers contribute to local sustainable development wherever appropriate.**

##### **6.11.1 & 6.11.2**

The company has identified the needs and whereabouts of the surrounding community together with the socialization of social impacts with the Forum Group Discussion (FGD) method for the village community around the company including:

- FGD activities on 23 February 2019 in Sei Nahodaris Village and from the results of the FGD the company can formulate a plan for the provision of CSR assistance in the future.
- FGD activities on 17 July 2018 in Wonosari, Bilah, Sidorejo, Sei Tampang and Pekan Bilah Village, from the results of the FGD the company can formulate a plan for the provision of CSR assistance in 2018-2019.

The company has compiled a program for local development that is intended for communities around the affected companies and listed in the CSR program for 2018-2019 including:

- Help with Charity & Donation
- Religious Assistance
- Social and Sports Assistance
- Health Assistance
- Infrastructure Assistance
- Education Assistance
- Employment Assistance
- Training Assistance

The company can show the realization of the CSR program that has been prepared and intended for the surrounding village community (photos and proof of handover are attached to the realization), including:

- Assistance in the form of tree plants for the protective greening program for Sei Nahodaris Village on 30 June 2018
- Free medical check-up / assistance to surrounding villagers on 30 July 2018
- Assistance in repairing the bridge infrastructure of Sei Barumun on 30 November 2018
- Community economic improvement program assistance by providing fruit seeds in Nahodaris Village on 28 December 2018
- Assistance in the form of goat livestock assistance to the community which was conducted on 04 April 2019.
- Assistance in providing aid funds for activities of youth organizations and NGOs / Media since January - December 2018
- Assistance in the construction of the AT-Taubah Mosque in Sei Tampang Village in the form of floor tiles
- Assistance in building AL-Ikhlas Mosque in Sei Tampang Village in the form of floor tiles
- Assistance with road repair around Sei Tampang Village which is carried out every month

Based on the program and realization presented above, it is known that the company has implemented the CSR program in accordance with its objectives and can be shown proof of its realization in the form of photos, minutes and other evidence. Based on the results of interviews with surrounding villagers it is known that so far the company has carried out CSR activities in each village and the village community has felt that this is enough to help the development and growth of the village community. In addition there are also many rural communities working in companies and information related to job vacancies is always given to the surrounding community when the company needs labor.

**Status: Comply**

### 6.12

**No forms of forced or trafficked labour are used.**

#### 6.12.1; 6.12.2 & 6.12.3

The company has Wilmar International Ltd's Human Rights Policy, which was published in June 2014 and approved by the Group Plantation Head and CSR Head Group. In the policy it was stated that Wilmar's commitment supports respect and protection of human rights (including prevention of forced labor); such as anti-child labor, OHS policies, giving equal opportunities to everyone, reporting and complaints, anti-sexual harassment, anti-violence and torture, respect for reproductive rights, and corporate social responsibility.

Based on the results of a review of work contract documents and a list of workers it is known that there were no foreign workers working at the level of executive workers to manager positions. Foreign workers only exist at the top management level. In addition, there are no workers from trade or illegal workers or contract substitutions because all workers have work ties with the company. This is in line with the results of interviews with harvest, fertilizer, spray and factory operators who stated that so far there had been no use of forced labor, child labor, or family members who helped employees. All workers have work ties with the company.

**Status: Comply**

### 6.13

**Growers and millers respect human rights**

#### 6.13.1

The company has Human Rights Policy signed by Goh Ing Sing (Group Plantation Head) and Jeremy Goon (Group CSR Head), updated in June 2014 and included in the Wilmar Policy (05 December 2103, updated 1/16/2015, reviewed by Khairul Anwar) in point 3 that it will not exploit fellow humans and the local community.

The company has socialized the policy to all workers, socialization was carried out in each unit at the time of the morning rally. The following is the socialization that has been given by the company to its employees, including:

- Socialization of Company Policy at DLI 2 POM on 07 May 2019 which was attended by 24 participants
- Socialization of Company Policy at Wonosari Estate on 21 June 2019 which was attended by 140 participants
- Socialization of Company Policy at Sei Deras Estate on 12 February 2019 which was attended by 120 participants
- Socialization of Company Policy at Cabang Dua Estate on 07 May 2019 which was attended by 127 participants

Based on the results of interviews with trade unions and gender committees, there have been no cases of human rights violations committed by the company. This is also the same as the results of interviews with surrounding villagers, namely there have never been cases of human rights violations committed by the company to the surrounding community.

**Status: Comply**

### PRINCIPLE #7 Responsible development of new plantings

#### 7.1

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

##### 7.1.1, 7.1.2, 7.1.3,

Company do not conduct any new development since November 2005. Social impact assessment and environmental impact assessment for current company operational areas were able to seen on indicator 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

There is no new planting area or expansion or new additional areas in PT DLI and CDE PT Perkebunan Milano. Palms in both estate were planted between 1996 to 2008, while palms planted from 2009 forwards were for first replanting purposes. Company management has conducting semi detail soil survey to study soil suitability category in November 2008, carried out by Param Agricultural Soil Survey, Sdn. Bhd. Based on semi detail soil survey analysis, it was known that slope condition in PT DLI and CDE of PT Milano are dominantly flat to undulating, which ranged between 0° to 6°. Thus, there is no soil management limitation due to hilly to steep area. Limitation were mostly due to very poorly drained soil property and prone flooded area. To overcome this matters estate management has conducting field drains system with pattern 1:4.

**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

Company do not conduct any new development since November 2005. PT DLI and PT Milano has conduct disclosure to RSPO on July 2014, and as a result RSPO has confirmed PT DLI and PT Milano as zero liability on 2017.

##### 7.3.3, 7.3.4, 7.3.5

Company do not conduct any new development since November 2005. HCV management plan for current company operational areas were able to seen on indicator 5.2.

**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 new planting area or expansion or new additional areas in PT DLI and CDE PT Perkebunan Milano. Palms in



both estate were planted between 1996 to 2008, while palms planted from 2009 onwards were for first replanting purposes. PT DLI and CDE PT Perkebunan Milano Estate has soil map which derived from Semi Detail Soil Survey Report which conducted by Param Agricultural Soil Survey, Sdn. Bhd. in November 2008, summarized as follows:

- According to soil survey results, it could be concluded that soils in PT DLI were fully covered by peat soil with several depth, divided into four category, e.g.: shallow (50-100 cm), moderate (100-150 cm), deep (150-300 cm) and very deep (>300 cm). All peat were categorized as marginal with saprist decomposition level. However, there is no sulfidic marine clay deposits. Very deep peat soils which considered as fragile soil has occupy for about 40 % from PT DLI total area, while the rest were considered as marginal area. Main limitation for oil palm cultivation on PT DLI were mainly due to very poorly drained property.
- According to soil survey results, it could be concluded that almost 80 % of CDE were peat soil with various depth from shallow to deep. The rest were mineral soils over recent riverine alluvium. Eventhough there is no fragile soil in CDE, however, it has the same main limitation with estates of PT DLI, which is has a very poorly drained soil property.

Agronomy strategy to overcome this situation was refers to procedure No. SOP-EST-022 and document No. SOP-EST-028 (Rev. 00) dated 01 February 2015. Based on field observation and document review, several strategy which already implemented by estate management was adoption a proper peat management as follows:

- Water managemet through maintaining water level at 60-80 cm and monitoring of peat subsidency rate as indicator of water management quality.
- Installing field drain with pattern 1:4 and flap gate.
- Canal desilting for water discharge and application of kaptan which aims to increase soil pH.
- Peat compaction with "hole in hole" planting method, which starts implemented on palms planted in 2014 forward.
- Maintaining land cover crop which aims to retain soil moisture on the field.
- Fertilizer application as in accordance with Agronomist recommendation., especially additional micronutrient on B, Cu and Zn.

**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

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

**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.**

*There is no land expansion activity during this audit.*

Based on document Identification of HCV and stakeholder consultation, there was not found customary / indigenous rights in operational area. There was the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprising of participants' list and photographs.

**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 and 7.7.2

There is no new planting area or expansion or new additional areas in PT DLI and CDE PT Perkebunan Milano. Palms in both estate were planted between 1996 to 2008, while palms planted from 2009 onwards were for first replanting purposes. Zero burning policy was issued by Group Plantation Head and Head of CSR Group on September 2010 and



there is another policy which presented in No Deforestation, No Peat, No Exploitation (NDPE) dated 05 December 2013 which mentioned that usage of fire during replanting is strictly prohibited. This matters has also mentioned in procedure of planting No. Pro-EST-002 dated 01 July 2012 and No. SOP-EST-003 (Rev. 01) dated 01 February 2015 for CDE - PT Perkebunan Milano and PT DLI, respectively. As informed by Plantation Agency and Environment Agency of Labuhanbatu District, as well as information from representative surrounding Villages, it was known that there is no burning activities for land clearing in PT DLI and PT Perkebunan Milano. Land preparation is conducted mechanically by heavy equipments.		
	<b>Status: Comply</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
<b>7.8.1 &amp; 7.8.2</b>		
PT DLI and PT Milano do not conduct any new development since January 2015. Current company net GHG emission has been described on indicator 5.6.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
<b>8.1.1</b>		
<b><u>RSPO Internal Audit</u></b>		
Integrated RSPO and ISPO Internal audit of DLI-2 POM is conducted by Internal Auditor, presented in document Form No. FRM-GEN-015-004 (Rev. 02) dated 02 January 2019 and approved by Operating Unit Manager on 23 January 2019. The audit has resulting 8 (eight) non conformity findings notes which all had been fully comply on 20 February 2019. Moreover, there are 5 (five) opportunity of improvement identified during the audit. Follow up of finding, as well as correction evidence of specific findings were available. Furthermore, integrated RSPO and ISPO Internal audit of CDE-PT Perkebunan Milano is conducted by Internal Auditor, presented in document No. FRM-GEN-004 dated 22 January 2019. The audit has resulting 15 non conformities findings. Apart on permit findings, follow up of finding, as well as correction evidence of specific findings were available and fully settled up on 01 March 2019.		
<b><u>Worker Welfare</u></b>		
<ul style="list-style-type: none"> <li>The company has set minimum wage regulations for all workers based on the stipulation of minimum wages by the Governor of Sumatera Utara for 2019 and currently all workers are workers with permanent employee status.</li> <li>The company facilitates workers with adequate housing, electricity facilities, and availability of clean water in every publicly available housing.</li> <li>The company is also committed to avoiding acts of discrimination, sexual harassment, child labor or acts of human rights violations in the work environment.</li> </ul>		
	<b>Status: Comply</b>	

### 3.2 Summary of Assessment Report of Supply Chain Requirement

#### 3.2.1. General chain of custody requirements for the supply chain

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
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>Facility handling their own RSPO certified palm oil product and does not have any outsource contractors.</p>
	<b>Status: Comply</b>
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>Until this Recertification period, facility only processed certified FFB from their own estate inside the certification scope PT. Daya Labuhan Indah (Wonosari and Sei Deras Estate) and PT Perkebunan Milano (Cabang Dua Estate) and from certified FFB outside the certification scope (Marbau Estate – PT Perkebunan Milano).</p>
	<b>Status: Comply</b>
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>Daya Labuhan Indah 2 POM - PT Daya Labuhan Indah, subsidiary of Wilmar International Ltd has registered in RSPO membership 2-0017-05-000-00 (registered since August 16<sup>th</sup> 2005).</p> <p>Daya Labuhan Indah POM has been registered in IT platform palm trace RSPO <a href="https://palmtrace.rspo.org/web/rspo/member-directory">https://palmtrace.rspo.org/web/rspo/member-directory</a> which information as follows:</p> <ul style="list-style-type: none"> <li>• Member Name: Daya Labuhan Indah 2 POM - PT Daya Labuhan Indah</li> <li>• Account UID: RSPO_AC1000002148</li> <li>• Core Product: Palm Oil</li> <li>• Member ID: RSPO_PO1000002132</li> <li>• Type of Business: Oil Mill</li> </ul>
	<b>Status: Comply</b>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There is no processing aids in Daya Labuhan Indah 2 POM.</p>
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>
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 -&gt; Segregated -&gt; Mass Balance.</p> <p>The mill are implementing the combined of Module D (Identity Preserved) and Module E (Mass Balance). However during this certification period, mill only implementing Module D (Identity Preserved). Further information of supply chain will be explained</p>

in indicator D.5.1 – Record Keeping (Module D).

**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 mill are implementing the combined of Module D (Identity Preserved) and Module E (Mass Balance). However during this certification period, mill only implementing Module D (Identity Preserved). Further information of supply chain will be explained in indicator D.5.1 – Record Keeping (Module D).

**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.

Procedrures and/or written guidances for implementation of SCCS including description of personal key and he/she 's duty. These document document observed, namely:

- SOP of FFB, CPO, PK wheighbridge document no.: SOP-MIL-002 revision of 5 issued on 5 Desember 2017, in this document mentioned that the security and wheighbridge operator are responsible to ensure the source of FFB, the shipment/delivery document, as well as the seals for CPO/PK truck.
- Traceability procedure No.SOP-MILL-034, Revision 04, dated 1 October 2016 informed, the personal key on this activity is:
  - a) Logistic officer input the data of FFB certified product received and responsible in order to balancing the CPO and PK dispatch
  - b) Mill Head responsibility to ensure the stock balance and shipping of CPO and PK well implemented.

In clause of 6.3 describes that in term of RSPO product shipment (CSPO/CSPK), in the weighbridge note will be attached the stamp which informed mill name, RSPO certificate number and supply chain model name. Clause of 6.6 describes that the announce to RSPO IT Platform will be done when by shipment of CSPO and CSPK. The data input conducted in every end of the month when there is no longer changes. The retention time of record keeping of supply chain documents is two (2) years.
- CPO and PK Shipment Procedure No.SOP-MILL-034, Revision 03, dated 1 October 2016 informed: point of F, the CPO and PK tank checking, the security officers checked the vehicle physical condition and to ensure the tank is empty without any other material and informed in the Vehicle Control Form document. Shipment with the RSPO status. The weighbridge officer ensure all the documents and information are complete, including the product identity (stamp) informing the certificate number of DLI.2 and the supply chain model use.

Storage tank planned to be washed minimum twice a year as mentioned in the SOP No.SOP-MILL-038, Revision 03, dated 1 October 2016. Switch over product mechanism from MB to IP model, describes as follow:

- a) Define the cutoff date of the switch over in order to ensure FFB latest day acceptance for MB model
- b) Ensure there is dedicated tank will use in empty condition to keep all the IP model status product
- c) All FFB received and production in the cutoff date will stated as MB supply chain model status
- d) Only acceptance and production at one day after the cutoff date can be stored in the dedicated storage tank

Switch over product from IP to MB model mechanism:

- a) Define the cutoff date of FFB latest day acceptance for IP supply chain model
- b) FFB and production after cutoff date stated as MB supply chain model and stored.
- c) If IP supply chain model will be shipped and claimed as IP, so the IP product left cannot be mixed with MB supply chain model product.

During this recertification audit found that facility only received FFB from certified sources. So they only implemented Module D – Identity Preserved.

	<b>Status: Comply</b>
<b>5.3.2</b> <b>The site shall have a written procedure to conduct annual internal audit</b>	
<p>Written procedure to conduct internal audit observed during audit namely document of SOP Internal Audit no.: SOP-GEN-015 revision 2 issued on 1 Aug 2016, internal audit planned once a year, carry out by trained internal auditor.</p> <p>Based on document verification known that facility has conducted RSPO internal audit (including supply chain) on 22 – 25 January 2019. Management review meeting conducted on 27 March 2019 and all non – conformity has been closed.</p>	
	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
<b>5.4.1</b> <b>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.</b>	
<p>Question :</p> <p>All RSPO product information is provided by suppliers in accordance with :</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> <li>• The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> <li>• A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> <li>• The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.</li> </ul>	
<p>Facility only processed their own FFB (from the certification scope) and certified FFB from other estate under the Wilmar International Ltd (Marbau Estate – PT. Perkebunan Milano).</p>	
	<b>Status: Comply</b>
<b>5.4.2</b> <b>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</b>	
<p>Facility only processed their own FFB (from the certification scope) and certified FFB from other estate under the Wilmar International Ltd (Marbau Estate – PT. Perkebunan Milano).</p>	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b> <b>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g.</b>	

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.	
Facility sold all their palm product (CPO/PK) to the certified buyer PT. Multimas Nabati Asahan (RSPO Supply Chain Certificate Number CU-RSPO-SCC-831930 valid until 6 March 2024). Product delivery arrange and paid by buyer. So, there is no outsourcing activities until this audit.	
	<b>Status: Comply</b>
<b>5.5.2</b> Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>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.</li> <li>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>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</li> </ol>	
Facility sold all their palm product (CPO/PK) to the certified buyer PT. Multimas Nabati Asahan (RSPO Supply Chain Certificate Number CU-RSPO-SCC-831930 valid until 6 March 2024). Product delivery arrange and paid by buyer. So, there is no outsourcing activities until this audit.	
	<b>Status: Comply</b>
<b>5.5.3</b> 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.	
Facility sold all their palm product (CPO/PK) to the certified buyer PT. Multimas Nabati Asahan (RSPO Supply Chain Certificate Number CU-RSPO-SCC-831930 valid until 6 March 2024). Product delivery arrange and paid by buyer. So, there is no outsourcing activities until this audit.	
	<b>Status: Comply</b>
<b>5.5.4</b> 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	
Facility sold all their palm product (CPO/PK) to the certified buyer PT. Multimas Nabati Asahan (RSPO Supply Chain Certificate Number CU-RSPO-SCC-831930 valid until 6 March 2024). Product delivery arrange and paid by buyer. So, there is no outsourcing activities until this audit.	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b> 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	
Facility sold all their palm product (CPO/PK) to the certified buyer PT. Multimas Nabati Asahan (RSPO Supply Chain Certificate Number CU-RSPO-SCC-831930 valid until 6 March 2024). During this audit known that all palm product sold to PT. Multimas Nabati Asahan located in Kuala Tanjung Village, Subdistrict of Sei Suka, District of Batu Bara, North Sumatera Province.	
All palm product dispatch has completed with data of contract, product description, quantity, transporter documentation, declaration of product status etc.	
	<b>Status: Comply</b>



<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b>	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries; and</li> <li>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</li> </ul> <p>Facility has shown their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there is a record of certified product sold as RSPO certified product or conventionally (noncertified). Facility has been removed their stock in RSPO Palm Trace if any palm product dispatch or sold.</p>
	<b>Status: Comply</b>
<b>5.7.2</b>	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul> <p>Based on document verification, facility has documented record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All of these transactions are recorded in the RSPO IT Platform. Based on interviews with related staff, information was obtained that data related to sales was the authority of the Trading Department Head Office in Jakarta.</p>
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b>	<p>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</p> <p>Facility has had annual training plan regarding on supply chain standard and requirement to the related staff and specific personnel in charge in each control point. The last training conducted on 2 July 2018 in meeting room Wonosari Estate attended by 9 person i.e mill manager, EHS staff, weighbridge operator, security officer, head clerk, supervisor process, supervisor logistic etc.</p> <p>Based on interview with security officer, weighbridge operator and supervisor logistic known that all personnel involved has been well-known regarding on supply chain implementation.</p>
	<b>Status: Comply</b>
<b>5.8.2</b>	<p>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</p> <p>Facility has had annual training plan regarding on supply chain standard and requirement to the related staff and specific personnel in charge in each control point. The last training conducted on 2 July 2018 in meeting room Wonosari Estate</p>

attended by 9 person i.e mill manager, EHS staff, weighbridge operator, security officer, head clerk, supervisor process, supervisor logistic etc.

Based on interview with security officer, weighbridge operator and supervisor logistic known that all personnel involved has been well-known regarding on supply chain implementation.

**Status:**

### 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

Facility has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to-date, it was observed the record up to 27 July 2019.

All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales.

**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

According to the Traceability Procedure (Document Number SOP-MILL-034 dated 1 January 2018), all document and record related to supply chain kept for minimum 2 years. Auditor has observed the file storage of mill and still found the delivery note, weighbridge ticket and sortation report from 28 December 2016.

**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.

Facility has propose the estimate volume of CPO and PK for the next certification period as follows:

Name of Mill	Capacity (tonnes/hour)	Supply Chain Model	Annual Volume (Tonnes)		
			FFB	CPO	PK
Daya Labuhan Indah 2	30	Identity Preserved	121,505	27,400	6,100
		Mass Balance	6,395	1,400	300

**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](http://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

Facility did not using conversion rate.

**Status: Comply**

#### 5.10.2

Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.

Facility did not using conversion rate.

	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b> 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. Facility did not using logo.	
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b> The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints. Based on document verification known that facility has conducted RSPO internal audit (including supply chain) on 22 – 25 January 2019. Management review meeting conducted on 27 March 2019 and all non – conformity has been closed.  The latest management review of overall system implementation including SCCS was held in 27 March 2019, attended by related staff who involves in SCCS implementation. Sighted in the minute of meeting that the topic discussed namely: RSPO Supply Chain internal audit result, customer feedback, status of corrective action and preventive action, other changes to management system and recommendation for improvement.	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b> The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken The latest annual management review of overall system implementation including SCCS was held in 27 March 2019, attended by related staff who involves in SCCS implementation. Sighted in the minute of meeting that the topic discussed namely: RSPO Supply Chain internal audit result, customer feedback, status of corrective action and preventive action, other changes to management system and recommendation for improvement.	
	<b>Status: Comply</b>
<b>5.13.2</b> The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul> The latest annual management review of overall system implementation including SCCS was held in 27 March 2019, attended by related staff who involves in SCCS implementation. Sighted in the minute of meeting that the topic discussed namely: RSPO Supply Chain internal audit result, customer feedback, status of corrective action and preventive action, other changes to management system and recommendation for improvement.	
	<b>Status: Comply</b>
<b>5.13.3</b> The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul> It documented in management review document as written in preventive action.	

	<b>Status: Comply</b>
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## 3.2.2. Module D – CPO Mills: Identity Preserved Requirements

Clause	Requirement																			
D1	Definition																			
D.1.1																				
A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.																				
The DLI2 POM are applied SCCS Modul D (IP) and E (MB), however the mill only received and processed the FFB from certified sources (its own estate : CDE, KWS and KSD) and from certified asociated estates (Marbau Estate, certified under certificate no.: 824 502 14010 valid until 23 Aug 2021.																				
	Status: Comply																			
D.2	Explanation																			
D.2.1																				
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report																				
Facility has propose the estimate volume of CPO and PK for the next certification period as follows:																				
<table><tr><th rowspan="2">Name of Mill</th><th rowspan="2">Capacity (tonnes/hour)</th><th rowspan="2">Supply Chain Model</th><th colspan="3">Annual Volume (Tonnes)</th></tr><tr><th>FFB</th><th>CPO</th><th>PK</th></tr><tr><td rowspan="2">Daya Labuhan Indah 2</td><td rowspan="2">30</td><td>Identity Preserved</td><td>121,505</td><td>27,400</td><td>6,100</td></tr><tr><td>Mass Balance</td><td>6,395</td><td>1,400</td><td>300</td></tr></table>		Name of Mill	Capacity (tonnes/hour)	Supply Chain Model	Annual Volume (Tonnes)			FFB	CPO	PK	Daya Labuhan Indah 2	30	Identity Preserved	121,505	27,400	6,100	Mass Balance	6,395	1,400	300
Name of Mill	Capacity (tonnes/hour)				Supply Chain Model	Annual Volume (Tonnes)														
		FFB	CPO	PK																
Daya Labuhan Indah 2	30	Identity Preserved	121,505	27,400	6,100															
		Mass Balance	6,395	1,400	300															
	Status: Comply																			
D.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).																				
Daya Labuhan Indah POM - PT Daya Labuhan Indah, subsidiary of Wilmar International Ltd has registered in RSPO membership 2-0017-05-000-00 (registered since August 16 <sup>th</sup> 2005).																				
Daya Labuhan Indah POM has been registered in IT platform palm trace RSPO <a href="https://palmtrace.rspo.org/web/rspo/member-directory">https://palmtrace.rspo.org/web/rspo/member-directory</a> which information as follows:																				
<ul style="list-style-type: none"><li>Member Name: Daya Labuhan Indah POM - PT Daya Labuhan Indah</li><li>Account UID: RSPO_AC1000002148</li><li>Core Product: Palm Oil</li><li>Member ID: RSPO_PO1000002132</li><li>Type of Business: Oil Mill</li></ul>																				
For example:																				



TR-801c2ad7-e27b	18-05-2017	DO 3052111317 RSPO-MB PO 1210086242	CSPK	50	Mass Balance		Shipping	Confirmed
TR-1acc0ba0-9e72	18-05-2017	DO 3052111312 RSPO-MB PO 1210086385	CSPK	25	Mass Balance		Shipping	Confirmed
TR-8c27091e-e7a3	12-05-2017	DO 3052111343 RSPO-MB PO 1210086617	CSPO	2.19	Mass Balance		Shipping	Confirmed
TR-8f8590b4-b589	12-05-2017	DO 3052111342 RSPO-MB PO 1210086617	CSPO	120	Mass Balance		Shipping	Confirmed
TR-f543bc96-5f55	12-05-2017	DO 3052111338 RSPO-MB PO 1210086580	CSPO	150	Mass Balance		Shipping	Confirmed

**Status: Comply**

### D.3 Documented procedures

#### D.3.1

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

- Complete and up to date procedures covering the implementation of all the elements in these requirements;
- The role 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's procedures for the implementation of this standard.

Procedures and/or written guidances for implementation of SCCS including description of personal key and he/she's duty. These documents observed, namely:

- SOP of FFB, CPO, PK weighbridge document no.: SOP-MIL-002 revision of 5 issued on 5 Desember 2017, in this document mentioned that the security and weighbridge operator are responsible to ensure the source of FFB, the shipment/delivery document, as well as the seals for CPO/PK truck.
- Traceability procedure No.SOP-MILL-034, Revision 04, dated 1 October 2016 informed, the personal key on this activity is:
  - Logistic officer input the data of FFB certified product received and responsible in order to balancing the CPO and PK dispatch
  - Mill Head responsibility to ensure the stock balance and shipping of CPO and PK well implemented.
 In clause of 6.3 describes that in term of RSPO product shipment (CSPO/CSPK), in the weighbridge note will be attached the stamp which informed mill name, RSPO certificate number and supply chain model name. Clause of 6.6 describes that the announce to RSPO IT Platform will be done when by shipment of CSPO and CSPK. The data input conducted in every end of the month when there is no longer changes. The retention time of record keeping of supply chain documents is two (2) years.
- CPO and PK Shipment Procedure No.SOP-MILL-034, Revision 03, dated 1 October 2016 informed: point of F, the CPO and PK tank checking, the security officers checked the vehicle physical condition and to ensure the tank is empty without any other material and informed in the Vehicle Control Form document. Shipment with the RSPO status. The weighbridge officer ensure all the documents and information are complete, including the product identity (stamp) informing the certificate number of DLI.2 and the supply chain model use.

Storage tank planned to be washed minimum twice a year as mentioned in the SOP No.SOP-MILL-038, Revision 03, dated 1 October 2016. Switch over product mechanism from MB to IP model, describes as follow:

- Define the cutoff date of the switch over in order to ensure FFB latest day acceptance for MB model
- Ensure there is dedicated tank will use in empty condition to keep all the IP model status product
- All FFB received and production in the cutoff date will stated as MB supply chain model status

- d) Only acceptance and production at one day after the cutoff date can be stored in the dedicated storage tank

Switch over product from IP to MB model mechanism:

- Define the cutoff date of FFB latest day acceptance for IP supply chain model
- FFB and production after cutoff date stated as MB supply chain model and stored.
- If IP supply chain model will be shipped and claimed as IP, so the IP product left cannot be mixed with MB supply chain model product.

During this recertification audit found that facility only received FFB from certified sources. So they only implemented Module D – Identity Preserved.

**Status: Comply**

### D.3.2

#### The site shall have documented procedures for receiving and processing certified FFBs

In accordance with supply chain procedure as explained in clause D.3.1 above, facility has demonstrated the documentation of record keeping and processing of certified FFBs.

#### Certified and non-certified FFB received period of June 2018 to May 2019 (twelve month)

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
June 2018 to May 2019	137,846	-	137,846

**Status: Comply**

### D.4

#### Purchasing and goods in

#### D.4.1

#### The site shall verify and document the tonnage and sources of certified FFBs received.

Based on document verification known that the total of certified FFBs received as follows:

Month	Own Estates			Marbau Estate (certified associated outgrower)	Total
	Sei Deras	Wonosari	Cabang Dua		
June 2018 to May 2019	52,286	59,024	8,238	18,298	137,846

**Status: Comply**

#### D.4.2

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

Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.

Name of Mill	Capacity (tonnes/hour)	Supply Chain Model	Annual Volume According to Certificate (Tonnes)		
			FFB	CPO	PK
Daya Labuhan Indah 2	30	Identity Preserved	156,145	37,476	7,808
		Mass Balance	5,810	1,394	291
		Actual Volume for 12 month before audit (June 2018 – May 2019 (Tonnes)			
		Identity Preserved	137,846	31,185	5,239

		Mass Balance		-	-
			<b>Estimated Volume (Tonnes)</b>		
		Identity Preserved	121,505	27,400	6,100
		Mass Balance	6,395	1,400	300

Source: production data 12 month before audit (June 2018 – May 2019)

According to the data during the certification period (8 October 2018 – 7 October 2019), there still not any overproduction yet.

**Status: Comply**

### D.5 Record keeping

#### D.5.1

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

Based on document verification informed that facility only received FFB from certified area and sold as RSPO certified.

Period	CPO Production (MT)		Total	Certified CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
<b>Total</b>	<b>31,185</b>	<b>-</b>	<b>31,185</b>	<b>31,078</b>	<b>-</b>	<b>-</b>	<b>31,078</b>

Source: production data 12 month before audit (June 2018 – May 2019)

Period	PK Production (MT)		Total	Certified PK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
<b>Total</b>	<b>5,239</b>	<b>-</b>	<b>5,239</b>	<b>5,219</b>	<b>-</b>	<b>-</b>	<b>5,219</b>

Source: production data 12 month before audit (June 2018 – May 2019)

**Status: Comply**

### D.6 Processing

#### D.6.1

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.**

Based on verification of FFB receiving document in mill, known that Daya Labuhan Indah 2 POM only receive and processed FFB from certified area within the certification period.

**Status: Comply**

**3.2.3. Module E – CPO Mills: Mass Balance Requirements**

Clause	Requirement																			
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 sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																				
The DLI2 POM are applied SCCS Modul D (IP) and E (MB), however the mill only received and processed the FFB from certified sources (its own estate : CDE, KWS and KSD) and from certified associated estates (Marbau Estate, certified under certificate no.: 824 502 14010 valid until 23 Aug 2021).																				
	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. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.																				
Facility has propose the estimate volume of CPO and PK for the next certification period as follows:																				
<table><tr><th rowspan="2">Name of Mill</th><th rowspan="2">Capacity (tonnes/hour)</th><th rowspan="2">Supply Chain Model</th><th colspan="3">Annual Volume (Tonnes)</th></tr><tr><th>FFB</th><th>CPO</th><th>PK</th></tr><tr><td rowspan="2">Daya Labuhan Indah 2</td><td rowspan="2">30</td><td>Identity Preserved</td><td>121,505</td><td>27,400</td><td>6,100</td></tr><tr><td>Mass Balance</td><td>6,395</td><td>1,400</td><td>300</td></tr></table>		Name of Mill	Capacity (tonnes/hour)	Supply Chain Model	Annual Volume (Tonnes)			FFB	CPO	PK	Daya Labuhan Indah 2	30	Identity Preserved	121,505	27,400	6,100	Mass Balance	6,395	1,400	300
Name of Mill	Capacity (tonnes/hour)				Supply Chain Model	Annual Volume (Tonnes)														
		FFB	CPO	PK																
Daya Labuhan Indah 2	30	Identity Preserved	121,505	27,400	6,100															
		Mass Balance	6,395	1,400	300															
	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).																				
Daya Labuhan Indah POM - PT Daya Labuhan Indah, subsidiary of Wilmar International Ltd has registered in RSPO membership 2-0017-05-000-00 (registered since August 16 <sup>th</sup> 2005).																				
Daya Labuhan Indah POM has been registered in IT platform palm trace RSPO <a href="https://palmtrace.rspo.org/web/rspo/member-directory">https://palmtrace.rspo.org/web/rspo/member-directory</a> which information as follows:																				
<ul style="list-style-type: none"><li>Member Name: Daya Labuhan Indah POM - PT Daya Labuhan Indah</li><li>Account UID: RSPO_AC1000002148</li><li>Core Product: Palm Oil</li><li>Member ID: RSPO_PO1000002132</li><li>Type of Business: Oil Mill</li></ul>																				
For example:																				

TR-801c2ad7-e27b	18-05-2017	DO 3052111317 RSPO-MB PO 1210086242	CSPK	50	Mass Balance		Shipping	Confirmed
TR-1acc0ba0-9e72	18-05-2017	DO 3052111312 RSPO-MB PO 1210086385	CSPK	25	Mass Balance		Shipping	Confirmed
TR-8c27091e-e7a3	12-05-2017	DO 3052111343 RSPO-MB PO 1210086617	CSPO	2.19	Mass Balance		Shipping	Confirmed
TR-8f8590b4-b589	12-05-2017	DO 3052111342 RSPO-MB PO 1210086617	CSPO	120	Mass Balance		Shipping	Confirmed
TR-f543bc96-5f55	12-05-2017	DO 3052111338 RSPO-MB PO 1210086580	CSPO	150	Mass Balance		Shipping	Confirmed

**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:

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

Procedures and/or written guidances for implementation of SCCS including description of personal key and he/she 's duty. These document observed, namely:

- SOP of FFB, CPO, PK weighbridge document no.: SOP-MIL-002 revision of 5 issued on 5 Desember 2017, in this document mentioned that the security and weighbridge operator are responsible to ensure the source of FFB, the shipment/delivery document, as well as the seals for CPO/PK truck.
- Traceability procedure No.SOP-MILL-034, Revision 04, dated 1 October 2016 informed, the personal key on this activity is:
  - Logistic officer input the data of FFB certified product received and responsible in order to balancing the CPO and PK dispatch.
  - Mill Head responsibility to ensure the stock balance and shipping of CPO and PK well implemented.

In clause of 6.3 describes that in term of RSPO product shipment (CSPO/CSPK), in the weighbridge note will be attached the stamp which informed mill name, RSPO certificate number and supply chain model name. Clause of 6.6 describes that the announcement to RSPO IT Platform will be done when by shipment of CSPO and CSPK. The data input conducted in every end of the month when there is no longer changes. The retention time of record keeping of supply chain documents is two (2) years.

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

Storage tank planned to be washed minimum twice a year as mentioned in the SOP No.SOP-MILL-038, Revision 03, dated 1 October 2016.



- Switch over product mechanism from MB to IP model, describes as follow:
  - Define the cut-off date of the switch over in order to ensure FFB latest day acceptance for MB model
  - Ensure there is dedicated tank will use in empty condition to keep all the IP model status product
  - All FFB received and production in the cut-off date will stated as MB supply chain model status
  - Only acceptance and production at one day after the cut-off date can be stored in the dedicated storage tank
- Switch over product from IP to MB model mechanism:
  - Define the cu-off date of FFB latest day acceptance for IP supply chain model
  - FFB and production after cut-off date stated as MB supply chain model and stored.
  - If IP supply chain model will be shipped and claimed as IP, so the IP product left cannot be mixed with MB supply chain model product.

During the license of ASA 4 (8 Oct 2018 – 10 July 2019) there is no non certified FFB received and processed in DLI2 POM. Overproduction Information procedure No.SOP-MILL-044, Revision 03, dated 1 October 2016.

**Status: Comply**

### E.3.2

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

In accordance with supply chain procedure as explained in clause E.3.1 above, facility has demonstrated the documentation of record keeping and processing of certified FFBs.

#### Certified and non-certified FFB received period of June 2018 to May 2019 (twelve month)

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
June 2018 to May 2019	137,846	-	137,846

According to the document verification and interview with logistic staff known that mill implemented identity preserved module by received certified FFB only. There is no record of uncertified FFB received or process until now.

**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.

Based on document verification known that the total of certified FFBs received as follows:

Month	Own Estates			Marbau Estate (certified associated outgrower)	Total
	Sei Deras	Wonosari	Cabang Dua		
June 2018 to May 2019	52,286	59,024	8,238	18,298	137,846

**Status: Comply**

#### E.4.2

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

Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.

Name of Mill	Capacity (tonnes/hour)	Supply Chain Model	Annual Volume According to Certificate (Tonnes)		
			FFB	CPO	PK
Daya Labuhan Indah 2	30	Identity Preserved	156,145	37,476	7,808
		Mass Balance	5,810	1,394	291
			Actual Volume for 12 month before audit (June 2018 –		

		May 2019 (Tonnes)		
		Identity Preserved	137,846	31,185
		Mass Balance	-	-
		Estimated Volume (Tonnes)		
		Identity Preserved	121,505	27,400
		Mass Balance	6,395	1,400

Source: production data 12 month before audit (June 2018 – May 2019)

Status: Comply

### E.5 Record keeping

#### E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

Based on document verification informed that facility only received FFB from certified area and sold as RSPO certified.

Period	CPO Production (MT)		Total	Certified CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
Total	31,185	-	31,185	31,078	-	-	31,078

Source: production data 12 month before audit (June 2018 – May 2019)

Period	PK Production (MT)		Total	Certified PK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
Total	5,239	-	5,239	5,219	-	-	5,219

Source: production data 12 month before audit (June 2018 – May 2019)

Status: Comply

### 3.3 Conformity Checklist of Certificate and Trademark Use

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>RC</b>	There is no logo use	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or√</b>
<b>RC</b>	There is no logo use	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or√</b>
<b>RC</b>	There is no logo use	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or√</b>
<b>RC</b>	There is no logo use	√
	<b>Status: Comply</b>	

### 3.4 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p><b>Auditor verification</b></p> <p>There is internal audit produced for</p> <ul style="list-style-type: none"> <li>- PT Agronusa Investama Pahauman</li> <li>- PT Bumipratama Khatulistiwa</li> <li>- PT Agro Palindo Sakti 2</li> <li>- PT Musi Banyuasin Indah</li> <li>- PT Sinarsiak Dianpermai</li> <li>- PT Agroindo Indah Perkasa 2</li> </ul> <p>And positive assurance is produced for these units.</p>
2.1.2	No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p>WILMAR International Ltd has submitted liability disclosure to RSPO on 31 July 2014 and LUCA template on 3-8 March 2015</p> <ul style="list-style-type: none"> <li>- PT Agronusa Investama Pahauman, LUCA document was verified by RSPO on 1 Sept 2015. The 2<sup>nd</sup> LUCA verification document was on 2<sup>nd</sup> Nov 2015 with result of PASS WITH CLARIFICATION.</li> <li>- PT Bhumi Pratama Khatulistiwa, Submitted liability disclosure to RSPO on 8 Dec 2015 and LUCA template on August 2015. The final RSPO endorsement from RSPO compensation on 29 September 2016 is 0</li> </ul>

		<p>ha therefore there is no compensation plan required</p> <ul style="list-style-type: none"> <li>- PT Agro Palindo Sakti 2, LUCA doc was verified by RSPO on 1 Sept 2015. The 2<sup>nd</sup> LUCA review was on Dec 2016 with result of PASS</li> <li>- PT Musi Banyuasin Indah, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005</li> <li>- PT Sinarsiak Dianpermai, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005</li> <li>- PT Agroindo Indah Perkasa 2, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005</li> </ul> <p><b>Auditor verification</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1<sup>st</sup> January 2010.</p> <p><b>Auditor verification</b></p> <ul style="list-style-type: none"> <li>- PT Agronusa Investama Pahauman, The first planting year was in 1999. The latest land clearing was in 2009 based on: LUCA analysis 2009 where the area was already bare land area. LUCA has been submitted to RSPO as part of company disclosure requirement.</li> <li>- There is no new planting after 1<sup>st</sup> January 2010 for, PT Bumipratama Khatulistiwa, PT Agro Palindo Sakti 2, PT Musi Banyuasin Indah, PT Sinarsiak Dianpermai, PT Agroindo Indah Perkasa 2</li> </ul>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p> <p>Based on the company record there is documentation on land compensation recapitulation updated on 1 October 2007, participatory mapping, agreement letter on compensation between company and land owner, land owner identity and procedure on compensation technical guidance SOP 001/WIP-KB/(0)/0610 dated June 2010.</p>



2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has mechanism to handle employee complaint and grievance that is stated in SOP 005/WIP-KB/(0)/0610 for communication and consultation with community and SOP 004/WIP-KB/(0)/ 0610 on complaint and grivance mechanism and solving any dispute out off court.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Yes, there is process for land legality.</p> <p><b>Auditor verification</b> PT Agronusa Investama Pahauman</p> <ul style="list-style-type: none"> <li>- The continues changing on PIPIB map. In accordance to PIPIB 10 there is no area of the company (based on location permit) that is in the moratorium area. When PIPIB 11 released, some area of the company is in the updated peat moratorium map.</li> </ul> <p>PT Agro Palindo Sakti 2</p> <ul style="list-style-type: none"> <li>- There is an obstacle on processing HGU is before continuing the HGU process, the company has to complete the requirement for 20% area allocation for smallholder. Based on BupatiSanggau Decree No. 137 year 2011 dated 25 March 2011 for 623 ha of smallholder scheme for 2 koperasi of Batu Ceramin and and Maju Bersama. Later, koperasi Maju Bersama split into Koperasi Maju Bersama and Koperasi Harapan Baru. And Koperasi Harapan Baru wants to take about 136 ha within company proposed HGU area. The company needs to resolve this issue first before be able to continue HGU process.</li> </ul> <p>PT Musi Banyuasin Indah</p> <ul style="list-style-type: none"> <li>- Overlay the map of land use with attachments Ministerial Decree No. SK.822/Menhut-II/2013 PT MBI entered in production forest area.</li> <li>- Planting outside HGU Kebun Sei Selabu (block 010, 024 and 027).</li> </ul> <p>Explanation management unit following the legal department still perform continuous coordination with the government while waiting for a change of</p>

		<p>government decisions regarding the status of the area.</p> <p>PT Sinarsiak Dianpermai</p> <ul style="list-style-type: none"> <li>- HGU 1,002 Ha on process</li> <li>- Status of Other Use Areas based on Appendix SK 878 / Menhut-II / 2014 dated September 29, 2014 and letter no. S.160 / BPKH.XIX-3/2016 dated March 31, 2016</li> </ul> <p>Explanation management unit as follows:</p> <ul style="list-style-type: none"> <li>- Disagreement between the ministry of forestry by the Riau provincial government on the status of land PT SSDP (between the status of forest and APL), which led to the process of making the concession inhibited.</li> <li>- There are some estate areas around the Mill that does not have permission locations. The process of acquiring a location permit was hampered due to the reasons in point 1 as well.</li> <li>- The legal department is still doing continuous coordination with the government while waiting for a change of government decisions.</li> </ul> <p>PT Agroindo Indah Perkasa 2</p> <ul style="list-style-type: none"> <li>- There is HGU on propose.</li> </ul>
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**3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.**
**3.5.1. Identification of Findings, Corrective Actions and Observations at ASA-1.4 Assessment**

<b>NCR No.</b>	<b>: 2018.01</b>	<b>Issued by</b>	<b>: Sandra Purba</b>
<b>Date Issued</b>	<b>: 13 July 2018</b>	<b>Time Limit</b>	<b>: 12 October 2018</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 1 Sept 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.1.1</b> <b>Evidence of compliance with relevant legal requirements shall be available.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  The company shows the list of production machinery and heavy equipment operators as well as hauling and lifting equipment operators, however based on the list there was as much as 5 operators in KWS and 6 operators in KSD that not have the license yet as per required in the Regulation of the Minister of Manpower of the Republic of Indonesia No: per.05 / men / 1985, its also confirmed during the interview to the respective personnel in workshop.			
<b>Root Cause Analysis (filled by organization audited):</b> The training of operators are not yet done due to the waiting list of schedule per 2018, the company has planned the training in every year related to operators competency and their license minimum 2 operator per year, it has been implemented since 2015 and planned to be complete in 2019.			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>1. Coordinating the training with the OSH Service Agency (<i>PJK3</i>) to perform the training</li> <li>2. Involving the entire operators that not yet have the license to follows the training</li> <li>3. Documentation and maintaining all of the training record</li> </ol>			
<b>Corrective Action (filled by organization audited):</b> Estate managers, HRD and EHS are the in charge to control all the list of license and ensure its validity, as well as ensure that the all operators who will be hired has had the licensed			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on 8 Aug 2018,</b>  The company not yet submit the evidence of correction .  <b>Verification on 1 Sept 2018,</b> The company has submit the correction evidence such as minute of training of hauling-lifting equipment operators which conducted on 13-16 Aug 2018 by OSH Service Agency PT DPA, number of operators involves in 21 operators, the evidence has been accepted and regarding to the certificate and license will be observed in the Recertification.			
<b>Verified by</b>	<b>: Sandra</b>		

<b>NCR No.</b>	<b>: 2018.02</b>	<b>Issued by</b>	<b>: Arif Faisal Simatupang</b>
<b>Date Issued</b>	<b>: 13 July 2018</b>	<b>Time Limit</b>	<b>: Recertification</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 28 June 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.1.4</b> <b>A system for tracking any changes in the law shall be available and implemented.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  <p>The CH has not been able to prove the implementation related to the regulatory update system. Based on the review of the List of Regulations and Legislation, it is known that not yet completely changes in the law are updated, among others not yet include:</p> <ol style="list-style-type: none"> <li>The update of Regulation of Health Minister No. 416 of 1990 to Regulation of Health Minister No. 32 of 2017 on water quality requirements and supervision.</li> <li>Regulation of Agrarian Ministry No. 7 of 2017 on the procedures for determining HGU (land use title).</li> <li>National Constitution No. 37 of 2014 on soil and water conservation.</li> </ol>			
<b>Root Cause Analysis (filled by organization audited):</b> <p>Has reviewed the rules and regulations periodically but is not deep enough to access all laws and regulations.</p>			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Update Law Register by entering: <ul style="list-style-type: none"> <li>Update of Health Ministry Regulation No. 416 of 1990 to Minister of Health Regulation No. 32 of 2017 concerning the requirements and supervision of water quality.</li> <li>Agrarian Regulation and Spatial Planning No. 7 of 2017 concerning procedures for establishing HGU.</li> <li>Constitution No. 37 of 2014 concerning soil and water conservation.</li> </ul> </li> <li>Reviewing company compliance with legislation</li> </ol>			
<b>Corrective Action (filled by organization audited):</b> <p>Review law registers by involving all parts / departments of the company to ensure that all fields requiring review of laws and regulations are covered.</p>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on 28 June 2019</b> <p>The company has shown proof of improvement in the form of:</p> <ul style="list-style-type: none"> <li>The Law Register updates the review on 20 July 2018 by all parties related to the government and related regulations such as Maneger, EHS, Bina Mitra, and others.</li> <li>The Law Register Update for 53 Labor Regulations</li> <li>The Law Register Update for 68 Environmental Regulations</li> <li>The Law Register Update for 73 Plantation Sector Regulations</li> <li>The Law Register Update for 42 OHS Regulations</li> <li>Additions to the Law Register for Employment, namely the Decree of the Governor of North Sumatra concerning the Sectoral Minimum Wages of Labuhanbatu District in 2019</li> <li>Additions to the Law Register for the OHS sector, namely Presidential Regulation No. 07 concerning Occupational Diseases</li> <li>Additions to the Law Register for the Environment sector, namely the Minister of Environment and Forestry Regulation No. 95 of 2018 concerning Licensing for the Management of Hazardous and Toxic Wastes Integrated with Environmental Permits through the Licensing of Entrepreneurs Trying to be Integrated Electronically.</li> </ul>			

- Additions to the Law Register for Plantation, namely Regulation of the Minister of Agriculture No. 05 of 2018 concerning the Opening and / or Processing of Plantation Land without Burning

Based on the explanation above, then **Non-Conformity No. 2018.02 is stated to have been fulfilled.**

<b>Verified by</b>	<b>:</b>	<b>Andi Pratama Pasaribu</b>
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<b>NCR No.</b>	<b>: 2018.03</b>	<b>Issued by</b>	<b>: Arif Faisal Simatupang</b>
<b>Date Issued</b>	<b>: 13 July 2018</b>	<b>Time Limit</b>	<b>: 27 September 2019</b>
<b>NC Grade</b>	<b>: Minor raised to major</b>	<b>Date of Closing</b>	<b>: 31 July 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.2.2</b> <b>Legal boundaries are demonstrated clearly and maintained.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  <p>The certificate holder has not been able to show evidence that all HGU poles have been identified and maintained in accordance with the provisions in Government Regulation No. 24 of 1997 on land registration, and SOP-GEN-007 on maintenance of HGU boundary.</p> <p>Based on the HGU Map (Attachment of HGU Certificate No. 01 of 1992), Wonosari Estate Boundary Map and Sei Deras Estate (internal version), and field observations, there are still some unsuitable issues:</p> <ol style="list-style-type: none"> <li>In the document of Minutes of Monitoring of HGU poles of PT DLI, it is stated that the base of monitoring of the poles is the Situation Draw Map No. 4/12/1989 (area 5,394 ha). Based on the study of HGU Decree No. 29 / HGU / BPN / 92, it is known that the map is not a final map (area 4,694.5 ha), because there is still an area of 699.5 Ha that has not been issued. In addition, the number and number of poles in the map is not the same as the HGU Map (Appendix of HGU Certificate No. 01 of 1992). Note: the map number of the parcels in the certificate is unknown</li> <li>Total of 40 HGU poles contained in HGU Map (Appendix of HGU Certificate No. 01 of 1992) have not been fully identified in Boundary Maps of internal management version.</li> <li>Many numbers of HGU Poles in the Boundary Map (internal version) are inconsistent with HGU Map (Appendix of HGU Certificate No. 01 of 1992).</li> <li>Based on field observation, there are HGU poles in lost condition, that is HGU Poles No. XVI (No. 32) and HGU pole No. XXXIII (No. 21). And there are HGU pole in damaged condition, namely No. XXIII (No.10). Note: Roman numerals are in accordance with the HGU Maps (Certificate), and the latin number corresponds to the internal identification map.</li> </ol>			
<b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"> <li>The revision of the BPN in accordance with the SK HGU is an area of 4,694.50 Ha after the arable area has been revised, but the PIC related to the lack of understanding to use it as a reference for monitoring the location of the stake in the field.</li> <li>2. For the lost and damaged stakes, the last monitoring was carried out in April 2018 and the stakes were good. The stakes are in the furthest area so the frequency of monitoring is lacking.</li> <li>The discrepancy of total boundary poles not ensured with related government agency.</li> </ul>			
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>The boundary peg map will follow the attachment to HGU certificate No. 1 of 1992</li> <li>Synchronization between the stake number in the field and the one attached to the HGU map No. 01 of 1992</li> <li>Making and repairing lost and damaged boundary stakes</li> <li>Increase the frequency of monitoring of stakes in the furthest area.</li> </ul>			
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Notifying (socializing) the PIC the location of the stake in accordance with HGU certificate No. 01 of 1992</li> <li>Revise the format of maintenance and maintenance of stakes by increasing the frequency of monitoring for the farthest stakes.</li> <li>To resolved this problem in permanent, certificate holder has started HGU renewal on 2019 (HGU will expired on 2022) which is the number and location of boundary poles is the main issues.</li> </ul>			



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

**Verification on 28 June 2019**

Certificate holder has shown corrective evidence such as boundary poles monitoring report in each unit. Based on that report known that each unit has conducted boundary poles maintenance regularly (weeding, re-painting and rebuilding for broken/lost poles). However, there is no evidence of synchronize of boundary poles numbering between cadastral map with internally numbering on the ground. Based on that, it raised as **nonconformity No. 2018.03 indicator minor raised to major.**

**Verification on 31 July 2019**

Top management has appointed Public Affair Manager Region Sumatera on 24 July 2019 to start the renewal process of land title (HGU) through the National Land Agency - Regional Office North Sumatera.

**Auditor Concluded on 31 July 2019**

Based on evidence above, this non conformity **closed with observation**. Its effectivity of the corrective action will be verify in the next assessment.

<b>Verified by</b>	<b>:</b>	<b>Andi Pratama Pasaribu</b>
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<b>NCR No.</b>	<b>: 2018.04</b>	<b>Issued by</b>	<b>: M. Syarip Lambaga</b>
<b>Date Issued</b>	<b>: 13 July 2018</b>	<b>Time Limit</b>	<b>: Re Certification</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 27 June 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.4.1</b> <b>An implemented water management plan shall be in place.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  Based on the document review, the certificate holder has not been able to show evidence that clean water testing has referred to Permenkes No. 32 of 2017 concerning environmental health quality standards and water requirements for sanitation hygiene, swimming pools, solvents per aqua and public baths. This has not fulfilled the guarantee of access of local communities, workers and families to clean water and is sufficient for the function of drinks, cooking, bathing and cleaning			
<b>Root Cause Analysis (filled by organization audited):</b> Relevant testing laboratorium has not updated the standard for clean water testing parameters and law register on 2018 are not covered this new standard			
<b>Correction (filled by organization audited):</b> 1. EHS and DC conduct updating and included Permenkes 32/2017 into new law register 2. EHS done the socialization of Permenkes 32/2017 to clean water testing PIC 3. Conduct clean water testing for semester 2 2018 based on Permenkes 32/2017			
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• EHS will coordinate with environmental and sustainability PIC related to every changes or regulation update</li> <li>• Conduct environmental testing according to updated law register</li> </ul>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification dated 27 June 2019</b> PT DLI and PT Milano has shown testing result of clean water parameter for second semester 2018 (tested on 13 December 2018) by "laboratorium Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit Kelas 1 Medan". Each testing were done on each estate that consist of physics, chemical and microbiology parameter with total 22 parameters per samples. <b>Based on this explanation NCR 2018.04 are considered closed</b>			
<b>Verified by</b>	<b>: Steve Mualim</b>		

<b>NCR No.</b>	<b>: 2018.05</b>	<b>Issued by</b>	<b>: Arif Faisal Simatupang</b>			
<b>Date Issued</b>	<b>: 13 July 2018</b>	<b>Time Limit</b>	<b>: Re Certification</b>			
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 27 June 2019</b>			
<b>Standard Ref. &amp; Requirement</b>	<b>6.1.4</b> <b>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</b>					
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  The company has not been able to show evidence that PT DLI's social impact management and monitoring plan (KWS, KSD) has been reviewed in a participatory manner every two years, where the latest review was conducted on June 9, 2016. Besides that, the attendance list cannot be shown by the parties involved. affected in the evaluation of the SIA.						
<b>Root Cause Analysis (filled by organization audited):</b> Social PIC are not aware of RSPO P&C standard that require social management and monitoring plan must be reviewed for 2 year basis						
<b>Correction (filled by organization audited):</b> 1. Conduct awareness training to related PIC regarding social monitoring and management plan based on RSPO P and C requirement 2. Conduct review for social monitoring and management plan based on affected parties participation						
<b>Corrective Action (filled by organization audited):</b> Established fixed scheduled every 2 years to evaluate social monitoring and management plan						
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification dated 27 June 2019</b> PT DLI (KWS and KSD) has conducted review for social management and monitoring plan on July 2018 as a guideline to establish social monitoring/management plan periods 2019-2021. This review has been involving affected parties participation by focus group discussion that attended by representatives from Wonosari, Bilah, Sei Tampang, Sidorejo, and Pekan Bilah villages. <b>Based on this explanation NCR 2018.05 is closed.</b>						
<b>Verified by</b>	<b>: Steve Mualim</b>					

**3.5.2. Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment**

<b>NCR No.</b>	<b>:</b>	<b>2019.01</b>	<b>Issued by</b>	<b>:</b>	<b>Mohamad Amarullah</b>
<b>Date Issued</b>	<b>:</b>	<b>28 June 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>27 September 2019</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>6 September 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>4.6.5</b> <b>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)</b>			
<b>Evidence observed (filled by auditor):</b> Based on observation to pesticide application activity in Block 60 SDE and Block 74 KSD, as well as observation to PPE Store, it was known that respirator as PPE provided is not in accordance with product label (MSDS). For example, herbicide Glinat has required respirator with NIOSH approved (or equal) specification.					
<b>Non-Conformance Description (filled by auditor):</b> Management unit is not be able to shows that PPE for respiratory protection provided for pesticide applicators has refers to MSDS of products.					
<b>Root Cause Analysis (filled by organization audited):</b> PPE Identification Team has not considering MSDS of pesticide products as reference for PPE selection. Thus, estate unit has order the unsuit respirator.					
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"><li>To provide and distribute respirator for agrochemical applicators, in accordance with MSDS of products and comply with technical specification such as NIOSH, SNI, EN, etc.</li><li>To conduct socialization and training of respirator usage, as well as its management for Agrochemicals Applicators, Field Upkeep Foreman , Pesticide Tank (Tractor) Operator, Field Conductor and Chemical Store Head.</li></ul>					
<b>Corrective Action (filled by organization audited):</b> To periodically evaluate list of PPE required that refers to technical recommendation standard (SNI, NIOSH, EN, or equal standard) as mentioned in the MSDS of agrochemical products.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 06 september 2019</b> The company has deliver root of cause analysis, corrective action and several correction evidence as follows: <ul style="list-style-type: none"><li>Document of "Respirator Identification as Recommended by MSDS" report which prepared by EHS and OSH Officer on 25 August 2019. The report has describe several type of respirator that compulsory to be used by pesticide applicators, together with its technical specification as refers to NIOSH (N-95, R-95, P-95) and EN (EN-143, EN 149, EN-40, Type A, Type P3 and Type FPP3). The report also recommending that estate management shall provide respirator as mentioned in MSDS.</li><li>Minutes of Socialization on Respirator Function which delivered to Store Head, Field Conductor, Foreman and Agrochemical Applicators in KSD and CDE that presented in document No. FRM-GEN-000-079 (Rev. 0) dated 29 August 2019 and 31 August 2019, respectively. List of absense is presented in document No. FRM-HRD-000-020 (Rev. 01) which informed that there were 36 and 27 participants in KSD and CDE, respectively. paper of of socialization and picture documentation are available.</li><li>Official Letter of Respirator Delivery to all Agrochemical Applicators in KSD and CDE dated 29 August 2019 and 31 August 2019, respectively, as carried out together with socialization.</li></ul>					

Based on explanation above, NCR No. 2019.01 is considered **closed**.

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	<b>: 2019.02</b>	<b>Issued by</b>	<b>: Steve Mualim</b>
<b>Date Issued</b>	<b>: 28 June 2019</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.6.10</b> <b>Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>Waste identification for PT DLI has been identified by company and listed on formulir FRM-GEN-005-078 on August 2018, this identification has specified that ex lubricants containers, used oil, oil filter, and ex agrochemical are categorized as hazardous waste.</li> <li>Based on procedures hazardous waste handling and management SOP-GEN-005 on November 2017 on point 5.1.9 explained that on Sei Deras estate hazardous waste must be stored on specific storage, and not contaminated to other non hazardous materials.</li> <li>Field observation on Sei Deras estate found there is petrokum (obsolete agrochemicals) and ex starlon, tiara, garlon containers that stored on chemical store.</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> Company are not able to proof that pesticides/agrochemical waste has been handled based on current procedures.			
<b>Root Cause Analysis (filled by organization audited):</b>			
<b>Correction (filled by organization audited):</b>			
<b>Corrective Action (filled by organization audited):</b>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verified by</b>	<b>:</b>		

<b>NCR No.</b>	<b>: 2019.03</b>	<b>Issued by</b>	<b>: Andi Pratama Pasaribu</b>
<b>Date Issued</b>	<b>: 28 June 2019</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.6</b> <b>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</b>		
<b>Evidence observed (filled by auditor):</b>			

- The company has a Work Agreement No. 01 / DLI / KW / SPK / VI / 2019 dated 26 June 2019 and No. 02 / DLI / KSD / 06/2019 dated 24 June 2019 with CV Parlan Jaya for home construction work of employees in Wonosari and Sei Deras Estate. In article 6 of the agreement it was stated that the Second Party must report to the First Party the number of workers who were health checked and registered with the BPJS program in accordance with company rules.
- Based on the results of interviews with representatives of contractors (CV Parlan Jaya), information was obtained that not all workers had been registered in the BPJS program in accordance with applicable regulations.

**Non-Conformance Description (filled by auditor):**

The company has not been able to show evidence that all workers working in a company area, including contractor workers have been registered in the BPJS program in accordance with the work agreement agreed upon by both parties.

**Root Cause Analysis (filled by organization audited):**
**Correction (filled by organization audited):**
**Corrective Action (filled by organization audited):**
**Assessor Evaluation and Conclusion (filled by auditor):**
**Verified by**
**:**

NCR No.	:	2019.04	Issued by	:	Steve Mualim
Date Issued	:	28 June 2019	Time Limit	:	27 September 2019
NC Grade	:	Major	Date of Closing	:	6 September 2019
Standard Ref. & Requirement	:	6.1.2 There shall be evidence that the assessment has been conducted with the participation of affected parties.			
Evidence observed (filled by auditor): <ul style="list-style-type: none"><li>Social impact identification on 2009 document review shown that Cabang dua estate are located on Sei Nahodaris villages, subdistrict of Panai Tengah</li><li>On 2018, PT Perkebunan Milano has revised SIA and this SIA establishment are not yet covered affected parties participation for examples related stakeholders i.e Sei Nahodaris villages for CDE</li></ul>					
Non-Conformance Description (filled by auditor): Company (CDE) are not able to shown that SIA has been done based on participation of affected parties					
Root Cause Analysis (filled by organization audited): During the revised SIA report of PT. Perkebunan Milano on February 2018 excluded Cabang Dua Estate especially Sei Nahodaris Village due to the PIC assume that CDE has had the SIA report related to replanting activity.					
Correction (filled by organization audited): Conducting the stakeholder meeting with village representatives from Sei Nahodaris Village to gathering the social issues related to plantation activity especially replanting.					



**Corrective Action** (filled by organization audited):

Involving all the stakeholder of PT Perkebunan Milano in social assessment.

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

**Verification on 6 September 2019**

The company has reviewed the SIA and arranged the social monitoring and management for PT Perkebunan Milano (Cabang Dua Estate) through the stakeholder consultation meeting on 3 July 2019 in meeting room of Sei Nahodaris Village. This meeting initiated by general affair staff of PT Perkebunan Milano and attended by 18 person including village head and village representatives.

Based on that, the company has showed the result of the meeting and replaced the social monitoring/social handling with the ones.

According to the fact above, this nonconformity No. 2019.04 has been **closed with observation**.

<b>Verified by</b>	:	<b>Steve Mualim</b>
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**3.5.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.2.1	<p>Consider managing land rights for areas that have not been certified by HGU, referring to the RSPO Announcement.</p> <p>"RSPO update statement on Hak Guna Usaha on 13 July 2019, stated that: for RSPO grower members that are currently RSPO certified but area yet to obtain the HGU, their certification will continue and they can proceed to recertification."</p>

**3.5.4. Noteworthy Positive Components**

No	Description
1	Management's commitment to apply the principles of sustainable palm oil management.
2	Personal competence related to meeting sustainable palm oil certification standards.
3	Certificate holder of Indonesia Sustainable Palm Oil (ISPO)
4	The company's commitment to building facilities for employee welfare

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>National Land Agency of Labuhanbatu District</b> The PIC cannot be found and contacted during the visit.	Not Available.
<b>Agriculture Agency of Labuhanbatu District</b> <ul style="list-style-type: none"> <li>The company has an Plantation Business Permit that has been authorized by government</li> <li>The company has conducted mandatory Plantation Business Progress Report reporting on a regular basis</li> <li>The company land permit is not within the forest area</li> <li>There are no issues related to land claims or land disputes with surrounding communities</li> <li>There are no indigenous people within the company because the surrounding community is a transmigration community</li> <li>The company has reported the CSR realization report in the Plantation Business Progress Report</li> <li>During the past year there have been no fire incidents in the company operational area</li> </ul>	<p>Plantation Business Permit has been explained in more detail in indicator 2.1.1</p> <p>The plantation evaluation is carried out by the provincial government so that the District Agricultural Agency does not know the latest updates regarding this matter.</p> <p>Realization related to CSR is explained further in criterion 6.10</p> <p>Mandatory reports to relevant agencies are explained in criteria 1.1</p> <p>Based on the results of field observations and document studies, it was found that there had been no fire incidents during the past year</p>
<b>Environmental Agency of Labuhanbatu District</b> <ul style="list-style-type: none"> <li>The company has environmental permit documents such as EIA and Environmental Management/Monitoring Plan.</li> <li>Other environmental permits held are still valid today such as Hazardous Waste Temporary Warehouse Permit and Land Application Permit (LA).</li> <li>The company has routinely reported mandatory reports in accordance with their respective periods such as the Environmental Management/Monitoring Plan Report, Hazardous Waste Management Report, and Liquid Waste Management Report.</li> <li>During the past year there have been no reports or issues related to environmental pollution caused by plantation operations and factories.</li> <li>There were no records, reports or fire incidents during the past year.</li> <li>The company has also reported the results of identification of conservation areas and their management regularly to the agency.</li> <li>The last implementation of the agency's environmental supervision carried out at the company was in March 2019. During the monitoring activities carried out there were no records relating to violations / errors in fulfilling environmental regulations.</li> </ul>	<p>The company has documents related to environmental permits required by the government, this is further explained in criteria 4.1.</p> <p>Reports must be reported regularly by the company to the relevant agencies in accordance with applicable regulations.</p> <p>There were no issues or events related to environmental pollution that occurred in the company's area.</p>



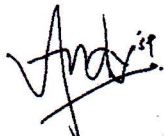
Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Manpower Agency</b> <ul style="list-style-type: none"> <li>The minimum wage applied today is the District Minimum Sectoral Wage for Plantations in 2019</li> <li>The company have Collective Labour Agreement and Company Regulation that has been verified by the agencies</li> <li>The company has a wage scale for workers</li> <li>The company doesn't have any contracts workers</li> <li>The company has labour unions which have been registered by the Manpower Agency</li> <li>The company has included workers in the "BPJS Kesehatan dan Ketenagakerjaan" program</li> <li>Over the past year there have been no issues related to child labor, discrimination and human rights violations in the company operational area.</li> <li>The labor union structure of company does not consist of management representatives such as manager, but all of the labour union structure is all from workers.</li> </ul>	<p>The company has implemented minimum wages and other labor regulations in accordance with applicable regulations and is explained in the 2.1.1 and 6.5.1 indicators</p> <p>The rights and obligations of workers are listed in the Collective Labour Agreement and have been further explained in criterion 6.5</p> <p>Mandatory reports to relevant agencies are explained in criteria 1.1</p> <p>The entire labour union has been registered in the agencies.</p> <p>Based on the results of interviews and document studies, it is known that to date there have never been violations of human rights, child labor and discrimination in the company operational area</p>
<b>SERBUNDO of Cabang Dua Estate</b> <ul style="list-style-type: none"> <li>The minimum wage applied today is the District Minimum Sectoral Wage for Plantations in 2019</li> <li>For now all workers are permanent workers and there are no contract workers.</li> <li>Periodic health checks have been carried out by the company every year</li> <li>The wage scale is distinguished through working period benefits based on the work year of each worker.</li> <li>Provision of PPE is provided free of charge and given routine distribution twice a year and changes will be made if there is a damaged PPE.</li> <li>During the last one there has never been a complaint regarding sexual harassment or domestic violence.</li> <li>Issues related to child labor and human rights violations have not yet existed until now.</li> <li>During the past year there were no late salary payments and religious holiday allowance was always paid ontime</li> <li>SERBUNDO has been registered with the Manpower Office</li> <li>Collective Labor Agreement has been authorized by Manpower Agency of Sumatera Utara Province</li> <li>Labor union meetings have only been carried out incidentally if there are only complaints or labor issues, but for 2019 it is planned to be carried out regularly every 2/3 months.</li> </ul>	<p>Minimum wage has been described in criterion 6.5.</p> <p>The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6.</p> <p>Medical check up for workers has been described in indicator 4.6.11.</p> <p>PPE for all workers has been described in criterion 4.7</p>
<b>Gender Committee of Cabang Dua Estate</b> <ul style="list-style-type: none"> <li>The current management of Gender Committee with the following management arrangements: <ul style="list-style-type: none"> <li>❖ Trustee: Hadiah Mufti Lubis</li> </ul> </li> </ul>	<p>According o document verification and interview with workers, there was no issues related to violation of the rights of woman</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>❖ Chair: Rahmad S</li> <li>❖ Secretary: Karningsih</li> <li>❖ Socialization Section have 15 members</li> <li>❖ Consultation Section have 10 members</li> <li>• The routine activities of gender committees are labor socio-organizational activities, gender, worker complaints and women's related company policies.</li> <li>• During the last year there has never been a complaint regarding sexual harassment or domestic violence.</li> <li>• Issues related to child labor and human rights violations have not yet existed until now.</li> <li>• Gender committees and female workers are aware of the policies regarding maternity and childbirth leave and the prohibition for pregnant and lactating women to work in chemical-related work</li> </ul>	<p>From the results of interviews with workers, the company has implemented of Company Policies such as reproductive rights and prohibition of pregnant woman to work with chemical. It refer to criterion 6.9</p>
<p><b>Bilah Village, Sei Tampang village and Sei Nahodaris Village</b></p> <ul style="list-style-type: none"> <li>• There is a good communication and relationship between the companies with local people.</li> <li>• The company share opportunity to join with them to be employee or local contractor.</li> <li>• The company sharing their corporate social responsibility fund to empowering local people. For example, there was a community development program regarding to fishery and animal husbandry to increasing local income event not all program has successfully adopted and implemented.</li> <li>• There is no land dispute issues submitted to the company or other government agencies. Beside that, there was no customary land right surrounding the concession area of the company.</li> <li>• The company should processed land title for non-HGU area to reduce issues or conflict in surrounding people.</li> </ul>	<p><b>Well covered in criteria 2.2; 2.3 and principle 6.</b></p>
<p><b>Plantation Labour Union – Serbundo (<i>Serikat Buruh Perkebunan</i>) of PT DLI</b></p> <p><b>Interview notes:</b></p> <ul style="list-style-type: none"> <li>• The union has been registered on Manpower Agency of Labuhanbatu Induk since 2015. Up to May 2019 the union has 300 voluntary members. Monthly contribution was only 1% from basic salary. However, non-members were accommodated under Cooperation Bipartite Organization (LKS-Bipartite). Meeting with company has regularly conducted quarterly.</li> <li>• The company has collective agreement or work agreement with company which still available until the end of 2019.</li> <li>• All estate employees has been promoted into permanent workers. Time of training for new employee was 3 (three) months, thus shall be promoted into permanent status.</li> <li>• There is no family gank workers and the company and</li> </ul>	<p>The company is considered has implementing manpower regulations, such as minimum wages, work and health insurance coverage, work safety, worker welfare and facilities, etc. Further detail on manpower and safety aspect is explained on Criterion 2.1; 4.7; 5.2 and 5.3.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>labour union has not allowed since 2017. Furthermore, there is no issues related to force labour, illegal workers, child workers and discrimination.</p> <ul style="list-style-type: none"> <li>• There is no fatal work accident within 2018 to May 2019.</li> <li>• All employees has been covered by government insurance scheme, i.e. BPJS of Manpower and BPJS Health.</li> <li>• The company has provide personal protective equipment (PPE) to all workers and could be replaced when broken or inappropriate to be used.</li> <li>• All conflict between company and employee could be settled up in a good way through bipartit and/or tripartit without engaging any external organization such as NGO, Manpower Agency, etc.</li> <li>• The company has implementing UMKS or minimum wages for oil palm plantation sector which was about IDR 3,010,000./month (25 days), or IDR 120,400/manday. Implementation of new basic salary has starts from January 2018. There is remuneration which not included on basic salary, i.e. rice (15 kg, 9 kg and 7.50 kg up to 3 child), time of works subsidy and electric subsidy. Quality of rice has considered satisfactory.</li> <li>• There is no issues related to salary payment, structure of salary, premium calculation, and other manpower aspect.</li> <li>• Company facilities such as housing complex, clean water, electricity with capacity 900 Watt and subsidy for about IDR 40,000/month, school bus, daycare, etc. were considered satisfactory and properly maintained.</li> </ul>	
<p><b>Gender Committee of PT DLI</b></p> <p><b>Interview notes:</b></p> <ul style="list-style-type: none"> <li>• The committee has been established since 2014.</li> <li>• Work program in 2019 was consist of socialization with paramedics towards health and woman reproduction, Quran recitation and Maternal Clinic (<i>Posyandu</i>).</li> <li>• The company has provide H1 and H2 Leaves with manday paid, after approved or recommended by paramedic officer.</li> <li>• Pregnancy test is conducted regularly every three months with general check up every month. Those workers who detected pregnant are prohibited to works with agrochemicals and will be transfered into manual upkeep works. Furthermore, special medical check up such as cholinesterase has been conducted every semester by Prodia Clinic.</li> <li>• The company has provide a proper PPE and special place for pesticide mixing and devices cleaning which aims for workers health and safety.</li> <li>• Existence of gender committee has considered useful for workers especially women. Up to June 2019, it was known that there is no negative issues related to gender matters such as sexual harassment and discrimination.</li> </ul>	<p>In general, it could be concluded that company management has support existence of gender committee to facilitate women workers rights. There is no negative issues related to women abuse, sexual harassment and discrimination. Further detail on gender aspect is explained in Criteria 6.9.</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Aspiration:</b> Company to facilitate trainings related to gender matters.	
<b>Employee Cooperative – Koperasi Konsumen of PT DLI</b>  <b>Interview notes:</b> <ul style="list-style-type: none"> <li>The cooperative has established since 26 November 2013 with business core on retail only. Up to June 2019 it has 223 voluntary members from PT DLI. Basic saving and monthly contribution were about IDR 130,000 and IDR 20,000, respectively. However, the later will be revised in the coming month which expected be less than the current value. In average, monthly circulation of cooperative could reach about IDR 300 million.</li> <li>Operational was fully arranged by cooperative committee.</li> <li>Regular meeting has conducted annually with the latest has been carried out on the first week of June 2019.</li> <li>Cooperative has a good relationship and coordination with PT DLI and Cooperative Agency of Labuhanbatu District.</li> <li>The company has support cooperative operational through capital, providing rooms and store, trainings, transportation of goods purchasing and legal registration.</li> </ul>	As a part of economic life quality enhancement for workers, the company has facilitate an employee cooperative which considered very useful for goods availability on site and additional income.
<b>Local Contractors – CV Parlan Jaya from Rantau Prapat</b>  <b>Interview notes:</b> <ul style="list-style-type: none"> <li>CV Parlan Jaya has play role as contractor for building or infrastructure works such as office, housing complex and fire monitoring tower since 2018. Work Agreement has been made based on project with certain time target.</li> <li>PPE for workers is provided by contractor, such as safety helmet, boot, etc. However, estate management did not involved in Monitoring of PPE usage.</li> <li>Contractor permanent worker is covered by BPJS Manpower. However, daily temporary workers (BHL) has not covered by BPJS Manpower yet. It was informed by contractor that Manpower Agency of Labuhanbatu District has already suggesting contractor to cover his BHL worker by temporary insurance program namely <i>Asuransi Tenaga Kerja</i> (ASTEK).</li> <li>The company has never check internal contractor operational matters related to wages and BPJS payment.</li> <li>The contractor has use local workers from PT DLI surrounding villages.</li> <li>Contract payment has been paid on schedule, divided into four times of payment, depended on work progress.</li> </ul>	The Company has a good cooperation with the local Contractor and the payment of in accordance with the Work Agreement. However, PT DLI has mechanism of monitoring towards minimum wages and work insurance payment of Contractor to their workers as required by RSPO, which refers to the applicable regulations. The mechanism is presented in Work Agreement Clauses.

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p><b>PT Daya Labuhan Indah</b> Management Representative</p>  <p><b>Hadia Mufti Lubis</b> Friday, 06 September 2019</p>  </div> <div style="text-align: center;"> <p><b>Mutuagung Lestari</b> Lead Auditor</p>  <p><b>Andi Pratama Pasaribu</b> Friday, 06 September 2019</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Walhi	Jakarta	<a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Questionnaire through email	18/06/2019		✓
2	AMAN	Jakarta	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questionnaire through email	18/06/2019		✓
3	WWF Indonesia	Jakarta	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questionnaire through email	18/06/2019		✓
4	Sawit Watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire through email	18/06/2019		✓
5	National Land Agency	Labuhanbatu District, Sumatera Utara Province	-	Interview	25/06/2019	✓	
6	Environmental Agency	Labuhanbatu District, Sumatera Utara Province	-	Interview	25/06/2019	✓	
7	Manpower Agency	Labuhanbatu District, Sumatera Utara Province	-	Interview	25/06/2019	✓	
8	Agriculture Agency	Labuhanbatu District, Sumatera Utara Province	-	Interview	25/06/2019	✓	
9	Gender Committee	PT Daya Labuhan Indah	-	Interview	25-26/06/2019	✓	
10	Labor Union	PT Daya Labuhan Indah	-	Interview	25-26/06/2019	✓	
11	Worker Cooperative	PT Daya Labuhan Indah	-	Interview	25-26/06/2019	✓	
12	Local Contractor	Labuhanbatu District, Sumatera Utara Province	-	Interview	25-26/06/2019	✓	
13	Bilah Village	Labuhanbatu District, Sumatera Utara Province	-	Interview	25/06/2019	✓	
14	Sei Tampang Village	Labuhanbatu District, Sumatera Utara Province	-	Interview	25/06/2019	✓	
15	Sei Nahodaris Village	Labuhanbatu District, Sumatera Utara Province	-	Interview	25/06/2019	✓	
16	DLI POM: • 3 laboratorium workers • 3 emergency response officer • Loading ramp, processing station (grading, sterilizer, kernel, boiler, power house, clarification, press, weighbridge) 11 person. •	PT Daya Labuhan Indah	-	Interview	25/06/2019	✓	
17	Cabang Dua Estate: • 2 pickers workers • 3 manual weeding workers • Harvesting and harvesting supervisor (3 person). • Pesticide applicator (10 person).	PT Daya Labuhan Indah		Interview	26/06/2019	✓	
18	Wonosari Estate: • 3 harvesters • 2 storekeeper • 2 mechanic in workshop	PT Daya Labuhan Indah		Interview	27/06/2019	✓	

19	Sei Deras Estate: <ul style="list-style-type: none"> <li>• 3 warehouse wokers</li> <li>• 4 workshop workers</li> <li>• 4 emergency response officer</li> <li>• 2 daycare workers</li> <li>• 2 paramedic</li> <li>• 5 fertilizer applicator.</li> <li>• 13 pesticide applicator.</li> </ul>	PT Daya Labuhan Indah	-	Interview	27/06/2019	✓	
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**Appendix 2. Assessment Program**

DATE	24 – 29 June 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 24 June 2019		
05.35 – 08.00	Jakarta → Medan	All Auditor
08.00 – 17.00	Medan → Rantau Prapat (KA Sribilah)	
17.00 – 20.00	Rantau Prapat → PT Daya Labuhan Indah	
Tuesday, 25 June 2019		
08.00 – 08.30	<b>Opening Meeting</b> Auditee Speech (Introduction of PIC, Profile of Mill and Estate Management Unit)	All Auditor
08.30 – 12.00	Auditor Team Speech (Introduction, Audit Scope, Audit Objective, Audit Plan, Discussion, Determine of Audit Sample, Determine of Field Visit, Transparency and Confidentiality Clarification)	All Auditor
	Document Review & Previous NC's Verification (if any)	All Auditor
	<b>Public Consultation</b> Government Agency of Labuhanbatu District	RGR/STV
	Local Communities & Previous Land Owner	APP
	Internal Stakeholder (Labor Union, Gender Committee & Worker Cooperative) and Local Contractors	MAR
	Document Review	APP
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<b>Field Observation to Daya Labuhan Indah 2 POM</b> Supply Chain Verification	APP
	FFB Receiving, Weightbridge, FFB Sorting, Proccessing Activity, Despatch CPO – Include OHS Aspect, and Firefighting Simulation	MAR/RGR
	Occupational Health and Safety Aspect	MAR/RGR
	Enviromtmental, Inspection to Chemical Storage, Hazardous Waste Storage, POME Pond	STV
Wednesday, 26 June 2019		
07.00 – 12.00	<b>Field Observation to Cabang Dua Estate</b> Best Agriculture Practices (Manuring, Spraying, Harvesting, EFB Application, etc)	MAR/RGR
	Worker Welfare (Payment, Complaints Mechanism, etc)	MAR/RGR

[illegible]