

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

[✓] Re-Certification

Name of Management Organisation : **Dendymarker Palm Oil Mill – PT Dendymarker Indah Lestari, Subsidiary of SIPEF GROUP**
 Plantation Name : **PT Dendymarker Indah Lestari – Sei Mandang Estate, Sei Liam Estate**
 Location : **Village of Karang Dapo 1, Sub District of Karang Dapo, District of Musi Rawas Utara, Province of Sumatera Selatan, Indonesia**
 Certificate Code : **MUTU-RSPO/065**
 Date Initial Registration : **27 July 2015**
 Date of Certificate Issue : 15 January 2021 Date of License Issue : 27 February 2021
 Date of Certificate Expiry : 26 July 2025 Date of License Expiry : 26 July 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
Re-Certification Remote Audit	4 – 6 August 2020	Moh Arif Yusni (Lead Auditor), Haikal Ramadhan K, Radytio Puspanjana, Yohannes Pandiangan	Eileen Chiang	Ardiansyah
Re-Certification Onsite Audit	23 – 27 November 2020	Moh Arif Yusni, Johannes Hardian, Asystasya Aishah Silalahi, Arief Tajalli		

Assessment	Approved by MUTUAGUNG LESTARI on:
Re-Certification	15 January 2021

TABLE OF CONTENT
FIGURE

Figure 1. Location Map of PT Dendymarker Indah Lestari	1
Figure 2. Operational Map of PT Dendymarker Indah Lestari	2
Abbreviations Used	3

1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1	Assessment Standard Used	5
1.2	Organization Information	5
1.3	Type of Assessment	5
1.4	Location of Mill and Plantations	5
1.5	Description of Area Statement	6
1.6	Planting Year and Cycle	6
1.7	Description of Mill and Supply Base	7
1.8	Estimate Tonnage of Certified Product	7
1.9	Other Certifications	8
1.10	Time-Bound Plan	8

2.0 ASSESSMENT PROCESS

2.1	Assessment Team	11
2.2	Assessment Methodology, Assessment Process and Locations of Assessment	12
2.3	Stakeholder Consultation and Stakeholders Contacted	15
2.4	Determining Next Assessment	15

3.0 ASSESSMENT FINDINGS

3.1	Summary of Assessment Report of the RSPO Certification	16
3.2	Conformity Checklist of Certificate and Logo Use	56
3.3	Summary of RSPO Partial Certification	57
3.4	Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	60
3.5	Summary of Arising Issues from Public, Management and Auditor Responses	64

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1	Formal Signing of Assessment Findings	66
-----	---------------------------------------	----

APPENDICES

1.	List of Stakeholders Contacted in the RSPO Certification Process	67
2.	Assessment Program	68

Figure 1. Location Map of PT Dendymarker Indah lestari

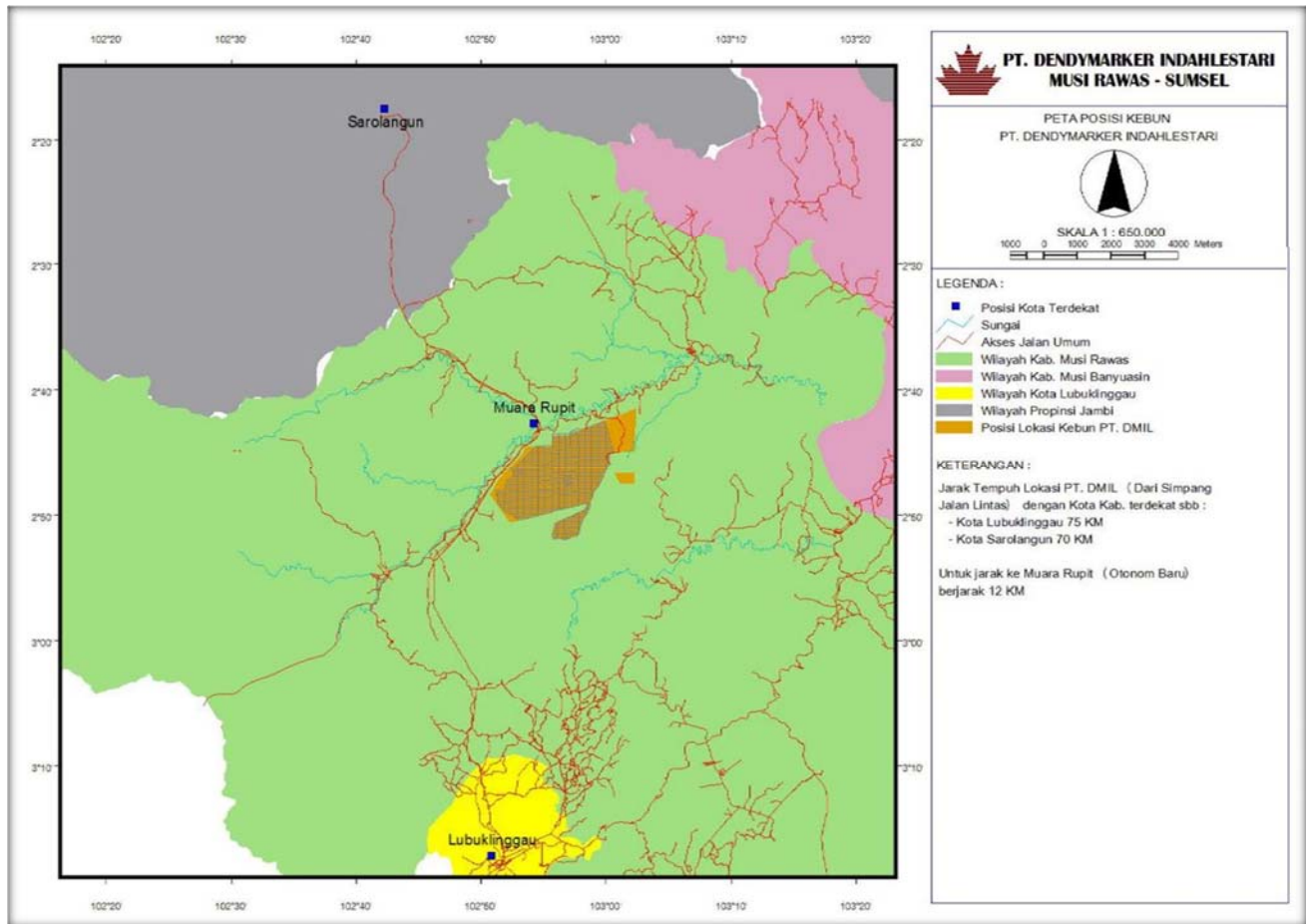
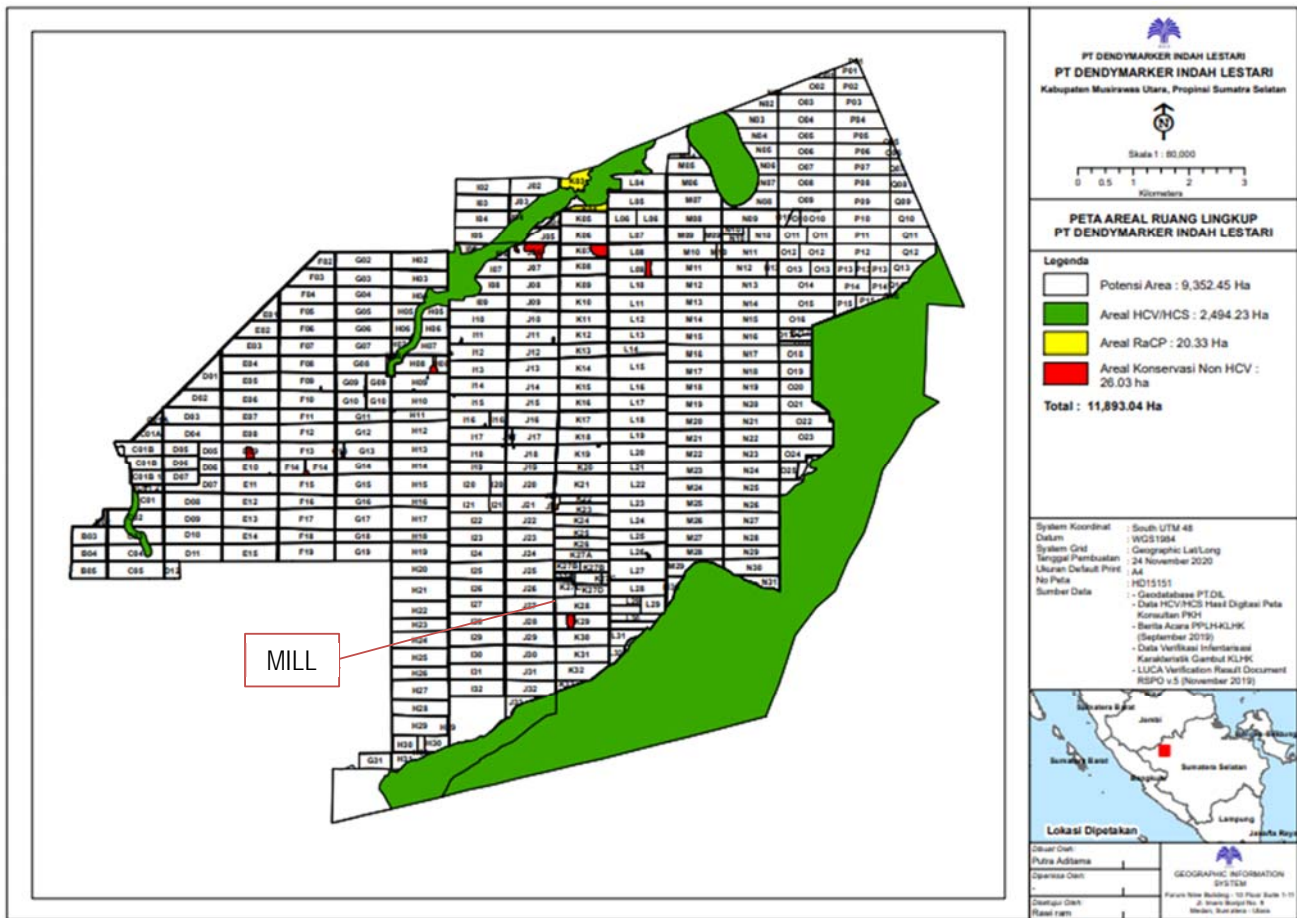


Figure 2. Operational Map of PT Dendymarker Indah lestari



Abbreviations Used

ASA	:	Annual Surveillance Assessment
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
CD	:	Community Development
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
DIL	:	Dendymarker Indahlestari
DIL POM	:	Dendymarker Indahlestari Palm Oil Mill
DLT	:	Drainability Life Time
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
EMPID	:	Employee Identity
ENC	:	Environmental and Certification
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed Consent
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification and Risk Assessment Control
IDR	:	Indonesian Rupiah
ILO	:	International Labour Organization
IPM	:	Integrated Pest Management
IPAL	:	<i>Instalasi Pengelolaan Air Limbah</i> (Waste Water Treatment Plant)
KER	:	Kernel Extraction Rate
KUD	:	Koperasi Unit Desa (<i>village cooperative</i>)
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> /OHS Committee
PK	:	Palm Kernel
PKB	:	<i>Perjanjian Kerja Bersama</i> /Collective Labour Agreement
PKWT	:	<i>Perjanjian Kerja waktu Tertentu</i> /Specified Time Work Agreement
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RKL-RPL	:	Environmental Management and Monitoring Plan
RMO	:	Regional Manager Office
RSPO	:	Roundtable and Sustainable Palm Oil
SCCS	:	Supply Chain Certification System
SIPEF	:	Societe Internationale de Plantation Et de Finance
SKU	:	<i>Syarat Kerja Umum</i> /Permanent Worker
SKU-B	:	<i>Syarat Kerja Umum Bulanan</i> /Monthly Permanent Worker
SKU-H	:	<i>Syarat Kerja Umum Harian</i> /Daily Permanent Worker
SLME	:	Sei Liam Estate
SMGE	:	Sei Mandang Estate

SOP	:	Standard Operational Procedure
SPK	:	<i>Surat Perjanjian Kerja</i> /Letter of agreement
SPM	:	<i>Serikat Pekerja Mandiri</i> (Independent Worker Union)
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i> (Worker Union)
WTP	:	Water Treatment Plant
SIA	:	Social Impact Assessment

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<ul style="list-style-type: none">Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.RSPO Certification System for Principles and Criteria, 14 June 2017	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PT Dendymarker Indah Lestari subsidiary of SIPEF Group	
1.2.2	Contact person	Hamdani	
1.2.3	Organisation address and site address	RSPO registered company: Gedung Forum Nine F10 Suite 1 - 11, Jln. Imam Bonjol No. 9 Medan 20112, Sumatera Utara Province, Indonesia. Site Location: Karang Dapo 1 Village, Karang Dapo Sub-District, Musi Rawas Utara District, Sumatera Selatan Province	
1.2.4	Telephone	+62 61 415 2043	
1.2.5	Fax	+62 61 452 0908	
1.2.6	E-mail	hamdani@sipef.com	
1.2.7	Web page address	www.tolantiga.com	
1.2.8	Management Representative who completed the application for certification	Hamdani	
1.2.9	Registered as RSPO member	1-0021-05-000-00 - 7 th December 2005	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	PT Dendymarker Indah Lestari - Dendymarker POM, Sei Mandang Estate and Sei Liam Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude
			Longitude
	Dendymarker POM	Karang Dapo I Village, Karang Dapo Sub-District, Musi Rawas Utara District, Sumatera Selatan Province, Indonesia	S 02° 47' 44"
			E 102° 56' 42"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude
			Longitude
	Sei Mandang Estate	Bingin Rupit and Beringin Jaya Village, Rupit Sub-District, Musi Rawas Utara District, Sumatera Selatan Province, Indonesia	S 02° 46' 29"
			E 102° 52' 30"
	Sei Liam Estate	Karang Dapo I Village, Karang Dapo Sub-District, Musi Rawas Utara District, Sumatera	S 02° 46' 54"
			E 102° 56' 41"

	Selatan Province, Indonesia		
1.5	Description of Area Statement		
1.5.1	Tenure		
	• State	11,872.71	Ha
	• Community		Ha
1.5.2	Area Statement		
		Sei Liam Estate (SLME) Ha	Sei Mandang Estate (SMGE) Ha
			TOTAL (Ha)
	Total area	6,802.63	5,070.08
	Planted area	2,946.90	4,296.16
	Preparation	103.23	-
	Emplacement, Road, Etc.	227.15	373.40
	HCV/HCS	2,213.68	280.55
	Conservation Area Non-HCV	12.50	13.53
	Unplanted Area	1,299.17	106.44
			1,405.61
1.6	Planting Year and Cycles		
1.6.1	Age profile of planting year		
	Planting Year	Hectarage (Ha)	
		Sei Liam Estate (SLME) Ha	Sei Mandang Estate (SMGE) Ha
			Total (Ha)
	1996	-	6.68
	1997	-	258.39
	1998	-	879.48
	1999	369.95	-
	2000	531.80	-
	2012	117.37	-
	2013	452.97	54.30
	Sub Total Mature	1,472.09	1,198.85
	2018	494.14	459.51
	2019	539.72	1,327.84
	2020	440.95	1,309.96
	Sub Total Immature	1,474.81	3,097.31
	TOTAL	2,946.90	4,296.16
1.6.2	New Planting area after January 2010	5,196.76	Ha
1.6.3	Planting Cycle	2 nd	Cycle
1.7	Description of Mill and Supply Base		
1.7.1	Description of Mill		
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)
			CPO
			Out put (tonnes)
			Extraction (%)
			Palm Kernel
			Out put (tonnes)
			Extraction (%)
	Dendymarker	20	79,729.50
			17,264.35
			21.65
			3,101.91
			3.89
	*Production data source from 12 months before assessment (November 2019 – October 2020)		
	* there are variance between FFB process and FFB received due to restan of production covering ± 50 Ton		
1.7.2	Description of Certification Scope of Supply Base		

	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/year)	Yield (ton/ha/year)	Supplied to Mill	
						FFB (ton/year)	%
	Sei Mandang Estate	5,070.08	1,198.85	16,709.18	13.94	16,709.18	100
	Sei Liam Estate	6,802.63	1,472.09	12,552.99	8.53	12,552.99	100
	TOTAL	11,872.71	2,670.94	29,262.17	10.96	29,262.17	100
	<i>*Production data source from 12 months before assessment (November 2019 – October 2020)</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation*	Type of Organization		Number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tonnes/year)	
	Sei Rupit Estate	Smallholder scheme of PT DIL Subsidiary of SIPEF		-	2,774.62	467.18	
	Agro Kati Lama North Estate	Subsidiary of SIPEF		-	1,502.52	6,052.29	
	Agro Kati lama South Estate	Subsidiary of SIPEF		-	2,463.49	15,117.54	
	Agro Muara Rupit East Estate	Subsidiary of SIPEF		-	2,363.45	5,948.08	
	Agro Muara Rupit West Estate	Subsidiary of SIPEF		-	2,644.31	3,356.16	
	Agro Rawas Ulu East Estate	Subsidiary of SIPEF		-	1,396.70	8,663.46	
	Agro Rawas Ulu West Estate	Subsidiary of SIPEF		-	1,000.29	3,714.57	
	Koperasi Beringin Jaya	Smallholder of Agro Kati Lama Estate Subsidiary of SIPEF		-	601.04	3,033.13	
	Koperasi Rawas Jaya	Smallholder of Agro Rupit Estate Estate Subsidiary of SIPEF		-	435.31	1,876.13	
	Koperasi Tingkip Jaya Raya	Smallholder of Agro Muara Rupit West Estate Subsidiary of SIPEF		-	363.48	1,545.95	
	Koperasi Rempan Jaya	Smallholder of Agro Muara Rupit East Estate Subsidiary of SIPEF		-	280.71	628.47	
	TOTAL						50,402.96
	<i>*Production data source from 12 months before assessment (November 2019 – October 2020)</i>						
	<i>*All FFB from other source are from RSPO non certified area</i>						
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 (MT)			Last Year Actual Certified Volume (November 2019 to October 2020) (MT)		
	FFB Processed	61.643			29,262.17		
	CPO Production	14,754			6373.34		
	Palm Kernel (PK) Production	3,132			1143.96		
	*there are extension volume						
1.8.2	Product selling						
	Type of selling product			Actual selling product for last year November 2019 to October 2020) (MT)			
	CSPO sold as RSPO certified product			3,499.59			
	CSPK sold as RSPO certified product						

	CSPO sold under another scheme			0				
	CSPK sold under another scheme			0				
	CSPO sold as conventional			2,597.66				
	CSPK sold as conventional			1,117.84				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Sei Mandang	5,070.08	1,198.85	19,600	16.35			
	Sei Liam	6,802.63	1,472.09	14,400	9.78			
	TOTAL	11,872.71	2,670.94	34,000	12.73			
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tones)	Extraction (%)	Out put (tones)	Extraction (%)	
	Dendymarker	20	34,000	7,480	22	1,428	4.2	MB
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	ISO 9001:2008				-			
	ISO 14001: 2004				-			
	OHSAS 18001:2007				-			
	ISCC				-			
	ISPO				MUTU-ISPO/044			
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	Muko Muko Mill (PT Agro Muko)	2011	Muko Muko Estate	2011	Mukomuko District, Bengkulu Province, Indonesia	Certified		
			Sei Betung Estate					
			Tanah Rekah Estate					
			Talang Petai Estate					
			Sei Kiang Estate					
			KMD					
	Bunga Tanjung Mill (PT Agro Muko)	2011	Bunga Tanjung Estate	2011	Mukomuko District, Bengkulu Province, Indonesia	Certified		
			Air Bikuk Estate					
			Air Buluh Estate					
			KMD					
			Air Majunto Estate (PT Mukomuko Agro Sejahtera)	2014		Certified		
	Malin Deman Estate (PT Mukomuko Agro Sejahtera)	Certified						

		Ex. PT Asri Rimba Wirabhakti	2021		A new NPP will be submitted waiting for HCV, LUC review
Bukit Maradja Mill (PT Tolan Tiga)	2010	Bukit Maradja Estate (PT Eastern Sumatra Indonesia)	2010	Simalungun District, Sumatera Utara Province, Indonesia	Certified May 2010
		Kerasan Estate (PT Kerasan Indonesia)	2010		
		PT. Timbang Deli Indonesia	2018		Certified 2018
Perlabian Mill (PT Tolan Tiga)	2010	Perlabian Estate	2010	Labuhan Batu District, Sumatera Utara Province, Indonesia	Certified May 2010
		Tolan Estate			
Umbul Mas Wisesa Mill (PT Umbul Mas Wisesa)	2014	UMW South Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province, Indonesia	Certified March 2015
		UMW North Estate			
		Toton Usaha Mandiri Estate			
-	-	PT Agro Kati Lama	2021	Musirawas District, Sumatera Selatan Province, Indonesia	Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014.
-	-	PT Agro Muara Rupit	2024	Musirawas Utara District, Sumatera Selatan Province, Indonesia	Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014.
-	-	PT Agro Rawas Ulu	2024	Musirawas Dustrict, Sumatera Selatan Province, Indonesia	Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014.
		PT Citra Sawit Mandiri	2022	Labuhan batu Regency, Sumatera Utara Province, Indonesia	Certification to take place after HGU
Hargy Mill (Hargy Oil Palm Limited (HOPL))	2009	Hargy Estate	2009	East of Bialla, West New Britain Province, Papua New Guinea	Certified April 2009
Navo Mill (Hargy Oil Palm Limited (HOPL))	2009	Navo Estate	2009	50 Kms East of Bialla, West New Britain Province, Papua New Guinea	Certified April 2009
		Bakada Estate			
		Mengen Estate			
Barema Mill (Hargy Oil Palm Limited (HOPL))	2014	Barema Estate	2014	30 Km East of Bialla, West New Britain Province, Papua New Guinea	Certified April 2014
Dendymarker Indah Lestari Mill (PT Dendymarker Indah Lestari)	2015	Sei Mandang Estate	2015	Musirawas Utara District, Sumatera Selatan Province	The Most recent acquisition was on 1 st August 2017, it has been certified on 2015
		Sei Liam Estate			
• Time Bound Plan updated 20 November 2020					

1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	Currently the partnership at PT DIL has carried out a contract renewal by involving all previous cooperatives. The previous agreement was deemed to have ended, as stipulated in the Copy of Notary Deed of Edna Mardiani SH MKn regarding Agreement No. 42 dated April 22, 2020 concerning the Agreement between 9 Cooperatives and PT DIL. The entire partnership area is being replanted, then the area will be fully managed by PT DIL. The progress will be verified since the smallholder starting sent FFB to Mill

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
RC Remote Audit	<ol style="list-style-type: none"> Moh Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legality, and Social Radytio Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audits as auditor base on Best Management Practice and Environment. Aspect audit: Long term management plan, Environment, HCV, GHG. Haikal Ramadhan Kharismansyah (Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experiences as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001: 2015, Lead Auditor ISPO, Lead Auditor RSPO, ISO 22000, SA 8000, ISO 14000 and SCCS. Has conducting ISPO and RSPO audit with expertise on best management practices, OHS, Worker Welfare, and SCCS. During this audit he verify Best Management Practices, OHS, SCCS and Worker Welfare Johannes Kapri Pandiangan (Trainee Auditor). Bachelor of Agriculture, Department of Agricultural Social-Economics, Faculty of Agriculture. Has 7 years of experience working as operational staff in one of the leading private oil palm plantation companies in Indonesia. The training that has been attended includes: Forest and land fire emergency response training by BKSDA Riau Province, IHT ISPO P&C Certification System, IHT Awareness ISO 17021 and 17065, IHT Awareness RSPO, ISO 14001: 2015 Lead Auditor Training, and ISO 9001:2015 Lead Auditor Training. During this audit he verify aspect of best management practices under supervised by Moh Arif Yusni
RC Onsite Audit	<ol style="list-style-type: none"> Moh Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verifies Legality and Social Asystasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one-year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verifies Social, Worker Welfare aspects and SCCS. Yohanes Hardian (Auditor). Indonesian Citizen. Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA Remark Asia 2016, Training Lead Auditor RSPO by Proforest-

	<p>Daemeter 2016. Experience audit RSPO And ISPO Since 2014. During this audit, he assigned to verify, social aspect, and HCV</p> <p>4. Arief Tajalli (observer). Indonesian citizen, Bachelor of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural University. Has been involved as a researcher at a wildlife laboratory, Faculty of Forestry, IPB. The trainings that have been attended include training for ISO 9001; 2008, ISO 14001; 2004, ISO 17021; 2015, ISO 17065, ISO 19011, ISPO Auditor training, and participating in several IHT in the field of environment, BMP, and so on. Has participated in several audit simulation activities related to the sustainable palm oil certification system since 2020 with social and environmental aspects, and aspects of waste management. In this activity, he became an Observer.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
RC Remote Audit	<p>Number of auditors: 3 auditor and 1 trainee auditor</p> <p>Number of days for Remote audit RC: 3 days</p> <p>Number of working days for Remote audit RC document review: 9 Working days</p>
RC Onsite Audit	<p>Number of auditors: 3 auditor and 1 observer</p> <p>Number of days for onsite audit RC: 3.5 days</p> <p>Number of working days for onsite audit RC: 10.5 Working days</p>
2.2.2	Assessment Process
RC Remote Audit	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dendymarker Indah Lestari subsidiary of SIPEF Group to the requirements of <i>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017</i></p> <p>For this section (RC) The assessment was conducted in One method: document review, aiming to observe the sufficiency of types or substances from required documents. Improvement of findings from recertification findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of this remote Audit report.</p> <p>The opening meeting was held on 04 August 2020 at 08.30 am through a teleconference (Microsoft Team). As for the participants who attended the opening meeting included the Estate Manager, Mill Manager, Support Team from sustainability department and other relevant staff. while the closing meeting will take place on 06 August 2020 at 15.30 pm. attended by the same participants as the opening meeting. Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well using email or one drive.</p> <p>The assessment program please find Appendix 2.</p>
RC Onsite Audit	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dendymarker Indah Lestari subsidiary of SIPEF Group to the requirements of <i>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017</i></p> <p>PT Dendymarker Indahlestari previously under subsidiary of Agro Investama Gemilang and in 2017 the take over by Sipef group. In the first cycle of certification the scope of certification is 13,704.91 Ha, however during this recertification the scope area was changes in to 11,872.71 ha in accordance with decree from Investment Coordinating and One Stop Permit Service Agency Musi Rawas Utara Regency No 05/KPTS/DPM-PTSP/VII/2020 dated 28 July 2020 regarding the changes to the environmental Permit and RACP area were excluded from cerfied area</p> <p>Based on RSPO Notice to CB on 24 March 2020 RSPO Secretariat has decided that surveillance and recertification</p>

audits can be partially performed through a combination of remote and on-site. During on-site audit auditor will concern/focus to the indicator that will be verified during the on-site audit (attached in annex 1 RSPO notice to CB Documents), implementation of the procedure including field observations and public consultation with stakeholders.

The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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.

Public Stakeholder Notification was made on Mutucertification International Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix I.

Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well by involving related personnel. During the COVID-19 pandemic, there were several modifications to the audit due to health protocols. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities or previous land owners so that these activities are carried out by telephone.

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of this assessment. The assessment program please find Appendix 2.

2.2.3 Locations of Assessment

RC

Number of units in this certification activity is 1 (one) Mill and 2 (two) Own Estates. The consideration for risk assessment is geographic locations, distance of estate, complexity of labour, landscape setting, presence of HCV, number of communities/conflicts, legality etc. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Dendymarker POM) and two estate (Sei Mandang Estate and Sei Liam Estate).

Central Office

- **Chemical Warehouse.** Observation regarding chemical management
- **Workshop.** Observation regarding the competence of workshop workers
- **Hazardous Waste Temporary Shelter.** Observation regarding Hazardous and Toxic waste management
- **Fire Extinguisher Simulation.** Observation regarding emergency response team
- **Rinse House.** Observations regarding sanitary facilities for pesticide applicators

Sei Mandang Estate

- **Housing (old)** Observation and interview related facilities & infrastructure, domestic waste, and others.
- **Central Housing (New)** Observation and interview related facilities & infrastructure, domestic waste, and others.
- **Generator House** Observation and interview related Environmental aspect, OHS implementation.

- **Housing.** Observation of housing facilities
- **Harvesting Block G6 Division V.** Observation and interview regarding FFB criteria and workers' understanding of their rights and obligations
- **Circle and Path Spraying Block E3 Division.** Observation and interview regarding the implementation of weed control procedures and understanding in handling pesticides
- **Manuring Block I24, Division I.** Observation and interview regarding the implementation of fertilization procedures and safe working methods both for itself and the environment
- **Peat area, Block I14 Division III and Block G13 Division VI.** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **HCV Area Block H8, Block H4, Block I9:** observation related HCV Management
- **Fire Monitoring Tower Block G8,** Observation related emergency preparedness to see the Fire Tower
- **Water Outlet Block H5,** observation related water managements
- **Boundaries Pole No 2,3,4, 5, 6, and 7,** Observation on boundaries poles, coordinates, maintenance, and demarcation.
- **Replanting Area Block D008, D009,** observation related replanting activity.
- **Owl Box block D5 division IV.** Observation of integrated pest management.

Sei Liam Estate

- **Harvesting Block L19 Division V.** Observation and interview regarding FFB criteria and workers' understanding of their rights and obligations
- **Circle and Path Spraying Block K12.** Observation and interview regarding the implementation of weed control procedures and understanding in handling pesticides
- **Peat area, Block L26 Division 1,** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **Owl Box block K21.** Observation of integrated pest management.
- **Replanting Area Block L10 Division 4.** Observation area of replanting
- **HCV area Block L04, Blok M06:** Observation related HCV management
- **HCS Area Block O12, Block P12: (HCS),** Observation related HCS Area
- **Conservation Area Block O08,** Observation related non-HCV conservation areas
- **Replanting Area Block O12, Block P12,** Observation related replanting area

Dendymarker Indah Lestari POM

- **Weighbridge Station.** Observation of supply chain procedure.
- **Security.** Observation related to the acceptance of FFB.
- **Grading Station.** Observations and interviews related to criteria for EFB grading, wages, sampling techniques, and PPE.
- **Engine room.** Observations and interviews related to medical check-up, PPE, and operator understanding of emergencies
- **Boiler.** Observations and interviews related to OHS, understanding of emergency response, and operator licenses
- **Sterilizer.** Observations and interviews related to the duties and responsibilities of daily work
- **Press Station.** Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility
- **Kernel Station.** Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility
- **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **WWTP.** Field observations and interview related POME management, recording, OHS and environmental.
- **Empty bunch area.** Field observations related to empty bunch management.
- **Hazardous Waste Temporary Warehouse.** Field observations and interview related hazardous waste management, OHS and environmental aspect.
- **Sparepart Warehouse.** Field observations and interview related sparepart management, OHS, and environmental aspect.

	<ul style="list-style-type: none"> - Chemical warehouse. Field observations and interview related chemical management, OHS, and environmental aspect. - Workshop. Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect. - Hydrant simulation (Hydrant No. 4). Observation related emergency preparedness. - Reservoir: To see the condition of water, reservoir management, and potential sources of pollution around the reservoir.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
RC	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Dendymarker Indahlestari was held by:</p> <ul style="list-style-type: none"> • Public Notification in RSPO Website started from 14 October 2020 until 14 November 2020 • Public Notification in PT Mutuagung Lestari Website on 14 October 2020 • Public consultation with NGOs (by email) on 18 November 2020 • Public consultation meeting with government institution 24 and 25 November 2020 • Public consultation meeting with communities on 24 and 25 November 2020 • Public consultation meeting with internal stakeholders and contractor 24 and 25 November 2020 <p>Numbers of input from stakeholders were clarified by PT Dendymarker Indah Lestari.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit ASA -1.1 will be conducted eight (8) months to twelve (12) months after date of initial registration.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there was nil Nonconformity assigned against Critical and Non-critical Compliance Indicator and nil opportunity for improvement were identified.

MUTUAGUNG LESTARI found that Dendymarker POM – PT Dendymarker Indah Lestari, Subsidiary of SIPEF Group complied with the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 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	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1 The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1 The unit of certification has the list of documents that can be accessed by stakeholder, such as company's policies, OHS document, HCV document, SIA document, document of complaint response, continuous improvement plan, CD & CSR document, land use title, plantation permit, and environment document. These documents are available in estate and mill office. Public document is displayed in notice board or can be accessed through company's website. Therefore, the document publicly available. Besides, based on interview with statutory bodies of Musi Rawas Utara Regency, it is known that they know how to access company's public document. The unit of certification also has monitoring and management report, such as OHS implementation report, report of environmental management and monitoring plan, land use report, and plantation activities report. These documents also can be accessed by public through the mechanism which has determined by the company.		
1.1.2 In presenting information to relevant stakeholders, the company has a response plan in an appropriate and accessible language. This is regulated in SOP Number ENC-01-11 / 04-03-2019 / Rev1 dated 18 March 2019. Based on this procedure, requests for information or communication can be submitted to the unit manager / department head or staff. Then it will be recorded in a logbook of information requests and answers with a shelf life, answers to requests for information can be responded to within a maximum of 7-25 days. The unit of certification can show evidence of providing information to stakeholders, including compulsory manpower reports, P2K3 reports, waste management reports, and RKL / RPL reports. Request for information on company documents in the Incoming Mail Agenda explaining the number of incoming letters, senders, and subjects of the letter, for example a letter dated January 29, 2020 (0093 / UNIV.BI / R / P1 / 2020 concerning applications for student research permits NIK 216.01.0231 and Letter No 50 /PUK.SPMP-SPSIPTDIL/XI/2020 regarding the extension of the collective working agreement period. The unit of certification also has an information board to provide announcements in a narrow scope, as well as a website for information in a wider scope, for certain stakeholders can obtain information by sending documents directly (via email / hard file) to interested parties. The results of interviews with employees and surrounding villages obtained information so that the community could easily get the information needed.		

1.1.3

in 2019 and 2020. The logbook is available regarding information regarding the date and number of the letter, sender, and subject. The examples are as follows:

- Incoming letter dated February 17, 2020 from Muara Rupit letter number 006/23 / PWI-MRU regarding the application for funding assistance for the implementation of membership orientation of PWI (Indonesian journalists association) Musi Rawas Utara and has been realized by the company on February 26, 2020
- Incoming letter dated April 7, 2020 from Tanjung Beringin letter number 01 / PPM / TB / 2020 regarding the request for assistance for the expansion of mosque renovation and was realized on April 27, 2020.

1.1.4

Mechanism providing information is listed in SOP of Responding to Requests for Information No. ENC-01-11/04-03-2019/Rev. signed by President Director on 18 March 2019. The procedure explain that all the information request will be responded by company in 7 – 25 days after the incoming letter. The person in charge for communication and consultation is Estate Manager. The information request from stakeholders is about assistance proposal and mandatory reporting information and has been documented by company in Logbook *Surat Masuk dan Surat Keluar*. Based on the results of interviews by telephone to several stakeholders, it was found that the stakeholders had understood the flow of the communication and consultation process that the company had.

1.1.5

The unit of certification has showed list of stakeholders owned by the company. The list contains information about the agency, name of representative, address and contact number. Based on the list of stakeholders, it is known that the company has 39 stakeholders consisting of government agencies (district, sub-district and village), company-assisted plasma cooperatives, non-governmental organizations, local contractors, company managers, and trade unions.

Status: Comply

1.2

The unit of certification commits to ethical conduct in all business operations and business transactions.

1.2.1 and 1.2.2

The unit of certification has had ethics policy inside Responsible Plantation Policy that signed by Board of Director on 22 November 2019. The policy can be seen and downloaded at their website <https://www.sipef.com/hq/sustainability/policies/ethics-policy/>. SIPEF Ethics Policy stated that:

- Compliance: all relevant international and national laws will be upheld.
- Transparency: shareholders and stakeholders will be provided with all non-confidential information.
- Zero-tolerance towards bribery and corruption. Facilitation payments are actively avoided and gifts may only be given with prior approval from senior management.
- There is zero-tolerance of slavery or forced labour.
- Management and employees are prohibited from using the Group's facilities or working hours to conduct personal business.
- The individual countries have more elaborated codes of conduct that are aligned with the worldwide Sipef Group's Ethics Policy.

Mechanism of Ethical Business violation handling is using SOP Whistleblowing System (SOP No. IAD-01-07/29- 03-2019/Rev. 0) dated 27 March 2019. During audit carried out to ensure the implementation of the code of ethics, the team of auditors has interviewed board of labour union and village heads around the company's operational areas. Based on the results of interviews obtained information that the employee recruitment process has been openly informed. The results of the recruitment procedure can be accessed by prospective employees and there is no charge for the whole process. Furthermore, The unit of certification has had annual internal audit program to monitor and to ensure operational activity align with the company's procedures. Furthermore, the internal audit also ensuring all business activity are comply with SIPEF ethics policy.

Based on the results of interviews with contractors, it is known that the contractors already know and understand that there are prohibitions on ethical business behavior, for example the prohibition on bribery, corruption, prohibition of child labor and forced labor.

Monitoring is carried out by the company's sustainability team by sending a monthly sustainability work report checklist form. One of the monitoring carried out is compliance with the use of PPE for contractor workers. Meanwhile, compliance with ethical business

practices is monitored through an internal audit of a public accountant.		
	Status: comply	
PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS		
2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1		
During audit, the unit of certification can present the compliance towards laws and regulations and also ratified international laws, as follows:		
1. Legal Aspect		
The CH has complied with regulations in the field of plantation and land legality, such as HGU (land use title) and IUP (plantation business permit), as well as mandatory reports on annual land use to Land Agency.		
2. Occupational Health and Safety		
<ul style="list-style-type: none"> The unit of certification unit has a mill machinery permit certificate and conducts periodic inspections of the machines, for example for boilers and sterilizers which were last carried out in December 2018. The next inspection is every two years. The results of the inspection by the labor inspector stated that the condition of the equipment was good according to the OHS requirements Has licensed operators such as 6 steam aircraft operators, 7 lift transport operators, 2 power and production aircraft operators, 2 welders, and 18 licensed first aid officers. Examples of the operator's license card and certificate can be shown 		
3. Best Management Practice		
In terms of best management practices, it is known that plantation and mill management has implemented several compliances with Indonesian laws and regulations, for example not using the burning method in the land clearing process, trees planted are from seed producers which are recognized by the Indonesian government. Each unit of the Unit of Certification has implemented integrated pest management, biological control and only uses pesticides that are listed on the pesticide government website.		
4. Environmental Aspect		
The unit of certification has shown compliance with environmental regulations, such as:		
<ul style="list-style-type: none"> Conduct management and monitoring of environmental impact every semester and reporting to Environmental Agency Store hazardous waste in the licensed hazardous warehouse. POME testing. Conduct replanting by a mechanical method not using fire. Allocate and give community CSR every year. 		
5. Worker welfare aspect		
<ul style="list-style-type: none"> Basic wage for worker in accordance with agricultural sectoral minimum wage in Sumatera Selatan Province. Overtime payment is in accordance with regulation No worker under 18 years old (child worker) 		
2.1.2		
The Unit of Certification has established documented system for ensuring legal compliance is in procedure of changing on laws and regulation as per mention in " <i>Prosedur Informasi Perubahan Undang-Undang dan Peraturan Pemerintah</i> " dated 1 November 2011. To tracking for any changes of law and regulation, unit of certification has implemented monitoring, evaluation and updating laws and regulations requirement that listed in the document " <i>Daftar Peraturan Perundang undangan terkait P&C RSPO tahun 2020</i> " The document is an inventory of national and local regulations related to aspects of legal, labour, health and safety, and environmental. To ensure compliance with law or regulations, the company conducts an internal RSPO audit. Internal audits have been conducted continuously and are documented and reviewed in the management review activities, latest internal audit carried on 21 – 28 April 2020 that carried out by the Sustainability compliance department.		
2.1.3		
Based on document verification the company has been identifying all boundaries stone in the operational area and there is 156 boundaries stone in PT DIL. Poles monitoring has been carried out periodically every 6 months (twice a year). The company can		

present the result of monitoring in June 2020. Based on the result of internal monitoring it was known if the all boundaries stone are installed and well maintained. The results of field observations on the boundary pole No. 2,3,4, 5, 6, and 7 are known that the condition of the boundary poles is well maintained and in accordance with the coordinates from the National Land Agency.		
	Status: Comply	
2.2		
All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.		
2.2.1; 2.2.2 and 2.2.3		
<p>The unit of certification already has a list of contractors that have cooperation agreements, for example for SLME to work with 15 contractors, DIL POM with 40 contractors, and SMGE with 21 contractors. There is an example of a Work Agreement with a contractor, for example SPK No: 002 / SEI LIAM ESTATE / PPTK-FL / January / 2020 with CV Tamras Indah and SPK No 04 / SEI LIAM ESTATE / PPTK-FL / JANUARI / 2020 with CV Oemar Bakri. The SPK specifically includes a clause regarding the compliance of relevant legal obligations. However, it does not include a clause that prohibits forced labor and workers from human trafficking. However, in general, a contractor's statement has been shown which states that they follow / apply any standards / procedures related to the workforce carried out by PT Dendy Marker Indah Lestari regarding the sustainability system implemented in the Operation Unit.</p> <p>To ensure that the third party complies with this clause, the unit of certification provided a checklist for evaluating the compliance of sustainable system standards for the contractor, for example CV Tamras Indah. The aspects evaluated include the validity period of the SPK, the fulfillment of the minimum wage, and the completeness of the PPE. Based on the results of the evaluation, it was stated that CV Tamras Indah had comply these aspects.</p> <p>Based on interview with contractor worker in Sei Mandang Estate, it is known that worker is paid based on <i>work result</i> in a day, for example for manuring the worker is paid Rp25,000/ha and for spraying the worker is paid Rp115,000 per day. Company then showed to auditor the calibration of payment for manuring and spraying activity. Calibration for manuring is made based on 3 trials, including the dosage of the sterilizer and average of work performance. While, calibration for spraying is made based on work area and man-days.</p> <p>The unit of certification also showed the example of pay slip of contractor worker. Based on pay slip document of contractor worker, it is known that workers get paid in accordance with applicable regulation. Furthermore, the unit of certification also show that contractor worker also engaged into Social Insurance covering the work accident insurance and health insurance, for example Worker Insurance of CV Rizkia for September 2020 paid on 24 September 2020 by Bank Mandiri</p>		
	Status: Comply	
2.3		
All FFB supplies from outside of the unit of certification are from legal sources.		
2.3.1		
Based on documents verifications it was known All FFB processed in the mill originated from its from certified area (Sei Mandang Estate & Sei Liam Estate) and uncertified sources such as Agri Kati Lama Estates, Agro Muara Rupit Estates, Agro Rawas Ulu Estates and associated smallholders of PT Dendymarker Indah Lestari. The mill didn't accept FFB from out-grower, independent smallholders, or third parties.		
2.3.2		
Not Applicable on this assessment. As mentioned in indicator 2.3.1 The mill didn't accept FFB from out-grower, independent smallholders, or third parties. however, mill planned to receive from out growers including middlemen/agent. As mentioned in Annex 4: Implementation Procedure for Indicator 2.3.2 for existing RSPO certified mills, the time requirement to fulfil this Criterion for all their smallholder suppliers is three years from 15 November 2018 or will be applicable on 2021.		
	Status: Comply	
PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE		
3.1		
There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.		
3.1.1		
The unit of certification long-term plan contained in the Business Plan document 2019-2023. The information on this document		

consisting of CH activities such as profit and loss information from, Total Revenue and Total Operating Cost, including information about gross operating cost, profit/loss before tax and profit and loss after tax. The CH has a financial schedule for yearly budget.

Information in the document consists of general routine operational activities such as target of FFB yield /ha, plantation maintenance, harvesting, fertilizer, investment plans such as enrichment planting (planting of various plant species to enhance biodiversity), mill activities such as FFB processed, projected oil extraction rate (OER) and kernel extraction rate (KER), projected crude palm oil (CPO) and palm kernel (PK) production, CSR programs and environmental monitoring, HCV management plan and other activities to fulfil RSPO requirements.

The unit of certification has also developed a yearly plan as seen for year 2020, containing information on the budget for each activity (including activities for environmental management programs and all CSR related expenses, legal compliance and RSPO P & C compliance) and revenue from CH's production including all CH's liabilities.

Budget and target achievement evaluations are carried out every year, and the evaluation of achievement for management plan year of 2019 was sighted.

3.1.2

The unit of certification can present replanting program that starting in 2018 as mentioned in the following table:

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

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

3.1.3

The last management review conducted in 1 august 2020. The management review discusses several issue for instance review of monthly management unit report, Process performance and product appropriateness, action plan and corrective actions, annual internal audit and internal audit of RSPO include supply chain, and review of external audit by certification body.

Status: Comply

3.2

The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.

3.2.1

The unit of certification regularly conducted monitoring of continuous improvements, covers aspects of economic/best practices, social, as well as environmental for every unit (Mill and Estates). For best practices and economic aspects, the unit of certification planned to replanting all planted area. In social aspect, the unit of certification has established scheme smallholder with renewed the cooperation contract with the cooperative which will be managed by the company and in worker welfare the company has been renovating and rebuilding employee housing. Furthermore, for Environmental aspect there are several continues improvement, for example:

- Reduction of fossil fuels to meet daily electricity needs by using National Grid (PLN), the company installed a electricity from PLN network within the plantation area and it will be significantly reduced the use of fossil fuels
- Conducting local plant planting activities in several conservation areas, the company also has a local plant nursery which will be planted in stages in the future.

3.2.2

Not applicable, since RSPO metric template on annual report is not available.

Status: Comply

3.3
Operating procedures are appropriately documented, consistently implemented and monitored.
3.3.1

The unit of certification has had procedures related agronomy and mill. The procedures covered all activities in mill and estate. During audit, a copy of the SOP is available at the audit site and in the Indonesian language (Bahasa). The document contains procedures for pre-development surveys, studies and planting, nurseries, clearing and land preparation, legume cover crops, oil palm cultivation, maintenance and maintenance of oil palm, harvesting of Fresh Fruit Bunches, crop protection, pests, and disease management, planting, returning oil palm to oil palm, EFB mulch, and oil palm thinning techniques.

Meanwhile, related to processing at the factory, the company already has a document for the implementation of processing work (factory SOP). The SOP consists of FFB Grading, Laboratory Sampling and Testing Procedures, General and Safety, Weigh Bridges, Loading Roads, Sterilization Stations, Clamping Stations, Pressing Stations, Clarification Stations, Kernel Recovery Stations, Boiler Houses, Power Plants, Water Treatment Plants, Management Waste, land applications and solid waste, utilization of empty fruit bunches,

3.3.2

The unit of certification has conducted annually internal monitoring to ensure implementation of procedures. The monitoring conducted through annually operational internal audit by internal audit department and RSPO internal audit by sustainability department. The records of internal audit on 2019 and 2020 have been documented. Non-compliance records of internal audit has been corrected and verified by management. company also monitors and supervises contractors regarding the implementation of SOPs owned by the company. Monitoring and supervision is carried out directly by foremen, assistants and manager.

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

3.3.3

The records of monitoring and actions taken has been documented in the form of Annual Management Review, review of monthly management unit report, annual result and follow up of internal audit and internal audit of RSPO include supply chain, and review of external audit by certification body. For instance, the latest Company Management Review was conducted on 1 August 2020.

The unit of certifications also monitors and supervises contractors regarding the implementation of SOPs owned by the company. Monitoring and supervision is carried out directly by foremen, field assistants, assistant heads, managers, security officers and so on. One example shown by the company is monitoring the use of PPE according to the type of work being carried out.

Status: Comply

3.4
A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.
3.4.1
Environmental document.

The unit of certification has the latest Environmental Permit Documents with Number 05 / KPTS / DPM-PTSP / VII / 2020 dated July 28, 2020, which behaves regarding changes to the Environmental Permit for Oil Palm Plantation Activities Plan with an area of 17,000 Ha to 11,893.04 Ha and a Palm Oil Processing Factory with a capacity of 60 Tons / Hour, where it has covered all areas and activities within the scope of certification. The Environmental Permit is the result of an update to the previous Environmental Permit document Number 09 / KPTS / SDM-PTSP / 2017 dated 19 October 2017.

As a reference for the Environmental Permit document, the Company has an Environmental Impact Analysis Document (AMDAL) consisting of an Environmental Impact Analysis Document (ANDAL), an Environmental Management Plan Document (RKL), and an Environmental Monitoring Plan (RPL) Number: 021 / BPD / III -AMD / 99 dated 19 March 1999. The operational area covered by the ANDAL document is 17,793 ha with a mill capacity of 60 tons of FFB / hour. In addition, there is a Revised Environmental Impact Analysis document with an area of 17,793.50 Ha and a palm oil mill with a capacity of 60 tons of FFB / hour which was approved on

9 November 2004 with number 660/95 / IV / 2004. The document of the implementation/application of the results of the environmental permit is contained in the RKL RPL report, the parameters that are managed and monitored by the company according to the matrix in the AMDAL, namely:

- Peat reduction
- Air quality and noise
- Use of raw water for palm oil mill FFB production
- Quality of liquid and solid waste
- Potential fire
- Disruption of flora and fauna
- Public unrest

Social Impact Assessment document.

The Social Impact Assessment was conducted in October 2013 in collaboration with *Sonokeling Akreditasi Nusantara* involving local communities. SIA documents have identified the positive and negative impacts of the company's operational activities. Aspects that are assessed include demographics, livelihoods, occupation and land use, income level, community economic facilities and infrastructure, education, health, religion, ethnicity and customs, kinship systems, and social organizations.

Social impact assessment has involved affected parties. This can be seen from the Minutes and attendees list at the opening meeting activities, focus group discussions, and field assessments. The focus group discussion was held on 3 - 5 November 2013 which was attended by representatives of the villages of Keratasari, Pantai, Karang Dapo, Lubuk Rumbai, Beringin Jaya, Bingin Rupit, Maur Baru, Noman Baru, Batu Gajah, and Muara Rupit.

The unit of certification has also conducted the latest social impact assessment conducted by PT Daemeter which is contained in the Social Impact Assessment document dated March 1, 2018. In this document, information on the identification of positive and negative impacts caused by PT Dendymarker Indah Lestari can be obtained. The SIA study involved several affected parties, this can be seen from the attendance list at meetings, group discussion forums and field visits. FGDs were conducted in several stakeholder from villages including Bingin Rupit, Muara Rupit, Beringin Jaya, Biaro Baru, Rantau Kadam, Kertasari, Pantai, Lubuk Rumbai, Maur Baru, Batu Gajah Baru, Noman Baru, Rompokan Sungai Liam, Lubuk Patin, and Karang Dapo.

Based on the results of stakeholder consultation, it was found that there were positive and negative impacts of the company's existence. The positive impact is in the form of employment is continuously increased by the company. In the 2017 to 2020 period, the company has made better partnerships for plasma plantations involving more local communities. Meanwhile, for the negative impact, the uncertainty of land status, the company has carried out mitigation and conflict resolution measures for the past 2 years. Currently the conflict has been largely resolved with the "*Taliash*" program.

3.4.2

Based on the results of document verification, it can be concluded that all management and monitoring parameters requested in environmental documents have been implemented, for example the implementation of environmental management for important impacts of air quality by installing dust collectors, increasing the height of the mill chimney and revegetation around the mill. The company has also carried out an evaluation for each significant impact monitoring parameter that is implemented as required in KepmenLH 45 of 2005, which includes an evaluation of trends, evaluation of critical levels and evaluation of compliance. Based on the results of the evaluation, it is known that all parameters are still in accordance with the Quality Standards, and there is no indication of contamination. The process of improvement / management of the peat water level has been improved a lot, and there is continuous improvement progress by following the direction based on the results from the existing studies.

Meanwhile, the plan of social monitoring and management included Social Impact Assessment implementation report period 2020. The results of these studies have included all the potential impact factors consist of:

External impact	Internal impact
Infrastructure development	Industrial relations
Transparency of revenue sharing of smallholder	Career
The employment Opportunity	Salary and health insurance
The business opportunities	Facility
Increased revenue	Employee complaints

The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management plan on

January 2020, which conducted in a participatory manner such as involve Beringin Jaya Village and Noman Village. The evidence of social management plan for 2020 has participatory i.e., the distribution of questionnaires on 19 December 2019 to nearest community reported in the Internal Social Impact Assessment document 2019.

In addition to these programs, the company also provides budget / cost estimates for the implementation of each of these programs. These programs are arranged according to the identification of the needs of the surrounding community. Identification of the needs of the surrounding community is carried out by following the Village Level Deliberation.

3.4.3

Based on verification, RKL-RPL report semester 2, 2019 has already contained adequate environmental management and monitoring components such as peat subsidence monitoring, quality test on effluent, surface water quality, water and noise level, the potential of land fire, and flora-fauna status. The Evaluation for environmental monitoring/management plans have been developed in January 2019 and as the feedback of review, the company has included land fires monitoring, quality test on effluent, and toxic/hazardous waste monitoring parameters since the 2nd semester 2019 monitoring report.

The social impact assessment was carried out in January 2020 involving stakeholder participation. The study has explained the management plan and monitor the social impact that shall be implemented by the company. During the recertification audit, a remote audit of the Company shows a document of the planned Social Impact management (SIA) activities for the period 2019-2020 which included internal and external social impacts. The update components managed and monitored on 2020 such as requirements use local contractors, Transparency for worker contractor, and update CSR program.

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

3.5

A system for managing human resources is in place.

3.5.1 & 3.5.2

The human resource system shown by the unit of certification includes recruitment procedures, payroll systems, career path systems and performance appraisals, and collective labor agreements. The recruitment procedure has explained about the recruitment of *PKWT*, *SKU*, to staff. Furthermore, the *PKB* explains in detail the labor regulations that apply from wages to work relations, promotions to sanctions and termination of employment. Based on interview with worker in estate and mill, it is known that they understand the employment procedure. They also know the mechanism about promoting worker or about termination or retirement.

There are examples of *PKWT* employee recruitment, for example shown by the work agreement No.003 / PTDIL-SMGE / PKWT-1 / II / 2020 between the company and the initial MH employee with an office clerk work position and is valid from 01 February 2020 for up to 12 months. In addition, an example of employee KPI (Key Performance Indicator) is also shown, for example for workers with the initials BSR. The results of the 2019 assessment concerned received a total value of 3.016 with the conclusion of the promotion to JTA (Job Trainee Assistant). The appraisal will be held on 12 September 2019.

The unit of certification has implemented and documented the employment procedure, for example:

- Company showed result of the 2019 employee performance appraisal, for example for workers with the initials BSR who were promoted to Job Trainee Assistants.
- Employee recruitment in 2020 with the initials MH as PKWT which is valid for 12 months. There are job application letters and other supporting documents such as copies of ID cards, diplomas, and so on.

Based on the interviews with workers representatives in mill and estate, it was found that workers had an understanding of labor mechanisms such as pensions, termination of employment and promotions. Equal Employment Opportunity policy which was approved by the Board of Directors on March 27, 2019. as described in 6.1. The procedure also states basic considerations for promotion include work performance, work morale, attendance, responsibility. Discipline, courtesy, honesty. The rights of every worker are basically the same. The difference between contract workers and permanent daily workers is only in the duration of time and the type of work that is allowed to be done on a contract basis

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

3.6

An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.

3.6.1

To conduct a risk assessment and identify OHS problems, the certification unit prepares HIRAC documents and OHS programs. For example, the HIRAC compiled is for the 2019 period which describes activities, identification of potential hazards (source / event, impact), existing controls, initial risk analysis (likelihood level, severity level, risk level). The activities identified have covered all existing activities at Sei Mandang Estate, Sei Liam Estate and DIL POM

As for the program and implementation of OHS are:

1. The OHS program includes: *P2K3* monthly meetings, routine *P2K3* reporting to the Manpower Office, safety inspections, periodic health checks, recording of work accidents, first aid checks, PPE checks, OHS trainings, simulations such as fire simulations and emergency response, and socializations about OHS once a year, such as socializing SOP, handling Hazardous and Toxic Material, fire hazards, use of *APAR*, MSDS, Hazardous and Toxic Material symbols, etc.
2. The implementation of OHS by the certification unit, for example, is shown by:
 - OHS socialization and Training, routine socialization regarding the implementation of OHS which is delivered during the employee morning briefing at least once a month; Inspection of the completeness of PPE before working for mill and estate employees carried out by each foreman; Warnings regarding OHS such as the obligation to use PPE, types of PPE, and hazard risk analysis installed in strategic areas
 - Periodic employee health checks, the health examination itself is carried out once every year according to the program prepared by the *P2K3* team. The last medical check-up was held on September 19, 2019. The health examination for 2020 was planned for June but due to the Covid-19 pandemic, implementation was postponed until things were safe.

The medical checkup for 2019 was carried out by Specialist Clinical Health Examination Center "Anugerah Ibu" with the following results:

- SLME: 56 people were examined with the results that 4 people passed the test with notes
- DIL POM: 30 people were examined with the results that 4 people passed the test with notes
- SMGE: 68 people were examined with 7 people passed with notes

3.6.2

Based on interviews with OHS officers, the effectiveness of the OHS program is seen from the number of programs have been realized. The company shows the realization of the OHS program, for example as follows.

- Simulation of fire drill which was held on February 3, 2020
- Routine maintenance of fire extinguisher and first aid kit every month
- HIRAC socialization which held on 17 September 2020
- HIRAC review which held on June 15, 2020
- Etc.

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

3.7

All staff, workers, Scheme Smallholders, out growers, and contract workers are appropriately trained.

3.7.1 and 3.7.2

The unit of certification has shown a 2020 training program for all staff, workers, plasma smallholders, contractors covering aspects of the RSPO principles and criteria. In this document it is known that there were 11 training programs during 2020. An example of a training program owned by the company is as follows the following:

- Harvest management, harvest techniques and fruit quality (including OHS and environmental aspects)
- Operation and management of vehicles, heavy equipment and generators
- Storage, packing and application of fertilizers including aspects of OHS and the environment).

The company has also realized their training program. One example of a training program that has been realized is the spraying training which was held on January 7, 2020 which was held at Sei Mandang Estate. The training was attended by 4 spray workers.

Based on interview with contractor worker of spraying worker, it is known that they have receive training or socialization from company about work procedure and they understand about the task and responsibility of their work.

3.7.3

Documents verifications the unit of certification can present the realization of SCC training that carry out 22 June 2020 with the participants are administration officer, weighbridge, laboratorial officers and security. The training topics is awareness of RSPO SCC, traceability and mass balance.

Based on observation and interview to the PIC in specific activities (i.e security/receiving FFB, weighbridge, and mass balance data PIC), they have been provided SCCS training and able to demonstrate awareness of the procedures related SCCS implementation.

Status: Comply

3.8
Supply Chain Requirements for Mills
3.8.1 and 3.8.2

SCSS module that applied in DIL POM is Mass Balance (MB), applied SCCS Module MB since its received and processing the FFB from certified and uncertified sources. The mill claims only the volume of oil palm products produced from certified FFB as MB

3.8.3

Estimated certified product recorded in the certificate annex of last surveillance, actual certified produced has been verified during the audit, as well as the estimates of certified production for the next license period has been set by the Mill, describes in the following table:

Product	Estimate Production 12 months (MT)	Actual Production 12 months (MT)	Estimate Production next 12 months (MT)
FFB	61.643	29,262.17	34,000
CSP0	14,754	6373.34	7,480
CSPK	3,132	1143.96	1,428

3.8.4

Mill has registered and fulfilled all supply chain requirements through the RSPO IT supply chain managing organization (RSPO IT platform or book and claim).

Member Information

Member Name	PT. DENDYMARKER INDAHLESTARI
Member ID	RSPO_PO1000004127
Member Country	INDONESIA
Member Category	Oil Mill
Core Product	Palm Oil

License Information

License ID	CB90881
Issued By	PT Mutuagung Lestari
Issued On	09/20/2019
Start Date	09/27/2019
End Date	01/26/2020
License Status	Active

3.8.5

The unit of certification has the documents of supply chain procedures for Mass Balance models No. document SOP No. MKT-03-06/04-03-2019/Rev.0 dated 14 march 2019. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including training records. The procedures also identified role of implementation responsibility persons that trained and responsible person in the whole process of supply chain.

3.8.6

The Procedure to conduct annual internal audit are describe in SOP No. SOP No. ENC-01-02/04-03-2019/Rev.2, which describes the internal audit conducted annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The last internal audit

is conduct at 09 April 2020. Based on internal audit there several non-conformities that identified for example training program not realized, shipping announcement not available, transactions registry is not available and etc. all non conformities have been closed out prior the remote audit and has been follow-up during management review on 01 August 2020.

3.8.7

The mill has a record amount of FFB tonnage as follows:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Nov-19	3,319.80	4,133.95	7,453.75
Dec-19	3,389.49	4,202.07	7,591.56
Jan-20	3,083.60	4,070.02	7,153.62
Feb-20	2,352.99	3,622.87	5,975.86
Mar-20	1,820.57	3,213.17	5,033.74
Apr-20	1,819.68	2,787.48	4,607.16
May-20	1,893.81	3,597.41	5,491.22
Jun-20	2,065.15	3,313.32	5,378.47
Jul-20	1,527.58	2,572.51	4,100.09
Aug-20	1,948.48	4,275.72	6,224.20
Sep-20	2,874.82	8,365.52	11,240.34
Oct-20	3,166.20	6,248.92	9,415.12
Total	29,262.17	50,402.96	79,665.13

the mechanism of handling non-conforming oil palm products of FFB received (certified or non-certified) has describe in SOP No. DMPOM-WI/PROD/001A, which explain that non-conforming oil palm products as a false in FFB received notes (certified or non certified) and regarding of FFB received records. To handling on this non-conforming are to corrected the record base on FFB source (certified or non certified areas) and monitored by mass balance record documents.

3.8.8

The selling documentations shown were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information of delivery date, description of product and supply chain model, product quantity, identification number (unique code), certificate number, sender name and address of the seller.

Documents verifications and interview with management units obtained information if in last 12 months before audit (November 2019 – October 2020) there is no CSPK that sold as certified products, all CSPK products sold as conventional. For CSPO documents verifications it was known there are 3499.59 MT dispatch as RSPO certified products and there is 2597.66 sold as conventional.

Based on documents verifications the unit of certification can present if the Shipping announcement is announced no longer than three months, for example sales documents with Shipping announcement transaction id TR-63d382b4-77e3, Buyer PT Wira Inno Mas, product detail CSPO, SC Model MB Volume 500 MT, Seller reference number 2020/LTC-CPO/DMIL/07, and confirmation dated 09 November 2020, the mill can present:

- Sales contract between PT Dendymarker Indah Lestari and PT Wira Inno Mas No 020/LTC-CPO/DMIL/07
- Delivery Order regarding the shipping of CSPO covering 500 MT to PT Wira Inno Mas on October 2020

Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- RSPO certificate number;
- A description of the product, including the applicable supply chain model

3.8.9

The unit of certification has legal ownership of CPO and PK products which in the transport of CPO are given to third parties. The

agreements with contractors are ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary.

3.8.10

Transportation of CPO has been carried out by third parties and the company has detailed records of the contractors used, the contractors used are PT. Multi Mulia and PT. Genta Perdana Diandra with address in Padang – West Sumatera Province

3.8.11

Based on review list of transporters verified on Recertification until with this assessment there is no new contractor added. There are 2 outsourcers which physical handling of RSPO certified oil palm products. It will be verified on next surveillance, if any new contractor

3.8.12

The unit of certification have maintained accurate, complete and up-to-date for the FFB receives, process and CPO & PK production from its supply bases.

The record keeping saves in “Mass Balance Report” for example periods November 2019 – October 2020. Within this record, the certificate holders maintain the FFB’s sources based on monthly bases.

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Nov-19	3,319.80	4,133.95	7,453.75
Dec-19	3,389.49	4,202.07	7,591.56
Jan-20	3,083.60	4,070.02	7,153.62
Feb-20	2,352.99	3,622.87	5,975.86
Mar-20	1,820.57	3,213.17	5,033.74
Apr-20	1,819.68	2,787.48	4,607.16
May-20	1,893.81	3,597.41	5,491.22
Jun-20	2,065.15	3,313.32	5,378.47
Jul-20	1,527.58	2,572.51	4,100.09
Aug-20	1,948.48	4,275.72	6,224.20
Sep-20	2,874.82	8,365.52	11,240.34
Oct-20	3,166.20	6,248.92	9,415.12
Total	29,262.17	50,402.96	79,665.13

Dispatch on a monthly and three-monthly basis, presented in the Table bellows:

CPO production and Dispatch for POM

Period	CPO production (MT)		Total	CPO Dispatch (MT)	
	Cert	Non-Cert		RSPO	Conventional
November 2019 to October 2020	6373.33	10880.95	17,254.28	3,499.59	2,597.66
Total	6373.33	10880.95	17,254.28	3,499.59	2597.66

PK production and Dispatch for POM

Period	CPO production (MT)		Total	CPO Dispatch (MT)	
	Cert	Non-Cert		RSPO	Conventional
November 2019 to October 2020	1,143.96	1,957.95	3,101.91	-	1,117.84
Total	1,143.96	1,957.95	3,101.91	-	1,117.84

3.8.13 and 3.8.14

There is no conversion rate. Production of CPO (OER) and PK (KER) were based on actual production. Based on documents verifications in last license periode the extraction rate is 21.65% and 3.89 % for CPO and PK respectively.

3.8.15

The Mill only applying RSPO SCC Module of Mass Balance.

3.8.16

Document's verifications and interview with management units obtained information if in last 12 months before audit (November 2019 – October 2020) there is no CSPK that sold as certified products, all CSPK products sold as conventional. For CSPO documents verifications it was known there are 3499.59 MT dispatch as RSPO certified products and there is 2597.66 sold as conventional. Furthermore, the unit of certification can present evidence if all product sold under other scheme has been removed from RSPO IT System and it has been verified through RSPO Palm trace

Based on documents verifications the unit of certification can present if the Shipping announcement is announced no longer than three months, for example sales documents with Shipping announcement transaction id TR-63d382b4-77e3, Buy PT Wira Inno Mas, product detail CSPO, SC Model MB Volume 500 MT, Seller reference number 2020/LTC-CPO/DMIL/07, and confirmation dated 09 November 2020, the mill can present:

- Sales contract between PT Dendymarker Indah Lestari and PT Wira Inno Mas No 020/LTC-CPO/DMIL/07
- Delivery Order regarding the shipping of CSPO covering 500 MT to PT Wira Inno Mas on October 2020

3.8.17

The products are claims as mass balance. The Mill does not use RSPO trademark on product or off product. PT. DIL has not made any claim regarding the use of or support of RSPO certified oil palm products. The organization has good understanding on the RSPO Rules on Market Communications and Claims.

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS
4.1
The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.
4.1.1

The unit of certification demonstrates a human rights policy that was approved by the president director on March 27, 2019. The contents of the policy include company recognition of human rights which is universal and applies to all, supports the implementation of fundamental principles and rights in the workplace which are regulations in Indonesia, and if there are violations of Human rights can result in layoffs and also legal action.

The unit of certification has also carried out socialization related to the company's policies which include Human Rights, Anti-Corruption Policy, and Supplier Integrity Policy. Examples of socialization activities that have been carried out are on January 15, 2020 in block I25 to spray workers which was carried out during the morning ceremony.

Based on the results of interviews with workers, representatives of trade unions and gender committees as well as with the surrounding village community, it is known that they are aware of the company's human rights policies. Workers also know their rights such as those related to minimum wages, H1 and H2 leave (for female workers), overtime, etc. The results of interviews with contractors also conveyed that the company routinely conveyed socialization related to company policies.

Based on the explanation above, during the past year there were no issues / incidents of human rights violations that occurred in the vicinity or the operational area of the certification unit so that there were no acts of intimidation / violence carried out by the certification unit.

4.1.2

During the past year, The unit of certification did not have records related to the use of violence / mercenaries or paramilitaries in resolving conflicts / problems that existed between the certification unit and related stakeholders (surrounding communities, workers, or others).

Based on the results of field visits to the estate and factories, there was no visible presence of mercenaries in the company's operational areas. Based on the results of interviews with local villagers and online searches, there were no issues related to the use

or violence of the use of mercenaries or paramilitaries. The results of interviews with workers and contractors also explained that there were no acts of violence committed by the company using the apparatuses, the workers had understood the company's human rights policies.

To protect against criminal acts that could interfere with the company's operational activities, PT DIL has 137 security members to secure the area around the plantation which is scattered in several points. As for TNI members who are also seconded to provide security in the office area.

Status: Comply

4.2

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

4.2.1

The unit of certification already has a mechanism for resolving disputes consisting of:

1. Land dispute refers to the mechanism of land dispute resolution as stipulated in "Land and Planting Compensation inside Location Permit of the Company" No. LCA-01-01/01-02-2018/Rev.0, dated 18 February 2018, it shows that the company has provided effective resolution of land dispute resolution as follows:
 - The company disseminates company location permits/HGU to the public.
 - If there is a claim from the community, the company will accept the claim if accompanied by proof of land ownership.
 - Verification of the land status, if proof of land ownership is acceptable, a field survey and land measurement will be carried out.
 - Field surveys and land measurements involve companies, claimants and government representatives.
 - Based on land observations and measurements, a Minutes of Land Measurement is made, covers area wide and coordinates of the land claimed and signed by the parties.
 - Final verification based on measurement results and maps to ensure that the land does not overlap with the other ownership/rights/claims.
 - If the final verification results show that the land being acquired does not overlap with other ownership/rights/claims, the company will negotiate prices for compensation.
 - If a compensation price agreed, the company will pay the compensation to the land owner.
2. Resolution of Internal Complaint refers to the Internal Grievance mechanism (HRD-04-01/01-04- 2019/Rev.1) dated 5 April 2019.
3. Resolving external complaints refers to the External Grievance mechanism (HRD-04-02/19-02-2019/Rev.0) dated 19 February 2019.
4. Whistleblowing policy refers to company policy No. QMM-40-01-P16 (Whistleblowing Policy) dated 14 January 2019.

All SOPs and Company Policies are available in two languages, English and Bahasa Indonesia, which can be understood by the parties. Based on interview with worker in POM and estate, it is known that workers understand how to deliver their complaint if any. Based on interview with surrounding community, it is known that they understand the mechanism to deliver their complaint if any

4.2.2

As explained by the management representative, a mutually agreed upon system for handling complaints will be established when a complaint is found. The reference for making procedures is the Internal and External Grievance SOP. Based on this procedure, it is known that the response period for complaints is 10 days with the person in charge is the estate manager. In those procedure also described the mechanism to ensure that the system is understood by affected parties, including by literate parties

4.2.3 & 4.2.4

Based on document verifications it was known if the unit certification has been documented all the complaint including their response. Result of documents verifications, interview with managements and public stakeholders it was knowns if the dominant existing complaints are related to problems with land or areas that have not been compensated. In relation to this, the company always communicates with the community / claimants if there are plans for land clearing or new planting. Several complaints that have been submitted are also related to overlapping land ownership in the company's HGU area. Although PT DIL has gained land rights legally but there are still many people using and cultivating in permit Area. The company has had the Area Statement map who described various land use in permit Area, included occupation area width. That's area managed by community are palm oil, rubber or horticulture.

From the scope of certification, previously there are area covering $\pm 1,316.56$ Ha in HGU area that occupied and managed by community. With regard to these areas, the company persuasively approaches those who manage whether they are willing to do compassion. The term used by the company is compassion (tali asih), not compensation because the area has been legally controlled by the company since obtaining the HGU in 1998. As of October 2020, the total area for which compassion has been carried out is $\pm 1,045.08$ Ha and 85 people.

Status: Comply

4.3

The unit of certification contributes to local sustainable development as agreed by local communities.

4.3.1

The unit of certification already has CSR Activity Plan of 2020 explaining plan for contributes to local communities covers the fields of education, social, health, infrastructure, economy and environment. The program was made based on proposals / letters from the communities in 2019.

The unit of certification can show the results of community development contributions based on the results of the Internal Social Impact Assessment on the community in the buffer villages / around the company and the internal employees of PT DIL. The study was carried out by a team from PT DIL and the ENC section RMO team in December 2019.

The studies were carried out in several buffer villages for each estate, including:

- Sei Liam Estate: Desa Rantau Kadam, Kertasari, Karang Dapo, Pantai and Lubuk Rumbai
- Sei Mandang Estate: Desa Bingin Rupit, Batu Gajah Baru, Batu Gajah Lama, Maur Lama, Maur Baru, Muara Rupit, Beringin Jaya, Noman and Noman Baru.

The respondents from internal companies include:

- Sei Liam Estate: Employees Manuring, Spraying, Workshop, Harvesting, Warehouse and Office
- Sei Mandang Estate: Manuring, Spraying, Harvesting, Heavy Equipment, Transport, and Water Management
- DIL POM: Reception, Office / Lab, Warehouse, Workshop and process

Based on the results of the study, it was obtained the results of the realization of social impact management carried out in 2020 with the management of CSR assistance which is the responsibility of each estate. The results of interviews with village representatives also stated that the company has realized CSR programs to the surrounding community. Some of the activities carried out include:

- Sei Liam Estate in the form of funding assistance for the construction of the Chief of Police official residence post on 22/04/2020, CSR Proportion in the form of face masks and rice procurement to local society on 14/04/2020
- Sei Mandang Estate in the form of assistance for the construction of a mosque on 23/04/2020, assistance for making culverts on 04/07/2020 and assistance for heavy equipment for road repairs on 19/08/2020
- DIL POM in the form of assistance from former land dredging ponds for hoarding land in the construction of the mosque, Bingin Rupit village on 28/07/2020.

Status: Comply

4.4

Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).

4.4.1

The unit of certification has managed totaling area for about 13,704.91 Ha as scope of certification, that covered in HGU document according to decree of national land agency No. 38/HGU/BPN/98 dated 26 June 1998, certified by HGU certificate No. 04 year of 1998 dated 20 October 1998 with covering area 17,793.5 Ha, valid for 30 years. The covering area of HGU that has been revised on 27 July 2016 according to national land agency letter No: 4079/23.3-400/X/2014 dated 24 October 2014 become 13,704.91 Ha. The company has obtaining a location permit from governor of South Sumatera in 1995, which the corporate areas are originates from converted forest status that has been release by decree of forest minister No. 3/KPTS-II/1997 dated 5 January 1998. In the first cycle of certification the scope of certification is **13,704.91 Ha**, however during this recertification the scope area was changes in to **11,872.71 ha** in accordance with decree from Investment Coordinating and One Stop Permit Service Agency Musi Rawas Utara

Regency No 05/KPTS/DPM-PTSP/VII/2020 dated 28 July 2020 regarding the changes to the environmental Permit and RACP area were excluded from certified area

4.4.2; 4.4.3; 4.4.4; 4.4.5; and 4.4.6

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

PT. Dendymarker Indah Lestari had an HGU certificate in 1998, then the company is currently part of Sipef group management as a result of takeover in August 2017 from the group of PT Agro Investama Gemilang (AIG), so that the land acquisition documents before the HGU issued cannot be traced. The land acquisition documents that currently available in the company are the compensation documents after the issuance of the HGU / land title due to unresolved claims or compensation process

The results of interviews with representative's village surrounding company, previous land owner, obtained information if that the entire operational / managed area of the company had been compensated. The compensation process involved all community witnessed also by the Village Head and local government. Until the audit was carried out, there was no written complaint from the community regarding the land dispute. However, there have been several cases of land claims by community, but this can be handled properly by the company. Although PT DIL has gained land rights legally but there are still many people using and cultivating in permit Area. The company has had the Area Statement map who described various land use in permit Area, included occupation area width. That's area managed by community are palm oil, rubber or horticulture.

From the scope of certification, previously there are area covering $\pm 1,316.56$ Ha in HGU area that occupied and managed by community. With regard to these areas, the company persuasively approaches those who manage whether they are willing to do compassion. The term used by the company is compassion (tali asih), not compensation because the area has been legally controlled by the company since obtaining the HGU in 1998. As of October 2020, the total area for which compassion has been carried out is $\pm 1,045.08$ Ha and 85 people.

The unit of certification has been presented the evidence of land compensation to related party. The sample of process land compensation present to land owner was sighted, the copy was made in Bahasa and known by all relevant parties. Although the legal status, acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes were involved of land owner and approved by head of village and head of sub district. The documented process of land compensation was signed by related party, filed in each estate.

Status: Comply

4.5

No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; and 4.5.8

As mentioned in the previous criteria, although PT DIL has gained land rights legally but there are still many people using and cultivating in permit Area. The company has had the Area Statement map who described various land use in permit Area, included occupation area width. The area managed by community are palm oil, rubber or horticulture.

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

Since Sipef group takeover in August 2017 from the group of PT Agro Investama Gemilang (AIG), they are planning to do replanting of the entire planting area and planting potential (HGU area controlled by the community). From the scope of certification, previously there are area covering $\pm 1,316.56$ Ha in HGU area that occupied and managed by community. With regard to these areas, the company persuasively approaches those who manage whether they are willing to do compassion. The term used by the company is

compassion (tali asih), not compensation because the area has been legally controlled by the company since obtaining the HGU in 1998. As of October 2020, the total area for which compassion has been carried out is ± 1,045.08 Ha and 85 people.

The results of interviews with representatives of villages surrounding company, obtained information if that the compassion process is based on the basis of consultation and negotiations are transparent and meet the demands for social justice. Until the audit was carried out, there was no written complaint from the community regarding the compassion process.

According to information gathered during stakeholder consultation with representatives of village which include as previous land owner it is confirmed if land acquisition has been carried out in the early days of land clearing. Based on interviews it was known if affected local peoples (claimed) understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are based non-coercive and entered into voluntarily and carried out prior to new operations

The unit of certification has been presented the evidence of land compassion to related party. The sample of process land compassion present to land owner was sighted, the copy was made in Bahasa and known by all relevant parties. Although the legal status, acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes were involved of land owner and approved by head of village and local government. The documented process of land compensation was signed by related party, filed in unit of certification.

Status: Comply

4.6

Any negotiations concerning compensation for loss of legal, customary or user 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.

4.6.1; 4.6.2; 4.6.3; and 4.6.4

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

PT. Dendymarker Indah Lestari had an HGU certificate in 1998, then the company is currently part of Sipef group management as a result of takeover in August 2017 from the group of PT Agro Investama Gemilang (AIG), so that the land acquisition documents before the HGU issued cannot be traced. The land acquisition documents that currently available in the company are the compensation documents after the issuance of the HGU / land title due to unresolved claims or compensation process.

The results of interviews with representatives of villages surrounding company, obtained information if that the compassion process is based on the basis of consultation and negotiations are transparent and meet the demands for social justice. Until the audit was carried out, there was no written complaint from the community regarding the compassion process.

According to information gathered during stakeholder consultation with representatives of village which include as previous land owner it is confirmed if land acquisition has been carried out in the early days of land clearing. Based on interviews it was known if affected local peoples (claimed) understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are based non-coercive and entered into voluntarily and carried out prior to new operations

The unit of certification has been presented the evidence of land compassion to related party. The sample of process land compassion present to land owner was sighted, the copy was made in Bahasa and known by all relevant parties. Although the legal status, acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes were involved of land owner and approved by head of village and local government. The documented process of land

compensation was signed by related party, filed in unit of certification peoples. Negotiated agreements should be non-coercive and entered into voluntarily and carried out prior to new operations.

Status: Comply

4.7

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 FPIC and negotiated agreements.

4.7.1; 4.7.2; and 4.7.3

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

PT. Dendymarker Indah Lestari had an HGU certificate in 1998, then the company is currently part of Sipef group management as a result of takeover in August 2017 from the group of PT Agro Investama Gemilang (AIG), so that the land acquisition documents before the HGU issued cannot be traced. The land acquisition documents that currently available in the company are the compensation documents after the issuance of the HGU / land title due to unresolved claims or compensation process

The results of interviews with representatives of villages surrounding company, obtained information if that the compassion process is based on the basis of consultation and negotiations are transparent and meet the demands for social justice. Until the audit was carried out, there was no written complaint from the community regarding the compassion process.

According to information gathered during stakeholder consultation with representatives of village which include as previous land owner it is confirmed if land acquisition has been carried out in the early days of land clearing. Based on interviews it was known if affected local peoples (claimed) understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are based non-coercive and entered into voluntarily and carried out prior to new operations.

Status: Comply

4.8

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.

4.8.1; 4.8.2 and 4.8.3

The unit of certification already has a mechanism for resolving land disputes refers to the mechanism of land dispute resolution as stipulated in "Land and Planting Compensation inside Location Permit of the Company" No. LCA-01-01/01-02-2018/Rev.0, dated 18 February 2018, it shows that the company has provided effective resolution of land dispute resolution as follows:

- The company disseminates company location permits/HGU to the public.
- If there is a claim from the community, the company will accept the claim if accompanied by proof of land ownership.
- Verification of the land status, if proof of land ownership is acceptable, a field survey and land measurement will be carried out.
- Field surveys and land measurements involve companies, claimeds and government representatives.
- Based on land observations and measurements, a Minutes of Land Measurement is made, covers area wide and coordinates of the land claimed and signed by the parties.
- Final verification based on measurement results and maps to ensure that the land does not overlap with the other ownership/rights/claims.
- If the final verification results show that the land being acquired does not overlap with other ownership/rights/claims, the company will negotiate prices for compensation.
- If a compensation price agreed, the company will pay the compensation to the land owner.

As explained by the management representative, a mutually agreed upon system for handling complaints will be established when a

complaint is found. The reference for making procedures is the Internal and External Grievance SOP. Based on this procedure, it is known that the response period for complaints is 10 days with the person in charge is the manager.

Based on documents verifications, interview with managements and public stakeholders including verification through internet it was knowns if the dominant existing complaints are related to problems with land or areas that have not been compensated including the issue of land grabbing. In relation to this, the company always communicates with the community / claimants if there are plans for land clearing or new planting. Several complaints that have been submitted are also related to overlapping land ownership in the company's HGU area. All of these conflicts are double claims where at the beginning of the plantation development GRTT has been carried out but then land claims have emerged from other parties to the same land. All of the land claims have been settled with the involvement of various parties (village parties, community leaders, police and government). One of the considerations in adjusting the certification area and environmental permits is due to claims and overlapping land in the company's HGU area.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.

5.1.1; 5.1.2; 5.1.3; 5.1.4; 5.1.5 and 5.1.6

Based on the cooperation agreement the determination of the purchase price of FFB from the scheme smallholders follows the determination of the price of FFB by the Provincial Government of Sumatera Selatan. The determination is carried out twice a month by the Palm Oil FFB Purchase Determination Team. Company can present "FFB Price Document" from Plantation Agency of Sumatera Selatan Province for period of 01 – 15 May 2020. The document FFB price has been known by scheme smallholder farmers by online or through mill management.

The pricing mechanism above has been explained and regulated in a partnership agreement with scheme smallholders. In the agreement, there is a clause that regulates that the FFB pricing follows the price set by the government. This is consistent with the results of public consultations with representatives of village communities.

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

The FFB Payment and Financial Report of May 2020, for the FFB production and pricing of May 2020 has been observed. The report describes pricing and pricing periods, FFB amount, reduction/cost, and total paid. The payment was conducted within a month.

5.1.7

The results of document verifications it was known that the certification unit has routinely calibrated the weighing equipment carried out by a third party. The certification unit has also shown documents on the weighbridge calibration carried out in April 2019. Calibration activities in 2020 cannot be carried out and postponed due to the Covid pandemic and there is an escalation of cases around the certification unit

5.1.8

Currently the partnership at PT DIL has carried out a contract renewal by involving all previous cooperatives. The previous agreement was deemed to have ended, as stipulated in the Copy of Notary Deed of Edna Mardiani SH MKn regarding Agreement No. 42 dated April 22, 2020 concerning the Agreement between 9 Cooperatives and PT DIL. The entire partnership area is being replanted, then the area will be fully managed by PT DIL

5.1.9

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

	Status: Comply	
5.2		
The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.		
5.2.1, 5.2.2, 5.2.3, 5.2.4 and 5.2.5		
This indicator is not appropriate for PT. DIL because based on document review, interviews with management and the results of previous audits, it was found that the company did not get FFB from Scheme and independent smallholder, the company got it from its own plantations and other companies in the same group.		
	Status: Comply	
PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS		
6.1		
Any form of discrimination is prohibited.		
6.1.1		
The unit of certification has an Equal Employment Opportunity policy which was approved by the Board of Directors on March 27, 2019. The policies include stating that they will not discriminate against anyone and the recruitment and selection process for employees is based on the participants' ability to meet the requirements.		
Based on the list of employees provided by the company, it is known that the composition of workers is from various ethnicities, religions and races, both local residents and migrants. Thus, it can be concluded that The unit of certification has implemented a policy of equal opportunities and treatment to get job opportunities.		
6.1.2		
Based on interview with management, it is known that there is no migrant worker. All worker is from surrounding village or other province in Indonesia. Also, based on interview with workers and contractor workers in estate, it is known that there is no discrimination issue in company. There is no recruitment fee collected by company.		
6.1.3		
There are examples of <i>PKWT</i> employee recruitment shown by the work agreement No.003 / PTDIL-SMGE / PKWT-1 / II / 2020 between the company and the employee initial MH for position an office clerk valid from 01 February 2020 for up to 12 months. Furthermore, the employee's KPI (Key Performance Indicator) can be shown, for example for the worker initial BSR. The results of the 2019 assessment concerned received a total value of 3.016 with the conclusion of the promotion to JTA (Job Trainee Assistant). The appraisal will be held on 12 September 2019		
6.1.4		
Based on interview with woman worker, there is no pregnancy test when recruitment. If woman worker is pregnant, then the workers cannot work with chemical material. Based on document review of recruitment document, there is no pregnancy test as the requirement.		
6.1.5		
The unit of certification has established a gender committee with the specific objective of raising awareness, identifying and addressing issues of concern, and providing opportunities and improvements for women. The composition of the members of the gender committee includes the Chairperson, Secretary and Members. The work program of the PT DIL gender committee for 2020 includes clean houses, health counseling, and mutual cooperation for emplacement as well as regular meetings with <i>P2K3</i> . Based on interview with gender committee, there is no complaint or issue related to harassment or sexual violence.		
6.1.6.		
Based on employee payroll, it is known that wage payments are equivalent for the same coverage of work. For example, it can be seen from the proof of payment of employee salaries for the June 2020 period as follows:		
<ul style="list-style-type: none"> • EMPID 0037 Gang 01UP01 (Male): Salary IDR 2,950,000.00 • EMPID 0040 Gang 01UP01 (Female): Salary IDR 2,950,000.00 		

The two workers sampled were mature upkeep employee. The wage above is the basic wage that has not been added to the rice allowance, which is IDR. 220,500.00, so if the total wage received by workers is IDR. 3,170,500.00 (higher than the determination of the agricultural sectoral minimum wage in South Sumatra province). Based on interview with worker in estate and mill, it is known that the worker received the equal wages for the same scope of work. For example: WTP operator received wage as much as Rp3,175,000.

Status: Comply

6.2

Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).

6.2.1; 6.2.2 & 6.2.3

The work requirements and other labor regulations can be seen from the following documents:

- Collective labor agreement
- Specified Time Work Agreement
- HRA SOP 01 - 03 regarding the recruitment of SKU, Staff and PKWT employees.

The document regulates the work conditions for employees starting from the wage system, career path system, promotion, leave, health and employment insurance to regulations and termination of employment.

Wage Documentation

The wage reference that the company follows is the Decree of the Governor of South Sumatra Number: 58 / KPTS / DISNAKERTRANS / 2020 dated January 3, 2020 concerning the 5 (five sectoral) Minimum Wage of South Sumatra Province. Based on this decision, it is known that the minimum wage for the five sectors of agriculture, livestock, forestry, hunting, and fisheries is IDR 3,050,000, while for the processing industry sector is IDR 3,175,000.00

Furthermore, there is a wage determination by the company as stated in the memorandum No: 06 / RMOM-CIR / II / 2020 dated February 4, 2020 from the Regional Director of Musi Rawas regarding *SKU* and *PKWT* wages in 2020. In its determination it is known that wages are divided into:

1. SKU-H

- Estate: IDR 2,945,000.00 (Working period 0 - 1 year); Rp. 2,950,000.00 (working period 1 year 1 month to 12 years); and IDR 2,960,000.00 (work period 12 years 1 month and above)
- Mill: IDR 3,070,000.00 (work period 0 - 1 year); Rp. 3,075,000.00 (Working period 1 year 1 month to 12 years); and IDR 3,085,000 (work period 12 years 1 month and above)

2. PKWT

- Estate: IDR 3,050,000.00
- Mill: IDR 3,175,000,00

3. SKU-B

Depending on the grade and level, for example for grade P (estate) level 1 IDR. 2,980,000.00 to level 6 IDR. 3,025,000.00. Meanwhile, grade P (mill) level 1 is IDR. 3,105,000.00 to level IDR Rp. 3,150,000

The wages mentioned have not been added to the workers' rice supplies of IDR. 220,500.00. An example of wage payment can be seen in indicator 6.1.6

Company also showed evidence of regulation compliance for instance overtime payment. WTP Operator with register worker number 0057 on October 2020 worked overtime for 79 hours and received overtime payment in accordance with applicable regulation.

Based on interview with worker in estate and mill, it is known that the basic wage is in accordance with applicable minimum wage. Also based on interview with contractor worker and document review of their payslip, it is known that they received payment in accordance with applicable minimum wage. Their payment is made from calibration of payment.

Based on interview with harvester, there is deduction if they were harvested the unripe FFB and they know about that regulation. It is written in separate policy and has been socialized to the worker every muster morning.

Verification through the internet there are issues regarding the dismissal of daily/casual workers in August 2019. Based on the interview with the worker union and document verifications it was known those issue has been solved properly. The unit of certification presented the documents of minutes of meeting between Company and workers union that facilitated by Manpower agency of Musi Rawas Utara Regency on 24 September 2019 with the conclusion the workers was proposed to rejoin with the company with the status are daily (casual) workers. However, the workers refused related those decision and it will be discussed for the next meeting on 27 September 2019. Furthermore, the company can present the follow-up in the form Notification and Decision Letter on behalf of Management PT DIL No: 000.129/PT.DIL/SMO/IX/2019 to Manpower agency of Musi Rawas Utara Regency that described management PT DIL will employ the labor with the status daily workers. Based on an interview with worker union obtained information if the workers agree with those decisions.

6.2.4 & 6.2.5

Based on field observation to housing complex in Sei Liam and Sei Mandang Estate, it is known that company provides welfare facility to worker, such as house, clean water, electricity, clinic, school bus, prayer facility, worker cooperative, and day care. Company also has yearly program for house reparation. Based on interview with worker, it is known that there is no complaint about housing facility. Based on interview with workers, they can obtain staple food from the grocery seller and also facilitate the worker consumption cooperative establishment.

6.2.6

The standard of wage eligibility referred to by the unit of certification is the UMK Five Sectoral. A detailed explanation of this can be found in indicator 6.2.2. The DLW Benchmark for Indonesia has not been determined, however, the company has simulated the Prevailing Wage calculation. The components included in the calculation of a living wage include the following:

- Minimum Wage: IDR 2,994,444.00
- Bonus: IDR 245,833.00
- *THR*: IDR 249,537.00
- Rice: IDR 218,400.00
- Side dishes money: IDR 10,417.00
- Non-Food Non-Housing (Health, electricity, transportation, water, etc.): IDR 1,337,758.0

The calculation above is for per month so that the total in kind benefit for each worker per month on average is approximately IDR. 5,056,390.00

6.2.7

Based on Decree No. SK / 002 / PPG / II / 2013 dated 8 February 2013, it is known that the main work / activities in oil palm plantations are harvesting and processing FFB into CPO. Based on field observation to estate and mill, it was found that harvesting work was carried out by permanent worker and all processing activity is carried out by permanent worker.

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

6.3

The unit of certification respects the rights 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.

6.3.1

The unit of certification has a policy regarding Freedom of Association which was ratified by the Directors of PT Dendymarker Indah Lestari on March 1, 2013, containing a company signature that gives freedom and support for every employee to establish a worker's union (unite). In addition, the Collective Labor Agreement also states the recognition of the organization and freedom of each employee to be active in activities in the labor union.

Based on information from management representative, it is known that the company supports the establishment of a workers' union in the company. In addition, the company does not intervene in labor union activities or in labor union management

6.3.2 & 6.3.2

There are 2 workers organization in PT DIL, however the most active organization is Independent Workers' Union. Companies can

show evidence of SPM registration to the Manpower and Transmigration Office of Musi Rawas Utara Regency on December 28, 2017 with registration number 250/001 / SP / Nakertrans / 2017 dated December 28, 2017.

The meeting records shown include the following:

- 14 June 2020 regarding the rejection of the extension of the PKB validity period for the 2017 - 2019 period for 12 months
- 12 July 2020 regarding the PKB negotiations as directed by the Manpower Office

Based on interview with worker union and independent worker union and too worker in mill and estate, it is known that all workers is free to join the worker union. It is also known that company did not intervene the activity of worker union activity. The committee of union is selected based on agreement of the members.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1 & 6.4.2

The unit of certification has a Child Labor Policy signed by the President Director on March 27, 2019. The policies include stating that children have the right to education and a healthy and decent life so that the company is committed not to employ children under 18 years old.

Based on the verification of the company's employee list, it was found that there were no workers who were less than 18 years old when they started working. Age verification procedures include checking administrative requirements such as Identity Card and Family Card for every prospective worker who submits a job application. The company also has a child protection policy, Recruitment SOP, and Collective Labor Agreement which clearly states that verification of the age of the worker is one of the conditions for hiring employees.

6.4.3 & 6.4.4

Based on field observation and interview with worker in estate and mill, it is known that there is no child worker. Company also socialized the policy regarding Child Worker, Force Labor, and Complaint Mechanism to worker, for example on 19 June 2020 to 42 workers in Division 2 Sei Mandang Estate.

Status: Comply

6.5

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

6.5.1

The policy on prevention of sexual harassment and violence has been signed by the President Director, including stating that PT Tolan Tiga Indonesia is committed to a harmonious and productive work environment for its employees. This commitment is to create a work atmosphere that is free from sexual harassment. In addition, PKB also clearly states "Committing immoral acts, among others, sexual immorality, pornography, porno-action, including disseminating it through any media either to fellow workers, staff or to other parties is an act. which is prohibited "

Based on the verification of complaint documents during the 2019/2020 period, there were no complaints or complaints regarding incidents of sexual harassment and violence

6.5.2

The unit of certification has a reproductive rights protection policy that was signed by the president director on March 1, 2014. The policy explains that PT Tolan Tiga Indonesia is committed to guaranteeing workers' reproductive rights including providing reproductive health services. The implementation of this policy includes the availability of menstrual and maternal leave. In addition, women workers who are breastfeeding are given time to be able to provide breast milk for their children.

6.5.3

Based on interview with management, it is known that the need of new mother is conducted with help of gender committee. As for activity of gender committee, for example doing the *Posyandu* activity every month. All woman workers can be participated in *Posyandu* activity. For example, laboratory examinations for pregnant women, giving vitamins, providing breastfeeding facilities at

child care center.		
6.5.4		
Based on interview with worker in Estates and Mill, it is known that worker know how to submit or deliver their complaints, if any. Complaint can be delivered directly to their supervisor or through worker union. Until now, there is no complaints from worker.		
	Status: Comply	
6.6		
No forms of forced or trafficked labour are used.		
6.6.1 & 6.6.2		
Based on document review, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Then, based on a review of the employee complaint book, no complaints were found related to the imposition of overtime work, for workers to stop, wage retention, forced labor, and so forth.		
Based on field observation to Sei Mandang and Sei Liam Estate, it is known that there is no force labor in company or trafficked labor.		
	Status: Comply	
6.7		
The unit of certification ensures that the working environment under its control is safe and without undue risk to health.		
6.7.1		
The unit of certification forms an Occupational Safety and Health Committee (<i>P2K3</i>) which is in charge of the OHS program. <i>P2K3</i> was formed in each of the Mill and Estate work units. It has been shown that an example of the determination and formation of a <i>P2K3</i> team, for example for SLME, is in accordance with the Decree of the Head of the Manpower and Transmigration Office of South Sumatra Province number 002/KPTS/NAKERTRANS/2019 concerning the Ratification of the PT DIL Occupational Safety and Health Management Committee (Sei Mandang Estate). Dated June 20, 2019. Can be shown SKP AK3 General with number KEP.17559/NAKER-BINWASK3/ V/2018 on May 2, 2018 and is valid for 3 years.		
The <i>P2K3</i> team holds regular meetings every month to formulate a quarterly <i>P2K3</i> report which is sent regularly to the relevant offices. The contents of the discussion include discussing the OHS work program, evaluation if there is a work accident, OHS inspection, recording of routine meetings, results of periodic health checks, and a list of company employees as a basis for monitoring the OHS plan.		
6.7.2.		
Emergency Response and Work Accident Procedures		
The unit of certification has Emergency Response Procedure No. RMO-MR / EST // 170901 / Rev.0 which was ratified on September 1, 2017, in this procedure regulates emergency response procedures for the following events:		
<ul style="list-style-type: none"> • Pesticide / Herbicide Spills • An empty bunch transport vehicle accident • FFB transport vehicle accident • Vehicle accidents carrying passengers • Fertilizer spills • Fuel oil and lubricants spills • Fertilizer / chemical / fuel oil and lubricants spills during road transport • Land fires • Earthquake 		
First Aid Officer and First Aid Equipment		
Based on the results of document verification, it is known that the certification unit has 18 licensed first aid officers. Furthermore, based on the <i>P2K3</i> quarterly report, the OHS equipment owned by the company includes the provision of fire extinguishers and hydrants, provision of first aid kits and first aid bags, provision of PPE to employees including OHS warnings.		

Based on field observation to operational activity in estate, it is known that the foremen bought first aid kit in order to do the first aid for work accident. First aid equipment also sighted in several points in mill.

Work Accident Records

During the period of 2020 (January - July) records of work accidents that occurred in the certification unit are as follows:

- SMGE: Total cases of work accidents were 8 incidents with 5 cases of accidents causing lost work days and a total of 88 lost work days (0 Fatality)
- SLME: The total number of work accident cases is 6 incidents with 3 cases of accidents causing a lost day and a total of 6018 lost work days (1 fatality)
- DIL POM: Total cases of work accidents 1 with days lost 7

The unit of certification shows accident fatality reports for accidents that cause death. The results of the investigation stated that the victim died because the motorbike that was being ridden lost control so that it entered the ditch. The victim had the accident on his way to the finger print. The weather condition at the time of the incident was rain. The company also shows the stage I and stage II work accident reports to *BPJS TK*. Furthermore, there is an application form for payment of death insurance to *BPJS TK*. Requirements for disbursement such as death certificate and results of visum et repertum have also been completed.

Based on field observation in mill, there is evacuation route inside mill and also several points of emergency meeting. Emergency meeting point also sighted in estate office.

6.7.3

Based on field observation to estate and mill, it is known that company provides PPE for all worker for free. PPE is provided in accordance with PPE identification. The PPE is providing twice a year. Company showed the example of PPE handover, such as AP Shoes on 27 April 2020 to 52 workers in Division 5. And then, company also showed the PPE request for 41 workers in Division 5 on 1 October 2020. PPE has been requested on 2 November 2020.

6.7.4

The unit of certification protects workers with work accident insurance and health insurance. Based on interview with worker in Estates and Mill, it is known that company has engage workers into Social Insurance covering the work accident insurance and health insurance. Company showed payment evidence of social insurance, such as:

- Worker Insurance of Sei Mandang and Sei Liam Estate for August 2020 paid on 26 August 2020 by Bank Mandiri.
- Worker insurance of Sei Mandang and Sei Liam Estate for Sept 2020 paid on 30 Sept 2020 by Bank Mandiri.
- Health insurance of Sei Mandang and Sei Liam Estate for November 2020 paid on 23 November 2020 by Bank Mandiri.

The unit of certification also show that contractor worker also engaged into Social Insurance covering the work accident insurance and health insurance, for example:

- Worker Insurance of CV Rizkia for September 2020 paid on 24 September 2020 by Bank Mandiri.

6.7.5

The certification unit has calculated the work accident statistics for the 2019 period as follows:

- SMGE : SR 350,47 and FR 97,35
- SLME : SR 30,88 and FR 30,88
- DIL POM : Zero Accident

	Status: Comply	
PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT		
7.1		
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.		
7.1.1		
The unit of certification has shown evidences that pests, diseases, weeds and invasive introduced species are effectively managed		

using appropriate Integrated Pest Management (IPM) method. The plan of integrated pest management was arranged in *Program Pengendalian Hama Terpadu* 2020. The procedures set the early warning system by monthly detection of potential pest and diseases (leaf eater caterpillar, rats), emphasizing the mechanical and biological control such are by planting of beneficial plants (*Turnera subulata* and *Antigonon leptosus*), as well as installing and monitoring barn owl boxes to suppress rat infestation. The procedure also set the economical threshold for each pest and disease, that the chemical control will be conducted only if the infestation has been exceeding the economical threshold. In the weed management procedure, stated the company's policy to conduct selective weeding, to maintain the biological diversity in order to suppress pest and disease infestation.

The unit of certification has shown documentation of monthly potential pest and disease detection of each unit that conducted by trained worker. Based on census summary and maps of infestation of January – October 2020, known that there was no pest and disease infestation exceed the economical threshold, therefore no usage of pesticide to pest and disease control, except for routine weed control. Also sighted the barn owl boxes monitoring records, barn owl boxes maps, that were in good condition and well monitored, as well as indicates the occupation of barn owl.

7.1.2

Based on document review, The unit of certification implement some biological control practices to suppress pest and diseases infestation such as white buttercup flower (*Turnera subulata*) and barn owl (*Tyto alba*). Verification result on website of cabi.org known that those species stated as not invasive in Indonesia.

7.1.3

Based on the results of interviews with company management, it is known that The unit of certification has never controlled pests by using fire. This is confirmed by the results of field visits. During field visits to several blocks, no burn marks were found due to pest control using fire.

Status: Comply

7.2

Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.

7.2.1 & 7.2.5

Document's verifications the pesticide that's used are specific characteristics for certain targets, for example, Glyphosat for narrow and wide leaf weeds and Methyl metsulfuron for woody growth. the company no longer use "direct Pesticide like paraquat that can eradicate all of the weeds. Furthermore, the results of document review and field observation in the chemical storage obtained information if the unit of certification does not use pesticide in categories WHO 1A and 1B. In the list of pesticides used, it was known that the pesticides used were categorized in WHO Class III and uncategorized.)

Based on documents verifications, field visit to pesticide storage and interview with management and pesticide applicator obtained information if the company didn't use the pesticide that prohibited by the government as mentioned in Annex II Regulation of Ministry of Agriculture No 39 the year of 2015 about Pesticide Registration, for example, aldrin, formaldehida, monokrotofos, etc.

7.2.2

The routine pesticides application was for weed control in circle and path every four months if necessary. The usage documentation was in documents of Pesticide Toxicity for each Estate, that record products name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, hectare application and active ingredients per ha application

7.2.3; 7.2.4 & 7.2.9

In line with the explanation of Criteria 7.1 that IPM has been carried out quite effectively, therefore there was no chemical use for pest control, except for routine weed control. The unit of certification does not use pesticides prophylactically. If the conditions of the circle and harvesting path are still quite standard, the weed control will be postponed. Based on the observation on spraying activities, the application method is not a preventive application, but rather selective for locations that have weeds. Circle and path spraying conducted by the unit of certification three times a year using the selective pesticide. Field observation it's known if the workers already know the method of selective spraying for instance only spray the circle or path that there is a weed and if there are no weeds are not be spraying, furthermore Based on document review, field observation, as well as stakeholder consultation, known that the CH did not apply pesticides from the air.

7.2.6

Based on field observation, interview with workers as well as interview with management, the unit of certification can be presented that pesticide application carried out by trained persons and in accordance with applicable guidelines in product label and storage, as evidenced with:

- The workers equipped with PPE like shoes, helmets that equipped with face-protection glass, apron, shirts and trousers, masks and nitrile gloves. The type of PPE has been in accordance with the recommendation of MSDS for Glyphosate and methyl metsulfuron.
- The workers were able to explain and demonstrate the job in accordance with the procedure, 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 and riparian zone)
- Pesticide solutions are mixed in pesticide warehouses and transported by special vehicles for safety aspect and to reduce environmental pollutions.
- related the food that brought to the field, the management unit has been provided a special box to minimize risk of negative impacts
- The spraying activity conducted in selective manner by knapsack sprayer that the nozzle regularly calibrated. After work, knapsack sprayer and PPE are stored in a special storehouse at the Estate.

7.2.7

The storage of all pesticide has been in accordance with Indonesian recognized best practices, that was stipulated in Labor Minister Regulation No. 3 of 1986 regarding OHS requirements in pesticides management. Based on field observation in pesticide storage it was known the pesticide has been stored properly in accordance with the procedure. Pesticides are stored in a special place separate from others and placed in accordance with the characteristics. chemical storage has been equipped with signboards and hazardous symbols for the chemical by category, complete series Material Safety Data Sheet, chemical logbook, emergency response manual, first aid kit and personal protective equipment for storage office

7.2.8

Based on documents and interviews with management regarding the SOP for storing pesticides, it is known that there is a change in procedures from the previous assessment which is currently to SOP Management of Hazardous and Toxic Waste Materials Number ENC 01-10 / 04-03-2019 / Rev 1.

Based on the results of field observations at the chemical warehouse at Sei Mandang Estate, the following conditions were found:

- Chemical warehouse to store pesticides that will be and are being used in good condition, there is a special room for chemicals
- The storage of other chemicals is in a large warehouse, because the condition of the chemical warehouse is not sufficient to accommodate all of the chemicals that are owned. The condition of the chemicals in the warehouse is mixed with other materials, this is because the warehouse has just been built and there is no special room. The management is committed to making a special room in the near future.

Field observations also show that the company has managed pesticide packaging properly by direct shipping of unused pesticide packaging in chemical warehouses directly to Licensed Hazardous Waste Storage. There is a special place in Licensed Hazardous Waste Storage to store used pesticide packaging and not mix it with other wastes. The company is also working with a second party to transport waste pesticides because they are no longer used. Evidence that used pesticide packaging has been stored and discarded and is not used for other purposes. based on the results of field observations to Sei Mandang and Sei Liam Estate, employee housing and around the Mill, no waste pesticide packaging was used.

Based on the results of interviews with the head of the chemical warehouse and workers in the herbicide application activity at Sei Liam Estate, it was stated that pesticide mixing was carried out at the Chemical Warehouse, the used pesticide packaging was cleaned and immediately collected at the licensed hazardous waste storage located in Mill and water used from washing equipment and PPE is reused for mixing spray materials or disposed of in the provided irrigation channel that flows directly into the reservoir.

The unit of certification has implemented hazardous waste management including ex agrochemical containers in accordance with its procedures and regulations, among others:

- Record of hazardous waste delivery from satellite storage to licensed storage
- Hazardous Waste Logbook and Balance Sheet at Hazardous Waste Storage

- Minutes of Handover of Hazardous Waste Contaminated Packaging dated 17 October 2020 from the Chemical Warehouse to the Licensed Hazardous Waste Storage
- Documentation of Hazardous Waste sending to licensed collectors and transporters in the form of hazardous waste manifests.

7.2.10

The unit of certification has been conducted a special medical examination for pesticide operators on 19 September 2019. The medical examination includes a special medical examination and a general health examination. There were 65 pesticide operators who participated in the medical examination at Sei Mandang Estate and 49 people at Sei Liam Estate.

The unit of certification can presented a follow-up to the results of the general medical check-up, for example a contractor worker on behalf of Jumahir (up keep spraying) gets a recommendation for further consultation with the company doctor. Based on the results of the consultation, it was found that employees were proposed to be transferred to more suitable workplaces.

For the 2020 health check plan, the company showed an email from the Medical Department of PT Tolan Tiga which stated that the medical examination was temporarily postponed until the COVID-19 pandemic ended. This refers to the Circular of the Minister of Manpower of the Republic of Indonesia No. M / 7 / AS.02.02 / V / 2020 dated 20 May 2020, which in part II.10 states to temporarily postpone workforce health checks until occupational safety and health aspects are met or until the COVID-19 pandemic ends.

To ensure that the pesticide applicator is fit to work, the pesticide applicator always wear PPE when work in accordance with the risk identification. The PPE can minimize the exposure of chemical material. The company also regularly monitors the use of PPE. And also, based on interview with worker, company has socialized to worker about the health protocol during Covid-19 pandemic, such as always wear mask, do not gathered in crowd, etc.

7.2.11

The unit of certification clearly states that pregnant and breastfeeding women are prohibited from working with pesticides. To ensure this, the company periodically through the clinic conducts menstrual monitoring and conducts pregnancy monitoring. Based on the results of interviews with the spraying team, it is known that so far, socialization regarding the prohibition of pregnant and breastfeeding women from working with pesticides has been routinely delivered. The worker said that if a member of the spraying team is pregnant and breastfeeding, they will be transferred to light work that is not related to pesticides.

Status: Comply

7.3

Waste is reduced, recycled, reused and disposed of in ways that are environmentally and socially responsible manner.

7.3.1

All waste products and sources of pollution have been identified and documented in the waste management and identification document for the period 2019. Based on document verification, it appears that the company has implemented waste management in accordance with the source identification and waste management plan, including:

Location	Activities	Waste Type	Management
Estate	Chemist Activities	Pesticides containers (toxic and hazardous waste)	Managed by stored in optimization store and sent to related transporters
Estate	pruning activities	Oil palm frond (organic waste)	Managed by frond stacking.
Mill	FFB process	shell and fiber (non-toxic/hazardous waste)	Managed by renewable energy usage for boiler
Mill	FFB process	palm oil mill effluent	Managed by the effluent pond
Estate and Mill	Transportation	Used Oil	Managed by stored in optimization store and sent to related transporters
Settlement	Daily activities	Used filters, battery, lamp, jerrycan	Managed by stored in optimization store and sent to related transporters

Based on field visits and document studies, information was obtained that the company has implemented a waste management plan contained in the Management of Hazardous and Toxic Waste Materials SOP ENC 01-10 / 04-03-2019 / Rev 1. Some evidence of waste management obtained during field observations including:

- The company has carried out hazardous waste at Licensed Hazardous Waste Storage by implementing good standards
- The company has collaborated with parties to collect hazardous and toxic waste
- The Licensed Hazardous Waste Storage is in accordance with the permits it has, besides that there are emergency response facilities such as APAR, eye wash, alarm, emergency response procedures, symbols and labels for hazardous waste, spill kits, first aid kits, MSDS, and there is a logbook for recording waste distribution.
- Hazardous waste is separated based on the types, equipped with the appropriate label. hazardous waste storage also has irrigation channels and guardrails. during the field visit, the hazardous waste storage condition was almost full of used oil, used batteries and filters, and used pesticide packaging.
- The results of field visits and document reviews in the form of logbooks and archives, obtained information that the company manages the delivery of Hazardous Waste results from plantation activities which are sent directly to the Licensed Hazardous Waste Storage without temporary storage in the Chemical Warehouse. The document shows the corresponding data between the shipping documents held by the Chemical Warehouse and the logbook located at Licensed Hazardous Waste Storage.
- The company has a special disposal area for domestic waste and implementing zero burning.

The unit of certification can also show the Collaboration Agreement Letter No. 012 / DIL-KAJM-ABS / SPK-LB3 / V / 2020 dated 15 May 2020 which is valid for 1 year between PT Dendymarker Indah Lestari as the first party and PT Amindy Barokah as the second party. The proof of delivery to the second party by transportation using vehicle No. BK 9760 MP, on February 5, 2020.

7.3.2

Based on interviews with The unit of certification management and the Head of Hazardous Waste Storage, it is known that they already understand the handling of waste disposal, especially Hazardous and non-hazardous waste, as well as hazardous waste management in accordance with the procedures owned by the management unit. The company has also carried out several trainings including:

- Training on Pesticide Handling Storage in the understanding and aspects of Safety for employees on 24 October 2018
- Spraying training for spray officers on 17 July 2020
- MSDS and Hazardous training for spray worker and employees before spraying on 11-13 November 2020
- Based on the results of field observations to Sei Mandang and Sei Liam Estate, housing and around the Mill, no used contaminated packaging waste was used

7.3.3

The unit of certification does not carry out open burning for waste disposal, this can be proven from a field visit to the Temporary Waste Disposal Site in the residential area where there are no traces of burning activities.

The results of interviews by company employees also stated that there was no burning of rubbish, because they were aware of the prohibition of burning activities and the punishment, they would receive for burning.

Status: Comply

7.4

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

7.4.1

The unit of certification has numbers of procedure for good agriculture practices to maintain soil fertility and minimize environmental impact, as available under SOP:

- OPM-06-01; Inorganic Fertilizer – *Pupuk Inorganik*.
- OPM-06-02; Organic Fertilizer – *Pupuk Organik*
- OPM-06-03; LSU: Palm Marking – LSU: *Penandaan Tanaman*.
- OPM-06-04; Leaf Sampling Unit (LSU) and Rachis Sampling Unit (RSU) – (*Pengambilan Sampel*).

Those procedures set bunch of strategy to maintain and improve long term fertility, by combining efficient and measurable in-organic fertilization, take into account the oil palm age and soil nutrient properties by conducting leaf and soil sampling. The efficient and non excessive in-organic fertilization are critical to maintain soil structure and texture, combined with manuring and EFB mulching application. The manuring conducted especially in land with low nutrient properties, to improve soil structure and texture, microbiological properties, as well as to minimize in-organic fertilization if possible. The is no replanting activity yet, however the

procedure set that the biomass in replanting will have returned to the soil for nutrient cycling strategy.

7.4.2

The management unit routinely been conducting of soil and leaf analysis periodically conducted as follows (1) (Soil Analysis, which is done regularly every 6 years measuring the following parameters; texture, acidity (pH), contents of C, N, P, K, Mg, Ca, Na, BS, CEC, Al and H. (2) Leaf Analysis, which is done every year as a guide to determine the fertilizing recommendation, by monitoring the following parameters; Indicator Major elements namely N, P, K, Mg and Ca and Indicator Minor elements namely B, Cu, Zn and F and (3) Visual Analysis, which is done as part of the points in determining the fertilizing recommendation, identifying nutrient deficiency symptoms, and analyzing the disease attacks that are potential in becoming an endemic of certain disease.

7.4.3 & 7.4.4

Nutrient recycling strategy as a part of increasing soil fertility has been conducted, such as EFB mulching application and POME land application. The result from the field visit indicated that such activity has been correctly done in accordance with the provided recommendation

Records of fertilization have been shown in the document of records fertilizer progress of 2020, which includes the program and realization of fertilization. Based on document review in each Estate, it shows that the manuring activity (time, location, dose, and amount) has been in accordance with the recommendation. Overall, the unit of certification has made efforts to maintain and improve soil fertility. Visually, there is no symptom of nutrient deficiency at the blocks that have been visited.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1; 7.5.2 & 7.5.3

The results of the document study revealed that the area of PT Dendymarker Indah Lestari was classified as marginal land is peat soil. The company has a land distribution map which explains the distribution of peat soil and its depth with a scale of 1:50,000. Based on the soil survey map, it was informed that the slope of the land in the company's operational area is in the flat category (0-2° or 0-4%). Thus, the company does not have a sloping area management strategy.

Based on field observation in each estate, it is known that the area is relatively flat and there is no contour terrace or planting in the slope area.

Status: Comply

7.6

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.

7.6.1; 7.6.2 & 7.6.3

The results of the document study revealed that the area of PT Dendymarker Indah Lestari was classified as marginal land is peat soil. The company has a land distribution map which explains the distribution of peat soil and its depth with a scale of 1:50,000. Based on the soil survey map, it was informed that the slope of the land in the company's operational area is in the flat category (0-2° or 0-4%). Thus, the company does not have a sloping area management strategy.

The specific best practices to maintain and improve the limitation, especially in marginal suitable soil has been observed by implementing EFB mulching application dose 40 tons/ha/round, to improve soil nutrition.

The existence of soil map containing information on soil classification, texture, drainage, limiting factors, rocks, and suitability information for the development of oil palm plantation has helped the company used by the company to arrange the block, roads, drainage, bridge, etc. The company also has a Road Maintenance Program equipped with the proper infrastructure and facilities to do such work. According to the result of field visit, the roads are in good condition and the FFB harvested are smoothly transported to the mill.

Status: Comply

7.7

No new planting on peat, regardless of depth after November 15th, 2018 and all peatlands are managed responsibly.

7.7.1 & 7.7.7

Based on the results of the review of the company's statement of the area document, and interviews with company management, it was found that the company did not plant new oil palm on peatlands for the purpose of developing plantations.

7.7.2

The unit of certification has carried out a peatland inventory according to the RSPO peat inventory template and the report has been sent to the RSPO secretariat as evidenced by an email sent by Fanny Roussel to email ghg@rspo.org on 30 October 2019 and received a reply from the RSPO secretariat on 28 January 2020 with the statement "We acknowledge receiving all document for peat inventory, while we are checking on the shapefile should any clarification needed, we will get back you"

7.7.3

The unit of certification has SOPs related to monitoring the subsidence of peat soil which is stated in the Plantation SOP (024 / INF / DMIL / 2013) which contains the Project Name: Subsidence Measurement, Type: Peat Reduction which contains subsidence measurements with 2.5 inch paralon pipes planted with 1 stake. representing 500-600 ha observed every 3 months

The unit of certification has shown documents related to the monitoring of subsidence of peat land which is contained in the Drainability Assessment report of PT Dendymarker Indah Lestari dated 4 February 2020. Based on the DA report, it is known that there are 12 Pole Subsidence owned by the company. The average amount of peat reduction from 2017 to 2019 is 0.89 cm per year.

7.7.4 & 7.7.7

The unit of certification has an integrated water management system that has been implemented by the company as follows:

- Measuring the ground water level through monitoring wells, water poles, and pelskal
- Making canal blocking
- Measurement of subsidence pole
- Installation of the ombrometer
- Making field drain.

One example of installing a logger (monitoring well) is monitoring well number 007 in block F-17. An example is the survey results on June 24, 2020 with the code point monitoring H-11 with a groundwater level - 25 cm with rainfall on that date is zero with a standard threshold of damage -40 cm.

The unit of certification also planted *Mucuna bracteata* in the replanting area as a cover crop. An example is the planting of MB on the Sei Liam Estate covering an area of 389,725 ha in the 2018 planting year.

7.7.5

The unit of certification has shown the Drainability Assessment replanting area 2020 Sei Mandang Estate document of PT Dendymarker Indah Lestari on February 4, 2020. The conclusion of the DA is "based on the results of DLT calculations in the Replanting area 2020 Sei Mandang Estate, the area is categorized as GO AREA / Area can be planting. ". DLT in the 2020 Sei Mandang Estate replanting area has the highest value of 236 years and the lowest of 67 years.

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

7.8
Practices maintain the quality and availability of surface and ground water
7.8.1 & 7.8.2

The unit of certification has the results of identification of water flows in operational areas and a water management plan that is included in the 2013 HCV and 2019 HCS management plans, environmental management plan documents (RKL / RPL documents), riparian area SOPs (SOP-DMIL-MILLS-III-2013), and Policies for the protection of high slopes and riparian areas (SOP No. 21 / PMPB-DMIL / 2013). which focuses on the protection of river borders to be managed on both sides in accordance with statutory regulations. Large rivers (border width 100 m) and small rivers (border width 50 m). In areas that have been cultivated without buffer zone reserves, subsequent replanting will be managed according to the requirements stated in the procedure. Based on document verification, the water management that has been carried out by the company includes:

- Managing POME in the IPAL pond before it is used on the estate according to the license held.

- Test the quality of groundwater in the application area for POME and groundwater around residential areas.
- Prevent leakage at every water installation.
- Making clean water reservoirs around the building area.
- Non-chemical and chemical water separation

The unit of certification also monitors well water quality, river water, sedimentation, river water velocity based on river water quality monitoring SOPs (SOP-DMIL-PKAS-III-2013). A Water Management map with a scale of 1: 40,000 explaining the inlet in Block A1; B1; B03; B04 and B05 BR1 (source *Sungai* (river) Mandang) and Outlet in block L28; L29; K29; J30 (*Sungai* (river) Abang). Map of Water Management Monitoring equipment scale 1: 150,000 explaining the location:

- Installation of Water Level (160 pieces)
- Piezo Meter Installation (63 units)
- Installation of Over Flow Locations (20 units)
- Construction of Water Gates (2 units that have been realized).
- Installation of subsidence poles (11 units).

Forms of water management and maintenance of water sources, for example:

- Plant treatment does not use chemicals (chemist) but is done manually
- Fertilization is not done mechanically but is done manually.
- On river banks that are prone to landslides, so that plants that prevent erosion should be planted
- particularly for peatlands, the company has implemented management by monitoring groundwater levels, monitoring land subsidence, building weirs and embankments as well as routine maintenance, and cleaning of water reservoirs.

As for the surface water test results in semester 1 of 2020, the company could not show it due to the Covid-19 pandemic emergency response circular from the Directorate General of Environmental Control and Pollution, Ministry of Environment and Forestry Number S.101 / PPKL / SET / SE. I / 4/2020 dated April 1, 2020, which states that sample activities and testing cannot be carried out.

Referring to the Liquid Waste Disposal Permit into river bodies, which requires the company to carry out tests on the Upper and Lower Abang River, test results that exceed quality standards are obtained. Data on test results carried out in Semester 2 of 2019 in the Upstream and Downstream of the Abang river found test results that exceeded the quality standard limit as listed in the table below:

Parameter	Unit	Upstream	Downstream	Quality standards
BOD	Mg/L	15,2	15,2	2
COD	Mg/L	76,69	76,68	10
Ammoniac	Mg/L	1,962	1,898	0,5
DO	Mg/L	5,76	5,92	6
pH	Mg/L	5,86	5,80	6 – 9

** The quality standard is based on the South Sumatra Governor Regulation Number 16 of 2005*

From the data above, it can be seen that the values of BOD, COD, ammonia are above the quality standard, while the pH is below the quality standard threshold. This is because the Abang river, which is the water sampling area, is a river with peat water characteristics, this causes the value of some of the tested parameters to exceed the quality standard, and is not caused by the company's liquid waste disposal activities into the water body.

This statement is reinforced from the results of the comparison of the results of the river test in the upstream and downstream sections which show no significant change in value, so that it can be concluded that the unit of certification does not give an increase in BOD, COD and ammonia burden on rivers because the values obtained do not differ between upstream and downstream.

Based on the results of field visits to the area around the reservoir which is a source of clean water for mills, housing and offices, it can be seen that the condition of the reservoir is well maintained and is located on mineral land which is quite far from the IPAL area or areas that have the potential to cause other pollution. The company obtains clean water sources from an artificial reservoir that is used as rainfed by 1 main reservoir and 16 longitudinal small rain-fed reservoirs. The water from the reservoir is then carried out

further management for cleaning and purification of the WTP so that it is suitable for production and daily needs. As for consumption needs, the company uses mineral water.

Based on the results of field visits to the blocks bordering HCV and HCS areas, it can be seen that the company has committed to managing the riparian zone by not replanting the areas that have been designated as HCV areas, the company also provides signboards related to the protection of the area. riparian such as logging bans, chemical applications and marking boundaries. In addition, the company also carried out vetiver planting along the canals to prevent landslides and erosion as well as maintenance of canals with a washing / dredging program to protect them from silting.

7.8.3

The unit of certification already has a permit for disposal of POME to water bodies Number 18 / KPTS / DPM-PTSP / MRU / X / 2020 dated 20 October 2020 which states that the permit is valid for 5 years. The company also has SOP-DMIL-MILL-2013 on Handling POME.

The unit of certification has routinely conducted monthly testing of liquid waste by a KAN accredited laboratory. From the results of testing in January - June 2020, it is known that the parameters of the quality of liquid waste are in accordance with the applicable quality standards (Minister of Environment Regulation No. 05, 2014, and South Sumatra Governor Regulation No. 8, 2012) for example, here are the results of the liquid waste quality test in June 2020 tested on June 8, 2020, it was found that 100 mg / l (quality standard 100 mg / l), COD 339 mg / l (quality standard 350 mg / l), TSS 50.5 mg / l (quality standard 250 mg / l), oil and fat 9.12 mg / l (quality standard 50 mg / l) and pH 8.51 (quality standard 6-9).

The unit of certification has also regularly reported the POME report sent for the second quarter of 2020 to; The Sumatra Eco-Regional Development Control Center (P3E Sumatra), Musi Rawas Environmental Service, South Sumatra Provincial Government Environmental Service and Ministry of Environment and Forestry on July 8, 2020.

7.8.4

The use of water for oil palm processing is in accordance with the license held (Number: 01 / KPTS / DPM-PTSP / 2018). Monthly accumulated usage data, or 1-year accumulated usage data does not exceed that specified in the license. The company can show water usage data for 2020. The documents include the following:

Month	FFB Process (ton)	Water used (M3)	FFB/M3
January	7.086,14	8.149	0,87
February	6.099,18	7.598	0,80
March	4.834,55	6.771	0,71
April	4.734,12	7.923	0,60
May	5.474,11	6.782	0,81
June	5.438,54	5.785	0,94
July	4.129,80	3.274	1,26
Total	37.796	46.282	0,82

Status: Comply

7.9

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

7.9.1

The unit of certification has maximized the use of renewable energy (fiber & shell) as a substitute for fuel oil for boilers. For example, the use of shells and fiber from January to December 2019 generated 1,379,126.10 kWh of electricity from turbines, while the electricity generated from diesel was 213,760.60 kWh. Efficient use of renewable energy per tons of palm oil product in the mill is 30.10 KWh / MT CPO, while the direct fossil fuel used is 7.18 KWh / MT CPO.

Based on the results of the field visit, it shows that there are no remaining fibers and shells in the storage area, the results of interviews by Mill employees stated that all waste in the form of shells and fiber is used for boiler fuel.

Status: Comply

7.10

Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.

7.10.1

The unit of certification has identified source of pollution and air emission sources, including gaseous, particles and shoot emissions and effluent covering emissions and pollution sources from estate and mill operations. The emission source identified from estate and mill operation among others are land use change, vehicle operation, machine operation, fertilizer and pesticide application, use of AC/refrigerator, waste piling and electricity consumption.

Identification of significant GHG gas emission source is identified and the mitigation plan has been developed by the company covering mill and estate. The significant GHG emission among others are land use change, POME processing, use of fertilizer and pesticide, use of fossil fuel for operation and transport. The mitigation plan among others is correct dosage use for fertilizer and application as recommended, reduce reuse and recycle action, electric use limitation, transport and engine maintenance, periodic air quality test.

Fossil fuel reducing on DIL POM have been implemented by fiber/shell usage for boiler. POME has been monitored every month and monitoring periods January 2019 to February 2020 shown that all of waste water testing parameters is compliant to the standards quality.

Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc. found that accurate data has been put into the RSPO palm GHG Calculator. The calculation of GHG with palm GHG calculator 4.0 has submitted to RSPO Summary of GHG emission for DIL POM and its supply base are period 2019, listed as follows:

Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	28.39	tCO ₂ e/t Product	Oil palm planted on mineral soil	12992.81	Ha
PK	28.39	tCO ₂ e/t Product	Oil palm planted area on peat	9835.97	Ha
PKO	0	tCO ₂ e/t Product	Total oil palm planted area	22828.78	Ha
PKE	0	tCO ₂ e/t Product	Conservation area (Forested)	7525.56	Ha
OER	20.61	%	Conservation area (Non-Forested)	700.00	Ha
KER	4.06	%	FFB Production per hectare	3.24	t/ha

Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits				Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO ₂ e	tCO ₂ e/t FFB		Emission Source	tCO ₂ e
POME	14504.13	0.20		PK from own mill	0.00
Fuel Consumption	330.56	0.00		PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00		Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00		Total Crusher Emissions	0.00
Sale of mill	0.00	0.00			
Sale of EFB	0.00	0.00			
Total	14834.68	0.20			

Estate / Plantation Field Emissions and Sinks

Estimate of Plantation Field Emissions and Sinks				
Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	47900.28	87028.36	29539.87	164468.52
CO2 Emissions from Fertilizer	2122.58	9342.87	0.00	11465.45
N2O Emissions from Peat	42177.39	10636.67	20815.65	73629.71
N2O Emissions from Fertilizer	1700.99	7357.34	0.00	9058.33
Fuel Consumption	144.01	399.90	0.00	543.91
Peat Oxidation	305077.86	75024.58	146820.96	526923.40
Sinks				
Crop Sequestration	-63001.74	-111862.31	-38852.88	-213716.93

Sequestration in Conservation Area	-27333.29	-41676.09	0.00	-69009.39
Total	308788.09	36251.32	158323.61	503363.01

FFB Supplier				
No	Supplier Name	FFB Production by Estate/Plantation (t)	FFB Supplied by Estate/Plantation (t)	Percentage of FFB supplied by Estate/Plantation (%)
1	Sei Liam Estate	13707.55	13707.55	100.00
2	Agro Kati Lama North Estate	4936.34	4936.34	100.00
3	Agro Kati Lama South Estate	14260.51	14260.51	100.00
4	Agro Muara Rupit East Estate	3691.64	3691.64	100.00
5	Agro Muara Rupit West Estate	1914.97	1914.97	100.00
6	Agro Rawas Ulu East Estate	5851.67	5851.67	100.00
7	Agro Rawas Ulu West Estate	2343.97	2343.97	100.00
8	Sei Rupit Estate	1365.02	1365.02	100.00
9	Koperasi Beringin Jaya (KBJ)	2407.00	2407.00	100.00
10	Koperasi Tingkip Jaya Raya (KTJR)	629.93	629.93	100.00
11	Koperasi Rempan Jaya (KRJA)	101.65	101.65	100.00
12	Koperasi Rawas Jaya (KRJ)	552.52	552.52	100.00
13	Sei Mandang Estate	22231.48	22231.48	100.00

Palm Oli Mill Effluent Treatment		
POME Treatment	Unit	Value
Diverted to Compost	%	0
Diverted to anaerobic digestion	%	100
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0
• POME to methane capture (electricity generation)	%	0

**All POME is processed in WWTP and there is no used as compost or biogas*

PT Dendymarker Indah Lestari has a GHG mitigation strategy listed in the GHG Emission Sources Inventory document and its Control and Mitigation Measures for 2020, including:

Type of activity	Control and Mitigation Measures
Opening and new planting	<ul style="list-style-type: none"> No deforestation Doing land clearing without burning (zero burning) Identify conservation areas and reserve conservation areas Performing maintenance and management of river boundaries Performing water management on peatlands and not clearing deep peatlands
Fertilization and pesticide application	<ul style="list-style-type: none"> Not fertilizing and spraying in riparian areas and rivers Make transportation arrangements effectively and efficiently Perform fertilization effectively according to the dosage in the fertilization recommendation
Mill operational	<ul style="list-style-type: none"> Use of shells and fiber as a substitute for fossil fuels Using a small generator when the factory is not carrying out processing activities Process machine maintenance
Housing	<ul style="list-style-type: none"> Regular ambient air monitoring Socialization of electricity savings in housing

Use of renewable energy

In addition, as an effort to reduce fossil fuels, Mill has also taken advantage of the use of renewable energy in the form of shells and fiber as boiler fuel.

Efficient use of fossil fuels

During the January - December 2019 period, the company has monitored the use of fossil fuels as an effort to reduce the use of diesel efficiently.

Based on the results of GHG surveillance-4 calculations using the Palm GHG v3.0.1 calculator which has CPO and PK results of 54.85 tCO₂e / Product, and the latest GHG calculation results using the palm GHG v4.0 calculator with CPO and PK results of 28.39 tCO₂e / Product, it can be concluded that the company has shown success in management by reducing the value of emissions resulting from the production process.

7.10.2

Until the recertification audit conducted, there were no new planting activities above November 15 2018, the company is currently doing replanting at the certified area. Therefore, the company conducted no HCS assessment. The company also has been conducting NPP which submitted in RSPO website on January 2014.

7.10.3

The company has identified pollutions and emissions sources of DIL POM for the period 2020, such as CO₂ (boiler, generator, transportation), CH₄ (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for the estate are listed on the identification documents and management plans for pollution sources for the period 2019, such as emissions (CO₂, CO), noise, chemical waste, organic and inorganic waste, and hazardous waste.

Plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL semester II the year 2019. Fossil fuel reduction on DIL POM have been implemented by fiber/shell usage for the boiler.

The results of the field visit also showed some of the efforts made by the company to reduce Greenhouse Gas Emissions, including:

- Reduction of fossil fuels to meet daily electricity needs by using PLN, the company installed a PLN network within the plantation area. So, with this, the company has significantly reduced the use of generators.
- Mill has also utilized the use of renewable energy in the form of shells and fiber as boiler fuel for Fossil Fuel substitution.
- Conducting local plant planting activities in several conservation areas, the company also has a local plant nursery which will be planted in stages in the future.
- Application of IPM principles as an effort to minimize the use of chemicals to overcome pest, such as the use of owls and the planting of beneficial plants.
- Fertilization is done based on analysis of leaves and soil, so that the manuring activity is conducted with the right dose.
- Testing of motor vehicles, factory machinery and others, also doing preventive maintenance for factory equipment and vehicles.
- Plant vetiver grass plants along riparian and banned chemical application along riparian.

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

7.11

Fire is not used for preparing land and is prevented in the managed area.

7.11.1

There is no new land clearing and the planting activity is an activity of replanting oil palm plants. Based on the results of visits to the replanting area, it was found that the company used mechanical and non-burning methods. Base on observation at Replanting area, it is known that replanting is carried out mechanically and there is no burning of land

7.11.2

The unit of certification has procedures related to fire prevention and control as well as emergency response. In the fire emergency response points, buildings and land have included and explained the prohibition of burning; mapping of fire prone areas and water sources for suppression; fire fighting team; fire fighting equipment; fire siren; socialization; and monitoring.

The unit of certification has made efforts in providing fire control / suppression facilities and infrastructure for each work unit. Based on field observations, it is known that the available fire control / prevention facilities and infrastructure have referred to the Regulation of the Minister of Agriculture of the Republic of Indonesia number 05 / permentan / kb.410 / 1/2018.

7.11.3

The unit of certification routinely conducts fire emergency response simulation and training for its officers and workers and surrounding community. In 2019 there were several fire incidents in the company's operational area and during period of 2020 until audit conducted based on field observations, public consultation with stakeholders it was known there is no fire incident occur. Every fire incident, the company always reports to the police and local government. Several fire incidents have been investigated and are in process at the relevant Ministries. The results of field visits and interviews with related parties obtained information that the fire was not caused by the company's operational activities.

Status: Comply

7.12

Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.

7.12.1 & 7.12.8

The unit of certification has an obligation to carry out an HCV-HCS assessment because there have a propose area for new plantings after November 2018 on mineral land and there is no peat and conservation area at that location (HCV / HCS). In relation to these obligations, the company has carried out an HCV / HCS assessment and the area has been declared to be "Go-Area". Identification of HCV and HCS areas carried out by PKH Consultants in March 2019 with peer review approved on 20 July 2020.

Following are the stages of the historical analysis of land use change (LUCA) processes:

- On June 9, 2017, the Company stated that it has Zero Liability status.
- On 21 May 2018, Email from RSPO stated that the company received a "Grace Period" for 1 year
- On July 8, 2019, The RSPO Secretariat has been trying to get the clarification to the LUCA review report since last year and we have managed to get the relevant clarification after setting up a call with them. I would need to retrace all the old emails to find out pre-2017, what was the status of the concept note if there was one submitted.
- March 26, 2020, based on the results of LUCA identification, an area with final compensation obligation was obtained covering an area of 20.33 hectares in Sei Liam Estate
- On 14 October 2020, the RSPO (Aimy Nadiyah) stated that only areas exempted from RaCP can continue certification, so a compensation area of 20.33 hectares has been excluded from the scope of certification. This is because the PT DIL concept note has not been approved by the RSPO.

Based on the timeline above, it can be concluded that currently PT DIL has Zero Liability.

7.12.2

The unit of certification has an obligation to carry out an HCV-HCS assessment because there have propose area for new plantings after November 2018 on mineral land and there is no peat and conservation area at that location (HCV / HCS). In relation to these obligations, the company has carried out an HCV / HCS assessment and the area has been declared to be "Go-Area" (described in point 3 below). Company has carried out several activities to identify Protected Areas and Conservation Areas, including:

1. Identification of HCV areas in 2013 led by the ALS HCV assessor (Kresno Dwi Santoso), with the following results:
 - The HCV area is 2,893.50 ha, consisting of inundated areas of 1,300.54 ha and rare ecosystems of 1,592.96 ha.
 - There are 22 species of RTE fauna and 5 species of RTE flora based on the species conservation status that refers to the IUCN redlist, CITES and PP No. 7 of 1999.
 - Maps of High Conservation Value Areas.
 - Management recommendations for the protection of riparian areas with non-chemical treatment for those that have been planted as well as protection and enrichment of natural vegetation for those that have been planted while for HCV areas in the form of natural forests, management is carried out. come out by defending the forest area without any maintenance.
2. Identification and re-measurement by the PT DIL GIS team in June 2019 which obtained digitization results with an HCV area of 2,980.73 Ha.
3. Identification of HCV and HCS areas carried out by PKH Consultants in March 2019 with peer review approved on 20 July 2020 with the following results:
 - The HCV / HCS area was 2494,23 Ha.

- The “give and take” process which is intended for the effectiveness of the implementation of Integrated Conservation Land Use Planning (ICLUP) with the Give area (No Go Area) to become an HCV area of 296.61 hectares and a Take area (Go Area) to be developed covering an area of 178.35 hectares.
 - The scope of the study still refers to the 2017 Environmental Permit, namely 17,793 Ha.
4. Identification of areas carried out by the Ministry of Environment and Forestry in areas where fires occurred in 2019, the area was then determined to be a Non-HCV Conservation Area covering an area of 26.03 Ha.
 5. Changes in environmental permits on July 28, 2020 with a total area originally from 17,000 Ha to 11,893.04 Ha so that there was also a change in the area of HCV / HCS from the original 2,893.50 Ha to 2,494.23 Ha.

In its management, The unit of certification still refers to the 2013 HCV document because the 2019 HCV / HCS document was just legalized in 20 July 2020 and does not yet have a derivative product in the form of a management and monitoring plan. The company has been monitoring the HCV area every month. The last surveillance and monitoring were carried out on November 14, 2020 in the river border area. From the results of the monitoring that had been carried out, there were no additional protected animals from the previous data, and there was no damage or disturbance in the observed area.

7.12.3

Until now, indicator 7.12.3 is not relevant for Indonesia, especially Sumatra Region (South Sumatra) because it is not yet included in the HFCL area, this indicator will be verified when there is a further decision from the RSPO.

7.12.4

The unit of certification has developed a 2020 HCV management plan matrix consisting of rare, threatened or endangered species, river buffer zones, reservoir buffer zones and local identities. The company has also issued controls for illegal or inappropriate hunting, fishing, or gathering activities, and is developing responsible actions for resolving human-wildlife conflicts under these procedures. The company has an SOP for the protection of plants and fauna (SOP-DMIL-PFF-IV-2013) and the company has socialized HCV and RTE species through morning briefings to workers. There is a policy of sanctions given to company workers caught hunting, collecting, injuring or killing RTE species in accordance with national regulations described in form letter no 001140A / PTDI-GM / XIII / 2016 from the General Manager. Socialization to employees and the community has been carried out by the company, as an example of outreach on June 2, 2020. Evidence of education regarding RTE species is available and verified by a team of auditors, outreach to the closest community (Lubuk Rumbai Village) was conducted on May 5, 2020.

The unit of certification establishes an HCV management plan to maintain the HCV area in the operational area of PT Dendymaker Indah Lestari, which is stated in the 2020 HCV Management Plan document. Implementation of HCV management and monitoring carried out by the management unit includes maintaining HCV attributes (HCV boundaries, nameplate), socialization HCV (community and workers), maintaining HCV areas, routine patrols to maintain HCV safety, species monitoring, enrichment on river banks.

The unit of certification has also updated the HCV management plan which was carried out on November 14, 2017 which was included in a series of Social Impact Assessment activities with documents as of March 1, 2018. These activities were carried out in a participatory manner to discuss HCV 5 and 6 in villages around the company, such as the village Batu Gajah Baru and Karang Dapo which was attended by 58 people.

7.12.5

The unit of certification has an obligation to carry out an HCV-HCS assessment because there have propose area for new plantings after November 2018 on mineral land and there is no peat area or other conservation area at that location. In relation to these obligations, the company has carried out an HCV / HCS assessment. Identification of HCV and HCS areas carried out by PKH Consultants in March 2019 with peer review approved on 20 July 2020. In the HCV / HCS assessment, PKH Consultant involved the community in determining the HCV / HCS area which was carried out in March 2019 using the Participatory Mapping method in 10 Villages, 2 Sub-districts and 2 Districts around the company. Based on the results of these activities, several strategic steps were obtained including:

- Improve the company's image and professionalism in solving problems and conflicts with the community.
- Focus on genuine community empowerment and empowerment approaches
- Environmental management that involves the community
- Manpower management in a professional and fair manner in accordance with existing regulations

- Improved communication and relations with related parties
- Increase in internal and external human resources

Important Participatory Mapping results obtained from key stakeholders of the North Musi Rawas Provincial Government Office, Rupit and Karang Dapo District Governments and Village Heads and village officials in 10 Villages, 2 Kelurahan and cooperative managers around the company PT Dendymarker Indah Lestari (DIL) among others:

- Know the location of the HGU permit location precisely and get rid of pent-up worries that land will be taken over in community groups and ulayat village land
- Know the important areas that are still being used by the community that will be allocated as conservation areas (HCV areas)
- A review of the PT DIL report on Sepadan Sungai will also be made into a conservation area
- Knowing the prediction of the area of PT DIL HGU permits in each village, the area and allocation of plasma
- Knowing the real activities that will be carried out by PT Dendymarker Indah Lestari in the future.

7.12.6

The unit of certification has developed an HCV management plan and is implementing it properly. Regular patrol records show the company has been monitored for illegal hunting, and other illegal activity. All records for daily patrols at each plantation are available and verified by auditors. The socialization that has been carried out to the community regarding the existence of endangered plants and animals, which is carried out in conjunction with the socialization of protected areas, for example the socialization related to the existence of protected animals and plants to the Beringin Jaya Village Community on June 30 2018 which was attended by 12 participants.

Based on interviews with employees and the results of public consultations with the surrounding community via telephone, it was found that the company had made an understanding of the presence of rare flora and fauna, both employees and the community could mention the types of protected species that are in the PT DIL plantation area. The company has conducted outreach to employees and the community regarding the steps that must be taken if there is a meeting with wild / rare animals. The results of the interviews and the RKL-RPL documents also state that there has never been any hunting in the company area.

7.12.7

Until now, there are no indications of illegal hunting of protected wildlife because their presence is rarely found around the HCV area of river borders, for example sun bears or mouse deer. The unavailability of animal corridors between designated HCV areas and production forests and / or other protected forests is one of the reasons why wildlife species such as sun bears or mouse deer are rarely seen in HCV areas.

To avoid and prevent illegal hunting and / or encroachment of HCV areas that have been determined by PT. DIL, several warning boards have been installed regarding the prohibition of illegal hunting and encroachment. Routine monitoring of HCV areas is carried out by several personnel appointed by the company. The results of field observations also show that there is a signboard for the prohibition of hunting protected animals, burning, and marking the boundaries of conservation areas.

Monitoring of protected areas is carried out periodically every month to ensure the safety of the area. Example of monitoring on March 30, 2020 at the Sei Mandang Estate on the Black River Crossing and on June 30 2020 at the Sei Liam Estate in the Abang River Crossing. The results of monitoring conducted by the company indicate that the number of animals in the company's premises, such as wild boar, eagle and kingfisher, is quite common. besides that, there was no hunting and destruction of HCV and HCS areas. The company also checks the signboard and repairs / replaces it if it is damaged

The evaluation was carried out in the form of an HCV and HCS study where the documents were completed in June 2020. At the time of the audit, the evaluation results could not be implemented and were only in the form of planning activities for the following semester. Management planning for HCV and HCS areas is constrained by the Covid-19 pandemic so that it cannot be fully carried out such as socialization and other activities that cause crowds. however, the company continues to strive to carry out activities that do not have the potential for the spread of covid-19, such as monitoring wildlife and HCV-HCS areas, installing signboards and monitoring fires. The results of the monitoring are also used as a reference for improving planning in the future management of HCV-HCS areas. for example, the company will provide signboards at more points regarding the prohibition of burning and hunting, protected animals, and markers for HCV and HCS areas because they are deemed lacking. In addition, the company already has a local plant nursery that will be used for reforestation of the open HCV and HCS areas.

The results of field visits to conservation areas in Blocks H8, H4 and I9 show that the company has carried out protected area management in the form of not logging and replanting, not applying chemicals, and installing Protected Area signboards and prohibiting hunting.

The unit of certification has also sent reports on the presence of plants and animals to BKSDA, as follows:

- Reports (Recapitulation) of protected plants and animals in the PT Dendymarker Indah Lestari area (attached to the Map of Conservation Areas). Species of protected wildlife in the estate area & a warning board Prohibition of hunting wild animals in company premises)
- Letter addressed to the Head of the South Sumatra BKSDA (No: 000.216 / PTDI-GM / XII / 2016, dated 13 December 2016), regarding the Report on Protected Endangered Plants and Animals.
- The company reports the results of flora and fauna monitoring as described in the RKL / RPL environmental management and monitoring implementation report for semester 2 of 2019 to the Environmental Office of Musi Rawas, and the Environmental Service of South Sumatra Province on 11 June 2020.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
RC	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari have neither used the certificate trademark whether on-product or off-product yet.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or√
RC	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari have neither used the certificate trademark whether on-product or off-product yet.	√
	Status: Comply	
3.	Implementation of Certificate and trademark is not used on product	X or√
RC	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari have neither used the certificate trademark whether on-product or off-product yet.	√
	Status: Comply	
4.	Controlling of Certificate and trademark, including withdrawing inappropriate trademark.	X or√
RC	Since the RSPO certificate achieved on July 27 th 2015, PT. Dendymarker Indah Lestari have neither used the certificate trademark whether on-product or off-product yet.	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

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

SIPEF GROUP Time Bound Plan explained in table section 1.10. SIPEF GROUP has achieved 5 management units in Indonesia and 3 Management Units in Papua New Guinea that RSPO certified. Total management unit in SIPEF GROUP are 8 in Indonesia, and 1 in Papua New Guinea. Therefore, since 1st August 2017 SIPEV NV has acquisition 1 company in Sumatera Selatan Province, Indonesia. SIPEF GROUP has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that SIPEF GROUP is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the SIPEF GROUP representative on November 2020, by the Sustainability Director.

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: The internal audit has been conducted for all uncertified units:</p> <ul style="list-style-type: none"> • PT Citra Sawit mandiri → 24 – 26 April 2020 • PT Asri Rimba → 18 – 19 June 2020 • PT Agro Kati Lama → 10 – 12 March 2020 • PT Agro Rawas Ulu → 20 – 21 March 2019 • PT Agro Muara Rupit → 18 – 20 March 2019 <p>Each company provide correction and corrective action on the base to ensure all RSPO P&C requirements are implemented.</p> <p>Positive assurance has been provided by General Manager South Sumatera Operation, as lined out in "Pernyataan Kesanggupan Memenuhi Prinsip dan Kriteria RSPO dan Kebijakan-Kebijakan Perusahaan", dated 19th December 2016. The statement indicated that PT Agro Kati Lama, PT Rawas Ulu, and PT Agro Muara Rupit – as a member of RSPO, committed to respect and implement company policies, as well as following and implementing all RSPO requirements related to development of new plantation. Companies are committed to perform continuous improvement to comply with all principle and criteria. Companies also committed to follow up all finding, both internal and external.</p>
2.2.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to	<p>Company Group/Holding Statement: PT Umbul Mas Wisesa was following RSPO Remediation and compensation procedure.</p>

	maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018).	<p>Auditor Verification:</p> <p>Assessment team checked to confirm any land conflict/liabilities on RaCP tracker and found note "The compensation plans for PT. Umbul Mas Wisesa and PT. Toton Usaha Mandiri (SIPEF) have been approved by the Compensation Task Force during the staged implementation of the RaCP between May 2014 and November 2015".</p> <p>All new planting after January 1st, 2010 have undergone and complies with RSPO New Planting Procedure/RSPO NPP. RSPO NPP for PT. Agro Muara Rupit, PT. Agro Kati Lama, PT Agro Rawas Ulu have been published in RSPO website.</p>
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement:</p> <p>All new planting after January 1st, 2010 have undergone and complies with RSPO New Planting Procedure.</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> RSPO NPP for PT Mukomuko Agro Sejahtera has been uploaded in RSPO website for public notification on 6th March 2012. RSPO NPP for PT. Agro Muara Rupit, PT. Agro Kati Lama, PT Agro Rawas Ulu have been published in RSPO website. RSPO NPP for PT. Asri Rimba is waiting for HCV ALS review and LUC review.
2.2.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>Company Group/Holding Statement:</p> <p>All land conflict is following FPIC principle.</p> <p>Auditor Verification:</p> <p>The assessment team has conducted a search in internet to confirm that there is a lodged land conflict that was recorded as complaint under RSPO Case.</p> <p>Tracker; raised by individual on those units that have not been certified. RSPO Case Tracker recorded complaint to PT. Agro Muara Rupit, dated 17 May 2017. The complainant brought forward the issue of fraudulent land title to RSPO. The complainant claimed that his land was fraudulently sold by his cousin to PT. Agro Muara Rupit, a subsidiary of SIPEF Group. The summary presented in the RSPO Case Tracker:</p> <ul style="list-style-type: none"> On 25 July 2017 - Secretariat to write to the company and inform them on the complaint. On 24 August 2017 (CP Meeting) - Secretariat to wait for reply from the company. On 28 August 2017 - Secretariat received response from the company. On 5 September 2017 - Complainant failed to provide the document. On 11 September 2017 - Secretariat has sent an email to SIPEF. On 26 September 2017 (CP Meeting) - Secretariat to draft the decision letter. On 18 June 2018 – Complaint Panel to deliver a decision. On 25 July 2018 – Complaint Panel to deliver a decision. On 23 August 2018 – Draft decision letter to be reformatted. On 19 September 2018 – Decision Letter – Complaints Panel.

		<ul style="list-style-type: none"> On 26 September 2018 – The decision letter finalised and to be delivered to Parties. On 24 October 2018 – Complaint Panel Decision letter has been sent to parties. Deadline for submission of appeals is on 20 December 2018. On 20 December 2018 – The complaint is officially closed. The case tracker available on link https://askrspo.force.com/Complaint/s/case/50090000028Es1JAAS/detail. <p>Assessment team checked to confirm any land conflict/liabilities on RaCP tracker and found note “The compensation plans for PT. Umbul Mas Wisesa and PT. Toton Usaha Mandiri (SIPEF) have been approved by the Compensation Task Force during the staged implementation of the RaCP between May 2014 and November 2015”.</p>
2.2.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p>Company Group/Holding Statement: No outstanding labor dispute noted.</p> <p>Auditor Verification: No labor dispute noted. The assessment team has conducted a search in internet to confirm that there is no new comments or dispute raised by the communities related to labor dispute on those units that have not been certified.</p>
2.2.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).	<p>Company Group/Holding Statement: No outstanding legal non-compliance identified.</p> <p>Auditor Verification: No non-legal compliance noted. The assessment team has conducted a search in internet to confirm that there is no new comments or dispute raised by the communities, related to legal non-compliance on those units that have not been certified.</p>

3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.4.1. Identification of Findings, Corrective Actions and Observations at ASA 4 Assessment

<i>NCR No.</i>	: 2019.01	<i>Issued by</i>	: Hasiholan Sihombing
<i>Date Issued</i>	: 12 July 2019	<i>Time Limit</i>	: RC
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 14 October 2019
<i>Standard Ref. & Requirement</i>	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).		
Evidence observed <i>(filled by auditor):</i> <ul style="list-style-type: none">Based on interviews with spray workers, fertilizer workers and loose fruit picker workers in Sei Mandang Estate and also spray workers and fertilizer workers at Sei Liam Estate who are workers from contractors who work with companies, it is known that all workers have not received work accident insurance.Based on interviews with CV Wijaya contractors, it is known that all contractor workers have not been protected by work accident insurance.			
Non-Conformance Description <i>(filled by auditor):</i> <p>There is not enough evidence that all contractor workers are protected by work accident insurance.</p>			
Root Cause Analysis <i>(filled by organization audited):</i> <p>The management of PT DIL (Sei Liam Estate) has a contract / agreement for the provision of piece-work (FL) with the contractor CV Wijaya with an agreement No. 06 / Sei Mandang Estate / PPTK-FL / January / 2019 where CV Wijaya received a job to provide the workforce needed by PT DIL with a period of one year and can be extended with terms and conditions that will be determined later.</p> <p>Based on the information obtained, CV Wijaya has paid its employees for BPJS membership (including insurance or JKK / Work Accident Insurance) but only a few months at the beginning of the year when work activities were carried out. Then after that CV Wijaya has not paid any more regarding the employee's BPJS membership.</p>			
Correction <i>(filled by organization audited):</i> <p>In the contract / agreement for the Provision of Contract Workers (FL), it is stated that CV Wijaya is obliged to include all workers in the BPJS Ketenagakerjaan membership (including insurance or JKK / Work Accident Insurance) and if it does not implement the applicable provisions, CV Wijaya is responsible for full responsibility in the event of a work accident that befell workers without exception, including if the work accident causes the death of the PT DIL has the right to sue CV Wijaya to fulfill this responsibility.</p>			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">PT DIL management will monitor the contractor for the provision of wholesale labor services (FL) regarding the registration and payment of all workers in the applicable employment insurance membership and help facilitate the payment process.The management of PT DIL will evaluate the implementation of employment insurance payments every month from the contractor for providing wholesale labor services (FL) as one of the terms and conditions for the running process and the continuation of the contract / cooperation agreement and if no payment is made			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 4 August 2019 <p>The company has explained the analysis of the root cause of the non-conformities that have emerged and explained the corrections and corrective actions against these non-conformities. However, auditors still need evidence of monitoring carried out by the company on the contractor for the provision of wholesale labor services (FL) related to the registration and payment of all workers in the applicable labor insurance membership as well as proof of registration and payment of all workers in employment insurance</p>			

membership.

Thus, the nonconformity on this indicator are still open.

Verification dated October 14, 2019

The company sends proof of payment for work accident insurance (BPJS Ketenagakerjaan) from contractors working with PT DIL to employees owned by the contractor. The example shown is the JKK insurance payment period in August 2019 and paid in September 2019.

Thus, the nonconformity in this indicator have been fulfilled and will be re-observed during the next audit.

Verified by	:	Hasiholan Sihombing
--------------------	----------	----------------------------

3.4.2. Identification of Findings, Corrective Actions and Observations Re-Certification Assessment

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor): <p>During audit, there is no non conformity that identified</p>					
Non-Conformance Description (filled by auditor): 					
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	:				

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1		No OFI raised in this audit

3.4.4. Noteworthy Positive Components

No	Ref. Std.	Description
1		The company's commitment to implement the principles of sustainable palm oil management.
2		PT DIL has obtained an ISPO Certificate.

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Manpower Agency of Musi Rawas Utara Regency</p> <p>So far, the company has good coordination, for example carrying out mandatory reporting such as employment and OHS report. There were no employment issues during the last year. The composition of employees is daily rate worker, free labour, and contract worker and all employees have been covered in the social security program.</p> <p>The company has also formed a OHS team as the person in charge of OHS in the company.</p>	<p>In general, there were no negative issues raised by the informants and no further verification was needed</p>
<p>Environmental Management Sector of Musi Rawas Utara Regency</p> <p>During the last one year there were no issues regarding environmental pollution. Mandatory reports submitted according to the time frame. Peat management is carried out well and twice a year Environment Agency inspects fire control and extinguishing equipment. The condition of the equipment according to the results of the last inspection is stated in good condition.</p>	<p>In general, there were no negative issues raised by the informants and no further verification was needed</p>
<p>Plantation Agency of Musi Rawas Utara Regency</p> <p>Coordination with the company has been going well. The fire facilities and infrastructure owned by the company can be said to be very complete and have even provided assistance to the Agency during joint extinguishment. Mandatory reporting carried out in accordance with the time frame.</p>	<p>In general, there were no negative issues raised by the informants and no further verification was needed</p>
<p>Worker Cooperative Lestari Maju Bersama</p> <p>Based on interviews with representative of employee cooperative, it was found that the company strongly supports the development of employee cooperatives. In this case the company has contributions in the form of capital assistance, transportation, and cooperative buildings. There are already 200 employee cooperative members.</p>	<p>In general, there were no negative issues raised by the informants and no further verification was needed</p>
<p>Worker Union (SPSI and SPM)</p> <ul style="list-style-type: none"> • Basic wage in accordance with Sectoral Minimum Wage of Sumatera Selatan Province 2020. • There is no complaint about wage, overtime payment, or worker welfare issue. • Harvesters are paid according to work basic and premium basic. As for processing worker in mill, overtime is paid in accordance with regulation • PPE is provided by company. 	<p>The company has implemented the principles & criteria of RSPO about worker welfare and industrial relationship on indicator 3.5, 6.1 and 6.7.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> Company provided source of clean water, houses, health, and other facilities to guarantee worker welfare. 	
Contractor and Outsource Worker <ul style="list-style-type: none"> Contractor activities is FFB transporting to mill and upkeep activity. While outsourcing worker is for security. Cooperation relationship with the company went well. Contractor payment is done on time. Monthly wage for contractor worker is above the minimum wage. PPE is provided by contractor. BPJS participation of contractor worker is the responsibility of the contractor. Company has socialized the OHS policy and technique procedure to contractor and will be forwarded to the member. 	<p>The company has implemented the principles & criteria of RSPO, for example on worker welfare and OHS aspect.</p>
Surrounding communities and previous land owner of Karang Dapo and Muara Rupit Village <ul style="list-style-type: none"> Communication between PT Dendymarker Indah Lestari and representative of villages went well. There is no complaint about company's operational activity. However, village communities feels that company's assist in CSR aspect is less. There is no land conflict with PT Dendymarker Indah Lestari. There is no land fire in previous year. Company helps increase economy level of communities by agreement with local contractor. Also, some of villagers work in PT Dendymarker Indah Lestari. 	<p>Auditor has verified the compliance with social and worker welfare aspect and about CSR program and has implemented it.</p>
Tunas Mekar Cooperative <ul style="list-style-type: none"> MoU is made in 2019, however the oil palm is not planted yet Operational activity is managed by PT DIL Located in Noman village and the cooperative land also has legality rights, in form of certificate of land and certificate of ownership. 	<p>There are no negative issues that need further</p>
Gender Committee <p>Based on interview, it was found that there were no complaints related to sexual harassment or domestic violence experienced by workers. It was also conveyed that there are no female workers who are pregnant or breastfeeding who work in jobs related to chemicals.</p>	<p>In general, there were no negative issues raised by the informants and no further verification was needed</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table><tr><td><p>PT Dendymarker Indah Lestari Management Representative</p><p> Sander Van Den Ende Friday, 11 December 2020</p></td><td><p>Mutuagung Lestari Lead Auditor</p><p> Moh Arif Yusni Friday, 11 December 2020</p></td></tr></table>	<p>PT Dendymarker Indah Lestari Management Representative</p> <p> Sander Van Den Ende Friday, 11 December 2020</p>	<p>Mutuagung Lestari Lead Auditor</p> <p> Moh Arif Yusni Friday, 11 December 2020</p>
<p>PT Dendymarker Indah Lestari Management Representative</p> <p> Sander Van Den Ende Friday, 11 December 2020</p>	<p>Mutuagung Lestari Lead Auditor</p> <p> Moh Arif Yusni Friday, 11 December 2020</p>		

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Manpower and Transmigration Agency	Musi Rawas Utara District	-	Interview by Phone	24 November 2020	✓	
2	Environmental and Land Agency	Musi Rawas Utara District	-	Interview by Phone	24 November 2020	✓	
3	Plantation Agency	Musi Rawas Utara District	-	Interview by Phone	24 November 2020	✓	
4	Land Agency	Musi Rawas District	-	Interview by Phone	24 November 2020	✓	
5	Contractor and Outsource Worker	Musi Rawas Utara District	-	Interview	24 November 2020	✓	
6	Pakar Maur Cooperative	Musi Rawas Utara District	-	Interview	24 November 2020	✓	
7	Maju Mandiri and Biru Makmur Cooperative	Musi Rawas Utara District			24 November 2020		
8	Worker Union (SPSI and SPM)	PT DIL	-	Interview	24 November 2020	✓	
9	Surrounding communities and previous land owner of Karang Dapo and Muara Rupit Village	PT DIL	-	Interview	24 November 2020	✓	
10	Worker Union	PT DIL	-	Interview	24 November 2020	✓	
11	Tunas Mekar Cooperative	PT DIL		Interview	24 November 2020	✓	
12	Sei Mandang Estate: - 16 workers	Sei Mandang Estate	-	Visit and Interview	24 November 2020	✓	
13	Sei Liam Estate: - 13 workers	Sei Liam Estate	-	Visit and Interview	25 November 2020	✓	
14	Dendymarker POM: - 12 Workers	Dendymarker POM	-	Visit and Interview	24 November 2020	✓	
15	Sawit watch	Bogor, Indonesia	info@sawitwatch.or.id	Email	18 November 2020		✓
16	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	18 November 2020		✓
17	WALHI	Jakarta, Indonesia	informasi@walhi.or.id	Email	18 November 2020		✓
18	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	18 November 2020		✓

Appendix 2. Assessment Program
• REMOTE AUDIT

DATE	04 – 06 August 2020	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Tuesday, 04 August 2020		
08.00 – 08.30	Opening meeting preparation	
08.30 – 09.00	Opening meeting (recorded video conference) <ul style="list-style-type: none">Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)	All Auditor
09.00 – 12.00	<ul style="list-style-type: none">Document review and completing audit checklist.Verification of Basic Information Mill and EstateConfirmation of Time Bound PlanReview of Partial Certification	All Auditor
12.00 – 14.00	<ul style="list-style-type: none">Break	All Auditor
14.00 – 16.15	<ul style="list-style-type: none">Document review and completing audit checklist.	All Auditor
16.15 – 17.00	<ul style="list-style-type: none">Presentation of Daily Progress.	
Wednesday, 05 August 2020		
08.00 – 11.00	<ul style="list-style-type: none">Document review and completing audit checklist.	All Auditor
12.00 – 14.00	<ul style="list-style-type: none">Break	All Auditor
14.00 – 16.15	<ul style="list-style-type: none">Document review and completing audit checklist.	All Auditor
16.15 – 17.00	<ul style="list-style-type: none">Presentation of Daily Progress.	
Wednesday, 06 August 2020		
08.00 – 11.00	<ul style="list-style-type: none">Document review and completing audit checklist.	All Auditor
12.00 – 15.30	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
15.30 – 16.30	Closing Meeting (recorded video conference) <ul style="list-style-type: none">Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/Comments, Responses and Questions	All Auditor

• ONSITE AUDIT

DATE / TANGGAL	23 – 27 November 2020	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 23 November 2020		
06.00 – 08.00	JAKARTA → Bengkulu / Lubuk Linggau	All Auditor
08.00 – 12.00	Bengkulu / Lubuk Linggau→ PT Dendymarker Indah Lestari	All Auditor
14.30 – 15.00	Opening meeting <ul style="list-style-type: none">Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)	
15.00 - 17.00	<ul style="list-style-type: none">Verification of stakeholder consultation result and field visit.Document review and completing audit checklist.Verification of Basic Information Mill and EstateConfirmation of Time Bound PlanReview of Partial Certification	
Tuesday, 24 November 2020		
08.00 – 12.00	Field Observation to Sei Mandang Estate. Aspect to be verified: <ul style="list-style-type: none">Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)Observation of Workers Facilities (Housing, School, Worship Place). Stakeholder consultation to affected communities surrounding the plantations and previous land owner. public consultation with stakeholder to relevant agency in Musi Rawas Regency (by Phone).	All Auditor
14.00 – 16.00	Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier Field observation to Dendymarker POM: <ul style="list-style-type: none">Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation,Observation of WWTP, WTP, LA, EBA.	All Auditor
Wednesday, 25 November 2020		
08.00 – 11.00	Field Observation to Sei Liam Estate Aspect to be verified: <ul style="list-style-type: none">Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)	All Auditor

DATE / TANGGAL	23 – 27 November 2020	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none">• Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)• Observation of Workers Facilities (Housing, School, Worship Place).	
12.00 – 14.00	<ul style="list-style-type: none">• Break	All Auditor
14.00 – 16.15	<ul style="list-style-type: none">• Verification of stakeholder consultation result and field visit.• Document review and completing audit checklist.	All Auditor
Thursday, 26 November 2020		
08.00 – 12.00	<ul style="list-style-type: none">• Continue Field Observation to Estate; Mill and Public Consultation to Company surrounded village and community leader (if needed)• Completion of checklist and RSPO Document Review.	All Auditor
12.00 – 14.00	<ul style="list-style-type: none">• Break	All Auditor
14.00 – 16.15	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
16.15 – 17.00	Closing Meeting: <ul style="list-style-type: none">• Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)/• Comments, Responses and Questions.	
Friday, 27 November 2020		
10.00 – 14.00	PT Dendymarker Indah Lestari → Bengkulu / Lubuk Linggau	All Auditor
14.00 –	Bengkulu / Lubuk Linggau → JAKARTA.	