

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Surveillance

Name of Management Organization : **Dendymarker Palm Oil Mill – PT Dendymarker Indah Lestari, Subsidiary of SIPEF GROUP**

Plantation Name : **PT Dendymarker Indah Lestari – Sei Mandang Estate, Sei Liam Estate, Sei Rupit 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 of Initial Registration : **27 July 2015**

Date of Certificate Issue : **15 January 2021** Date of License Issue : **27 July 2023**

Date of Certificate Expiry : **26 July 2025** Date of License Expiry : **26 July 2024**

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|----------------|---------------------------|---|---------------------|-------------|
| ASA-1.3 | 11 - 14 April 2023 | Haikal Ramadhan Kharismansyah (Lead Auditor), Kiki Fadli, Sentot Adi Subandono, and Mia Rahmah Qadryani | Hasiholan Sihombing | Leonada |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|----------------|-----------------------------------|
| ASA-1.3 | 22 May 2023 |

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Figure 1. Location Map of PT. Dendymarker Indah Lestari

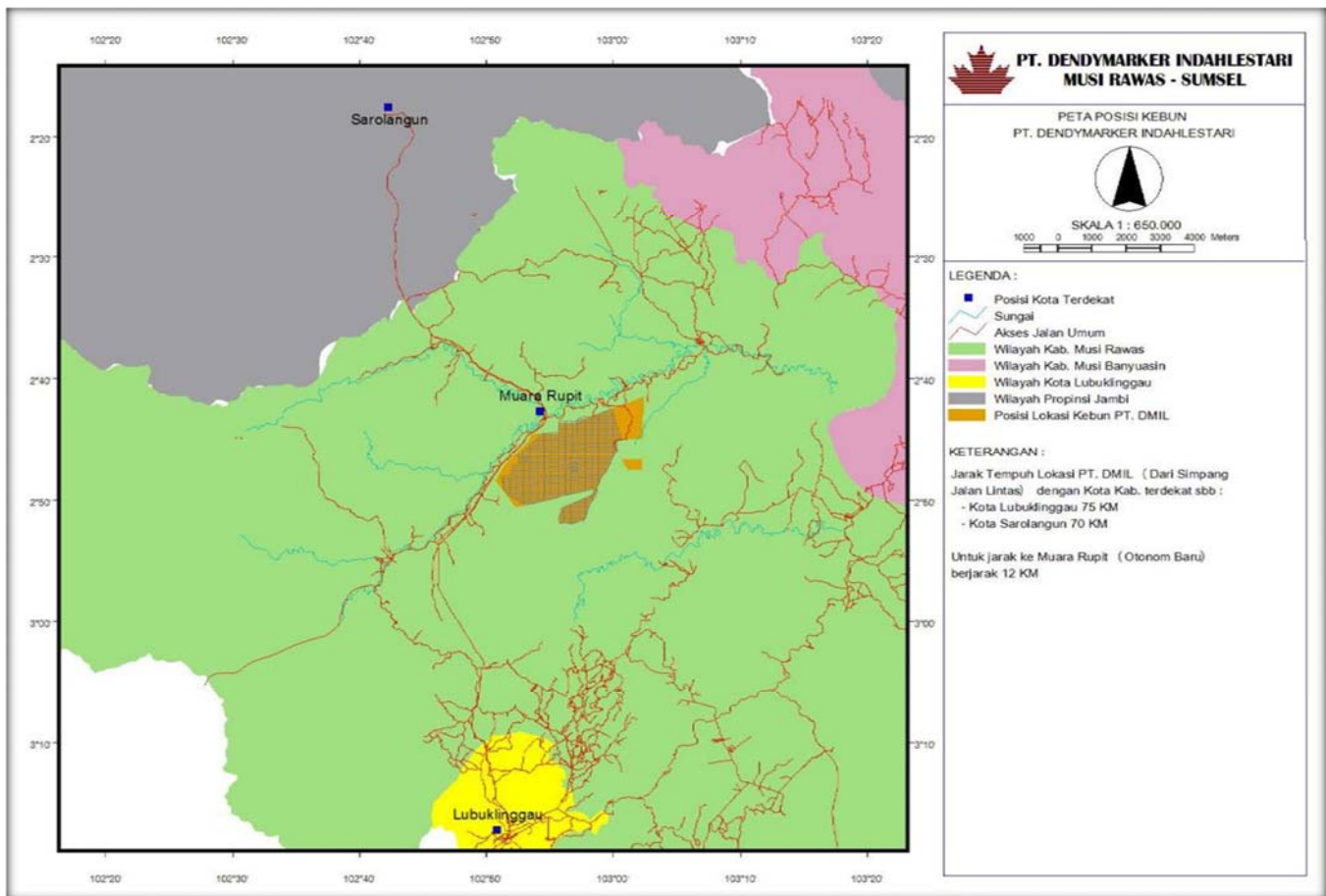
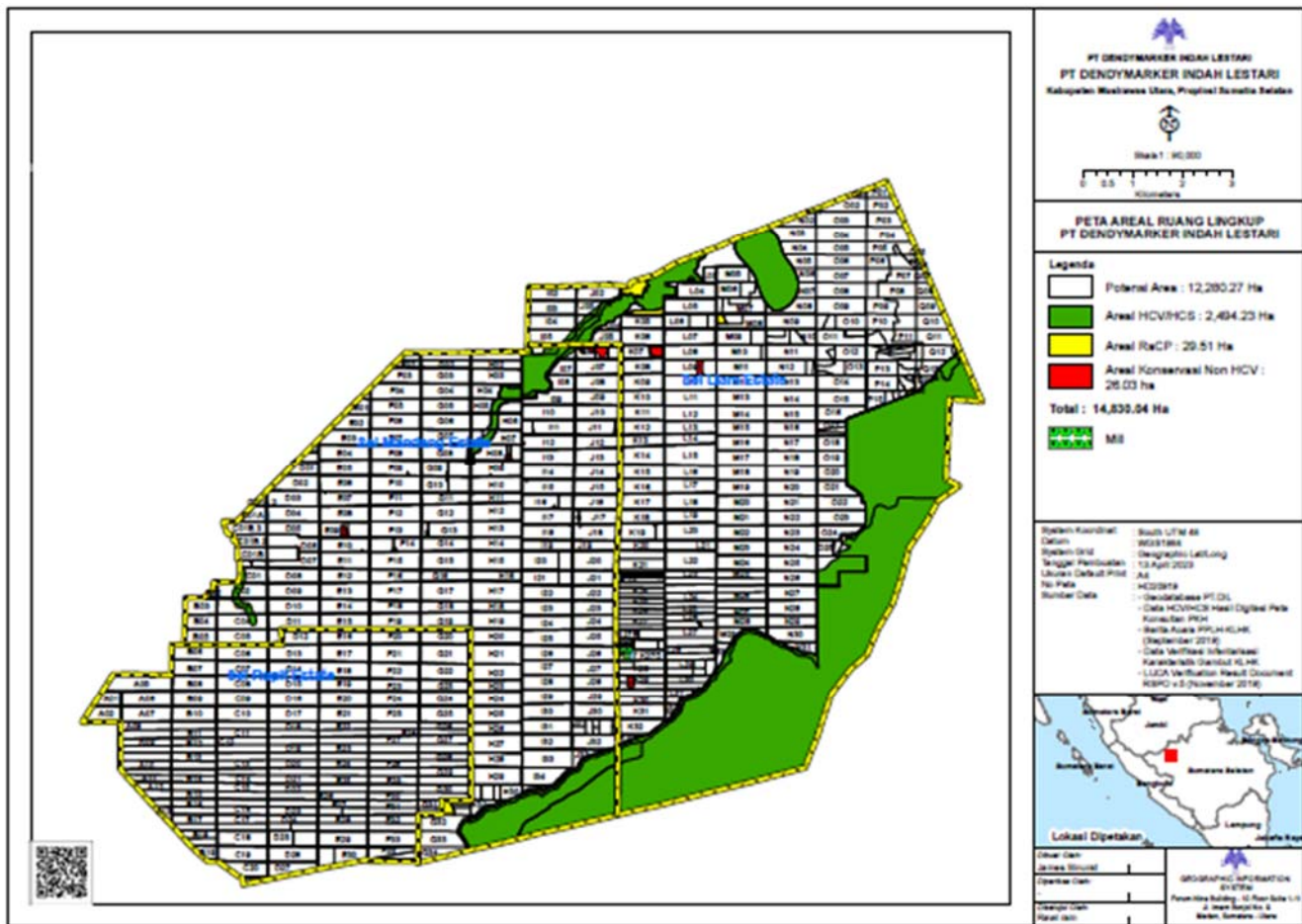


Figure 2. Operational Map of PT. Dendymarker Indah Lestari



Abbreviations Used

| | | |
|---------|---|--|
| AKAD | : | <i>Angkatan Kerja Antar Daerah</i> |
| AKL | : | Agro Kati Lama |
| ALS | : | Assessor Licensing Scheme |
| AMDAL | : | Analisis Mengenai Dampak Lingkungan / Environment Impact Analysis |
| AMRE | : | Agro Muara Rupit Estate |
| AMRW | : | Agro Muara Rupit West |
| APAR | : | <i>Alat Pemadam Api Ringan</i> (fire extinguisher) |
| ARU | : | Agro Rawas Ulu |
| ASA | : | Annual Surveillance Assessment |
| ATM | : | Anjungan Tunai Mandiri or Automated Teller Machines |
| BKPM | : | <i>Badan Koordinasi Penanaman Modal</i> |
| BOD | : | Biological Oxygen Demand |
| BPJS | : | Badan Penyelenggara Jaminan Sosial / Social Security Agency |
| CH | : | Certificate Holder |
| CITES | : | Convention on International Trade in Endangered Species |
| CLA | : | Collective Labor Agreement |
| CPO | : | Crude Palm Oil |
| CSPK | : | Certified Sustainable Palm Kernel |
| CSPO | : | Certified Sustainable Palm Oil |
| CSR | : | Corporate Social Responsibility |
| DAP | : | Drainability Assesment Procedure |
| DAS | : | <i>Daerah Aliran Sungai</i> |
| DIL | : | Dendymarker Indah Lestari |
| DIL POM | : | Dendymarker Indah Lestari Palm Oil Mill |
| DLT | : | Drainability Life Time |
| DLW | : | Decent Living Wage |
| DxP | : | Dura x Psifera |
| EFB | : | Empty Fruit Bunch |
| EIA | : | Environment Impact Assessment |
| FCL | : | Forest Cover Landscape |
| FDRS | : | Fire Danger Rating System |
| FFA | : | Free Fatty Acid |
| FFB | : | Fresh Fruit Bunch |
| FPIC | : | Free Prior Informed Consent |
| GHG | : | Green House Gas |
| GRTT | : | <i>Ganti Rugi Tanam Tumbuh</i> or Compensation for Previous Land Owner |
| H1 | : | Menstrual Leave |
| H2 | : | Maternity Leave |
| HCS | : | High Carbon Stock |
| HCV | : | High Conservation Value |
| HGU | : | Hak Guna Usaha (Land Use Permit) |
| HIRAC | : | Hazard Identification and Risk Assessment Control |
| HIRADC | : | Hazard Identification Risk Assesment and Determining Control |
| IPAL | : | <i>Instalasi Pengelolaan Air Limbah</i> (Waste Water Treatment Plant) |
| IPM | : | Integrated Pest Management |
| KER | : | Kernel Extraction Rate |
| KLHK | : | <i>Kementrian Lingkungan Hidup dan Kehutanan</i> |
| LA | : | Land Application |

| | | |
|---------|---|---|
| LCC | : | Legume Cover Crop |
| LD50 | : | Lethal Dose 50 |
| LKPM | : | Laporan Kegiatan Penanaman Modal |
| LSU | : | Leaf Sampling Unit |
| LUCA | : | Land Use Change Analysis |
| MSDS | : | Material Safety Data Sheet |
| NPWP | : | Nomor Induk Wajib Pajak or Taxpayer Identification Number |
| OER | : | Oil Extraction Rate |
| OFI | : | Opportunity for Improvement |
| OHS | : | Occupational Health and Safety |
| P2K3 | : | Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS Committee |
| PIC | : | Personal In Charge |
| PK | : | Palm Kernel |
| PKB | : | <i>Perjanjian Kerja Bersama</i> or Collective Labour Agreement |
| PKWT | : | <i>Perjanjian Kerja waktu Tertentu</i> /Specified Time Work Agreement |
| PLN | : | <i>Perusahaan Listrik Negara</i> |
| POM | : | Palm Oil Mill |
| POME | : | Palm Oil Mill Effluent |
| PPE | : | Personal Protective Equipment |
| RKL-RPL | : | Environmental Management and Monitoring Plan |
| RSPO | : | Roundtable and Sustainable Palm Oil |
| RTE | : | Rare treat endangered |
| SCCS | : | Supply Chain Certification System |
| SIA | : | Social Impact Assessment |
| SIPEF | : | Societe Internationale de Plantetion Et de Finance |
| SLME | : | Sei Liam Estate |
| SMGE | : | Sei Mandang Estate |
| SOP | : | Standard Operational Procedure |
| SPM | : | <i>Serikat Pekerja Mandiri</i> |
| SPSI | : | <i>Serikat Pekerja Seluruh Indonesia</i> |
| SRTE | : | Sungai Rupit Estate |
| SSU | : | Soil Sampling Unit |
| TMAT | : | <i>Tinggi Muka Air Tanah</i> (Ground Water Level) |
| UMP | : | <i>Upah Minimum Provinsi</i> / Province Minimum Wage |
| UoC | : | Unit of Certification |
| WHO | : | World Health Organization |
| WLTK | : | Wajib Lapo Tenaga Kerja |
| WTP | : | Water Treatment Plant |
| WWTP | : | Waste Water Treatment Plant |

| | | | |
|-------|---|---|----------------|
| 1.0 | SCOPE OF THE CERTIFICATION ASSESSMENT | | |
| 1.1 | Assessment Standard Used | | |
| | | <ul style="list-style-type: none">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 Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020. | |
| 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 District, South Sumatera Province | |
| 1.2.4 | Telephone | +62 61 415 2043 | |
| 1.2.5 | Fax | +62 61 452 0908 | |
| 1.2.6 | E-mail | hamdani@sipef.com | |
| 1.2.7 | Web page address | www.tolantiga.com http://www.agro-investama.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, Sei Liam Estate, and Sei Rupit Estate <i>*There is extension scope (Sei Rupit Estate) in this assessment.</i> | |
| 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 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 | Village of Bingin Rupit and Beringin Jaya, Rupit Sub-District, Musi Rawas Utara District, Sumatera Selatan Province, Indonesia | S 02° 46' 29" | E 102° 52' 30" | |
| | Sei Liam Estate | Village of Karang Dapo, Karang Dapo Sub-District, Musi Rawas Utara District, Sumatera Selatan Province, Indonesia | S 02° 46' 54" | E 102° 56' 41" | |
| Sei Rupit Estate (2,937 farmers) | Village of Bingin Rupit and Beringin Jaya, Rupit Sub-District, Musi Rawas Utara District, Sumatera Selatan Province, Indonesia | S 02° 46' 29" | E 102° 52' 30" | | |
| | | | | | |
| 1.5 | Description of Area Statement | | | | |
| 1.5.1 | Tenure | | | | |
| | • State | | 11,893.04 Ha | | |
| | • Community | | 2,937.00 Ha | | |
| | Total | | 14,830.04 Ha | | |
| | | | | | |
| 1.5.2 | Area Statement | | | | |
| | Description | Sei Mandang Estate (Ha) | Sei Liam Estate (Ha) | Sei Rupit Estate (Ha) | Total (Ha) |
| | Total area | 5,194.98 | 6,698.06 | 2,937.00 | 14,830.04 |
| | Mature area | 3,154.07 | 1,500.00 | 1,041.24 | 5,695.31 |
| | Immature Area | 1,023.27 | 1,675.59 | 1,719.67 | 4,418.53 |
| | Mills, Housing, roads, reservoirs, offices, etc | 466.68 | 242.81 | 176.09 | 885.58 |
| | Occupation (Preparation, Area New Planting Forecast) | 132.42 | 1,148.43 | - | 1,280.85 |
| | Conservation Areas | 398.91 | 2,095.32 | - | 2,494.23 |
| | RaCP | 6.10 | 23.41 | - | 29.51 |
| | Non-HCV Conservation | 13.53 | 12.50 | - | 26.03 |
| | | | | | |
| 1.6 | Planting Year and Cycles | | | | |
| 1.6.1 | Age profile of planting year | | | | |
| | Planting Year | Sei Mandang Estate (Ha) | Sei Liam Estate (Ha) | Sei Rupit Estate (Ha) | Total (Ha) |
| | 1997 | - | - | 329.21 | 329.21 |
| | 1998 | - | - | 146.04 | 146.04 |
| | 2013 | - | - | 13.02 | 13.02 |
| | 2014 | 0.44 | - | - | 0.44 |
| | 2018 | 459.52 | 494.14 | - | 953.66 |
| | 2019 | 1,327.84 | 539.74 | - | 1,867.58 |
| | 2020 | 1,366.27 | 466.12 | 552.97 | 2,385.36 |
| | | | | | |

| | | | | | | | |
|-------|--|------------------------------|--------------------------------|-------------------------|----------------------|---------------------|-------------------|
| | Subtotal mature area | | 3,154.07 | 1,500.00 | 1,041.24 | 5,695.31 | |
| | 2021 | | 1,004.86 | 1,065.25 | 559.48 | 2,629.59 | |
| | 2022 | | 14.91 | 602.84 | 558.94 | 1,176.69 | |
| | 2023 | | 3.50 | 7.50 | 601.25 | 612.25 | |
| | Subtotal immature area | | 1,023.27 | 1,675.59 | 1,719.67 | 4,418.53 | |
| | TOTAL | | 4,177.34 | 3,175.59 | 2,760.91 | 10,113.84 | |
| 1.6.2 | New Planting area after January 2010 | | | - Ha | | | |
| 1.6.3 | Planting Cycle | | | 2 nd Cycle | | | |
| | | | | | | | |
| | | | | | | | |
| 1.7 | Description of Mill and Supply Base | | | | | | |
| 1.7.1 | Description of Mill | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) |
| | DIL POM | 60 | 180,341.46 | 41,895.15 | 23.23 | 6,678.53 | 3.70 |
| | <i>*Production data source from 12 months before assessment (April 2022 to March 2023)</i> | | | | | | |
| 1.7.2 | Description of Certification Scope of Supply Base | | | | | | |
| | Name of Estate | Total Area (Ha) | Production Area (Ha) | FFB (ton/yr) | Yield (ton/ha/yr) | Supplied to Mill | |
| | | | | | | FFB (ton/year) | % |
| | Sei Mandang Estate | 5,194.98 | 3,154.07 | 17,484.22 | 5.54 | 17,484.24 | 100.00 |
| | Sei Liam Estate | 6,698.06 | 1,500.00 | 17,544.92 | 11.70 | 17,544.92 | 100.00 |
| | TOTAL | 11,893.04 | 4,654.07 | 35,029.16 | 7.53 | 35,029.16 | 100.00 |
| | <i>*Production data source from 12 months before assessment (April 2022 to March 2023)</i> | | | | | | |
| 1.7.3 | FFB description from other source | | | | | | |
| | Name of sources/Organization (RSPO certified / non-certified) | Type of Organization | number of smallholders | Production Area (Ha) | Supplied to Mill | | |
| | | | | | FFB (tones/year) | | |
| | Non-certified | | | | | | |
| | Sei Rupit Estate (SRTE) - Plasma DIL | Subsidiary of SIPEF Group | - | 1,041.24 | 1,927.39 | | |
| | Agro Kati Lama North Estate (AKLNE) | Subsidiary of SIPEF Group | - | 1,421.93 | 19,408.38 | | |
| | Agro Kati Lama South Estate (AKLSE) | Subsidiary of SIPEF Group | - | 2,352.61 | 31,680.23 | | |
| | Agro Muara Rupit East Estate (AMRE) | Subsidiary of SIPEF Group | - | 2,014.48 | 21,723.95 | | |
| | Agro Muara Rupit West Estate (AMRW) | Subsidiary of SIPEF Group | - | 2,006.15 | 18,684.73 | | |
| | Agro Rawas Ulu East Estate (ARUE) | Subsidiary of SIPEF Group | - | 1,229.50 | 18,394.23 | | |
| | Agro Rawas DUlu West Estate (ARUW) | Subsidiary of SIPEF Group | - | 943.62 | 10,214.54 | | |
| | Koperasi Beringin Jaya (KBJ) - Plasma AKL | Subsidiary of SIPEF Group | - | 572.65 | 8,007.42 | | |
| | Koperasi Rawas Jaya (KRJ) - Plasma ARU | Subsidiary of SIPEF Group | - | 391.98 | 7,130.85 | | |

| | | | | | | |
|-------|---|---------------------------|---|--|--|---------------------|
| | Koperasi Tingkip Jaya Raya (KTJR) - Plasma AMRW | Subsidiary of SIPEF Group | - | 266.65 | 4,075.90 | |
| | Koperasi Rempan Jaya (KRJA) - Plasma AMRE | Subsidiary of SIPEF Group | - | 396.02 | 4,097.99 | |
| | TOTAL | | | | 145,345.61 | |
| | *Production data source from 12 months before assessment (April 2022 to March 2023) | | | | | |
| 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 (Ton) (10 Sept 2022 – 26 July 2023) | | Realization from April 2022 until March 2023 (Ton) | |
| | FFB Processed | | 43,000 | | 35,266.81 | |
| | CPO Production | | 9,775 | | 8,848.22 | |
| | Palm Kernel (PK) Production | | 1,718 | | 1,592.11 | |
| | | | | | | |
| 1.8.2 | Product selling | | | | | |
| | Type of selling product | | Actual selling product for last year (April 2022 to March 2023) (MT) | | | |
| | CSPO sold as RSPO certified product | | 7,948.35 | | | |
| | CSPK sold as RSPO certified product | | - | | | |
| | CSPO sold under another scheme | | - | | | |
| | CSPK sold under another scheme | | - | | | |
| | CSPO sold as conventional | | - | | | |
| | CSPK sold as conventional | | 1,399.21 | | | |
| | | | | | | |
| 1.8.3 | Estimate of Certified FFB Claim | | | | | |
| | Name of Estate(s) | Total Area (Ha) | Production Area (Ha) | FFB (tones/year) | Yield (tones/ha/year) | |
| | Sei Mandang Estate | 5,194.98 | 3,154.07 | 18,358.43 | 5.82 | |
| | Sei Liam Estate | 6,698.06 | 1,500.00 | 18,422.17 | 12.28 | |
| | Sei Rupit Estate (SRTE) - Plasma DIL (2.937 farmers) | 2,937.00 | 1,041.24 | 2,023.76 | 1.94 | |
| | TOTAL | 14,830.04 | 5,695.31 | 38,804.36 | 6.81 | |
| | *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 Out put (tones) Extraction (%) | Palm Kernel Out put (tones) Extraction (%) | Supply Chain Module |
| | DIL POM | 60 | 38.804,36 | 8,536.96 22 | 1,552.17 4 | 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 | | - | | | |
| | Others | | ISPO: MUTU-ISPO/044 valid Until 10 December 2025 | | | |
| | | | | | | |
| 1.10 | Time Bound Plan | | | | | |
| | | | | | | |
| 1.10.1 | Time Bound Plan for Other Management Units | | | | | |
| | Management Unit | | Estate (Supply Base) | Time Bound Plan | Location | Status |
| | Mill | Time bound | | | | |
| | Muko Muko Mill (PT Agro Muko) | 2011 | Muko Muko Estate | 2011 | Mukomuko District, Bengkulu Province, Indonesia | Certified |
| | | | Sei Betung Estate | | | |
| | | | Tanah Rekah Estate | | | |
| | | | Talang Petai Estate | | | |
| | | | Sei Kiang Estate | | | |
| | | | KMD | | | |
| | Bunga Tanjung Mill (PT Agro Muko) | 2011 | Bunga Tanjung Estate | 2011 | Mukomuko District, Bengkulu Province, Indonesia | Certified |
| | | | Air Bikuk Estate | | | |
| | | | Air Buluh Estate | | | |
| | | | KMD | | | |
| | | | Air Majunto Estate (PT Mukomuko Agro Sejahtera) | 2014 | | Certified |
| | | | Malin Deman Estate Estate (PT Mukomuko Agro Sejahtera) | | | Certified |
| | PT Asri Rimba Wirabhakti – Sei Teramang Estate | 2021 | Audited and waiting for certification. | | | |
| | Bukit Maradja Mill (PT Tolan Tiga) | 2010 | Bukit Maradja Estate (PT Eastern Sumatra Indonesia) | 2010 | Simalungun District, Sumatera Utara Province, Indonesia | Certified May 2010 |
| | | | Kerasan Estate (PT Kerasan Indonesia) | | | |
| | | | PT. Timbang Deli Indonesia | 2018 | | Certified 2018 |
| | Perlarian Mill (PT Tolan Tiga) | 2010 | Perlarian 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 | | | |
| | 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 | 2015 | Sei Mandang Estate | 2015 | Musirawas Utara District, | The Most recent | |

| | | | | | | |
|--|---|------|---|------|--|---|
| | Indah Lestari Mill (PT Dendymarker Indah Lestari) | | Sei Liam Estate | | Sumatera Selatan Province | acquisition was on 1 st August 2017, it has been certified on 2015 |
| | | 2023 | Sei Rupit Estate | 2023 | | Audited and waiting for certification |
| | | | (PT. Bandar Sumatra Indonesia) Bandar Pinang Estate | 2025 | Village of Kebun Bandar Pinang, Kecamatan Bintang Bayu, District of Serdang Bedagai | Rubber Plantation. NPP submitted in July 2021 |
| | | | (PT. Citra Sawit Mandiri) Citra Sawit Mandiri Estate | 2024 | Village of Pasar Tiga, Subdistrict of Panai Tengah, District of Labuhan Batu | Certification to take place after HGU, following review by RSPO. |
| | | | (PT. Agro Muko) Sei Jerinjing Estate | 2025 | Talang Medan Village, Selagan Raya District, Mukomuko Regency, Bengkulu Province, Indonesia | Rubber Plantation. NPP submitted in July 2021 |
| | | | (PT. Muko Muko Agro Sejahtera) Batu Kuda Estate | 2024 | Tunggang Village, Pondok Suguh District, Mukomuko Regency, Bengkulu Province, Indonesia | Take over 2021 |
| | | | (PT. Agro Kati Lama) Agro Kati Lama North Estate | 2023 | Village of Durian Remuk, Subdistrict of Muara Beliti, District of Musi Rawas – Sumatera Selatan | Certification to take place after obtaining HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the end of 2018 |
| | | | (PT. Agro Kati Lama) Agro Kati Lama South Estate | 2023 | Village of Muara Kati Lama, Subdistrict of Tiang Pumpung Kepungut, District of Musi Rawas – Sumatera Selatan | Certification to take place after obtaining HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the end of 2018 |
| | | | (PT. Agro Kati Lama) Agro Kati Lama East | 2026 | Urban Village of Pasar Muara Beliti, Subdistrict of | Certification to take place after obtaining |

| | | | | | |
|--|--|---|------|---|---|
| | | Estate (AKL2) | | Muara Beliti, District of Musi Rawas – Sumatera Selatan | HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the end of 2018 |
| | | (PT. Agro Kati Lama) Koperasi Beringin Jaya (Smallholder) | 2023 | Village of Durian Remuk, Subdistrict of Muara Beliti, District of Musi Rawas – Sumatera Selatan | Certification to take place after obtaining HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the end of 2018 |
| | | (PT. Agro Muara Rupit) Agro Muara Rupit East Estate (AMR2&3) | 2023 | Village of Jadi Mulya, Subdistrict of Nibung, District of Musi Rawas Utara – Sumatera Selatan | Certification to take place after obtaining HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the end of 2018 |
| | | (PT. Agro Muara Rupit) Agro Muara Rupit West Estate (AMR 1&2) | 2023 | Village of Remban, Subdistrict of Rawas Ulu, District of Musi Rawas Utara – Sumatera Selatan | Certification to take place after obtaining HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the |

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| | | | | | end of 2018 |
| | | (PT. Agro Muara Rupit) Agro Muara Rupit South Estate (AMR 4) | 2026 | Village of Beringin Sakti, Subdistrict of Rawas Ilir, District of Musi Rawas Utara – Sumatera Selatan | Certification to take place after obtaining HGU. NPP Notification 2021 |
| | | (PT. Agro Muara Rupit) Koperasi Rempan Jaya (Smallholder) | 2026 | Village of Jadi Mulya, Subdistrict of Nibung, District of Musi Rawas Utara – Sumatera Selatan | Certification to take place after obtaining HGU. NPP Notification 2021 |
| | | (PT. Agro Muara Rupit) Koperasi Tingkip Jaya Raya (Smallholder) | 2023 | Village of Remban, Subdistrict of Rawas Ulu, District of Musi Rawas Utara – Sumatera Selatan | Certification to take place after obtaining HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the end of 2018 |
| | | (PT. Agro Rawas Ulu) Agro Rawas Ulu East Estate | 2023 | Village of Sungai Jauh, Subdistrict of Rawas Ulu, District of Musi Rawas Utara – Sumatera Selatan | Certification to take place after obtaining HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the end of 2018 |
| | | (PT. Agro Rawas Ulu) Agro Rawas Ulu West Estate | 2023 | Village of Lubuk Mas, Subdistrict of Rawas Ulu, District of Musi Rawas Utara – Sumatera Selatan | Certification to take place after obtaining HGU. Still developed (It has been RSPO NPP), RSPO public Notification on 31 st March 2014. An NPP Submitted in 2019 to cover new areas licensed at the end of 2018 |

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| | | (PT. Agro Rawas Ulu) Koperasi Rawas Jaya (Smallholder) | 2023 | Village of Pulau Lebar, Subdistrict of Rawas Ulu, District of Musi Rawas Utara – Sumatera Selatan | <p>Certification to take place after obtaining HGU.</p> <p>Still developed (It has been RSPO NPP), RSPO public Notification on 31st March 2014.</p> <p>An NPP Submitted in 2019 to cover new areas licensed at the end of 2018</p> |
| | <p>Time Bound Plan updated 2022.</p> <p>There are several units planned to be certified after 2023 its due to several consideration:</p> <ol style="list-style-type: none"> 1. PT. Bandar Sumatra Indonesia - Bandar Pinang Estate (2025): Rubber Plantation, NPP submitted in July 2021 2. PT. Agro Muko - Sei Jerinjing Estate (2025) : Rubber Plantation, NPP submitted in July 2021 3. PT. Muko Muko Agro Sejahtera - Batu Kuda Estate (2025) : Take over in 2021, NPP submitted in July 2021 4. PT. Agro Kati Lama -Agro Kati Lama East Estate (AKL2) (2026, NPP Notification in June 2021 5. PT. Agro Muara Rupit - Agro Muara Rupit South Estate (2026) : NPP Notification in 2021 | | | | |
| 1.10.2 | Progress of Associated Smallholders and Outgrowers for Certifiable Standard | | | | |
| | <p>Currently the partnership at PT DIL has renewed the contract by involving all previous cooperatives. The previous agreement is deemed to have ended, as stated in the Copy of Deed of Notary Edna Mardiani SH MKn concerning Agreement No. 42 dated 22 April 2020 concerning the Agreement between 9 Cooperatives and PT DIL. The entire partnership area will be replanted and is currently in the process of SRTE. Then the area will be fully managed by PT DIL. Progress will be verified from the time farmers start sending FFB to mills.</p> | | | | |

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| 2.0 | ASSESSMENT PROCESS |
| 2.1 | Assessment Team |
| ASA 1.3 | <p>1. Haikal Ramadhan Kharismansyah (Lead Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years' experience 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, Auditor ISPO, RSPO Lead Auditor Training, ISO 22000 awareness, RSPO SCCS. Did some audit ISPO scheme with aspects best management practices. During this audit, he assigned to verify legal aspect, labour, land dispute, SCCS, TBP and partial certification aspect.</p> <p>2. Kiki Fadli (Auditor). Indonesian citizen. Bachelor of Agricultural Engineering, Agricultural Engineering Study Program. Has experience working in the sustainability department in private and state-owned oil palm plantations. Has attended training on New Refreshment Lead Auditor ISPO, Lead Auditor RSPO, General OHS Expert, ISO 9001:2008, ISO 14001:2015, ISO 17021, ISO 17065, HCV, SMK3 and ISH Lead auditor training conducted by RSPO. During this assessment, he verified the Environmental, Social, GHG, and Waste management aspects.</p> <p>3. Sentot Adi Subandono (Auditor). Indonesian citizen, Bachelor of Agriculture, Department of Agricultural Cultivation. He has five years of experience working since 2005 as Plantation Operational Staff and nine years as Internal Auditor in private oil palm plantations in Indonesia. The training that has been attended includes the Basic Management Development Program of Palm Oil Plantation, Use of Limited Pesticides, Best Practices in Internal Auditing, Fraud Auditing: Prevention, Detection, and Investigation, Operational Risk Approach in Internal Auditing, General Occupational Health and Safety Expert, ISPO Auditor Training in 2016, ISO 9001: 2015, RSPO Lead Auditor Training in 2021, and SMETA awareness training. During this assessment, the aspects of BMP, OHS, Long Term Budget were verified.</p> <p>4. Mia Rahmah Qadryani (Auditor Trainee). Indonesian citizen. Bachelor of Agriculture Majoring in Pest and Plant Disease, Universitas Padjadjaran. The training she has followed namely: ISO 9001 and ISO 19011 Lead Auditor Training in 2021, ISPO Auditor Training in 2022, Awareness ISO 17021 in 2021, Awareness ISO 17065 in 2021, Awareness ISO 14001 in 2021, and Awareness ISO 45001 in 2021. She has participated in several audit simulation activities related to the social and worker welfare. During this audit, she verified Worker Welfare and Transparencies supervised by Lead Auditor.</p> |
| 2.2 | Assessment Methodology, Assessment Process and Locations of Assessment |
| 2.2.1 | Figure of person days to implement assessment |
| ASA 1.3 | <p>Number of auditors: 3 auditors</p> <p>Number of days for ASA 1.3 onsite audit: 4 days</p> <p>Number of working days for ASA 1.3 onsite audit: 12 Working days</p> |
| 2.2.2 | Assessment Process |
| ASA 1.3 | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Dendymarker Indah Lestari to the requirements of :</p> <ol style="list-style-type: none"> 1. RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 2. RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020 <p>Additional Documents:</p> <ol style="list-style-type: none"> 1. RSPO Notice to CB on RSPO P&C On-site & Remote Audits, on 24th March 2020 2. Contingency RSPO Audit Procedure (This procedure is applicable when force majeure (such as pandemics, natural disasters, civil unrest, etc.) preventing the audit team from conducting field verifications) 25 August 2020 3. Contingency RSPO Audit Procedure for RSPO Principles & Criteria and Independent Smallholder Standard (Version 2) Approved by Assurance Standing Committee on 22 October 2021 <p>The scope of certification of PT Dendymarker Indah Lestari consist of one mill (Dendymarker POM) and two (2) estate.</p> |

namely Sei Mandang Estate and Sei Liam Estate. And extension scope Sei Rupit Estate.

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 directly observe the sufficiency of implementation on site.

The opening meeting was held on 11 April 2023 in PT Dendymarker Indah Lestari office. As for the participants who attended the opening meeting included the General Manager, Estate and Mill Managers, Sustainability staff, and other staff. Closing meeting was held on 14 April 2023 attended by the Directors and same participants as the opening meeting. Management PT DIL accepted all this audit results.

During the COVID-19 pandemic, there were several modifications to the audit activity due to health protocols. Audit process carried out with high safety protocol procedure that developed by Certification Body and the unit of certification. Before an onsite audit carried out, there are several meetings to discuss health protocol procedures. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous landowners so that these activities are carried out by telephone. Furthermore, during field observation auditor only verification the activity and interview process carried separately by telephone. Document verification conducted separately through the electronic files.

Public Stakeholder Notification was made on Mutu Website. There is no negative feedback receive during the onsite audit. 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 considered 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.

The assessment program please find Appendix 2.

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| 2.2.3 | Locations of Assessment |
| ASA 1.3 | <p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>Dendymarker POM</p> <ul style="list-style-type: none"> • Security post. Observation of the process of transporting and receiving FFB on the technical, environmental, safety and labor aspects, as well as the facilities provided by the factory management. • Weighbridge Station. Observation of Weigh Bridges, regarding their understanding of technical, supply chain, environmental, safety and labor aspects, as well as the facilities provided by plantation management. • WWTP. Observation of WWTP, indication of waste overflow, application of OHS. • POME Outlets. Observations regarding POME management and POME quality testing sampling points. • WTP. Observations related to water management, recording of water use, health checks, PPE and waste |

management.

- **CPO tank.** Observation of capacity and implementation of OHS.
- **Engine Room.** Observations and interviews related work procedure, safety aspect, worker welfare, environment aspect etc.
- **Boiler Station.** Observations and interviews related work procedure, safety aspect, worker welfare etc
- **Hydrant simulation in Boiler Area.** Observation related condition and readiness of hydrant facilities.
- **Press Station.** Observations and interviews related work procedure, safety aspect, worker welfare etc.
- **Nut and Kernel Station.** Observations and interviews related work procedure, safety aspect, worker welfare etc.
- **Grading Station.** Observations and interviews related work procedure, safety aspect, worker welfare, anti-bribery practices, and etc. Observation related condition and readiness of hydrant facilities.
- **Sterilizer Station.** Observations related safety aspect.
- **Tipler Station.** Observations related safety aspect.
- **Chemical warehouse.** Field observations and interview related chemical management, OHS, and environmental aspect.
- **Oil warehouse.** Field observations and interview related chemical management, OHS, and environmental aspect.
- **Spare part Warehouse.** Field observations and interview related spare part management, OHS, and environmental aspect.
- **Workshop.** Field observations workshop activity, OHS, environmental and worker welfare aspect.
- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to work procedures, OHS, wages and environmental management.
- **Solar Tank.** Field observations related to OHS and environmental aspects.

Sei Mandang Estate

- **HGU pole BPN No 141, 142, 143, 144, 145.** Observation regarding the condition of the company's legal boundary markers.
- **Sei Mandang River Riparian. Block C01 and H08.** Observations and interviews regarding management of HCV areas
- **Block J06/J05.** Observations regarding company boundaries with occupational area boundaries.
- **Fire Tower. Block G08.** Observation of the condition of the fire tower.
- **Harvest in Division I Block I31 and Division III Block H10.** Observations related to understanding of work instructions, OHS, and environmental aspects, as well as the facilities provided by the company.
- **Fertilization in Division III Block I20 and Division VIII Block F19.** Observations related to understanding of work instructions, OHS, and environmental aspects, as well as the facilities provided by the company.
- **Spraying on Division I Block H22 and Division VIII Block D9.** Observations related to understanding of work instructions, OHS, and environmental aspects, as well as the facilities provided by the company.
- **EFB Application in Division VIII.** Observations related to understanding of work instructions, OHS, and environmental aspects, as well as the facilities provided by the company.
- **Landfills.** Observations related to domestic waste management.
- **Immature Area, Block F11.** Observation related upkeep activity.
- **Peat area, Block D03.** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **Manuring Block I21.** Observation and interview regarding the implementation of fertilization procedures and safe working methods both for itself and the environment
- **Barn Owl Box.** Observation of integrated pest management
- **Harvesting Block D8.** Observation and interview regarding FFB criteria and workers' understanding of their rights and obligations.
- **Water Outlet Block E6,** observation related water managements
- **Circle and Path Spraying Block G2.** Observation and interview regarding the implementation of weed control procedures and understanding in handling pesticides.
- **Weeding Manual Block I15.** Observation and interview regarding agronomy, OHS and employment aspects of contractor employees.

- HGU stakes and land demarcation No. 146, No.147, No. 148, No. 149, and No. 150. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV and RACP area Mandang River Riparian, Block C3.** Observation the implementation of management in HCV of riparian area and RACP implementation.
- **No Go Area block H31, I33 and H30.** Observation the condition of No-Go area and land boundary.
- **HCV and RACP area Hitam River Riparian, Block H07.** Observation the implementation of management in HCV of riparian area and RACP implementation.
- **Fertilizer Warehouse.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Rinse House and PPE Storage.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Chemical Warehouse.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Logistic Warehouse.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Child Daycare.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.
- **Solar Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **Firefighting Warehouse.** Observation and interview related understanding towards work instruction, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Central Housing Complex.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.

Sei Liam Estate

- **Boundary pole No 25 dan 26.** Observation regarding the condition of the company legal boundary markers.
- **Block P01, P02, P03. Occupation area.** Observations regarding the area occupied by the community.
- **Logger, Block L26 Division 1.** Observation related peat management.
- **Subsidence pole, Block L26 Division 1.** Observation related peat management.
- **EFB Application, Block N27 Division 2.** Observation related organic manuring.
- **Circle Spraying, Block M26, Division 2.** Observation and interview related work procedure, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Fire Tower, Block M25 Division 2.** Observation related fire monitoring.
- **Oryctes spraying, Block M23 Division 2.** Observation and interview related work procedure, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Manuring, Block N28 Division 2.** Observation and interview related work procedure, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Harvesting and FFB Loading, Block M12 Division 6.** Observation and interview related work procedure, OSH, worker welfare, as well as facilities provided by the company.
- **New Planting, Block N10 Division 1.** Field observations related BMP and environmental aspect.
- **Barn Owl Box, Block M15 Division 3.** Observation related IPM.
- **Canal blocking, Block M15, M18, M19 Division 3, and Block L22 Division 4.** Observation related peat management.
- **Fertilizer Warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Material warehouse.** Observation minimum stock of PPE.
- **Firefighting warehouse.** Observation related to OHS and firefighting facilities.
- **Clinic.** Observations and interviews of health, environmental, training, and employment facilities.
- **Workshop.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.

- **Pesticide mixing area, Main Emplacement.** Observation related pesticide mixing area, PPE storage, safety aspect.
- **Rinse House, Main Emplacement.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Daycare, Main Emplacement.** Observations and interviews with workers related to labor and OHS aspects.
- **Housing Area, Main Emplacement.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, and waste management.

Sei Rupit Estate

- **Fire Tower, Block C5/C6 the border SMDE and SRTE.** Observation related fire monitoring.
- ***Turnera ulmivolia*, Block C6 Division 2. Observation related IPM.** Observation related IPM.
- **NPK Manuring, Block D13 Division 2.** Observation and interview related work procedure, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Harvesting, Block C07 Division 2.** Observation and interview related work procedure, OSH, worker welfare, as well as facilities provided by the company.
- **Piezometer, Block B09 Division 2.** Observation related peat management.
- **Subsidence pole, Block B09 Division 2.** Observation related peat management.
- **Marshal – Pesticide application and Immature Area (OP 2023), Block B13 Division 3.** Observation and interview related work procedure, OSH, worker welfare, grievance mechanism and environment aspects, as well as facilities provided by the company.
- **Barn Owl Box, Block D16 Division 2.** Observation related IPM
- **FDRS Monitoring, Block E19 Division 1.** Observation related peat management.
- **Canal Border, Block E19 Division 1.** Observation related peat management.
- **Fertilizer Warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Material warehouse.** Observation minimum stock of PPE.
- **Firefighting warehouse.** Observation related to OHS and firefighting facilities.
- **Clinic.** Observations and interviews of health, environmental, training, and employment facilities.
- **Workshop.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Pesticide mixing area, Main Emplacement.** Observation related pesticide mixing area, PPE storage, safety aspect.
- **Rinse House, Main Emplacement.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities and types of pesticides used.
- **Daycare, Main Emplacement.** Observations and interviews with workers related to labor and OHS aspects.
- **Housing Area, Main Emplacement.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, and waste management.

2.3 Stakeholder Consultation and Stakeholders Contacted

2.3.1 Summary of stakeholder consultation process.

ASA 1.3

Summary of stakeholder consultation process for PT Dendymarker Indah Lestari was held by:

- Public Notification was made on MUTU Website on 27 March 2023
- Public consultation with NGOs (by email) such as WWF, WALHI, AMAN, and Sawit Watch on 03 April 2023
- Public consultation meeting with government institution on 11 to 12 April 2023
- Public consultation meeting with internal stakeholders and contractor on 11 April 2023.

Numbers of input from stakeholders were clarified by PT Dendymarker Indah Lestari.

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| 2.3.2 | Stakeholder contacted |
| | <i>Please find appendix 1</i> |
| 2.4 | Determining Next Assessment |
| | The next visit (ASA-1.4) will be conducted eight (8) months to twelve (12) months after date of annual license. |

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, no Non-conformances were found against Key Compliance Indicators, Minor Compliance Indicators, and against supply chain requirements for CPO mills, and no opportunity for improvement were identified.

MUTUAGUNG LESTARI found that Dendymarker POM – PT Dendymarker Indah Lestari, subsidiary of SIPEF Group complied with the requirements of **Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.**

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 Unit of certification showed SOP of <i>Responding to Request for Information</i> (No. ENC-01-11/04-03-2019/Rev1) validated on 18 March 2019 which explains the types of documents which are publicly accessible and the maximum time limits of responding information request was 7 to 25 days. UoC also has a list of publicly available documents for stakeholders, as follows: employee list, NPWP, local tax payment, environmental documents, company establishment deed and amendments, production area data and fertilizer application, HCV reports, Social Impact Assessment reports, social activity documents, work accident reports, OHS Committee reports, improvement program documents, RSPO audit report documents, human rights policy documents. If the information requested is not included in the list of information, it is necessary to consider top management first such as Land Titles/user Rights, Pollution Prevention and reduction Plans, Details of complaints and grievances, Negotiations Procedure. These documents can be accessed by sending a request to the management. Based on the interview with Agencies of Musi Rawas Utara District, they stated that if they needed information, they would contact the company through the mobile app or information request letter and the company responded and submitted mandatory report in accordance with its period. Besides, UoC also reporting their mandatory report to related stakeholders both online and offline (e.g: plantation progress report to plantation agency). | | |
| 1.1.2 The unit of certification can show evidence that information has been received in an appropriate form and language related to stakeholder engagement, company rights and obligations that have been conveyed to all relevant stakeholders, including: <ul style="list-style-type: none"> • OHS Organization PT DIL - DIL POM - Quarterly Report 1 of 2023 reported to the Musirawas Utara Manpower Regency Office on April 06, 2023. • OHS Organization PT DIL – Sei Mandang and Sei Rupit Estate - Quarterly Report 1 of 2023 reported to the Musirawas Utara Manpower Regency Office on April 05, 2023. • OHS Organization PT DIL – Sei Liam Estate - Quarterly Report 1 of 2023 reported to the Musirawas Utara Manpower Regency Office on April 05, 2023. • PT DIL LKPM Report Quarter 1 of 2023 to the Ministry of BKPM, April 10, 2023. • PT DIL Utilization HGU (<i>Hak Guna Usaha</i>) Report for 2022 to the Land Office of Musirawas Utara Regency on 05 April 2023. | | |

Compliance with Social and Environmental Regulations

The management unit shows that submission of mandatory reports includes:

- Evidence of PT DIL's RKL-RPL Semester 2, 2022 Report which was reported to the Environment Agency of Musi Rawas Utara Regency and Sumatra Selatan Province on March 29, 2023.
- Proof of PT DIL Semester 2, 2022 RKL-RPL Report, which was reported to the Ministry of Environment and Forestry through the SIMPEL application for the period July 1, 2022, to December 31, 2022.
- Evidence of PT DIL's Quarter IV 2022 Hazardous and Toxic Waste Management Report which was reported to the Environmental Office of Musi Rawas Utara Regency and Sumatra Selatan Province on March 1, 2023.
- Evidence of PT DIL's Quarter IV 2022 Hazardous and Toxic Waste Management Report which was reported to the Ministry of Environment and Forestry through the SIMPEL application for the period 1 October 2022 to 31 December 2022.
- Evidence of a report on the implementation of fire prevention and management per year which was reported to the Regional Disaster Management Agency of Musi Rawas Utara Regency on March 14, 2023.
- Evidence of HCV report for the 2022 period which was reported to BKSDA of Sumatra Selatan Province on 7 March 2023.

Compliance with manpower Regulation:

UoC also showed the mandatory report submitted related to worker welfare in accordance with its period, here as follows:

- Reporting of Employment Report for PT Dendymarker Indah Lestari via online in 2022 on 11 August 2022 and must be reporting back on 11 August 2023.
- Reporting of contract worker in PT Dendymarker Indah Lestari to Manpower and Transmigration No. 560/291/DISNAKERTRANS/PKWT/II/2023 on 19 January 2023.

Based on the document review, all documents and information which are publicly accessible (mentioned in 1.1.1) were provided in Bahasa and understandable by each stakeholder.

1.1.3

UoC had recorded every requested information on a logbook of incoming and outgoing letters. Based on document verification, it was found that during 2022-2023 all incoming letters are requests for funds, complaints, and invitation, the company has responded to the request for example: the request of CSR program in Karang Dapo Village from the head of Karang Dapo Village on 2 February 2023. The company then showed the respond on 3 February 2023.

UoC then showed outgoing letters which are the company's report to each stakeholder according to its period, not only for the respond to incoming letters.

Based on the interview with villagers (Muara Rapi Village and Karang Dapo Village), they have understood mechanism of communication and consultation. Normally, headman of the village or communities would send a letter as a form of communication.

1.1.4

UoC also showed the record of the socialization regarding the SOP mentioned in 1.1.1 on 16 December 2022 attended by every stakeholder including contractor workers and communities in Sei Liam and Sei Rupit Estate. In addition, based on the interviews with the villagers (Karang Dapo Village and Muara Rupit Village), labor union and gender committee, it is known that they had a good understanding of communication and consultation procedures.

In addition, UoC also put the board of communication procedure in any strategic spots for example in estate and mill office.

1.1.5

UoC showed the current list of stakeholders which informed the internal and external stakeholders of PT DIL updated on 1 March 2023. The stakeholders include the government agencies, police, heads of the community, smallholder cooperation, police, NGO, local suppliers, contractors, internal stakeholder, scheme smallholder, and security. In the current list of stakeholders, it was also explained the names, relation, addresses, categories and contact person numbers.

During the assessment, auditor has verified the list of stakeholders by calling the contact person randomly due to ensure the validity of its contact person put in the list of stakeholders. The contacted stakeholder was matched as the contact person put in the

stakeholder list. Besides, based on the document review of stakeholder list and all contractor collaborating agreements, it's known that all third parties collaborated with UoC for 12 months period before this assessment conducted has been put in the stakeholder.

Status: Comply

1.2

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

1.2.1

The CH has a Business Ethics Policy that was approved by the President Director on September 28, 2018. This policy is a standard of behaviour and internal company guidelines that contain work ethics, commitment, and enforcement of company regulations for individuals in conducting business and interacting with stakeholders. Policy guidelines include Law of the Republic of Indonesia number 40 of 2007 concerning Limited Liability Companies; Republic of Indonesia Law number 13 of 2003 concerning Manpower; and Supreme Court Regulation number 13 of 2016 concerning Procedures for Handling Corporate Crime Cases.

Companies can show the socialization record of the Code of Ethics to stakeholders including internal and external stakeholders as shown below:

- Minutes of the OHS Committee meeting with discussions including understanding the Code of Conduct for employees on April 1, 2023, which was attended by 26 participants.
- Attendance list of Socialization of Understanding of the Code of Conduct to external stakeholders (such as contractors) on 22 February 2022 which was attended by 13 participants from PT Surya Baru Prima Nusantara.

Based on the explanation above, the company has an ethical behaviour policy that is implemented and implemented in all business operations and transactions, including recruitment and contracts.

1.2.2

Mechanisms for monitoring compliance with company policies and internal and external stakeholder codes of conduct are carried out through several methods, as follows:

- The Replanting Work Agreement number 114/SPK-R/KTMS-AB/VIII/2022 between the Tunas Mekar Perfect Cooperative and CV Acan Brothers (second party) dated 1 August 2022 has clauses on eradicating corruption and compliance with Indonesian legal regulations.
- Minutes of the OHS Committee meeting with discussions including understanding the Code of Conduct and whistle blowing policies for employees on April 1, 2023, which was attended by 26 participants. The Whistle Blowing Policy document number QMM-40-01-P16/14-01-2019/Rev.1 states that PT Tolan Tiga Indonesia guarantees the confidentiality of reports and information provided, the confidentiality of the reporter or sender of the report even though it cannot be proven or there is an error in doing so reporting.
- Periodic internal audit conducted by the company.

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

The DIL POM certification unit has several supply bases. In fulfilling compliance, the company has complied with several relevant regulations, namely by having the following documents:

Compliance with Social and Environmental regulations

Scope of DIL POM

- Environmental permit according to Decree of the Head of the Investment and One Stop Service Office of Musi Rawas Utara Regency No. 05/KPTS/DPM-PTSP/VII/2020 concerning Changes in Environmental Permits for Planned Oil Palm Plantation Activities with an area of 17,000 Ha to + 11,893.04 Ha and Palm Oil Processing Plants with a Capacity of 60 tons of FFB/Hour in Rupit District and Karang Dapo District, Musi Rawas Utara Regency by PT Dendymarker Indah Lestari which was established on July 28 2020.
- Statement of Ability to Manage and Monitor the Environment for Sei Rupit Estate which consists of 9 cooperatives, for example for the Gaung Mas Bersatu Cooperative with number SPPL 660/07/DLHP/II/2023 covering an area of 220 Ha which was issued

on 8 February 2023.

- Permit for disposing of liquid waste to water bodies based on Decree of the Head of the Investment and One-Stop Services Office of Musi Rawas Utara Regency No. 18/KPTS/DPM-PTSP/MRU/X/2020 dated 20 October 2020 which is valid for 5 years.
- Permit for temporary storage of hazardous and toxic waste materials based on Decree of the Head of the Investment and One-Stop Service Office of Musi Rawas Utara Regency No. 24/KPTS/DPM-PTSP/MRU/XI/2020 dated 08 December 2020 which is valid for 5 years.

Compliance with Best Management Practices Regulation:

The company has complied with several legal compliances, for example:

- The CH has carried out rejuvenation without burning and planted oil palm using certified seeds.
- The CH controls weeds and pests using pesticides that are registered with the Directorate General of Fertilizers and Pesticides, such as Metsulindo with the RI register number. 01030119991484.
- The CH has carried out periodic inspections by authorized agencies, such as a Boiler inspection which is recommended for re-examination on January 27, 2024.
- The CH has a POM who works 2 shifts who have certified operators, including machine room operators with the valid initials Nvy and RM. The company also has a class 3 certified welder with the initials IW. The results of field observations also revealed that the Sei Liam Spray Tractor Operator with the initials RM has an OHS license that is valid until 2026.

Compliance with Legal Regulation:

In this assessment there was an additional scope of 2,937 Ha for the Sungai Rupit Estate (PT DIL plasma) so that the scope of the previous certification was 11,893.04 Ha to 14,830.04 Ha. The details of the rights owned by the company are as follows:

Sei Liam and Sei Mandang Estate

The unit of certification has a basis of rights in the form of HGU with the following details:

- Decree of the state minister for Agrarian Affairs/Head of the National Land Agency No. 38/HGU/BPN/98 concerning the Granting of HGU for land located in Musi Rawas Regency issued on 26 June 1998 for an area of $\pm 17,793.5$ Ha.
- HGU Certificate No. 04 issued on 22 October 2010 for an area of 17,793.5 Ha. This certificate is valid until October 20, 2028. Then, there was a change in the HGU area on July 27, 2016, to 13,704.91 Ha.

From the latest HGU area of 13,704.91 Ha, the scope of certification is 11,893.04 Ha, referring to the Environmental Permit Document issued by the Head of the Investment Service and One Stop Integrated Services, Musi Rawas Utara Regency with Number 05/KPTS/DPM-PTSP/ VII/2020 dated 28 July 2020 concerning Changes in Environmental Permits for Planned Oil Palm Plantations 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 PT Dendymarker Indah Lestari, located in Rupit District and Karang Dapo District, Musi Rawas Utara Regency.

Sei Rupit Estate

The scope extension this time is Sei Rupit Estate which consists of 9 cooperatives namely:

- Tunas Mekar Sejahtera (430 Ha)
- Kardipa Batu Gajah Sejahtera (376 Ha)
- Gaung Mas Bersatu (218 Ha)
- Maju Mandiri Barokah (634 Ha)
- Biru Makmur Mandiri (263 Ha)
- Jaya Makmur Karya (221 Ha)
- Bombay Maju Sejahtera (185 Ha)
- Mitra Bersama Serundingan (248 Ha)
- Serasan Sejahtera (362 Ha)

The actual condition of the plasma that has been planted up to April 13, 2023, is 2,370.63 Ha while an area of 566.37 Ha is in the Land Clearing stage and is targeted to be planted in June 2023. Of the 2,937 Ha area, 1,133 Ha already have SHM and still in the form of SKT or in the form of a Release of Rights is 1,084 Ha. The cooperative also has an SPPL document in accordance with receipt No. 660/10/DLHP/2023 dated 08 February 2023.

The unit of certification also has Plantation Business Permits as follows:

- IUP-P in accordance with the Decree of the Regent of Musi Rawas Number: 575 of 2008 with a capacity of 20 tonnes of FFB/hour.
- IUP-B in accordance with the Decree of the Regent of Musi Rawas Number: 576 of 2008 for an area of 17,793.5 Ha.
- Plantation Business Permit from OSS stating that no New Business Permit has been issued due to Business Permit Number 83/Mentanhut-VII/2000 dated October 9, 2000, for an area of 17,793.50 Ha and a processing capacity of 60 tonnes of FFB/hour

Compliance with manpower Regulation:

The company has list of regulations updated in 2023 that includes local regulations and national regulation updated annually. List of regulations listed has covers several aspects including land permit and legality, manpower, occupational health and safety, best management practices and environment, specifically as follows:

Manpower Aspect:

- UoC has implemented a minimum wage (and the fulfillment of overtime wages).
- UoC already has and implements a pay scale structure in accordance with Minister of Manpower Regulation No. 01 of 2017.
- There was no illegal labor, underage labor and forced labor systems.
- UoC has registered all workers in health insurance and social security insurance.

2.1.2

Unit of Certification has established documented system for ensuring legal compliance is in procedure of changing on laws and regulation as per mention in *"Prosedur Informasi Perubahan Undang-Undang dan Peraturan Pemerintah"* 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 *"Daftar Peraturan Perundang undangan yang berkaitan dengan system sustainability tahun 2022"* 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 out on 24 January – 01 February 2023.

Further monitoring and evaluation for regulatory updates in 2023 will be carried out at the end of the current year.

2.1.3

The unit of certification has a procedure for monitoring and maintaining HGU pole document no. LCA-01-04/01-02-2019/Rev 0 which states that the frequency of maintenance and monitoring of stakes is carried out as needed. However, based on the results of interviews with the GIS team and estate representatives, it is known that the frequency of monitoring and maintenance of HGU pole is twice a year.

From the monitoring results of HGU pole, it is known that the details of the amount of each estate are as follows:

- Sei Mandang Estate: 29 HGU pole in good condition
- Sei Liam Estate: 105 HGU pole in good condition
- Sei Rupit Estate (the base of the rights is SHM/SKT/Relinquishment of Rights): The boundary of the area is the company's collection road or main road.

Based on the field observation to HGU pole No. 141 – 145 and HGU pole No. 25 – 26 it is known that the condition of the HGU pole is in good condition according to the results of the last monitoring carried out on 29 October 2022.

| | | |
|--|-----------------------|--|
| | 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

In monitoring the existence of contractors for plantation and mill activities, UoC had well-documented the list of contractors, type of business, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia.

The contractors collaborate in the activities of operational vehicles rental such as CPO, FFB, and Kernel transport, here as follows:

- Dendymarker POM: Collaborating with 7 contractors namely PT Mutia Mulia, PT Genta Perdana Diandra, PT Usaha Jaya Express, CV Angkutan Sahabat (cooperating in CPO transporter), PT Sinar Alam Permai dan PT Bina Mitra Makmur (cooperating in Palm Kernel distribution), PT Triroyal Timur Raya (cooperating in construction), and PT Anindhita Wira Sakti (cooperating in outsourcing security workers).
- Dendymarker Estate: Collaborating with 11 contractors for example Koperasi Lestari Maju Bersama (cooperating in upkeep workers which has 18 total workers), CV Acan Brothers (cooperating in replanting), CV Tamras Indah (cooperating in heavy equipment), and PT Anindhita Wira Sakti (cooperating in security outsourcing workers).

In managing the contractor, the certification unit has a copy of the collaboration agreement in each unit. For example, for agreement between two parties, such as:

- Work Agreement of PT. Usaha Jaya Express (No. 2020/Angkutan/CPO/DMIL/02) for cooperating in CPO transport dated on 14 May 2020 which is valid forth.
- Work Agreement of PT. Mutia Mulia (No. 2018/Angkutan/CPO/DMIL/01) for cooperating in CPO transport dated on 7 August 2018 which is valid forth.
- Work Agreement of Koperasi Lestari Maju Bersama (No. 001/SPK-UPKEEP//DMIL/I/2023) for cooperating in upkeep works dated on 1 January 2023 and valid until 31 December 2023.
- Work Agreement of PT Anindhita Wira Satya (No. G.096/PKS/SMR-AWS/VIII/2022) for cooperating in security outsourcing workers dated on 1 September 2022 and valid until 31 August 2023.

The contractor list has been in-line with the information in stakeholder list. Auditor has verified by calling the contractor by the contact number put in stakeholder list. The explanation above can be concluded that the UoC has managed and documented the list of contractors along with its supporting documents.

2.2.2

UoC showed that there were several separate clauses on the work agreement between the company and the contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to the registration of workers' health and social security insurance, the provision of minimum wages, the obligation to use PPE, other permits such as tax payment, etc. To ensure the compliance with these clauses, UoC always requests the requirements for the completeness before the contractor does work.

In addition, UoC has carried out an evaluation of each contractor to see the performance of the contractors and the compliance of the contractors to the existing regulation, for example the evaluation of PT Usaha Jaya Express on 11 January 2023. There were several important indicators in the evaluation for example the workers' age must be above 18 years old, compliance with regulations and laws (BPJS and provision of minimum wages), implementation of OHS, and work quality. Regarding the OFI in previous assessment, UoC had added more compliance parameters, as follows: the compliance in health insurance, work agreements, and no force labor.

Based on the interviews with contractor, contractor workers (Koperasi Lestari Maju Bersama and PT Anindhita Wirasakti), and documents verification, it's revealed that workers had received wages and were registered in the BPJS program. For example:

- Proof of wage payment period of March 2023 for Koperasi Lestari Maju Bersama worker on behalf of NS (initial) who received wages Rp. 2,585,000 with 19 total working days (above the minimum wage).
- Proof of payment of wages period of March 2023 for Koperasi Lestari Maju Bersama worker on behalf of TK (initial) who received wages Rp. 2,440,000 with 18 total working days (above the minimum wage).
- BPJS *Ketenagakerjaan* (Social Security Insurance) payments for Koperasi Lestari Maju Bersama contractor workers have been completely fulfilled and the last proof of payment is on 29 March 2023 for period of March 2023.
- Proof of wages payment period of March 2023 for Koperasi Lestari Maju Bersama worker on behalf of TK (initial) who received wages Rp. 2,440,000 with 18 total working days (above the minimum wage).
- Proof of wages payment period of March 2023 for PT Anindhita Wirasakti worker on behalf of MI (initial) who received wages Rp. 3,440,177 (above the minimum wage).
- BPJS *Kesehatan* (Health Insurance) payments for Koperasi Lestari Maju Bersama contractor workers with total 17 workers have been completely fulfilled and the last proof of payment is on 29 March 2023 for period of March 2023.

2.2.3

UoC showed that on each work agreement between the unit of certification and the contractor, there were clauses related to fulfilling

legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors. Some of these obligations are related to UoC's commitment against forced labour, underage worker, and not to employ workers from human trafficking.

To ensure compliance with these clauses, the company always requests the requirements for the completeness before the contractor does work.

Based on the document review and the field observation, it revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. Based on the interviews with contractor, contractor workers (Koperasi Lestari Maju Bersama), and documents verification, it revealed that they had a good understanding related to the minimum age of worker, the prohibition of forced labor and the human trafficking.

Status: Comply

2.3

All FFB supplies from outside of the unit of certification are from legal sources.

2.3.1

All FFB processed by Dendymarker POM are received from own estate and other source from the subsidiary of SIPEF group. Based on document review and interview with management representative known there is no FFB from smallholder and from independent grower. FFB resource from other source are :

- Sei Rupit Estate
- Agro Kati Lama (North and South Estate)
- Agro Muara Rupit (East and West Estate)
- Agro Rawas Ulu (East and West Estate)
- Koperasi Beringin Jaya (plasma AKL)
- Koperasi Rawas Jaya (Plasma ARU)
- Koperasi Tingkip Jaya Raya (Plasma AMRW)
- Koperasi Rempan Jaya (Plasma AMRE)

2.3.2

As mentioned in Indicator 2.3.1, DIL POM do not accepted FFB from out growers, agent or middlemen. All FFB process originally from its own estate under the scope of certifications and other estates under the subsidiary of Sipef Group.

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, 3.1.2

The CH has prepared a Management Plan in the Business Plan document for the 2023 to 2033 planning period which includes projected FFB production, CPO and PK production, CPO and PK revenues, CPO and PK production costs, CPO and PK net income, total plantation costs, total Factory Costs, management costs, Profit/Loss, replanting, and projections for plasma smallholders. For replanting, the SRTE planting plan has been shown dated March 21, 2023, which mentions, among other things, the planting plan in Blocks A10 - A13 covering an area of 85.40 ha. The results of the document review revealed that for replanting plans in peat areas such as in Sei Liam and Sei Rupit Estate a drainability assessment has been carried out which has been discussed in indicator 7.7.5. An example of a projection for 2023 is as follows:

- FFB Production: 277,677 MT
- CPO: 64,680 MT (23.30%)
- PK: 11,680 MT (4.20%)

3.1.3

The CH has conducted regular management reviews. The year 2022 is set forth in the Director's Data Visit document which was carried out on June 17, 2022. At the time the Audit was carried out it also coincided with a visit from Top Management to the field. The matters discussed included man power, land change, replanting, and operations.

The CH also conducted an internal audit as indicated in the Routine Visit Report and Internal Audit document, carried out on 18-19 January 2023, for the 2023 inspection period. The inspection was related to the implementation of the sustainability aspects of the RSPO and ISPO schemes.

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 management unit has developed and implemented an action plan for continuous improvement, and it is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification, such as:

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable fuels accordance to reduce the use of fossil fuels.
- Waste management and monitoring through WWTP pond management, testing the quality of the effluent and reporting it to the Environmental Agency.
- Air quality, groundwater through, and Hazardous waste is managed and monitored also reported to the related Environmental Agency.
- Greenhouse Gas (GHG) Management. Implement a zero-burning policy, utilization of EFB, shells and fiber as renewable energy, regular engine maintenance, and regular emission quality tests.

3.2.2

The CH already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The summary in the report, for example, is as follows:

| | |
|---|---|
| Name of RSPO Member | : SIPEF GROUP |
| RSPO Membership Number | : 1-0021-05-000-00 |
| Name of Certified Unit | : PT Dendymarker Indah Lestari - DIL POM |
| Name of Certification Body | : PT Mutuagung Lestari |
| RSPO PalmTrace ID Number | : RSPO_PO100000127 |
| Number of Mills | : 1 |
| Number of Estates | : 3 |
| Production Area (ha) - Estate | : 5,695.31 |
| Certified Area (ha) - Estate | : 14,830.04 |
| High Conservation Value (HCV) Area (ha) | : 2,494.23 |
| Peatlands - Planted (ha) | : 8,126.51 |
| Peatlands - Unplanted (ha) | : 1,366.18 |

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The CH has indicated procedures for all farm and mill activities. The document contains procedures for pre-development surveys, assessment and planting, seeding, land clearing and preparation, legume cover crops, oil palm planting, maintenance and maintenance of oil palm, fresh fruit bunch harvesting, plant protection, pest and disease management, planting return of oil palm to oil palm, EFB mulching, and oil palm thinning techniques.

Meanwhile, with regard to processing at the factory, the company already has documents on procedures for carrying out processing work (factory SOP). SOP consists of FFB Grading, Laboratory Sampling and Testing Procedures, General and Safety, Weighbridge, Loading Way, Sterilization Station, Threshing Station, Pressing Station, Clarification Station, Kernel Recovery Station, Boiler House, Power Plant, Water Treatment Plant, Management Waste, land application and solid waste, utilization of EFB, workshop, electrical system, quality, storage and delivery of CPO and kernel, and laboratory.

Based on field observations at DIL POM, Sei Mandang Estate, Sei Liam Estate, and Sei Rupit Estate, it is known that procedures have been implemented in every operational work.

3.3.2-3.3.3

The CH already has a system that ensures the consistency of the implementation of procedures carried out by carrying out internal operational and sustainability audits on a regular basis, both at the plantation and POM. Records of monitoring and follow-up carried out are maintained and available. As an example, the Routine Visit and Internal Audit Report for the Sei Mandang Estate was shown on 18 – 19 January 2023 based on RSPO Standards. Apart from that, to monitor the quality of processed FFB, quality inspection of FFB that enters DIL POM has been carried out every day by well-trained grading officers.

For contractor compliance aspects, one of them is stated in SPK Replanting 114/SPK-R/KTMS-AB/VIII/2022 between the Tunas Mekar Perfect Cooperative and CV Acan Brothers (second party). The implementation of contractor evaluation has been discussed in indicator 2.2.2.

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

The company has several documents related to independent and participatory social and environmental impact assessments, involving affected stakeholders. The document covers pre-construction activities, the operation phase and the post-operation phase. Some of the documents owned by the unit of certification include:

Environmental document

The company has the latest Environmental Permit Documents with No. 05/KPTS/DPM-PTSP/VII/2020 dated 28 July 2020 which applies regarding changes to the Environmental Permit for Planned Oil Palm Plantation Activities covering an area of 17,000 Ha to 11,893.04 Ha and a Palm Oil Processing Factory with a capacity of 60 tons/hour, which includes all areas and activities within the scope of certification. The Environmental Permit is the result of updating the previous Environmental Permit document No. 09/KPTS/SDM-PTSP/2017 dated 19 October 2017.

The implementation document/application for environmental permit results is contained in the RKL-RPL report which informs about the parameters that are managed and monitored by the company according to the matrix in the AMDAL such as Peat Reduction, Potential for fire, Air quality and noise, Disturbance of flora and fauna, Use of raw water for factory FFB production palm oil, community unrest and quality of liquid and solid waste.

In addition, the Sei Rupit Estate unit also has environmental documents in the form of a statement of commitment to manage and monitor the environment (SPPL) which consists of 9 cooperatives, namely:

| Cooperative | No. SPPL proof | Area (Ha) | Published |
|-------------------------------------|---------------------|-----------|-----------------|
| Koperasi Tunas Mekar Sempurna | 660/10/DLHP/II/2023 | 430 | 8 February 2023 |
| Koperasi Kardipa Batugaja Sejahtera | 660/09/DLHP/II/2023 | 376 | 8 February 2023 |
| Koperasi Gaung Mas Bersatu | 660/07/DLHP/II/2023 | 220 | 8 February 2023 |
| Koperasi Maju Mandiri Barokah | 660/15/DLHP/II/2023 | 632 | 8 February 2023 |
| Koperasi Biru Makmur Mandiri | 660/14/DLHP/II/2023 | 263 | 8 February 2023 |
| Koperasi Jaya Makmur Karya | 660/08/DLHP/II/2023 | 221 | 8 February 2023 |
| Koperasi Bombay Maju Sejahterah | 660/13/DLHP/II/2023 | 185 | 8 February 2023 |
| Koperasi keluarga serasan sejahtera | 660/12/DLHP/II/2023 | 362 | 8 February 2023 |
| Koperasi Mitra Bersama Serundingan | 660/11/DLHP/II/2023 | 248 | 8 February 2023 |

Social Impact Assessment Document

The Social Impact Assessment was carried out in October 2013 in collaboration with Sonokeling Akreditasi Nusantara involving the local community. The SIA document has identified the positive and negative impacts of the company's operational activities. Aspects assessed include demography, livelihoods, employment and land use, income levels, community economic facilities and

infrastructure, education, health, religion, ethnicity and customs, kinship system, and social organization.

The social impact assessment has involved the affected parties. This can be seen from the minutes and lists of attendees at the opening meeting, focus group discussions, and field assessments. The FGD was held on 3 - 5 November 2013 which was attended by representatives from 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 carried out the latest social impact assessment conducted by PT Daemeter as 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 list of attendees at meetings, group discussion forums and field visits. FGDs were conducted at several stakeholders from the village including Bingin Rupit, Muara Rupit, Beringin Jaya, Biaro Baru, Rantau Kadam, Kertasari, Beach, Lubuk Rumbai, Maur Baru, Batu Gajah Baru, Noman Baru, Rompokan Sungai Liam, Lubuk Patin, and Karang Dapo.

The company also demonstrated the 2022 SIA Social Impact Review and Update which was conducted in September – October 2022. The company has developed a social management and monitoring plan as outlined in the Action Plan document on the findings of PT Dendymarker's social impact assessment, it is known that the involvement in the process of preparing this document involved stakeholders external and internal interests.

Based on the results of stakeholder consultation, it was found that there were positive and negative impacts from the existence of the company. The positive impact is in the form of employment and has established better partnerships for plasma plantations. Meanwhile, the negative impact is related to the uncertainty of land status, where the company has taken steps to mitigate and resolve conflicts in the last 2 years. Currently most of the conflicts have been resolved with the "Taliasih" program.

3.4.2

Based on the results of document verification, it can be concluded that all management and monitoring parameters requested in the environmental documents have been implemented. The unit of certification has also carried out an evaluation of each parameter of significant impact monitoring carried out as required in the decision of the minister of environment 45 of 2005, which includes trend evaluation, critical level evaluation, and compliance evaluation. Based on the evaluation results it is known that all parameters are still in accordance with the relevant Quality Standards, and there is no indication of pollution.

The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental Permits owned by the company. The unit of certification prepares the RKL-RPL report based on the attachment to the Environmental Permit, the matrix of which is a compilation of all previously owned RKL-RPL matrices. Environmental management reports are carried out every 6 months and submitted to relevant agencies, namely the RKL-RPL Semester 2 Year 2022 Report which was sent to the Environment Service Office of Musi Rawas Utara Regency and Sumatra Selatan Province with proof of receipt dated March 29, 2023, and attached with a stamp, sign the hand and name of the recipient as well as proof of delivery of the document note. Based on the RKL-RPL implementation report for semester 2 of 2022, it is known that there are no negative impacts caused by the unit of certification, such as all factory waste quality tests which are carried out periodically and according to regulations quality standards set by the government.

Meanwhile, the social impact management and monitoring plan has been managed and monitored through the SIA Implementation Report which is combined in one report with the RKL-RPL report. Based on the results of the 2020-2022 SIA management plan. Social programs from the company related to community development, improving the economy of the surrounding community, strengthening communication and networking with stakeholders, environmental improvement programs, and improving the workforce. The program is equipped with activities to be carried out, challenges, opportunities, implementation strategies, expected results, and an implementation schedule. The planned program originates from the results of the Focus Group Discussion conducted in the SIA activities that have been carried out in villages around the company coupled with the results of the analysis. The program is a general plan that will be implemented by the company based on an analysis of stakeholder needs and mapping of stakeholders who are directly or indirectly related to the company. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication and cooperation with all stakeholders in order to achieve company goals. The activity is a derivative of the program that has been planned and is a technical activity that will be carried out by the company in the context of implementing the program that has been planned.

Based on the analysis document from the 2020-2022 SIA Management Plan, the social impacts in this assessment are divided into positive and negative impacts. The positive impact is the influence that arises from the company's activities that provide benefits/better conditions for a particular object, while the negative impact is the influence of the company's activities that make certain objects worse. The social impact assessment is carried out based on the perceptions of the representative community in the assessment location that represents the community. Community perception is the perspective of a group of people who live together in the same certain environment in drawing conclusions about an object. Conclusions on an object are formed based on knowledge, vision, and observation so that one society with another makes it possible to produce different perceptions of the same object. the company has specifically analyzed the positive and negative impacts arising from each activity, for example physical assets for production activities that have positive and negative impacts both externally and internally, and so on. The company conducts an annual evaluation to align the SIA management program according to the needs in the field according to conditions as stated in the 2022 Social Impact Management Plan Document which explains, among other things:

- Absorption of local manpower
- Collaboration with the community regarding plasma
- Provide facilities and funds for the implementation of community activities around

Based on the results of consultations with workers' representatives, no form of discrimination was found against workers, no underage workers were found, the company has fulfilled its workers' rights, and several important facilities for workers have been provided by the company such as housing, water, electricity, places of worship, educational infrastructure (schools) and other facilities. The company also allocates resources for the maintenance of all facilities. Stakeholder mapping activities are carried out to mitigate the increasing level of social problems ahead of the 2024 election, it is hoped that this will strengthen the relationship between the company and the surrounding community to avoid provocation from outsiders.

After obtaining approval for the environmental document in the form of an SPPL for the Sei Rupit Estate unit, based on the results of interviews with the management of the cooperative, the person in charge of the cooperative, and the management of the company stated that the biggest obstacle in fulfilling these requirements was the certificate of land ownership/grant/loan. This condition cannot be fulfilled because there are still double claims by each land owner.

Based on OFI in the previous assessment, the company has made plans in more in-depth mapping of key stakeholders as well as developing a comprehensive social monitoring and management plan by integrating between sections/departments that cover all impacts and represent a sample of affected parties.

3.4.3

The unit of certification has made efforts to implement social and environmental impact management and monitoring as described in indicator 3.4.2. Some of the programs that have been carried out include:

Environmental Documents

The company has documents on the implementation of environmental permits including reports to agencies in the form of RKL-RPL documents which are conducted every semester. Companies can show proof of reporting in the form of documents stamped with the recipient's name and signature sent to the relevant agency explaining indicator 1.1.1 related to Environmental Aspects.

Implementation of environmental management and monitoring is carried out in accordance with the RKL-RPL directives as described in indicator 3.4.1. The effectiveness of environmental management and monitoring can be seen from the results of the analysis of environmental management and monitoring, it can also be seen from the suitability between the management and monitoring plan and its implementation in the field. The RKL-RPL document also shows that the company has managed all the impacts recommended in the RKL-RPL Document.

In general, the form of evaluation carried out by the company includes:

- The company has carried out environmental management by submitting and complying with statutory obligations regarding the environment and applicable laws and regulations and other requirements.
- The company has prevented soil, water and air pollution by reducing the use of chemicals, managing waste properly and managing waste disposal properly in each area.

- Employees' commitment to environmental management and matters related to the environment have participated and cooperated in minimizing impacts.

Based on the results of field observations, it can be seen that the company has carried out environmental management in accordance with the RKL-RPL by installing a conservation area nameplate. In addition, marking was also carried out in the form of stakes and red paint for spray boundary areas and other chemical applications. Based on the results of interviews with the spraying and fertilizing officers, they also stated that they were aware of the ban on the use of chemicals in the buffer zone marked in red. In addition, they do not use chemicals when close to bodies of water such as canals, reservoirs or artificial ponds.

Social Impact Assessment (SIA)

The social management and monitoring plan is implemented, monitored, and periodically updated in a participatory manner. In general, the company's social management plan is a work program of the company which is grouped into social, stakeholder strengthening, social culture and employment. The planned program originates from the results of the Focus Group Discussion held in the SIA 2022 activities which have been carried out in villages around the company and workers/employees within the company.

Through implementing the SIA program, the company is implementing the 7 principles of the RSPO regarding responsible development of new plantations. For this reason, the company is currently carrying out the stages of the Free, Prior, Informed and Consent (FPIC) PSR program to fulfil the 7 principles of the RSPO. The FPIC principle that forms the basis of the company in carrying out the process of developing oil palm plantations in the CSR program involves women's representatives as community representatives who have an important role. Through this CSR program, it is hoped that it will be able to encourage women to be more active and involved in decision-making in villages that are targeted by CSR in accordance with the FPIC Principle.

Based on the results of the SIA document review, the company has a Social Impact Assessment Management and Monitoring Plan (SIA) which is prepared every 2 years, by collecting data related to community perceptions which is carried out periodically every year. Based on the results of interviews with management regarding the collection of public perception data in 2022, there were no negative issues or significant impacts that occurred within the scope of the company's operational areas. The problem identified by the company is the multiple land claims that have been ongoing for the last few years. Management in the field is to provide areas to remain occupied by providing clear area boundaries to avoid conflicts that may arise. The results of map analysis and field observations show that all areas of work have been identified by the company and are no longer managed by the company.

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

UoC had procedures related to recruitment, appraisal, promotion, remuneration, and termination of employment which are generally described in the Collaborative Labor Agreement period of 2021 to 2023 written in *Bahasa*. This company regulation has been validated by the head of manpower agency of Musi Rawas Utara District with Decree 560/04/PKB/DISNAKERTRANS/III/2021.

Based on the document verification, the company regulation generally described these procedures as follows:

- Recruitment of workers is based on the company's needs.
- The minimum age of workers is 18 years old.
- The workers who have been accepted will through three months of probation.
- Promotion of workers is based on needs, period of work, expertise, and assessment of workers
- The company is authorized to carry out the placement, transfer, and promotion of workers by applicable regulations.

In addition, the procedures of employee recruitment, appraisal, promotion, and remuneration are explained specifically in several procedures. These procedures have been documented and socialized to all workers and their representatives, here as follows:

- Procedure No. HRD-01-01/01-04-2019/Rev.1 regarding Workers Recruitment (permanent worker).
- Procedure No. HRD-01/03/09-03-2020/Rev.2 regarding Workers Recruitment (contract worker)
- Procedure No. HRD-01-04/13-03-2020 regarding Workers Promotion.
- Procedure No. HRD-03-03/01-04-2019/Rev.1 regarding Workers Appraisal.

Based on the interviews with workers (harvesters, pesticide sprayers, and mill operators), workers had a sufficient understanding of

the procedures related to recruitment, promotion, and termination of employment. The types of workers exist in the company are contract workers and permanent workers. Workers explained that the recruitment process carried out by the company was in accordance with the terms according to ability, promotion is based on an assessment of the performance of each employee each year, and termination of employment can occur if the worker has committed a serious violation and other causes of termination as in existing government regulation. All labor procedures have been in accordance with the applicable regulation.

3.5.2

Unit of Certification documented some labor procedures that have been carried out properly, such as recruitment, promotion, performance appraisal, and termination. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- Recruitment document in accordance with the recruitment requirements such as employment request form, application letter, statement of police report, identity card (KTP), family identity card (KK), the result of written test, the result of interview test, and contract worker work agreement letter. For example, a worker on behalf of PA (initial) who started working as an accounting clerk on 1 October 2022 and valid until 1 April 2023.
- Promotion documents as in promotion memorandum document. For example, a worker on behalf of IK (initial) who had a promotion based on worker's appraisal, from contract worker to permanent worker as dump truck helper on 1 September 2022.

Based on the interviews with the Manpower Agency of Musi Rawas Utara District, the company had been applied the existing labor procedures in accordance with the regulations. During 2022 to 2023, there were no issues related to manpower.

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| Status: Comply |
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3.6

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

3.6.1

Hazard Identification Risk Assessment and Control

HIRAC describes Activities, identification of potential hazards (source/event, impact), existing controls, initial risk analysis (level of likelihood, severity, level of risk). The identified activities cover all operational activities at the estate and mill, such as manual maintenance, chemical application, fertilizing, harvesting, transporting FFB, sorting FFB, and processing it into CPO and Kernel. Identification has also been carried out for supporting activities such as pest and disease monitoring, BOB (Barn Owl Box) monitoring, HCV monitoring, Tower of Fire, etc. The CH has also evaluated the Identification of Environmental Impact and Material Risk and OHS Analysis documents taking into account work accidents, the addition of new types of work or the use of new equipment/technology.

Based on field observations in the WWTP area, it is known that the WWTP pool has been surrounded by a fence and there are no cables dangling around the pool. Appropriate PPE is readily available at the work site. This is a verification of the previous OFI audit.

OHS Program

OHS programs that have been implemented by The CH include monthly OHS Committee meetings, regular OHS Committee reports to the Manpower Office, safety inspections, periodic health checks, recording of work accidents, first aid inspections, PPE inspections, OHS training, emergency response simulations, socialization of SOPs, material handling toxic and dangerous, fire hazards, use of fire extinguishers, MSDS and symbols of hazardous materials and others.

The realization of the OHS plan.

- Medical check-ups have been carried out for workers exposed to chemicals. For example, for Sei Rupit Estate, a record of the Cholinesterase examination was shown on August 23, 2022, for 63 workers who were exposed to chemicals with all pass status. Meanwhile, health checks for all workers who are not exposed to chemicals, such as harvesters, will be held on 26 December 2022.
- Periodic inspection of PPE completeness, periodic inspection of fire extinguishers, periodic first aid kits including first aid bags. There are daily, weekly and monthly checks. The official in charge is the secretary of the OHS Committee.
- OHS Training and Outreach: Routine briefings are carried out every morning. The themes discussed included the obligation to use PPE, safe working methods, handling work accidents, basic first aid training to outreach about the Covid-19 pandemic.
- Work accident monitoring is carried out every month and forms part of the OHS Committee's reporting to the government every month. The results of the document review show that every work accident that occurs has been followed up in accordance with applicable regulations.

3.6.2

The CH has conducted regular management reviews. The year 2022 is set forth in the Director's Data Visit document which was carried out on June 17, 2022. At the time the Audit was carried out it also coincided with a visit from Top Management to the field. The matters discussed included man power, land change, replanting, and operations.

The CH also has an OHS Committee in each unit which is responsible for the implementation of OHS aspects. One of the activities of the OHS Committee is to conduct monthly evaluations regarding the implementation of the OHS program. For example, in the meeting on April 6, 2023, at DIL POM which was attended by employees, foremen and assistants, as well as the OHS Committee management, with discussions including evaluating the implementation of previous meetings, evaluating HIRADC, work accidents, gender issues etc.

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| | Status: Comply | |
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3.7

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

3.7.1

Unit of certification had training identification and program for 2022 and 2023 in order to improve the competence and expertise of all workers including contractors. The company had identified the needs of competence standard and the proposed training for each worker including contractor worker, for example:

- Training of harvesting technic and fruit grade for harvester and harvesting clerk.
- Training of fertilizer packing and application for fertilizer application workers.
- Training of black bunch census for census workers.
- Training of firefighting and first aid simulation for emergency team.

3.7.2

UoC also showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, smallholders, and related stakeholders. The following is an example of training/socialization documentation that had been carried out, for example:

- Training of fertilizing activity regarding the OHS and environmental aspects conducted on 5 January 2023.
- Training of hazardous waste management conducted on 28 February 2023.
- Training of harvesting procedure for plasma workers conducted on 9 August 2022.

UoC also showed the evaluation of training by each worker, for example on behalf of AKM (initials) fertilizer application worker which includes the criteria for assessing workers' understanding of the training that has been delivered.

Based on field observations and interviews with workers (harvesters, upkeep workers, warehouse officers, and mill operators) also contractor workers (Koperasi Lestari Maju Bersama), it is known that the company provides some training programs due to upgrade the worker's expertise and competence. All workers also showed their understanding of duties and responsibilities for each job quite well.

3.7.3

Based on the results of the RSPO internal audit conducted on 24 January 2023 the SCCS training became non-compliant because documentation for 2023 could not be shown. From the results of field visits and interviews with weighbridge officers and Office Clerks, it is known that workers have a good understanding of the supply chain flow, including the separation of certified and non-certified FFB sources.

| | | |
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| | Status: Comply | |
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3.8

Supply Chain Requirements for Mills

3.8.1-3.8.2

The SCCS module applied by Dendymarker POM is Mass Balance because the FFB that is processed comes from certified and uncertified FFB sources.

3.8.3

Estimated certified product recorded in the last Assessment Report and Certificate and updated in the RSPO Palm Trace. Actual

certified produced has been verified during this assessment. The estimates of certified production for the next license period also have been set, in reasonable amount taking into account the last year production. The data are shown in the following table:

| Product | Estimate Production period of Sept 10, 2022 – July 26, 2023 | Actual Production (MT) of previous audit April 2022 – March 2023 | Estimate Production for 12 months (MT) |
|---------|--|---|--|
| FFB | 43,000 | 35,029.16 | 38,804.36 |
| CSPO | 9,775 | 8,137.27 | 8,536.96 |
| CSPK | 1,718 | 1,296.08 | 1,552.17 |

3.8.4

Dendymarker Indah Lestari POM has met the requirement regarding to the reporting of its supply chain, as it has been registered as RSPO member and on RSPO IT Platform:

| | |
|-------------|------------------------------|
| License ID | CB137841 |
| Member Name | PT Dendymarker Indah Lestari |
| Member ID | RSPO_PO1000004127 |
| Start date | 10/09/2022 |
| End date | 26/07/2023 |

All transaction has been announced to RSPO IT Platform and confirmed shipped.

3.8.5

The Company has a written procedures and/or work instructions for ensuring the implementation of the RSPO Supply Chain Standard. The procedure is SOP Supply Chain and Traceability of Palm Products No.MKT-03-06/04-03-2019/Rev.0 dated 18 March 2019. Procedure completed with the flow diagram of FFB receiving, processing in POM, Receiving, and shipping of CPO. The person responsible for the implementation of the RSPO Supply Chain standard at the POM is the Mill Manager. The procedure is complete and up to date covering the implementation of all elements in the supply chain requirements, such as:

- Sales process, covering from contract approval to delivery of oil palm product (CPO and PK) including information on supply chain mechanism;
- Process at the estates covers harvesting, FFB, and loose fruit delivery including harvesting record and delivery to the Palm Oil Mill;
- Process at Palm Oil Mill covers FFB and loose fruit receiving, identification, production process, delivery of the product, and recording;
- Evaluation by CB;
- Transportation records; f. Internal control;
- Contractor control

3.8.6

The Procedure to conduct an annual internal audit is described 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 latest internal audit was carried out on 24 January 2023, against RSPO P&C 2018 Indonesia National Interpretation 2020. The internal auditor assessed Criteria 3.8 related to RSPO SCCS and found 2 nonconformities. Corrective action related to internal audit findings has been determined.

3.8.7

The company shows estimated and actual production, among others, as follows:

| Product | Estimate Production period of Sept 10, 2022 – July 26, 2023 | Actual Production (MT) of previous audit April 2022 – March 2023 |
|---------|--|---|
| FFB | 43,000 | 35,029.16 |

| | | |
|------|-------|----------|
| CSPO | 9,775 | 8,137.27 |
| CSPK | 1,718 | 1,296.08 |

Based on the table known there is no over production of certified product compared to the quota. For handling non-conforming oil palm products, has been set in Standard Operating Procedures for Supply Chain (No.MKT-03-06/04-03-2019/Rev.0 dated 18 March 2019).

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 months before audit which is April 2022 – March 2023:

| Month | FFB (ton) | | Total |
|--------------|------------------|-------------------|-------------------|
| | Certified | Non-Certified | |
| Apr 2022 | 2,041.15 | 9,306.93 | 11,348.08 |
| May 2022 | 1,883.45 | 5,808.58 | 7,692.03 |
| June 2022 | 2,379.15 | 12,525.25 | 14,904.40 |
| July 2022 | 2,405.52 | 12,254.48 | 14,660.00 |
| August 2022 | 2,715.12 | 14,284.18 | 16,999.30 |
| Sept 2022 | 3,087.49 | 14,602.35 | 17,689.84 |
| Oct 2022 | 2,902.14 | 14,320.87 | 17,223.01 |
| Nov 2022 | 3,503.36 | 12,762.24 | 16,265.60 |
| Dec 2022 | 3,593.47 | 14,079.59 | 17,673.06 |
| Jan 2023 | 3,678.95 | 12,962.48 | 16,641.43 |
| Feb 2023 | 3,005.34 | 9,971.44 | 12,976.78 |
| Mar 2023 | 3,834.02 | 12,467.22 | 16,301.24 |
| Total | 35,029.16 | 145,345.61 | 180,374.77 |

3.8.8

Based on document verification obtained information in the license period it was known if the certified product sold as described in the table below:

| | Dispatch period (MT) April 2022 – March 2023 |
|--------------------------------|---|
| CSPO sold under RSPO Scheme | 7,948.35 |
| CSPO sold under another scheme | - |
| CSPO sold as conventional | - |
| CSPK sold under RSPO Scheme | - |
| CSPK sold under another scheme | - |
| CSPK sold as conventional | 1,399.21 |

| Product | Actual Production (MT) of previous audit April 2022 – March 2023 |
|---------|---|
| FFB | 35,029.16 |
| CSPO | 8,137.27 |
| CSPK | 1,296.08 |

Based on the data, there is no over sales of certified products or any non-certified products that are claimed to be certified products. Examples of sales documents shown include TR-db823447-b910 with following information:

- Seller Contract Number: 2022/DMIL-CPO/06
- Seller Reference Number: 2022/DMIL-CPO/06

- Product Name: CSPO
- Volume: 500 MT
- Creation Date: 04-03-2022
- Shipping/BL Date: 26-02-2022
- Buyer Member Name: PT Wilmar Nabati Indonesia Padang

3.8.9, 3.8.10 and 3.8.11

There was no new contractor from the previous assessment. Dendymarker Indah Lestari POM show the contractor for CPO transporter i.e :

CPO transporter

| No | Name of transporter | Address |
|----|--------------------------|---|
| 1 | PT Mutia Mulia | Jl Raya by pass KM.6 Simpang Arai Pinang Padang |
| 2 | PT Genta Perdana Diandra | Gg Sehati No.54A RT 03/RW02 Lubuk Begalung Nan XX |
| 3 | PT Usaha Jaya Ekspres | Jl Olo Ladang No.3 Padang |

- Transportation Agreement No.2018/Angkutan/CPO/DMIL/01 dated 07 October 2018 with PT Mutia Mulia valid as long as the parties wish
- Transportation Agreement No.2020/Angkutan/CPO/DMIL/01 dated 14 May 2020 with PT Genta Perdana Diandra is valid as long as the parties wish
- Transportation Agreement No.2020/Angkutan/CPO/DMIL/02 dated 14 May 2020 with PT Usaha Jaya Ekspres is valid as long as the parties wish

There is no PK transporter due buyer provide by own.

Storage Tank

Storage tank rental agreement No.2018/AMTT/VIII/01 for leasing a storage tank with a capacity of 3,000 MT between PT Dendymarker Indah Lestari and PT Agro Muko.

3.8.12

Dendymarker Indah Lestari POM has record of all Certified FFB, CSPO and CSPK as presented in the table below :

- **FFB**
April 2022 – March 2023 : 35,029.16

- **CSPO**

| Period | CPO production (MT) | | Total | Cert CPO Dispatch (MT) | | | Total | Stok CPO | |
|-------------------------|---------------------|-----------|-----------|------------------------|----------------|----------|-------|-----------|---------------|
| | Cert | Non-Cert | | RSPO | Another scheme | Non-Cert | | Certified | Non-Certified |
| April 2022 – March 2023 | 8,137.27 | 33,757.88 | 41,895.15 | 7,948.35 | - | - | - | 188.92 | - |

- **CSPK**

| Period | CSPK production (MT) | | Total | PK Dispatch (MT) | | | Total | Stok PK | |
|--------|----------------------|----------|----------|------------------|----------------|----------|-------|-----------|---------------|
| | Cert | Non-Cert | | RSPO | Another scheme | Non-Cert | | Certified | Non-Certified |
| April | 1,296.08 | 5,086.39 | 6,678.53 | - | - | 6,485.60 | - | 192.90 | - |

| | | | | | | | | | |
|-------------------------|--|--|--|--|--|--|--|--|--|
| 2022 – March 2023 | | | | | | | | | |
|-------------------------|--|--|--|--|--|--|--|--|--|

*Opening stock CSPK 296.03

Based on the mass balance calculation, it is known that:

- CSPO production is 8,137.27 MT. Sold as RSPO certified 7,948.35 MT. So that CSPO stock is 188.92 MT.
- CSPK production is 1,296.08 MT and sold as conventional 1,399.21 MT and have an opening stock 296.03 MT. So that CSPK stock is 192.90 MT.

3.8.13 and 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 12-month period for April 2022 until March 2023 i.e OER 23.23% and KER 3.70%. Periodically update of extraction is actual extraction.

3.8.15

Dendymarker Indah Lestari POM has only implemented RSPO mass balance supply chain system due the mill receives FFB from both certified and uncertified source.

3.8.16

Based on the mass balance calculation, it is known that:

- CSPO production is 8,848.22 MT. Sold as RSPO certified 7,948.35 MT. So that CSPO stock is 899.87 MT.
- CSPK production is 1,592.11 MT and sold as conventional 1,399.21 MT. So that CSPK stock is 192.90 MT.

Remove stock for conventional sales has not been carried out because it is still in the 3-month period and the license period expires until July 2023.

Based on the data, there is no over sales of certified products or any non-certified products that are claimed to be certified products. Examples of sales documents shown include TR-db823447-b910 with following information:

- Seller Contract Number: 2022/DMIL-CPO/06
- Seller Reference Number: 2022/DMIL-CPO/06
- Product Name: CSPO
- Volume: 500 MT
- Creation Date: 04-03-2022
- Shipping/BL Date: 26-02-2022
- Buyer Member Name: PT Wilmar Nabati Indonesia Padang

3.8.17

Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims. Based on management representative interview and document review, the mill does not use trademark on its sales activities and communication.

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 CH already has a human rights policy that was ratified by the president director on March 27, 2019. The contents of the policy include the company's acknowledgment of human rights that are universal and apply to all, support the implementation of fundamental principles and rights at work which are regulations in Indonesia, and if any Human rights violations can result in layoffs as well as legal action.

The policy is documented and communicated to all levels of the workforce, operations, supply chain and local communities. The company has also conducted outreach regarding company policies, as was done on 01 April 2023 to 26 workers at SMGE and on 22 February 2023 to contractor workers at Sei Liam Estate. From the results of interviews with the Village Heads of Karang Dapo and Muara Rupit it was also known that those concerned understood the company's human rights policies, and there were no issues of human rights violations.

4.1.2

Based on the results of field visits to the estate and factory, there were no visible presence of mercenaries in the company's operational area. Based on the results of interviews with the surrounding village community 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 apparatus, workers had understood the company's human rights policies.

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| Status: Comply |
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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

UoC showed the procedure regarding the dispute and complaint procedure, as follows:

- Procedure of land dispute resolution mechanism stated in Land and Planting Compensation inside Location Permit of the Company No. LCA-01-01/01-02-2018/Rev.0 dated on 18 February 2018. The procedure explained the effective resolution against land dispute as follows:
 - a) The company disseminates company location permits/HGU to the public.
 - b) If there is a claim from the community, the company will accept the claim if accompanied by proof of land ownership.
 - c) Verification of the land status, if proof of land ownership is acceptable, a field survey and land measurement will be carried out.
 - d) Field surveys and land measurements involve companies, claimants and government representatives.
 - e) 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.
 - f) Final verification based on measurement results and maps to ensure that the land does not overlap with the other ownership/rights/claims.
 - g) 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.
 - h) If a compensation price agreed, the company will pay the compensation to the land owner.
- Procedure of Internal Grievance No. HRD-04-01/01-04- 2019/Rev.1 dated on 5 April 2019. The procedure stated that complaints can be submitted to the manager and discussed for 10 days in response to the complaint.
- Procedure of External Grievance No. HRA-04-02/01-02-2018/Rev.0 dated on 20 March 2018. The procedure stated that the grievance can be submitted by email or directly to the management.
- Whistleblowing policy No. QMM-40-01-P16 dated on 14 January 2019. In the document it is explained that the company guarantees the confidentiality of the information reported, the reporter or sender of the information even though it cannot be proven or there is an error in reporting.

In addition, those procedures also explained that complaints which have not been resolved by both parties can be proceeded to a court agreed by both parties according to the laws and regulations. Besides, if the complaint has not met the solution, then the complaint can be submitted through the RSPO complaint panel mechanism.

Based on the interviews with the surrounding communities (Muara Rupit Village and Karang Dapo Village), occupants, and workers (harvesters and mill operators), the workers had a good understanding of the communication procedures and personnel who served as communicators between the company and the community (in accordance with UoC's SOP) so that illiterate people can be informed by the related communicators.

4.2.2

Unit of certification showed SOP of handling internal grievance No. HRD-04-01/01-04- 2019/Rev.1 dated on 5 April 2019 and SOP of handling external grievance No. HRA-04-02/01-02-2018/Rev.0 dated on 20 March 2018. The policy explained activities of handling

grievances related to manpower or non-manpower (e.g: facilities, etc). In the general mechanism of handling grievance, is stated as follows:

- The company's commitment to protect the anonymity of whistle-blowers.
- Submission verbally or in writing to the contact person of the company or through labor union.
- Responses can be given 10 days.

All complaints will be summarized and recorded in the List of Complaint. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the List of External Complaint Monitoring.

4.2.3

Based on interviews with workers and external or internal stakeholders, it's known that they have understood the person responsible and the grievance mechanism in which the complainant's identity is protected. Based on the interview with both internal and external stakeholders, they informed that there were no complaints or grievances against the UoC.

Based on the documents review of the worker's grievance logbook period of 2022 to 2023, it is known that the complaints received by the company are related to facilities. UoC then showed the compliance of these complaints.

Based on the interviews with government agencies, surrounding communities, gender committees, labor unions and workers, and the medias on the internet, it's known that there were no further complaints against the unit of certification.

4.2.4

Unit of certification showed SOP of handling internal grievance No. HRD-04-01/01-04- 2019/Rev.1 dated on 5 April 2019 and SOP of handling external grievance No. HRA-04-02/01-02-2018/Rev.0 dated on 20 March 2018. Both policies explained the mechanism of handling any grievances and access to the Manpower Agency (tripartite) and proceeded to a court agreed by both parties according to the laws and regulations.

In addition, UoC also showed the company's socialization using posters for all workers and external stakeholders posted in strategic spots e.g in front of the estate and mill office. This poster explained the mechanism of all grievances through the labor union or each worker's supervision and will be recorded in the grievance logbook. However, illiterate people can submit their complaints through the village head or another representative from the stakeholder and also recorded in the grievance logbook.

Status: Comply

4.3

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

4.3.1

Based on the results of document studies and interviews with management representatives and community representatives of Karang Dapo-1 Village and Muara Rupit Village, it is known that the form of social responsibility provided by the company to the community is through the CSR program. So far, CSR has been implemented based on proposals submitted by the community. This is in accordance with the company's CSR procedures with number: LCA-01-06/01-02-2019/Rev.0 ratified on 18 February 2019 by the President Director where there is a flowchart showing that the CSR program is determined based on proposals submitted by the community.

However, the company also opens up space for the involvement of affected parties in proposing the necessary CSR and identifying programs and program implementation for the community which was last implemented in January 2023. Based on this identification (results of discussions and direct visits to the community) several things were obtained that became main topics such as:

- Plasmas/partnerships
- Employment Opportunity
- Business opportunities
- Increased revenue

From this identification the implementation that had been carried out at the time the assessment was carried out included the following:

- Plasma: MoU has been issued with 9 cooperative partnerships from 9 villages and the construction of plasma has been realized and in June 2023 it is targeted to have completed 2,937 Ha in accordance with the MoU
- Partnerships: Collaboration with local contractors, for example with CV Bumi Cindo Lestari and CV Tridwi Tunggal Jaya for the

procurement of fuel oil and employee PPE

- Employment opportunities: The company has periodically recruited workers from the surrounding community and there is an MoU on recruitment of employees with Karang Dapo 1 Village which states that it will accept employees with priority from the village in June 2023
- Increase in income: Provide guidance to the people of Bingin Rupit Village, Beringin Jaya Village, and Muara Rupit Village in cultivating Mucuna Bracheteata to later resell it to the company.

The company also shows the realization of the assistance proposals submitted by the Village, such as:

- Assistance with pesticides and labor for spraying public graves in Bingin Rupit Village on 22 March 2023
- Grader assistance to Beringin Jaya Village on 24 August 2022 for village road repairs
- Funding assistance for a mass circumcision in Karang Dapo-1 Village on 13 July 2022
- Assistance with computer training funds for Lubuk Rumbai Village

Based on the description above, it can be concluded that the company has contributed to community development based on the results of consultations with the community.

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

In this assessment there was an additional scope of 2,937 Ha for the Sungai Rupit Estate (PT DMIL plasma) so that the scope of the previous certification was 11,893.04 Ha to 14,830.04 Ha. The details of the rights owned by the company are as follows:

Sei Liam and Sei Mandang Estate

The unit of certification has a basis of rights in the form of HGU with the following details:

- Decree of the state minister for Agrarian Affairs/Head of the National Land Agency No. 38/HGU/BPN/98 concerning the Granting of HGU for land located in Musi Rawas Regency issued on 26 June 1998 for an area of $\pm 17,793.5$ Ha.
- HGU Certificate No. 04 issued on 22 October 2010 for an area of 17,793.5 Ha. This certificate is valid until October 20, 2028. Then, there was a change in the HGU area on July 27, 2016, to 13,704.91 Ha.

From the latest HGU area of 13,704.91 Ha, the scope of certification is 11,893.04 Ha, referring to the Environmental Permit Document issued by the Head of the Investment Service and One Stop Integrated Services, Musi Rawas Utara Regency with Number 05/KPTS/DPM-PTSP/ VII/2020 dated 28 July 2020 concerning Changes in Environmental Permits for Planned Oil Palm Plantations 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 PT Dendymarker Indah Lestari, located in Rupit District and Karang Dapo District, Musi Rawas Utara Regency.

Sei Rupit Estate

The scope extension this time is Sei Rupit Estate which consists of 9 cooperatives namely:

- Tunas Mekar Sejahtera (430 Ha)
- Kardipa Batu Gajah Sejahtera (376 Ha)
- Gaung Mas Bersatu (218 Ha)
- Maju Mandiri Barokah (634 Ha)
- Biru Makmur Mandiri (263 Ha)
- Jaya Makmur Karya (221 Ha)
- Bombay Maju Sejahtera (185 Ha)
- Mitra Bersama Serundingan (248 Ha)
- Serasan Sejahtera (362 Ha)

The actual condition of the plasma that has been planted up to April 13, 2023, is 2,760.91 Ha. Of the 2,937 Ha area, 1,133 Ha already have SHM and still in the form of SKT or in the form of a Release of Rights is 1,804 Ha. The cooperative also has an SPPL document in accordance with receipt No. 660/10/DLHP/2023 dated 08 February 2023.

The unit of certification also has Plantation Business Permits as follows:

- IUP-P in accordance with the Decree of the Regent of Musi Rawas Number: 575 of 2008 with a capacity of 20 tonnes of FFB/hour.
- IUP-B in accordance with the Decree of the Regent of Musi Rawas Number: 576 of 2008 for an area of 17,793.5 Ha.
- Plantation Business Permit from OSS stating that no New Business Permit has been issued due to Business Permit Number 83/Mentanhut-VII/2000 dated October 9, 2000, for an area of 17,793.50 Ha and a processing capacity of 60 tonnes of FFB/hour.

4.4.2; 4.4.4; 4.4.5; 4.4.6

PT. Dendymarker Indah Lestari already has a HGU certificate in 1998, then the company is currently part of the management of the Sipef group which was taken over in August 2017 from the PT Agro Investama Gemilang (AIG) group, so that the land acquisition documents prior to the issuance of the HGU cannot be traced. The land acquisition documents that can be submitted from PT Agro Investama Gemilang (AIG) to the Sipef group are compensation documents after the issuance of the HGU due to unfinished claims or compensation.

The certificate holder (CH) has FPIC procedure No. LCA 01-03/01-02-2019/Rev.0 regarding land and planting compensation. Based on an interview with communities is known that there are no indigenous rights or customary rights and there are no issues regarding the 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 areas covering ± 443.4 Ha in the permitted area that is occupied and managed by the community. Regarding 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 April 2022, the total area for which compassion has been carried out is $\pm 1,045.08$ Ha and 127 people.

The results of interviews with representatives of villages surrounding the company, obtained information if the compassion process is based on 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 the village which include the previous landowner, it is confirmed that the 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 voluntarily and carried out prior to new operations.

The company presented evidence of land compassion to the related parties. The sample of process land compassion presented to the landowner was sighted where the documents were made in Bahasa and known by all relevant parties. Although the legal status of the 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 involved the landowner and are approved by the head of the village and local government. The documented process of land compensation was signed by the related party, filed in the unit of certification.

4.4.3

The unit of certification already has an operational map with a scale of 1 : 80,000 which has informed the boundaries of the company area including HGU boundaries, occupied areas, conservation areas and planting area maps developed through participatory mapping involving affected parties.

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|-----------------------|
| Status: Comply |
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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 explained in the previous criteria, land acquisition for PT Dendymarker Indah Lestari was a takeover by the SIPEF group from PT

Agro Investama Gemilang. Until now there has been no construction of new plantation. When ASA-2 was implemented, the results of interviews with the Muara Rupit Village Head and the Karang Dapo-1 Village Head found that since being acquired by the SIPEF group, the company had realized the promises made during previous developments, such as the construction of proper plasma and management of land issues.

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 mechanism for identifying legal, customary, or user rights, and a procedure for identifying people entitled to compensation are ruled in the procedure of Land Compensation (No. LCA 01-03/01-02-2019/Rev.0). The procedure has 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' rights. Based on an interview with communities is known that there are no indigenous rights or customary rights and there are no issues regarding the FPIC process. The compensation process does not diminish 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 because of the takeover in August 2017 from the group of PT Agro Investama Gemilang (AIG), so the land acquisition documents before the HGU issued cannot be traced. The land acquisition documents that are currently available in the company are the compensation documents after the issuance of the HGU / land title due to unresolved claims or compensation process.

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 areas covering ± 443.4 Ha in the permitted area that is occupied and managed by the community. Regarding 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 April 2022, the total area for which compassion has been carried out is $\pm 1,045.08$ Ha and 127 people. In addition, the company provides equal opportunities to male and female land owners.

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; 4.7.3

The mechanism for identifying legal, customary, or user rights, and a procedure for identifying people entitled to compensation are ruled in the procedure of Land Compensation (No. LCA 01-03/01-02-2019/Rev.0). The procedure has 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' rights. Based on an interview with communities is known that there are no indigenous rights or customary rights and there are no issues regarding the FPIC process. The compensation process does not diminish 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 areas covering ± 443.4 Ha in the permitted area that is occupied and managed by the community. Regarding 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 April 202, the total area for which compassion has been carried out is $\pm 1,045.08$ Ha and 127 people

Interviews with the Muara Rupit Village Head and the Karang Dapo-1 Village Head found that since being acquired by the SIPEF group, the company had realized the promises made during previous developments, such as the construction of proper plasma and

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|---|-----------------------|--|
| management of land issues. | | |
| | 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, 4.8.3 and 4.8.4 <p>The company 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:</p> <ul style="list-style-type: none"> • 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 <p>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.</p> <p>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. 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).</p> <p>Up to the implementation of ASA-3, it is known that there is an occupation area of 1,280.85 Ha. Regarding this area, the company has identified and made efforts to resolve it in the form of compassion. The existence of this occupation area is because since the beginning when the plantation was built, land compensation has not been carried out. In addition, as information from the Head of Karang Dapo-1 Village, usually land problems are caused by multiple claims from several parties on the same area. However, basically the company has good intentions and efforts to resolve land issues as long as it has clear legality. The results of field visits when ASA-3 was implemented did not find any open conflicts related to land issues. The company respects areas that are still community rights (occupied areas) by carrying out clear marking boundaries.</p> | | |
| | 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 <p>In determining the price of FFB, the company refers to the Letter from the South Sumatra Provincial Plantation Office No. 525/285-VI.3/2022 dated 9 March 2020 regarding FFB pricing for plants with ages, for example:</p> <ul style="list-style-type: none"> • Year 3 of IDR 2,263.67/kg • Years 10-20 IDR. 2,589.16/kg | | |

- Year 25 of IDR 2,370.96/kg

The FFB price that applies to smallholders refers to local government decisions. Verify proof of payment The price of FFB is in accordance with the price determination from the Plantation Office of South Sumatra Province.

Based on a letter from the South Sumatra Provincial Plantation Service No. 525/285-VI.3/2022, it is known that PT Dendymarker Indah Lestari is not included in the FFB price calculation team, so the company does not submit the K index or supporting documents in determining the FFB price.

The price fixing mechanism has been explained in the FFB sale and purchase agreement signed by both parties. Interviews with the management unit also obtained information if the predetermined FFB price was available and accessible to suppliers, information on price changes was made via SMS, WA and telephone to the supplier's PIC.

5.1.2

Based on document review, field observations and interviews with staff and management, it is known that the company also purchases FFB from third parties/ FFB suppliers. Dendymarker POM receives FFB from its own plantation and its own plasma. Information regarding the price of FFB obtained that all documents related to prices issued by the Department of Plantations can be accessed by direct suppliers from the Office of Plantations or communication media (mobile phones). In addition to routinely explaining the price of FFB to suppliers, the company also has a mechanism to convey prices. Based on the results of interviews with cooperative management, stated that the price set by the company was in accordance with several considerations in determining the price of FFB, such as CPO prices, transportation costs, and prices proposed by suppliers.

5.1.3, 5.1.6

The company has determined the fair price that has been agreed with the external supplier, which is documented in the Letter of Agreement, in the document there is a statement that the price set to determine the selling price of FFB is the price set by the Plantation Service Pricing Team, so that the parties hereby states that it will comply with price fixing so that one party and the other party are not entitled to ask for a price increase or decrease. There are also specifications and implementation requirements as well as sanctions that must be met by both parties.

Based on the results of interviews with companies and cooperatives, it was stated that all plasma cooperatives that are incorporated within the scope of certification are in the credit/investment settlement stage.

5.1.4

The company can show evidence that the parties from the organization's representatives have been involved in the decision-making process and understand the contents of the contract. This is stated in the document of the Joint Agreement Letter which was signed by all representatives of the cooperative management. The Letter of Agreement contains an agreement to buy and sell FFB to independent smallholders, as well as an agreement on a partnership scheme with plasma smallholders.

The company has made improvements to the welfare of the communities around the plantations by building and fully managing plasma plantations. The company assigns Managers and Assistants to help manage the plasma. All collaborations incorporated within the scope of certification supply all FFB to Dendymarker POM in accordance with the contract agreed by both parties, the members consist of local village farmers, where the members consist of all members who wish to be involved, not limited to men or women. Women who are members of cooperatives are also involved in the company's operational activities such as the results of field visits to fertilization and weeding officers who are all women. In addition, for positions such as foreman in cooperatives, heads of trade unions and gender associations are women. They are also involved in determining the agreement between the two parties.

5.1.5

PT Dendymarker Indah Lestari has carried out cooperation in the development of community estates (plasma) with schemes with the surrounding village community. To date, the area of the plasma program that has been realized is 2,937 hectares, including in Noman Village, Batu Gajah Village, Maur Village, Beringin Rupit Village, Muara Rupit Village, Lubuk Rumbai Village and Pantai Village. Regarding the origin of the land for the development of the plasma plantation, it is sourced from the area of Cultivation Rights (HGU) of PT Dendymarker Indah Lestari. There are 2 work agreements agreed upon by the parties, namely:

- Letter of Cooperation Agreement for the Development of Oil Palm Cultivation Business between the KUD Pakar Maur and PT Dendymarker Indah Lestari dated 12 April 1999. This agreement was agreed upon by Bpk. Bahrun A.A Yusuf (Chair of Cooperative) KUD Pakar Maur and Mr. Abdul Halim Ashari (President Director of PT Dendymarker Indah Lestari). The type of cooperation is the sale of FFB to factories. The Head of the Cooperative & PPK Department of Musi Rawas Regency and the Head of the Musi Rawas Regency District Head know this Cooperation Agreement.
- Decree Regent of Musi Rawas No. 229/KPTS/DISBUN/2003 dated 28 March 2003 concerning Determination of Names of plasma participants belonging to oil palm plantations built by PT Dendymarker Indah Lestari, Rupit District, Musi Rawas Regency, 2003 (in the decree there were 2937 names).

Because the origin of the land for community estate development came from the company's HGU, there was a new agreement to follow up on the status of the land between the company and KUD Pakar Maur which was drawn up in the form of Notary Deed Number: 1 of 2006 by Notary H. Indraputra Jaya, SH dated 3 July 2006.

Based on Notarial Deed No. 1 of 2006 Article 4 paragraph 1 The management of the estate is directly coordinated and regulated by the first party and the second party together, but the implementation in the field is carried out by the second party (KUD Pakar Maur).

There is a Letter from the Head of the Office of Industry, Trade and Cooperatives of Musi Rawas Utara Regency No. 075/KPTS-DISPERINDAGKOP/2018 dated 12 February 2018, concerning the Establishment of PT Dendymarker Indah Lestari's Plasma Palm Oil Management by the Cooperative of each village related to 2,937 Ha of oil palm plasma in the Rupit District area, Musi Rawas Utara Regency. Set:

- First: Determine the management of 2,937 Ha of plasma palm oil in the Rupit District area of PT DIL by the Cooperatives of each village.
- Second: giving the widest possible role to the cooperatives of each village for independent management both administratively and operationally and not having any form of cooperative ties with KUD Pakar Maur.
- Third: recommending to all cooperatives related to PT DIL's plasma to deal directly with the company in terms of management both administratively and operationally and continue to carry out active communications for more serious stages of cooperation for improvement, increased welfare for the community itself.
- Fourth: since the signing of this decree, the entire management of PT DIL's plasma palm oil has been handed over to the Cooperatives of each village which have declared their exit from the management of PT DIL's plasma palm oil to KUD Pakar Maur.
- Fifth: this decision is effective from the date it is stipulated with the provision that everything will be changed and corrected accordingly if in the future it turns out that there is a mistake in this decision.
- Appendix I: KUD names related to plasma palm 2,937 Ha, namely Tunas Mekar Perfect Cooperative, Kardipa Batugaja Sejahtera Cooperative, Gaung Mas Bersatu Cooperative, Maju Mandiri Barokah Cooperative, Biru Makmur Mandiri Cooperative, Jaya Makmur Karya Cooperative, Bombay Maju Sejahterah Cooperative, Family Cooperative serasan sejahtera and Mitra Bersama Cooperative.

Minutes of the meeting between the company and the cooperative, which was held on March 9, 2023 with the results:

- The cost of payment/development of the plantation and loan interest have been approved.
- FFB production and purchase price of FFB
- Debt recap to date Dec 2022
- 1% profit recap

5.1.7

The company periodically calibrates weighbridges carried out by third parties, for example, as shown from the results of calibration No. 350/Disperindag/IV/2023 dated 30 January 2023 for Model ZM510 Scales with serial number 214251879 with a capacity of 40,000 Kg by the Department of Industry and Trade of the Government of Lubuk Linggau City with a validity period until January 2024.

5.1.8

The company has conducted socialization regarding RSPO certification to cooperatives/plasma farmers through annual meetings between the company and cooperative members. The company presented the Minutes of the Annual Meeting on 23 December 2022 at the Cooperative Office which was attended by the company, village government, community representatives and plasma farmers. In addition, the company also socialized the RSPO-SCCS & ISPO certification to Contractors, Managers and Plasma Members which

was carried out on 8 January 2023.

5.1.9

Based on the results of interviews with the company's plasma department, that the mechanism for handling complaints still refers to the Internal Complaint Procedure No. HRD-04-01/01-04-2019 Revision 1 and External Complaint Procedure No. HRA-04-02/01-02-2018 Revision 0. The procedure is a technical guideline for receiving various complaints submitted by stakeholders or other parties and how to process their resolution. Public complaints can also be submitted at the annual meeting by filling out the complaint form provided by the company and then pouring it into the Minutes of the Annual Meeting. No complaints from farmers during 2022.

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

The company has conducted socialization regarding RSPO certification to cooperatives/plasma farmers through annual meetings between the company and cooperative members. The company presented the Minutes of the Annual Meeting on 23 December 2022 at the Cooperative Office which was attended by the company, village government, community representatives and plasma farmers. In addition, the company also socialized the RSPO-SCCS & ISPO certification to Contractors, Managers and Plasma Members which was carried out on 8 January 2023.

5.2.2

The company has made improvements to the welfare of the communities around the plantations by developing and fully managing plasma plantations. The company assigns Managers and Assistants to help manage the plasma. All cooperation supplies all FFB to Dendymarker POM in accordance with the contract agreed by both parties whose members consist of men and women.

5.2.3

For now, the Certification unit already has 9 cooperatives that are included in the scope of certification that cooperate with the company. Plasma is managed by the company in full management.

Other support provided by the company in supporting the legality process. The company has carried out the process of applying for plasma land to become SHM. The process is constrained by the existence of double land ownership claims so that the land cannot be legalized.

5.2.4

For now, the Certification unit already has 9 cooperatives that are included in the scope of certification that cooperate with the company. Plasma is managed by the company in full management. All workers who work in cooperatives are employees of the company. The training that has been carried out is the Integrated Pest Management Training (including pesticide handling) which is attended by 18 participants for integrated pest control, 14 participants for spraying training and 12 participants for fertilizing training around November 2022.

Based on the results of interviews with pesticide applicators at Sei Rupit Estate, it is known that workers have received routine training every year by the unit of certification and during field visits workers have implemented good and correct use of pesticides according to their procedures.

5.2.5

The company can show evidence that it has reported its mentoring program to farmers, especially plasma farmers, openly regarding its progress, which is carried out on a regular basis. The evidence shown is based on receipt of the 2022 Semester 2 plantation business progress report submission documents to the Plantation Office of Musi Rawas Utara Regency as well as the 2022 CSR Report which can be accessed by the public.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1

UoC had a Policy concerning on recognition of human rights stated in the Equality Rights validated by the President Director on 27 March 2019. The group aims to provide fair and equal opportunities to all its workers. The company seeks to prevent discrimination in the workplace. In employing all employees, the company committed to the principle of equality and would not discriminate or restrict, harassment or exclusion based on human distinctions or the basis of religion, ethnicity, race, ethnicity, group, class, social status, economic status, gender, language, political beliefs.

UoC also showed the record of the company's socialization for instance the socialization which was conducted on 16 December 2022 in Sei Liam and Sei Rupit Estate. Based on the workers' recruitment document and interviews with the workers, UoC had provided equal opportunities in recruitment and operational activities. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief.

Based on the interviews with the gender committee, female workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example, most of pesticide application workers are female workers. Also, there was no indication of discrimination based on religion, ethnicity, gender and regional origin in the process of accepting work.

6.1.2

UoC showed job vacancy announcements and work agreement letters between workers and company which showed that there was no payment requested during the recruitment process. In addition, in job vacancies that have been published by the company, there were no requirements that discriminated against gender, race or ethnicity, disability, sexual orientation, age, or belief.

Based on the interviews with the manpower agency, gender committee, labor unions, and workers (harvesters and mill operators) at DIL POM, Sei Mandang Estate, Sei Liam Estate, and Sei Rupit Estate, it is known that workers have never felt that the company has discriminated against them. It was explained that all activities from recruitment, performance appraisal, and promotion were given equal opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, and gender identity, membership in labor unions, politics, or age. There was no difference in the communication between superiors and workers because of the things mentioned above, so the workers did not feel isolated or discriminated against by the superiors. The company also didn't request for any payment during the recruitment process.

6.1.3

During recruitment process, the company had set the standard of competence that required based on the offered position. Selection had included evaluation of skills, performance, and medical test result. Furthermore, promotion is conducted based on work period, annual evaluation result and availability of position. All workers are treated equally in accordance with company regulation including rights of the worker as well. Records on manpower procedure had been documented, as verified randomly, e.g: Promotion documents such as management decree for worker's promotion. For example, a worker on behalf of IK (initial) decree No. 177/JWB-RMOMR/IX/2022 who had a promotion based on worker's appraisal, from contract worker to permanent worker on 1 September 2022.

6.1.4

Based on field observation, interviews with the management and workers, it is known that there were no discriminatory in pregnancy testing given by the company. The pregnancy test conducted only to ensure that no pregnant workers in any agrochemical works such as pesticide application and fertilizing activities proven by there was no requirement regarding pregnancy test in recruitment SOP, job hiring announcement, and medical test during recruitment. UoC also showed the list of pregnant women which informed all pregnant workers are placed in non-agrochemical works such as day care officer and housing maintenance worker.

Based on the interview with women workers in field, there was no pregnancy test during recruitment process. The pregnancy test only carried out once a month for female workers to make sure that they do not do any agrochemical works when pregnant.

6.1.5

Gender committees had been formed in Sei Liam, Sei Mandang, and Sei Rupit Estates which are chaired by the head of gender committee. The structure of the gender committee consists of male and female workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations or complaints of female workers. Based on the interview with the representative of gender committee, they explained that female have more tendency to be the victims in any sexual harassment or violence. But still, UoC has socialized the mechanism and the platform in reporting if there were any gender issues happened in

male workers which is worker union. Besides, workers also can explain the procedure if there were sexual harassment happened in male.

Based on the interviews with several workers, they also knew of the existence of the gender committee because it had been routinely socialized by its management.

6.1.6

Equal payment of wages has been made by the unit of certification properly, by considering the ability, performance, expertise, work period and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the types of work respectively. In addition, based on the documents review of structure and scale wage, it was found that the UoC already had a wage scale structure for each worker based on position and grade (not based on gender or origins).

Based on the interviews with workers (harvesters, maintenance workers, and mill operators), the workers already know that there was a wage scale structure for each level of workers, and this has been proven by the difference in the monthly wage income presented on the pay slip. Based on the document review of worker's pay slip in both gender and the interviews with the workers in the same grade and same job, it's known that the monthly wages received are in accordance with the grade owned by each worker, for example: female worker in upkeep on behalf of SG (initial) received the same wage as DI (initial) for the same type of work.

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

UoC had procedures related to recruitment, selection, remuneration, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period of 2021 to 2023 written in *Bahasa*. This CLA has been signed by the head of manpower agency of Musi Rawas Utara District (No. 560/04/PKB/DISNAKERTRANS/III/2021). This CLA explained the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. It's applied to all workers and had been routinely disseminated by the certification unit to all workers in morning brief.

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the CLA and in accordance with routine socialization provided by the certification unit. Workers' wages in 2022 to 2023 have been above the minimum wage set by the government. Wage based on years of service, ability, attendance and job performance (structure and scale wage) and there were no late payments every month.

Based on the explanation above, it can be concluded that the workers have understood the work requirements that have been socialized by the certification unit in an understandable language (*bahasa*).

6.2.2

UoC has CLA period 2021 to 2023 provided in *Bahasa* that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave, and other provisions. These all stated in each worker's work agreement. Explanations related to the contents of the company regulation, including:

- Article X concerning working time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week in which the total working hours are 40 hours in a week.
- Article IV concerning wages which explains that the lowest wage of worker couldn't be lower than the minimum wage set by the government every year.

In addition, remuneration is generally stated in company regulation, and specifically stated in a decree explaining these matters, as follows:

- Decree of the Governor of Sumatera Selatan No. 877/KPTS/DISNAKERTRANS/2022 concerning the minimum wage of Sumatera Selatan Province period of 2023 is Rp. 3,404,177.24/month.

- Management Decree No. 04/RMOM-CIR/II/2023 concerning the minimum wage of permanent worker, contract worker (PKWT), and Free Labor in 2023. The document mentioned that the wage for contract worker is Rp. 3,356,109.-/month for workers under a year work period and Rp. 3,404,178 per month.
- Internal Memorandum No. 05/JWB-MR/II/23 concerning the wage of daily permanent workers PT DIL in 2023 validated on 10 January 2023. The document explained the wage of daily permanent workers as follows:
 - a) Daily Permanent Worker with 0 to 1 year working period: Rp. 3,259,000/month.
 - b) Daily Permanent Worker with 1 year 1 month to 12 years working period: Rp. 3,264,000/month.
 - c) Daily Permanent Worker up to 12 and a month year working period: Rp. 3,274,000/month.
- CLA period 2021 to 2023 in article V regarding job allowance, stated that UoC also gave the rice allowance as 15 Kg valued as Rp. 9,700 each Kg. So, the month rice allowance received by the workers were Rp. 145,000 per month aside from basic salary.

6.2.3

UoC showed overtime payment in December 2022, February 2023, and March 2023 for harvesting, boiler operator, engine room operator, upkeep, and IPAL operator that has been in accordance with applicable laws. For instance: Engine room operator on behalf of AR (initial). In the pay slip document, it's known that the nominal of the worker's overtime wages has in accordance with the overtime calculation.

A review of pay slip document (harvesting, boiler operator, engine room operator, upkeep, and IPAL operator and clerk) for December 2022, February 2023 and March 2023, proved that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2023. For example, workers' wages on behalf of HR (initial), LY (initial), and IE (initial), have a different wage based on wage scale structure in 2023 and all wages above the minimum wage. Pay slip document gives accurate information on compensation consist of basic wage, allowance, overtime, working days and deduction.

UoC also showed paid leave letter which showed that annual leave was given. For example, the paid leave letter on behalf of TS (initial), who took a day of paid leave on 4 April 2023. UoC also showed the evidence of worker attendance on 4 April 2023 as a proof that the worker was on leave. Based on the interview with gender committee and management representative, there was no maternity leave in 2022 to 2023.

Unit of certification had shown their consistency in this assessment of work agreements that are owned by every worker so there was no policy to accept family members who work without a valid work association. In addition, in the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties and the workers' work agreements has in accordance with their work on field.

6.2.4

UoC has provided welfare facilities to occupants in the form of housing, water supply, mosque, clinic and other facilities in each unit. Based on the field visit in the housing area of Main Emplacement, it revealed that workers were provided with adequate housing facilities with and there was daycare for children. The house is inhabited by 1 family.

In addition, the company also provided waste disposal sites for domestic waste management. For health services, the company provides clinics and paramedics. Based on field observations, it's known that the facilities and infrastructure provided for workers are still functioning properly.

In general, the facilities provided by the certification unit are in good condition and sufficient quantities related to the number of workers in each unit. Based on field observation, all housing has well-maintained drainage. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities provided every year, such as housing which repaired if there were damage (usually if there were any damage, the worker will inform it and it will be handled directly by the company).

6.2.5

UoC provided a cooperative to ease all workers and their families to access staple food and daily necessities in the workers' housing area. In addition, there were also workers who open small business stalls to sell daily necessities in each housing.

Based on interviews with workers (harvesters, upkeep workers, and mill operators), housing residents, labor unions and gender committees, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that

sell daily necessities and the existence of vegetable sellers given access to sell at home. In addition, workers can buy these needs into markets around the area of the company with less difficult access.

6.2.6

In Indonesia there were no living wage standard is established, so UoC still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been conducting an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing a Decent Living Wage.

UoC has the determination of assessment prevailing wage and all kinds of benefit for DLW simulation in 2023 has been included in the calculation of health cost, electricity cost, water cost, educational transport cost, worker transportation cost, entertainment costs, etc. The results of these calculations are known that the standard of prevailing wage currently given / simulated by the certification unit is above the stipulation of the minimum wage, as follows: basic salary for contract worker and the total wage and in-kind benefits for contract workers are Rp. 4,262,927 per month, while the permanent workers are Rp. 4,865,333 per month.

Based on interview with works and document verification, the calculation data of prevailing wages is rational in accordance with the local price (Musi Rawas Utara District).

6.2.7

Based on the list of workers for the period of March 2023, it's known that there were 2 types of workers in the company, which were permanent workers (SKU-H and SKU-B) and contract workers (PKWT). Contract workers were placed in pesticide application, fertilizer application and upkeep in immature plants (*ablas*).

Based on the document verification of workers list and the interview with labor union, it's known that there was no casual daily worker in PT DIL. All free labor/daily worker worked in PT DIL has transferred to Koperasi Lestari Maju Bersama as outsourcing workers. Regarding the fulfilment of outsourcing workers explained in indicator 2.2.2.

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

UoC had a policy concerning on the freedom of association stated in Freedom of Association Policy validated on 27 March 2019 by the President Director. It stated that the group respects workers' rights to freedom of association and association with other individuals and collectively expresses. The policy was published in *Bahasa* which can be understood by all employees.

UoC had two labor unions which are SPM and SPSI. Based on the interviews with both labor union representatives, it explained that the company had given freedom of association and labor unions have been formed. The establishment of the union was in accordance with the applicable laws and regulations and has been recorded in Manpower Agency of Musi Rawas Utara District, for instance the Registration Number. No. 250/001/SP/Nakertrans/2017 of PT DIL Labor Union (SPM) on 19 January 2023. UoC gave the freedom for worker to express their aspiration democratically and there was no intervention against labor union activity.

Based on the document review, it's known that the UoC also documented the number of labor union operating in UoC operations area and its members' number which were 1,000 total members. Almost all workers in mill are the members of SPM. Based on the interviews with labor union members representatives, it's known that there was no force or pressure to be a member of labor union. The membership of labor union (SPM) was voluntary.

Based on the interview with management representatives, it is known that the membership of the labor union was 97% of workers registered as members of the SPM while 3% of workers were the members of the SPSI. Based on the interviews with SPSI, it is known that the labor union will have a meeting in May 2023 to make sure the number of workers registered in SPSI.

6.3.2

UoC has documented the records of meetings between labor unions and management representatives as well as with internal labor

union meetings. The following are examples of records of meetings conducted by labor unions in 2022 to 2023, here as follows: The meeting between the labor union in all units and management representative on 30 March 2023 to discuss about contract workers compensation and manpower regulation.

Based on the interviews with labor union representatives and their members who work in each unit, it's known that the labor union held meetings whenever it's needed. The meetings accommodated in bipartite and internal meeting and there has been no labor issue that brought to Manpower Agency.

Based on the interview with the Manpower Agency of Musi Rawas Utara District, there was a request from the SPSI for mediation to the Manpower Agency regarding employee layoffs, but the Manpower Agency returned it to SPSI so that a Bipartite meeting could be held before it brings to tripartite.

Based on the interviews with the company, it is known that the request for mediation was due to the contract workers whom contracts wasn't continued. UoC did not proceed to bipartite meetings since it was only 3% of the total workers registered in SPSI and it wasn't a termination since it was UoC's decision of the management representative to not continue the contract of those contract workers. UoC then showed the proof of contract workers compensation payment process.

6.3.3

Based on the interviews with the labor union representatives, there was no interference in the selection or labor union operational activities. All processes of selecting, decisions making and planning activities, members' aspirations to their representatives run democratically. The worker who is currently placed as the Chairman of the Labor Union in SPM and SPSI were a worker in estate and mill so then there will be no conflict of interest that occurs with the company because there were no workers who have the authority as decision-makers (staff class and above). UoC also involved the labor union (SPM) in drafted the collective labor union.

The establishment of the union was in accordance with the applicable laws and regulations and has been recorded at the Manpower Agency.

Unit of certification was giving freedom for workers to express their aspirations and did not give any intervention related to labor union activity. Based on the interview with workers, it's known that there was no mandatory to be the member of labor union. The membership of labor union is voluntary.

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| Status: Comply |
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6.4

Children are not employed or exploited.

6.4.1

UoC had a policy concerning on children/underage worker protection stated in the Underage Worker Policy No. QMM-40-01-P08/27-03-2019/Rev.1 validated by the President Director on 27 March 2019. It stated that the group committed to not employ child labor in any operational activities and will be inform contractors and any parties regarding this policy. UoC also showed the procedure of recruitment stated in the CLA period of 2021 to 2023 which stated that they do not employ worker under the age of 18 years old and do administration check to make sure the age of workers candidate.

UoC then showed that they had socialized the policy to all parties including smallholders and contractors before the agreement signed. UoC also showed agreement letter signed by the representatives of contractor as a sign that they agreed with UoC's regulation and policies.

6.4.2

Based on the document review of workers list in all units, it's known that there were no workers under the age of 18 and there was no child around the work area. UoC always asked for workers candidate's personal national ID card. UoC also did not employ young worker and there was no internship program.

Based on the interview with contractor workers and village representatives, it's known that they all knew the minimum age of workers.

6.4.3

Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the

work area. UoC also did not employ young worker and there was no internship program.

6.4.4

UoC had socialized the policy to all parties including smallholders and contractors for instance the socialization held on 16 December 2022 attended by workers and contractor workers in Sei Mandang and Sei Rupit Estate. Based on documents verification and field observation, there were no workers under the age of 18 and there was no child around the work area. In addition, UoC also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement.

Based on the interview with the contractor workers (CV Tamras Indah and PT Usaha Jaya Express), the villagers of Karang Dapo Village and Muara Rupit Village, and the manpower agency of Musi Rawas Utara Village, it's known that they do know the UoC's policy of no underage worker and there were no underage workers in UoC's operational area.

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| Status: Comply |
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6.5

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

6.5.1

UoC showed the policy on prevention of sexual harassment and violence which has been signed by the President Director, including stating that PT Dendymarker Indah Lestari 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, Collective Labor Agreement 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.

Other than that, unit of certification has a reproductive rights protection policy that was signed by the President Director on 1 March 2014. The policy explains that PT Dendymarker Indah Lestari 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.

UoC also showed the record of the company's socialization using the poster posted in UoC's strategic spots. This poster explained the mechanism of all grievances including violence and sexual harassment. However, illiterate people can submit their complaints through the representative of internal stakeholder (gender committee and labor union). Based on the interview with the harvesting workers, the operators in mill, and the contractor workers, it's known that they do know the UoC's policy regarding the no harassment or abuse in the workplace.

6.5.2

UoC showed the collective labor agreement period of 2021 to 2023 which stated that the UoC had provided paid leave for maternity as three months and for woman in menstruation period as 2 days paid leave. Based on the documents review and interviews with workers (harvesters, maintenance workers, and mill operators), disallowance of sexual harassment, violence, and pregnant worker in any agrochemical activities had been routinely socialized by the management in morning brief.

Based on the interviews with the gender committee and daycare officer, the company had given the time and room for breastfeeding. There were no grievance or complaint related to sexual harassment during 2022 to 2023.

6.5.3

Based on the interviews with gender committee representatives and field observation, it is known that UoC has provided a certain place for breastfeeding at daycare with special time to breastfeed. There was no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered / picked up by the foreman at these times.

UoC then showed the new mothers' need identification in the form of questionnaire, for example the identification held on 13 April 2023 on behalf of GM (initial). The result of questionnaire including the baby check-up, immunization access, and breastfeeding matters and the expected facilities towards the company.

6.5.4

UoC showed the procedure to accommodate complaints and grievance from employees including in sexual harassment and violence stated in SOP of Internal Grievance (No. HRD-04-01/01-04- 2019/Rev.1) validated on 5 April 2019. In the procedure described that if

requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistle-blower). UoC also provided whistleblowing by email, company website, and letter to complaint reporting unit for any confidentiality grievance.

Based on the interviews with workers it's known that the workers already have sufficient understanding of the grievance mechanism. Related complaints of sexual harassment can be submitted to the gender committee. In the last year period, there was no complaint related to sexual harassment, violence at work/reproductive rights.

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| Status: Comply |
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6.6

No forms of forced or trafficked labour are used.

6.6.1

UoC had a policy concerning on force-labor ban stated in Force Labor Ban Policy No. QMM-40-01-P09/27-03-2019/Rev.1 validated by the President Director on 27 March 2019. The policy stated that the company committed not to use force labor and the worker from human trafficking directly or through any parties.

UoC also showed the procedure of general recruitment No. HRD-01-00/01-04-2019/Rev. 1 validated on 5 April 2019 which informed that workers do not take any recruitment fees at any stage of the recruitment process, and no retention of passports/identity documents. UoC then showed that on each work agreement between the certification unit and the contractor/supplier, there were clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractors.

Based on employee list and observation in field known that there were no migrant workers. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

Based on the interviews with manpower agency, gender committee, labor union, and workers at Mill and Estates, it's known that workers have never felt discriminated and forced to work by the company. There were no significant obstacles related to employment or violations of company regulations. UoC provided output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the incentive payment. No penalty was given to the harvester if it does not get output due to natural factors such as rain. Based on pay slip document and foreman notes of harvesters daily output, the harvesters have earned more than daily output target and the wages the harvesters received was above the minimum wage.

There was no pressure/forced in doing overtime work, workers who had overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation.

6.6.2

Based on documents review and interviews with the manpower agency, gender committee, labor union, and workers at mill and estate, it's known that there was no migrant worker in all units. There were contract workers in estate, yet all rights have in accordance with the related manpower regulation.

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| Status: Comply |
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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

OHS organization.

The certification unit already has an OHS organization in the form of an OHS committee as follows:

- Sei Mandang Estate
In accordance with the Decree of the Head of the South Sumatra Province Manpower and Transmigration Service Number. 015/KPTS-P2K3/NAKERTRANS/2022 concerning ratification of the OHS organizational structure of the Sei Mandang Estate Committee, stipulated in Lubuk Linggau on January 31, 2023. The OHS Committee Secretary is a worker with the initials Sph. The CH shows an OHS expert authority card and an official OHS expert decision from the Ministry of Manpower of the Republic of Indonesia dated October 29, 2021, valid for 3 years.
- Sei Liam Estate
In accordance with the Decree of the Head of the South Sumatra Province Manpower and Transmigration Service Number. 010/KPTS-P2K3/NAKERTRANS/2022 concerning ratification of the OHS organizational structure of the Sei Liam Estate

Committee, established in Lubuk Linggau on 11 November 2022. The OHS Committee Secretary is a worker with the initials AAS. The CH shows an OHS expert authority card and an official OHS expert decision from the Ministry of Manpower of the Republic of Indonesia dated October 29, 2021, valid for 3 years.

- Sei Rupit Estate

In accordance with the Decree of the Head of the South Sumatra Province Manpower and Transmigration Service Number. 011/KPTS-P2K3/NAKERTRANS/2022 concerning ratification of the OHS organizational structure of the Sei Rupit Estate Committee, established in Lubuk Linggau on 11 November 2022. The OHS Committee Secretary is a worker with the initials Hmt. The CH shows an OHS expert authority card and an official OHS expert decision letter from the Ministry of Manpower of the Republic of Indonesia dated April 19, 2022, valid for 3 years.

- DIL POM

In accordance with the Decree of the Head of the South Sumatra Province Manpower and Transmigration Service Number. 05/KPTS-P2K3/NAKERTRANS/2022 concerning ratification of the OHS organizational structure of the DIL POM Committee, established in Lubuk Linggau on March 16, 2022. The OHS Committee Secretary is a worker with the initials ADL. The CH showed a statement from the OHS Service Company PT Lanto Masa Anugrah dated January 19, 2023, regarding the Extension of the OHS Expert Appointment Letter and Authorities.

Periodic meeting

The CH also has an OHS Committee in each unit which is responsible for the implementation of OHS aspects. One of the activities of the OHS Committee is to conduct monthly evaluations regarding the implementation of the OHS program. For example, in the meeting on April 6, 2023, at DIL POM which was attended by employees, foremen and assistants, as well as the OHS Committee management, with discussions including evaluating the implementation of previous meetings, evaluating HIRADC, work accidents, gender issues etc.

For Estate, for example the Sei Mandang Estate OHS Committee Meeting for the April 2023 period, which was held on April 1, 2023, with 26 participants. Some of the things that were discussed included policy socialization, use of PPE, first aid kits, preparation for external audits, environmental and housing hygiene, and socialization of the use of fire extinguisher.

6.7.2

Procedure for Handling Work Accidents and Emergencies

The CH has Emergency Response Procedure No. RMO-MR / EST // 170901 / Rev.0 which was ratified on September 1, 2017. In that procedure has explained the emergency response to the handling of accidents from reporting to coordination. The CH conducts regular training, one of which is demonstrated in forest and land fire control training by a team of emergency and natural disaster response coordinating agencies and a fire emergency response simulation on 10 February 2023 at PT DIL's main office field. Participants were the Bakortiba SLME team, SMGE, PT DIL staff, employees, KTPA (Fire Concerned Farmers Group) and MPA (Fire Concerned Community) totaling 86 people.

First Aid Officer

The CH has a paramedic with the initials RF who has shown a Medan BK3 (*Balai Keselamatan dan Kesehatan Kerja*) certificate that he has attended hyper-health and work safety training for paramedics.

Based on field observations, such as during NPK fertilization activities in Block D13 Sei Rupit Estate, harvesting in Block M12 Sei Liam Estate, and DIL POM it was found that officers carried first aid boxes/bags. The results of the interviews revealed that these officers had received first aid training and were able to explain the name and function of the first aid kit.

Based on field observations at DIL POM and offices, it is also known that there is an evacuation route that leads to the gathering point in case of an emergency. Fire extinguishers and hydrants are available ready to use. The results of the hydrant test at the Boiler Station function properly.

Records of work accidents

As stated in the OHS Committee report and monthly monitoring of work accidents carried out by the OHS committee secretary and reported to the government periodically. For example, it is known that during 2023 there were 2 work accidents at DIL POM which caused lost working days, namely on January 11, 2023, a worker with the initials Jnd was due to a traffic accident with 2 lost working days. Then on January 12, 2023, the worker with the initials DA, his feet fell into a ditch filled with hot flow, which caused 12 working

days to be lost. The two accidents did not cause any disability and have shown evidence of treatment according to the applicable procedures. The OHS Committee has followed up by submitting an evaluation during the morning assembly and providing cover for the ditch.

6.7.3

The CH has SOP for Occupational Safety and Occupational Safety Equipment, document number 069/DMIL-KKPKK/2016 dated 22 August 2016. Results of field observations at both DIL POM and Sei Mandang Estate, Sei Liam Estate, and Sei Rupit Estate it is known that workers have used HIRADC compliant PPE. The results of the document review revealed that PPE was one of the discussions at the OHS Committee meeting.

Based on interviews with circle spraying workers at the Sei Liam Estate show that workers understand the procedures for washing PPE and work tools, as well as storing PPE in the rinse house. Based on observations of the rinse houses in Sei Mandang, Sei Liam, and Sei Rupit Estate also show that the rinse houses have been used according to their designation by workers, such as washing tools and spraying PPE after spraying, storing PPE and spray equipment, cleaning themselves before going home. There is also a place for mixing pesticides. So, The CH already has a place for sanitation and mixing of pesticides. This is a verification from OFI in the previous audit.

Based on observations in the warehousing area, it is known that each unit has a rinse house which functions as a place for washing tools and spraying PPE after spraying, storing PPE and spray equipment, cleaning oneself, and wearing clean clothes before going home. During the audit, spraying work was not carried out because the first rotation was completed. The results of interviews with circle spraying workers at the Sei Liam Estate show that workers understand the procedures for washing PPE and work tools, as well as storing PPE in the rinse house.

Based on field observations and interviews with plantation, factory and contractor employees, it is also known that the certification unit has provided PPE to employees in accordance with the risk assessment that was previously carried out. PPE can also be replaced if the PPE used is damaged.

6.7.4

UoC provided health services such as clinics and paramedics. Based on field observations, it was known that the facilities and infrastructure provided due to medical services for workers are in proper condition. Based on the documents review and interviews with workers (harvesters, pesticide applicators, mill operators), it's known that total workers in February 2023 was 1,481 total workers (73 workers in mill, 471 workers in Sei Liam Estate, 645 workers in Sei Mandang Estate and 292 workers in Sei Rupit Estate) and it revealed that all workers were registered in the BPJS program. The BPJS has been paid for all workers in accordance with the number of total workers in its payment period, proven as follows:

- BPJS (Health Insurance) payments for 474 workers in Sei Liam Estate have been completely fulfilled and the last proof of payment is on 6 March 2023 for period of March 2023.
- BPJS (Health Insurance) payments for 944 workers in Sei Mandang and Sei Rupit Estate have been completely fulfilled and the last proof of payment is on 6 March 2023 for period of March 2023.
- BPJS (Social Security Insurance) payments for 474 workers in Sei Liam Estate have been completely fulfilled and the last proof of payment is on 29 March 2023 for period of March 2023.
- BPJS (Social Security Insurance) payments for 959 workers in Sei Mandang and Sei Rupit Estate have been completely fulfilled and the last proof of payment is on 29 March 2023 for period of March 2023.

The difference between workers registered in health insurance and social security insurance was actually due to the new workers who started work in February to March 2023. The new workers have registered in social security insurance, while the health insurance was still in process since there was still some workers registered in government health insurance program.

Based on the interviews with workers (harvesters, pesticide applicators, and mill operators) and labor union, they informed that they had the acknowledgement of their involvement in BPJS program, and they also held the BPJS card.

6.7.5

As stated in the OHS Committee report and monthly monitoring of work accidents carried out by the OHS committee secretary and reported to the government periodically. For example, it is known that during 2023 there were 2 work accidents at DIL POM which

caused lost working days, namely on January 11, 2023, a worker with the initials Jnd was due to a traffic accident with 2 lost working days. Then on January 12, 2023, the worker with the initials DA, his feet fell into a ditch filled with hot flow, which caused 12 working days to be lost. The two accidents did not cause any disability and have shown evidence of treatment according to the applicable procedures. The OHS Committee has followed up by submitting an evaluation during the morning assembly and providing cover for the ditch.

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 CH has an SOP for Pest and Plant Disease Control with the code OPM-07-00/02-10-2017/Rev.2. SOPs are prepared as guidelines for pest and disease control in oil palm plantations in accordance with management policies. Pest and disease control processes include detection, census, control recommendations, control, and evaluation. In addition, the company also has SOP Detection and Census No. OPM-07-01/02-10-2017/ Rev.2 which regulates the purpose and scope of procedures, detection and census procedures.

The results of field visits at Sei Liam Estate, Sei Mandang Estate, and Sei Rupit Estate found pheromone traps for horn beetle pests. Pheromone traps are checked daily, recorded and reported. From the results of field observations, it was also known that there were no traces of caterpillar and rat pest attacks.

The CH conducts monitoring according to its census procedures. The pests detected in the census are caterpillars. The results of the census and control efforts have been shown for those that have exceeded the threshold according to the procedure.

7.1.2

Invasive species in Indonesia refer to Minister of Environment and Forestry Regulation number P.94 of 2016. Based on field observations at SRTE, it is known that The CH has developed *Turnera ulmivolia* which is planted on the edge of the block. Plants are in good condition.

7.1.3

The results of document review and interviews with company representatives found that the pests found in the company area were horn beetles and caterpillars with generally mild conditions. Control is carried out using prevathon by spraying, and not using fire. The results of field observations at Circle Spraying activities at SLME found no use of fire. Based on this, it is known that there is no application of pesticides 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

Based on document review and field observations on circle spraying work using pesticides. The basis for using specific pesticides against target pests/weeds has been shown by the company in the list of pesticides used. For example, the Smart 486 SL pesticide for broadleaf weeds.

7.2.2

The CH has maintained records of pesticide use. It has been shown in the Pesticide Use Data document which contains the brand of the pesticide, the active ingredient, LD₅₀, and the use of the active ingredient per hectare. For example, Smart 486 SL with the active ingredient glyphosate 360 g/l, LD₅₀ 4,230 g, with the active ingredient per hectare 264 g/ha for an area of 4,082 ha.

7.2.3

The CH has a commitment to minimize the use of pesticides and has the IPM concept that has been implemented in the field. The CH has maintained records of pesticide use. For example, in Sei Mandang Estate, in 2022 glyphosate pesticides will no longer be used, and there will be a decrease in pesticides with the active ingredient carbosulfan. Meanwhile, metsulfuron methyl has increased from 2021 of 17 grams/ha to 22 grams/ha. The increase was due to changes in recommended doses and changes from immature to

Mature.

7.2.4

The results of interviews with company representatives, it is known that there is a preventive use of pesticides for horn beetle pests. The recommendation was given by Consultant Verdant Bioscience as one of the suppliers of oil palm seeds with the consideration that the area is endemic to the horn beetle and has just been replanted. It is recommended for horn beetle control, using LCC, installing pheromone traps, applying granular carbosulfan pesticides during immature 1 on apical shoots, and spraying pesticides with active beta sylvflutrin with a frequency of 2 weeks.

7.2.5

The CH has a commitment not to use pesticides that are included in WHO classes 1a and 1b, or included in the Stockholm convention, as well as paraquat. The results of a review of pesticide use documents for the period 2021 – 2023 note that the pesticides used include glyphosate and methyl metsulfuron. The results of field observations in Marshal application activities in Block B13 Sei Rupit Estate found that workers used the active ingredient *carbosulfan* pesticide which is WHO class II. The results of interviews with workers/company representatives found that in the last 1 year they used *Metsulindo* pesticides. Based on this, it is known that there is no use of pesticides included in WHO classes 1a and 1b, or included in the Stockholm convention, and paraquat in company operations. The results of field observations at chemical warehouses in Sei Mandang, Sei Liam, and Sei Rupit Estate also show that there are no pesticides that are categorized as World Health Organization Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions and paraquat. For example, at Sei Liam Estate there is a smart pesticide with the active ingredient glyphosate.

7.2.6

Pesticide applications have been carried out by persons who have completed the necessary training and have been applied according to the product label. The results of interviews during field observations at Circle spraying activities in Block M26 Sei Liam Estate and Block G2 in Sei Mandang Estate, and Marshall application in Block B13 Sei Rupit Estate, revealed that workers were able to explain the safe handling of pesticides according to procedures. Informed by informants that they have received training in handling pesticides from the company. The results of field observations also show that workers have implemented safe work techniques. The results of the document review revealed that pesticide training had been held at the company, delivered on January 31, 2023, with participants as Managers, Field Head Assistants, Assistants, Foremen, and Sprayers of Sei Mandang Estate, Sei Liam Estate, and Sei Rupit Estate.

7.2.7

The storage of pesticides at the company complies with best practices. The results of field observations in the pesticide warehouse area show that pesticides have been grouped by type, there is an MSDS in a language understood by workers, symbols for hazardous and toxic substances, in a place with good air circulation and adequate lighting. The warehouse is locked and there is a limited area warning and the use of PPE when accessing it. The results of interviews with workers revealed that workers could explain and demonstrate safe work techniques in that area.

7.2.8

Companies can show SOP for Toxic and Toxic Waste Management Number ENC 01-10/04-03-2019 Revision 1 which explains the mechanism for storing pesticides in a special warehouse, including a place for mixing pesticide ingredients to be used in the field in a special isolated place so that they are not potentially exposed chemicals outside the warehouse. Storage of used pesticide packaging is stored in a temporary storage area for hazardous and toxic waste and then sent to collectors who have a permit.

The company also washes used sacks of fertilizer or agrochemical packaging in a special washing place by designated officers. In addition, the waste water used for washing is collected and can be reused for further mixing of chemicals. After the washing activity is complete, the packaging is stored, counted, recorded and there is evidence of periodic monitoring, and the amount is accumulated. The company also held a socialization on the ban on the use of hazardous and toxic waste packaging on January 8, 2023, which was attended by 15 people.

Based on field visits to pesticide warehouses and temporary hazardous waste storage areas, it is known that pesticide storage areas are well managed, oil traps are available, air ducts are sufficient and isolated so that pesticides are not potentially exposed to leaving the warehouse. Pesticide waste such as used pesticide packaging which is classified as B3 waste is also found stored in a temporary storage warehouse for hazardous and toxic waste which is properly monitored which is then collected to a licensed collector. Before

being stored in the hazardous and toxic Waste Warehouse, used pesticide packaging in the form of jerry cans is chopped first, this is done by management to avoid reuse of pesticide packaging and to make storage space efficient.

Based on interviews with pesticide application employees and foremen at Sei Rupit Estate and Sei Mandang Estate, it is known that all used pesticide packaging containers were returned and sent to the hazardous and toxic Waste Warehouse and not used for any other purpose than pesticide application activities. Used packaging containers, work tools and work clothing are all stored in special storage areas. Thus, no contaminated goods are brought home. The results of observations in employee housing revealed that used pesticide packaging was not disposed of in the landfill and was not used for other purposes such as trash cans, flower pots and so on.

7.2.9

Based on document review and interviews with company representatives found that the pests found in the company area were horn beetles and caterpillars with generally mild conditions. Control is carried out biologically and chemically, carried out by spraying using a knapsack sprayer. The results of field observations at Circle spraying activities in Block M26 Sei Liam Estate found no application of airborne spray. Based on this, it is known that there is no application of pesticides through the air.

7.2.10

The CH has a Health screening procedure for high-risk workers in MED-01-10/03-07-2019/Rev.1. The procedure aims to detect early occupational diseases. The CH has conducted health checks for pesticide handlers in all work units. For example, records of the results of special health checks have been shown, namely the Cholinesterase examination for Sei Rupit Estate pesticide operators for the 2022 period which was carried out on 23 August 2022 for 63 workers with Cholinesterase results still within the threshold.

The results of interviews with management representatives show that MCU results that are outside the threshold will be followed up with further investigations. For example, the results of the Sei Liam Estate Foreman Spraying Cholinesterase examination with the initials KS were declared passed with a record and recommended to the pulmonary poly. The results of the follow-up examination, a diagnosis of right lung tuberculosis was obtained, so that he was transferred to the maintenance foreman.

7.2.11

The CH has a commitment regarding pesticide applicators not being carried out by pregnant or lactating women, or people with medical limitations. The results of field observations at Circle spraying activities in Block M26 Sei Liam Estate and Block G2 in Sei Mandang Estate, and Marshall application in Block B13 Sei Rupit Estate, found that there were no female workers who were pregnant and/or breastfeeding, or with medical limitations. The results of the interviews revealed that women workers who were pregnant or breastfeeding, or workers with medical limitations were transferred to non-pesticide jobs. Based on this, it is known that there are no workers who are pregnant, or breastfeeding, or with medical limitations who apply 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, 7.3.2

The company shows documents for waste management and identification for the 2022 period which inform waste management in accordance with the sources of waste identification and management plans, including:

Hazardous and Toxic Waste

The company has SOPs related to Hazardous and Toxic Waste management which are listed in SOP Management of Hazardous and Toxic Waste Materials with No. ENC 01-10 Revision 1 dated 04 March 2019 which explains regarding the management of Hazardous and Toxic materials and Hazardous and Toxic Waste shows that the company has regulated all obligations and responsibilities as well as procedures for storage, storage time, and delivery time to a licensed Hazardous and Toxic Waste transporter.

The company has 1 temporary storage of hazardous and toxic waste which has been licensed in accordance with the Decree of the Head of the Investment and One-Stop Service Office of Musi Rawas Utara Regency Number 24/KPTS/DPM-PTSP/MRU/XI/2020 December 8, 2020, concerning Permit for Temporary Storage of Hazardous Material Waste and Toxic to PT Dendymarker Indah Lestari which is valid for 5 years from the date of determination. The types of waste that can be stored in the form of hazardous and toxic waste from the results of one's own activities include used batteries, used oil, contaminated soil, sludge and wax, rags, gloves, cloth, plastic, paper and oil contaminated booms, used batteries, paint cans used, incinerator ash residue, used cartridges and toners,

used chemical drums and bottles, expired solid or liquid and infectious chemicals.

The company shows a cooperation agreement with a third party to handle hazardous and toxic waste, namely PT Fadillah Barokah North Sumatra with a cooperation agreement letter with No. 009/DMIL-FBS/SPK-LB3/IV/2022 made on 25 April 2022 valid until 25 April 2023 which explains that the types of hazardous and toxic waste to be submitted are in the form of used lubricants, used batteries, used filters, contaminated packaging, electronic waste, used rags and other hazardous and toxic waste.

PT Fadillah Barokah North Sumatra has a hazardous and toxic waste transport permit, including:

- Permit for Hazardous Waste Management for hazardous and toxic Waste Collection activities in accordance with Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number S.406/Menlhk/Setjen/PLB.3/7/2019 and is valid for 5 years.
- Recommendation for the transport of hazardous waste Number: S.197/PSI.B3-VPLB3/PPLB3/PLB.3/07/2020 dated 30 July 2020 and is valid for 5 years.
- Decree of the Director General of Land Transportation Number: SK.00258/AJ.309/1/DJPD/2018 dated October 1, 2020, concerning Permit for Special Goods Transportation to Transport Dangerous Goods, valid for 5 years.

Liquid waste

The company has a Liquid Waste Disposal Permit to a Water Body based on Decree of the Head of the Investment and One-Stop Services Office of Musi Rawas Utara Regency No. 18/KPTS/DPM-PTSP/MRU/X/2020 dated 20 October 2020 which is valid for 5 years at the coordinates LS 02° 47' 50.55" and BT 102° 57' 45.47" with the maximum permitted wastewater discharge to be discharged to a body of water of 2.5 m³/ton of palm oil product (CPO) and a surface water quality testing location on the Abang Hulu River at coordinates LS 02° 47' 47.76" ; BT 102° 56' 50.94" and Sungai Abang Hilir at coordinates 02° 47' 50.65" ; BT 102° 57' 44.50".

The company already has facilities for managing POME produced from palm oil processing with a capacity of 60 tons of FFB/hour using WWTP. The entire POME is put into the WWTP with a total volume of 135,000 m³ consisting of 6 ponds with the following details:

- Pool I Cooling Pond with a size of 100 x 45 x 5 meters
- Pool II Anaerobic Pond 1 measuring 100 x 45 x 5 meters
- Pool III Anaerobic Pond 2 measuring 100 x 45 x 5 meters
- Pool IV Facultative Pond 1 measuring 100 x 45 x 5 meters
- Pool V Facultative Pond 2 measuring 100 x 45 x 5 meters
- Pool VI Application Pond measuring 100 x 45 x 5 meters

Liquid waste management is carried out with a single-feeding system where waste is channeled directly to all anaerobic ponds simultaneously with liquid waste circulation installations that are connected to each other between ponds. After that, the search waste from each pond is channeled into the sedimentation pond and then flowed into the river body. Before being released into the river, the liquid waste is tested until it reaches the quality standard to be able to flow into the river. Fulfillment of these quality standards is obtained from taking test samples in the mixing pond located in the pump house.

Non-Hazardous and Toxic Waste

Non-hazardous and toxic waste, including household waste, is managed in the form of reuse of items that can still be used, such as used fertilizer sacks used for loose fruit. In addition, waste that cannot be reused will be collected, if it still has economic value such as scrap metal and used tires will be sold. Non- hazardous and toxic waste that cannot be reused will be disposed of in the landfill. Transportation of non- hazardous and toxic waste from the housing or employee emplacement area is carried out every 2 weeks by using a dump truck and immediately disposed of in the landfill.

For used fertilizer packaging waste and chemical packaging that can still be used, such as fertilizer sacks, the company has a special tub to soak and wash sacks, so they are fit for reuse. This is done by the company to reduce waste production with the principles of reuse, recycle and reduce.

In addition, the company periodically conducts outreach to employees regarding waste management, for example, which was held on January 17, 2023, which was attended by 32 people regarding the management of domestic waste, hazardous and toxic waste and also liquid waste. Based on field visits to housing, WWTP ponds, a temporary storage area of hazardous and toxic waste and

landfills, it was found that waste management was running well in accordance with company regulations and government regulations.

This is also in line with worker interviews, for example for warehouse staff and operators of Temporary Storage of Hazardous and Toxic Wastes, it is known that personnel can explain waste management.

7.3.3

The company does not carry out open burning for waste destruction, this can be proven from field visits to landfills where there was no burning waste. The results of interviews with mill and estate employees also stated that there was no burning of waste, because they were aware of the ban on burning activities. Organic waste from housing is managed by means of burial, while inorganic waste is disposed of in a designated place, then transported twice a week and disposed of in a landfill and then stockpiled when the landfill is full.

The results of field observations in the employee housing area also showed that there were no traces of burning activities, besides that there were also many warnings about the prohibition of burning waste and the dangers that could arise from burning activities. Interviews with employees who live in the housing also stated that they never burn trash.

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| Status: Comply |
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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 CH has procedures on soil fertility for productivity and minimal impact on the environment, such as OPM-06-01 concerning Inorganic Fertilizer, OPM-06-02 concerning Organic Fertilizer, OPM-06-03; concerning LSU and OPM-06-04 concerning SSU). The procedure regulates, among others, the main principles in the application or sowing of fertilizers, important factors in the effectiveness and efficiency of fertilization, fertilizer technical guidelines, fertilizer preparation, fertilization work organization, fertilization mechanically with Fertilizer Spreader, empty beds and the application of liquid waste/POME.

The procedure also establishes many strategies to maintain and increase long-term soil fertility, by combining efficient and measurable organic fertilization, taking into account the age of palm oil and soil nutrients by taking leaf and soil samples.

The CH shown the program and the realization of inorganic and organic fertilization application for the period January to February 2023. Based on document reviews and interviews with the staff, the realization of fertilization in Sei Liam and Sei Mandang Estate is in accordance with the program. As an example, fertilizer recommendations and their daily realization have been shown at Sei Liam Estate. In Block N15 Division 3, it is recommended that 2,089 kg of Kieserit fertilizer be applied, and it will be applied on March 29, 2023 with the same volume.

7.4.2

The most recent records of soil and leaf tissue analysis are available, for example:

- Ground network analysis:
PT DIL conducted a soil analysis with 97 samples on April 18, 2019, conducted by the Verdant Plant and Soil Nutrition Laboratory. The parameters analyzed were soil fraction, soil texture, pH (H₂O), pH (KCl), C. Organic, N, C / N, P, K, Ca, Na, Mg, and other micro nutrients.
- Analysis of SRTE leaf tissue was carried out by an internal laboratory, sent on January 25, 2023, with a total of 4 sample groups from 2 divisions and immature.

7.4.3

Elemental recycling strategies such as EFB and LA are available. The results of interviews with management representatives, it is known that EFB and land applications are processed into compost. Then applied to the land. There is also direct application of EFB on the block, according to field observations in Block N27 Sei Liam Estate, at a dose of 40 tonnes/ha/year.

7.4.4

The CH shown the program and the realization of inorganic and organic fertilization application for the period January to February 2023. Based on document reviews and interviews with the staff, the realization of fertilization in Sei Liam, Sei Mandang, and Sei Rupit Estate is in accordance with the program. As an example, fertilizer recommendations and their daily realization have been shown at Sei Liam Estate. In Block N15 Division 3, it is recommended that 2,089 kg of Kieserit fertilizer be applied, and it will be applied on

| | | |
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| March 29, 2023, with the same volume. | | |
| | Status: Comply | |
| 7.5 Practices minimize and control erosion and degradation of soils. | | |
| 7.5.1 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. | | |
| 7.5.2 Based on field observations at Sei Mandang Estate, Sei Liam Estate, and Sei Rupit Estate show that there is no replanting on steep slopes. The slope of the area in the company has been discussed in indicator 7.5.1. | | |
| 7.5.3 The results of field observations at Sei Mandang Estate, Sei Liam Estate, and Sei Rupit Estate revealed that there were no new plantings on the steep slopes. The slope of the area in the company has been discussed in indicator 7.5.1. | | |
| | 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 Based on the document study revealed that the area of certification unit was classified as marginal land is peat soil. The certification unit 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 certification unit's operational area is in the flat category (0-2° or 0-4%). Thus, the certification unit does not have a sloping area management strategy. | | |
| 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. | | |
| 7.6.2 Based on the verification document of the long-term plan and the latest area statement as well as interviews with the management, it was revealed that the certification unit is not currently carrying out new plantings or has plans to carry out new plantings. The results of field observations at Sei Mandang Estate, Sei Liam Estate, and Sei Rupit Estate found that there were no new plantings in the company area. | | |
| 7.6.3 Based on verification document of the long-term plan and the latest area statement as well as interviews with the management revealed that the certification unit is not currently carrying out new plantings or has plans to carry out new plantings. However, from the results of field observations it is known that information on land surveys and topography serves as a guide for drainage canal systems and other infrastructure. | | |
| | 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 The results of field observations and document studies at the Sei Mandang, Sei Liam, and Sei Rupit estates revealed that there were no new plantings in the peat area. From the results of field observations such as in Block B13 Division 3 which is a peat area with a depth of ±200 cm according to the PT DIL (Dendymarker Indah Lestari) Peat Depth Map identification update 05 August 2022, it is also known that the company is carrying out replanting and has replanted in early 2023. | | |

7.7.2

As reported in the previous audit, that The CH has conducted an inventory of peatlands according to the RSPO peat inventory template and the report has been sent to the RSPO secretariat as evidenced by email to ghg@rspo.org on 30 October 2019 and received a reply from the RSPO secretariat on 28 January 2020 with the statement "We received all the documents for the peat inventory, while we are going through the shapefiles if any clarification is needed, we will get back to you". Based on the document review revealed that the area of peat planted was 8,899.71 ha, which consisted of Sei Mandang, Sei Liam and Sei Rupit Estate. Sei Rupit Estate is an extension scope in ASA 3. The area presented (8,899.71 ha) is the area of peat in the initial/first reporting. Meanwhile, indicator 7.7.3 is a re-measurement update which is in the process of being finalized to be reported again. The results of interviews with company representatives, an update on peat inventory reporting will be reported before November 5, 2023.

In accordance with the RSPO announcement on 19 September 2022 regarding the "Second submission of RSPO Peat Inventory", company representatives have understood this matter and are in the process of rearranging it. The company representative explained that they would send it back before the final deadline, which is before 05 November 2023.

7.7.3

The CH has measured peat subsidence every 3 months for 39 subsidence poles for a peat area of 8,126.51 ha which means each subsidence stake represents 208 ha.

Based on document review show that the measurement results from the 4th quarter of 2022 to the 1st quarter of 2023 show an average decrease of 0.25 cm. The results of field observations in Block L26 Sei Liam Estate and Block B09 Sei Rupit Estate found that the subsidence stakes were in good condition and provided with safety fences. The results of field observations also revealed that there were canal blocks, such as in Blocks M15, M18, M19 and L22 in the Sei Liam Estate, as well as in Block E19 in the Sei Rupit Estate. The water level in the canal is maintained according to the canal overflow regulation.

7.7.4

The CH has a water management program and has implemented it. The CH already has a Water Management Zone System Map, Water Flow Direction Map, manual TMAT monitoring location and logger from KLHK, subsidence pole monitoring location. The CH has also presented a plan for constructing and maintaining canal blocks to maintain the groundwater level.

The results of field observations in Block L26 Sei Liam Estate, piezometers in Block B09 Sei Rupit Estate, and FDRS monitoring in Block E19 Sei Rupit Estate, it is known that the condition of the monitoring device is maintained and FDRS monitoring is in a green area with a water level of ± 36 cm from the ground surface. The results of the document review revealed that monitoring is carried out every 2 weeks for manual/piezometer TMAT, while for data loggers it is reported daily. Determination of monitoring points is carried out based on Decree of the Director General of Pollution Control and Environmental Damage number SK.112/PPKL/PKG/PKL.0/12/2017 concerning Determination of Groundwater Level Monitoring Points, Installation Points of Automatic Groundwater Level Measuring Devices, and Station Points PT DIL Rainfall Monitoring on 27 December 2017. Set 4 loggers (automatic monitoring points) and 30 manual monitoring points. The results of a document review and interviews with water management company representatives found that 5 monitoring points for groundwater levels in Sei Rupit Estate had been added, bringing a total of 39 monitoring points.

The results of field observations in Block L26 Sei Liam Estate and Block B09 Sei Rupit Estate found that the subsidence stakes were in good condition and provided with safety fences. The results of field observations also revealed that there were canal blocks, such as in Blocks M15, M18, M19 and L22 in the Sei Liam Estate, as well as in Block E19 in the Sei Rupit Estate. The water level in the canal is maintained according to the canal overflow regulation.

The results of field observations at Sei Mandang Estate, Sei Liam Estate, and Sei Rupit Estate also show that companies have used LCCs similar to *Mucona bracteata*. The observation results also show that the dominant LCC plants have covered the empty area between the palm trees.

7.7.5

The CH has presented the Directed RSPO Drain ability Assessment (Tier 2) document conducted by Malaysian Environmental Consultants, with a release report in September 2022 with an official revision date of 19 September 2022. Initially, PT DIL conducted

the first drain ability assessment on 06 August 2019.

The conclusion from the Tier 2 Drain ability Assessment, that the data presented, and the methods used lead to the conclusion that there is no DLT requirement for the 7 identified drainage zones at PT. DIL. Additional scenarios were created to show that the standard subsidence rate of 5cm/year in peat areas dominated by peat depths below 3m (80.8%), could be an overestimation. It was reiterated that if direct measurement data were available, they should be used to correct any form of theoretical subsidence rate. Once again it is emphasized that concessions such as PT. DIL has the existing intensive management framework and, unless there is an environmental disaster, subsidence of peat should reflect the actual measurement regardless of subsidence in the number of measurement points. In this case, it has been proven that there is no need for DLT calculations, and the company should proceed with replanting of 3,609.93 ha.

It should also be noted that the physical condition of the area is such that the DIL sub-DAS has a large amount of water input due to its drainage pattern. The peat swamp is not completely ombrogenic and the tributaries of the 2 limiting rivers, the Sei Rupit and Sei Liam, experience backflow and thus also flood the swamp. It is predicted that the water level at the outlet and the groundwater level are not due to excessive lowering of the peat water table as defined in the RSPO DAP document, but due to flooding in the plains due to excessive inflow of water from the surrounding drainage system.

The CH also showed evidence of communication to the RSPO, namely the submission of a report to the RSPO GHG unit on 29 September 2022. The CH showed a response from the RSPO via email on 06 October 2022 stating that this had been submitted to the RSPO Environmental Team.

7.7.6

CH has monitored the surface water level and TMAT using the piezometer and logger which have been discussed in indicator 7.7.4. The results of field observations revealed that the logger in Block L26 Sei Liam Estate was well maintained. Observation results at the manual monitoring of Block B09 Sei Rupit Estate are also in good condition. These monitoring points are monitoring points added by the company. With a planted area of 8,126.51 ha of peat, the company has a total of 39 monitoring points for groundwater levels, which means that each monitoring point represents 208 ha.

For fire prevention and control, CH has installed fire hazard warnings in office areas, residential areas, and canal banks. FDRS (Fire Danger Rating System) has been installed in office areas and monitoring points have been installed in the field. The results of field observations in Block E19 Sei Rupit Estate show that the color label is green with a water level of ± 36 cm from the ground surface. The results of field observations also revealed that the fire monitoring towers in Block M25 Sei Liam Estate and C05/C06 on the border with Sei Mandang Estate were in good condition. From the results of observations at the fire department's warehouse, it is known that they already have a ready-to-use water pump machine.

7.7.7

Based on the results of the review of the certification unit 's statement of the area document, and interviews with management representatives, it was found that the certification unit did not plant new oil palm on peatlands for the purpose of developing plantations. For conservation areas in peat areas, planting is not carried out/allowed. Roads, drainage channels and electricity lines were not constructed.

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| | Status: Comply | |
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7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

The company has a policy for protecting high slopes and riverbanks with No. 21/PMPB-DMIL/2013 and SOP for riparian areas (SOP-DMIL-MILLS-III-2013) which explains the water management plan and identification of water flows in operational areas listed in the 2013 HCV & HCS and environmental management plan documents.

From these documents, it is known that the company is committed to protecting river banks in accordance with statutory regulations, namely large rivers (border width 100 m) and small rivers (border width 50 m). Based on document verification, the water management that has been carried out by the company includes :

- Manage POME in WWTP ponds prior to use in plantations according to the permits they have.

- Test the quality of groundwater in the POME application area and groundwater around settlements.
- Prevent leaks in every water installation.
- Creating clean water reservoirs around the building area.
- Separation of non-chemical and chemical water

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.

Based on document verification, all surface water, namely in the Rupit river, Liam river, upstream & downstream of the Mandang river, upstream & downstream of the Abang river, has been tested. The parameters tested were 32 parameters according to government regulation no. 22 of 2021 concerning Implementation of Environmental Protection and Management of Class I Water. In addition, the company also has reverse osmosis water that complies with environmental quality standards which is used for employee consumption water.

7.8.2

The company also has PT DIL's 2022 HCV Management Program document. The document shows 3 activity components, namely operational monitoring, threat monitoring and strategic monitoring, for example as follows:

- Routine communication-based patrols and monitoring.
- Ensure that there is no use of chemicals in the river border area.
- Prevent poaching.
- Monitoring of habitat and vegetation conditions.

The company also has a protected area map with a scale of 1:80,000 which depicts the existence of protected areas in the form of river banks, freshwater swamps, floodplains and other areas covering an area of 2,494.23 hectares. The map is also equipped with legend information which contains potential areas, HCV/HCS areas, RaCP areas and non-HCV conservation areas and shows the location of the HCV area and its position in the plantation.

The company has a surface water quality monitoring program that is carried out every semester by a KAN-accredited laboratory (LP-1296-IDN) on November 7, 2022. The monitoring locations are at 6 sample points which are divided into 4 rivers for the scope of the company's entire operational area, namely the Mandang Hulu River, Mandang Hilir River, Liam River, Rupit River, Abang Hulu River and Abang Hilir River. Currently the company is conducting surface water testing using quality standards that refer to Government Regulation of the Republic of Indonesia Number 22 of 2021. The results of these tests will then be reported to the relevant Office through the RKL-RPL Report per semester.

7.8.3

The company has a Wastewater Treatment Plant (WWTP) as a form of liquid waste management resulting from FFB processing before being discharged into water bodies. WWTP consists of 6 ponds consisting of:

- Pool I Cooling Pond with a size of 100 x 45 x 5 meters

- Pool II Anaerobic Pond 1 measuring 100 x 45 x 5 meters
- Pool III Anaerobic Pond 2 measuring 100 x 45 x 5 meters
- Pool IV Facultative Pond 1 measuring 100 x 45 x 5 meters
- Pool V Facultative Pond 2 measuring 100 x 45 x 5 meters
- Pool VI Application Pond measuring 100 x 45 x 5 meters

The results of field observations on WWTP ponds at Dendymarker POM indicate that the company already has a well-functioning flow meter. The results of interviews with WWTP officers stated that the personnel could explain well about the management of liquid waste in waste management installations.

The company has a Liquid Waste Disposal Permit to a Water Body based on Decree of the Head of the Investment and One-Stop Services Office of Musi Rawas Utara Regency No. 18/KPTS/DPM-PTSP/MRU/X/2020 dated 20 October 2020 which is valid for 5 years at the coordinates LS 02° 47' 50.55" and BT 102° 57' 45.47" with the maximum permitted wastewater discharge to be discharged to a body of water of 2.5 m3/ton of palm oil product (CPO) and a surface water quality testing location on the Abang Hulu River at coordinates LS 02° 47' 47.76" ; BT 102° 56' 50.94" and Sungai Abang Hilir at coordinates 02° 47' 50.65" ; BT 102° 57' 44.50".

Companies can show evidence regarding the results of POME quality measurements in the form of documents on the results of tests carried out by laboratories accredited by KAN (LP-1296-IDN) with reference to the Regulation of the Minister of Environment Number 05 of 2014 and Regulation of the Governor of South Sumatra Number 8 of 2012. Based on the results of the analysis of test results documents for the July–December 2022 period show that all parameters are in accordance with the applicable quality standards, such as the results of the analysis of the quality of liquid waste in December 2022 which was tested on December 9, 2022, it was found that the BOD5 parameter value was 34.98 mg/l (standard quality 100 mg/l); COD 120.15 mg/l (quality standard 350 mg/l); TSS 26 mg/l (quality standard 250 mg/l); oils and fats 7.9 mg/l (quality standard 25 mg/l); Total nitrogen 22.35 mg/l (quality standard 50 mg/l); and pH 8.10 (quality standard 6-9).

Based on the results of field observations at the WWTP, it shows that the company has managed POME well which can be seen from the POME that is discharged into water bodies which are bright in color and odorless. In addition, WWTP also has no potential for overflow or runoff, the boundary between the body of the embankment and the surface of the wastewater is about 50 cm.

7.8.4

The company already has a permit to use/utilize water owned by the company, which is based on the Decree of the Head of the Investment and One-Stop Services Office of South Sumatra Province Number: 0540/DPMTSP.V/XII/2020 December 17, 2020, concerning Letters of Taking Permits and Utilization of Surface Water to PT Dendymarker Indah Lestari in Musi Rawas Utara Regency. This permit decision will take effect from December 17, 2020, to December 16, 2022. The company is also in the process of extending the water utilization permit through the OSS system.

Companies can also show documents recording daily water use, as well as the results of recapitulation of water use for palm oil processing units every month, for example for the period January - December 2022. Based on surface water usage data, if the average water used to process FFB is taken, that is equal to 14,078 m3/month. However, when calculating the overall average water use (domestic and washing) for the scope of the Dendymarker POM, the total water use is 15,408 m3/month.

The company has also carried out its obligations as a user of surface water and groundwater, namely paying a monthly water usage fee for the entire scope of certification, namely Sei Mandang Estate, Sei Liam Estate and Dendymarker POM which is paid separately by each management unit. The evidence shown is proof of payment of user fees for surface water and groundwater every month, records of proof of surface water tax bills, local tax assessment letters for groundwater, and proof of transactions for payment of fees by bank transfer for January to December 2022.

The results of field observations at the Water Treatment Plan (WTP) and Water Intake also show that the flow meter used is still functioning properly. The results of interviews with the officer in charge of the WTP also showed that the operator was very familiar with how the WTP worked and recorded flow meter data. Officers can also show data on the entry and exit of water that is recorded every day.

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

7.9
Efficiency of fossil fuel use and the use of renewable energy is optimized.
7.9.1

The company is making efforts to increase the efficiency of using fossil fuels and optimizing renewable energy, these efforts are also monitored in the form of the Solar to Biofuel Conversion document. Biofuel in question is solid waste in the form of shells and fibres which are used to substitute fossil fuels (diesel) as a producer of electrical energy by using a boiler.

The recapitulation of solid waste utilization for the January – December 2022 period shows that of the 162,350 tonnes of FFB processed, 9,741 tonnes of shells and 21,106 tonnes of fiber can be produced for fuel, all of which are used for the combustion process in boilers or the equivalent of up to 19% of the total processed FFB. The company also utilizes 100% of the EFB produced to be used as a substitute for fertilizer and applied to the field with a total of 35,717 tonnes of FFB applied in 2022.

This energy efficiency is also applied to all of the company's operational activities by minimizing the use of fuel by contract workers, including all machinery and transportation operations. The total utilization of diesel, for example, at Dendymarker POM in Semester 2 2022 was 35,390 liters where there was a decrease in diesel usage from Semester 1 2022 of 46,393 liters which proves that the company has succeeded in minimizing the use of fossil fuels.

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 minimize GHG emissions.
7.10.1

The company has carried out a GHG inventory contained in the 2023 Greenhouse Gas Emission Mitigation Program document, based on document analysis it can be concluded that the company has identified GHG sources produced by the Dendymarker POM unit and its suppliers. Identification of significant GHG emission sources identified and mitigation plans have been developed by the company covering mills and plantations. Significant GHG emissions include changes in land use, processing of POME, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plan includes, among other things, the proper use and dosage of fertilizers according to recommendations, reducing reuse and recycling actions, limiting electricity use, transportation and machine maintenance, as well as regular air quality tests. The company has also reported the results of GHG calculations to the public which are submitted to the RSPO GHG website.

Reduction of fossil fuels at Dendymarker POM has been accomplished by using fibres and shells for fuel substitution. Based on a review of documents such as monitoring pesticide use, diesel fuel monitoring, HCV identification and others, it is known that accurate data has been entered into the RSPO GHG Calculator version 4.0. The summary of GHG emissions for the period January – December 2022 is as follows:

General Information

| Association | No. of Estates/Plantations | FFB Processed (t) | Planted Area (ha) |
|------------------|----------------------------|-------------------|-------------------|
| Own Plantation | 2 | 29,056.40 | 7,341.91 |
| Group Plantation | 6 | 109,270.65 | 13,291.95 |
| 3rd Party | 5 | 24,023.18 | 4,589.09 |
| Total | 11 | 162,350.23 | 25,222.95 |

Summary Emissions

| Description | Value | Unit | Description | Value | Unit |
|-------------|-------|----------------------------|----------------------------------|-----------|------|
| CPO | 9.23 | tCO ₂ /tProduct | Oil palm planted on mineral soil | 1,987.32 | Ha |
| PK | 9.23 | tCO ₂ /tProduct | Oil palm planted area on peat | 8,126.51 | Ha |
| PKO | 0 | tCO ₂ /tProduct | Total oil palm planted area | 10,113.83 | Ha |
| PKE | 0 | tCO ₂ /tProduct | Conservation area (Forested) | 0 | Ha |
| OER | 23.25 | % | Conservation area (non-Forested) | 1,366.18 | Ha |
| KER | 3.54 | % | FFB Production per hectare | 6.44 | t/ha |

| Mill Emissions and Credits & Emissions from Palm Kernel Crusher | | | | |
|---|-----------|-------------|------------------------------------|-------|
| Mill Emissions and Credits | | | Emissions from Palm Kernel Crusher | |
| Emission Source and Credits | tCO2e | tCO2e/t FFB | Emission Source | tCO2e |
| POME | 31,823.39 | 0.20 | PK from own mill | 0.00 |
| Fuel Consumption | 393.81 | 0.00 | PK from other sources | 0.00 |
| Grid Electricity Utilization | 7.53 | 0.00 | Fuel Consumption | 0.00 |
| Export of Excess Electricity to Housing & Grid | 0.00 | 0.00 | Total Crusher Emissions | 0.00 |
| Sale of PKS | 0.00 | 0.00 | | |
| Sale of EFB | 0.00 | 0.00 | | |
| Total | 32,224.73 | 0.20 | | |

| Estate / Plantation Field Emissions and Sinks | | | | |
|---|------------------|-------------|------------|------------|
| Description | Emission (tCO2e) | | | TOTAL |
| | Own | Group | 3rd Party | |
| Emission Source | | | | |
| Land Conversion | 52,254.55 | 95,659.06 | 29,461.58 | 177,375.20 |
| CO2 Emissions from Fertilizer | 6,002.12 | 11,971.59 | 6,087.56 | 24,061.27 |
| N2O Emissions from Peat | 37,572.45 | 0.00 | 13,302.20 | 50,874.65 |
| N2O Emissions from Fertilizer | 4,452.76 | 9,939.74 | 4,183.74 | 18,576.24 |
| Fuel Consumption | 444.49 | 2,848.03 | 3,231.30 | 6,523.82 |
| Peat Oxidation | 274,047.76 | 0.00 | 97,024.20 | 371,071.96 |
| Sinks | | | | |
| Crop Sequestration | -68,728.79 | -125,815.52 | -38,334.26 | -232,878.5 |
| Sequestration in Conservation Area | -22,872.09 | -23,631.37 | 0.00 | -46,503.45 |
| Total | 283,173.26 | -29,028.46 | 114,956.32 | 369,101.12 |

| FFB Supplier | | | |
|-----------------------------------|---|---------------------------------------|---|
| Supplier Name | FFB Production by Estate/Plantation (t) | FFB Supplied by Estate/Plantation (t) | Percentage of FFB supplied by Estate/Plantation (%) |
| Sei Mandang Estate | 13,604.59 | 13,604.59 | 100.00 |
| Sei Liam Estate | 15,451.81 | 15,451.81 | 100.00 |
| Sei Rupit Estate | 930.36 | 930.36 | 100.00 |
| Agro Kati Lama North Estate | 17,039.28 | 17,039.28 | 100.00 |
| Agro Kati Lama South Estate | 28,990.82 | 28,990.82 | 100.00 |
| Agro Muara Rupit East Estate | 20,020.77 | 20,020.77 | 100.00 |
| Agro Muara Rupit West Estate | 16,807.80 | 16,807.80 | 100.00 |
| Agro Rawas Ulu East Estate | 17,139.58 | 17,139.58 | 100.00 |
| Agro Rawas Ulu West Estate | 9,272.40 | 9,272.40 | 100.00 |
| Koperasi Beringin Jaya (KBJ) | 8,211.06 | 8,211.06 | 100.00 |
| Koperasi Rawas Jaya (KRJ) | 6,772.29 | 6,772.29 | 100.00 |
| Koperasi Rempan Jaya (KRJA) | 4,777.98 | 4,777.98 | 100.00 |
| Koperasi Tingkip Jaya Raya (KTJR) | 3,331.49 | 3,331.49 | 100.00 |

Based on the results of the data analysis above, it can be seen that the emission values from CPO and PK production are quite high, namely 9.23 tCOe2/tProduct. Likewise, when compared to the previous period's emission values, it was seen that there was a decrease in CPO and PK emissions from 12.85 tCOe2/tProduct to 9.23 tCOe2/tProduct.

7.10.2

The company did not carry out new developments after 2014, but the company continued to manage GHG by conducting an inventory of emission sources. The company also shows identification documents for activities that produce emissions for the 2023 period for Mill and Estate. This is done to estimate the carbon stock in the management area along with the potential sources of emissions that can occur directly as a result of management, and a plan to minimize these emissions is developed and implemented.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel and carrying out maintenance on operational equipment on a regular basis. Companies can show records of GHG mitigation for Estate and Mill units, for example the use of fertilizers according to the dosage, routine maintenance of operational vehicles, socialization on the prohibition of burning waste, application of efficient use of electricity and integrated pest control to minimize the use of pesticides and substituting the use of fossil fuels using Biofuels.

7.10.3

The company shows several efforts made in reducing Greenhouse Gas Emissions, including:

- Reducing fossil fuels to meet daily electricity needs using PLN, the company installs a PLN network in the plantation area. So with this, the company has reduced the use of generators significantly.
- Mill has also utilized the use of renewable energy in the form of shells and fiber as boiler fuel to substitute Fossil Fuels.
- Carrying out local plant planting activities in several conservation areas, the company also has local plant nursery locations which will be planted in stages in the future.

The company also shows the 2nd half of 2022 RKL-RPL report which informs the identification of sources of pollution and emission of Dendymarker POM, such as CO₂ (boiler, generator, transportation), CH₄ (POME), hazardous waste (WTP, chemical storage), noise (machinery). Estate sources of pollution and emissions such as emissions (CO₂, CO), noise, chemical waste, organic and inorganic waste, and hazardous waste.

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| Status: Comply |
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7.11

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

7.11.1

The company shows Land Fire Prevention and Control SOP with No. OHS-01-12/10-06-2020 revision 1 effective date 10 June 2020 which describes techniques for land clearing/operational activities without burning, fire prevention, fire suppression and fire control.

Based on the results of interviews with harvest and fertilizer workers at Sie Mandang Estate, it is known that those concerned already know the fire prevention and control procedures set by the company.

Based on field visits to the Sei Rupi Estate and Sei Mandang Estate areas, it is known that no new plantings or replanting using burning were found. Regarding replanting activities, the company also reports its plans listed in the planning report for opening and cultivating plantation land, for example the last one reported on April 6, 2023.

The company also shows evidence of an annual fire prevention and control implementation report to the Musi Rawas Utara Regency Regional Disaster Management Agency on March 14, 2023.

7.11.2

The company shows a document list of fire control facilities and infrastructure, which among others are listed in the Land Fire Prevention and Control Facilities and Infrastructure document for the 2023 period such as fire towers, water pumps, fire trucks, and others. Based on these documents, it is known that the facilities and infrastructure owned refer to the Minister of Agriculture Regulation Number 5 of 2018.

Based on the results of field observations at the Fire Warehouse, it is known that the fire control facilities and infrastructure are in accordance with the list that has been shown. Based on the results of the fire simulation shown, it is known that the fire control facilities and infrastructure owned are in good condition and fit for use.

7.11.3

The company shows human resources in preventing and overcoming fires including:

- A task force for controlling fires on plantation land with the composition of the board, namely a chairman with the initial S, secretary with the initial RW, and others.
- Human resources for controlling plantation fires with the composition of the management, namely a chairman with the initials S, a secretary with the initials AAS, and others.

In addition, the company also establishes communication with the surrounding community regarding fire prevention and control by forming organizations namely:

- A community group concerned with fire with a management structure, namely the person in charge is the village head.
- Farmers group concerned with fire with the composition of the board, namely the chairman with the initials AF.

Based on the results of interviews with representatives of trade unions and community representatives, it is known that the personnel already know about fire prevention and control and periodically carry out simulations of land fire prevention and control.

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 company shows that the identification of HCV and HCS areas was carried out by the PKH Consultant in March 2019 with a peer review that was approved on 20 July 2020. In addition, the company also shows the stages of the land use change history analysis (LUCA) process, including:

- On June 9, 2017, informed the Company that it declared Zero Liability status.
- On 21 May 2018 informed the email from the RSPO stating that the company received a "Grace Period" for 1 year.
- On 8 July 2019 informed that the RSPO Secretariat would like to know about the land related clarification and the status of the concept note if any have been submitted.
- On March 26, 2020, informed based on the results of LUCA identification, land with final compensation obligation of 20.33 Ha was obtained in the Sei Liam Estate.
- On 14 October 2020 informed that the RSPO (Aimy Nadiah) stated that only areas exempt from the RaCP can proceed with certification, so the compensation area of 20.33 hectares has been excluded from the scope of certification. This is because PT DIL's 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.
- Company shows remediation template document and compensation plan approved by RSPO in 2021 July 2021, FCL calculated by RSPO reviewer is 18.8 Ha.

Based on the above, the company also shows a report on the implementation of remediation and compensation for PT DIL for the 2023 period with the following details:

| No | Description | Location | Area (Ha) | Progress |
|----|-----------------------------|----------|------------|---|
| 1 | Remediation on the Riparian | | | |
| | Sungai Mandang | Block C | SM GE 7.88 | - Mapping of the area – DONE - Installing Sign Board in the field – DONE |
| | Additional S. Hitam | Block H | SM GE 6.69 | - Selection of species adapted for reforestation – DONE - Training of sprayer's team (no pesticide in the area) – DONE |
| | Sugai Hitam | Block H | SM GE 36.8 | - Procurement of 3,940 seedlings to plant on the 7.88 hectares (Block C) – DONE - Planting of seedlings in the 7.88 ha - DONE. - Procurement of 21,500 seedlings to plant on the 43.49 hectares (Block H)– DONE - Socialization to the village community around PT.DIL for fire awareness program - DONE |

| | | | | |
|--|-----------|-------|-------|------------------|
| Block J04 (replacement from S. Abang) | Block J04 | SLM E | 6.74 | taliasih process |
| Total | | | 58.11 | |
| 2 Compensation Area | | | | |
| Block J05 (replacement from block K03) | Block J05 | SLM E | 16.78 | taliasih process |
| Block K04 | Block K04 | SLM E | 6.86 | taliasih process |
| Total | | | 23.64 | |
| Grand Total | | | 81.75 | |

It can be concluded that for the period from 2022-2023 for the areas being remedied and compensation is still in the process of refining, due to the absence of an agreement between the two parties. However, for other areas, the company has made compensation for land as in 2023, in the Sei Liam Estate Unit with an area of 65.35 Ha (7 land owners) and the Sei Mandang Estate 15.82 Ha (1 Land Owner).

7.12.2

The company indicated that the identification of HCV and HCS areas was carried out by PKH Consultants in March 2019 with a peer review approved on July 20, 2020. The company showed a change in the total area of HGU from $\pm 17,793.50$ Ha to $\pm 11,893.04$ Ha, the reduction in area was due to:

- Reduction/removal of allotment of grants to the Regional Government of Musi Rawas Utara Regency and a Plasma Area of $\pm 4,088.59$ Ha.
- Reduction/Deduction for peninsular area (control by third parties) of $\pm 1,811.87$ Ha.

With the reduction in the total area of the HGU, there has been a change in the area of HCV from the previous 2,893.49 Ha to 2,494.23 Ha with the following details:

| No | Location/Name | Hectare (Ha) |
|-----------------------|---------------------|-----------------|
| A River Border | | |
| 1. | Liam Kecil River | 13.08 |
| 2. | liam Gedang River | 72.89 |
| 3. | Abang River | 53.77 |
| 4. | Hitam River | 43.13 |
| 5. | Mandang River | 32.29 |
| B Swamp | | |
| 1 | Air Tawar | 273.33 |
| C Flood Plains | | |
| 1. | Sungai Liam | 658.48 |
| 2. | Sungai Abang | 27.63 |
| D Other Areas | | |
| 1. | Mixed Rubber Forest | 1,301.75 |
| 2. | Open Land | 17.88 |
| TOTAL | | 2,494.23 |

The HCV area has covered all areas that have the potential to become protected areas. Based on the explanation above, it can be concluded that the company already has documents identifying protected areas and areas of high conservation value.

7.12.3

Indicator 7.12.3. currently irrelevant to Indonesia, until further decisions from the RSPO.

7.12.4

The company has developed and determined an HCV management plan in the 2022 HCV Management Program Matrix document with the scope of Management for each Unit. The integrated management plan is developed in consultation with relevant stakeholders and covers areas that are directly managed and takes into account the relevant wider landscape level carried out in conjunction with Realization and Review of PT DIL HCV Plantation Management Documents for each Unit. HCV is maintained and cared for by the company by providing boundary piles, nameplates and providing boundary markers that mark the boundaries of the HCV area in the form of a ditch that surrounds the entire peat HCV area. Management and monitoring plans are implemented for each type of HCV with the following programs:

- Monitoring areas that have been designated as HCV areas, riparian areas and swamp forests on a regular basis to see threats
- Conduct outreach to all employees and the surrounding community, as well as invite the community to carry out participatory monitoring of HCV areas
- Conducting rapid surveys for inventory of flora and fauna
- Manufacture, installation and maintenance of boundary stakes in the form of stakes or yellow paint as well as adding or replacing damaged stakes
- Monitor and maintain information boards
- Periodic inspection or riparian monitoring for signs of damage
- Plant enrichment in riparian areas with local plant species
- Well drilling in peat HCV area
- Create transects to observe animals and install camera traps
- Creating and developing forest plant nurseries
- Identify and establish communication with communities already working in HCV areas.

Based on OFI in the previous assessment, the company also demonstrated the realization of the program including monitoring HCV (animals, plants and riverbanks), making nurseries for natural saplings on the riverbanks and outreach to the community and employees which was carried out on 20 February 2023 which was attended by 23 people.

7.12.5

The company has identified the needs of the community and areas needed by affected communities to meet their basic needs, taking into account the potential for positive and negative changes in their livelihoods as a result of the company's operational activities.

The unit of certification has also considered various land tenure and management options to protect HCV management areas in a way that also protects the rights and livelihoods of local communities. Because the area managed by the company has all become oil palm plantations either by the company or the local community, areas that have been managed by the community but still have the potential for HCV areas are carried out with the option of joint management.

From the results of field visits to the HCV areas managed by the company, there are no HCV 5 and 6 areas. The environmental conditions of the company, both in terms of scope and community areas, are almost entirely oil palm plantation areas. The company also conducts monitoring and patrol activities as well as conducting socialization with the people living along the river banks. This is evidenced by the minutes of the socialization, which was held on February 20, 2023, which was attended by 23 people.

7.12.6 - 7.12.7

The company already has a list of plant and animal species in the plantation and around the plantation based on identification results before and after the commencement of the plantation business. The list of flora and fauna before the commencement of plantation operations contained in the 1999 AMDAL document is as follows:

| Kingdom | Species | Kingdom | Species |
|---------|--------------------------------------|---------|---|
| Fauna | Babi (<i>Sus scrova</i>) | Fauna | Tekukur (<i>Streptopelia chinensis</i>) |
| | Kijang (<i>Muntiacus muncak</i>) | | Burung hantu (<i>Asia flameus</i>) |
| | Kancil (<i>Tragulus javanicus</i>) | | Ular sawah (<i>Phyton sp</i>) |
| | Kera (<i>Macaca sp</i>) | | Kadal (<i>Mabouya</i>) |

| | | |
|--|-------|--|
| Harimau (<i>Panthera tigris</i>) | | Ular kobra |
| Beruang (<i>Helarctos malayanus</i>) | | Ular punti masak |
| Serindit (<i>Loiculus sp</i>) | | Biawak (<i>Varanus sp</i>) |
| Murai batu (<i>Dendrocitta formosae</i>) | | Labi-labi (<i>Tria indica</i>) |
| Pipit (<i>Amandava amandava</i>) | | |
| Cucak rawa (<i>Pygnototus zeylandicus</i>) | Flora | Gelam (<i>Melaleuca leucadendron</i>) |
| Punai (<i>Treron sp</i>) | | Seru (<i>Schima wallichii</i>) |
| Berbah (<i>Napothera sp</i>) | | Bungur (<i>Lagerstroemia speciosa</i>) |
| Elang (<i>Haliastur indus</i>) | | Asam kandis (<i>Garcinia sp</i>) |
| Kutilang (<i>Pygcononotus aurigaster</i>) | | Rengas (<i>Gluta rengas</i>) |
| Pecuk ular (<i>Anhinga melonagaster</i>) | | Tembesu (<i>Fragaria fragans</i>) |
| Perkutut (<i>Geopelia stirata</i>) | | Pulai (<i>Alstonia scholaris</i>) |
| Pelatuk (<i>Meiglyptes tristis</i>) | | Rotan (<i>Calamus sp</i>) |

Based on a survey study on the identification of High Conservation Value Areas conducted by PT Sonokeling Akreditasi Nusantara in 2013, it is known that the types of flora and fauna found in the PT Dendymarker Indah Lestari area when the company was operational were as follows:

List of flora:

| No | Local Name | Latin Name | Government Regulations No. 7/1999 |
|----|--------------------|----------------------------------|-----------------------------------|
| 1 | Anggrek tebu | <i>Gramotophyllum. sp</i> | √ |
| 2 | Mersawa | <i>Anisoptera magianata</i> | - |
| 3 | Garu | <i>Cantleya corniculata</i> | - |
| 4 | Petanang (endemik) | <i>Dryobalanops oblongifolia</i> | - |
| 5 | Meranti Paya | <i>Shorea platycarpa</i> | - |

List of Fauna:

| No | Species name | | Family | Government Regulations No. 7/1999 |
|----|-------------------------|----------------------------------|----------------------|-----------------------------------|
| | Lokal | Latin | | |
| 1 | Alap-alap Capung | <i>Microhierax fringillarius</i> | <i>Falconidae</i> | √ |
| 2 | Betet Ekor panjang | <i>Psittacula longicauda</i> | <i>Laniidae</i> | - |
| 3 | Burung madu belukar | <i>Anthreptes singalensis</i> | <i>Nectariniidae</i> | √ |
| 4 | Burung madu leher merah | <i>Anthreptes rhodolaema</i> | <i>Nectariniidae</i> | √ |
| 5 | Burung madu polos | <i>Anthreptes simplex</i> | <i>Nectariniidae</i> | √ |
| 6 | Burung madu sepah raja | <i>Aethopyga siparaja</i> | <i>Nectariniidae</i> | √ |
| 7 | Cekakak Sungai | <i>Todirhamphus chloris</i> | <i>Alcedinidae</i> | √ |
| 8 | Elang Brontok | <i>Spizaetus cirrhatus</i> | <i>Accipitridae</i> | √ |
| 9 | Elang Tikus | <i>Elanus caeruleus</i> | <i>Accipitridae</i> | √ |
| 10 | Elang Ular Bido | <i>Spilornis cheela</i> | <i>Accipitridae</i> | √ |
| 11 | Kipasan belang | <i>Rhipidura javanica</i> | <i>Rhipiduridae</i> | - |
| 12 | Kukuk Beluk | <i>Strix leptogrammica</i> | <i>Strigidae</i> | √ |
| 13 | Raja-udang biru | <i>Alcedo coerulescens</i> | <i>Alcedinidae</i> | √ |
| 14 | Raja-udang meninting | <i>Alcedo meninting</i> | <i>Alcedinidae</i> | √ |
| 15 | Pekakak Emas | <i>Pelargopsis capensis</i> | <i>Alcedinidae</i> | √ |
| 16 | Rangkong Badak | <i>Buceros rhinoceros</i> | <i>Bucheroidae</i> | √ |
| 17 | Rangkong Papan | <i>Buceros bicornis</i> | <i>Bucheroidae</i> | √ |
| 18 | Kangkareng Hitam | <i>Anthraceroceros malayanus</i> | <i>Bucheroidae</i> | √ |
| 19 | Tiong Emas | <i>Gracula religiosa</i> | <i>Sturnidae</i> | - |
| 20 | Babi Berjenggot | <i>Sus barbatus</i> | <i>Suidae</i> | - |
| 21 | Beruang Madu | <i>Helarctos malayanus</i> | <i>Ursidae</i> | √ |

| | | | | |
|----|---------------------|-----------------------------|------------------------|---|
| 22 | Kalong Besar | <i>Pteropus vampyrus</i> | <i>Pteropodidae</i> | - |
| 23 | Kijang Munjak | <i>Muntiacus munjak</i> | <i>Cervidae</i> | √ |
| 24 | Kucing Batu | <i>Pardofelis marmorata</i> | <i>Felidae</i> | - |
| 25 | Kucing Kuwuk | <i>Felis Bengalensis</i> | <i>Felidae</i> | √ |
| 26 | Kukang Bukang | <i>Nycticebus coucang</i> | <i>Lorisidae</i> | √ |
| 27 | Landak Raya | <i>Hystrix brachyuran</i> | <i>Hystriidae</i> | √ |
| 28 | Lutung Kelabu | <i>Presbytis cristata</i> | <i>Cercopithecidae</i> | - |
| 29 | Lutung Simpai | <i>Presbytis melalophos</i> | <i>Cercopithecidae</i> | - |
| 30 | Monyet Beruk | <i>Macaca nemestrina</i> | <i>Cercopithecidae</i> | - |
| 31 | Monyet Ekor Panjang | <i>Macaca fascicularis</i> | <i>Cercopithecidae</i> | - |
| 32 | Pelanduk Kancil | <i>Tragulus javanicus</i> | <i>Tragulidae</i> | √ |
| 33 | Pelanduk Napu | <i>Tragulus napu</i> | <i>Tragulidae</i> | √ |
| 34 | Rusa Sambar | <i>Rusa unicolor</i> | <i>Cervidae</i> | √ |
| 35 | Sero Ambrang | <i>Aonyx cinerea</i> | <i>Mustelidae</i> | √ |
| 36 | Trenggiling | <i>Manis javanica</i> | <i>Manidae</i> | √ |
| 37 | Biawak | <i>Varanus salvator</i> | <i>Varanidae</i> | - |
| 38 | Ular Kobra | <i>Naja sumatrana</i> | <i>Elapidae</i> | - |
| 39 | Ular Sanca | <i>Python reticulatus</i> | <i>Pythonidae</i> | - |

Based on the explanation above, it can be concluded that the company already has a list of priority plant and animal species in the plantation and around the plantation for the period before and after the commencement of the plantation business as well as the latest data based on the results of monitoring of flora and fauna which is carried out every semester and has used the latest protection status. In addition, there were no incidents of workers found to capture, destroy, collect, trade, possess or kill RTE species.

The company has also submitted a report regarding PT DIL's Management of Protected Areas and High Conservation Values for the 2022 period to the BKSDA of Sumatera Selatan Province on March 17, 2023. The PT DIL HCV Management Program Realization Report for the 2022 period also attaches activities that have been carried out by the company, including evidence of monitoring activities which consists of the results of animal identification in the last 1 year, proof of planting consisting of the types of flora that have been planted, their quantity and development, and all activities contained in the 2022 HCV Management Plan have been carried out.

| | |
|-----------------------|--|
| 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 √ |
| ASA-1.3 | 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 √ |
| ASA-1.3 | 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 √ |
| ASA-1.3 | 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 √ |
| ASA-1.3 | 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: | |

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 2022 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:

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

| Un-Certified Units or Holdings | | |
|--------------------------------|---|---|
| Section | Requirement | Concerns to Discuss, if any |
| 2.1.1 | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | <p>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 → 03 & 05 April 2021 • PT Agro Rawas Ulu → 30 April 2021 • PT Agro Muara Rupit → May 2021 <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> |

| | | |
|-------|---|---|
| 2.1.2 | No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018) | <p>Company Group/Holding Statement: PT Umbul Mas Wisesa was following RSPO Remediation and compensation procedure.</p> <p>Auditor Verification: Assessment team checked to confirm any land conflict/liabilities on RaCP tracker and found note "The compensation plans for PT. Umbul Mas Wisesa and PT. Toton Usaha Mandiri (SIPEF) have been approved by the Compensation Task Force during the staged implementation of the RaCP between May 2014 and November 2015".</p> <p>All new planting after January 1st, 2010 have undergone and complies with RSPO New Planting Procedure/RSPO NPP. RSPO NPP for PT. Agro Muara Rupit, PT. Agro Kati Lama, PT Agro Rawas Ulu have been published in RSPO website.</p> |
| 2.1.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <p>Company Group/Holding Statement: All new planting after January 1st, 2010 have undergone and complies with RSPO New Planting Procedure.</p> <p>Auditor Verification:</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. |
| 2.1.4 | 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: All land conflict is following FPIC principle.</p> <p>Auditor Verification: The assessment team has conducted a search in internet to confirm that there is a lodged land conflict that was recorded as complaint under RSPO Case Tracker; raised by individual on those units that have not been certified. RSPO Case Tracker recorded complaint to PT. Agro Muara Rupit, dated 17 May 2017. The complainant brought forward the issue of fraudulent land title to 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. |

| | | |
|-------|---|--|
| | | <ul style="list-style-type: none"> 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. 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> |
| 2.1.5 | 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> |
| 2.1.6 | 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 1.2 Assessment

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

3.4.2. Identification of Findings, Corrective Actions and Observations ASA-1.3 Assessment

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

3.4.4. Noteworthy Positive Components

| No | Description |
|----|---|
| 1 | Commitment to apply the principles of sustainable palm oil management |
| 2 | Excellent teamwork and presentation of documents |
| 3 | Have facilities and infrastructure for land fire prevention that are complete and in good condition |
| 4 | Has realized the commitment to develop plasma plantations for the surrounding community |
| 5 | Provide reverse osmosis for employee drinking water facilities |

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 District Interviewee: The head of Industrial Relation Date: 12 April 2023</p> <ul style="list-style-type: none"> The company has provided wages to workers as stipulated in the Province Minimum Wage of 2023. Musi Rawas Utara District didn't issue the district minimum wage since the simulation of district wage was below the province minimum wage. There was a request from the SPSI for mediation to the Manpower Agency regarding employee layoffs, but the Manpower Agency returned it to SPSI so that a Bipartite meeting could be held before it brings to tripartite. The company has a Bipartite and 2 labor unions, namely <i>Serikat Pekerja Mandiri (SPM)</i> and <i>Serikat Pekerja Seluruh Indonesia (SPSI)</i> and has been registered at the Manpower Agency. PT. DIL has been registered their CLA for the period of 2021 to 2023 and signed by the head of the Manpower Agency. All workers have been registered in the social security insurance and health insurance. The communication between the agency and the company has gone well. There were no workers under the age of 18 years old. There were no negative issues received by agencies related to employment. | <p>Based on the interviews with the company, it is known that the request for mediation was due to the contract workers whom contracts wasn't continued. UoC did not proceed to bipartite meetings since it was only 3% of the total workers registered in SPSI and it wasn't a termination since it was UoC's decision of the management representative to not continue the contract of those contract workers. UoC then showed the proof of contract workers compensation payment process.</p> |
| <p>Land Agency of Musi Rawas Utara District Date: 12 April 2023</p> <ul style="list-style-type: none"> There were no complaints or reports regarding land disputes from the community or overlapping land. The company already has land pole map documents, as a basis for determining the company's pole location. The company routinely submits HGU Utilization Reports. The communication between the agency and the company has gone well. | <p>There was no negative issue that need further verification.</p> |
| <p>Environmental Agency of Musi Rawas Utara Interviewee: The head of environmental division Date: 12 April 2023</p> <ul style="list-style-type: none"> All reports regarding environmental aspects have been reported online in SIMPEL (<i>Sistem Informasi Pelaporan Elektronik Lingkungan Hidup</i>). Environmental reports have been routinely reported by the company. The report was reported every semester or in accordance with UoC's procedure put in the RKL-RPL matrix. In managing liquid waste, the company has a permit for disposing of liquid waste in water bodies (IPLC). | <p>There was no negative issue that need further verification.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| <ul style="list-style-type: none"> There was a recommendation from the agency that the company can add more WWTP pools due to the additional of mill capacity. There were no environmental pollution issues, or any potential environmental issues happened in UoC's area. | |
| <p>Agriculture Agency of Musi Rawas Utara District Date: 12 April 2023</p> <ul style="list-style-type: none"> The company is responsive and communicative when the agency related to information request. The company already has an IUP and has realized a Plasma plantation. Mill capacity has upgraded but has not been updated in the IUP. The company has conducted an assessment of the plantation class for 2022, namely class III. The price of FFB for plasma follows the price provisions from the Plantation Agency of Musi Rawas Utara District. Reporting of LPUP and routine land fires is reported in accordance with the respective reporting period. The firefighting team and the facilities are adequate and there are no reports of land fires in the company's operational areas during the 2021-2023 period. There was no issues, complaints or complaints from the surrounding community or other parties regarding the negative impact of the company's operational activities. | <p>There was no negative issue that need further verification.</p> |
| <p>Head of Karang Dapo-1 Village</p> <p>Overall, the existence of the company has a positive impact on the development of people's standard of living. Some things that need to be improved include:</p> <ol style="list-style-type: none"> 1. Involvement of the community/key stakeholders in the preparation of the CSR program 2. CSR in forms other than social assistance and not only submission through proposals 3. Realization of the promise to absorb workers from Karang Dapo in June 2023 <p>For at least the last 2 years there have never been any issues regarding land fires and environmental pollution, but there are still issues of land issues with the Karang Dapo Community Alliance for an area of 430 hectares.</p> | <p>Overall, there were no negative issues conveyed by the source person. Regarding the problem of a land area of 430 Ha, for now it has been functioning as a plasma for Karang Dapo-1 Village</p> |
| <p>Head of Muara Rupit Village</p> <p>The existence of the company has a positive impact on the community, for example the realization of the development of plasma plantations, recruitment of workers, and the existence of social assistance from the company. Regarding the company's social responsibility program, it has never included community representatives in its preparation.</p> | <p>Overall, there were no negative issues conveyed by the source person.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|--|
| <p>The company has realized the construction of the plasma and is still continuing to complete the development process. So far, there have been no complaints from residents regarding the management of plasma under the cooperative.</p> <p>During the last 2 years there have never been any issues regarding environmental pollution, land fires, or land disputes</p> | |
| <p>Serasan Prosperous Family Cooperative Supervisory Board (Head of Muara Rupit Village 1984 – 1993)</p> <p>The company has realized the development of plasma plantations in accordance with the previous agreement. At the time of the change in management from the previous one to the SIPEF group, the community felt that their commitment to the development of the plasma plantations had indeed made positive progress. Plasma is managed in full managed and is currently still in the stage of providing a bailout of IDR 300,000/Ha/ month. Plasma management reports are managed by the Cooperative and for now it has not been reported to members and the agreement between members is that the process of reporting plasma management by the cooperative will be carried out when the plants are in the productive phase</p> | <p>Overall, there were no negative issues conveyed by the source person.</p> |
| <p>Land Owner compensation period in 2022 (3 People)</p> <p>Note: Of the 3 people who were originally planned to be interviewed, only 1 person could be found</p> <p>The land compensation process was preceded by socialization and negotiation and there was no intimidation in the process. Land owners are given full rights to agree or disagree with relinquishing their ownership rights even though the land is actually within the company's HGU. The community's legal rights are in the form of a sale-purchase agreement and are considered by the company as valid evidence.</p> | <p>Overall, there were no negative issues conveyed by the source person.</p> |
| <p>Gender committee</p> <ul style="list-style-type: none"> • The gender committee consists of representatives of men and women • There have been no cases of sexual harassment in the last 1 year • The company provides break time for new mothers to breastfeed their children • Menstrual leave is available with a reporting mechanism to the foreman and will be examined at the clinic. • Maternity leave is given 1.5 months before and 1.5 months after giving birth by showing the results of a doctor's examination. • There is no difference between male workers and female workers. Every worker has the same rights in terms of employment opportunities as well as protection of anonymity | <p>There are no issues that require further clarification, and this information has been explained in the relevant indicators.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| <p>PT Usaha Jaya Express (Contractor collaborated in CPO transportation) Date: 11 April 2023</p> <ul style="list-style-type: none"> The cooperation with PT DIL was started about a year ago in CPO transporting. Regarding the PPE for contractor workers, the contractor provided PPE for their worker. However, when the contractor workers' PPE were in damage condition, PT DIL gave the PPE spare for contractor workers. The communication between the company and the contractor went well and there were no complaints related to payments or agreements. The company has evaluated the contractor in regulation compliance periodically. The company (PT DIL) provided OHS and the company's code of ethics training to all contractor workers | <p>There was no negative issue that need further verification.</p> |
| <p>CV Tamras Indah (Contractor collaborated in heavy equipment) Date: 11 April 2023</p> <ul style="list-style-type: none"> The cooperation with PT DIL was started about a year ago in heavy equipment and its operator. Regarding the PPE for contractor workers, the contractor provided PPE for their worker. However, when the contractor workers' PPE were in damage condition, PT DIL gave the PPE spare for contractor workers. The operator of heavy equipment already got operator permit (SIO). The communication between the company and the contractor went well and there was no complaints related to payments or agreements. The company has evaluated the contractor in regulation compliance periodically. The company (PT DIL) provided OHS and the company's code of ethics training to all contractor workers | <p>There was no negative issue that need further verification.</p> |
| <p>Plasma Cooperative Kardisa Sejahtera Batu Gajah Date: 12 April 2023</p> <ul style="list-style-type: none"> Plasma fully managed by the company (PT DIL) The member of the cooperatives were 376 land owners. FFB price determined above the Agriculture Agency price. Price updates were informed by WA or telephone. The communication between the company and the supplier went well, there were no complaints regarding payment. The sharing profit between the land owner has been went in accordance with the first MoU in 2020. | <p>There was no negative issue that need further verification.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|---|
| Workers Cooperative Lestari Maju Bersama Date: 11 April 2023 <ul style="list-style-type: none"> The cooperative is engaged in the business of providing groceries and providing upkeep workers. The company provides support for the existence of employee cooperatives by facilitating cooperative legal documents, cooperative building, and initial capital. Members of the employee cooperative currently was approximately 400 people. Principal savings of Rp. 100,000 while the mandatory deposit is Rp. 10,000/month. The annual meeting for the period of 2022 has not yet been conducted, it is planned to be conduct in May 2023. | <p>There was no negative issue that need further verification.</p> |
| Labor Union (SPM) Interviewee: Head of labor union SPM of PT DIL Date: 11 April 2023 <ul style="list-style-type: none"> The company acknowledges the existence of a labor union and there was no intervention in the implementation of any operational activities. Member of the labor union is 1,000 workers. The membership of labor union is voluntary. Job vacancies were announced by UoC wallboards and social media. Internal meetings of labor union were held every month, while the bipartite meetings held whenever its needed. There was a termination case for security workers in 2022. | <p>There were no negative issues related to labor union that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</p> |
| Labor Union (SPSI) Interviewee: Head of labor union (SPSI) Date: 11 April 2023 <ul style="list-style-type: none"> The company acknowledges the existence of a labor union and there was no intervention in the implementation of any operational activities. Member of the labor union is 1,000 workers. The membership of labor union is voluntary. Job vacancies were announced by UoC wallboards and social media. Internal meetings of labor union were held every month, while the bipartite meetings held whenever its needed. There was a termination case for contract workers in 2022. | <p>There were no negative issues related to labor union that need any further verification. The explanation regarding the interview output had been explained specifically in summary report.</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>PT Dendymarker Indah Lestari Management Representative</td><td>Mutuagung Lestari Lead Auditor</td></tr><tr><td></td><td></td></tr><tr><td><u>Sander Van Den Ende</u> Monday, 15 May 2023</td><td><u>Haikal Ramadhan Kharismansyah</u> Monday, 15 May 2023</td></tr></table> | PT Dendymarker Indah Lestari Management Representative | Mutuagung Lestari Lead Auditor |  |  | <u>Sander Van Den Ende</u> Monday, 15 May 2023 | <u>Haikal Ramadhan Kharismansyah</u> Monday, 15 May 2023 |
| PT Dendymarker Indah Lestari Management Representative | Mutuagung Lestari Lead Auditor | | | | | | |
|  |  | | | | | | |
| <u>Sander Van Den Ende</u> Monday, 15 May 2023 | <u>Haikal Ramadhan Kharismansyah</u> Monday, 15 May 2023 | | | | | | |

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 Agency of Musi Rawas Utara District | Musi Rawas Utara District | - | By phone | 12 April 2023 | √ | |
| 2 | Land Agency of Musi Rawas Utara District | Musi Rawas Utara District | - | By phone | 12 April 2023 | √ | |
| 3 | Environmental Agency of Musi Rawas Utara | Musi Rawas Utara District | - | By phone | 12 April 2023 | √ | |
| 4 | Agriculture Agency of Musi Rawas Utara District | Musi Rawas Utara District | - | By phone | 11 April 2023 | √ | |
| 5 | PT Usaha Jaya Express | Musi Rawas Utara District | - | By phone | 11 April 2023 | √ | |
| 6 | CV Tamras Indah | Musi Rawas Utara District | - | Direct Interview | 11 April 2023 | √ | |
| 7 | Plasma Cooperative Kardisa Sejahtera Batu Gajah | Musi Rawas Utara District | - | Direct Interview | 11 April 2023 | √ | |
| 8 | Workers Cooperative Lestari Maju Bersama | Musi Rawas Utara District | - | Direct Interview | 11 April 2023 | √ | |
| 9 | Labor Union (SPM) | Musi Rawas Utara District | - | Direct Interview | 11 April 2023 | √ | |
| 10 | Labor Union (SPSI) | Musi Rawas Utara District | - | Direct Interview | 11 April 2023 | √ | |
| 11 | Head of Karang Dapo-1 Village | Musi Rawas Utara District | - | Direct Interview | April 11, 2023 | √ | |
| 12 | Head of Muara Rupit Village | Musi Rawas Utara District | - | Direct Interview | April 11, 2023 | √ | |
| 13 | Serasan Prosperous Family Cooperative Supervisory Board (Head of Muara Rupit Village 1984 – 1993) | Musi Rawas Utara District | - | Direct Interview | April 11, 2023 | √ | |
| 14 | Land Owner compensation period in 2022 (3 People) | Musi Rawas Utara District | - | Direct Interview | April 11, 2023 | √ | |
| 15 | Gender Committee | Musi Rawas Utara District | - | Direct Interview | April 11, 2023 | √ | |
| 16 | DIL POM <ul style="list-style-type: none"> 1 Engine room Operator 2 Boiler Operator 2 Emergency responders 1 Kernel Operator 1 Press Operator 1 Sortation foremen 2 Sortation workers 1 warehouse officer 1 warehouse helper | Musi Rawas Utara District | - | Direct Interview | April 11, 2023 | √ | |

| | | | | | | | |
|----|---|---------------------------|-----------------------------|------------------------|----------------|---|---|
| | <ul style="list-style-type: none"> 1 mechanical head | | | | | | |
| 17 | Sei Mandang Estate <ul style="list-style-type: none"> 1 warehouse officer 1 daycare officer 1 warehouse helper 2 spraying foremen's 3 herbicide spraying workers. 3 pesticide spraying | Musi Rawas Utara District | - | Direct Interview | April 12, 2023 | √ | |
| 18 | Sei Liam Estate <ul style="list-style-type: none"> 1 logger/TMAT monitor. 2 spraying foremen's 3 herbicide spraying workers. 3 pesticide spraying 1 tractor operator 1 manuring foreman 2 manuring workers 1 FFB Clerk 1 Harvesting Foreman 2 FFB loaders 2 Harvesters 1 warehouse officer 1 daycare officer 1 warehouse helper 2 paramedics | Musi Rawas Utara District | - | Direct Interview | April 12, 2023 | √ | |
| 19 | Sei Rupit Estate <ul style="list-style-type: none"> 1 harvester foreman 2 harvesters 1 manuring foreman 2 harvesters 1 spraying foreman 2 sprayers 1 warehouse officer 1 warehouse helper | Musi Rawas Utara District | - | Direct Interview | April 13, 2023 | √ | |
| 20 | AMAN | - | rumahaman@aman.or.id | Questionnaire by Email | 03 April 20223 | | √ |
| 21 | Sawit Watch | - | info@sawitwatch.or.id | Questionnaire by Email | 03 April 20223 | | √ |
| 22 | WWF | - | supporter-service@wwf.or.id | Questionnaire by Email | 03 April 20223 | | √ |
| 23 | Walhi | - | informasi@walhi.or.id | Questionnaire by Email | 03 April 20223 | | √ |

Appendix 2. Assessment Program

| DATE | 10 – 15 April 2023 | |
|--------------------------------|---|---|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Monday, 10 April 2023 | | |
| 10.20 – 11.35 12.00 – 16.00 | <ul style="list-style-type: none">Jakarta (CGK) → BengkuluBengkulu → Lubuk Linggau | HAI/KID/SAS/MIA |
| Tuesday, 11 April 2023 | | |
| 06.30 – 07.30 | Lubuk Linggau → Regional Office | HAI/KID/SAS/MIA |
| 08.00 – 09.00 | 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) | HAI |
| 09.00 - 11.30 | Regional Office → Site | HAI/KID/SAS/MIA |
| 12.00 – 13.00 | Break | HAI/KID/SAS/MIA |
| 13.00 – 15.00 | Stakeholder Consultation : <ul style="list-style-type: none">Government Agency of Musi Rawas (by phone)Gender Committee, Contractor, Worker UnionFFB Supplier, Scheme smallholderVillage Representative, Previous Land Owner (direct interview) Document Review : <ul style="list-style-type: none">Legality, Social, smallholder, TBP, SCCS and CSRWorker Welfare and TransparancyBMP and OHSEnvironment, GHG, and HCV | MIA MIA HAI HAI HAI/MIA |
| 13.00 – 15.00 | Field observation to Dendymarker POM <ul style="list-style-type: none">Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)Best practice, Implementation of Employment Procedure and Mechanism Aspect | KID SAS KID |
| 15.00 – 15.30 | Presentation of Daily Progress | HAI/KID/SAS/MIA |
| 16.00 – 18.00 | Site → Lubuk Linggau | HAI/KID/SAS/MIA |
| Wednesday, 12 April 2023 | | |
| 06.00 – 08.00 | Lubuk Linggau → Site | HAI/KID/SAS/MIA |
| 08.00 – 12.00 | Field Observation to Sei Mandang Estate and Sei Liam Estate Aspect to be verified : <ul style="list-style-type: none">Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Conservation/HCV | HAI/KID |

| DATE | 10 – 15 April 2023 | |
|--------------------------------|--|--|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| | <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, 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). | SAS/MIA SAS/MIA HAI/KID |
| 12.00 – 13.00 | • Break | HAI/KID/SAS/MIA |
| 14.00 – 15.30 | <ul style="list-style-type: none"> Document review and completing audit checklist. Verification of stakeholder consultation result and field visit. | HAI/KID/SAS/MIA |
| 15.30 – 16.00 | • Presentation of Daily Progress | HAI/KID/SAS/MIA |
| 16.00 – 18.00 | Site → Lubuk Linggau | HAI/KID/SAS/MIA |
| Thursday, 13 April 2023 | | |
| 07.00 – 09.00 | Lubuk Linggau → Site | HAI/KID/SAS/MIA |
| 09.00 – 12.00 | Field Observation to Sei Rupit Estate (plasma) Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Conservation/HCV Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Observation of Workers Facilities (Housing, School, Worship Place). | HAI SAS KID MIA |
| 12.00 – 13.00 | Break | HAI/KID/SAS/MIA |
| 13.00 – 15.00 | Document review and completing audit checklist. | HAI/KID/SAS/MIA |
| 15.00 – 16.00 | Presentation of Daily Progress | HAI/KID/SAS/MIA |
| Friday, 14 April 2023 | | |
| 06.00 – 08.00 | Lubuk Linggau → Site | HAI/KID/SAS/MIA |
| 08.00 – 10.00 | Document review and completing audit checklist. | HAI/KID/SAS/MIA |
| 10.00 – 11.30 | Internal Meeting Auditor Team | |
| 11.30 – 14.00 | Break / Friday Prayer | HAI/KID/SAS/MIA |
| 14.00 – 15.00 | 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 | HAI/KID/SAS/MIA |
| 15.30 – 17.30 | Site → Lubuk Linggau | HAI/KID/SAS/MIA |

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|--------------------------------|--|-----------------|
| DATE | 10 – 15 April 2023 | |
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Saturday, 15 April 2023 | | |
| 14.20 – 15.35 | Lubuk Linggau → Jakarta (CGK) | HAI/KID/SAS/MIA |