

*Roundtable on Sustainable Palm Oil Certification  
RSPO*

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management : Palm Oil Mill 2 – PT Dharma Satya Nusantara (DSN)  
 Organisation  
 Plantation Name : PT Dharma Agrotama Nusantara (DAN): Puhus 1 Estate, Puhus 2 Estate  
 and Puhus 3 Estate  
 Location : Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai  
 Timur, Province of Kalimantan Timur, INDONESIA  
 Certificate Code : *MUTU-RSPO/056*  
 Date of Certificate Issue : 25 March 2014                      Date of License Issue : 25 March 2018  
 Date of Certificate Expiry : 24 March 2019                      Date of License Expiry : 24 March 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	15 to 20 January 2018	Oktovianus Rusmin (Lead Auditor); Mohamad Amarullah and Yohanes Hardian	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	15 February 2018

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FIGURE

Figure 1. Location Map of PT Dharma Satya Nusantara and PT Dharma Agrotama Nusantara

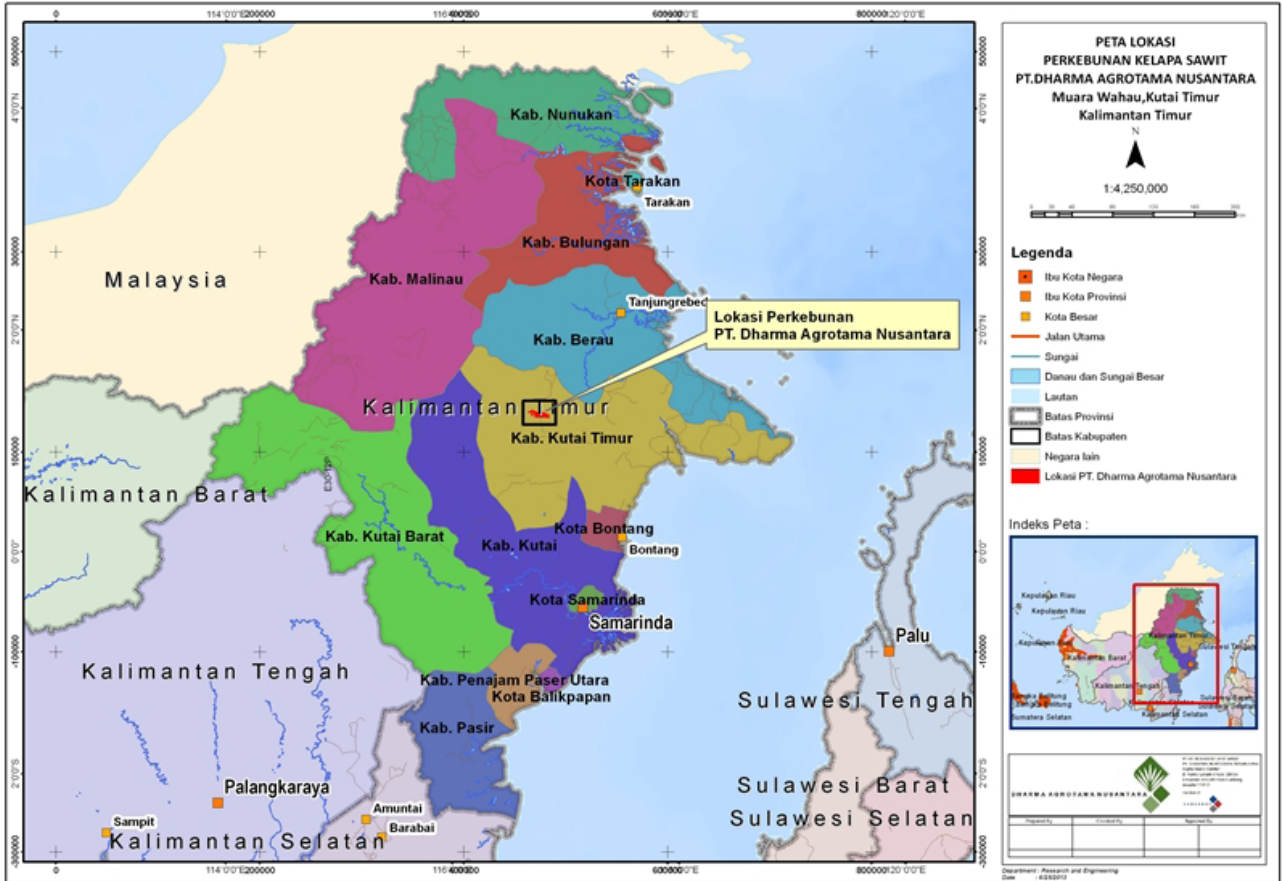
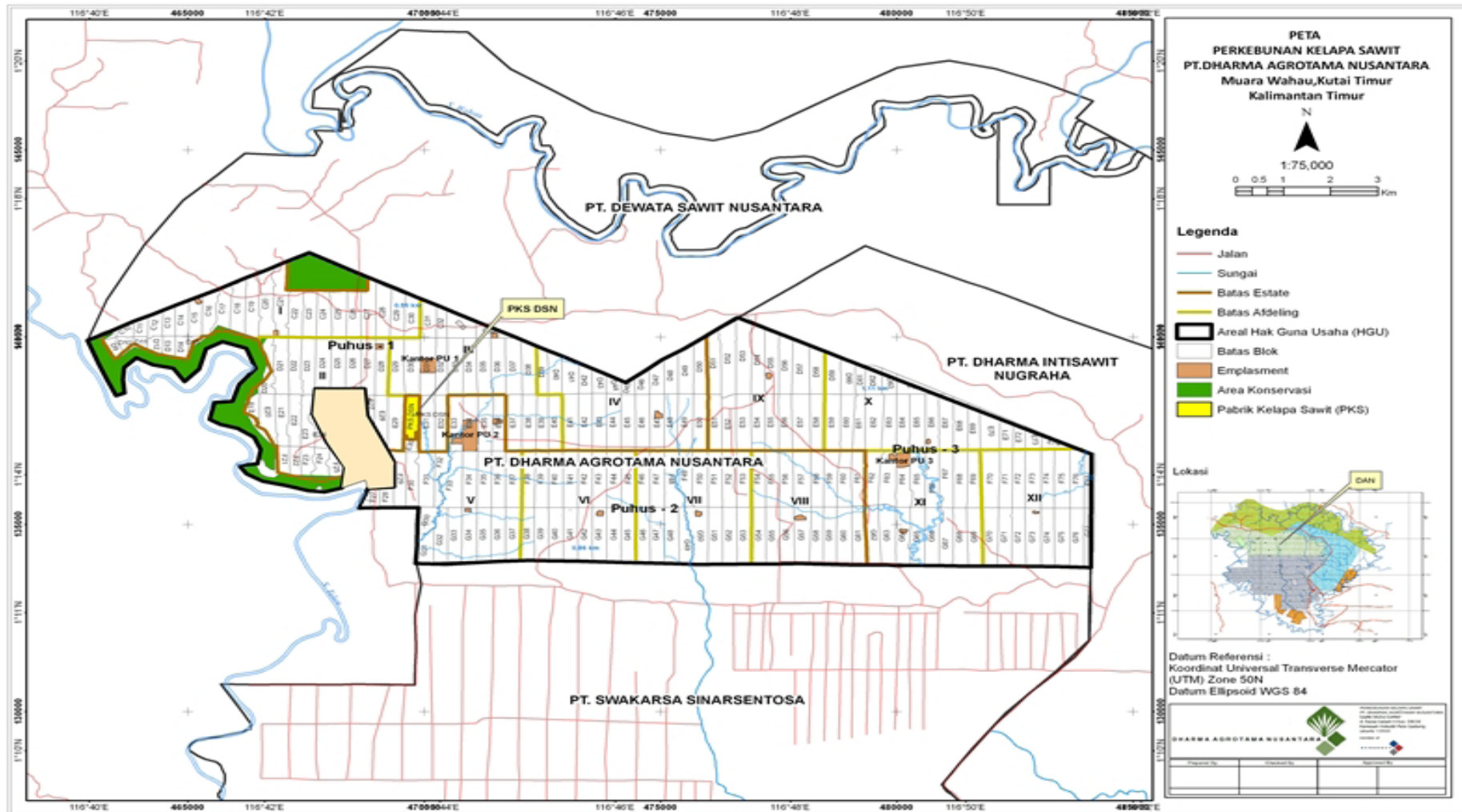


Figure 2. Operational Map of PT Dharma Agrotama Nusantara



**Glossary**

AKAD	: <i>Antar Kota Antar Daerah</i> (inter-area worker)
AMDAL	: <i>Analisis Mengenai Dampak Lingkungan</i> (Social and Environmental Impact Assessment)
ASA	: Annual Surveillance Assessment
B3	: <i>Bahan Berbahaya dan Beracun</i> (Hazardous Materials)
BPJS	: <i>Badan Penyelenggara Jaminan Sosial</i> (Social Assurance of Labor)
BPJSTK	: <i>Badan Penyelenggara Jaminan Sosial Ketenagakerjaan</i> (Government Insurance Scheme for Manpower)
BPN	: <i>Badan Pertanahan Nasional</i> (National Land Agency)
BOD	: Biological Oxygen Demand
CBD	: Convention Biodiversity on Diversity
CH	: Certificate Holder
CHE	: Cholinesterase
CPO	: Crude Palm Oil
CSRE	: Corporate Social Responsibility Environment
DAN	: Dharma Agrotama Nusantara
DSN	: Dharma Satya Nusantara
EFB	: Empty Fruit Bunch
FA	: Finance Department
FASKES	: <i>Fasilitas Kesehatan</i> (Health Facility)
FIFO	: First in First Out
FFB	: Fresh Fruit Bunch
FPIC	: Free Prior Informed and Consent
GHG	: Greenhouse Gas
HCD	: Human Capital Departement
HCO	: Human Capital Operation
HCV	: High Conservation Value
HGB	: <i>Hak Guna Bangunan</i> (Land Use Building)
HGU	: <i>Hak Guna Usaha</i> (Land Use Title)
HIRAC	: Hazard Identification, Risk Assessment and Control
HPK	: <i>Hutan Produksi yang dapat dikonversi</i> (Conversion Forest Area)
HQ	: Head Quarter
HRA	: Human Resources and Administration
IPM	: Integrated Pest Management
ISCC	: International Sustainability & Carbon Certification
ISO	: International Standarization Organization
ISPO	: Indonesian Sustainable Palm Oil
KER	: Kernel Extraction Rate
K3L	: <i>Keselamatan, Kesehatan Kerja dan Lingkungan</i> (Environment Occupational Health and Safety)
KSU	: <i>Koperasi Serba Usaha</i> (Cooperative of All Business)
LUCA	: Land Use Change Analisis
MHL	: Mixed Hearing Loss
MS	: Management System
MSDS	: Material Safety Data Sheets
NGO	: Non Government Organization
OA	: Operational Audit
OER	: Oil Extraction Rate
OHSE	: Occupational Health Safety and Environment
OMSK	: Otitis Media Supuratif kronik
P2K3	: <i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
P&D	: Pest and Disease
PIC	: Person In Charge
PK	: Palm Kernel

POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal protective equipment
R&D	:	Research & Development
RaCP	:	Remediation and Compensation Procedure
RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rare, Threatened or Endangered
SBU	:	Sub Business Unit
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SHE	:	Safety Health and Environment
SNHL	:	Sensory Neural Hearing Loss
SOP	:	Standart Operating System
UKL	:	<i>Upaya Pengelolaan Lingkungan</i> (Environment Management Effort)
UPL	:	<i>Upaya Pemantauan Lingkungan</i> (Environment Monitoring Effort)
USD	:	United States Dollar
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>		<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, September 2016</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised on 14 June 2017 (Module D for CPO Mill)</i></li> </ul>	
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	Palm Oil Mill 2 – PT Dharma Satya Nusantara	
1.2.2	Contact person	Agustinus Triwibowo	
1.2.3	Organisation address and site address	RSPO registered company: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur, Indonesia  Liaison Office: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur, Indonesia	
1.2.4	Telephone	021-4618135	
1.2.5	Fax	021-4606942	
1.2.6	E-mail	<a href="mailto:agustinus.triwibowo@dsnsgroup.co.id">agustinus.triwibowo@dsnsgroup.co.id</a>	
1.2.7	Web page address	<a href="http://www.dsn.co.id">www.dsn.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Agustinus Triwibowo	
1.2.9	Registered as RSPO member	1-0135-12-000-00 (4 Desember 2012)	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: <ul style="list-style-type: none"> <li>• Palm Oil Mill 2 of PT DSN,</li> <li>• 3 Estates of PT DAN: Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Jaya Estate</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	POM 2	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 15' 02.9"      E 116° 43' 44.1"

1.4.2	Location of Certification Scope of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Puhus 1 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 14' 23.3"	E 116° 44' 20.8"	
	Puhus 2 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 15' 39.9"	E 116° 43' 51.5"	
	Puhus 3 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 14' 17.9"	E 116° 49' 16.2"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		9,959.958	Ha	
	- Land Use Right Certificate		9,955.255	Ha	
	- Land Title Certificate (Building)		4.703	Ha	
	• Community		-	Ha	
1.5.2	Area Statement				
		PT DSN (Ha)	PT DAN (Ha)	TOTAL (Ha)	
	• Total area	4.703	9,955.255	9,959.958	
	• Mature area	-	9,000.000	9,000.000	
	• Immature area	-	-	-	
	• Mill	4.703	28.000	32.707	
	• Building and Emplishment	-	281.255	281.255	
	• Slope area	-	60.000	60.000	
	• Conservation area (HCV)	-	128.000	128.000	
	• Buffer zone (HCV)	-	458.000	458.000	
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Puhus 1 Estate	Puhus 2 Estate	Puhus 3 Estate	Total
	2005	189	2,230	-	2,419
	2006	1,155	548	-	1,703
	2007	214	168	2,964	3,346
	2008	1,451	-	-	1,451
	2012	81	-	-	81



	<b>TOTAL</b>	<b>3,090</b>	<b>2,946</b>	<b>2,964</b>	<b>9,000</b>		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle (<25 years)				
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>
	POM 2	60	274,539.33	56,829.64	20.70	8,618.43	3.13
	<i>* Source: Production Data of POM period Jan – Dec 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/yea)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Puhus 1	3,865.703	3,090	84,224.92	27.26	84,224.92	100
	Puhus 2	3,043.255	2,946	80,845.59	27.44	80,845.59	100
	Puhus 3	3,051.000	2,964	56,804.05	19.16	56,804.05	100
	<b>TOTAL</b>	<b>9,959.958</b>	<b>9,000</b>	<b>221,874.56</b>	<b>24.65</b>	<b>221,874.56</b>	<b>100</b>
	<i>* Source: Production Data of Estate period January to December 2017</i>						
1.7.3	FFB description from other source						
	<b>Name of sources</b>	<b>Organisation</b>	<b>Location</b>	<b>Supplied to Mill</b>			
				<b>FFB (tonnes/year)</b>			
	Jabdan 1 (Certified)	PT Dewata Sawit Nusantara	Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	182.96			
	Long Jenew 1 (Certified)	PT Swakarsa Sinarsentosa		51,552.90			
	Long Jenew 2 (Certified)	PT Swakarsa Sinarsentosa		958.91			
	-	-		-			
	<b>TOTAL</b>			<b>52,694.77</b>			
	<i>* Source: Production Data of POM period January to December 2017</i>						
1.7.4	Product categories			FFB, CPO, PK			
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 25 March 2017 to 24 March 2018 (tonnes/year)		Actual certified product 25 March 2017 to 15 January 2018 (tonnes/year)	
	• FFB Production			254,928		219,708	
	• CPO Production			58,633		47,740	
	• Palm Kernel (PK) Production			8,922		6,672	

1.8.2	<b>Product selling</b>						
	Tonnage of selling product		Actual selling product period 25 March 2017 to 15 January 2018 (ton)				
	CSPO sold as RSPO certified product		20,240				
	CSPK sold as RSPO certified product		6,672				
	CSPO sold under other scheme		-				
	CSPK sold under other scheme		-				
	CSPO sold as conventional		27,500				
	CSPK sold as conventional		-				
1.8.3	<b>Estimate of Certified FFB Claim</b>						
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	Puhus 1	3,865.703	3,090	86,520	28.00		
	Puhus 2	3,043.255	2,946	82,488	28.00		
	Puhus 3	3,051.000	2,964	68,172	23.00		
	<b>TOTAL</b>	<b>9,959.958</b>	<b>9,000</b>	<b>237,180</b>	<b>26.35</b>		
	<i>*Projected FFB production from 25 March 2018 to 24 March 2019</i>						
1.8.4	<b>Estimate of Certified Palm Product Claim</b>						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>
	POM 2	60	237,180	57,398	24.2	9,487	4
	<i>*Projected CSPO and CSPK production from 25 March 2018 to 24 March 2019</i>						
1.9	<b>Other Certifications</b>						
	ISPO from TUV Rheinland for period 2015 to 2020						
	Proper Biru from Kalimantan Timur Province for 2015 to 2016						
1.10	<b>Time Bound Plan</b>						
1.10.1	<b>Time Bound Plan for Other Management Units</b>						
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>	
	<b>Mill</b>	<b>Time Bound Plan</b>					
	POM 1 (PT. SWA)	June 2012	Jabdan 2 (PT SWA)	2012	Muara Wahau Subdistric, Kutai Timur district, East Kalimantan province	Certified	
			Smallholder (KM 5.9)	2015		Certified	
			Smallholder (KM 3, 6, 11, 12)	2017		Certified (Feb 8 <sup>th</sup> 2017)	
	POM 2 (PT. DSN)	June 2013	Puhus 1, Puhus 2, Puhus 3 (PT DIN)	2013	Muara Wahau Subdistric, Kutai Timur district, East Kalimantan province	Certified	
	POM 3 (PT. DSN)	August 2013	Longkejiak 1, longkejiak 2, longkejiak 3	2013	Muara Wahau Subdistric, Kutai Timur district, East Kalimantan province	Certified	
	POM 4 (PT. DSN)	Nov 2014	Jabdan 1, Long Jenew 1, Long Jenew 2 (PT SWA)	2015	Muara Wahau Subdistric, Kutai Timur district, East Kalimantan province	Certified	
	POM 5	2018	Bukit Pandunlangan 1,	2019	Nangabulik Subdistrict,	NPP	

(PT. DSN)		Bukit Pandulangan 2, Bukit Pandulangan 3 (PT PWP) Smallholder	2022	Lamandau district, Middle Kalimantan province	Waiting RaCP
POM 6 (PT DSN)	2018	Melenyu 1, Melenyu 2, Melenyu 3 dan Melenyu 4 (PT Dewata Sawit Nusantara) Smallholder	2018  2022	Kutai Timur district, East Kalimantan province	Waiting RaCP
-	-	PT Dharma Intisawit Lestari	2020	Bulungan district, Kaltim	NPP & RaCP Approval process RSPO
-	-	PT Karya Prima Agro Sejahtera  Smallholder	2020  2023	Muara Wahau Subdistric, Kutai Timur district, East Kalimantan province	NPP & RaCP Approval process RSPO
-	-	PT Putra Utama Lestari  Smallholder	2020  2023	Melak, Kutai Barat district, Kalimantan Timur	NPP & RaCP Approval process RSPO
-	-	PT Kencana Alam Permai  Smallholder	2020  2023	Sintang district, Kalimantan Barat	NPP
-	-	PT Prima Sawit Andalan  Smallholder	2020  2023	Sintang district, Kalimantan Barat	NPP
-	-	PT Dharma Persada Sejahtera  Smallholder	2020  2023	Sintang district, Kalimantan Barat	NPP
-	-	PT Agro Andalan  Smallholder	2019  2023	Sekadau district, Kalimantan Barat	NPP
Data source:					
<ul style="list-style-type: none"> <li>Progressive timebound plan certification activity of DSN on January 2018</li> <li>POM 5 postponed from 2016 to 2019 and POM 6 from 2017 to 2018, due to RaCP process and NPP</li> </ul>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard.</b>				
	POM 2 PT DSN not receive FFB from Smallholder and Outgrowers				

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-4</b>	<ol style="list-style-type: none"> <li><b>Oktovianus Rusmin (Lead Auditor).</b> Indonesia citizen. Bachelor in Social and Political Sciences from Department of Anthropology. Had working experience as a Social Supervisor on Coastal Project from 1999 to 2001, for Pilot Project of Mangrove Rehabilitation on coastal area in Sulawesi Selatan), a project under Department of Anthropology, University of Indonesia; as a Researcher from 2002 to 2014 on the Center of Anthropology (Research and Publication) in University of Indonesia; as Social Advisor from 2004 to 2010 on The Forest Trust Indonesia, a Consultant for Sustainable Forest Management and an HCV Identification and Social Impact Assessment Consultant from 2010 to 2011 in Forest Consultant. Had participate to several trainings such as Forest Management Auditor (FSC Standard), Environmental Management System ISO 14001, ISO 9001:2008, Conflict Resolution, Human Right, Verification System of Wood Legality, Training Lead Auditor of ISPO and RSPO Scheme. Had experienced in sustainable forest certification (Eco Label Indonesia Standard), gap analysis of FSC standard and sustainable palm oil certification since 2011 for Indonesian Sustainable Palm Oil (ISPO) and RSPO Scheme in Indonesia and Malaysia witch competency as Lead Auditor. During ASA-4 has verify land use, legal, social, conflict resolution and supply chain aspects.</li> <li><b>Mohamad Amarullah (Auditor).</b> Indonesia citizen. Master of Science and Bachelor of Forestry. Has experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has participate several trainings such as Lead Auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. Has conducted several RSPO and MSPO audit scheme as Auditor and ISPO audit scheme as Lead Auditor since 2014 in Legal, best management practices (BMP), environment, conservation, safety, manpower and supply chain aspect. Fluent in Bahasa, Malay and English. At the time of audit, has appointed to verify regulation fulfilment monitoring, long term management plan, land conservation, Best Management Practices and Health Safety aspects.</li> <li><b>Yohanes Hardian (Auditor).</b> Indonesia citizen, Diploma of forest conservation and a specialist in environment and wildlife management. Has experiences as environment staff on a private oil palm company in Indonesia. Has participate several training such as HCV, ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, etc. At the time of audit, has appointed to verify transparency, environment, conservation and worker right aspects.</li> </ol>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-4</b>	Number of auditors : 3 auditor Number of days for ASA-4 at site : 4 days Number of working days for ASA-4 at site : 12 Working days
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT DSN and PT DAN to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised on 14 June 2017 (Module D for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (Re-Certification).</p> <p>Improvement of findings from survailance assesment findings were observed by auditors at this ASA-4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-4.</p>

	The assessment program please find Appendix 2
2.2.3	Location of Assessment
ASA-4	<p>The number of management units of this activity consists of three estates that supply material FFB to the POM 2. In conducting the assessment, auditor team using formula <math>0.8 \sqrt{y}</math> to determine the sample of and consider the issue of problems arising from the stakeholders (stakeholdes) as fundamentaly and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill and 2 estates (Puhus 1 Estate and Puhus 3 Estate).</p> <p><b>POM 2 PT DSN (16 January 2018)</b></p> <ol style="list-style-type: none"> <li>1. POM 2 Office: SCCS Verification (verification of procedure, sample of FFB Delivery Note, FFB Weight Ticket, training recorded, etc) and SCCS training record.</li> <li>2. Sortation Station. Observation and interview with Foreman, 1 FFB Grader and 1 Estate representative towards technical, maintenance, manpower, safety, health and environment aspects.</li> <li>3. Loading Ramp Station. Observation and interview with 2 Operators towards technical, maintenance, manpower, safety, health and environment aspects.</li> <li>4. Sterilizer Station. Observation and interview with Assistant and 1 Operator towards technical, maintenance, manpower, safety, health and environment aspects.</li> <li>5. Thresher Station. Observation and interview with 1 Operator towards technical, maintenance, manpower, safety, health and environment aspects.</li> <li>6. Clarification Station. Observation and interview with 1 Operator towards technical, maintenance, manpower, safety, health and environment aspects.</li> <li>7. Nut and Kernel Station. Observation and interview with 1 Operator towards technical, maintenance, manpower, safety, health and environment aspects.</li> <li>8. Engine (Generator Set) Room. Observation and interview with 1 Operator towards technical, maintenance, generator capacity and number of unit, manpower, safety, health and environment aspects.</li> <li>9. Boiler Station. Observation and interview with 2 Operator towards technical, maintenance, manpower, safety, health and environment aspects.</li> <li>10. Workshop. Observation on emergency equipments provided.</li> <li>11. Hydrant Simulation. Observation on rediness of fire fighter team and devices.</li> <li>12. WTP. Observation and interview with operator about OHS implementation and PPE use.</li> <li>13. WWTP. Observation of the condition of wastewater management.</li> <li>14. Hazardous waste warehouse. Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste.</li> <li>15. Chemical Warehouse. Field observations related to condition in the chemical warehouses and management of hazardous and toxic materials.</li> <li>16. Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities</li> </ol> <p><b>Puhus 2 Estate PT DAN (17 January 2018)</b></p> <ol style="list-style-type: none"> <li>17. Afdeling VIII Blok F60 (Application of Hikay). Observation and Interview with Foreman, Transporter and 2 Fertilizer Applicators on their understanding towards technical, safety, manpower, environment and conservation aspects, as well as company facilites.</li> <li>18. Afdeling VIII Block 57/58 (Harvesting). Observation and Interview with Foreman and 1 Harvester on their understanding towards technical, safety, manpower, environment and conservation aspects, as well as company facilites.</li> <li>19. Afdeling VIII Block 58 (Barn Owl House). Observation of nest condition and presence of Barn Owl (<i>Tyto alba</i>).</li> <li>20. Afdeling VII Block 53 (Application of EFB). Observation on EFB placement and dosage application as required by Agronomist team (inter palm; 300 kg/palm/year).</li> <li>21. Afdeling VII Block G47/48 (Application of Kleen Up 486 SL). Observation and Interview with Foreman and 2 Pesticide Applicators on their understanding towards technical, safety, cholinesterase, manpower, environment and conservation aspects, as well as company facilites.</li> <li>22. Puhus 2 Emplacement (Barn Owl Sanctuary). Observation on <i>Tyto alba</i> conservation activities.</li> <li>23. Hazardous waste warehouse. Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste.</li> </ol>

24. Fertilizer Warehouse. Observation the storage of fertilizers and OHS implementation.
25. Pesticide Warehouse. Observation the storage of pesticides, type of pesticide used, mixing process, emergency response equipment.
26. Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.
27. Conservation area Block 8. Observation the implementation of management in HCV area in form of natural vegetation.
28. Telen River blok F22 Observation the implementation of management in HCV area in form of natural vegetation.
29. PPE Warehouse: Observation PPE storage of spraying team/pesticide applicator and OHS implementation.
30. Land Application Blok F30 observation application waste water as fertilizer at the field.
31. Housing Complex (Afdeling 8). Observation of housing area & supporting facilities (Electricity, Source of fresh water, day care).
32. Boundary poles. check the plantation boundary, sampling poles (1, 22, 23 & 24), all boundary poles was installed and the number of poles is clear.
33. Landfill (Afdeling 8 Block F36). observation of domestic waste management (the location and condition of landfill is in good condition).

**Puhus 3 Estate PT DAN (18 January 2018)**

34. Afdeling XI Block G64 (Manual Road Maintenance). Observation and interview with 1 worker on their understanding towards technical, safety, manpower, environment and conservation aspects, as well as company facilities.
35. Afdeling XI Block F64 (Barn Owl House). Observation of nest condition and presence of Barn Owl (*Tyto alba*).
36. Afdeling X Block E61 (Harvesting). Observation and Interview with Foreman and 1 Harvester on their understanding towards technical, safety, manpower, environment and conservation aspects, as well as company facilities.
37. Afdeling X Block D61 (Application of Hikay). Observation and Interview with Foreman and 2 Fertilizer Applicators (also Pesticide Applicator) on their understanding towards technical, safety, cholinesterase, manpower, environment and conservation aspects, as well as company facilities.
38. Hazardous waste warehouse. Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste.
39. Fertilizer Warehouse. Observation the storage of fertilizers and OHS implementation.
40. Pesticide Warehouse. Observation the storage of pesticides, type of pesticide used, mixing process, emergency response equipment, PPE storage of spraying team/pesticide applicator and OHS implementation.
41. Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.
42. Kenden River. Observation the implementation of management in HCV area in form of natural vegetation.
43. PPE Warehouse. Observation PPE storage of spraying team/pesticide applicator and OHS implementation.
44. Boundary poles. check the plantation boundary, sampling poles (001, 002, 003, 61 & 67), all boundary poles was installed and the number of poles is clear.
45. Housing Complex (Afdeling 10). Observation of housing area & supporting facilities (Electricity, Source of fresh water, day care).
46. Landfill (Afdeling 9 Block E65). observation of domestic waste management (the location and condition of landfill is in good condition)

**Stakeholders (16-18 January 2017)**

47. Government Institutions of Kutai Timur Districts (Environmental Agency, Manpower Agency, Plantation Agency and Land Office). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.
48. Surrounding communities (Muara Wahau Village, Daebeq Village, Jabdan Hamlet). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society, impact of corporate activities, CSR Programme, social interaction between company and the community, social issues, etc.
49. Labor Union of PT DSN and PT DAN. Interview related to worker welfare and other manpower aspects.
50. Gender Committee. interview related to woman rights as an employee.

<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>Consultation of stakeholders for PT DSN and PT DAN held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement at web <a href="http://www.mutucertification.com">www.mutucertification.com</a> on 02 January 2018.</li> <li>2. Consultation meeting and interview with government agencies in Kutai Timur District (Plantation agency; Manpower agency, Land Office and Environmental agency) on 16 January 2018.</li> <li>3. Consultation meeting and interview with locals of the nearby village (Muara Wahau, Jabdan, Daebeq) on 16 January 2018 and contractor on 16 January 2018.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labour union and gender committee) on 16 January 2018.</li> <li>5. Consultation with NGO (Walhi, Sawit Watch, AMAN and WWF) via email on 08 January 2018.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT DSN and PT DAN.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit ( <i>Re-Certification</i> ) will be determined at least 12 months after this <i>ASA-4 (Jan 2019)</i> .

**3.0 ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of POM 2 – PT Dharma Satya Nusantara (PT DSN) and PT Dharma Agrotama Nusantara (PT DAN) operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there one (1) Nonconformity were assigned against Major Compliance Indicators and three (3) opportunity for improvement were identified.

Further explanation of the nonconformity raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic) and field visit. Those corrective actions taken that consist of one (1) Major Nonconformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that POM 2 – PT Dharma Satya Nusantara and PT Dharma Agro Nusantara complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, September 2016 And RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised on 14 June 2017 (Module D for CPO Mill)

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>		
<p><b>1.1.1</b> The certificate holder kept stakeholder list. The list is managed by CSRE Department and updated once in a year. Record of communication from external stakeholder is also available at CSRE Department. There is book of incoming letter from external stakeholder, where for January 2018, there was 6 incoming letter. All of the letter was a request of funding and heavy equipment assisting. None of them request for information. Based on interview with surrounding stakeholder obtained information that the stakeholder already understood the mechanism of request for information and the PIC of the company.</p> <p><b>1.1.2</b> The certificate holder has procedure of communication and handling of external complaint (SOP-AGR-044-R00, dated February 2013) which explain the mechanism of communication and handling of complaint. The PIC in site is CSRE Operation Head, by coordination with Plantation Head and POM Head. The time limit for responding request for information is 3 (three) days after to the incoming letter.</p> <p>During the period of 2017 the demand for information was dominated by requests for grants and equipment, the company showed several examples of activities as follows:</p> <ul style="list-style-type: none"> <li>Request for financial support from customary institutions WEHEA Diak Lay village, Muara Wahau sub distrik. related to the request for financial assistance to participate in the 5th Congress of the Indigenous Peoples Archipelago (<i>Masyarakat Adat Nusantara</i>), the application was submitted on 8 March 2017, the company responded to the letter on 15 March 2017 and gave the realization of funding assistance based on the official report dated April 8, 2017 given to the Customary Institution Wehea Diak Lay village</li> </ul>		



- Request for financial support from the Circumcision Committee Nehas Liang Bing Village Muara Wahau Sub Distrik. related to the request for funding for mass circumcision activities, this request was submitted on 29 May 2017, the company responded to the letter on 10 June 2017 and granted the realization of the funding assistance on 31 July 2017.
- Request for Road Repair and trenching from the Head of Long Bau Village on 19 June 2017. The Company responded to a letter on 22 June 2017 with a request for monitoring to be scheduled to wait for the heavy equipment readiness. The company carries out heavy equipment for road repairs on 24 June 2017.

The certificate holder has also gave annual reporting to government agency at Kutai Timur District, as of:

- Manpower Report PT DAN and PT DSN to Manpower Agency of Kutai Timur District and Kalimantan Timur Province at 6 December 2017
- Report of environment management for 2<sup>nd</sup> semester to Environment Agency of Kutai Timur District , Kalimantan Timur Province and to Ministry of Forestry and Environment at 8 January 2018

Record of communication from external stakeholder is also available at CSRE Department. There is book of incoming letter from external stakeholder, where all of the letter was a request of funding and heavy equipment assisting. None of them request for information.

Status: Comply

**1.2**

**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

**1.2.1**

The certificate holder has procedure of communication and consultation (Number 021B/SWA-CSR-WHU/VI/2012) which explain about document that could be accessed by stakeholder and its mechanism. The document that could be accessed by stakeholder is land use tittle, OHSAS, HCV, hazardous waste management, request and complaint, company policy, summary audit.

Based on interview with surrounding village obtained information that the procedure of communication and consultation has been communicated with surrounding village stakeholders.

Status: Comply

**1.3**

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

**1.3.1**

There is no change or updating of etic code policy. It is still same with the previous surveillance. The certificate holder has socialization of the etic code through morning meeting. Based on interview with worker in Puhus 2 and Puhus 3 obtained information that knew of prohibition to bring any fertilizer or pesticide back home.

Status: Comply

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1**

**There is compliance with all applicable local, national and ratified international laws and regulations.**

**2.1.1 and 2.1.2**

List of government laws/regulations which adopted by certificate holder as reference for plantation activities in DSN group is presented in document No. DK-MS-01A-R01, issued by Legal Department Head, Human Capital Operation (HCO) Department Head and Safety Health and Environment (SHE) Department Head, in January 2018. Laws and regulations listed has covers Occupational, Safety and Health (OSH) aspect, environment aspect, workforce/manpower aspect and operational legality aspect. Updating, monitoring of laws/regulations pursuance and revision of the document were carried out every six month by Management System (MS) Department from Head Office in Jakarta. Evidence towards laws and regulation fulfilment is describes in the specific Indicator on this report.

Document No. DK-MS-01A-R01 January 2018 has distributed to all estates and mill unit by Department of Management

System from HQ in Jakarta, and available for all level of management. List of laws/regulation were divided into four aspects which consist of 60, 63, 83 and 52 items of laws/regulation related to safety and health, environment, manpower and legal operational aspects, respectively.

The certificate holder has the Legal Aspect and Regulatory of 2017. Some of the compliance with these laws covers Land Use Rights and other permits related to the completeness of the operator's permit in the factory and the plantation area. Some of the compliance with the rules consist of:

### Land Use Legalities

#### 1. POM 2 - PT Dharma Satya Nusantara

- Land Title Certificate (Building) No. 02, dated 14 January 2008, Dabeg Village, Muara Wahau Sub District, East Kutai District, East Kalimantan Province, valid till 13 January 2028. No Letter Measure: 01 / Benhes / 2008, dated 14 January 2008. Area: 47,030 m<sup>2</sup> (47 Ha). Decision Letter of Land Agency of East Kalimantan Province, No: 167-550.2-44-2007, dated 27 December 2007.
- Plantation Business Permit-(Mill) PT DSN through Decision Letter of Kutai Timur District Head: No. 500/171 / Eko.2-V / 2009, dated 1 May 2009. Capacity of mill: 60 Ton FFB / Hour.

#### 2. Plantation – PT Dharma Agrotama Nusantara

- License of Forest Area Removal of PT Dharma Agrotama Nusantara: Decision Letter.129 / MENHUT-II / 05, dated 23 May 2005, Area: 10,867 Ha.
- Land Use Right Certificate No. 42, dated 27 January 2009. The village of Benhes and Muara Wahau, Muara Wahau Sub District, Kutai Timur District. Valid period: 30 December 2038. Decision Letter of Land Agency of East Kalimantan Province No: 85-HGU-BPN RI-2008 dated 31 December 2008. Area: 413.69 Ha. Measure Letter No: 05 / East Kutai District/ 2009, dated 20 January 2009. No: 16.09.00.00.00024.
- Land Use Right Certificate No. 43, dated 27 January 2009. The village of Benhes and Muara Wahau, Muara Wahau Sub District, East Kutai District. Valid period: 30 December 2038. Decision Letter of Land Agency of East Kalimantan Province No: 85-HGU-BPN RI-2008 dated 31 December 2008. Area: 9,541.565 Ha. Measure Letter No: 07 / East Kutai / 2009 dated 20 January 2009. NIB: 16.09.00.00.00025. Total Land Use Right : 9,955.25 Ha
- Plantation Business Permit PT DAN through Minister of Forestry Decree: No. 1510 / Menhutbun-II / 99, dated 27 September 1999. Area: 10,000 Ha. Muara Wahau Sub District , Kutai District.
- Head District Decree: No. 500/149 / EK-V / 2005 dated 30 May 2005. Total area: 10,000 Ha. Muara Wahau Village, Muara Wahau Sub District. (Approval of IUP-B) - valid period of 12 months.
- Head District Decree: No. 432 / 02.188.45 / HK / IX / 2007 dated 24 August 2007 (Land Business Permit Extension of PT DAN. Area of 10,000 Ha.

#### 2.1.3

Annual internal audit of laws/regulations pursuance was carried out by Management System Department from HQ and respective estate or mill unit. For example, internal audit report in Puhus 2 and Puhus 3 were carried out in July 20<sup>th</sup>-22<sup>nd</sup> 2017 and 24<sup>th</sup>-26<sup>th</sup> 2017, respectively, while internal audit for POM-2 was carried out in August 21<sup>st</sup>-22<sup>nd</sup> 2017. All internal audit were documented in Form No. FM-STD-09-R01, signed by estate or mill Head. Checklist towards laws/regulation pursuance is recorded on document "Evaluation of Laws/Regulation Pursuance". According to assessment 2018, it could be concluded that according to administrative and actual field implementation evidence, the company has 100 % fulfill all government laws/regulations requirements.

#### 2.1.4

According to Evaluation of Laws/Regulations Pursuance of PT DSN and PT DAN on January 2018, it was informed that compare to the previous year, several updated of laws/regulation are Government Regulation (PP) No. 57/2016 (replace PP No. 71/2014), PP No. 13/2017 (replace PP No. 71/2014), Minister of Environment and Forestry (PermenLHK) No. 14/2017, PermenLHK No. 15/2017, PermenLHK No. 16/201, Circulation Letter No. SE.15/PSLB3/SKT/PLB.2/12/2016, Regulation of Director General of Conservation, Natural Resources and Ecosystem No. P.5/KSDAE/SET/KUM.1/9/2017, Permenaker No. 1/2017, Minister of Manpower Regulation (Permenaker) No. 18/2017, and Minister of Agraria and Layout / Chief of National Land Agency (Permen Agraria dan Tata Ruang/Kepala BPN) No. 7/2017. Example of new regulation

<p>Implementation of new regulation is shows for example: Decree of Governor and Regent towards minimum wages of Kutai Timur Regency is shows through PT DSN Director Decree No. 015/DIR/1/2018 dated January 2<sup>nd</sup> 2018 and PT DAN Director Decree No. 017/DIR/1/2018 dated January 2<sup>nd</sup> 2018 as response. Based on interview with estate and mill workers, it could be concluded that information towards new minimum wages were well known by employees.</p>
<p>Status: Comply</p>
<p><b>2.2</b>  <b>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.</b></p>
<p><b>2.2.1</b>  The certificate holder has the Land Use Rights consist of:  <u>Land Use Legalities</u>  1. <b>POM 2 - PT Dharma Satya Nusantara</b></p> <ul style="list-style-type: none"> <li>• No. 02, dated 14 January 2008, Dabeg Village, Muara Wahau Sub District, East Kutai District, East Kalimantan Province, valid till 13 January 2028. No Letter Measure: 01 / Benhes / 2008, dated 14 January 2008. Area: 47,030 m<sup>2</sup> (4.703 Ha). Decision Letter of Land Agency of East Kalimantan Province, No: 167-550.2-44-2007, dated 27 December 2007.</li> <li>• Plantation Business Permit-(Mill) PT DSN through Decision Letter of Kutai Timur District Head: No. 500/171 / Eko.2-V / 2009, dated 1 May 2009. Capacity of mill: 60 Ton FFB / Hour.</li> </ul> <p>2. <b>Plantation – PT Dharma Agrotama Nusantara</b></p> <ul style="list-style-type: none"> <li>• License of Forest Area Removal of PT Dharma Agrotama Nusantara: Decision Letter.129 / MENHUT-II / 05, dated 23 May 2005, Area: 10,867 Ha.</li> <li>• Land Use Right Certificate No. 42, dated 27 January 2009. The village of Benhes and Muara Wahau, Muara Wahau Sub District, Kutai Timur District. Valid period: 30 December 2038. Decision Letter of Land Agency of East Kalimantan Province No: 85-HGU-BPN RI-2008 dated 31 December 2008. Area: 413.69 Ha. Measure Letter No: 05 / East Kutai District/ 2009, dated 20 January 2009. No: 16.09.00.00.00024.</li> <li>• Land Use Right Certificate No. 43, dated 27 January 2009. The village of Benhes and Muara Wahau, Muara Wahau Sub District, East Kutai District. Valid period: 30 December 2038. Decision Letter of Land Agency of East Kalimantan Province No: 85-HGU-BPN RI-2008 dated 31 December 2008. Area: 9,541.565 Ha. Measure Letter No: 07 / East Kutai / 2009 dated 20 January 2009. NIB: 16.09.00.00.00025. Total Land Use Right : 9,955.255 Ha</li> <li>• Plantation Business Permit PT DAN through Minister of Forestry Decree: No. 1510 / Menhutbun-II / 99, dated 27 September 1999. Area: 10,000 Ha. Muara Wahau Sub District , Kutai District.</li> <li>• Head District Decree: No. 500/149 / EK-V / 2005 dated 30 May 2005. Total area: 10,000 Ha. Muara Wahau Village, Muara Wahau Sub Disrict. (Approval of IUP-B) - valid period of 12 months.</li> <li>• Head District Decree: No. 432 / 02.188.45 / HK / IX / 2007 dated 24 August 2007 (Land Business Permit Extension of PT DAN. Area of 10,000 Ha.</li> </ul> <p><b>2.2.2</b>  The certificate holder has procedure of Boundary Stone Installed &amp; Maintenance (IK-AGR-OLP-33-R00) dated 28 September 2015). These procedure as guidance for maintenance all of boundaries stones periodically. The list of Boundary Stone in plantation area was 107 poles. The number of pole in each estate consist of : Puhus 1 Estate 66 poles, Puhus 2 Estate 21 poles &amp; Puhus 3 Estate 20 poles. Based on field visits for checking the boundary poles in two sample estates; Puhus 2 Estate (sampling poles number 1, 22, 23 &amp; 24) and Puhus 3 Estate (sampling poles number: 001, 002, 003, 61 &amp; 67). The boundary poles are in good condition, the reference number is clear and the position is in accordance with the coordinates contained in the book of poles coordinate list of PT Dharma Agrotama Nusantara.</p> <p><b>2.2.3; 2.2.4 and 2.2.5</b>  Based on document verification, information from National Land Agency in Kutai Timur District and stakeholder consultation with local stakeholder consist of Head of Village, Informal Leader, villager and smallholder cooperation staff in Muara Wahau Village, was known there is no issues of land conflict among the Certificate Holder with another party in surround of plantation area.</p>

<p><b>Indicator 2.2.6</b></p>	<p>The Certificate Holder had Procedure of Conflict Handling (Number: SOP-AGR-007-R00, dated 15 February 2012) and Communication and Consultation Procedure (No. 0215B/SWA-CSR-WHU/VI/2012). These procedure covering of information request, complaint/dissatisfaction, conflicts, demands for compensation, violence, advice, and consultation. Those procedure was explained that in the resolution of the conflict, there is no justification for the use of force and will be resolved through legal means.</p> <p>Based on field visit observation during the audit process, stakeholder consultation with workers representation, National Land Agency in Kutai Timur District and stakeholder consultation with local stakeholder consist of Head of Village, Informal Leader, villager and smallholder cooperation staff in Muara Wahau Village, was known there is no indication of Contractually Army using in operation of plantation and mill.</p>
	<p>Status: Comply</p>
<p><b>2.3</b> Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</p>	
<p><b>2.3.1</b></p>	<p>Based on document verification of High Conservation Value Identification and Social Impact Assessment in PT Dharma Agrotama Nusantara, stakeholder consultation with National Land Agency in Kutai Timur District and stakeholder consultation with local stakeholder consist of Head of Village, Informal Leader, villager and smallholder cooperation staff in Muara Wahau Village, was known that there is no area of the company was under of customary right. Since the ST-02 was known that there is no compensation process due to the entire area of plantation originating from Forest Estate (Right to Forest Use) with Forest Production Conversion status and has been released by the Ministry of Forestry through the License of Forest Area Removal of PT Dharma Agrotama Nusantara: Decision Letter.129/ MENHUT-II / 05 dated 23 May 2005, Area: 10.867 Ha.</p>
<p><b>2.3.2; 2.3.3 and 2.3.4</b></p>	<p>Based on document verification and information from the management representative (legal officer) of PT Dharma Agrotama Nusantara, along with the stakeholder consultation with National Land Agency in Kutai Timur District and stakeholder consultation with local stakeholder consist of Head of Village, Informal Leader, villager and smallholder cooperation staff in Muara Wahau Village, was known that there is no area of the company was under of customary right. During the ST-02 was known that there is no compensation process due to the entire area of plantation originating from Forest Estate (Right to Forest Use) with Forest Production Conversion status and has been released by the Ministry of Forestry through the License of Forest Area Removal of PT Dharma Agrotama Nusantara: Decision Letter.129/ MENHUT-II / 05 dated 23 May 2005, Area: 10.867 Ha.</p>
	<p>Status: Comply</p>
<p><b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b></p>	
<p><b>3.1</b> There is an implemented management plan that aims to achieve long term economic and financial viability.</p>	
<p><b>3.1.1</b></p>	<p>Certificate holder (CH) has longterm management plan which presented in document "Projection of Work Plan and Budget Period 2018-2022 for PT DAN and POM-2, issued by Head of Department of Plan and Performance Review (PPR) in Jakarta. Parameters being projected are hectare statement 2018, target projection, estate expenses, POM-2 expenses and revenue. Estate and mill management units informed that there is no plan of land expansion and increament of mill processing capacity in the near future. Furthermore, management unit also informed that there is no smallholders scheme and presence of peat soils within PT DAN operational areas. Management unit stated that those longterm business plan mentioned in the former are subjected to be changed and reviewed annually by the respective management such Plantation Head, Board of Director (BOD), as well as all Group Head and Department Head in Head Quarter Jakarta.</p>

<p>3.1.2 Based on information from estate management and hectare statement 2017, it was known that palms in PT Dharma Agrotama Nusantara (PT DAN) were planted within 2005 to 2012. According to agronomy procedure, replanting of palm is expected to be carried out in 2030. Hence replanting program will not available in the next five years period.</p>
<p style="text-align: center;">Status: Comply</p>
<p><b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b></p>
<p><b>4.1 Operating procedures are appropriately documented and consistently implemented and monitored.</b></p>
<p>4.1.1 Estate and mill management informed that there were no additional and revision of the existing technical procedure and work instruction. Certificate holder shows list of procedure (SOP) which presented in document No. SOP-AGR-001-R00 to No. SOP-AGR-078-R00 and work instruction which presented in several documents, for example as No. IK-AGR-OLP-01-R02 to No. IK-AGR-AGR-OLP-34-R00 about plantation management, No. IK-AGR-COM-01-R01 to No. IK-AGR-COM-21-R00 about commercial, No. IK-AGR-DIS-01-R00 to No. IK-AGR-DIS-03-R01 about dispatch, No. IK-AGR-LAB-01-R05 to No. IK-AGR-LAB-55-R00 about laboratory, No. IK-AGR-PRO-01-R03 to No. IK-AGR-PRO-37-R00 about production in Mill and No. IK-AGR-MS-04-R06 to IK-AGR-MS-07-R00 about supply chain and traceability of products. Furthermore, procedure of safe working practices is presented in several documents such as Material Safety Data Sheet (MSDS) of agrochemical products, Hazard Identification Risk Assessment and Control (HIRAC) and No. IK-AGR-SHE-01-R01 to No. IK-AGR-SHE-11-R00 about safety and environment management. All SOP and WI above were available in Bahasa and issued by Executive Director Sub Business Unit (SBU) Agro 1 and Operation Director. Based on the above documents, it could be concluded that all SOP's and WI's were still relevant with current situation and covers all aspect of best management practices in the estates and mill.</p> <p>Distribution of SOP's and WI's is conducted by Department of Management System. Based on observation to Puhus 2 and Puhus 3 Estate Office, as well as POM-2 (palm oil mill) Office, it was found that all related SOP's and WI's were available. Furthermore, based on observation and interview with Foremans, with Harvesters in Afdeling VIII Block 57/58 Puhus 2 and Afdeling X Block E61 Puhus 3 Estate, with Fertilizer Applicators in Afdeling VIII Blok F60 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, with Pesticide Applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, as well as Operators in Sortation, Loading Ramp, Sterilizer, Thresher, Clarification, Nut and Kernel, Engine Room and Boiler Sttaion in POM-2, it could be concluded that all workers were able to explained and demonstrate their technical working aspect, in accordance with job description, procedure and work instruction, as well as safety aspects.</p> <p>4.1.2 Update and distribution of SOP and WI to all units is carried out by Department of Management System (MS) in Jakarta. For monitoring of procedure implementation consistency, some mechanism had been carried out by unit management through Semester Internal Audit, presented in Form No. FM-STD-09-R01. For example, internal audit semester 2 in Puhus 2, Puhus 3 Estate and POM-2 has conducted in July 20<sup>th</sup>-22<sup>nd</sup> 2017, 24<sup>th</sup>-26<sup>th</sup> 2017 and August 21<sup>st</sup>-22<sup>nd</sup> 2017, respectively. internal audit document signed by Internal Auditor and Estate/Mill Head. Furthermore procedure implementation has also presented in Estate/Mill Head monthly report.</p> <p>4.1.3 Estates and mill management operational activities has recorded, monitored and evaluated regularly reported in several documents, such as daily work plan, daily Foreman notes, monthly Mill and Estate Head report, semester internal audit and annual agronomy and research visit report. Evaluation of assessment mentioned in the former were carried out by the repective PIC unit. For example, analysis on internal audit is presented in document From No. FM-OA-12-R01 about "Non Conformity and Observation Internal Audit of PT DSN". This document is prepared by Staff Audit, approved by Estate Head and signed by Plantation Head and OA Department Head. All critical parameter points describes were need to be response and follow up by the respective person in charge (PIC) through action plan immediately. Progress of action plan were reported and submitted directly to the upper ordinate.</p> <p>4.1.4</p>

From the period of ASA-3 till ASA-4, the Certificate Holder did not receive FFB from non certified sources. The POM 2 only processed FFB from the estates that have earned RSPO Certificate, consist of own estate (Puhus 1.2 & 3) and from Long Jenew 1, 2 & Jabdan 1 (PT Swakarsa Sinarsentosa, RSPO Certified on 2015) is another plantation entity under the same Holding Company of PT Dharma Satya Nusantara.

Status: Comply

**4.2**

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

**4.2.1**

Procedure of soil fertility management is presented in several work instruction documents such as No. IK-AGR-OLP-09-R03 dated November 3<sup>rd</sup> 2014 about manuring, No. IK-AGR-OLP-10-R02 dated October 2014 about land application by palm oil mill effluent (POME), No. IK-AGR-OLP-11-R02 dated November 3<sup>rd</sup> 2014 about application of empty fruit bunch (EFB) and No. IK-AGR-OLP-34-R00 dated December 14<sup>th</sup> 2015 about decanter cake application. Monitoring of work instruction implementation is carried out through Internal audit and visual assessment during leaf sampling, presented in document of "Observation of Nutrient Deficiency of Palms".

Based on observation and interview with fertilizer applicators in Afdeling VIII Blok F60 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, it could be concluded that the applicators were able to explained and demonstrate several technical implementation such as time of application, macro and micro nutrient fertilizer placement, prohibited areas to be manured (i.e. conservation and riparian areas) and PPE used. Furthermore, based on field observation, several strategy of soil fertility management apart from manuring which had implemented by estate management are EFB applicaiton as seen in Afdeling VII Block E53 and land pllication as seen in Afdeling V Block F30 Puhus 2 Estate, pruned fronds stacking, planting of legume cover crop (*Mucuna bracteata*) and selective weeding.

**4.2.2**

Record of manuring realization is presented in document Form No. FM-OLP-28-R00 which updated every months or rotation schedule. Fertilizer recommended by Agronomist are Borate, Hikay, Rock Phosphate, Urea, Kieserite and Muriate of Potash. Application of fertilizer were devided into three rotation. According to the recapitulation of fertilizer application period 2017, it could be concluded that manuring program was in accordance with schedule given by the Agronomist, fully completed and there is no carry forwards program in 2018. Apart from chemical fertilizer, estate management has also adopting by-product application for soil fertility enhancement (see Indicator 4.2.4).

**4.2.3**

Procedure of leaf and soil sampling is presented in document work instruction No. IK-AGR-OLP-25-R01 dated February 1<sup>st</sup> 2014 about sampling technique. WI mentioned that soil analysis is conducted every 6 years and the analysis data could be used for 7 years. Furthermore, leaf analysis is conducted annually after last manuring program. Visual analysis towards palm and soil performance is conducted together with sampling activities. Record of leaf sampling analysis is presented in document Ref. No. 132/RD/EXT/L/MEI/17 dated May 2<sup>nd</sup> 2017. Laboratory analysis was conducted by Research and Development Centre of PT Nusa Pusaka Kencana Analytical & QC Laboratory (Asian Agri). Parameter being analized are ash content, macro nutrient content (% dry matter of N, P, K, Mg and Ca) and micro nutrient content (ppm dry matter of B, Cu, Zn, Mn and Fe). Furthermore, soil sampling analysis is presented in document No. 536/2012 dated March 7<sup>th</sup> 2012. Laboratory analysis was conducted by Soil Laboratory of Government Soil Research Institute in Bogor. Samples were taken from five horizon layers within 0 to 150 cm depth. Parameter being analized are texture, pH, organic matters (C, N, C/N ratio), available P and P, CEC, macro and micro nutrient content and saturation base. Both leaf and soil sampling analysis were used for annual manuring recommendation calculation by Agronomist team. Apart from leaf and soil sampling analysis, nutrient status of soil and palms were also accessed through visual assessment of palm vigour land field condition, presented in document of "Observation of Nutrient Deficiency of Palms".

**4.2.4**

Apart from chemical fertilizers, organic fertilizers which came from by-products (EFB and POME) has also applied for nutrient cycle purposes. By-products application is documented in Form No. FM-OLP-28-R00. For example during 2017, total EFB application in Afdeling V, VI and VIII were about 4,450.86 ton, 6,500.94 ton and 8,9097.31 ton, respectively. EFB applied were varied from 168 to 212 kg/palm/year, depended on Agronomist consideration towards visual and

<p>laboratory analytical measurement. EFB is expected to improved nutrient K, increasing organic matters content, as well as retaining soil moisture in the soil. Based on observation to Afdeling VII Block F53 Puhus 2, it was found that EFB were placed on inter palm and interrows, as instructed on the work instruction No. IK-AGR-OLP-11-R02 dated November 3<sup>rd</sup> 2014. Furthermore, land application has only applied in 16 Blocks in Afdeling V and 9 Blocks in Afdeling VI Puhus 2 Estate. During 2017, 151.24 ton and 104.01 ton of POME has applied on Afdeling V and Afdeling VI, respectively. Based on observation to Afdeling V Block F30, it was found that there was no leaking of POME pipe and applied on the permitted Block as crosschecked on the land application permit.</p>	
<p><b>Status: Comply</b></p>	
<p><b>4.3</b> <b>Practices minimize and control erosion and degradation of soils.</b></p>	
<p><b>4.3.1 and 4.3.6</b> PT DAN was able to shows soil map with scale 1:40,000 which derived from a detail soil survey report No. R&amp;E.SVY.0002-11-12 which conducted by Research Department of PT DSN in 2012. Report informed that based on USDA Sub-group classification, soils in PT DAN were consist of five mineral soil type, namely <i>Typic Kanhapludults</i>, <i>Typic Kandudults</i>, <i>Plinthic Kandudults</i>, <i>Aquic Udifluvents</i> and <i>Typic Fragiorthods</i>. Texture of soils identified were mostly sandy clay. In term of soil feasibility analysis, about 91 % of PT DAN has classiefied as S2 (moderate) and the rest or about 9 % has classified as S3 (marginal). Limitation factor were identified due to soil low fertility. Furthermore, according to elevation map, it could be concluded that about 98 % of PT DAN were ranged from 0-15 % or classified as flat to rolling (0-15%), while the rest was rolling to hilly (15-25 %). Furthermore, there were no presence of peat soil as well. Those information were confirmed during field observation. Hence, it could be concluded that there are no presence of fragile soils within PT DAN operational areas.</p>	
<p><b>4.3.2</b> According to soil survey analysis in 2012, it was informed that slope condition in PT DAN were varied from flat to rolling, with elevation 2-14 %. Management strategy of planting in rolling area was presented in work instruction No. IK-AGR-OLP-01-R01. Based on field observation to Puhus 2 and Puhus 3 Estate, it was found that individual planting platform (Tapak Kuda) were found mostly on rolling slope areas and the platform has considered well maintained</p>	
<p><b>4.3.3</b> Estates management unit has able to shows annual road maintenance program which presented in document of barchart monthly work manual, monitoring grading compact and Barchart of wooden culvert for period of 2017 and 2018. For example, recapitulation of road grading and road compaction in Puhus 2 Estate during October to December 2017 were 46,629 m; 4,530 and 0.00 m, respectively. In general actual road maintenance activities were more than the program due to wet season condition or monthly rainfall is more than 250 mm/month. This is conducted to ease FFB evacuation, as well as CPO and PK transportation. Furthermore, according to actual road maintenance report, it could be concluded that Puhus 3 road maintenance realization were in accordance with the program. Estate management mentioned that actual road maintenance activity was carried out based on actual situation and condition on the field. Estate management also mentioned that usually road quality would be degraded during high rainfall (wet season), which may cause delay on product evacuation (FFB, CPO and PK) and lead to quality decrement. To overcome this situation, road compaction has taken on the selective / priority road. During field observation to Puhus 2 and Puhus 3 Estate, it could be concluded that in general road condition were well maintained and easily passable for products evacuation.</p>	
<p><b>4.3.4 and 4.3.5</b> According to soil survey report No. R&amp;E.SVY.0002-11-12 which conducted by Research Department of PT DSN in 2012, it was informed that there are no presence of peat soil within PT DAN operational areas. Hence, water management, peat subsidence record and drainability study before replanting assessment were not available.</p>	
<p><b>Status: Comply</b></p>	
<p><b>4.4</b> <b>Practices maintain the quality and availability of surface and ground water.</b></p>	
<p><b>4.4.1</b> Plan or management strategy of water management for estate and mills purposes were presented several documents, as follows:</p> <ul style="list-style-type: none"> <li>• Procedure No. SOP IK - AGR - STD - 02 - R01 about buffer zone and riparian zone protection, which describes</li> </ul>	

buffer zone recovery and maintenance, prohibition on agrochemicals application within those areas, riparian zoning by red paint marking, socialization to workers (especially pesticide applicator and fertilizer applicator), signboard installation which describes several not-allowed illegal activity, planting of vetiver grass, trees, etc.

- Environment management plan which mentioned water source identification, rehabilitation or restoration towards vetiver grass and trees planting and water chemical properties monitoring.

PT DAN management unit has shows monitoring form of no-chemical spray signboard and conservation area for all estates. The form informed that about sixty signboard had installed within PT DAN riparian and conservation areas and 29 signboard need to be replaced and/or restored.

Based on field observation to Kenden Besar River in Block G65 Puhus 3 Estate, it was found that red paint marked on palm with distance about two times of river wides from water body, to identify riparian zone, no spray signboard and presence of vetifer grass along water body.

**4.4.2**

Identification of watercourse and wetland was derived from final report of HCV assessment, conducted by Daemeter in 2012. The report recommend that species along protected areas along rivers should be regularly monitored to mearsure trends in density and diversity. This should be carried out at least annually to determine fluctuations of species with the demarcated riparian buffer zone, and trigger necessary management action should be taken if the species recorded shows any decline. Management strategy on riparian buffer zone has described in procedure No. SOP IK-AGR-STD-02-R01 about buffer zone protection, which describes buffer zone and riparian zone recovery and maintenance, prohibition on agrochemicals application within those areas, riparian zoning by red paint marking, socialization to workers (especially pesticide applicator and), signboard installation which describes several not-allowed illegal activity, planting of vetifer grass, trees, etc.

The company shows the activities of Puhus 2 on the management of the river border area in the form of planting vertiver grass and Meranti (*Shorea sp*), Drybalanop spp, Eguena spp and Jelutung (*Dyera costulata*) at the buffer zone of Kenden river. The planting has been done at small block G49 afdeling 7, block E34 afdeling 5, Block F33 afdeling 5, and F48 blocks afdeling 7. There is a map and documentation of tree planting practices. The company also showed evidence of manual maintenance of the Kenden Kecil riparian border.

Based on field observation to Kenden River and Telen River it was found that red paint marked on palm with distance about two times of river wides from water body, to identify riparian zone, no spray signboard and presence of vetiver grass along water body.

**4.4.3**

Waste water of oil palm processing has processed through waste water treatment plant (WWTP) station. Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP inlet and outlet was carried out by PT Sucofindo. According to results tested in October to December 2017, it was known that according to Ministry of Environment Regulation No. 28 year 2003, parameter tested results were less than the detection limit indicated (BOD <5,000).

The Certification Unit has shows permit of land application permit from Regent (*Bupati*) of Kutai Timur District No. 660/K.261/2017 dated March 22<sup>st</sup> 2017 about extended of the previous land application permit No. 658.31/K.1186/2013. On the new permit has 880 ha of application area in 35 Blocks.

**4.4.4**

Plan or management strategy of water management for estate and mills purposes were presented in document Procedure No. SOP IK - AGR - STD - 02 - R01 about buffer zone and riparian zone protection and environment management plan. The company has records the water usage for estates and mill purposes which updated every month, Based on water usage for FFB processing in 2017 it is known that the average water requirement for FFB processing is 1.02 m<sup>3</sup>/ton FFB from the budget of 1.20 m<sup>3</sup>/ton FFB.

Status: Comply
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<b>4.5</b>	<b>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</b>
4.5.1	<p>Commitment of implementation of integrated pest management is presented in several working instruction documents such as No. IK-AGR-OLP-13-R01 dated July 1<sup>st</sup> 2015 about detection and early warning system, No. IK-AGR-OLP-14-R02 dated July 1<sup>st</sup> 2015 about integrated pest management (IPM), No. IK-AGR-OLP-15-R02 dated November 3<sup>rd</sup> 2014 about weeds management in immature and mature areas, No. IK-AGR-OLP-16-R02 dated September 28<sup>th</sup> 2015 about dosage consideration and pesticide applicators and No. IK-AGR-OLP-17-R01 dated February 1<sup>st</sup> 2012 about pesticide handling.</p> <p>Estate management has program of of integrated pest management and its realization which presented in several documents such as Estate Head monthly report on part field upkeep progress, census record which presented in Form No. FM-OLP-15-R00 for bagworm and leaf eating caterpillar census and Form No. FM-OLP-17-R00 for rat and Tirathaba census. Form signed by IPM Assitant, Head Assitant and Estate Head. For example, census of bagworm in Puhus 2 Estate on December 14<sup>th</sup> 2017 shows that incidence attack were varied from 0.00 to 0.50 bagworm/frond, which categorized as light attack level (1-2 bagworm/frond). Furthermore, census on rat in Puhus 3 Estate on December 2017 shows that level of incidence were varied from 0,00 to 3.45 which still below its threshold limit (5 %). Hence, there are no pesticide application recommended to overcome those pest incidence.</p> <p>For biological control, estate management has adopting beneficial plants (<i>Turnera subulata</i> and <i>Antigonon leptus</i>) which aims for leaf eating caterpillar control and adopting <i>Tyto alba</i> as rat predator. Both implementation were verified during field observation in Puhus 2 and Puhus 3 Estate.</p> <p>In order to avoid P&amp;D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as <i>Ageratum conyzoides</i>, <i>Boreiva alata</i> and <i>Mikania micranta</i>, the use of Kleen Up 486 SL (Isoprophyl Amine Glyphosate) could be substitute with Starane 290 EC (Floroksipir Methyl Hephthyl Ester).</p>
4.5.2	<p>Estate management has conducting several training related to integrated pest management system, for example training of refreshment of work instruction related to IPM in Puhus 2 Estate has conducted by Estate Assistant in Afdeling Office on November 24<sup>th</sup> 2017. This training has attended by 40 upkeep workers. Furthermore, the same training in Puhus 3 Estate has conducted by Estate Assistant in Afdeling Office on November 17<sup>th</sup>-18<sup>th</sup> 2017 and attended by 80 upkeep workers. Picture documentation and presentation file were available.</p> <p>Based on observation and interview with pesticide applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with yellow poles and/or yellow mark on the palm trunks) as well as PPE's to be used as well as its management. Moreover, pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals.</p>
	Status: Comply
<b>4.6</b>	<b>Pesticides are used in ways that do not endanger health or the environment</b>
4.6.1	<p>Certificate holder has procedure of pesticide application which presented in work instruction document No. IK-AGR-OLP-15-R02 dated November 3<sup>rd</sup> 2014 about weeds management in immature and mature areas, No. IK-AGR-OLP-16-R02 dated September 28<sup>th</sup> 2015 about dosage consideration and pesticide applicators and No. IK-AGR-OLP-17-R01 dated February 1<sup>st</sup> 2012 about pesticide handling. In order to avoid P&amp;D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as <i>Ageratum conyzoides</i>, <i>Boreiva alata</i> and <i>Mikania micranta</i>, the use of Kleen Up 486 SL (Isoprophyl Amine Glyphosate) could be substitute with Starane 290 EC (Floroksipir Methyl Hephthyl Ester).</p>

According to observation to agrochemicals warehouse and record of pesticide application, it was known that pesticide used in 2017/2018 for PT DAN are Kleen Up 486 SL (Isoprophyl Amine Glyphosate) and Starane 290 EC (Florokspir Methyl Hephthyl Ester). Those pesticides were herbicide which listed in the Book of Pesticide Commission 2016 issued by Department of Agriculture, Republic of Indonesia.

Based on observation and interview with pesticide applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with yellow poles and/or yellow mark on the palm trunks) as well as PPE's to be used as well as its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals.

#### 4.6.2

Program of pesticide application is presented in Estate Head monthly report. For example recapitulation of pesticide Kleen Up 486 SL (Isopropyl Amine Glyphosate) during 2017 in Puhus 2 and Puhus 3 Estate is presented as follows:

- LD<sub>50</sub> ORAL: 1,480 mg/kg in Rats.
- LD<sub>50</sub> DERMAL: 2,000 mg/kg in Rabbits.
- Puhus 2: 1,323.50 lt with active substance applied 0.218 lt/ha; three rotation; total area applied 2,946 ha.
- Puhus 3: 2,369.00 lt with active substance applied 0.345 lt/ha; three rotation; total area applied 2,964 ha.

#### 4.6.3

Estate management has program of integrated pest management and its realization which presented in several documents such as Estate Head monthly report on part field upkeep progress, census record which presented in Form No. FM-OLP-15-R00 for bagworm and leaf eating caterpillar census and Form No. FM-OLP-17-R00 for rat and Tirathaba census. Form signed by IPM Assitant, Head Assitant and Estate Head. For example, census of bagworm in Puhus 2 Estate on December 14<sup>th</sup> 2017 shows that incidence attack were varied from 0.00 to 0.50 bagworm/frond, which categorized as light attack level (1-2 bagworm/frond). Furthermore, census on rat in Puhus 3 Estate on December 2017 shows that level of incidence were varied from 0,00 to 3.45 which still below its threshold limit (5 %). Hence, there are no pesticide application recommended to overcome those pest incidence.

For biological control, estate management has adopting beneficial plants (*Turnera subulata* and *Antigonon leptus*) which aims for leaf eating caterpillar control and adopting *Tyto alba* as rat predator. Both implementation were verified during field observation in Puhus 2 and Puhus 3 Estate. Since 2016, there is no application of insecticide and rodenticide.

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Kleen Up 486 SL (Isoprophyl Amine Glyphosate) could be substitute with Starane 290 EC (Florokspir Methyl Hephthyl Ester).

#### 4.6.4

Based on pesticide used records in 2017 for PT DAN (Puhus 1, Puhus 2 and Puhus 3 Estate) which presented in Indicator 4.6.1 and 4.6.2, as well as observation to pesticide store in Puhus 2 and Puhus 3 Estate, it could be concluded that there is no pesticides listed in WHO Appendix 1A, 1B and/or listed in Stockholm or Rotterdam Convention as well as paraquat.

#### 4.6.5

Procedure of pesticide handling is presented in several documents such as work instruction No. IK-AGR-OLP-16-R02 dated September 28<sup>th</sup> 2015 about dosage consideration and pesticide applicators, No. IK-AGR-OLP-17-R01 dated February 1<sup>st</sup> 2012 about pesticide handling, pesticide material safety data sheet (MSDS) and HIRAC. In order to maintain workers skills towards pesticide handling and management, management unit has conducting cooperation with pesticide producer to provide training for pesticide applicators for example training of pesticide application and handling in Learning Centre

has conducted by Pesticide Producer namely PT Nufarm and PT Dow Agroscience on February 22<sup>nd</sup>-23<sup>rd</sup> 2017 and August 23<sup>rd</sup> 2017, respectively. Training were attended by all related agrochemicals workers from PT DAN.

Based on observation and interview with pesticide applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, it could be concluded that the workers were able to explained and demonstrate several safe working practices in accordance with procedure such as to use complete PPE (helmet with face shield, respirator, rubber glove, apron and boot), considering wind direction during spraying, nozzle setting, pesticide handling, mixing and management of used pesticide containers, first aid action, cholinesterase check up, etc. Furthermore, applicators also informed that PPE were provided by estate management and could be replaced when it was broken or improperly used. This is inaccordance with Momorandum of PT DAN Plantation Head No. 015/PH-DAN/X/2016 dated October 10<sup>th</sup> 2016 about PPE replacement. Moreover, based on observation to pesticide store in Puhus 2 and Puhus 3 Office, it was found that MSDS of pesticides product were available and there is no reuse of used pesticide containers for domestic purposes in Afdeling VIII Puhus 2 and Afdeling X Puhus 3 employees housing areas.

#### 4.6.6

Procedure of agrochemicals (pesticide) waste management was presented in document No. IK-AGR-SHE-09-R00 dated January 15<sup>th</sup> 2014 and MSDS. Based on observation to agrochemicals (pesticide) storage in Puhus 2 and Puhus 3, it was found that all pesticides has placed properly by store it into limited access room, placed has arranged separately, has a correct risk identification symbols, FIFO method, material flows record (balance sheet) and suit MSDS were available, proper and monitored PPE, fist aid box and fire extinguisher were provided.

Recod of hazardous wastes including dipsosal pesticide containers were presented in Indicator 5.3.2. Based on observation puhus 2 and 3 estates, it could be concluded that hazardous wastes had stored in the permitted hazardous waste warehouse (storeroom). Balance of hazardous waste record and manifest were available during the audit. Hazardous waste were next to be sent to lisenced collector, namely PT Sumber Rejeki Abadi Jaya (Permit: Decree of Minister of Environmant and Forestry (SK KLHK) No. S.555/PPLB3/VIII/2016 dated August 8<sup>th</sup> 2016). Furthermore, storeroom condition were equipped with MSDS, eyewash, shower, alarm, first aid kit, PPE, fire extinguisher and oil trap. Moreover, based on observation to housing complex in Afdeling VIII Puhus 2 and Afdeling X Puhus 3 Estate, it was found that there were no use of used pesticides container for household and domestic purposes such as garbage basket and plant pot.

#### 4.6.7

Procedure of pesticide application is presented in several documents such as work instruction No. IK-AGR-OLP-16-R02 dated September 28<sup>th</sup> 2015 about dosage consideration and pesticide applicators, pesticide material safety data sheet (MSDS) and HIRAC. In order to maintain workers skills towards pesticide handling and management, management unit has conducting cooperation with pesticide producer to provide training for pesticide applicators. Based on observation and interview with pesticide applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, it could be concluded that the workers were able to explained and demonstrate several safe working practices in accordance with procedure such as to use complete PPE (helmet with face shield, respirator, rubber glove, apron and boot), considering wind direction during spraying, nozzle setting, pesticide handling, mixing and management of used pesticide containers, first aid action, cholinesterase check up, etc. Furthermore, applicators also informed that PPE were provided by estate management and could be replaced when it was broken or improperly used. This is inaccordance with Momorandum of PT DAN Plantation Head No. 015/PH-DAN/X/2016 dated October 10<sup>th</sup> 2016 about PPE replacement. Moreover, Based on observation to PPE and pesticide applicators devices in Puhus 2 Estate, it was found that PPE and pesticide applicators devices were separately stored.

#### 4.6.8

Based on field observation and information form estate management, it was informed that there were no pesticide application by plane through the air. All pesticides has applied through spraying both manually and mechanically.

#### 4.6.9 and 4.6.10

Procedure of hazardous waste materials (include pesticide) are presented in document No SOP-AGR-035-R02 dated may 1<sup>st</sup> 2015 about wastes management, which include organic, inorganic and hazardous waste and Work instruction No. IK-AGR-SHE-09-R02 dated October 19<sup>th</sup> 2015 about hazardous waste handling. Training and socialization towards pesticide

application and handling to all related workers had held in Learning Centre, conducted by Pesticide Producer namely PT Nufarm and PT Dow Agroscience on February 22<sup>nd</sup>-23<sup>rd</sup> 2017 and August 23<sup>rd</sup> 2017, respectively.

Estate management informed that PT DSN and PT DAN do not have smallholders scheme. Hence, there is no record regarding smallholders training.

Based on observation and interview with pesticide applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, it could be concluded that the workers were able to explained and demonstrate several safe working practices in accordance with procedure such as to use complete PPE (helmet with face shield, respirator, rubber glove, apron and boot), considering wind direction during spraying, nozzle setting, pesticide handling, mixing and management of used pesticide containers, first aid action, cholinesterase check up, etc. Furthermore, applicators also informed that PPE were provided by estate management and could be replaced when it was broken or improperly used. This is in accordance with Momorandum of PT DAN Plantation Head No. 015/PH-DAN/X/2016 dated October 10<sup>th</sup> 2016 about PPE replacement. Furthermore, based on field observation to hazardous waste store in Puhus 2 and Puhus 3 Estate, it was found that the record of hazardous waste balance sheet in both estates were available. According to balance sheet and manifest review, it was informed that take over of hazardous waste to the licensed collector was not more than 90 days. The responsible staff was also able to explained and demonstrate flows of hazardous waste handling from estate to the permitted collector.

**4.6.11**

The company has conduct specific medical checkup for pesticides operators and workers related to agrochemicals, which carried out annually. Testing was carried out by Clinic of Permata Medika in Samarinda on November 2017. Summary cholinesterase (CHE) testing in November 14<sup>th</sup> 2017 informed that total employees to be checked in PT DAN were 289 workers, which consist of 272 agrochemical applicators, 12 Foreman, 9 Warehouse Keeper and 5 Farm Tractor Operators. Evaluation of CHE testing is carried out by company doctor (dr. Sri Santoso) as Company Medical Section Head. According to the test results, it could be concluded that CHE testing results of all employees indicates as normal.

Based on field observation and interview with pesticide applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, the workers stated that cholinesterase test has conducted twice a year. They also mentioned that if the results were not normal, the respective workers would be transferred into another section work which were not related with agrochemicals. Moreover, applicator also stated that there were no problem with skin irritation due to agrochemicals used. This is confirmed by interview with medical doctor from central clinic.

**4.6.12**

Policy of pregnant and breastfeed worker is prohibited to work with agrochemicals is presented in Memorandum of HRA Department No. 010/HRA/VII/2011 dated July 12<sup>th</sup> 2011. Monitoring of pregnancy shall be carried out by paramedic every month. Based on interview with paramedic in the main clinic, it was stated that pregnancy test is carried out monthly at date 25<sup>th</sup>. Results of testing is recorded on Pregnancy and breastfeed form for pesticide and fertilizer applicators. Worker with positive results will be recommended by Medical Section Head (MSH) and Personnel and General Service Head, to be trasfered to another section which not related to agrochemicals. For example, Medical Letter No. 0061/OS-BP/IV/2017 dated April 7<sup>th</sup> 2017 has recommend Pesticide Applicator in Afdeling VIII Puhus 2 namely Ms. Haryati to be transferred to another section which not related to agrochemicals due to positive pregnancy test result (4 month). Moreover, General Service Letter dated November 29<sup>th</sup> 2017 has recommend pesticide operator in Puhus 3 Estate namely Ms. Desi to be transferred to another section which not related to agrochemicals due to positive pregnancy test result.

Based on field observation and interview with pesticide applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, the applicators stated that pregnant and breastfeeding woman are prohibited to works related to agrochemicals.

Status: Comply

**4.7**

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

**4.7.1**

Certificate holder management stated that there is no revision of occupational health and safety (OSH) policy since 2010. Procedure of OSH is presented in document No. SOP-AGR-037-R01 dated November 1<sup>st</sup> 2013, issued by the Executive Director SBU Agro 1. The procedure has describes plan of OSH and environment program for estates and mill, risk identification and management control, work permit application, handling and reporting of accident, evaluation and follow up, monitoring and environment measurement, emergency handling, OSH and environment communication, participation and consultation. Several forms related to OSH environment are presented in document No. FM-SHE-29-R00 about identification risk, appraisal and risk control on risk assessment matrix, No. FM-SHE-12-R00 about safety induction/orientation, No. FM-SHE-07-R00 about OSH inspection schedule, etc.

The company was able to shows work program of OSH environment in 2017 and 2018, for example work program of OSH of PT DAN has signed by Plantation Head and OSH Committee Assistant (Secretary) on January 2<sup>nd</sup> 2018. Meanwhile, work program PT DSN (POM-2) has signed by Chief and Secretary of OSH Committee on July 2017. OSH program realization and monitoring were presented in quarter OSH Committee (P2K3) report. For example, 4<sup>th</sup> quarter P2K3 report of PT DAN and PT DSN were presented in document No. 005/P2K3-DAN/II/2018 dated January 6<sup>th</sup> 2017 and No. 001/P2K3-PKS2/DSN/X/2017 dated January 12<sup>th</sup> 2018, respectively.

**4.7.2**

Hazard identification risk assessment (HIRAC) for all activities in the estates and mill has documented in HIRAC document No. FM-SHE-29-R01. HIRAC for PT DAN has issued by Secretary of P2K3 and Plantation Head in December 19<sup>th</sup> 2017. Furthermore, HIRAC for PT DSN has issued by P2K3 Secretary and Mill Head in February 1<sup>st</sup> 2017. HIRAC has covers all activities in the estates an mill. For example, based on observation to pesticide applicators in Afdeling VII Block G47/48 Puhus 2 Estate, it was found that all applicators were used PPE provided by estate management, in accordance with HIRAC analysis. Among PPE used are respirator, goggle, rubber gloves, apron and boots. Furthermore, based on interview with Secretary of P2K3 and review on document No. SOP-AGR-037-R01 about OSH, it was mentioned that revision and review on risk and aspect identification, assessment and OSH environment risk-impact control was carried out if there is a change on system management, procedure, work facility, equipment modification and new activity. Work accident has been recorded and reported for later on to be analyzed through root course identification, fishbone analysis and corrective action. Work accident were updated monthly and reported in quarter P2K3 report.

**4.7.3**

Estates and mill management were able shows several licenses of operators, as required by regulations, as well as its monitoring. According to list of license holder and list of employees December 2017 and January 2018 review, it could be concluded that all Lisence were holds by active employees, e.g. 5 Boiler Operators Class 1, 4 Lifting Equipment (Loader), 1 Welder, 9 Farm Tractor Operators, 2 Bechoe Operators and 4 Fire Fighters.

The company has provide several OSH training and socialization, for example as follows:

- Mill safety and environment training, conducted by Training Center in November 4<sup>th</sup> 2017, attended by 18 operators.
- Safety and environment training to generator set operator, mechanics and hazardous waste store keeper in Puhus 2 Estate, conducted by Assisstant in December 28<sup>th</sup> 2017, attended by 7 workers.
- Socialization adnd training towards afety and environment training, work instruction refreshment, company policy, labor union, gender committee, RSPO/ISPO and child labor, conducted by Assisstant and Estate Head in November 2017, attended by all employees in Puhus 3 Estate.

Standard of PPE used for Estate and Mill are presented in document No. DK-SHE-140-R03 dated January 10<sup>th</sup> 2018 and No. DK-SHE-141-R03 dated January 10<sup>th</sup> 2018, respectively. The company has provide and deliver PPE to all workers, in accordance with HIRAC analysis. PPE delivery is recorded in Form No. FM-SHE-19-R01 and Form No. FM-SHE-27-R00 for Mill and Estate, respectively. Both form distribution record which signed by Mill/Estate Head, Assistan Head and Assistant were available. Furthermore PPE inspection were also available, which noted in Form No. FM-SHE-08-R00.

Based on observation and interview with Foremans, with Harvesters in Afdeling VIII Block 57/58 Puhus 2 and Afdeling X Block E61 Puhus 3 Estate, with pesticide applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, with Fertilizer Applicators in Afdeling VIII Blok F60 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, Pesticide Applicators in Afdeling VII Block G47/48 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, as well as

Operators in Sortation, Loading Ramp, Sterilizer, Thresher, Clarification, Nut and Kernel, Engine Room and Boiler Station in POM-2, it could be concluded that all workers were used PPE as required by HIRAC analysis. Furthermore, estate worker stated that all unproper or broken PPE could be replaced as mentioned in Memorandum of PT DAN Plantation Head No. 015/PH-DAN/X/2016 dated October 10<sup>th</sup> 2016 about PPE replacement. However, based on interview with Operators in Station Sortation, Loading Ramp, Sterilizer, Thresher, Clarification, Nut and Kernel, Engine Room and Boiler Station in POM-2, as well as review of PPE Safety Boot delivery, it could be concluded that Safety Boot were only provided/scheduled once a year by Mill Management and information towards PPE replacement mechanism were not well known by the Operators. This is not in accordance with Memorandum of Operational Director No. 002/DIR/JKT/III/17 dated February 13<sup>th</sup> 2017 which mentioned that broken PPE could be replaced by showing the broken PPE as evidence, as well as Company Regulation Period 2017-2019 Article 3 point 2c and Article 25 point 1 and 2, which mentioned that the company shall provide PPE to all workers. Hence, raised NCR No. 2018.01 with Major category.

#### 4.7.4

Ratification/endorsement of OSH Committee of PT DSN by Workforce Agency has presented in Decree of Minister of Manpower and Transmigration (SK Disnakertans) No. 566/987/P2K3/Was) dated may 24<sup>th</sup> 2016. Number of members was 169 workers. Furthermore, Ratification for PT DAN is presentd in SK Disnakertans No. 566/1493/P2K3/Was, dated August 8<sup>th</sup> 2016. Number of members were 1,157 workers. Person in charge whose responsible for POM-2 and PT DAN OSH program implementation are Mr. Yulius Sima (Reg. No. 254/PK3/AJ/2/2015-P1 dated February 9<sup>th</sup> 2015) and Mr. Dian Benny Setyawan (Reg. No. 23224/PK3/AJ/33/2015/P0 dated July 14<sup>th</sup> 2015), respectively. All Secretary license were valid for three years.

Meeting P2K3 was conducted regularly every month. Based on last quarter report, meeting in PT DSN POM-2 has conducted in October 21<sup>st</sup> 2017, November 17<sup>th</sup> 2017 and December 22<sup>nd</sup> 2017. Furthermore, monthly meeting in PT DAN has conducted in October 23<sup>rd</sup> 2017, November 17<sup>th</sup> 2017 and December 22<sup>nd</sup> 2017. For example, meeting in PT DAN on December has discussed about number of accident and evaluation, monitoring of PPE used, welder certification, cholinesterase test, plastic reuse training, RSPO preparation and afdeling assessment.

#### 4.7.5

The company has procedure on emergency and work accident handling management which presented in document No. SOP-AGR-037-R01 about OSH. Diagram 1.5a in the procedure has describes accident handling starting from reporting to the up-ordinate, first aid action shall be taken, medical action by paramedic and medic rehabilitation if needed after company doctor recommendation. Meanwhile, Diagram 1.5b has describes accident reporting stage, evaluation, corrective action taken, report and investigation by estate or mill OSH Head, accident recapitulation data, accident data distribution, evaluation and recommendation from SHE and reporting to the POM Head. Furthermore, Diagram 1.7 has describes first aid handling starting from reporting towards indication of emergency, sounding situation by alarm or screaming, reporting to emergency team, identification of accident by emergency team, monitoring and emergency action that should be taken, coordination with the respective Department for measuring step taken and official report. Based on field observation to housing complex in Puhus 2 and Puhus 3, it was found that flowchart of emergency, first aid kit and set of fire extinguisher were available and well maintained. List of emergency number has also available on the information board.

The company has paramedic team with Hiperkes certified, e.g. two company doctors, four nurses and one midwife. The company also has first aid team. First aid POM-2 team has established on January 2017, consist of 25 members. While first aid team in PT DAN (Puhus 1, Puhus 2 and Puhus 3) has established on December 29<sup>th</sup> 2016. Regular training evidence towards first aid were available. Estate and mill management has provide a proper first aid kit, in accordance with Regulation. Based on field observation to POM-2 operational areas, Puhus 2 and Puhus 3 Estates, it was found that first aid kits items were in accordance with Regulation of the Ministry of Labour and Transmigration (Permenakertrans) No. 15 year 2008, which was 21 items. Furthermore Foreman in Estate has brings portable first aid kit which consist of 9 items as recommended by company doctor. Monitoring of items compliteness and expiredity were available. Based on interview with Harvesting Foreman in Afdeling VIII Block 57/58 Puhus 2 and Afdeling X Block E61 Puhus 3, Manuring Foreman in Afdeling VIII Blok F60 Puhus 2 and Afdeling X Block D61 Puhus 3 Estate, as well as Upkeep Chemist Foreman in Afdeling VII Block G47/48 Puhus 2, it could be concluded that first aid kit was available on the field which bring by the Foreman whose trained by the company paramedics. Moreover, the Foreman were able to explained and demonstrate first aid action which need to be carried out on the field.

Estate management has provide accident record which presented in P2K3 report. according to document review. The company shows follow up of accident in accordance with regulation. The company is able to shows accident record and its story record. Sample of the case in PT DAN and PT DSN are presented in detail on checklist. Based on document verification, all victims were insurance take over and paid by the Government Insurance scheme (BPJS). Accident handling, reporting and follow up action were in accordance with Indonesian Regulation.

**4.7.6**

The company has provided accident insurance for all workers, the insurance used is BPJS-TK. Company can show proof of payment of BPJSTK every month, for example proof of payment period December 2017 conducted through Bank BRI on January 10, 2018, as follows:

- BPJSTK POM2 with 112 employees
- BPJSTK PU3 with 413 employees
- BPJSTK PU2 with 367 employees

The Company has committed to provide medical care to all its employees. The Company has provided and included all employees in the BPJS Health program, in addition the company has also provided a polyclinic facility that serves the employee's treatment, delivery, pregnant and infant care as well as first aid at the time of the accident.

The Company has work Initial and Periodic Early Health Check instruction for new Employees and High-Risk Workers. and the company has drafted Schedule of periodical Medical Check up (MCU-B) of DSN Group employee year 2017. In the plan has been able to plan health inspection for PT AND executed in September 2017 and special inspection conducted audio in May, and spirometry in October and chemist in November.

The company also shows the periodic inspection plan of 2018 PT DAN in September. For spray cholinesterase conducted in May and November, Mill in May, Audiometry in April, spirometry in September, the Company has presented evidence of cholinesterase health inspection for PT DAN on May 18-22, 2017. And second examination on 14- November 17, 2017. Based on the examination results known in Puhus 2 there are 45 employees with normal results and Puhus 3 there are 48 employees and stated Normal. Based on the results of periodic inspections in May 2010 it is known that all employees are considered fit to work

Based on an audiometric examination at the POM in April it was found that there were 1 SNHL Lightweight staff (Lightweight nerve deaf on left ear and right ear in Normal limit). Based on the results of the Synergi Prima Medical examination there are references to work and to protect the ears must wear ear punctures from noise. Based on the results of the company's reference to the work with lower noise intensity is clarification station to reduce the noise impact on the employee

**4.7.7**

Management unit has record work accident and evaluate it every month in document of work accident data. The document informed number of accident, name of worker, employee status, location of accident, code of accident, type of work, unsafe condition, unsafe action, human factor, work factor, effect of accident, number of victim, level of accident (fatal, heavy, medium and light), lost time accident, affected injured body, chronology and action taken. Accident is reported in Form No. FM-SHE-05-R01 while investigation of accident report is recorded in Form No. FM-SHE-06-R00.

Recapitulation of accident record is presented as follows, for example:

- POM 2, the monitoring of occupational injury is recorded in the document of accident data, informing the month period, number of accidents, name and Identity number, worker status, work unit, accident area, date, accident type (code), occupation type, factor, accident rate and chronological accident. Then continued in FR & SR report, during the period 2017 there are 7 cases of accidents with the number of working days lost by 7 days. In relation to this, POM 2 has conducted monthly evaluation in regular OSH meetings.
- PT DAN, the number of accidents e.g. the period of December 2017 is 4 cases (light category), workday lost due to accident 0 days. PT DAN has conducted an investigation into the workplace accidents, has been regularly evaluated every month in regular OSH meetings.

4.7.3	Status: NCR No. 2018.01 with Major category	Open
<b>4.8</b>		

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

**4.8.1**  
 In an effort to increase employee competency, the company has provided and programmed the training according to the needs of the employees. Employee trainings for PT DSN, PT DIN and PT DAN are centrally located under the Department of Learning Center.

The certificate holder show plan of training 2018 for estate and POM. PT DAN is planned training for identified workers, like store administration, human resources, lab analytical, diesel motor, ISO, RSPO, ISPO, SCCS, ISCC, IT, hardware preventive maintenance, OHSAS, first aid kit, harvesting supervisory, etc. PT DSN POM 2 is planned training for identified workers, like : ISO, ISPO, RSPO, ISCC, SCCS, IT, preventive maintenance, computer hardware, OHSAS, first aid kit, water management, land fire, production process, etc.

**4.8.2**  
 All recording of the implementation of competency and training program owned by PT DSN Group (PT DAN, PT DIN and PT DSN) has been stored and maintained well in Department. Learning Center. Based on interview rwith the spray workers known that they have been trained technical of spray and first aid. Such records may be presented to the auditor, for example the training records of the 2017 period, including:

- o Training OHS and environment which was held on 4 november 2017 followed by 18 employees of plantation and factory
- o Basic First Aid training was conducted on 12 December 2017 followed by 12 plantation and factory workers
- o The firefighters Training on December 16, 2017 was attended by 15 plantation and factory employees

**Status: Comply**

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

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

**5.1.1**  
 The Certification Unit was able to shows the document of social and environmental impact assessment (AMDAL for PT DAN and UKL/UPL for PT DSN POM-2), as follows:

- The AMDAL document has endorsed by AMDAL commission of District of Kutai Timur, presented in letter No. 188.4.45/674/HK/X/2009 dated October 23<sup>rd</sup> 2009. Scope of AMDAL was PT Dharma Agrotama Nusantara, situated on Village of Benhes, Diak Lay, Dabeq and Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Republic of Indonesia. The team were came from Politeknik Pertanian Negeri Samarinda.
- The UKL/UPL document has endorsed by AMDAL commission of District of District of Kutai Timur, presented in letter No. 332/660.1/2.1/LH/III/2009 dated March 16<sup>th</sup> 2009. Scope of AMDAL was PT Dharma Agrotama Nusantara, situated on Village of Dabeq, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Republic of Indonesia. The UKL/UPL team were same with the above.

Up to surveillance 4 audit, there were no new operational areas in both PT DSN POM-2 and PT DAN. all operation activities and areal has include in environmental impact assessment

**5.1.2 and 5.1.3**  
 Assistant of OHS Environment (K3L) is the one who's responsible for environment management activities. Activities on environment management carried out by PT DAN and PT DSN were in accordance with management plan mentioned in AMDAL (SEIA) document. According to RKL/RPL and UKL/UPL Semester II 2017, management activities had conducted by the Certification Unit are job opportunity, cooperative scheme, community health, occupational health and safety, perception and negative response from surrounding communities, opportunity to running out the business, community income, potential of erosion, perception and positive response from surrounding communities, oil palm population, plants population in conservation or protection areas, disturbed habitat and wild animal's migration, protected animal's habitat, aquatic biota, surface water quality, soil erosion, soil fertility, air ambient quality decrement due to dust content, air



ambient decrement due to odor, noisy, fire management control and the use of hazardous materials. Based on the result of monitoring in Semester II year of 2017 was known that all environment parameter like surface water quality, air ambient quality decrement due to dust content, air ambient decrement due to odor, noisy, has comply to threshold or standard.

Status: Comply

## 5.2

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

### 5.2.1

High conservation value identification had been carried out in November 1<sup>st</sup> to 7<sup>th</sup> 2011 conducted by Daemeter Consulting. The HCV accessor team was consist of ten members which two member were RSPO HCV approved accessors. Map of HCV was available on the report dated on January 2012. Results of HCV identification is presented as follows:

- HCV 1.1: Buffer zone or riparian zone forest of Telen River area for about 368 ha where located in Puhus 1 Estate.
- HCV 1.2 and 1.3: Numbers of threatened and endangered animals and plants, e.g. 44 species of mamals, 113 species of birds which among 43 species were classified as priority to be protected and 29 species of trees which 8 species classified as threatened.
- HCV 3: Forest conservation area for about 128 ha where located in Block C21-27 Puhus 1 Estate.
- HCV 4.1: Water body with width less than 10 m where located in Puhus 1 River, Kenden Kecil River and Kenden Besar River.
- HCV 6: Egun Long Puhus Site which is sacred wood fossil for Wehea community.

It was reported that there were eight flora (trees) species in HCV 1.2, such as *Dipterocarpus cornutus*, *Dipterocarpus grandiflorus*, *Dipterocarpus cf. validus*, *Dryobalanops aromatic*, *Hopea sangali*, *Shorea balangeran*, *Shorea blumutensis* and *Shorea singkawang*. Furthermore, among mamals and birds which considered to be protected were, for example: Beruang madu (*Helarctos malayanus*), Trenggiling (*Manis javanicus*), kancil (*Muntiacus muntjak*), Rangkong badak (*Bucheros rhinoceros*), Elang walaceae and punai besar.

Based on the conservation map of PT Dharma Agrotama Nusantara with a scale of 1: 100.000 is known for conservation area consists of 2 acreage:

1. The conservation area of Block VIII with an area of 128 Ha is located in Puhus 1 estate
2. Buffer Telen River area of 368 Ha located in Puhus 1 estate

### 5.2.2

The Certification Unit was able to shows progam and realization report on HCV area management in 2018 which based on HCV report. Basicly, the program was consist of five points, presented as follows:

- Monthly fauna surveys in HCV areas and riparian zone of Telen River.
- Monitoring and maintenance of HCV related signboard.
- Restoration, conservation plants upkeep and maintenance.
- Monitoring on potential erosion areas.
- Socialization on HCV.

Based on observation to HCV area in Block 8 Puhus 1 Estate which informed for about 128 ha, it was found that the vegetation were still virgin and three standby officer on the site which two of them has conduct routine patrol for every 1 to 2 hours. There was marked new planting of *Shorea* spp. and fruit trees. Among endemic flora found were Durian (*Durio* spp.), Bangkirai (*Shorea* sp.) and Meranti (*Shorea* spp.). Among animals founded were porcupine, mouse deer, orang utan, owa kelawat and lutung. It was reported that there was no threats from the surrounding communities and outsiders.

The company has shows the activities in Puhus 2 related to management of the river buffer zone area with planting vertiver grass and Meranti (*Shorea* sp), *Drybalanop* spp, *Eguena* spp and Jelutung (*Dyera costulata*) at the buffer zone of Kenden river. The planting has been done at small block G49 afdeling 7, block E34 afdeling 5, Block F33 Afdeling 5 and F48 block afdeling 7. There is a map and documentation of tree planting practices. The company also showed evidence of manual maintenance of the Kenden Kecil riparian border. Based on field observation to Kenden River and

Telen River it was found that red paint marked on palm with distance about two times of river widens from water body, to identify riparian zone, no spray signboard and presence of vetiver grass along water body.

**5.2.3**

Certification Unit policy on HCV management was presented in the following procedure documents, as follows:

- Procedure No. SOP-AGR-052-R00 dated December 1<sup>st</sup>2012 about procedure of wild animal protection.
- Work instruction No. IK-AGR-SHE-03-R00 dated October 2<sup>nd</sup>2012 about vegetation inventory.
- Work instruction No. IK-AGR-STD-02-R00 about riparian zone management.
- HCV identification 2012.

The Certificate Holder has been done of socialization in 2017 and include the area of Puhus 2 on 19-27 April 2017 and Puhus 3 on 28 April to 3 May 2018. Based on post test results of employees was known that the understanding of HCV and RTE in PT DAN has reached more than 80%. And based on the results of field visits in HCV area that known poster has been installed as prohibition of hunting and cutting the trees.

**5.2.4**

Conservation management activities of PT DAN in 2017 include Biodiversity Surveys, conservation area safeguards, rehabilitation of conservation areas, Conservation Toward. The Company has prepared HCV monitoring report which is made every semester and based on HCV report of 2nd semester of 2017 it is known that fauna species are found among others

- Mammals: wild pigs (*Sus crova*), beruang madu (*Helarctos malayanus*), Kijang (*Cervus unicolor*), Squirrel, Otters, monkeys, langurs
- Bird: tiong emas (*Pityriasis* sp.), kangkareng hitam (*Anthracoceros malayanus*), kangkareng perut putih (*Anthracoceros albirostris*),

The Company also conducts land rehabilitation activities with meranti, Jelutung, guava with a total of 157 trees conducted in buffer of Telen river and VII block conservation area, Kenden River Basin. In addition, the company has been carrying out periodic maintenance of HCV signs and signs. Based on monitoring result was known that there is no disturbance to the HCV area and employee understanding of HCV has reached more than 80%. These results have been input into subsequent management plan as evaluation for maintaining the HCV area and disseminating to employees and communities surround.

**5.2.5**

As mentioned in the previous surveillance and Indicator 2.3.1 it was informed that there were no traditional rights used in Certification Holder operational areas. Whole Certification Unit operational areas were derived from eks private company logging concession (HPH) which have released by the Minister of Forestry. Furthermore, according to HCV report, it was informed that operational areas were in accordance with land use permit (HGU) and there were no overlap with communities surrounding the company. Hence, based on explanation in the former it could be colcluded that there were no land claim amendments.

Status: Comply

**5.3**

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

**5.3.1**

The Certification Unit has identified wastes and its sources, for example as follows:

- Generator set: used filter, used oil/lubricant, contaminated rags (majun).
- Vehicles: used filter and used oil/lubricant.
- Pesticide application: used pesticide containers and its cup.
- Fertilizer application: fertilizer sack.
- Workshop: used filter, used oil/lubricant, contaminated rags (majun).
- Agrochemicals warehouse: eks agrochemical containers.
- Clinic: infectious and medical waste.

Based on field observation to Puhus 2 and Puhus 3 Estate housing complex, it was found that employee has divide organic and in-organic domestic waster. The former waste was reused for composting while the latter was sent to the landfill.

### 5.3.2 and 5.3.3

The Certification Unit has agrochemical storage warehouse and hazardous material warehouse where located on the estates and mill. The Certification Unit shows permit on hazardous materials warehouse, as follows:

- Mill: permit from Regent of Kutai Timur District presented in Decision Letter No. 660/K.260/2017 dated march 22<sup>th</sup> 2017 which valid for five years.
- Estate: permit from Regent of Kutai Timur District presented in Decision Letter No.660/K.521/2016 year 2016 which valid for five years (2021).

The Certification Unit has manage to disposed used agrochemicals containers based on procedure which presented in document work instruction No. IK-AGR-SHE-09-R00 dated January 15<sup>th</sup> 2014. The procedure has describes as follows:

- Hazardous waste from estate and mills should be stored on the nearest (temporary) hazardous waste warehouse and recorded on the logbook of hazardous balance.
- Temporary stored has only available to store the hazardous waste for maximum seven days.
- Used agrochemical (pesticide) containers shall be washed and rinsed for three times or high pressure spray only.
- Used washing water is to be collected dan reused for pesticide mixing.
- To avoid reused for domestic purposes, washed agrochemical containers should be hollowed and make it broken

Apart from the above, procedure of waste management were also presented in the following documents, as follows:

- Document No SOP-AGR-035-R02 dated may 1<sup>st</sup> 2015 about wastes management, which include organic, inorganic and hazardous waste.
- Work instruction No. IK-AGR-SHE-09-R02 dated October 19<sup>th</sup> 2015 about hazardous waste handling.

Based on observation to agrochemicals storage in Puhus 2 and Puhus 3 was found that all pesticides has placed properly by store it into limited access room, placed has arranged separately, has a correct risk identification symbols, FIFO method, material flows record (balance sheet) and suit MSDS were available, proper and monitored PPE, fist aid box and fire extinguisher were provided. Moreover, based on observation puhus 2 and 3 estates, it could be concluded that hazardous wastes had stored in the permitted hazardous waste warehouse (storeroom). Balance of hazardous waste record and manifest were available during the audit. Furthermore, storeroom condition were equipped with MSDS, eyewash, shower, alarm, first aid kit, PPE, fire extinguisher and oil trap. Furthermore, based on observation to housing complex in Puhus 2 and Puhus 3, there were no use of ex pesticides container for household purposes such as garbage basket and plant pot.

Hazardous waste were next to be sent to lised collector, namely PT Sumber Rezeki Abadi jaya (SPK no: 002/DAN/JKT/2017SPK dated january 2<sup>th</sup> 2017). The Certification Unit was able to shows documentation on hazardous waste management, as follows:

- The transport of Hazardous waste in POM 2 PT DSN implemented by PT Sumber Rezeki Abadi Jaya on 15 January 2018 with the type of waste that is sent is like Package Used hazardous waste 93.9 kg no manifest KLH-864400000031U, Waste contaminated 93.9 kg no manifest KLH-864400000047U. Used lubricating oil 176 kg no manifest KLH-864400000027U
- The transport of Hazardous waste at PT DAN conducted by CV Sumber Rejeki Abadi Jaya on 14 October 2017. Solid waste of manifest proof AUV0000541 and manifest proof liquid waste AUV0000540
- Balance of hazardous waste were recorded in Form No. FM-SHE-04-B-R03.
- Monitoring record of fertilizer sacks in Puhus 2 and Puhus 3 Estate which informed daily stock of fertilizer sacks and its usage for FFB platform, loose fruit collection and domestic waste container.

Moreover, based on field observation to Puhus 2 and Puhus 3 Estate housing complex, it was found that employee has divide organic and in-organic domestic waster. The former waste was reused for composting while the latter was sent to the landfill. Land fire due to wastes and hazardous wastes mismanagement were never happen. This is confirm during public konsultation with Environment and Estate Crop Agencies of Kutai Timur District.

<p><b>Medical waste disposal</b></p> <p>For medical waste based on interviews with medical officers is known clinic every estate send every month medical waste hazardous waste storage PT DSN and then sent to a central clinic located in PT SWA. for the medical waste management of the central clinic shows the cooperation agreement between PT SWA and PT Kaltim Medika Utama regarding the management of clinical waste which is handled on 26 June 2016 and this agreement is valid for 2 years. The Company has implemented waste clinics on 29 November 2017. PT Kaltim Medika Utama is licensed under the decree of the minister of environment and forestry of the Indonesian republic no SK 45 / Menlhk / Setjen / PLB.3 / 2/2017 on the permit of hazardous and toxic waste management for the processing of hazardous and toxic waste materials on behalf of Pupuk Kaltim Hospital PT Kaltim Medika Utama.</p>	<p><b>Status: Comply</b></p>	
<p><b>5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</b></p>		
<p><b>5.4.1</b></p> <p>The Certification Unit was able to shows records of total fuel consumption for production activities, stated in liter per ton FFB and per ton CPO. According to data given, it was informed that FFB harvesting and processing were:</p> <ul style="list-style-type: none"> <li>○ Using renewable energy = 23.66 KWH Turbin /Ton FFB</li> <li>○ Using fossil fuels = 2.91 KWH Genset/Ton FFB</li> </ul> <p>The estate and mill unit management has monitored used of renewable energy and fuel per production FFB . Mill management informed that installation of biogas plant were not implemented in the near future.</p>		
<p><b>Status: Comply</b></p>		
<p><b>5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</b></p>		
<p><b>5.5.1 and 5.5.2</b></p> <p>Company policy on land burning is presented in document of Work instruction No. IK-AGR-OLP-01-R01, Memorandum No. 0065/SHE/VII/2012 dated July 19<sup>th</sup> 2012 and Quality manual No. PDM-AGR-R03. Procedur and policy mentioned that zero burning methods is compulsory to be adopted for all plantation activities in PT DAN and PT DSN (include in domestic waste management). Estates management unit stated that replanting was estimated to be carried out in 2030 forward and there is no plan for new planting area. Based on field observation to emplacement (housing areas) and estate Blocks visited, it was found that there is signboard of no burning, fire status and there were no evidence of burning activities for domestic wastes handling.</p>		
<p><b>Status: Comply</b></p>		
<p><b>5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b></p>		
<p><b>5.6.1</b></p> <p>The management unit has identified the following sources of pollution and emissions:</p> <ul style="list-style-type: none"> <li>• Factory liquid waste</li> <li>• Gas engine exhaust emissions</li> <li>• Boiler discharge emissions</li> <li>• Dust from the FFB carrier</li> </ul> <p>The Company has conducted noise monitoring in the work area of POM 2 PT DSN conducted by environmental laboratory of PT Sucofindo with standard of Environment Minister Decree no 48 year 1996 about standard of noise level. Based on the analysis result, it is known that the result of the analysis exceeds the predefined quality standard. To overcome this, PT DSN provides PPE equipment in the form of earplugs (Ear muff and Ear plug) so that can be muted and does not endanger the health of employees. The Company has implemented emissions monitoring in both boiler and genset. Based on the results of monitoring all parameters that measured the value below the required quality standards. The audiometric testing has been done in April 2017 for employee. Based on these audiometric test at the POM in April it was found that there were 1 staff has result lightweight nerve deaf on left ear and right ear in Normal limit. Based on the</p>		

results of the company's reference to the work with lower noise intensity is clarification station to reduce the noise impact on the employee.

**5.6.2**

The Company has undertaken a management plan for noise interference and air quality degradation. Management actions that have been done are:

- Installation of emission control devices;
- Use of shell and fiber fuels;
- use of PPE;
- hardening of roads and watering during the dry season
- Selection of WWTP locations away from the settlements.

The Company has carried out management actions for noise interference and air quality degradation. Management actions that have been done are:

- The company has shown the provision of ear muff and gloves on 29 november 2017 to the genset officer in Puhus 2 estate
- POM 2: has shown ear muff to engine room 7 employees on 23 February 2017
- POM 2 shows service schedule for 2017 latest activity is technician visit of PT INC for turbine service dated 16 october 2017. And boiler maintenance by PT VH boiler and energy on 21st of October 2017. Major overhaul generator service genset no 3 by technician of Powergen dated August 6, 2017

**5.6.3**

The Certification Unit has shows Calculation of GHG emission and its monitoring has conducted by Department of Management System. GHG emission has calculated through the RSPO PalmGHG Calculator Version 3.0.0, which informed summary of net GHG emission, summary of field emission and sinks, summary of mill emission and credits, POME treatment and POME diverted to anaerobic digestion. The result of GHG emission calculation period on year 2017is explained in table below.

**Summary of Net GHG Emissions**

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	0.59	OER	22.96	FFB Processed	275,534.03
PK	0.59	KER	3.41	CPO Produced	63,275.00

Land Use	ha
OP planted area	27034.96
OP Planted on peat	0.00
Conservation area	1077.97

**Summary of Field Emissions and Sinks**

Description	own			group		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB
<b>Emission Source</b>						
Land Conversion	21092.89	3.5	0.13	19479.56	8.46	0.37
CO <sub>2</sub> Emissions from Fertiliser	9049.67	1.5	0.05	2829.38	1.27	0.06
N <sub>2</sub> O Emissions	7641.44	1.27	0.05	1790.68	0.81	0.04
Fuel Consumption	1039.99	0.17	0.01	543.84	0.2	0.01
Peat Oxidation	0	0	0	0	0	0

Sinks						
Crop Sequestration	-56375.13	-9.36	-0.34	-18607.88	-9.36	-0.41
Sequestration in Conservation Area	-1169.61	-0.19	-0.01	0	0	0
Total	-18720.75	-3.11	-0.11	6035.58	1.39	0.06

**Summary of Mill Emissions and Credits**

Description	tCO2	tCO2e/t FFB
<b>Emissions Sources</b>		
POME	54009.34	0.2
Fuel Consumption	1448.08	0.01
Grid Electricity Utilisation	0	0
<b>Credits</b>		
Export of Excess Electricity to Housing & Grid	0	0
Sale Of POM	0	0
Sale Of EFB	0	0
Total	55457.42	0.2

**Palm oil Mill Effluent (POME) Treatment**

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

**POME Diverted to Anaerobic Digestion:**

Divert to anaerobic pond	100.00 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

Status: Comply

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**6.1**

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

**6.1.1**

The Certificate Holder has document of Social Impact Assessment. The scope of study are impact of plantation and mill operation to workers and community adjacent of plantation area. The assessment and reported was carry out by Daemeter Consulting 2011. These document was explained of negative and positive impact of plantation and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. There was showed also the minutes meeting of consultation process with community surround. The evidence was consist of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report.

Based on stakeholder consultation with the surrounding community, consist of Head of Village, Informal Leader, villager and smallholder cooperation staff in Muara Wahau Village, was known there is no significant issues by the related parties.

**6.1.2**

The Social Impact Assessment has been done with involve of related party, consist of community surround, head of village and informal leader (customary leader). There was showed documentation of assessment process, for instance the Attendant List and photograph of data gathering in village surround on 12 – 19 October 2011.

**6.1.3**

Has been shown the Participative Management Plan of Social Impact Assessment 2016 - 2017 PT Dharma Agrotama

Nusantara (attached also Attendance List of Participants during the preparation of the plan, dated 11 January 2018). It has also been shown examples of evidence of recording of input from the parties to the management plan, for example the proposal from the Head of Customs of Jak Luay related to Smallholder Cooperation Agency Sawitan Surya Work Program which requires coaching from the company and also from the Jak Luay Village Head related to the anticipation program against land fires and forest. All of these inputs become material in the preparation of the plan by the company.

**6.1.4**

There was showed document Review of Points of the Social Impact Management Program (SIA) The presence of PT Dharma Agrotama Nusantara and it is Monitoring of 2016-2017. There was also shown several examples questionnaire and Attendance List of Review Program and Monitoring of PT Dharma Agrotama Nusantara 2016-2017. The questionnaire has been filled out by respondents (villagers and government) and also was shown the evidence of Names List of Respondents.

**6.1.5**

There was shown the evidence of form a proposal from the Chairman of the Smallholders Group “Sawitan Surya” and the local village head. These document was describe the Family economy increased (source of income), other business opportunities (eg being an operational vehicle provider for the company) and increased knowledge and skills.

**Status: Comply**

**6.2**

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

**6.2.1**

The certificate holder has procedure of communication and consultation (SOP 0215B/SWA-CSR-WHU/VI/2012) which explain about mechanism of request for information, complain and conflict handling. The mechanism of communication and consultation in the procedure has flow of FPIC. The procedure has been settled with participation of surrounding stakeholder in form of meeting in June 7 2012.

**6.2.2**

The PIC for communication and consultation on site is CSRE Department, in cooperation with Plantation and Mill Head. There is CSRE staff for PT DSN and PT DAN along with their job desk. Based on filed interview with surrounding stakeholder obtained information on how and who to communicate with the Certification Unit.

**6.2.3**

The certificate holder kept stakeholder list. The list is managed by CSRE Department and updated once in a year. Record of communication from external stakeholder is also available at CSRE Department. There is book of incoming letter from external stakeholder, where for 2016, there was 24 incoming letter. All of the letter was a request of funding and heavy equipment assisting. None of them request for information.

**Status: Comply**

**6.3**

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

**6.3.1**

The Certific Holder has system for dealing the dispute dan complaint received. These system was refer to Employee Complaints Handling Procedures (Number: SOP-AGR-054-RO1, 12 October 2015) and External Complaints Communication and Handling Procedures (Number: 044-ROO, 15 February 2013). These procedure was explained that the company will protect the whistleblower and there are no sanction for them. When the cases did not handled enough in estate unit, the cases will continue to next level of management, including to jurisdiction level or another way (including RSPO Grievance), based on the agreement each parties. These procedure was completed with flow chart of Form of Complaint Handling Data.

**6.3.2**

Based on the Complaint Book in two estate sampling (Puhus 2 & Puhus 3 Estate), it is known that during March 2017 to January 2018 there are only complaints on 4 December 2017 related to animal disruption (dog) in the residential area of

<p>Puhus 2 Estate. This has been followed up by the company on 08 December 2017 by installing a fence on every home yard.</p> <p>The result of verification of Incoming Letter of Puhus 2 &amp; Puhus 3 Estate is not indicated by any complaints from the parties. There are only requests for village road maintenance that have been damaged. The letter from Deabeq Village, dated 9 February 2017, has been presented on the request for road maintenance. This has been responded by the company (Attached to the Official Deletion of Assignment, dated 29 April 2017). Also by the public consultation with local stakeholder consist of Head of Village, Informal Leader, villager and smallholder cooperation staff in Muara Wahau Village, was known that there is no indication of complaint related to plantation and mill operation.</p>
<p style="text-align: center;"><b>Status: Comply</b></p>
<p><b>6.4</b>  <b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b></p>
<p><b>6.4.1; 6.4.2 and 6.4.3</b>          The Certificate Holder has mechanisms for the identification, calculation and compensation for loss of legal rights. These are covered in Communication and Consultation (SOP 0215B/SWA-CSR-WHU/VI/2012). These procedure explained that in land compensation shall signed by land owner, management unit representative, Head of sub District, Notary and Head of Village. These documents shall included of photograph, Map, Letter of land release by the owner, Official Report was signed by related parties consist of land owner and management unit representative, witnessed by Head of Village and Sub District. The process of payment for land or land compensation shall completed with receive and photograph as documentation evidence.</p> <p>Since the ST-02 was known that there is no compensation process due to the entire area of plantation originating from Forest Estate (Right to Forest Use) with Forest Production Conversion status and has been released by the Ministry of Forestry through the License of Forest Area Removal of PT Dharma Agrotama Nusantara: Decision Letter.129/MENHUT-II / 05 dated 23 May 2005, Area: 10,867 Ha.</p>
<p style="text-align: center;"><b>Status: Comply</b></p>
<p><b>6.5</b>  <b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b></p>
<p><b>6.5.1</b>          The CH has a document from Governor of Kalimantan Timur number 561/K.634/2016 concerning about minimum wage of 2017, as much as Rp. 2,464,108. There is letter from director of the company number 016/DIR/I/2017 concerning about minimum wage per 2017. Based on public consultation with manpower agency of Kutai Timur District known that there is no industrial conflict in the Certification Unit. The Certification Unit has followed worker regulation.</p> <p>For the year 2018 there is a decree document of East Kalimantan Governor Number 561/K.784/2017 on the determination of minimum wage East Kutai Regency 2018, dated November 16, 2017 amounting to Rp.2,678,750. Based on the Board of Directors Decision No 017/DIR/I/2018 regarding minimum wage changes starting from January 1, 2018</p> <ul style="list-style-type: none"> <li>- based on the decision of East Kalimantan Governor Number 561 / K.784 / 2017 on the determination of minimum wage of East Kutai Regency 2018, 16 November 2017 amounting to Rp.2,678,750 per month and rice 0.5 kg per day given in the presence of employees</li> <li>- Large daily freelance employee wage is set at Rp 107,150, -</li> <li>- If the SKU does not present work or reason that can be accepted by the company, then apply no work no pay condition Rp.89,292 per day.</li> </ul> <p>The company has shown samples of pay slips</p> <ul style="list-style-type: none"> <li>- Boiler operators with 1C group, December 2017 salary of: basic salary Rp.2,940,000, incentives Rp. 800,000, JKK Rp.26,116, JKM Rp.8,820, BPJS Health 117,600, overtime Rp.773,237 (result of overtime conversion 45.5 hours). Total income Rp 4,665,823, - Total total deductions Rp.238,794. This is in accordance with Governor's Decree No. East Kalimantan. 561 / K.773 / 2015 regarding the determination of minimum wage of East Kutai Regency for the period of 2017 to Rp. Rp.2,464.108. As for the implementation of the latest wage 2018 based on interviews with</li> </ul>



workers in the POM2 that the daily payment has adjusted with the latest on the determination of minimum wage.

- Security with group 1B, December 2017 salary of: basic salary Rp.2,578,000, JKK Rp. 22,944 JKM Rp. 7,734, overtime Rp.1,363,506 (91.5 hours overtime conversion results). Total revenue Rp 3,972,187. This is in accordance with Governor's Decree No. East Kalimantan. 561 / K.773 / 2015 regarding the determination of minimum wage of East Kutai Regency for the period of 2017 to Rp. 2,464,108. As for the implementation of the latest wage 2018 based on interviews with workers in the POM2 that the daily payment has adjusted with the latest on the determination of minimum wage.

**6.5.2**

The certificate holder has company regulation for period of 2017-2019 .It has been agreed by the ministry of manpower on 4 July 2017. Base on interview with know that union worker of PT Dharma Agro Nusantara and PT Dharma Satya Nusantara of receiving the company regulation.

The certificate holder can also demonstrated that all of worker agreement has been fairly communicated and excepted by workers. Evaluation of worker run every year as a basis for their annual performance and promotion. Based on field interview with worker in Puhus 2 and Puhus 3 known that the worker has understand of their working status.

**6.5.3**

Facility for worker is still same with previous surveillance. The Certification Unit has polyclinic of (First grade of Health Facility) that can be used for BPJS handling.

To serve the school children needs, the Certificate Holder has provided 4 school buses, consist of 3 units for estates (Puhus 1,2,3 ) and 1 unit for POM 2. For water supply at Puhus 2 Estate afdelling 7 uses water source from the well. Fulfillment of clean water requirement in Puhus 3 is filled from water source which in process through Water Treatment Plan is channeled to housing.

In the management of waste management unit has prepared a garbage that is installed in each house in each afdeling and distinguished between organic and inorganic waste. A final waste disposal site is available at each afdeling and distinguished between organic and inorganic waste collection.

**6.5.4**

The company has a Mandiri Sejahtera cooperative which is an employee. based on the results of interviews obtained information that for members of the cooperative employees can make debt purchases daily needs. In addition, the cooperative employees work with employees' stalls in terms of the provision of daily necessities.

6.5.1	Status: Comply
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**6.6**

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

**6.6.1**

There is no change in Certification Unit union policy. Worker union of PT Dharma Agro (PT DAN) has been registered to Manpower Agency of Kutai Timur District at 12 January 2017, and PT Dharma Satya Nusantara (PT DSN) POM 2 at January 6, 2017. Based on interview with workers and member of union informed that it's a free will to become member of the union. For union membership, there is monthly payment of Rp 2,000 in PT Dharma Agro Nusantara and Rp.5000,- in PT Dharma Satya Nusantara POM-2

**6.6.2**

Based on interview with Worker Union of PT DSN and PT DAN, it was informed that regular meeting has conducted quarterly, depend on situations. Certificate holders shows minutes of meeting, for example as follows:

- Worker union of PT DAN meeting dated December 31<sup>st</sup> 2017, attended by 12 committee members. Main subject of meeting was new organization structure for period 2017/2018. Meeting has appointed new committee which consist of chief, vice chief and secretary of union.
- Worker union of PT DSN meeting dated October 28<sup>th</sup> 2017, held in POM-2 meeting room, attended by 11 committee

members. Subject of meeting was preparation of foot ball tournament Worker Union of DSN Cup for period 2017. At the time of audit, this tournament was still ongoing.

Status: Comply

**6.7 Children are not employed or exploited.**

**6.7.1**

The minimum age requirement of employee recruitment is stated in Company Regulation (PP) of PT Dharma Agrotama Nusantara period 2015-2017 article 5 point b.2. It is mentioned that minimum working age accepted is 18 year. Based on interviews with worker union, explained that in the company does not workers who are under 18 years and recruitment for worker must be complement with national identity cards (KTP). Based on the results of field observations on the operational activities of the Puhus 2 & 3 Estate, it was not found workers aged less than 18 years. Furthermore worker also understands that minimum age for worker to be hired is 18 years old. Results of the interview with internal stakeholder (Worker Union) it was knowed that there are no issues related to child labor working in the company.

By the employee data until December 2017 (Total 1,167 persons) and field visit sampling results (harvesters, spraying and spraying) interviews, were not indicated any workers under the age of 18 at the time of initial admission. Observation in several work areas, including offices and areas of plantation and mill, have been mounted on the warning boards of the companies that prohibit the involvement of children in plantation and factory operations.



Status: Comply

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

**6.8.1**

The Certificate Holder has a social policy which stated that every staff / employees should be handled fairly in everything relating to the recruitment, promotions, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin color (defects/imperfect), a membership organization, and political views, religious and/or age. In the document of Quality Guidance Dharma Satya Nusantara Group, Document Number: PDM-AGR-R05 (Revision) 1 January 2017 was approved by the Executive Director of SBU Agro I. In clause 10.2 it was explained that the DSN Group SBU Agro I did not condone discrimination against all employees either religiously, tribe, gender and regional origin. All workers are treated equally and have equal opportunity.

Based on the document verification of Recapitulation of Employees of PT Dharma Agrotama Nusantara on December 2017 (Total 1,167 people) it is known that the composition of employees has consisted of men and women and came from various tribes (Javanese, Batak, Sundanese, Buginese, Timor, Dayak, Minang and Kutai ) and also from various religious backgrounds (Islam, Christianity, Hinduism & Buddhism). It is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with worker in Puhus 2 & 3 Estate and POM 2 revealed that company opens work opportunity for local communities (in mill and estate) and worker from another Province. This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities.

**6.8.2**

Document verification and interview with management, recruitment is based on company requirement without

considering ethnic, religious, and racial and religion. All prospective workers have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with worker also reveals that there is no indication of discrimination against employees.

**6.8.3**

Document verification and interview with unit management submitted that the selection process and recruitment of candidates is done in accordance with the applicable procedures in the company, starting from the signing of the agreements, the evaluation of the performance, until the appointment becomes permanent workers. In process there are not discrimination about race, degrees, ethnicity, gender, skin color (defects/imperfect), a membership organization, and political views, religious and/or age. During initial admission and promotion, other than based on knowledge and expertise, also based on the medical record (health) concerned. Also has been showed the employee evaluation documents as confidential documents (provide information on personal data and track records (achievements) and health conditions.

Status: Comply

**6.9**

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

**6.9.1**

Company rules of CH has flowchart of sexual harassment handling (FM-STD5-52-Rxx). The CH commitment on reproduction right is written in memorandum HRA Dept. Number 010/HRA/VII/2011 dated July 12 2011. The female worker has already knew of female committee, its caretaker and its function. Based on field interview with female worker in Puhus 2 and Puhus 3 informed that there is monthly program of female committee in form of routine recitation. In every Division, there is a daycare for worker children.

**6.9.2**

The CH commitment on reproduction right is written in memorandum HRA Dept. Number 010/HRA/VII/2011 dated July 12 2011. Based on interview with female worker in Puhus 2 and Puhus 3 informed that they already knew of monthly menstrual leave and maternity leave. They also knew about prohibition for maternal worker to work with chemical. Once in a month, there is pregnancy test for female worker to prevent pregnant woman working in spraying and fertilization.

Based on the results of field interviews of female committees of PT DAN and PT DSN, it is found that workers have been aware of the existence of women committees as well as the purpose of their formation. During 2017 there was no reporting of incidents of harassment or violence against women workers. The women worker explained that there was a monthly meeting of women committees in the form of a monthly recitation meeting.

Based on the results of interviews with medical officers at the Puhus 2 clinic it is known that workers who are known to be pregnant and breastfeeding are not allowed to work in chemicals-related jobs. In addition, the right to leave H1 (menstruation) and the right to maternity leave (H2) for female workers, where workers still pay their daily salaries.

**6.9.3**

The certificate holder has procedure of handling complaint (SOP-AGR-054-R01, dated October 12 2015) which managed mechanism of worker complain. It has managed about the FPIC complain and anonymity. Otherwise, there is flowchart of sexual harassment handling (FM-STD5-52-Rxx). Based on interview with female caretaker in PT DAN and PT DSN POM 2 informed that there were no case or complaint of sexual harassment during 2017.

Status: Comply

**6.10**

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

**6.10.1 and 6.10.2**

From the period of ASA-3 till ASA-4, the Certificate Holder did not receive FFB from non certified sources. The POM 2 only processed FFB from the estates that have earned RSPO Certificate, consist of own estate (Puhus 1.2 & 3) and from Long Jenew 1, 2 & Jabdan 1 (PT Swakarsa Sinarsentosa, RSPO Certified on 2015) is another plantation entity under the same Holding Company of PT Dharma Satya Nusantara.

**6.10.3**

Based on verification of sample Letter of Work Agreement (001/DAN/KM12/2017, dated 2 January 2017) between PT Dharma Agrotama Nusantara with Local Hironimus Mat Eng for FFB transport services from the area of the Estate Puhus 2 to POM 2 area. The document contains a description of the Rights and Obligations of the Parties, including the obligation of the contractor to provide PPE for their employee. The Payment System is signed by both the Estate Manager and the Local Contractor. The contract document was kept by each party. The document contains description of the Rights and Responsibilities of the parties, including the obligation of the contractor to provide PPE to their employees and the Payment System. These document was signed by both of parties and approved by the General Manager of the of Central Kalimantan and with a stamped IDR 6,000. Based on interview with two local contractor that knew that they was understand of contract clause before signed. Both of parties, the company and the local contractor was kept the contract documents

**6.10.4**

The payment process by the PT Dharma Agrotama Nusantara (PT DAN) to local contractor was transfer to Bank Account , it based on clause of contract on chapter 3. Before payment will process, the company will verification and preparing several document comprise with: issued of Official Report of Work Checking by PT Dharma Agrotama Nusantara, Invoice from the contactor, issued of Bank Voucher by the PT DAN and Receive from PT DAN to local contractor as payment evidence.

Based on interview with two local contractor for FFB transportation service that knew of payment process was carry out consistently every end of month as stated in the document of Work Agreement.

Status: Comply

**6.11**

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

**6.11.1**

It has been shown the CSR Program Plan 2013-2017 of PT Dharma Agrotama Nusantara. These program was prepared in consultation with the community and government of several village surround of plantation area. The document was signed by management representative of PT DAN and Village Government representatives. The program consist aspects of Education, Community Empowerment, Environment and Sports, Social & Culture. There was also showed several sample of CSR programs was implemented by the company:

- Realization of CSR Program Costs until December 2017
- Report on Village Study Visit Activity to Yogyakarta by Bea Nehas Village, 15-17 May 2017
- Outbound Leadership Implementation Report Learning House "Petsot Sang Enggeh Blom Wehea" Nehas Liah Bing Village, 5 - 6 August 2017
- Outbound Implementation Report Building Team Work And Management Synergy CU Mandiri, 10 September 2017
- Comparative Study Report of KSU Mitra DSN Group to Dairy Farming Cooperative Setia Kawan, C.U Sawiran, Cooperative Sinau Andandani Economy & C.U Tyas Manunggal (Malang - Yogyakarta), 12 - 18 November 2017.
- Report on the Olympic Elementary School Activities 2017, CSR DSN Group - USD Yogyakarta, 20 - 25 November 2017.

Based on the consultations with community representatives from Muara Wehea Village, Sawitan Surya Cooperative, Head of Dusun and Muara Wahau Community Leaders, it is known that they have been given some assistance in cooperation program with the company consist of: seeds for the C1-C5 plasma partnership program, administrative development for plasma farmer groups, Multipurpose School building & Kindergartens School of Young Hope, Funds for Transportation (school shuttle fee for elementary students) improvement of religious facilities, heavy equipment for rood maintenance.

**6.11.2**

From the period of ASA-3 till ASA-4, the Certificate Holder did not receive FFB from non certified sources. The POM 2 only processed FFB from the estates that have earned RSPO Certificate, consist of own estate (Puhus 1.2 & 3) and from Long Jenew 1, 2 & Jabdan 1 (PT Swakarsa Sinarsentosa, RSPO Certified on 2015) is another plantation entity under the same Holding Company of PT Dharma Satya Nusantara.

Status: Comply

**6.12**

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

6.12.1	<p>The certificate holder has document of Quality Guidance Dharma Satya Nusantara Group, Document Number: PDM-AGR-R05 (Revision) 1 January 2017 was approved by the Executive Director of SBU Agro I. These policy not allowed to use forced labor or underage labor (children). Based on a review of documents of Workers List at the at the Puhus 2 &amp; 3 Estate and POM 2, there was no foreign workers/migrants work in the field or in the office. Similarly, from interviews with managers in both of unit of estate and mill, it is known that there are no foreign workers and outsourcing in estates and mill. In clause 10.2 it is stated that DSN Group SBU Agro will not discriminate in recruiting employees, and will provide employment to all employees / prospective employees in accordance with their areas of expertise and no system of forced labor can lead to human rights violations.</p>
6.12.2 and 6.12.3	<p>There was observed the document of Quality Guidance Dharma Satya Nusantara Group, Document Number: PDM-AGR-R05 (Revision) 1 January 2017 was approved by the Executive Director of SBU Agro I. Based on document verification and interviews with several employees (harvest, pesticide application and factory worker) there is no indication of a change of contract. It has been shown an example of a Working Letter of harvester number 126/SPK-AKAD-DAN/SMD/2016 (for YS) and 148/SPK-AKAD-DAN/SMD/2016 (for SH). These documents is valid for 2 years for the first contract and 1 year for the second contract. Also based on interviews with the related workers, he was informed that currently working as a harvester in accordance with the Work Agreement Letter was signed.</p>
<p style="text-align: center;"><b>Status: Comply</b></p>	
6.13	<p><b>Growers and millers respect human rights</b></p>
6.13.1	<p>The Certificate Holder has document of the Declaration of Human Rights Recognition (Number: 001 / DAN / I / 2018, dated 02 January 2018) and Human Rights Policy described in the document of Quality of Dharma Satya Nusantara Group, No document PDM-AGR-R05 published date ) 1 January 2017 authorized by Executive Director SBU Agro. In clause 10.2 was stated that DSN Group SBU Agro upholds and respects the human rights of all employees in accordance with the mandated in the applicable laws and regulations.</p>
<p>Based on consultation with internal stakeholder (workers representation and Gender Committee) and the external stakeholder with Muara Wahau Village, Smallholder Sawitan Surya Cooperative Staff, Head of Dusun and Muara Wahau Community Leaders , there was no information related to Human Right abuse cause by the plantation and mill operation.</p>	
<p style="text-align: center;"><b>Status: Comply</b></p>	
<p><b>PRINCIPLE #7 Responsible development of new plantings</b></p>	
7.1	<p><b>A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b></p>
7.1.1; 7.1.2 & 7.1.3	<p>Until ASA 4, the Certificate Holder did not extend their area for new plantation.</p>
<p style="text-align: center;"><b>Status: Comply</b></p>	
7.2	<p><b>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.</b></p>
7.2.1 & 7.2.2	<p>Until ASA 4, the Certificate Holder did not extend their area for new plantation.</p>
<p style="text-align: center;"><b>Status: Comply</b></p>	
7.3	<p><b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b></p>

7.3.1; 7.3.2	
The document review showed that the Certification Unit is performed land clearing after November 1, 2005 without preceded by the identification of HCV, so CH need to follow Remediation and Compensation Procedures were approved by the BOG on 16 Nov, 2015. PT DSN, as the parent of PT DAN has conducted disclouser of liability and LUCA on 23 April 2015. Based on an email from RSPO Compensation on 12 Feb, 2016 is known that the LUCA of PT DAN have been reviewed and passed / approved. The result of LUCA shows that PT DAN has final liability as much as 48.38 Ha.	
CH has shown last communication with RSPO Compensation [ <a href="mailto:rspocompensation@rspo.org">mailto:rspocompensation@rspo.org</a> ] at January 22, 2018 has informed The RaCP for the management units PT Dharma Agrotama Nusantara: Surveillance 4 si still ongoing. However, the Biodiversity and High Conservation Value Working Group (BHCVWG) in the meeting in August 2017 has allowed a 1-year period for all certified unit to close the non-compliance. Therefore, certified units can continue to be certified for another year with the condition that the RaCP has to be completed (i.e. compensation plan endorsed) by the next surveillance audit.	
7.3.3; 7.3.4 & 7.3.5	
The results of document review, field visits and interviews found that CH did not expand or conduct new planting since ASA-2.	
	Status: Comply
7.4	
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
7.4.1	
Until ASA 4, the Certificate Holder did not extend their area for new plantation.	
	Status: Comply
7.5	
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
7.5.1	
Until ASA 4, the Certificate Holder did not extend their area for new plantation.	
	Status: Comply
7.6	
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
Indicator 7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5 and 7.6.6	
Until ASA 4, the Certificate Holder did not extend their area for new plantation.	
	Status: Comply
7.7	
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
7.7.1 and 7.7.2	
Until ASA 4, the Certificate Holder did not extend their area for new plantation.	
	Status: Comply
7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	

7.8.1 and 7.8.2	
Based on area statement data, it was informed that there were no new planting from January 1 <sup>st</sup> 2015 forward, hence this indicator is not applicable.	
	Status: Comply
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
8.1 For continuous improvement purposes, the company had carried out internal audit annually which documented in document Form No. FM-OA-12-R01.	
<u>Social Impact Assessment</u>	
<ul style="list-style-type: none"> <li>• Development of Participatory Management Plan of Social Impact Assessment 2016-2017 PT Dharma Agrotama Nusantara (attached also Attendance List of Participants during the preparation of the plan, dated 11 January 2018).</li> <li>• Review of Points of the Social Impact Management Program. The presence of PT Dharma Agrotama Nusantara and it is Monitoring period 2016-2017.</li> </ul>	
<u>Optimize production from Supply base</u>	
<ul style="list-style-type: none"> <li>• Monitoring of yield based on period of year of planting (installation of yield monitoring pole in each planting block)</li> </ul>	
<u>Mill</u>	
Overall Equipment Effectiveness (OEE) System, a way to measure the performance of production machinery in the application of Total Productive Maintenance (TPM) program. A system used to maintain and improve the quality of production through the maintenance of equipment and work equipment such as machinery, equipment and work tools.	
	Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.
	POM 2 is under the manage of PT Dharma Satya Nusantara and has been registered of certified products of RSPO (CSPO and CSPK) with e-trace- UTZ, Member ID: RSPO_ PO100000939.
	Status: Comply
5.1.2	Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.
	POM 2 did not buying product from another party. All the FFB process and the CPO and PK production is from the own estate as certified products
	Status: Comply
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.
	OM 2 and the supply bases (PT Dharma Agro Nsantara) is under holding of Dharma Satya Nusantara and all the management unit was RSPO certified
	Status: Comply
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.
	The organization has no a processing aids
	Status: Comply
5.2	Supply chain model
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.
	All of the POM 2 supply bases was RSPO certified, the Supply Chain Model applied is Modul D (Identity Preserved)
	Status: Comply
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
	The organization only use one module.
	Status: Comply
5.3	Documented procedures
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.



The Certificate Holder has Work Instruction of Supply Chain of Product Identification and product traceability (Number: IK-AGR-MS-08-R04, dated May 15, 2017). These procedure was explained several point, consist of all FFB sources and product of certified CPO and PK shall physically separate from another non-certified products thus unique and would be possible to identification until mill and their supply base, quality control of FFB and mill products, product traceability, product dispatch from mill to bulking station (sample taking, truck seal and official report), CPO dispatch to buyers (refer to the contract and Delivery Order), CPO loading to ship (ship verification, the hold of ship shall covered and sealed and official report receipt).

There was observed the attendant list of SCCS training for related staff on 5 to 7 July 2017.

The Work Instruction of Supply Chain of Product Identification and product traceability (Number: IK-AGR-MS-08-R04, dated May 15, 2017) was explained that Person in charge to ensure the implementation of this requirements, such as:

- **Management Representative**  
Inform the list of suppliers of Certified FFB and POM supplier of CPO-/ PK-Certified and its SCCS certification model to related parties such as Mill, Dispatch, Bulking, Commercial
- **Plantation Head/POM Head**  
Obligate to report the prediction of over production of FFB / CPO / PK to the quotas included in the RSPO certificate to Management Representative and then reported to the Certification Body. The prediction of excess production is delivered at the beginning of the 3rd quarter (every July).
- **All Personnel in charge (PIC) in the Mill, Dispatch and Bulking** clearly recognize and separate raw materials and / or types of results from RSPO SCCS
- **Mill Security**  
Ensure that FFBs supplied into certified palm oil mill with IP Module are from RSPO certified plantation (as per Memorandum or Management Representative Decisions).
- **Operator of Weighbridge**, weighing FFB / CPO / PK
- **Administration Production**, input the FFB coming from certified plantation
- **Laboratory Analyst**, sounding of CPO / PK
- **Production Assistant**, ensuring that the FFB processed comes from Certified Sources
- **Transport registrar**, making daily recapitulation data of FFB, CPO and PK truck transportation.

Based on field visit at POM 2 and interview the related person in charge was shown that their can demonstrate the awareness of the organization's procedures for the implementation of this standard.

Status: Comply

**5.3.2**

**The site shall have a written procedure to conduct annual internal audit**

The Certificate Holder has the procedure to conduct annual internal audit. These was included in document IK-AGR-MS-04-R06 to IK-AGR-MS-07-R00 about supply chain and traceability of products.

Internal Audit has been done in August 21<sup>st</sup> till 22<sup>nd</sup> 2017. All internal audit were documented in Form No. FM-STD-09-R01, signed by or mill Head.

Status: Comply

**5.4**

**Purchasing and goods in**

**5.4.1**

**The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier**

Yes, based on document verification was showed the all of document related to purchases of RSPO certified, for example in the Sales Contract, Invoice and Factur. These documents was contained of information consist of :

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued; etc

Status: Comply

<b>5.4.2</b>	
<b>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</b>	
Yes, the Certificate Holder has the work instruction for CPO product, PK with IP and SG Model number: IK-AGR-MS-08-R01 on 1st July 2015.	
	Status: Comply
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b>	
<b>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</b>	
The POM 2 did not has cooperation with another outsources or independent third parties in storage or other outsourced activities.	
	Status: Comply
<b>5.5.2</b>	
<b>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</b>	
<ul style="list-style-type: none"> <li>a. The site has legal ownership of all input material to be included in outsourced processes;</li> <li>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ul>	
The POM 2 did not has cooperation with another outsources or independent third parties in storage or other outsourced activities.	
	Status: Comply
<b>5.5.3</b>	
<b>The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</b>	
The POM 2 only has the contract with the local contractors for FFB transport services from the area of the Estate to POM 2 area. All the document contract was filled in estate office.	
	Status: Comply
<b>5.5.4</b>	
<b>The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products</b>	
During ASA-4 the POM 2 did not has cooperation with another outsources or independent third parties in storage or other outsourced activities.	
	Status: Comply
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b>	
<b>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer</b>	
Based on document verification was showed the all of document related to purchases of RSPO certified, for example in the Sales Contract, Invoice and Factur. These documents was contained of information consist of :	
<ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> </ul>	

	<ul style="list-style-type: none"> <li>The loading or shipment / delivery date;</li> <li>The date on which the documents were issued;</li> <li>etc</li> </ul>
	Status: Comply
5.7	Registration of transactions
<b>5.7.1</b> <b>Supply chain actors who:</b> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries; and</li> <li>take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>	
The Certificate Holder has been registered of certified products of RSPO (CSPO and CSPK) with e-trace- UTZ, Member ID: RSPO_ PO100000939 (will end on 24/03/2018).	
	Status: Comply
<b>5.7.2</b> <b>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</b> <ul style="list-style-type: none"> <li>Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	
Based on document verification the Certificate Holder was registered of certified products of RSPO (CSPO and CSPK) with e-trace- UTZ, Member ID: RSPO_ PO100000939 (will end on 24/03/2018).	
	Status: Comply
5.8	Training
<b>5.8.1</b> <b>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff</b>	
In the every year the POM 2 was done the SCCS refreshing or training for related staff.	
	Status: Comply
<b>5.8.2</b> <b>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed</b>	
Based on document verification there was showed the attendant list of SCCS training for related staff on 5 to 7 July 2017.	
	Status: Comply
5.9	Record keeping
<b>5.9.1</b> <b>The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements</b>	

Based on document verification there was showed the document up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements, for example: procedure, training record and the document sales contract, etc.	
	Status: Comply
<b>5.9.2</b>	
<b>Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock</b>	
Based on document verification (form FM-STD-18-R00), minimum kept for the record is 1 year and maximum is 3 years.	
	Status: Comply
<b>5.9.3</b>	
<b>The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</b>	
There was showed the Certified CPO & PK sold to each buyer period of 25 March 2017 to 15 January 2018.	
	Status: Comply
5.10	Conversion factors
<b>5.10.1</b>	
<b>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</b>	
POM 2 was periodically prediction the Oil Extra Rate (OER) and Kerel Extra Rate (KER).	
	Status: Comply
<b>5.10.2</b>	
<b>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</b>	
Periodically for every year.	
	Status: Comply
5.11	Claims
<b>5.11.1</b>	
<b>The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.</b>	
The Certificate Holder was declare to the buyer that the CPO & PK product from the POM 2 was RSPO Certified	
	Status: Comply
5.12	Complaints
<b>5.12.1</b>	
<b>The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</b>	
The Certificate Holder has the External Complaints Communication and Handling Procedures (Number: 044-ROO, 15 February 2013). Based on document verification, there was no complaint to operational of mill.	
	Status: Comply
5.13	Management review
<b>5.13.1</b>	
<b>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale</b>	

<b>and nature of the activities undertaken</b>	
Yes, the management review ( <i>Internal Review</i> ) was done periodically per year.	
	Status: Comply
<b>5.13.2</b>	
The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
There was showed the result of management has been done on August 21 <sup>st</sup> till 22 <sup>nd</sup> 2017 and the follow up for the recommendation.	
	Status: Comply
<b>5.13.3</b>	
The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
Has been showed the recommendation by the internal audit related mill maintenance periodically. For instance Sistem Overall Equipment Effectiveness (OEE), a way of measuring the performance of production machinery in the application of the program of Total Productive Maintenance (TPM).	
	Status: Comply

3.2.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements																	
D1	Definition																	
<p><b>D.1.1</b>            A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</p>																		
<p>Until ASA 4, the POM 2 only received and processed FFB from certified plantation. The FFB supplied from own estate; consist of Puhus 1,2 &amp; 3 Estate and also from Long Jenew 1, 2 &amp; Jabdan 1 (PT Swakarsa Sinarsentosa, RSPO Certified on 2015) is another unit still under the same Holding Company, PT Dharma Satya Nusantara. The volume of FFB accepted from 25 March 2017 to 15<sup>th</sup> January 2018 was described on table below :</p>																		
<table border="1"> <thead> <tr> <th>FFB Sources</th> <th>Volume (Ton)</th> </tr> </thead> <tbody> <tr> <td>Puhus 1 Estate</td> <td>70,732</td> </tr> <tr> <td>Puhus 2 Estate</td> <td>67,613</td> </tr> <tr> <td>Puhus 3 Estate</td> <td>47,857</td> </tr> <tr> <td>Long Jenew 1*</td> <td>32,754</td> </tr> <tr> <td>Long Jenew 2*</td> <td>752,370</td> </tr> <tr> <td>Jabdan 1*</td> <td>-</td> </tr> <tr> <td><i>Total</i></td> <td><i>219,708</i></td> </tr> </tbody> </table>			FFB Sources	Volume (Ton)	Puhus 1 Estate	70,732	Puhus 2 Estate	67,613	Puhus 3 Estate	47,857	Long Jenew 1*	32,754	Long Jenew 2*	752,370	Jabdan 1*	-	<i>Total</i>	<i>219,708</i>
FFB Sources	Volume (Ton)																	
Puhus 1 Estate	70,732																	
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Long Jenew 1*	32,754																	
Long Jenew 2*	752,370																	
Jabdan 1*	-																	
<i>Total</i>	<i>219,708</i>																	
<p>*PT Swakarsa Sinarsentosa (RSPO Certified on 2015)</p>																		
<p>Status: Comply</p>																		
D.2	Explanation																	
<p><b>D.2.1</b>            The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&amp;C certification report</p>																		
<p>Until ASA 4, the POM 2 only received and processed FFB from certified plantation. The CPO and PK products of POM 2 from 25 March 2017 to 15<sup>th</sup> January 2018 (during of ASA 4) described on table below:</p>																		
<table border="1"> <thead> <tr> <th rowspan="2">Products</th> <th rowspan="2">Actual certified products Period of 25 March 2017 to 15 Jan 2018 (ton)</th> <th>Tonnage estimation</th> </tr> <tr> <th>Of Certified Products Period of 25 March 2017 to 24 March 2018 (ton/year)</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>51,580</td> <td>58,633</td> </tr> <tr> <td>PK</td> <td>7,891</td> <td>8,922</td> </tr> </tbody> </table>			Products	Actual certified products Period of 25 March 2017 to 15 Jan 2018 (ton)	Tonnage estimation	Of Certified Products Period of 25 March 2017 to 24 March 2018 (ton/year)	CPO	51,580	58,633	PK	7,891	8,922						
Products	Actual certified products Period of 25 March 2017 to 15 Jan 2018 (ton)	Tonnage estimation																
		Of Certified Products Period of 25 March 2017 to 24 March 2018 (ton/year)																
CPO	51,580	58,633																
PK	7,891	8,922																
<p>Status: Comply</p>																		
<p><b>D.2.2</b>            The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>																		

The POM 2 has been registered of certified products of RSPO (CSPO and CSPK) with e-trace- UTZ, Member ID: RSPO\_PO100000939 (will end on 24/03/2018).

Certified CPO sold to each buyer period of 25 March 2017 to 15 January 2018

Month	Buyer	Volume (MT)	RSPO Credit (MT)
March 2017	-	-	
April 2017	Wilmar	2,251	
May 2017	LDC Indo	743	
	LDC Indo	1,651	
	Wilmar	1,933	
June 2017	Wilmar	2,254	
July 2017	Wilmar	1,782	
August 2017	Wilmar	1,915	10,000
September 2017	Wilmar	1,613	-
October 2017	Wilmar	1,964	7,000
November 2017	Wilmar	2,107	2,000
December 2017	Wilmar	2,027	8,500
January 2018	-	-	-
	<i>Total</i>	20,240	27,500

- Certified PK sold to each buyer period of 25 March 2017 to 15 January 2018

Month	Buyer	Volume (MT)
March 2017	DSN	402
April 2017	DSN	552
May 2017	DSN	1,239
June 2017	DSN	619
July 2017	DSN	835
August 2017	DSN	712
September 2017	DSN	816
October 2017	DSN	781
November 2017	DSN	716
December 2017	DSN	-
January 2018	DSN	-
	<i>Total</i>	6,672

Status: Comply

D.3 Documented procedures

#### D.3.1

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

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

- The Certificate Holder has Work Instruction of Supply Chain of Product Identification and product traceability (Number: IK-AGR-MS-08-R04, dated May 15, 2017). These procedure was explained several point, consist of all FFB sources

and product of certified CPO and PK shall physically separate from another non-certified products thus unique and would be possible to identification until mill and their supply base, quality control of FFB and mill products, product traceability, product dispatch from mill to bulking station (sample taking, truck seal and official report), CPO dispatch to buyers (refer to the contract and Delivery Order), CPO loading to ship (ship verification, the hold of ship shall covered and sealed and official report receipt).

b) Person in charge to ensure the implementation of this requirements, such as:

- **Management Representative**  
Inform the list of suppliers of Certified FFB and POM supplier of CPO-/ PK-Certified and its SCCS certification model to related parties such as Mill, Dispatch, Bulking, Commercial
- **Plantation Head/POM Head**  
Obligate to report the prediction of over production of FFB / CPO / PK to the quotas included in the RSPO certificate to Management Representative and then reported to the Certification Body. The prediction of excess production is delivered at the beginning of the 3rd quarter (every July).
- **All Personnel in charge (PIC) in the Mill, Dispatch and Bulking** clearly recognize and separate raw materials and / or types of results from RSPO SCCS
- **Mill Security**  
Ensure that FFBs supplied into certified palm oil mill with IP Module are from RSPO certified plantation (as per Memorandum or Management Representative Decisions).
- **Operator of Weighbridge**, weighing TBS / CPO / PK
- **Administration Production**, input the FFB coming from certified plantation
- **Laboratory Analyst**, sounding of CPO / PK
- **Production Assistant**, ensuring that the FFB processed comes from Certified Sources
- **Transport registrar**, making daily recapitulation data of FFB, CPO and PK truck transportation.

Based on interview with related staff, comprise of mill manager, administration staff, grading foreman and the weight bridge staff that indicated they was understand Palm Oil Mill 2 only received and processed of certified FFB. All the FFB sources and entry to weight bridge area shall showed the FFB Delivery Note was stamp with RSPO code. There was also showed the attendant list of SCCS training for related staff on 5 to 7 July 2017.

Status: Comply

**D.3.2**

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

The POM 2 only received and process the FFB from Certified Product consist of three own estates (Puhus 1, 2 & 3). The management of mill was able to describe and demonstrate the FFB receipt and process procedure. The company has had the procedure of the FFB receipt as written on the SOP in document number PMF/SOP. PBR dated June 22<sup>nd</sup> 2010. Each driver must show the FFB Delivery Note from each estate. The FFB letter describes the origin of the FFB and its quantity.

There was showed the sample of FFB Delivery Note on July 15<sup>th</sup> 2017 for FFB sent from Puhus 2 and 3 Estate. It informs the vehicle police number, the driver name, division, FFB letter serial number and trip number, hour of its outgoing, harvest date, block, FFB quantity and tonnage. After the FFB was check in weighbridge it will input into form of FFB Receipt, these document also inform of division, FFB letter serial number and trip number, hour of its outgoing, harvest date, block, FFB quantity and tonnage. Both of the document has been stamped as RSPO-Certified.

The POM 2 has the acceptance and processing procedure for certified and non-certified FFB as stated in traceability work instruction for CPO product, PK with IP and SG Model number: IK-AGR-MS-08-R01 on 1st July 2015. The procedure consists of:

- Acceptance procedure for certified FFB in mill as well as work description for related staff
- Processing procedure for certified FFB as well as work description for related staff, such as:
  - Production process refers to mill's SOP
  - Production admin will input FFB from certified estate
  - Closing book (cut off date) is on 08.00 – 08.00 of the next day
  - Production assisstan should protect the purity of CSPO-IP and PK-IP



- The entire inputting activity is conducted by using the applicable program.

Status: Comply

D.4 Purchasing and goods in

**D.4.1**

**The site shall verify and document the volumes of certified and non-certified FFBs received.**

Until ASA 4, the POM 2 only received and processed FFB from certified plantation. The FFB received in POM 2 from 25 March 2017 to 15<sup>th</sup> January 2018 described on table below:

Month	FFB (Ton)		
	RSPO Certified	Non Certified	Total
25 - 31 Mar 17	8,558	-	8,558
Apr 17	30,971	-	30,971
May 17	31,898	-	31,898
June 17	19,778	-	19,778
July 17	22,548	-	22,548
August 17	17,710	-	17,710
September 17	20,571	-	20,571
Oct 17	19,555	-	19,555
November 17	21,358	-	21,358
December 17	18,602	-	18,602
1 – 16 Jan 18	8,159	-	8,159
<i>Total</i>	<b>219,708</b>	-	<b>219,708</b>

Status: Comply

**D.4.2**

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

Until ASA 4 the POM 2– PT Dharma Satya Nusantara acknowledged and claimed the certified product for a year for CPO product: CPO: 58,633 MT and Palm Kernel: 8,922 MT for period of 25 March 2017 till 24 March 2018.

Based on production date from 25 March 2017 till 15 January 2018 (during the ASA 4, total generated CPO and Kernel by POM 2 was: CPO = 51,580 MT and Palm Kernel = 7,891 MT.

The data revealed that the production of CPO and Kernel, which can be claimed by POM 2– PT Dharma Satya Nusantara had not exceeded the projected volume. The management of POM 2– PT Dharma Satya Nusantara has a commitment to provide information to PT Mutuagung Lestari in case there is an exceeding production of CPO and Palm Kernel from the projected volume

Status: Comply

D.5 Record keeping

**D.5.1**

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

The POM 2– PT Dharma Satya Nusantara has recorded the entire RSPO certified FFB which enter the mill and deliveries of RSPO certified product (CPO and PK). Here the record deliveries of RSPO certified product with the real-time basis.

Month	FFB Processed (Ton)	CPO Production (MT)		PK Production (MT)		Dispatch CPO (MT)			Dispatch PK (MT)		
		Certified	Non-Cert.	Certified	Non-Cert.	RSPO	Non-Cert.	ISCC	RSPO	Non-Cert.	ISCC
Mar 17	8,558	1,953	-	246	-	-	-	-	402	-	-
Apr 17	30,971	7,026	-	985	-	2,251	-	-	552	-	-
May 17	31,898	7,333	-	1,176	-	4,327	-	-	1,239	-	-
June 17	19,778	4,338	-	638	-	2,254	-	-	619	-	-
July 17	22,548	5,220	-	801	-	1,782	-	-	835	-	-
August 17	17,710	4,352	-	700	-	1,915	10,000	-	712	-	-
September 17	20,571	5,025	-	820	-	1,613	-	-	816	-	-
October 17	19,555	4,803	-	794	-	1,964	7,000	-	781	-	-
November 17	21,358	5,114	-	793	-	2,107	2,000	-	716	-	-
December 17	18,602	4,502	-	662	-	2,027	8,500	-	-	-	-
January 18	8,159	1,914	-	275	-	-	-	-	-	-	-
<b>Total</b>	<b>219,708</b>	<b>51,580</b>	<b>-</b>	<b>7,891</b>	<b>-</b>	<b>20,240</b>	<b>27,500</b>	<b>-</b>	<b>6,672</b>	<b>-</b>	<b>-</b>

Status: Comply

D.6 Processing

**D.6.1**

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

The POM 2 only processes FFB from RSPO certified estate, subsequently, the entire product is CSPO and CSPK.

Status: Comply

3.2 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or ✓
ASA-4	The Certificate Holder has a certificate of approval numbers No. MUTU-RSPO/056	✓
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or ✓
ASA-4	The Certification Unit does not use the logo both in the on-product and off-product.	✓
3.	Implementation of Certificate and Logo is not used on product	X or ✓
ASA-4	The Certification Unit does not use the logo both in the on-product and off-product.	✓
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or ✓
ASA-4	The Certification Unit does not use the logo both in the on-product and off-product.	✓

**3.3 Summary of RSPO Partial Certification**

Compliance of the uncertified management units of PT Dharma Satya Nusantara 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.

PT Dharma Satya Nusantara Time Bound Plan is explained in table 1.10. PT Dharma Satya Nusantara has thirteen (13) management units with six (6) mills. PT Dharma Satya Nusantara has informed the Time Bound Plan progress, MUTU has considered that PT Dharma Satya Nusantara is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by PT Dharma Satya Nusantara on 27 February 2017.

MUTU has verified partial certification for un-certified unit's subsidiary of PT Dharma Satya Nusantara based on their Time Bound Plan. There are two (2) uncertified mills and seventeen (17) uncertified units of PT Dharma Satya Nusantara. 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 is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>DSN had implemented an audit internal</p> <p><i>Auditor verification</i></p> <p>Based on the document review, there is a company internal audit that was conducted on January 2017 and the positive assurance is at this table that is also been verified.</p>
2.1.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<ul style="list-style-type: none"> <li>• LUCA PT Dharma Intisawit Lestari and PT Karya Prima Agro Sejahtera was sent on February 4, 2016 to RSPO and is a review process. MS Dept. Head have got confirmation by email from the RSPO Executive Compensation that PT DIL has been completed under review and is being submitted for approval letter from the Compensation panel.</li> <li>• LUCA PT Agro Andalan, PT Dharma Persada Sejahtera, PT Kencana Alam Permai, and PT Prima Sawit Andalan was sent to RSPO and is a review process. Letter of approval of the Panel RSPO yet received.</li> <li>• LUCA PT Putra Utama Lestari and PT Pilar Wanapersada was sent on February 11, 2016 to RSPO and is a review process and clarification</li> </ul>

		<ul style="list-style-type: none"> <li>• POM 5 and POM 6 there is no new land clearing of new planting after November 2005.</li> <li>• Smallholders (KM5, KM8, KM9, KM10A, KM10B, KM10C), and clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing</li> </ul> <p><i>Auditor verification</i> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<ul style="list-style-type: none"> <li>• There are 8 plantations have conducting NPP process (under RSPO review)</li> <li>• Smallholders (KM5, KM9) planting year before 2010.</li> <li>• Smallholders (KM8, KM10A, KM10B, KM10C), no need NPP because no landbank in the area.</li> </ul> <p><i>Auditor verification</i></p> <ul style="list-style-type: none"> <li>• NPP Verification PT Dharma Intisawit Lestari and PT Karya Prima Agro Sejahtera has been performed by TUV from 21-24 March 2016 and waiting results of the review by RSPO</li> <li>• NPP Verification PT Putra Utama Lestari has been performed by Mutuagung Lestari from 2 – 5 Juni 2016 and waiting results of the review by RSPO</li> <li>• PT Agro Andalan, NPP verification from TUV &amp; PT MAL and NPP was a review process by RSPO per January 2017</li> <li>• PT Kencana Alam Permai, PT Prima Sawit Andalan and PT Dharma Persada Sejahtera, verification of the NPP has been carried out by PT MAL and refereed RSPO. There are questions regarding the report of the RSPO NPP. Currently the company is working on a response / confirmation to the RSPO</li> </ul>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>No any land conflicts.</p> <p><i>Auditor verification</i> There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>No any labour disputes.</p> <p><i>Auditor verification</i> There is no information from public source and RSPO website on any labour conflict for</p>

		uncertified unit of the group subsidiaries.
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Legal non compliance, there is process for land legality PT Dharma Intisawit Lestari, PT Karya Prima Agro Sejahtera, PT Putra Utama Lestari, PT Prima Sawit Andalan and PT Dharma Persada Sejahtera.</p> <p><i>Auditor verification</i></p> <ul style="list-style-type: none"> <li>• PT Dharma Intisawit Lestari, Cadastral Map No. 023 year of 2014 for 7,288.84 Ha</li> <li>• PT Karya Prima Agro Sejahtera, Cadastral Map LTE No. 006-16.09-2015 date 26 January 2016 for 556,63 Ha and Location Permit SWE No 525.26/K.105/HK/2014 date 15 January 2014 for 2,563 Ha so that area PT KPS is 3,119.63</li> <li>• PT Putra Utama Lestari, Location Permit with endorsement from Regent No. 525.29/K.1049/2012 year of 30 November 2012 area 17,000 Ha</li> <li>• PT Agro Andalan, Land Use Title No. 35/HGU/BPN RI/2011 date 21 July 2011 area 6,993.2 Ha</li> <li>• PT Kencana Alam Permai, Land Use Title No. 46/HGU/KEM-ATR/BPN/2016 area 5,511.83 Ha</li> <li>• PT Prima Sawit Andalan, Location Permit No. 525 year of 2012 area 9,588 ha, Location Permit (added) No. 525/702/KEP-PERTANAHAN/2013 Keputusan Bupati Sintang dated 22 July 2013, area 1,030 ha</li> <li>• PT Dharma Persada Sejahtera, Location Permit No. 525/631/KEP-PERTANAHAN/2014 area 3,972 ha</li> <li>• Smallholders (KM5), MoU with Sawit Usaha Tani Sejahtera No. 104/DIR-ARF/DWT/JKT/III/08 dated March 31 2008</li> <li>• Smallholders (KM8), MoU with Sawit Wehea Tani Sejahtera No. 103/DIR-ARF/DWT/JKT/IV/12 dated April 25th 2012</li> <li>• Smallholders (KM9), MoU with Karya Sejahtera No. 01/SPK-KPAS/X/2010 dated October 22th 2010</li> <li>• Smallholders (KM10A, KM10B, KM10C), MoU with Jengea Bong Pet Kuq No. 321/DIR-ARF/DWT/JKT/XII/12 dated December 3rd 2012</li> </ul>

3.4 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	: 2017.01	Issued by	: Rudi Ramdani
Date Issued	: 20 January 2017	Time Limit	: 19 March 2017
NC Grade	: Major	Date of Closing	: 09 March 2017
Standard Ref. & Requirement	: 6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>            The CH has regulation on wage pays as of:            1. Wage payment is regulate in company regulation.            2. The dividing of basic wage for worker each month is 30 day.            3. The payment based on effective working days and added not effective working days.            4. There is payment rules on extra fulfillment wage of worker where 1 daily work is 1.5 x from effective working day.</p> <p>Based on worker payroll slip on November 2016 known that there is worker who work on the not effective day for 7 hours with overtime payment as much as 1.5 x effective working day payment (Rp.113,817). This is not in accordance with Manpower regulation number 102 of 2014 about over time payment.</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>            Daycare Officers is basically permanent worker who temporary are assigned in the daycare, such as because pregnant or nursing. Thus the official status they are permanent worker. Generally permanent worker work based employment targets (base rate), so that wages applies is "Upah Hasil Lebih", instead of overtime. In addition to the common conditions of the daycare officers do not work on holidays and working on normal hours, so rarely do overtime work, especially on holidays.</p> <p>Due to the above conditions, then there is incomprehension assistant in applying the rules of the company against daycare officers and several activities other work on holidays that use the rules "Upah Hasil Lebih" so that payments overtime on holidays = 1.5 X working hour , While the company regulations of PT DAN Article 15 stipulates that overtime on holidays = 2 x working hour.</p>			
<p><b>Corrective Action</b> <i>(filled by organization audited):</i>            1. Published a memorandum concerning the application of overtime rules accordance with Company Regulation of PT DAN and Permenaker No. 102 of 2004.            2. Resocializing to all field assistants and administrative staff of the estate on the calculation of overtime on weekdays and holidays.            3. Overtime payment of daycare officers will be made in accordance with the regulation</p>			
<p><b>Preventive Action</b> <i>(filled by organization audited):</i>            1. Create a summary payment of overtime every month to ensure payment of overtime is appropriate regulations.            2. Evaluate the effectiveness of the socialization of the employees about the difference between the application of the "Upah Hasil Lebih" and overtime.</p>			
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>            Verification 09 March 2017            CH has shown evidence of the improvements consist of:            1. Memorandum No.042/HCO/I/2017 of Human Capital Operation Dept. dated January 30, 2017 addressed to the management (Agro business unit director, Sr. Area Head/Division Head, Human Capital Group Head, Finance &amp;</p>			

Accounting Group Head) about the payment of wages / overtime that is not based on the unit results in accordance with Article 15 about Companies Regulations overtime in effect since January 1, 2017.

2. Socialization the provisions of overtime hours non unit results from the Human Capital Operation Dept. to the management unit.
3. Documentation of overtime wages and "*Upah Hasil Lebih*" conducted at 3 Estate and 12 Afdeling on 21-22 February 2017.
4. Record of socialization the provisions of overtime pay and "*Upah Hasil Lebih*".
5. Record of overtime wages paid in January 2017 to the daycare workers, fire tower officers and effluent applications officer.

Non Conformity No. 2017.01 is closed

Verified by : Rudi Ramdai



NCR No.	: 2017.2	Issued by	: Ardiansyah
Date Issued	: 20 January 2017	Time Limit	: 19 March 2017
NC Grade	: Major	Date of Closing	: 07 February 2017
Standard Ref. & Requirement	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The document review showed that the Certification Unit is performed land clearing after November 1, 2005 without preceded by the identification of HCV, so CH need to follow Remediation and Compensation Procedures were approved by the BOG on 16 Nov, 2015. PT DSN, as the parent of PT DAN has conducted disclouser of liability and LUCA on 23 April 2015. Based on an email from RSPO Compensation on 12 Feb, 2016 is known that the LUCA of PT DAN have been reviewed and passed / approved. The result of LUCA shows that PT DAN has final liability as much as 48.38 Ha. CH has not shown approval of compensation plan from the Compensation Panel for the liability.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> LUCA review carried out by the RSPO takes a long time which is almost 1 year, RSPO (Dillon Sarim) has sent a clarification that LUCA of PT DAN have passed the examination by the reviewer on January 17, 2017 and still in the process of final endorsement of the Compensation panel, while LUCA PT DAN have submitted on January 22 2016.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> 1. PT DAN will immediately prepare Remediation and Compensation Concept Note is based on "Analysis Verification Result" that has been received from the RSPO. 2. PT DAN will immediately prepare Remediation and Compensation Plan 3. MR will ask RSPO Compensation Panel to expedite the process of endorsement of LUCA, Remediation and Compensation Concept Note, and Remediation and Compensation Plan of the PT DAN.			
<b>Preventive Action</b> <i>(filled by organization audited):</i> MR will ask RSPO Compensation Panel to expedite the process of endorsement of LUCA, Remediation and Compensation Concept Note, and Remediation and Compensation Plan of the PT DAN.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> 07 February 2017 The management unit has shown an email from the RSPO Executive Compensation dated 6 February 2017 stating that the certification of PT DAN can be continued, despite having an unresolved compensation case. This case-by-case decision is based on PT DSN's active commitment to resolving the RaCP.  Based on the explanation, Non Conformity No. 2017.02 with major category is closed with observation.			
Verified by	: Ardiansyah		

3.5.2 Identification of Findings, Corrective Actions and Observations at [ASA-4](#) Assessment

NCR No.	: 2018.01	Issued by	: Mohamad Amarullah
Date Issued	: 19 January 2018	Time Limit	: 19 March 2018
NC Grade	: Major	Date of Closing	: 05 February 2018
Standard Ref. & Requirement	4.7.3 Record of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on interview with Operators in Station Sortation, Loading Ramp, Sterilizer, Thresher, Clarification, Nut and Kernel, Engine Room and Boiler Station in POM-2, as well as review of PPE Safety Boot delivery, it could be concluded that Safety Boot were only provided/scheduled once a year by Mill Management, and information towards PPE replacement mechanism were not well known by the Operators. This is not in accordance with Memorandum of Operational Director No. 002/DIR/JKT/III/17 dated February 13 <sup>th</sup> 2017 which mentioned that broken PPE could be replaced by showing the broken PPE as evidence, as well as Company Regulation Period 2017-2019 Article 3 point 2c and Article 25 point 1 and 2, which mentioned that the company shall provide PPE to all workers			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The workers were not fully understood (confused) about mechanism of PPE replacement, wether to use the regulation before or after February 2017.			
<b>Correction</b> <i>(filled by organization audited):</i> To improve workers understading towards mechanism of PPE replacement through re-socialization.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> To evaluate workers understanding towards socialization as mentioned in correction column, as well as to keep absense record			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> 02 February 2018 Certificate holder has shows several correction evidence, as follows: <ul style="list-style-type: none"> <li>• Absence record and picture documentation of broken/unproper PPE replacement socialization, which conducted on January 30<sup>th</sup> 2018 at POM-2.</li> <li>• Problem Identification and Corrective Action (PICA) which conducted by Department of Sustainability through internal audit RSPO POM-2 and Supply Base team.</li> </ul> Based on description of root of cause and corretive action, as well as correction evidence given, it could be concluded that non conformity No. 2018.01 is considered Closed.			
Verified by	: Mohamad Amarullah		

**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	4.4.2	Certificate holder has an opportunity to improve riparian-border sign maintenance.
2	6.5.1	Certificate holder has an opportunity to improve employees understanding towards wages and premium calculation.
3	SCCS	Certificate holder has an opportunity to conduct revision of supply chain procedure and synchronized it in accordance with RSPO Supply Chain Certification Standard 2017.
-	-	-

**3.5.4 Noteworthy Positive Components**

No	Descriptions
1	RSPO and ISPO certified since 2014.
2	Awarded as Green PROPER for period 2016-2017 for company environment management performance from Government Province of Kalimantan Timur.
3	Has opens business opportunity for surrounded villages communities. For example, hiring rent of operational vehicle from surrounded villages communities.
4	Composting of domestic waste from employees housing, to be reuse as organic fertilizer.

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

Date of Stakeholders Consultation: 16 and 17 January 2018		
	Issue from Public	Auditor Response
1.	<b>Manpower Agency of Kutai Timur District</b>	
	<ul style="list-style-type: none"> <li>The company has good communication and coordination with Manpower Agency of Kutai Timur.</li> <li>The company has considered good in periodic reporting delivery such as P2K3, accident report, etc.</li> <li>The company has provide health facility and insurance (BPJS), as required by regulation.</li> <li>Company facility towards emergency and fire situation has considered satisfactory.</li> <li>There is no negative issues and conflict related to company operational activities, which reported by local communities, NGO and government institutions.</li> <li>Licenses such as for operators, welder, OHS Secretary were in accordance with regulations.</li> </ul>	There are no negative issues from Manpower Agency. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 2.1 ; 4.7; 4.8; 5.5; 6.3; 6.5 and 6.12.
2.	<b>Environmental Agency of Kutai Timur District</b>	
	<ul style="list-style-type: none"> <li>During 2017, there is no environment and fire issues related to company operational activities which reported by local communities, NGO and government institutions.</li> <li>Periodic report such as waste water, hazardous waste and RKL/RPL are routinely delivered to Environment Agency.</li> <li>The company has Green Proper status for environment management performance.</li> <li>Licenses such as for land application and hazardous waste store were in accordance with regulations,</li> </ul>	There are no negative issues from Environmental Agency. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 2.1 ; 2.2; 5.1; 5.3 and 5.5.
3.	<b>Plantation Agency of Kutai Timur District</b>	
	<ul style="list-style-type: none"> <li>The plantation scoring is planned in the end of the month. The plantation district has had 2 officer of the plantation scoring.</li> <li>The Certification Unit had scoring of class 2.</li> <li>The plantation report activity is obligation every 3 month. The Certification Unit has routinely reporting the plantation report.</li> <li>The Certification Unit has also build a smallholder scheme and other scheme of partnership.</li> <li>For the year Of 2016, there was no land conflict report from the community nor with other plantation Certification Unit or mining company.</li> <li>There is also no complaint of environment pollution caused by the plantation.</li> <li>The Certification Unit did not request for any change of</li> </ul>	There are no negative issues from Plantation Agency. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 2.1 ; 2.2 and 5.5.

	<p>plantation permit for the managing area or increasing throughput capacity.</p> <ul style="list-style-type: none"> <li>The Certification Unit has adequate tools for handling land fire.</li> </ul>	
4	<b>Land Office of Kutai Timur District ( Land conflict section)</b>	
	<ul style="list-style-type: none"> <li>The plantation area of PT DAN and PT DSN according to land use plan of Kalimantan Timur province, number 1 of 2016 is area of plantation cultivation. Thus is also refers to Decree of Forestry &amp; Environment Number 718 of 2014, the Certification Unit area is in status of other.</li> <li>The Certification Unit did not propose for extending area of the plantation.</li> <li>For the last year of 2016, the agency did not except any reporting of land conflict from the community for assisting mediation. There is also no conflict or over claim in the plantation area against other plantation company or mining company.</li> <li>The company is acceptable to determine the conservation area in the land use right area, as long as the area was not properly to be planted, but not abandoned. The abandoned land would be the object to be sight by the agency.</li> <li>The management of boundary pole is obligation for the plantation company.</li> </ul>	<p>There are no negative issues from National Land Agency. CH has shown the evidence of compliance to RSPO standard criteria 2.1; 2.2 and 5.2.</p>
5	<b>Village of Muara Wahau, Woman Group and Smallholder Cooperative</b>	
	<p><b>Head of Village, Informal Leader, villager and smallholder cooperation staff, Woman Group and Local Contractors in Muara Wahau Village</b> The discussion was conducted by Focus Group Discussion (FGD) method. Some discussion points:</p> <p><u>Woman Group</u></p> <ul style="list-style-type: none"> <li>The company has provide assisstency and facilitate women group towards home industry skills.</li> <li>Has conducting a conduct comparison study about home industry activities in Jogjakarta.</li> </ul> <p><u>Smallholder cooperation staff</u></p> <ul style="list-style-type: none"> <li>The company has cooperated with "Koperasi Sawitan Surya" in a partnership program of oil palm plantation management in community land since 2013.</li> <li>Some of the local villagers (local contractors) have also partnered with the company in the rent car)</li> </ul> <p><u>Head of Muara Wahau Village</u></p> <ul style="list-style-type: none"> <li>The impact of plantation operations; road access and working opportunity for village surround</li> <li>Some of the aid that has been given by the company: <ul style="list-style-type: none"> <li>Heavy Equipment for road maintenance</li> <li>Development of Kindergarten School (Harapan Muda) and aid for transportation of the student from village</li> </ul> </li> </ul>	<p>Based on verification on related Indicators: Indicator 2.2.3 to 2.26 and 2.3. Sd 2.3.3 does not indicate a conflict between the company and the surrounding community.</p> <p>Indicator 6.3.1 &amp; 6.3.2, there are no significant complaints from the other parties</p> <p>Indicator 6.11.1 &amp; 6.11.2, the company has implemented/provided assistance to the surrounding community and the opportunity to adapt social governance activities based on community needs and based on more participatory planning</p>

	<p>surround</p> <ul style="list-style-type: none"> <li>• There are no issues and conflicts of land tenure between the company and the surrounding</li> <li>• Community</li> <li>• There are also no issues related to the complaints of surrounding communities to the and factories, and operation of plantation and mill.</li> <li>• During the one year period there are no cases of negative impacts on the operation of plantation and mill (eg, environmental pollution)</li> <li>• There was no cases of land fires since the last year</li> </ul> <p><u>Aspiration:</u></p> <ul style="list-style-type: none"> <li>• The women empowerment need to be further enhanced</li> <li>• Opening business opportunities for surrounding communities</li> </ul>	
6	<b>Workers Union of PT DAN and PT DSN</b>	
	<ul style="list-style-type: none"> <li>• Worker Unions have existed since the year 2013. Evidence of registration of worker unions of PT DAN with the letter number 06/02 / SP-SB / Nakertrans-HIJ / I / 2013 dated 29 January 2013 from Social, Manpower and Transmigration Agency of East Kutai regency. Evidence of registration of worker unions of PT DSN with the letter number 07/02/SP-SB/Nakertrans-HIJ/I/2013 dated 30 June 2013 from Social, Manpower and Transmigration Agency of East Kutai regency.</li> <li>• Worker unions dues amounting to Rp 2,000, - every month in PT DAN and for Rp 5000,- worker union in PT DSN POM-2.</li> <li>• Regular meeting of unions conducted every two months in PT DAN and for PT DSN regular meeting conducting every three month.</li> <li>• The Certification Unit also facilitated activities such as borrowing room and vehicles fo Worker Unions.</li> <li>• During this time there is no compulsion to become union members. Policy of association and assembly is delivered during the morning briefing and at the time of the meeting.</li> <li>• There are letters joint statement of the Workers United PT DSN and PT DAN explaining that the company regulation is still relevant to accommodate the interests of employees as a whole and does not conflict with labor legislation.</li> <li>• Complaints can be channeled to the employee suggestion box located in each estate and workers unions protect the reporter's identity (anonymity).</li> <li>• So far, there are no issues related to industrial relations and employment issues.</li> </ul>	<p>There are no negative issues from worker unions. CH has shown the evidence of compliance to RSPO standard criteria 2.1; 6.3; 6.5 and 6.6.</p>
7	<b>Gender Committee of PT DAN</b>	
	<ul style="list-style-type: none"> <li>• During 2017 there were no cases of sexual harassment and violence.</li> <li>• Socialization of policies and mechanisms deal with violence</li> </ul>	<p>There are no negative issues from worker unions. CH has shown the evidence of compliance to RSPO standard criteria 2.1 and</p>

	<p>and sexual harassment have been submitted during the membership meeting activities.</p> <ul style="list-style-type: none"> <li>• Companies participating facilitating activities of gender committee such as borrowing rooms and vehicles.</li> <li>• The women worker received entitlement namely H1 (menstrual leave) and H2 (pregnant leave) in accordance with the provisions of applicable regulations.</li> </ul>	6.9.
8	Local kontraktor (FFB/CPO Transport; construction)	
	<ul style="list-style-type: none"> <li>• Cooperation with the company has been started since January 2017 for the transportation of FFB from the plantation area to the location of the POM 2 .</li> <li>• Information about partnership opportunities with companies is obtained directly from company staff</li> <li>• At the time of starting in cooperation with PT DAN , there is a contract signed by both parties and each keeps the document</li> <li>• In the contract have been listed : <ul style="list-style-type: none"> <li>- Provisions of the company to be followed by the contractor (Driver has a SIM and is well- dressed,</li> <li>- Use of Personal Protective Equipment (Helmet &amp; Shoes)</li> <li>- Payment time</li> </ul> </li> <li>• Timely payment in accordance with clauses describes in the document contract that is at the end of each month and can be taken through in Bank Rakyat Indonesia in Muara Wahau Sub District</li> </ul>	Indicator 6.10.1 & 6.10.4, there was no smallholder scheme and the company has provided employment opportunities to several local contractors for the transportation of FFB and CPO here are no negative issues from worker unions. CH has shown the evidence of compliance to RSPO standard criteria 4.7 and 6.10.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

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

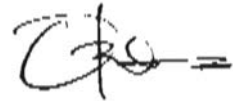
Signed on behalf of:

PT Dharma Satya Nusantara (POM 2)  
Management Representative



Agustinus Triwibowo  
Monday, 05 February 2018

Mutuagung Lestari  
Lead Auditor



Oktovinus Rusmin  
Monday, 05 February 2018



**APPENDICES**

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
2	Manpower Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
3	Plantation Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
4	National Land Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
5	Muara Wahau Village	Muara Wahau Village, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
6	Village of Muara Wahau	Muara Wahau Village, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
7	Workers Union of PT DSN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
8	Gender Committee of PT DAN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
9	Workers Union of PT DAN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
10	Local Contractor (transport and construction)	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	16 January 2018	✓	
11	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	08 January 2018		✓
12	Sawit watch	Jakarta, Indonesia	info@sawitwatch.or.id	Email	08 January 2018		✓
13	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	08 January 2018		✓
14	<i>Wahana Lingkungan Hidup Indonesia (Walhi)</i>	Jakarta, Indonesia	informasi@walhi.or.id	Email	08 January 2018		✓
15	<ul style="list-style-type: none"> <li>• 1 Foreman, 1 FFB grader and 1 estate representative.</li> <li>• 2 Loading Ramp St. Operators.</li> <li>• 1 Assistant and 1 Sterilizer St. Operator.</li> <li>• 1 Thresher St. Operator.</li> </ul>	POM-2 PT DSN.		Interview	16 January 2018	✓	

<ul style="list-style-type: none"> <li>1 Clarification St. Operator.</li> <li>1 Nut and Kernel St. Operator.</li> <li>1 Engine Room Operator.</li> <li>2 Boiler St. Operators.</li> </ul>							
<ul style="list-style-type: none"> <li>1 Foreman, 1 Transporter and 2 Female Fertilizer Applicators.</li> <li>1 Foreman and 1 Harvester.</li> <li>1 Foreman and 2 Female Pesticide Applicators.</li> </ul>	Puhus 2 Estate PT DAN		Interview	17 January 2018	✓		
<ul style="list-style-type: none"> <li>1 road maintenance worker.</li> <li>1 Foreman and 1 Harvester.</li> <li>1 Foreman and 2 Female Fertilizer Applicators.</li> </ul>	Puhus 3 Estate PT DAN		Interview	18 January 2018	✓		

**Appendix 2. Assessment Program**

DATE		15 to 20 January 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 15 January 2018</b>			
06.00-11.30	06.00-11.30	JAKARTA → BALIKPAPAN → BERAU	Auditor Team
11.30-17.00	11.30-17.00	Berau → PT DSN	Auditor Team
<b>Tuesday, 16 January 2018</b>			
07.30-08.00	06.00-11.30	Opening Meeting <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification)</li> </ul>	MR of PT DSN POM 2  Auditor Team
08.00-12.00	08.00-12.00	Review of Previous Visit Non Conformance (Stage 2- ASA.3), Partial Certification and Time Bound Plan	Auditor Team
12.00-14.00	11.30-17.00	Break	
14.00-17.00	06.00-11.30	Field Observation at POM 2 <ul style="list-style-type: none"> <li>SCCS Verification</li> <li>POM (Security, Weighbridge, Lading Ramp, Process, Engine Room, Workshop, Boiler)</li> <li>WTP, WWTP, Hazardous Waste Warehouse/TPS LB3, Drainage, Collecting Place of Solid Waste (EFB, Fiber, Shell), Methane Capture (if any), Composting (if any)</li> </ul>	ORN MAR YHR
<b>Wednesday, 17 January 2018</b>			
08.00-12.00	08.00-12.00	Field Observation at Puhus 2 Estate Public Consultation to: <ul style="list-style-type: none"> <li>Communities (if any Contractor)</li> <li>HCV and Boundary</li> <li>Harvesting, Manuring, Spraying, IPM, Application of Waste (if any EFB or Composting, Land Application (if any) and Replanting Area (if any)</li> <li>Housing, Chemical Warehouse, Hazardous Waste Warehouse, Cleaning and Storage of PPE for Spraying Team, Workshop, Landfill and Firefighters Equipment</li> </ul>	ORN YHR MAR YHR
12.00-14.00	12.00-14.00	Break	
14.00-17.00	14.00-17.00	RSPO Document Review and Clarification of Field Visit	Auditor Team
<b>Thursday, 18 January 2018</b>			
08.00-12.00	08.00-12.00	Field Observation at Puhus 3 Estate <ul style="list-style-type: none"> <li>HCV and Boundary</li> <li>Harvesting, Manuring, Spraying, IPM, Application of Waste (if any EFB or Composting, Land Application (if any) and Replanting Area (if any)</li> <li>Housing, Chemical Warehouse, Hazardous Waste Warehouse, Cleaning and Storage of PPE for Spraying Team, Workshop, Landfill and Firefighters Equipment</li> </ul>	ORN MAR YHR
12.00-14.00	12.00-14.00	Break	
14.00-15.00	14.00-15.00	<ul style="list-style-type: none"> <li>Contractor, Internal Stakeholder (Labour Union, Gender Committee &amp; Cooperative Employees)</li> </ul>	Auditor Team
15.00-17.00	15.00-17.00	<ul style="list-style-type: none"> <li>RSPO Document Review and Clarification of Field Visit</li> </ul>	Auditor Team
<b>Friday, 19 January 2018</b>			
08.00-11.30	08.00-11.30	Continue Outstanding Field Observation (if necessary) and RSPO Document Review	Auditor Team
14.00-15.50	14.00-15.50	Interim Meeting Preparation for Closing Meeting	Auditor Team
16.00-17.00	16.00-17.00	Closing Meeting	Auditor Team & MR of PT

DATE		15 to 20 January 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
			DSN
Saturday , 20 January 2018			
03.00-08.00	03.00-08.00	PT DSN → BERAU	Auditor Team & HO Team
10.45-14.30	10.45-14.30	BERAU → BALIKPAPAN → JAKARTA	Auditor Team & HO Team

*The audit is based upon a representative sampling method therefore there may be non-conformances within the system that have not been identified during this audit.*

*Please inform Mutu Certification if you object to the appointment of the auditor or team members stated in this audit plan prior to the audit date*