

**Roundtable on Sustainable Palm Oil Certification
RSPO**

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : **POM 4 Subsidiary of PT DHARMA SATYA NUSANTARA Tbk**
 Plantation Name : PT Swakarsa Sinarsentosa
 (Jabdan 1 Estate, Long Jenew 1 Estate dan Long Jenew 2 Estate)
 Location : Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur,
 Province of Kalimantan Timur, Indonesia
 Certificate Code : **MUTU-RSPO/060**
 Date of Certificate Issue : 1 June 2015 Date of License Issue : 1 June 2017
 Date of Certificate Expiry : 31 May 2020 Date of License Expiry : 31 May 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	10 – 12 April 2017	Muhammad Rinaldi (Lead Auditor Supervised), Y. Wisnu Rahmanto (Lead Auditor Witnessing), Naila Karima, Dwi Haryati	Octo HPN. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	29 May 2017

TABLE OF CONTENT

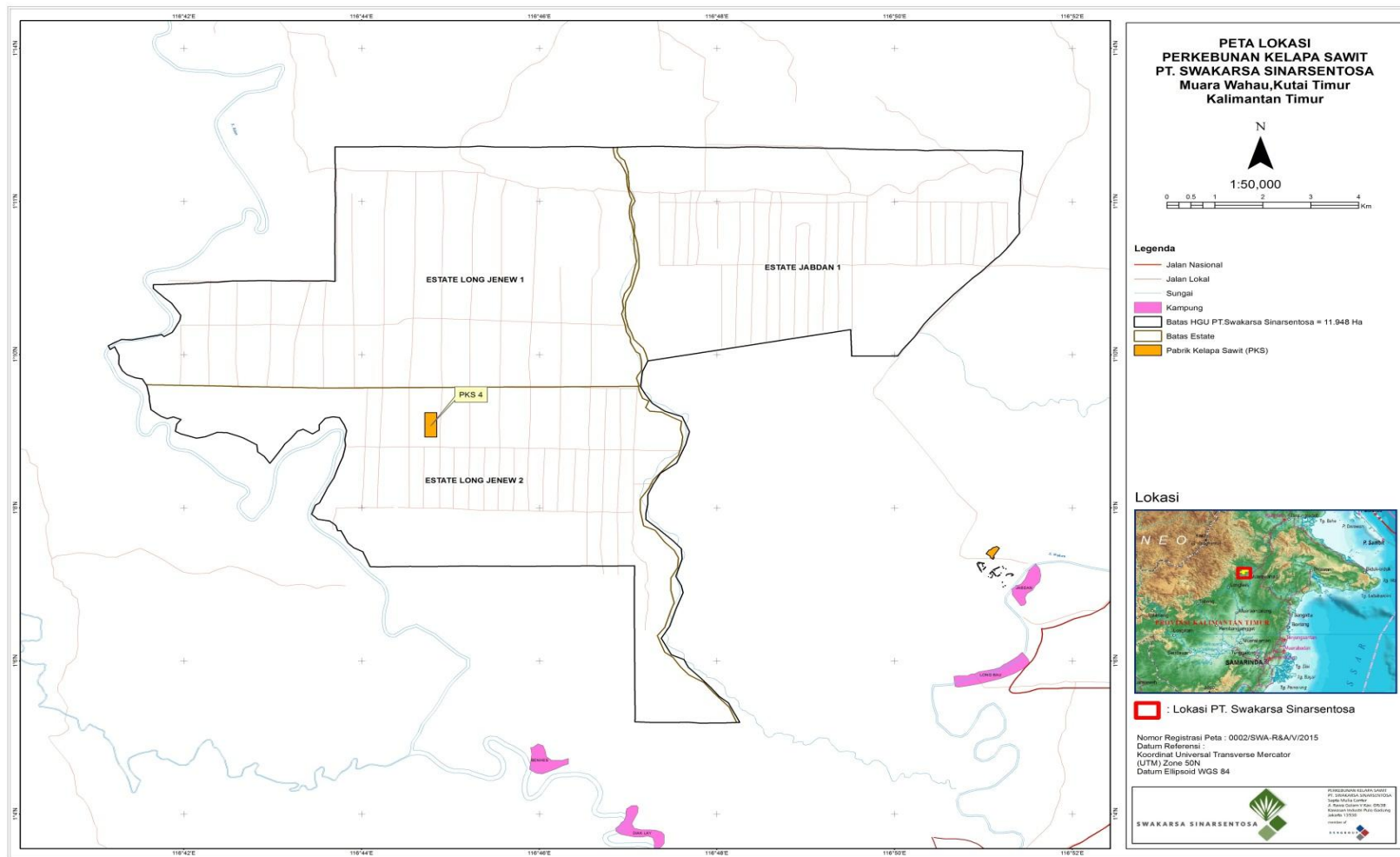
FIGURE.....	1
Figure 1. Location Map of PT. Dharma Satya Nusantara.....	1
Figure 2. Operational Map of PT. Dharma Satya Nusantara.....	2
Glossary.....	3
1.0 SCOPE OF THE CERTIFICATION ASSESSMENT.....	4
1.1 Assessment Standard Used	4
1.2 Organisation Information.....	4
1.3 Type of Assessment.....	4
1.4 Locations of Mill and Plantation	4
1.5 Description of Area Statement	5
1.6 Planting Year and Cycles.....	5
1.7 Description of Mill and Supply Base	5
1.8 Estimate Tonnage of Certified Product.....	6
1.9 Other Certifications	7
1.10 Time Bound Plan of Dharma Satya Nusantara updated 27 February 2017	7
2.0 ASSESSMENT PROCESS	9
2.1 Assessment Team.....	9
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	9
2.3 Stakeholder Consultation and Stakeholders Contacted.....	12
2.4 Determining Next Assessment.....	12
3.0 ASSESSMENT FINDINGS.....	13
3.1 Summary of Assessment Report of the RSPO Certification	13
3.2 Summary of Assessment Report of Supply Chain Requirements	37
3.3 Conformity Checklist of Certificate and Logo Use.....	44
3.4 Summary of RSPO Partial Certification	45
3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components	48
3.6 Summary of Arising Issues from Public, Management and Auditor Response	53
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY.....	55
4.1 Formal Sign-off of Assessment Findings.....	55
APPENDICES	56
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process.....	56
Appendix 2. Assessment Program	58

FIGURE

Figure 1. Location Map of PT. Dharma Satya Nusantara



Figure 2. Operational Map of PT. Dharma Satya Nusantara



Glossary		
AKAD	:	Angkatan Kerja Antar Daerah (inter-city inter-regional labor)
APAR	:	Alat pemadam api ringan (Fire Extinguisher)
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial (Workers Social Security Agency)
CB	:	Certification Body
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DSN	:	Dharma Satya Nusantara
EFB	:	Empety Fruit Bunch
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha/ Land Use Permit
HRD	:	Human Resources Departement
ISO	:	International Organization for Standarization
ISPO	:	Indonesian Sustainable Palm Oil
JB1	:	Jabdan 1
KSU	:	Koperasi Serba Usaha (Business Multipurpose Cooperative)
KUD	:	Koperasi Unit Desa (Village Cooperative Unit)
LCC	:	Legume Cover Crop
LD50	:	Lethal dosage 50
LJ1	:	Long Jenew 1
LJ2	:	Long Jenew 2
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
NPK	:	Nitrogen Phospat Kalium (Nitrogen Phosphate Potash)
OAD	:	Operational Audit Departement
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health & Safety
P2K3	:	Panitia Pelaksana Keselamatan dan Kesehatan Kerja/ Guiding Committee of Occupational Safety & Health
PGS	:	Personalia General Services
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil
POM 4	:	Palm Oil Mill 4
POME	:	Palm Oil Mill Effluent
PPE	:	personal protective equipment
SOP	:	Standar Operational Procedure
SR	:	Severity Rate
SWA	:	Swakarsa Sinarsentosa
WHO	:	World Health Organization

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used		<ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</i> 	
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT Dharma Satya Nusantara, Tbk	
1.2.2	Contact person	Agustinus Triwibowo	
1.2.3	Organisation address and site address	<p>Central Office registrerd at RSPO: Jl. Rawa Gelam V Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta, Indonesia</p> <p>Site Address Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Indonesia</p>	
1.2.4	Telephone	021-461-8135	
1.2.5	Fax	021-460-6942	
1.2.6	E-mail	agustinus.triwibowo@dsn.co.id	
1.2.7	Web page address	www.dsn.co.id	
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 tanggal 4 December 2012	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	1 POM (POM 4) with 3 supply bases: Jabdan 1 Estate; Long Jenew 1 Estate dan Long Jenew 2 Estate	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	POM 4 (PT DSN)	Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 09' 06" E 116° 44' 46"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Jabdan 1 (PT Swakarsa Sinarsentosa)	Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 10' 53" E 116° 49' 44"

Long Jenew 1 (PT Swakarsa Sinarsentosa)	Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 11' 14"	E 116° 46' 56"
Long Jenew 2 (PT Swakarsa Sinarsentosa)	Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 07' 46"	E 116° 43' 45"

1.5 Description of Area Statement

1.5.1	Tenure		
	• State		16,850.00 Ha
	• Community		Ha
	<i>*5.121 ha under operational Jabdan 2 Estate and not included scope of certification/audit POM 4</i>		
1.5.2	Area Statement		
	• Total Area		11,729.00 Ha
	• Mature Area		10,765.00 Ha
	• Immature Area		- Ha
	• Mill		45.00 Ha
	• Housing and Infrastructure		342.40 Ha
	• HCV		325.00 Ha
	• Buffer Zone Kenden Kecil		28.60 Ha
	• Others (swamp / unplanted)		223.00 Ha

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Jabdan 1	Long Jenew 1	Long Jenew 2	Total
	1998	368	-	-	368
	1999	654	-	564	1,218
	2000	508	-	-	508
	2001	747	-	1,434	2,181
	2003	780	1,488	903	3,171
	2004	-	2,839	439	3,278
	2011	-	-	41	41
	TOTAL	3,057	4,327	3,381	10,765
	Note: Planting year 2011 41 ha is ex-nursery				
1.6.2	New Planting area after January 2010		-		Ha
1.6.3	Planting Cycle				1 st Cycle

1.7 Description of Mill and Supply Base

1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	POM 4	60	286,822.66	71,486.32	24.92	13,002.11	4.53

	(PT DSN)						
<i>*Production data period April 2016 until March 2017</i>							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Jabdan 1 (PT Swakarsa Sinarsentosa)	3,508	3,057	64,774.06	21.19	40,198.35	62.06
	Long Jenew 1 (PT Swakarsa Sinarsentosa)	4,446	4,327	95,401.25	22.05	66,100.72	69.29
	Long Jenew 2 (PT Swakarsa Sinarsentosa)	3,775	3,381	78,304.64	23.16	77,774.55	99.32
	TOTAL	11,729	10,765	238,479.95	22.15	184,073.62	77.19
<i>*Production data period April 2016 until March 2017</i>							
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Jabdan 2 Estate (RSPO Certified)	PT. Swakarsa Sinarsentosa	Muara Wahau, Kaltim	80,364.52			
	Kemitraan 1.1, 1.2, 1.3 & 1.4 (KUD Min Sun Lekut) (Total Area: 863 Ha; smallholders: 173)	Smallholder of PT. Dharma Satya Nusantara	Muara Wahau, Kaltim	13,787.44			
	Kemitraan 2.1 (KSU Min Bea Glang Mandiri) (Total Area: 506 Ha; smallholders: 80)	Smallholder of PT. Dharma Satya Nusantara	Muara Wahau, Kaltim	8,209.78			
	Kemitraan 10.4 (KSU Jengea Bong Pet Kuq) (Total Area: 2,087 Ha; smallholders: 230)	Smallholder of PT. Dharma Satya Nusantara	Muara Wahau, Kaltim	387.30			
	TOTAL						102,749.04
<i>*Production data period April 2016 until March 2017</i>							
1.7.4	Jenis Produk			FFB, CPO, PK			
1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product		Certificate Claim Period 01 June 2016 to 31 May 2017 (ton/year)		Actual Certified Product Period 01 June 2016 to 06 April 2017 (ton/year)		
	• FFB Production		329,264.00		212,370.44		
	• CPO Production		79,023.00		62,613.32		
	• Palm Kernel (PK) Production		16,463.00		11,485.89		
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Jabdan 1 (PT Swakarsa Sinarsentosa)	3,508	3,057	73,967	24.20		
	Long Jenew 1 (PT Swakarsa Sinarsentosa)	4,446	4,327	114,512	26.46		
	Long Jenew 2	3,775	3,381	83,925	24.82		

	(PT Swakarsa Sinarsentosa)						
	TOTAL	11,729	10,765	272,404	25.30		
<i>*Projected FFB production period 01 June 2017 until 31 May 2018</i>							
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	POM 4 (PT DSN)	60	272,404	68,101	25.00	13,620	5.00
<i>*Projected CSPO and CSPK production period 01 June 2017 until 31 May 2018</i>							
1.9	Other Certifications						
	ISO 9001:2008	-					
	ISO 14001: 2004	-					
	OHSAS 18001:2007	-					
	ISCC	ISCC Certificate with validity period until 26 Mei 2017					
	Others	ISPO Certificate with number 824 501 13005 with validity period until 20 January 2019					
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	POM 1 (PT SWA)	June 2012	Jabdan 2 (PT SWA)	2012	Kutai Timur district, East Kalimantan province	Certified	
			Smallholder (KM 5.9)	2015		Certified	
			Smallholder (KM 3,6,11,12)	2017		ST-2 (Nov 2016)	
	POM 2 (PT DSN)	June 2013	Puhus 1 (PT DIN)	2013	Kutai Timur district, East Kalimantan province	Certified	
			Puhus 2 (PT DIN)	2013		Certified	
			Puhus 3 (PT DIN)	2013		Certified	
	POM 3 (PT DSN)	August 2013	Long Kejiak 1 (PT DSN)	2013	Kutai Timur district, East Kalimantan province	Certified	
			Long Kejiak 2 (PT DSN)	2013		Certified	
			Long Kejiak 3 (PT DSN)	2013		Certified	
	POM 4 (PT DSN)	Nov 2014	Jabdan 1 (PT SWA)	2015	Kutai Timur district, East Kalimantan province	Certified	
			Long Jenew 1 (PT SWA)			Certified	
			Long Jenew 2 (PT SWA)			Certified	
	POM 5 (PT DSN)	2019	Bukit Pandunlangan 1 (PT Pilar Wanapersada)	2019	Lamandau district, Kalimantan Tengah province	-	
			Bukit Pandunlangan 2 (PT Pilar Wanapersada)	2019		-	

		Bukit Pandulangan 3 (PT Pilar Wanapersada)	2019	Lamandau district, Kalimantan Tengah province	-
		Smallholder	2022	Lamandau district, Kalimantan Tengah province	-
POM 6 (PT DSN)	2017	Melenyu 1 (PT DWT)	2017	Kutai Timur district, East Kalimantan province	-
		Melenyu 2 (PT DWT)	2017		
		Melenyu 3 (PT DWT)	2017		
		Melenyu 4 (PT DWT)	2017		
		Smallholder	2020		-
		Smallholder	2023		-
-	-	PT Dharma Intisawit Lestari	2020	Bulungan District, East Kalimantan Province	-
-	-	PT Karya Prima Agro Sejahtera	2020	Muara Wahau District, East Kalimantan Province	-
-	-	PT Putra Utama Lestari	2020	Melak Subdistrict, Kutai Barat District, East Kalimantan Province	-
-	-	PT Agro Andalan	2019	Sekadau District, West Kalimantan	-
-	-	PT Kencana Alam Permai	2020	Sintang District, West Kalimantan	-
-	-	PT Prima Sawit Adalan	2020	Sintang District, West Kalimantan	-
-	-	PT Dharma Persada Sejahtera	2020	Sintang District, West Kalimantan	-
<p><i>Data source: Progressive timebound plan certification activity of DSN on 27 February 2017</i> Mill-5 and Mill-6 postponed from 2016 to 2017 due to RaCP process and NPP</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	<p>Information related with progress of certification of FFB sources from estates under same management with PT. DSN, refers to the above mentioned time Bound plan. For scheme smallholding and other smallholding sources that are not fully managed by PT. DSN, certification Bodies will ensure that those sources will be certified within three years after POM IV RSPO Certified.</p> <p>In accordance with this, RSPO certification system points 4.2.3 describes that the “All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years”.</p>				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-2	<ol style="list-style-type: none"> Muhammad Rinaldi (Lead Auditor Supervised). Associate on plam oil plantation from Bogor Agriculture Institute. He has 4 years experience as operation staff for palm oil corporate in Indonesia. He took RSPO Awareness training, Auditor ISPO training, Auditor/Lead Auditor ISO 9001-2008 training, ISO 14000 training, HCV and general occupational health and safety training. During this assesment, he assigned to verify land use legality, best management practices and planning. Yudwi Wisnu Rahmanto (Lead Auditor Witnessing) Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 5 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During this assessment he assigned to social conflict aspect and supply chain. Naila Karima. Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She had experience working in private oil palm plantation companies in Indonesia. She had followed training such as ISPO Lead Auditor, awareness training RSPO certification system, awareness training Occupational Health and Safety Management System (PP No. 50 tahun 2012), Integrated Management System (OHSAS 18001:2007, ISO 14001:2004, and ISO 9001:2008), and HCV Management Training. During this assessment, she assigned to verify of environmental aspect and conservation. Dwi Haryati. Indonesian citizens. Bachelor of Agriculture Department of Agriculture. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include : Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, Palm Oil Mill Processing, Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. During this assessment, she assigned to verify of occupational health safety, worker welfare aspect, social and transparency of information.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-2	Number of auditors : 4 auditor Number of days for ASA-2 at site : 3 days Number of working days for ASA-2 at site : 12 Working days
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Dharma Satya Nusantara (POM 4) – PT. Swakarsa Sinarsentosa (Jabdan 1 Estate; Long Jenew 1 Estate; Long Jenew 2) to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed 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 (Module E for CPO Mill).</p> <p>The assessment was conducted through three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, 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-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-3).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-2 assessment. All</p>

information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-2**.

The assessment program please find Appendix 2

<p>2.2.3</p>	<p>Location of Assessment</p>
<p>ASA-2</p>	<p>Sampling method for choosing location by audit team is based on:</p> <ol style="list-style-type: none"> 1. The chosen locations represent each operation area (by using the 0,8√y formulation, for this activity, the representation samples are JB1 Estate and LJ2 Estate) 2. Consideration over rising issue from document's review and stakeholders consultation result, which are substantial and crucial. <p>A complete list of visited locations:</p> <p>POM 4:</p> <ul style="list-style-type: none"> • Security pos. Observation and interview related to emergency procedures, inspection of vehicles in and out. • Weighbridge Station. Observation of supply chain procedure. • Loading Ramp. Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, and fruit separation with ripeness and rawness criteria. • Management Process. Observation and interview with personnel related to FFB's processing into CPO, capacity each station, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, liquid waste management, first aid kits, the implementation of occupational health and safety, company's facilities, trainings from company and worker welfare • Boiler's Room. Observation and interview with the worker related to implementation of OHS, understanding of safe working, overtime calculation. • Water Treatment Process. Observations and interviews related to the use of water, recording water usage using a flow meter. • WWTP. Observation of the condition of wastewater management. • Temporary 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. • Chemical Warehouse. Field observations related to condition in the chemical warehouses and management of hazardous and toxic materials. • Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities. <p>Jabdan 1 Estate</p> <ul style="list-style-type: none"> • Conservation Area Block VI. Observation of legal boundary conditions No. BPN 206 and HCV area management • Block C12/B13. Observation about areal Riparian of Kenden Kecil River. • Division 3 Block B35. Observation and interview with supervisor and worker in spraying activity • Division 4 Block B20/21. Observations regarding to nutrient recycling strategy using Empty Fruit Bunch • Division 5 Block C18. <ul style="list-style-type: none"> - Observation and interview with supervisor and worker in manuring activity - Observation and interview regarding to road maintenance - Observation about Observations regarding to pest control with beneficial plant (<i>Turnera Sp, Antigonon Sp..</i> and <i>Casia Sp.</i>) • Division 1 Block A24. Observation and interview with supervisor and worker in harvesting activity • Division 1 Block A20. <ul style="list-style-type: none"> - Observation regarding to the use of owls as a pest controller. - Observation about Observations regarding to pest control with beneficial plant (<i>Turnera Sp, Antigonon Sp..</i> and <i>Casia Sp.</i>)

- Interview with worker of pest detection activity

Long Jenew 1 Estate

- **Block B47/C47.** Observation about areal Riparian of Kenden Kecil River.
- **Block C28.** Observation of legal boundary conditions No. BPN 656 & BPN No. 654
- **Block C27.** Observation of legal boundary conditions No. BPN 652
- **Blok E15.** Observation about Riparian of Telen River

Long Jenew 2 Estate

- **Division 10 Block G34.** Observation and interview with supervisor and worker in spraying activity
- **The control wells of Land Application in Long Jenew 2 Estate Block F34 (near the settlement):** control wells in preserved condition, the water has neutral pH, based on pH paper test, and there is no indication of waste pollution.
- **The control wells of Land Application in Long Jenew 2 Estate (applications block):** monitor wells in good condition, the water has a neutral pH and odorless.
- **The location of the flat bed of land applications in Long Jenew 2 Estate Block F36:** Flat bed accordance with the standard, with three buffer pools at the end of the flat beds. There is no indication of leakage and waste water level has been set up properly to anticipate rain.
- **Worker Housing at afdeling 10.** Observation of employee facilities, management of domestic waste, emergency response facilities, provision of clean water.
- **Daycare at Afdeling 10.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
- **Reservoir at afdeling 10.** Observation related to provision of clean water, waste management and handling leak in the water engine room, the prohibition of the application of chemicals around the reservoir.
- **Rinse place and Storage of Spray Equipment.** Observation related management of tools and PPE for sprayer, bathing and washing facilities, management of environmental pollution.
- **Health Units at Long Jenew 2.** Observation related to medical waste management, work accident data, disease data of workers, training for paramedics and interviews regarding the policy towards reproductive rights.
- **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, provision of ppe, training, emergency response facilities.
- **Fire Extinguishers Warehouse.** Observation on the availability and condition of fire extinguishers and preparedness of fire-fighting team.
- **Agrochemicals Warehouse.** Observation related to management of agrochemical material and waste, emergency response facilities and the types of pesticides used.
- **Hazardous Waste Temporary Warehouse.** Observation related to hazardous waste management, record of hazardous waste, the condition of buildings and supporting facilities.
- **Fuel, Oil, Liquid warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health related to OHS and waste management.
- **Fertilizer Warehouse.** Observations relating to the implementation of storage fertilizer material, MSDS, Health safety and labor management.
- **Clinic.** Observation and interview related to the mechanism of treatment, medical waste management, record of work accident, worker medical examination, complaints mechanisms and first aid facility.

Public consultation

- Surrounding communities (Benhes Village, Deabeq Village, Diaklay). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.
- Internal stakeholder (union labour, gender committee). Interviews related to the issue of minimum wages, worker welfare, general facility, sexual harrasments, policy of discrimination, and the procedure of complaints

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Swakarsa Sinar Sentosa and PT Dharma Satya Nusantara was held by:</p> <ul style="list-style-type: none"> • Public Notification at www.mutucertification.com on March 27th, 2017. • Public consultation meeting with villagers and community near company, local contractor and internal stakeholder (union labour and gender committee) on 10 April 2017 • Public consultation with governmental agencies Kutai Timur district by email and faximilie to i.e agricultural agency, national land agency, environmental agency, labour Agency on April 3rd, 2017. • Public consultation with national NGO's by email to Wahana Lingkungan Hidup, Sawit Watch, and World Wild Fund on April 3rd, 2017.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-3) will be determined one year after this ASA-2 (March-2018).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of POM 4 – PT Dharma Satya Nusantara operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were one (1) Nonconformities were assigned against Major Compliance Indicator and six(6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditors in form of documentation evidence. Those corrective action taken that consist of one (1) Major non-conformitys had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that POM 4 – PT Dharma Satya Nusantara complied with the requirements of **Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed 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 (Module E for CPO Mill).**

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
1.1.1	<p>Management has list of stakeholders that consist of government agency, village, local communities, worker organization, <i>Muspika</i> (discussion of Leader subdistrict) etc. Management also has Personnel in Charge which is appointed to reform the list of stakeholders and communicate with stakeholders. PIC which is appointed to provide and update information is Head of CSR department assisted by CSR staff. There are type of information that can be given to the stakeholders include Land use Permit information, environmental document, SIA document, Company policy, OHSAS program, social conflict completion report etc.</p> <p>Based on interview with community of villages, if they need information they will submitt a letter to the company. According to them, the company always responds each letter submitted. Based on verrification of document incoming and outgoing mail, a request for information only in the form request for assistance. For example, letter dated 6th March 2017 from Benhes village to request for accommodation, mail received by the company on the date 18 th March and have responded by the company on september 21th, March 2016.</p> <p>The Company has socialized the types of information and procedures to access such information. Based on the results of interviews with the community and village representatives already know the procedures for accessing information. The company socializes the procedure by sending copies of procedures to access information (communication / consultation procedures) to village representatives. The type of information accessible to the public has been contained in the procedure</p>
1.1.2	<p>The company has procedure to respond the stakeholders that contained in SOP Communication and Consultation. All the communication include information request is kept in data base administration of CSR department and recorded in the external incoming mail book. The time period to respond information request is 3 working days. Based on verification</p>

document and interview with eksternal stakeholders, management always responds the information request no longer than 3 working days.	
	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 Management has list of documents that can be accessed by the public recorded on the Procedure of communication and Consultation No. 0215B/SWA-CSR-WHU/VI/2012. Type of document which is available to the public such as Land use Permit information, environmental document, SIA document, Company policy, OHSAS program, social conflict completion report etc. The document can be provided with the record not abused and in accordance with its designation.	
	Status: Comply
1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	
1.3.1 Certificate holder has code of integrity and ethical behavior that contained in document Quality Guidelines no PDM –AGR-R04 that approved on May 1, 2015. That document which is available in bahasa, explains fair conduct of business, Prohibits any employee for corruption, and bribery and provide information in accordance with applicable laws. Dissemination of code of integrity and ethical behaviour disseminated by specific socialisation or morning briefing to all level of workers . Based on interview with workers, labor union, representatives of gender committees know about code of integrity and ethical behavior.	
	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 Certificate holder has able to shows list of government laws/regulations which adopted as reference in oil palm plantation activity for DSN Group, documented on Document No. DK-MS-01A-R01, title: Summary and Pursuance Evaluation Towards Government Laws/Regulations (<i>Ringkasan Evaluasi Kepatuhan terhadap Peraturan Perundangan</i>). The document issued by Legal Department Head, Human Capital Operation (HCO) Department Head and Safety Health and Environment (SHE) Department Head, in January 2017. Laws and regulations listed has covers occupational health and safety (OHS) aspect, environment aspect, workforce/manpower aspect and operational legality aspect. Updating, monitoring of laws/regulations pursuance and revision of the document were under Management System (MS) Department from Head Office in Jakarta.	
The Certification Unit has shown compliance with the regulatory changes include:	
<ul style="list-style-type: none"> • Has had land use title and business permit (refer to criteria 2.2) • Has been implements the requirement related to OHS aspect for example reported OHS Committee reports, work accidents report according to regulations,etc (refer to criteria 4.7). • Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely (refer to criteria 5.1). • Has been manage the hazardous waste and domestic waste in accordance with applicable regulation (refer to criteria 5.3). • The Certification Unit has comply with minimum wage referring the decree of East Kalimantan Governor (refer to indicator 6.5.1). • The company has had a land use title as proof of tenure. This is in conformance with Government Regulation No. 40 of 1996 • The company has Plantation Business Permit as proof of land utilization. This is in conformance with the Regulation 	

of the Minister of Agriculture No. 98 of 2013

2.1.2

Certificate holder's mechanism to ensure compliance should be implemented and stipulated in Law Identification Procedures and Other Legal Requirements (SOP-AGR-024-R01, dated 8th September 2014), which was approved by the Chief Executive of BU Agro. The procedure contains a flowchart of application for consideration of the legality and licensing, as well as flow charts of identifying and updating of laws and regulations. Also in the document are the forms of legality and licensing application, a summary of laws and regulations, evaluation summary of compliance to regulation, the address list of agency/department /agency issuing laws and regulations and summary documents of law and regulations.

2.1.3

Every 6 months (June and December), SHE/HCD/HCO/Legal Dept Head conduct monitoring and evaluating of compliance with laws and regulations and requirements. Monitoring and evaluation evidence are including the minutes, reports, checklists, minutes of meetings, photographs or other documents. Monitoring and evaluation results are listed in form of Evaluation Summary of Compliance with Rules and Regulations (No. DK-MS-01A-RO1) that was renewed in January 2017. The document is an inventory of national and local regulations related to aspects of legal, labour, health and safety, and environmental.

2.1.4

In the section 1.2 in the SOP has been explained regarding to updating of regulation and other requirement. Updating conducted by SHE/HCD/HCO/Legal Dept, identifying and compiling the related clausul entirely to the mill and plantation operational, reporting to EMS and Certification Department Head and then distribute the regulation summary document to all related department / unit / division. Certificate holder has adjusted the regulation changes such as minimum wage standard referring the decree of East Kalimantan Governor about sectorial minimum wage standard and provided accident insurance for personnel based on the applicable regulation.

Status: Comply

2.2

The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

2.1

Based on document of the area statement on January 2017, it is known that there is no addition of operational area so that there is no change in the document of business permit and land tenure documents covered in:

PT. Swakarsa Sinarsentosa

- Document of land tenure in the form of certificate of Land Use Title no. 01 of 1998 covering an area of 16,850 hectares
- Document of business permit in the form of Decree of Kutai Timur Regent (No. 188.4.45/038/Eko.1-III/2012 dated March 21, 2012) concerning Plantation Business License covering 16,850 Ha with Mill capacity of 90 ton (Palm Oil Mill-1)

PT.DSN Palm Oil Mill-4

- Document of land tenure in the form of cooperation agreement which is made between PT.DSN and PT SWA in document of Agreement No: 437/SWA/Dir-Arf/JKT/V/14.
- Document of business permit in the form of Decree of Kutai Timur Regent No. 188.4.45/038/Eko.1-XII/2012 dated 7 December 2012 for Palm Oil Mill-4 with capacity 60 ton TBS/hours.

2.2.2

There is no evidence that shown the placement and maintenance of boundries pole based on the map and boundries pole coordinate of Land Use Title from National Land Agency. **Non-conformance No 2016.02**

Verification Dated April 11, 2017

The Company shows the location map of the boundaries pole listed in the Boundaries Situation Map issued by National Land Agency with No. 50 on 1997. The company has a letter from National Land Agency dated April 23, 2012 No 80/4-

464.200/IV/2012 about a list of boundaries pole coordinates of PT SWA with total 324 the boundary poles. Based on the explanation, **Non-Conformance No. 2016.02 has been Fulfilled.**

Based on field visit, it is known:

- In Jabdan 1 Estate in boundary pole of BPN 206 at HCV Area block VI, it is known that the boundaries pole are still maintained and the area is directly adjacent to the company of the DSN Group.
- In Long Jenew 1 Estate Block C27 at BPN 652 and Block C28 at boundaries pole of BPN 654 & 656, it is known that the boundaries pole are still maintained and the area is adjacent to the smallholders area..

Based on the verification of coordinate points using GPS, it is known that all the boundaries pole have been installed in accordance with the coordinate points provided by the National Land Agency.

2.2.3, 2.2.4, 2.2.5 & 2.2.6

Based on interviews with surrounding villages (Benhes and Dabeq Village), verification of the document of area statement and field visit in JB1 & LJ2, it is known that there is no land dispute happened. Land dispute ever occur however it was resolved on 2012 with evidence of a Joint Agreement that was decided between the company and 43 farmers.

Status: Comply

2.3

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

2.3.1, 2.3.2, 2.3.3 & 2.3.4

There is no any traditional rights/communal rights in the concession area of PT. SWA, as indicated by:

- Statement in Decree of Land Use Title no. 135 year 1997 which shows that concession area is from state areas and there is no ownership of traditional rights
- AMDAL documents that do not mention any traditional rights within the PT. SWA

The results of public consultations with surrounding communities indicating that there is no communal areas in the location of the plantation.

Status: Comply

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

3.1

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

3.1.1

The Company has shown the Projection of Work Plan & Budget Year 2017-2021 which describes Hectare Statement, Type of Seed used, Area Statement (land area of replanting, mature & immature area), production (FFB, CPO & Kernel) Extraction of CPO & Kernel, operational costs, social allocation costs, environmental allocation costs, income to profit estimates. Budget evaluation is done every 3 months that documented in Performance Review which explains the comparison between plan and realization.

3.1.2

Based on the review of work plan documents and budgets of 2017 - 2021 for POM-4 and its supply base, there is no replanting plan for the next 5 years, because plants are still under the age of 25 years.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The Agronomy and Processing Procedure has not changed from the previous assessment contained in the document of Standard Operating Procedures & Work Instructions.of Mill and Plantation.

Based on field visits at harvesting activities, spray activities, fertilization activities and pest detection activities, it was explained that the workers had been trained and could explain how to work in accordance with the SOP, for example on detection activities, the workers could explain the signs of attacks and the types of pest& disease.

4.1.2

The Company shows the Management System Audit Procedure (No. SOP-AGR-040-R03 dated 01 October 2015) that describe the internal audit conducted by Operation Audit Group and at least conducted once a year. Improvement plan or follow-up of non-conformity shall be submitted 6 days after Non-conformance document is accepted by auditee. Audit activities undertaken to ensure implementation of WI, procedure and management system (RSPO, ISCC, ISO).

4.1.3

The Company shows the record of the last recent internal audit activities for POM-4 conducted on 27-29 October 2016, for LJ-2 conducted on 5-7 December 2016 and for JB-1 conducted on 15-16 December 2016. The report contains details of non-conformities, corrective actions and times of correction, for example on internal audit reports in POM-4 there are 7 non-conformances (for example non-conformance about medical checkup and record on WTP station does not match with procedure) and has been fixed on December 24, 2016.

4.1.4

Records of the origins of all third-party FFB sourced are available on computerized system at PKS-4 Mill. Implementation of traceability FFB sources started from an SOP for third party suppliers are available on “SOP Pembuatan Kontrak (No: SOP-AGR-023-R01, tanggal berlaku 1 November 2016)”. This procedure is required for all purchasing material should be based on contract, including FFB purchasing from third parties.

Also, PKS-4 Mill has implementing the Supply Chain model was Mass Balance, meaning the FFB processed is origins from Certified and Non-Certified sources. During 12 months behind, records of third party suppliers was available on Basic Information above this report See **Error! Reference source not found.**

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 & 4.2.4

The Company already has SOP to improve soil fertility, there are:

- Working Instructions for Empty Fruit Bunch Application (IK-AGR-OLP-11-R02, dated November 3, 2014) describing the utilization using the EFB.
- Working instructions of Land Application (IK-AGR-OLP-10-R02, dated 01 October 2014) which explains that the use of liquid waste aims as organic fertilizer.
- Fertilization Instructions (IK-AGR-OLP-09-R03, dated 03 November 2014) describing fertilization in area of Mature and Immature, how to apply, how to mechanical fertilization and handling after work

Based on document review, field visit and interview, it is known that SOP has been implemented, for example:

- In the mechanical fertilization activity on JB-1 Estate block C18, it is known that the fertilizer dosage has been in accordance with the recommendation (1.5 Kg/tree)
- Application of empty fruit bunch activity on JB-1 Block B20/21, it is known that the application has been done according to procedure such as arrangement is done in one layer between tree with dose 225 Kg/tree.
- Activity of liquid waste application on LJ-2 Block F36, it is known that application activity is done on flatbed and application is done with 3 rotation/year. This is in accordance with SOP.

4.2.2

All recording of fertilization is done in document of Fertilizer Monitoring which explain the plan (recommendation) and realization of fertilizing activity per kind of fertilizer. The company can show the recording for the period of 2016 and and the document showed that all fertilization activities have been in accordance with the recommendation, for example in LJ-2 for fertilizer recording with HiKay fertilizer type has been realized fertilization activities for total area of 6,762 Ha with total

fertilizer as much as 2,664.13 tons (rotation 2 times), this in accordance with the recommendation.

4.2.3

The Company showed WI of sampling technique (IK-AGR-OLP-25-R01) on February 1, 2014, legalized by Operation Director that explain leaf analysis done once a year, soil analysis is done every 6 years. Company have the opportunity to improve the quality of procedures on nutrient observation by adding SOPs related to visual observations. **OFI**

The company has shown records of observation activities of soil analysis, leaves and visual observations, there are:

- The last leaf analysis was performed on June 2, 2016 with observations made to determine the parameters of Ash, N, P, K, Mg, Ca and B.
- Soil analysis has not changed from previous assessment, which was done in February 2011.

For visual observations performed every year along with leaf sampling. The company showed a document of Nutrient Deficiency Observation on Plants which explains the result of observation of nutrient deficiency on trees taken leaf samples. Nutrient deficiency observed among others nutrients of N, P, K, Mg, B and Cu. Observations were made in June 2016.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 & 4.3.2

Based on the statement areas, there is no addition of operational area so that there is no change of Soil Type Map and Slope Map. From the document is known that the entire area of PT.SWA is mineral soil and is a flat area.

4.3.3

The company shown “Bar Chart of Monthly Working Guidelines for 2017 for Road Maintenance Activities that describe the Plan and Realization of road maintenance activities. For January 2017 and February 2017 it is known that activities has been carried out in accordance with the plan, for example in LJ-2 Division 8, it is known that road maintenance plan in January 2017 covering 84 Ha and realized 155 Ha; February 2017 with a plan of 71 Ha and realized 87 Ha.

4.3.4 & 4.3.5

Based on type of soil maps and field visit in LJ-2 and JB-1, it is known that all areas of the company is mineral soil.

4.3.6

Based on the field visit in LJ2 and JB1, it is known that the fragile soil type in the company are sandy soil type, however the company has done some activities to improve soil fertile in the fragile soil area, among others:

- Conducting fertilizing activities in accordance with the Recommended fertilizer based on soil and leaf analysis
- Perform EFB application with dose 225 Kg/tree., for example in LJ2 block B20/21.

Conduct POME application to increase soil organic nutrients.

Status: Comply

4.4

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

4.4.1 and 4.4.2

Certificate holder has consistenly set water managemement strategies that were implemented. Several strategies as follows:

- Protecting riparian from chemicals contamination. The company has installed sign as prohibiting application of pesticides and fertilizers. It sign board has socialized to all workers. The signs can be red painting in palm tree or sign board. Based on interviews with spraying workers in Divisi X Block G34 Long Jenew I, workers are aware of this.
- Vertiver grass planting in riparian area. It planted with interval 1 – 2 meters. For example, observation vertiver grass planting in riparian of Kenden Kecil River. Based on field observation in block C12/B13 riparian of Kenden Kecil River, there is a LCC in riparian. Therefore, the company has set riparian as conservation area. The consequence is no chemicals application, logging and hunting. The riparian monitored by conservation officer routinely.
- Surface water monitoring every semester. Water analysis conducted by testing laboratorium PT Sucofindo Samarinda (accredited by National Accreditation Committee/KAN LP-258-IDN). The test performed referring to appendix 5, local regulation of Kalimantan Timur No. 2/2011. Based on the last tests on August 2016 in upstream and downstream of

Kenden Besar and Kenden Kecil River, several parameters that has tested such as BOD, COD, TSS and Coliform still accordance to surface water quality threshold.

OFI

- Companies are encouraged to identify entire bodies of water that empties into the river.
- The Company has the opportunity to manage and control the natural vegetation of the river border in accordance with the stipulated Memorandum

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. Based on waste water analysis in second semester 2016 (July – December) which conducted by PT. Sucofindo Samarinda (accredited by National Accreditation Committee/LP-258-IDN) on waste water treatment plant, parameters that tested under the threshold especially BOD and COD. It shows that waste water can be applied in to the land application. .

The Certification Unit has shows permit of land application permit from Regent (*Bupati*) of Kalimantan Timur District No. 660.5/K.522/2016 dated 11 July 2016 about extended of the previous land application permit No. 660/K.570/2014. There is no new area proposed on the extended permit application. Observation in land application area Long Jenew 1 Estate Block G34 Afdeling X shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with village representation, there was no issues regarding to river pollution especially in in to the river that across the village.

4.4.4

Water consumption for processing activities in mill regulated in internal memo of Mill Head No. 0011/DSN-PKS4/11/2015 on November 10th 2015. Water consumption budget is 1.3 m³/ton FFB. Through the laboratory annual report which documented by laboratorium staff, shows that water consumption were monitored and documented every day. It counted based on flowmeter data in water treatment plant (water intake). Through the data monitoring water consumption period January until December 2016, average water consumption for process were 0.78 m³. Therefore, the average water consumption for domestic and process (accumulation) were 1.28 m³. It shows that water consumption under the budget that has been set.

Status: Comply

4.5

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

4.5.1

- Integrated pest management plans are contained in work instruction documents, among others
- Work Instructions of Early Detection of Pest and disease (IK-AGR-OLP-13-R01) dated 01 July 2015. The document explains that detection and census activities are used to determine pest control measures. The observed pests are the types of Leaf-eating caterpillar, Rats, Titrathaba, Oryctes, termites and plant diseases.
 - Working Instruction of Pest and Disease Control (IK-AGR-OLP-14-R02) dated 01 July 2015 describing pest control activities by chemical, biological, and also critical threshold determination for all pests observed.

The company has identified potential pests in the plantation area by conducting pest/disease detection activities. Detection activities are recorded in Monthly Pest and Disease Reports. Based on March 2017 Report, it is known that leaf-eaten caterpillar, rat, tirathaba and termite attack in LJ2 and JB1 are still below critical threshold, for example termite attack in LJ 2 division 11 attack rate is still 1-2% while the critical threshold is 5 %.

Based on field visit in JB1 and LJ2, it is known that the company applies biological control in accordance with the procedure, including planting Beneficial Plant on each edge of the block with *Turnera subulata*, *Casia Sp.*, *Antigonon Leptosus* and also has installed a house for owls (*Tyto alba*) eg on JB2 block A20.

4.5.2

- The company shows evidence of training related to IPM, for example:
- For LJ-2 has been train the 27 workers of IPM from all division on November 19, 2016 conducted by IPM Assistant

- For JB-1 has been train the 22 workers of IPM from all division on November 18, 2016 conducted by IPM Assistant Based on interviews with IPM workers in JB-1 Section 1 Block A20, it is known that workers have been trained and can explain the types and characteristics of pests & diseases.

Status: Comply

4.6

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

4.6.1

The Company has Work Instructions of Weed Control For Immature & Mature Area (IK-AGR-OLP-15-R02) and Working Instructions of Pest & Disease Control (IK-AGR-OLP-14-R02) describes the justification for the use of pesticides to control weeds/pests/diseases, Rotation of control activities till the dose used. For example, controlling of *Imperata cylindrica* used pesticide with active ingredient of glyphosate with dose of 4-5 L/ha and for circle spraying and harvesting path using Glyphosate + Starane pesticide with dose 480 mL + 48 mL.

Based on field visit on circle spraying & harvesting path activities on JB1 block B35, it is known that the dominant weeds in the area are grasses and workers use active ingredients of Glyphosate and starane for controlling. This has been in accordance with the justification.

4.6.2

The company recorded the use of pesticides in the document of "Toxicity of Chemicals Against Soil Period 2016" which describes the type of pesticide, the name of the active ingredient, the amount of pesticide use, the volume of the active ingredient, the area of spraying, till the active ingredient/ha.

Pesticide	Active ingredients	Total pesticide	Total active ingredients	Spraying area	BA/Ha
Round Up	Glifosat	914.50	444.45	6,056	0.007
Starane	Starane	191.81	55.62	7,135	0.001
Kleen Up	Glifosat	750.12	360.06	4,025	0.009

For information of LD50, the company shows the List of Name and Characteristic of Chemical Ingredients and Pesticide Use Quantities that explain the LD50 content, such as for Round Up Pesticide has LD 50 (mouth) > 5000 mg/Kg and LD50 (skin) > 5000 mg/Kg.

4.6.3

Pesticide reduction plans for IPM are listed in Work Instructions, including:

- Working Instructions of Pest and Disease Early Detection (IK-AGR-OLP-13-R01) which explains that detection and census activities are used to determine pest control measures. Chemical control is performed only when the detection / census is above the threshold.
- Working Instructions of Pest and Disease Control (IK-AGR-OLP-14-R02) describing pest control can be done by chemical, biological, and also critical threshold determination for all pests observed.

Based on field visit at JB1 and LJ2, it is known that the company has implemented biological controls to minimize the use of pesticides, including, by planting the Beneficial Plant (*Turnera subulata*, *Casia Sp.*, *Antigonon leptosus*) on each edge of the block and also has installed a house for owls (*Tyto alba*) eg on JB2 block A20.

Biological control is very helping to reduces the use of chemicals, as demonstrated by List of Pesticides Used that during 2015-2016 the company does not use chemicals for pest control.

4.6.4

Based on field visit in pesticide warehouse and review of pesticide use document, there is no use of pesticides include on WHO category 1A & 1B and paraquat.

4.6.5 & 4.6.9

Based on interview with spray workers in LJ-2 (block G-34) has understood the hazards and risks related to the chemicals used. Besides that, obtained informations that the employees have been given training in safe work practices. During field visit and interview, workers can demonstrate the correct way to work in accordance with the procedure, including how the use and handling of risk in accordance with the material safety sheet. Workers also use personal protective equipment in accordance with the particular hazard identification and material safety data sheets such as masks, gloves, safety boots, apron and goggles. Based on interview, employees were also informed about the steps safe working in every moment before work. Agrochemical warehouse in operational unit has been complete with MSDS for each chemical types. Workers could well explain the functions related MSDS as reference information for workers. Besides that data sheet contains information on product identification, composition, hazard identification, first aid, handling and storage, personal protective equipment, physical properties, chemical materials, toxic material information. The use of dose refers to every label of pesticides as well as referring to the budget by each operational unit.

4.6.6 and 4.6.10

Each pesticide has been stored in a special place. Based on field visit in Warehouse Chemical Long Jenew 1 Estate, it was found that all pesticides has placed properly by store it into limited access room, placed has arranged separately, has a correct symbols, material flows record (balance sheet) and suit MSDS were available, proper and monitored PPE, first aid box and fire extinguisher were provided. Training MSDS, chemical and hazardous waste handling has been conducted on 22 February 2017 with trainers SHE Departments and attended by warehouse officer and head of warehouse.

Procedure of agrochemicals (pesticide) waste management was presented in document Work Instructions of handling hazardous waste (IK-AGR-SHE-09-R02, October 19 2015). Hazardous waste such as agrochemical packaging drums and plastic containers it's washing or rinsing water rinsed 3 times or one time in a way sprayed with pressurized water. As for the water used washing / rinsing may not be directly discharged into the environment but can be reused as water mixing. Based on field visits in temporary storage hazardous waste and interviews with officers hazardous waste, old pesticide containers are collected into temporary storage hazardous waste and sent to the transporter hazardous waste (CV Sumber Agung) who had permission from the Ministry of Environment. The last delivery on February 8th 2017.

4.6.7

Based on interviews with spray workers in the estate Long Jenew II afdeling 10 blocks G-34, it is known that they have a safe working practices. This was evidenced by workers use and handling of pesticides in accordance with the material safety sheet. Spray workers also use personal protective equipment in accordance with the risk analysis of companies such as aprons, masks, gloves, goggles, boots. Before doing the job, the foreman will do safety briefing reminding of safe work.

4.6.8

Based on visit to spray activities at JB-1 and LJ-2, it is known that pesticide application is performed using a spray device (manual) and not applied by air.

4.6.11

The Company shows the Recapitulation of Medical Check Up Result of January 2017 for JB-1 and LJ-2 with the result that all workers are still within the Normal Limit. Based on interviews with chemicals workers in JB-1 and LJ-2, it was explained that health checks were conducted on a regular basis every year and the results of the examination were notified to the workers. For the period of 2016, there is no worker who exposed disease due to pesticides.

4.6.12

Based on interviews with female workers in spraying activities in LJ-2 and JB-1, it is explained that every month all female workers who perform chemical activities performed pregnancy check, when the checks detected the worker are pregnant then the worker immediately transferred to the activity that does not use the material chemistry. Workers also know the prohibition of working in chemist activities during pregnancy or breast-feeding.

The company shown the document of pregnancy check for period March 2017. Based on that document, it is known that all female workers on spraying activity does not pregnant.

Status: Comply

4.7

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

4.7.1

There is no revision over occupational health and safety policy. On that's policy explained if certificate holder is committed to make the work environment healthy and safe. Based on interview with sprayers in Blocks G-29 afdeling 10 Long Jenew 2 Estate and loading ramp in PKS 4 obtained informations that the workers be aware about OHS Policy. In other that the employees also know potential risks when working.

Certificate holder has established OHS Program. The program has included a target to improve health and safety aspects, for example Training of Preparedness Emergency Response and socialization of safe work practices.

To ensure the policy has been implemented effectively the Committee of Occupational Safety & Health conduct OHS meeting regularly every month to make sure the aspect of occupational health and safety be improved and monitored.

The Company has a Memorandum No.0016 / SHE / VIII / 2016 concerning Occupational Safety Aspects for Contractors, issued on August 2, 2016 and Contractor Evaluation. But results of field visit in Jabdan I and Long Jenew I found unsafe action the contractor workers who's loading the fertilizer that sits on top of the truck cabin under running conditions. This indicates that the company has not implemented safety aspects of the contractor's operational activities in accordance with the Memorandum and the evaluation of suppliers of fertilizers has not assessed the OSH aspect. **Non-conformance 2017.01.**

4.7.2; 4.7.3

Certificate holder keeps a document of risk analysis for occupational health and safety program. The document is prepared to identify and to analyze the hazard potentials possibly occur at every work area, and its recommendation to minimize the incidents. Based on document verification and field observation at mill and estate has revealed that the unit management has done necessary dissemination of the risk analysis document to all of its employees.

Based on field observations its known of the employees has been using PPE in accordance with risk analysis and specified hazard identification, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis like Apron, google, hand clove and safety shoes. in addition, interview with spraying personnel in Long Jenew 2 estate revealed that company would substitute or replace the PPE if there is a damage or broken on the old one.

The results of field visits, interviews with workers and documents verification it's known that workers have been given training in safe work practices. This was evidenced when the employee can demonstrate how to work correctly and appropriately in accordance with the procedures, for example for mill employees who work at machine room has been using earmuff, safety shoes, masker, gloves, safety helmet. Results of interviews with employees also obtained information that each morning roll call (before work) is always informed / socialized steps of safe work.

4.7.4

Specific personnel assigned to be responsible for the OHS program have also be appointed. Certificated holder has established an organization named Guiding Committee of Occupational Health and Safety (*GCOHS*), who is responsible for the OHS program. On the *GCOHS* report covers the entire OHS activities, including; *GCOHS* recommendations, investigation results of occupational accidents, *GCOHS* activity reports, employees' health checkup reports, and *GCOHS* minutes of meeting held every month.

4.7.5

Certificate holder has had the procedure of emergency response in SOP of AGR-037-R01 point 1.7 page 18 on emergency flow chart, report and emergency response team. According to interviews with workers in mill and Estate it's known that the employees been know the procedure in case of an emergency. The results of field visits in housing and mill show that the company has set an evacuation route with a map and other markers as well as an adequate *sign board* to facilitate evacuation in case of emergency.

At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field supervisors have been equipped with First Aid

bag. The results of the interviews obtained information that supervisors have received First Aid training and have understood the stages of first aid in case of work accidents in the field, For example, when a worker is exposed to tree's thorns, the first step to take is to clean the injury and perform first aid emergency, then the supervisor must take the worker to the estate's polyclinic for further treatment.

4.7.6

Certificate holder has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government (BPJS). Such insurance is named Workers Social Security Agency (Worker Social Security Agency for employment), which is routinely paid every month.

4.7.7

Certificate holder has been consistently conducting the Occupational Accident monitoring that could provide a comprehensive information on the month the accident occurred, the number of cases, the accident location, the types of accident, the effects, the work hours lost, the causes, the follow-up, and the results. Such monitoring is performed every month. An evaluation of the accident is also conducted every month and the outcome is discussed during the monthly meeting of GCOHS (P2K3).

4.7.1

Status: Non Conformance 2017.01 with Major Category

Open

4.8

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

4.8.1

The management unit shows the employee training schedule site Muara wahau 2017 covering aspects of RSPO, among others: hyperkes, ISO, RSPO, ISPO, OHS and environment, basic electricity, first aid basic, conservation training, fertilization, supervision of operational foreman, water treatment, Factory waste, OHS licence certification, welder certification, FFB analysis training.

The management unit maintains the training documentation in the Learning Center division (under Human Capital Development). Training that has been realized such as pesticide handling training on 22-23 February 2017 and emergency response simulation on October 26, 2016.

4.8.2

Based on interviews with the learning center staff, storage of training base data for each employee is stored in the learning center.

For example:

- Mill worker has been trained maintenance training on July 18, 2013; operator license on May 4, 2015; emergency response training on March 3, 2016.
- Workers of LJ1 who has basic training of diesel motor, basic of health safety enviro, basic electricity, maintenance, first aid training, operator license.

In addition, the company has conduct training for smallholders and contractor, for example:

- Attendance list of socialization of OHS regulation for Labor Contractor of unloading fertilizer (Benua Etam Cooperatives) which has been implemented on April 23, 2017 at the office of cooperatives. The meeting was attended by 57 members of the cooperative.
- CH also providing the development of independent smallholders scheme that another pattern of smallholding called "SAPRODI". This is an efforts that have been allocated to improve smallholder productivity by the certificate holder.

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, 5.1.2 and 5.1.3**POM 4 – PT. DSN**

POM 4 began operating in 2013 in addition to the existing POM 1 and 2 that have been built before. For the purposes of environmental management and monitoring in POM 4, management unit has developed an environmental management and monitoring assessment document in the form of UKL-UPL for the Development of Palm Oil Mill 4 with a production capacity of 60 ton TBS / hour and Palm Kernel Oil (PKO) production capacity of 300 tons of kernel / day.

UKL - UPL document had been approved by local government through decree number 660/520/3-BLH/IV /2011 dated 14 April 2011 concerning Recommendations on UKL-UPL of CPO and PKO POM 4 of PT. Dharma Satya Nusantara in Benhes Village, Muara Wahau Sub-District, East Kutai District, East Kalimantan Province.

UKL-UPL had contained plan / protocol of management and monitoring of environmental impact that will be carried out by PT. DSN, which included management and monitoring of: 1) liquid waste, lubricating oil and waste water, 2) gas emission from boilers and generators, 3) solid waste, such as empty fruit bunches, fiber, and shells, 4) factory environmental, and 5) occupational health environment

POM 4 PT DSN has periodically (every six months) delivered reports on EIA implementation (RKL-RPL) to local authorities. Latest report available for second half of 2016 which was submitted on February 14, 2017 to Environmental Office of East Kalimantan Province and to Environmental Office of East Kutai.

To evaluate the relevance of environmental management and monitoring plan, management unit of PT.DSN has developed a regular review on UKL-UPL document every two years. The latest review was available for year 2016 which showed that the RKL-RPL document is still relevant to be implemented and there are no changes needed in the management and monitoring of the environment.

Estate – PT SWA

Management unit of PT. SWA has conducted Environmental Impact Assessment (EIA or AMDAL) study in 1998 and had been approved by the Ministry of Agriculture through the approval letter number 21/EA/RKL-RPL/BA/VI/1998 dated June 8, 1998. The scope of the study was the Plantation and Processing Plant in Muara Wahau, Kutai, East Kalimantan with plantation area 25,000 hectares and mill processing capacity of 60 ton FFB /hour (Mill 1) and capacity of 60 ton FFB/hour (Mill 2).

The afore mentioned EIA document stated that the environmental management monitoring of PT. SWA covers the following impact: 1) the potential of erosion and decreased of soil fertility, 2) a decrease in water quality, 3) a decrease in air quality, 4) changes in ecosystems, 5) disturbance to protected wildlife, 6) changes in agricultural patterns, 7) employment , 8) the increase in revenues of community, 9) public health, 10) social unrest.

Due to the addition of the mill's installed capacity into 90 ton FFB / hour and adjustments of EIA study area to match plantation area (16.850 hectares), management unit of PT. SWA has prepared an addendum of EIA plantation and palm oil mill PT. SWA and had been approved by East Kutai Regent through decree number 662/K.315/2013 dated April 22, 2013.

Addendum of EIA in year 2013 has included changes in protocol and plans of environmental management and monitoring (RKL-RPL) into the following environmental impacts: 1) the quality of surface water, 2) ambient air quality, 3) attitudes and negative perceptions of the community, 4) employment opportunities , 5) business opportunities, 6) attitude and positive perception of society, 7) degradation of soil fertility, 8) degradation of biodiversity, 9) public safety due to traffic, 10) load of sediment in the water body, 11) disruption of runoff, 12) reduction of environmental sanitation quality.

As evidence of the implementation of environmental management and monitoring, the company has compiled regular report to local authorities every six months. The latest reports available for the second half of 2016 which were submitted to the local government on February 14, 2017

Based on observations of auditors, RKL-RPL report of 2nd half of 2015 has already contained adequate environmental management and monitoring component as follows: 1) water quality, 2) ambient air quality, 3) attitudes and negative

perceptions of the community, 4) employment opportunities, 5) business field, 6) attitude and a positive perception of society, 7) degradation of soil fertility, 8) degradation of biodiversity, 9) traffic accidents ashore, 10) load of sediment into the water body, 11) disruption of governance runoff, 12) reduction in environmental sanitation ,

To evaluate the relevance of environmental management and monitoring plan, management unit of PT. SWA has developed a regular review on EIA document every two years refers to the valid EIA document. The latest review of EIA document is available for year 2016 which showed that the RKL-RPL document is still relevant to be implemented and there are no changes needed in the management and monitoring of the environment.

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 and 5.2.2

High conservation value identification had been carried out in year 2011 – 2012 conducted by Daemeter Consulting. The HCV assessor team was consist of ten members which two member were RSPO HCV approved assessors. The HCV assessment includes identification survey of flora and fauna within plantation, important habitat with environmental value, including areas important to community lives around plantation. Map of HCV was available on the report dated on January 2012. Based on HCV identification, 29 protected species of flora were identified, mostly from the family of dipterocarp. There were also 44 species of threatened species of animals by category endemic, protected or listed in the Cites list. There were 43 species of birds with the status of "conservation priorities". Meanwhile, the plantation areas identified as having high conservation value were Kenden River Banks (119 hectares) and conservation areas VI (secondary forest covering an area of 325 hectares).

For the protection of flora and fauna and HCV area, Management Unit of PT. SWA has compiled a HCV management program included in:

1. HCV management plan which is integrated with HCV identification documents, which contain:
 - Explanation of important value of HCV area (HCV 1.2 ; 1.3; 3; and 4.1)
 - Guidance for management and monitoring of HCV area (1.2; 1.3; 3 and 4.1)
 - Mangament plan of HCV area
2. SOP of riparian area in work instruction number IK-AGR-SHE-06-R00 concerning Management of Riparian Area

Based HCV management plan document, management measures of HCV area to be implemented include:

- Dissemination of HCV protection to employees and the public
- Conducting patrols in the HCV area
- Habitat management through rehabilitation of a conservation area to its natural form, demarcation of HCV area, installs signboard of HCV area and environmental protection
- Install clear boundary markers in field and conduct enrichment planting with local types such as Meranti, Kapur, Eugenia and Agarwood,
- Weekly monitoring of wildlife and natural vegetation
- Two yearly total wildlife and vegetation inventory.
- management of riparian to prevent erosion by planting vertiver grass species on the river banks.
- In the conservation area IV, enrichment has been staterted gradually from border toward core area. On conservation area VII.

Field observations in Jabdan 1 Estate and Long Jenew 1 Estate showed the following result riparian area of Kenden Kecil River in Block B47/C47 and Telen River in Block E15 showed that boundary markers are still preserved, no chemical treatment, some parts of river banks are still in good condition, Riparian protection signboard available.

5.2.3

For the purposes of managing the conservation area, management unit of PT SWA has appointed some officers dedicated in management of HCV area:

- Achmad Jubair Syam, with an undergraduate qualification in Forestry, already had HCV training certificate from Tropenbos, biodiversity survey training from IPB, and orangutan Conflict Mitigation Training from Mulawarman

University

- Wisnu Prabowo, with undergraduate qualifications in Forestry, has attended HCV training from Tropenbos, Orangutan Conflict Mitigation Training from Mulawarman University.

HCV team of PT SWA and PT DSN has been socialized the HCV protection and regularly train the employees. Other than internal training during HCV assessment process in year 2012, PT SWA has also programmed regular internal socialization and training. Education towards HCV and its management has given through socialization which conducted in February and March 2017, socialization in Jabdan 1 Estate and Long Jenew 2 Estate. Furthermore, based on interview with pesticide applicators in Block G34 Afdeling X Long Jenew 2 Estate and workers family known that they already know about prohibition to capture, harmed, collecting or kill any RTE species. Based on field visit at workers housing shows that no workers that capturing, harming, collecting or killing any RTE species. The figures of flora and fauna were available on housing information board and signboard.

5.2.4

In addition to regular monitoring, PT. SWA has also compiled Annual Report on Evaluation of High Conservation Value Management in PT. SWA which contains evaluation on the implementation of the HCV management such as:

- Evaluation of outreach programs to employees and the public. In general socialization show good achievement.
- Evaluation of patrols programs conducted in one year of period. The periodic patrols by conservation officers showed the success of preventing disruption of the conservation area.
- Evaluation of inventory and monitoring program of flora and fauna, conducted regularly every two years.
- Evaluation of the rehabilitation / enrichment of conservation area. In 2016 performed only 0.5 hectares at block VI and VII due to long dry season.
- Evaluation of conservation area attributes. In total there were 107 signboards with varied conditions.
- Evaluation of river water quality monitoring in the conservation area, which shows that parameters of the water still meet the river water quality standards.

OFl

- HCV management plans need to consider the mapping aspects based on periodic RTE-based monitoring of species.
- Companies have the opportunity to improve the reporting of conservation management practices by adding the results of river basin quality monitoring and evaluation. .

5.2.5

As mentioned in the previous surveillance and Indicator 2.3.1 it was informed there are no traditional rights used as a plantation of PT. SWA . The entire plantation estate originated from conversion of state forest area by the Ministry of Forestry. To ensure this, there has been public consultation during and after HCV analysis as shown by the following records:

1. Public consultation to the traditional institutions (adat) of Nehas Liah Bing:
 - October 4, 2014, attended 12 representatives. Report of the meeting is available, attendance list and picture documentation.
 - November 24, 2014, attended by 9 representatives
 - December 10, 2014: attended 15 representatives
2. Documentation of public consultation and HCV dissemination on Feb 28th, 2014; January 16, 2014 and July 14, 2014.

Confirmation on the issue has also been obtained by auditor from public consultation session of RSPO audit ASA-02 dated April 10th 2017, which shows that there is no overlap between the village community land concession areas including HCV area.

Status: Comply

5.3

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

5.3.1; 5.3.2; 5.3.3

Consistently up with the activities of ASA-2, the management unit has identified waste in the Mill and the Estate including the type of waste (hazardous waste, domestic waste, industrial waste, infectious waste, and air waste), waste sources, and actions taken in efforts to reduce hazardous waste.

Hazardous Waste

Hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery scrap, pesticides used containers, used lamp, etc are stored in the Hazardous Waste Temporary Storage licensed PT DSN. Permit form of Letter Head of Kutai Timur District No. 660/K/749/2013 issued on August 13, 2013 with a validity period of 5 years. For retention time allowed in the Hazardous Waste Temporary Storage is 90 days. The results of the field observations at the Hazardous Waste Temporary Storage POM 4 note that storage in accordance with the capacity and roofed to protect from rain, has an air circulation, has a lighting system, fire extinguisher, eyewash/shower, secondary containment, first aid boxes, alarm, SOP emergency response, log book, balance hazardous waste boards, labels and symbols hazardous waste.

Once deposited in accordance with the time allowed subsequently submitted to the transporter hazardous waste CV Sumber Agung the permission of transportation in the form of Decree of the Director General of Land No. SK.4276/AJ.309/DJPD/2016/640720298BB expiration until May 13, 2018. For example hazardous waste transportation in POM 4 on 14 November 2016 and 08 February 2017 with vehicles Truck No. KT8607BJ with transport evidence in the document of Hazardous Waste Manifest No. UB0002568 chemical used containers weighing 280 kg, and Hazardous Waste Manifest No. 0002370 used oil 412.3 kg. In efforts to comply with applicable regulations, the company has been regularly reported to the hazardous waste management activities Environment Bodies of East Kutai District and East Kalimantan Province, with evidence Report January - March 2017 Letter No. 009/K3L-POM/II/2017 dated 04 April 2017

Domestic Waste

Domestic waste generated from housing, office, workshop and warehouse in the form of organic and inorganic garbage dumped into Waste Landfill is located away from employee housing and water resources. Waste Landfills form of dumping system (digging and stockpiling).

Mill Waste

Of processing activities at the Mill, the waste generated in the form of empty bunch, effluent (POME), fiber and shells. For each such waste forms of management include: bunch empty applied directly to the land (for example in Division 4 Block B20/21 Jabdan 1 Estate), and liquid waste generated from the production process POM 4 managed at WWTP before it is applied to the land (for example in Block F36 Division 10 Long Jenew 1 Estate) in accordance with the Decree of the Regent East Kutai No. 660.5/K/522/2016 issued dated July 11 of 2016 on Permit for the Use of Wastewater mills In the Land of Oil Palm Plantations PT Dharma Satya Nusantara POM 4. As for the waste in the form of fiber and shells are used to fuel the boilers as the company's efforts in the efficiency of fossil fuel use and optimizing use of renewable energy.

Infectious Waste

Infectious waste resulting from activities in clinics such as syringes, infusion bottles and hoses, cotton bandages and scars, and expired drugs. The waste is stored in the Hazardous Waste Temporary Storage and subsequently handed over to the carrier company hazardous waste as hazardous waste others management. Here's proof of transporting infectious waste form dated March 23, 2017 Hazardous Waste Manifest No. 052/KMU/UM/III/2017 with a weight of 47 kg of infectious waste.

Air Waste/Emissions

From processing operations in Mill also produce waste in the form of air emissions from the boiler chimney activity, and generators, as well as the noise emanating from the operational turbines, generators, polishing drum rotation, nut creeker. The shape management by measuring the air quality and noise on a regular basis, such testing on September, 2016. The results of the emission test parameter generator with NO₂, SO₂, CO, particulate, opacity, and flow rate in accordance with the quality standards established at Regulation Of Environmental Ministry No. 13 of 1995. The results of boiler emissions test parameters, among others, SO₂, CO, NO₂, O₃, Cl₂, HCl, NH₃, H₂S, particulate, opacity, Pb, HF, Cd, As, Hg, Zn, and the flow rate in accordance with quality standards established in Regulation Of Environmental Ministry No. 7 of 2007. The results of measurements of noise intensity in the Engine Room, boiler room, kernel of plant, and station clarification known noise intensity exceeds the threshold limit specified in Regulation Of Environmental Ministry No. 48 of 1996. The actions taken by the company to provide PPE (earplug/earmuff) for workers who work in the area with high noise and operator audiometric checked periodically.

Status: Comply

5.4

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

5.4.1

The Certification Unit was able to show 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 not implemented from March to October due to very low crop. The estate and mill unit management decide to hold the production activities due to economic reason. However, used of fuel per production FFB and CPO were still monitored. Mill management informed that installation of biogas plant were not implemented in the near future.

The company has implemented efficiency of fossil fuel efforts through renewable energy usage by using shell and fiber. It efforts has documented and monitored well. For example, in monitored renewable energy usage and efficiency analysis document recorded as follows:

Shell and fiber efficiency data for boiler POM 4 year 2016:

Description	January - December 2016
FFB Processing (Tonnes)	331,669
Fossil fuel usage	
Diesel fuel (Tonnes)	173,295
Energy produced (KWH)	632,464
Diesel fuel usage/KWH (litres)	3,288
Renewable energy usage	
Fiber (Tonnes)	39,804
Shell (Tonnes)	26,536
Energy produced (KWH)	11,744,130
Total energy produced (KWH)	12,168,160
KWH/Ton FFB Processing (KWH)	33.00
Diesel fuel efficiency (litre)	3,160,781

Based on data above, the company has make savings **3,160,781** liter diesel fuel by using shell and fiber. All data documented by laboratory staff of POM 4.

Status: Comply

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.

5.5.1 and 5.5.2

Certification Unit policy on land burning is presented in several document, as follows:

- Work instruction No. IK-AGR-OLP-01-R01 which mentioned that land clearing shall adopt zero burning methods. Estates unit management stated that replanting was estimated to be carried out in 2030 forward and there is no plan for new planting area.
- Quality manual No. PDM-AGR-R03 mentioned that zero burning method is compulsory to be adopted for all plantation activities in PT SWA and PT DSN.

The company does not conduct burning in land clearing. Based on field visit and interview with village representative, the method of land clearing were mechanical by using heavy equipment such as bulldozer and excavator.

Status: Comply

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1

As explained in the previous indicator, the management unit has identified source of waste including emissions from plantation and activities, as indicated in the EIA document and Waste Identification document. In the mill, the major emission source is from POME and the use of diesel fuel for generators and vehicles. Some of the main sources of pollution in palm oil mills are as follows: liquid waste from processing, generator / engine emissions, boiler emission of combustion of

renewable fuel, dust from road transportation, emission from CPO and FFB transportation. Greenhouse gas emissions source in plantation are mostly from the use of chemical fertilizers, fossil fuel for transportation, and N₂O emission.

5.6.2 and 5.6.3

POM 4 PT DSN and PT SWA has been calculate the GHG using RSPO PalmGHG Calculator, the summary shown below:

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	1.59	OER	23.79	FFB Processed	323,597.32
PK	1.59	KER	4.5	CPO Produced	76,980

Land Use	ha
OP planted area	30,107.66
OP Planted on peat	0.00
Conservation Area	986.00

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	150,143.59	9.84	17,119.95	6.65	34,532.15	6.53	201,795.69	7.67
*CO ₂ emissions from fertilizer	45,045.35	2.95	2,240.99	0.89	4,510.65	0.85	51,796.99	1.56
**N ₂ O emissions	29,995.64	1.97	1,385.86	0.54	2,731.73	0.51	34,113.23	1.00
Fuel consumption	3,759.98	0.25	424.47	0.19	514.04	0.11	4,698.49	0.18
Peat Oxidation	0	0	0	0	0	0	0	0
Sinks								
Crop sequestration	-142,859.35	-9.36	-0.56	-9.36	-49,043.11	-9.36	-191,903.02	-9.36
Conservation Sequestration	-2,980.25	-0.2	-0.01	-0.15	0	0	-2,980.26	-0.12
Total	83,104.96	5.45	0.33	-1.23	-6,754.54	-1.36	76,350.75	0.95

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	65,033.13	0.2
Fuel consumption	1,836.44	0.01
Grid Electricity Utilisation	0	0
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	66,869.57	0.21

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 %

Certification unit has reported the above calculation summaries to RSPO Secretariat via email (subject: GHG report POM

4 2016) on January 13 th 2017. Email submitted by Management System Department towards watik.tk@dsngroup.co.id , sent to javin.tan@rspo.org and devaladevi@rspo.org	
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 There is no change significantly for document of Social Impact Assessment (SIA) that made by the Certificate Holder. SIA has completely carried out on December 2011 engaged Daemeter Consulting as a consultant. These documents was explained of negative and positive impact of plantation (PT. Swakarsa Sinarsentosa) and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. Also completed with the minutes meeting of consultation process with community surround. The evidence was consisting of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report.	
6.1.2 The Social Impact Assessment has been done with involve of related party, consist of communities around the company's operation, head of village and informal leader (customary leader). There was showed documentation of assessment process, for example the attendant list of data gathering in several village surround on October 2011.	
6.1.3 Certificate Holder has document of Social Impact Management and Monitoring, that contained information of the impact which is managed, activity plan for several aspect like of Health, opportunity to work, Environment, Social Culture etc. This document was contained explanation of responsible staff for implementation and time schedule to action.	
6.1.4 Also, the Certificate Holder has made evaluation of social impact on January 2016. The evaluation has been done by participation of related parties. Based on review / evaluation, it is known that management plan is still relevant between focus of impact management with management activity.	
6.1.5 The evaluation/review of social impact which is conducted by the Certificate Holder on January 2016 through participatory of related parties including smallholders. Fo example, there was a quesioner evaluation of smallholders which is conducted on January 2016.	
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 and 6.2.3 Management and company that manage the partnership has procedure of communication and consultation that contained in SOP Communication and Consultation, document No. 0215B/SWA-CSR-WHU/VI 2012. The documents explains the procedures for the company and the surrounding community, NGOs and organizations / other local individuals to communicate and consult for the common interest, solving the existing problems, in order to achieve a good dialogue and deliberation, as well as acceptable by all parties. Management and company that manage the partnership have list of stakeholders that consist of goverment agency, village, local communities, worker organization, <i>Muspika</i> (discussion of Leader subdistrict) etc. All the records of communication from stakeholders and records to respond stakeholders is kept in data base administration of CSR department and recorded in the extenal incoming mail book. The time period to respond information request is 3 working days. Based on verrification document and interview with eksternal stakeholders, management always responds the information request no longer than 3 working days.	

Based on interview with villagers they have understood mechanism of communication and consultation. Normally, head of the village or communities will send a letter as a form of communication. For example, letter dated 6th March 2017 from Benhes village to request for accommodation, mail received by the company on the date 18th March and have responded by the company on September 21th, March 2016.

6.2.2

Management and company that manage the partnership which is belonging DSN group have a Personnel in Charge which is appointed to communicate with stakeholders. PIC which is appointed to respond the stakeholders from Corporate Social Responsibilities & Environment Division. The position of that PIC is made officially to communicate with stakeholders. Based on interview with villagers, they have known the personnel which is appointed to communicate with them.

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 management has Procedures for handling complaints that contained in SOP Communication and Consultation, document No. 0215B/SWA-CSR-WHU/VI 2012. The document has been through the approval and signed by the parties. Based with workers and labor union, local community they have known the procedures for handling complaints. For workers, socialization of the procedure delivered through morning briefing. For external stakeholders, there was covering letter of document submission of SOP communication and Consultation.

6.3.2

Based on verification of document of communication that include complaints and information, there was no complaints among the company and the other parties include internal stakeholder. Stakeholder consultation with external and internal stakeholders (Gender Committee and Workers Union), there was no complaint from related parties. Logbook of complaint contains fixes for worker housing and has been respond and also fixed by company.

Status: Comply

6.4

Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

6.4.1; 6.4.2; 6.4.3

As explained under Criteria 2.3 above, land status of the Certificate Holder is from State Land of "Tanah Negara", there is no customary nor traditional land rights is available. The plantation area which is as main supply bases to PKS-4 is owned by PT. Swakarsa Sinarsentosa.

However, the Certificate Holder has a neither procedure nor mechanism FPIC to obtain the land (if any). "SOP Gantirugi Lahan No. SOP-AGR-058-R01 dated 2 November 2015" and FPIC Guidance (still undergoing process to be reviewed and approved by the top management).

Status: Comply

6.5

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

6.5.1

Based on interviews with internal stakeholders (Trade union representatives, gender committees and workers) can be informed that minimum wages paid based on letter from Disnakertrans of Kutai Timur Regency number 561/2468 / HIJ concerning Decree of Governor of Kalimantan Timur No 561 / K.634 / 2016 dated December 6, 2016 about Determination of Minimum Wage of Kutai Timur Regency in 2017.

Moreover, interview with contractor also revealed that they received salary no less than government regulation's amount. In the payroll system in addition to the weekdays wage, those are also set the excess hours of work related to the calculation of wages with overtime system, Based on overtime record at PKS 4. The calculation of overtime has been met the applicable regulation, procedure and Company regulations (PP).

6.5.2

Company Regulations are available for each company (PT SWA, PT DWT, PT DAN, and PT DIN) who describes about Recruitment, placement, transfer and promotion of workers, The rules of the company, Remuneration Social Security / workers welfare, holiday leave and permission to leave the job, Education and training of workers, work termination. Company Regulations have been approved by the Directorate General of Industrial Relations and Labor Social Security in accordance with existing regulations and written in Bahasa. certificate holder's rule has been communicated to all employees which is prove by evidence from the results of interviews with POM workers who know about the provisions stipulated in the company regulations, that is one of them related to right of leave for workers.

In other that based on interviews with worker and document verifications obtained information if daily workers has had a direct work agreement with the company. The same thing is also demonstrated in contract employee. The employment contract is in a language under stable, written in Bahasa and the copies are available for both parties, (the workers and company). Based on the interview with employees is known that the employee has had a copy of the work agreement and has understood the agreement.

6.5.3

The certificate holder provides facility and infrastructure for personnel welfare, such as housing, polyclinic, clean water, sport yard, education facilities, worship venue, and access to electricity. Field observation at housing complex in LJ2 Estate show that the facilities and infrastructures are in good condition. Based on the interview with employees mentioned that the infrastructures provided by company has been adequate and feasible.

6.5.4

Certificate Holder facilitates employees to access adequate food supply by establishing market during the payment day. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with Employees, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

Status: Comply

6.6

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

6.6.1

Certificate holder policy that provides freedom of association contained in the Company Regulation of the Period of 2015-2017. In the Article 4 states that workers' right to form a union, a member / leader of the union, a member or head of union workers under the terms of the applicable government regulations. The company regulations were drafted in the Bahasa that is easily understood by workers. Based on interview with Head of Labor Union in each company mentioned that company has facilitated the establishment of worker union and personnel understand the function of worker union.

Company consistently applies freedom of association with the formation of workers unions in each company (PT SWA, PT DWT, PT DAN and PT DIN). Each committee of union were listed in Labor and Transmigration Agency in Kutai Timur Regency in accordance with regulations.

6.6.2

The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the unions. The meeting between the unions and the workers is conducted routinely or whenever there is a problem that must be discussed.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Certificate Holders has consistently applied the minimum age requirement for workers employed in the working unit of

<p>POM and Estates. Interview with HCD Department, it was said that the requirement of recruitment is at least 18 years old. Based on the results of field observations on the operational activities of the POM and the estates, it was not found workers aged under 18 years. Furthermore employees also understand that minimum age for employees to be hired is 18 years old. Results of the interview with internal stakeholder (labour union, gender committee and workers) it was mentioned that there are no issues related to child labor working in the company.</p>	
Status: Comply	
<p>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.</p>	
<p>6.8.1 Certificate Holder has possessed policy concerning antidiscrimination. Based on observation on employee list document and interview with employees, it is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with village representative revealed that company opens work opportunity for local communities (in mill and estate). This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities. During recruitment process, company conducted work evaluations in company's clinic office.</p> <p>6.8.2; 6.8.3 Document verification and interview with management employees recruitment is based on company requirement without considering ethnic, religious, and racial and religion. All prospective employees have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with employees also reveals that there is no indication of discrimination against employees. Certificate Holder is able to demonstrate evaluation of work performance assessment activity is performed once a year by each supervisor. Interview with HCD Department 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.</p>	
Status: Comply	
<p>6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>	
<p>6.9.1 and 6.9.2 The management and company that manage the partnership have a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. The policy contained in Company Regulation clause 12. It explains that every worker is entitled to receive protection against sexual harassment in the workplace and Sexual harassment is an offense and if convicted of sexual abuse offenders will be penalized in accordance with applicable regulations. The committee gender has socialized to the employees, for example on October 26, 2016 attended by 59 participants and the representatives of the committee gender are available in each division. Based on interview with workers and committee gender, the policy had disseminated to workers through gender committee meetings with workers.</p> <p>6.9.3 Protection of anonymity and protect complainants contained in the SOP Communication and Consultation and also contained in SOP Employee complaint Point 5. Based on interview with workers, the gender committee, labor union there has never complaint regarding violence and sexual harassment. As additional information, PT Swakarsa Sinarsentosa also been awarded as the Company with the best empowerment program for women workers in the East Kalimantan provincial level in 2012.</p>	
Status: Comply	
<p>6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>	
<p>6.10.1; 6.10.2 Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available at the Mill. The price of FFB</p>	

determined by following Provincial price that issued by Plantation Agency of Kalimantan Timur, in example on Period November 2016. There was no complaints on FFB pricing during interview with communities representative.

6.10.3; 6.10.4

According to stakeholders interview with FFB suppliers (also as an independent smallholders) during focus group discussion, it was confirmed that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Also, it was clearly that payments are made in a timely manner, every months and paid by bank account transferring.

Status: Comply

**6.11
Growers and millers contribute to local sustainable development wherever appropriate.**

6.11.1

Contributions to local development proven by partnership with local communities through local transaction i.e vehicle rent. All the transportation that used by the Certificate Holder are provided by the local communities vehicle rent, such as FFB transportation, CPO and PK Truck, Operational vehicle, etc.

6.11.2

In other side, the certificate holders also providing the development of independent smallholders scheme that another pattern of smallholding called "SAPRODI". This is an efforts that have been allocated to improve smallholder productivity by the certificate holder.

Status: Comply

**6.12
No forms of forced or trafficked labour are used.**

6.12.1; 6.12.2; 6.12.3

Based on interview with unit management and workers in the field, up to the audit conducted no foreign workers who worked as an operational unit. During the audit, the company still uses inter-regional labor (AKAD) which was imported from several places. This has been granted permission from the labor agency origin of labor.

Based on document review and field observation in Long Jenew 2 Estate and Jabdan 1 Estate it can be seen that there is no indication of forced labor. The worker have the freedom for resign, there is no threat for family members and no financial penalties.

Status: Comply

**6.13
Growers and millers respect human rights**

6.13

The management and company that manage the partnership has a policy to respect human rights that contained in Quality Guidelines point 10.2. The company has socialized the policy through meeting with workers. For example : socialization on Januari 2017 by 54 workers and 4 contractor. Based on interview with workers, they have known policy to respect human rights and there is no case of human rights violation.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

**7.1
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.

Status: Comply

7.2
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.
According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.
Status: Comply
7.3
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.
According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.
The company has reported Liability disclosure to the RSPO Secretariat on April 23, 2015.
Status: Comply
7.4
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.
According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.
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.
According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.
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.
According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.
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.
According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.
Status: Comply

7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	
According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.	
	Status: Comply
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1	
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
8.1.1	
<ul style="list-style-type: none"> • Certification unit has been awarded the PROPER related to well environment management. • Pesticide reduction plans are listed in the Working Instruction of Pest and Disease Control (IK-AGR-OLP-14-R02) which explains that pest control activities not only use chemicals but can apply biological control. The Company has implemented the implementation of the WI, for example based on field visit at JB1 and LJ2, it is known that the company has planted Beneficial Plant on each side of the block with the type of <i>Turnera subulata</i>, <i>Casia Sp.</i>, <i>Antigonon Leptosus</i> and also has installed a house for owls (<i>Tyto alba</i>) eg on JB2 block A20. • In the social aspect, Certificate Holder has made evaluation of social impact on January 2016. The evaluation has been done by participation of related parties. Based on review / evaluation, it is known that management plan is still relevant between focus of impact management with management activity. 	
	Status: Comply

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements																				
E.1	Definition																				
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>POM 4 implementing supply chain model as Mass Balance. Because the mill still received FFB from certified and non-certified sources. List of suppliers for 12 months behind, following are:</p> <p>RSPO Certified supplier:</p> <ol style="list-style-type: none"> Jabdan-1 Estate, Long Jenew 1 and Long Jenew 2 (under scope of POM-4 certificate owned by PT. Swakarsa Sinarsentosa) Jabdan-2 Estate (other scope certificate, owned by PT. Swakarsa Sinarsentosa) <p>RSPO Non-Certified supplier:</p> <ol style="list-style-type: none"> Kemitraan 1.1, Kemitraan 1.2, Kemitraan 1.3, Kemitraan 1.4 (Cooperative Min Sun Lekut - smallholder under PT. SWA) Kemitraan 2.1 (Cooperative Min Bea Glang Mandiri – smallholder under PT. SWA). Kemitraan 10.4 (Cooperative Jengea Bong Pet Kuq – smallholder under PT. SWA) 																				
	Status: Comply																				
E.2	Explanation																				
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Comparison between estimated tonnage of certified product in previous assessment and actual produced when verified during ASA-1 as follows:</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Estimate Production 1 Jun 2016 – 31 May 2017</th> <th>Actual Production 1 Jun 2016 – 6 April 2017</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>329,264</td> <td>212,370.44</td> </tr> <tr> <td>CSPO</td> <td>79,023</td> <td>62,613.32</td> </tr> <tr> <td>CSPK</td> <td>16,463</td> <td>11,485.89</td> </tr> </tbody> </table> <p>Meanwhile, the estimation of certified product for next a year that will be attached in the certificate annex is following:</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Estimated Product 1 Jun 2017 – 31 May 2018</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>272,404</td> </tr> <tr> <td>CSPO</td> <td>68,101</td> </tr> <tr> <td>CSPK</td> <td>13,620</td> </tr> </tbody> </table>	Product	Estimate Production 1 Jun 2016 – 31 May 2017	Actual Production 1 Jun 2016 – 6 April 2017	FFB	329,264	212,370.44	CSPO	79,023	62,613.32	CSPK	16,463	11,485.89	Product	Estimated Product 1 Jun 2017 – 31 May 2018	FFB	272,404	CSPO	68,101	CSPK	13,620
Product	Estimate Production 1 Jun 2016 – 31 May 2017	Actual Production 1 Jun 2016 – 6 April 2017																			
FFB	329,264	212,370.44																			
CSPO	79,023	62,613.32																			
CSPK	16,463	11,485.89																			
Product	Estimated Product 1 Jun 2017 – 31 May 2018																				
FFB	272,404																				
CSPO	68,101																				
CSPK	13,620																				

Status: Comply

E.2.2

The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

The POM-4 has meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization RSPO IT platform (RSPO PalmTrace), as follow:

Number license POM 4 PT. DSN in PalmTrace system RSPO:

Account UID: RSPO_AC1000002104

Member ID: RSPO_PO1000002088

License ID: CB37878

Certified CPO sold to each buyer period of 01 June 2016 to 11 April 2017

Date	Buyer	Volume
-	Sell By Book and Claim (Greenpalm)	5,000
Total		5,000

Certified Palm Kernel sold to each buyer period of 01 June 2016 to 11 April 2017

Date	Buyer	Volume
June 2016	PT. DSN-Kernel Crushing Palnt	1,093.23
July 2016	PT. DSN-Kernel Crushing Palnt	582.9
July 2016	PT. DSN-Kernel Crushing Palnt	161.26
August 2016	PT. DSN-Kernel Crushing Palnt	767.9
September 2016	PT. DSN-Kernel Crushing Palnt	1,242.96
October 2016	PT. DSN-Kernel Crushing Palnt	1,173.45
October 2016	PT. DSN-Kernel Crushing Palnt	124.81
November 2016	PT. DSN-Kernel Crushing Palnt	519.56
November 2016	PT. DSN-Kernel Crushing Palnt	704.67
December 2016	PT. DSN-Kernel Crushing Palnt	436.61
December 2016	PT. DSN-Kernel Crushing Palnt	730.32

January 2017	PT. DSN-Kernel Crushing Palnt	794.95	
January 2017	PT. DSN-Kernel Crushing Palnt	182.74	
February 2017	PT. DSN-Kernel Crushing Palnt	707.92	
Total		9,223.28	
	Status: Comply		
E.3	Documented procedures		
E.3.1			
<p>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:</p> <p>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>			
<p>A working instruction of product traceability “Instruksi Kerja Lacak Balik Produk CPO, PK dan PKO (IK-AGR-MS-04-R05), dated 1 March 2016” is the procedure for SCC implementing at POM-4. The procedure consist of:</p> <p>4. Definition</p> <p>4.6 Mass Balance (MB) is identification of CPO/PK model with material of mixing an FFB’s from RSPO certified and non-certified sources.</p> <ul style="list-style-type: none"> - FFB Certified: FFB’s sourced from RSPO certified area. - CPO/PK Certified: CPO/PK that produced from FFB’s and Mill certified. - PKO Certified: PKO that produced from KCP certified. <p>4.7 Mass Balance value is percentage of certified material (FFB/PK) against total FFB’s/PK (certified + non-certified).</p> <p>Person in Charge who responsible for implementing SCC MB at POM-4:</p> <ol style="list-style-type: none"> 1. Weighbridge Operator: To identify of FFB’s/PK sources where they come form (Certified or Non-Certified). 2. Production Clerk: Data Input of all FFB’s/PK’s sources (certified or non-certified) in the SCCS program; Making calculation on Mass Balance volume and position stock monitoring. 3. Production Officer: determining on daily MB value in storage tank based on calculation program. 4. Mill Head: fully responsible to SCC implementation and Mill Processing. 			
	Status: Comply		
E.3.2			
<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> <p>A working instruction of product traceability “Instruksi Kerja Lacak Balik Produk CPO, PK dan PKO (IK-AGR-MS-04-R05), dated 1 March 2016” is the procedure for SCC implementing at POM-4. The procedure consist of:</p> <p>4. Definition</p> <p>4.6 Mass Balance (MB) is identification of CPO/PK model with material of mixing an FFB’s from RSPO certified and non-certified sources.</p> <ul style="list-style-type: none"> - FFB Certified: FFB’s sourced from RSPO certified area. - CPO/PK Certified: CPO/PK that produced from FFB’s and Mill certified. 			

- PKO Certified: PKO that produced from KCP certified.

4.7 Mass Balance value is percentage of certified material (FFB/PK) against total FFB's/PK (certified + non-certified).

Person in Charge who responsible for implementing SCC MB at POM-4:

1. Weighbridge Operator: To identify of FFB's/PK sources where they come from (Certified or Non-Certified).
2. Production Clerk: Data Input of all FFB's/PK's sources (certified or non-certified) in the SCCS program; Making calculation on Mass Balance volume and position stock monitoring.
3. Production Officer: determining on daily MB value in storage tank based on calculation program.
4. Mill Head: fully responsible to SCC implementation and Mill Processing.

Status: Comply

E.4 Purchasing and goods in

E.4.1

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

Records of FFB received within period 1 June 2016 – 10 April 2017 of POM 4 are:

DATE	FFB INCOMING		FFB PROSES	
	certified	non-certified	certified	non-certified
B/F OPENING STK				
June-16	24,869,990	1,846,170	24,879,948	1,845,545
July-16	15,980,570	878,900	16,058,195	890,918
August-16	16,929,710	737,580	16,821,253	725,051
Total	57,780,270	3,462,650	57,759,396	3,461,514
Stock Akhir				
September-16	27,413,220	1,876,870	27,397,897	1,869,163
October-16	30,379,890	4,605,030	30,329,926	4,585,733
November-16	29,154,620	4,372,760	29,269,359	4,389,699
Total	86,947,730	10,854,660	86,997,182	10,844,595
Stock Akhir				
December-16	27,927,400	3,744,680	28,009,124	3,749,973
January-17	23,463,440	3,448,880	23,343,450	3,189,418
February-17	22,709,860	8,049,510	22,504,867	5,872,800
Total	74,100,700	15,243,070	73,857,441	12,812,191
Stock Akhir				
March-17	28,075,110	9,683,930	27,889,026	7,196,968
April-17	8,781,770	1,501,480	8,863,909	1,300,995
May-17	-	-	-	-
Total	36,856,880	11,185,410	36,752,935	8,497,963
Stock Akhir				
TOTAL C/F:				

Where the non-certified sources are supplied from non-certified unit as mention in E.1.1.

Status: Comply

E.4.2

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

Within the working instruction of product traceability "Instruksi Kerja Lacak Balik Produk CPO, PK dan PKO (IK-AGR-MS-04-R05), dated 1 March 2016" regarding the procedure for SCC implementing at POM-4. If there is a projected overproduction of certified tonnage, the company will contact the CB's.

According to actual production compared with previous claims (ASA-1 annex), there is no overproduction was detected.

Product	Estimate Production 1 Jun 2016 – 31 May 2017	Actual Production 1 Jun 2016 – 6 April 2017
FFB	329,264	212,370.44
CSPO	79,023	62,613.32
CSPK	16,463	11,485.89

Status: Comply

E.5 Record keeping

E.5.1

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

Mass balance report of POM 4 period 1 June 2016 – 10 April 2017, represented as follow:
FFB received and process

DATE	FFB INCOMING		FFB PROSES	
	certified	non-certified	certified	non-certified
B/F OPENING STK				
June-16	24,869,990	1,846,170	24,879,948	1,845,545
July-16	15,980,570	878,900	16,058,195	890,918
August-16	16,929,710	737,580	16,821,253	725,051
Total	57,780,270	3,462,650	57,759,396	3,461,514
Stock Akhir				
September-16	27,413,220	1,876,870	27,397,897	1,869,163
October-16	30,379,890	4,605,030	30,329,926	4,585,733
November-16	29,154,620	4,372,760	29,269,359	4,389,699
Total	86,947,730	10,854,660	86,997,182	10,844,595
Stock Akhir				
December-16	27,927,400	3,744,680	28,009,124	3,749,973
January-17	23,463,440	3,448,880	23,343,450	3,189,418
February-17	22,709,860	8,049,510	22,504,867	5,872,800
Total	74,100,700	15,243,070	73,857,441	12,812,191
Stock Akhir				
March-17	28,075,110	9,683,930	27,889,026	7,196,968
April-17	8,781,770	1,501,480	8,863,909	1,300,995
May-17	-	-	-	-
Total	36,856,880	11,185,410	36,752,935	8,497,963
Stock Akhir				
TOTAL C/F:				

CPO production:

DATE	FFB INCOMING		FFB PROSES		CPO Production	
	certified	non-certified	certified	non-certified	certified	non-certified
					Kg	Delivery(Kg)
B/F OPENING STK						
June-16	24,869,990	1,846,170	24,879,948	1,845,545	5,926,075	440,506
July-16	15,980,570	878,900	16,058,195	890,918	3,781,375	209,931
August-16	16,929,710	737,580	16,821,253	725,051	3,875,060	167,001
Total	57,780,270	3,462,650	57,759,396	3,461,514	13,582,510	817,438
Stock Akhir						
September-16	27,413,220	1,876,870	27,397,897	1,869,163	6,191,187	421,148
October-16	30,379,890	4,605,030	30,329,926	4,585,733	6,804,425	1,033,450
November-16	29,154,620	4,372,760	29,269,359	4,389,699	6,652,940	995,864
Total	86,947,730	10,854,660	86,997,182	10,844,595	19,648,552	2,450,462
Stock Akhir						
December-16	27,927,400	3,744,680	28,009,124	3,749,973	6,058,483	811,441
January-17	23,463,440	3,448,880	23,343,450	3,189,418	4,830,637	662,195
February-17	22,709,860	8,049,510	22,504,867	5,872,800	4,916,928	1,307,165
Total	74,100,700	15,243,070	73,857,441	12,812,191	15,806,048	2,780,801
Stock Akhir						
March-17	28,075,110	9,683,930	27,889,026	7,196,968	5,950,817	1,540,359
April-17	8,781,770	1,501,480	8,863,909	1,300,995	1,873,501	275,085
May-17	-	-	-	-	-	-
Total	36,856,880	11,185,410	36,752,935	8,497,963	7,824,318	1,815,444
Stock Akhir						
TOTAL C/F:					56,861,428	7,864,145

PK Production:

DATE	FFB INCOMING		FFB PROSES		PK Production	
	certified	non-certified	certified	non-certified	certified	non-certified
					Kg	Delivery(Kg)
B/F OPENING STK						
June-16	24,869,990	1,846,170	24,879,948	1,845,545	1,070,697	79,324
July-16	15,980,570	878,900	16,058,195	890,918	781,482	43,257
August-16	16,929,710	737,580	16,821,253	725,051	789,714	34,098
Total	57,780,270	3,462,650	57,759,396	3,461,514	2,641,893	156,679
Stock Akhir						
September-16	27,413,220	1,876,870	27,397,897	1,869,163	1,227,771	83,920
October-16	30,379,890	4,605,030	30,329,926	4,585,733	1,355,578	205,709
November-16	29,154,620	4,372,760	29,269,359	4,389,699	1,210,383	181,365
Total	86,947,730	10,854,660	86,997,182	10,844,595	3,793,732	470,994
Stock Akhir						
December-16	27,927,400	3,744,680	28,009,124	3,749,973	1,170,425	157,129
January-17	23,463,440	3,448,880	23,343,450	3,189,418	957,158	130,956
February-17	22,709,860	8,049,510	22,504,867	5,872,800	925,720	241,714
Total	74,100,700	15,243,070	73,857,441	12,812,191	3,053,303	529,799
Stock Akhir						
March-17	28,075,110	9,683,930	27,889,026	7,196,968	1,101,736	284,942
April-17	8,781,770	1,501,480	8,863,909	1,300,995	355,648	52,238
May-17	-	-	-	-	-	-
Total	36,856,880	11,185,410	36,752,935	8,497,963	1,457,384	337,180
Stock Akhir						
TOTAL C/F:					10,946,312	1,494,652

Transaction of Certified Palm Product based on PalmTrace POM-4 account in period 1 June 2016 – 10 April 2017:

Product	Program	Certified Volume (MT)	Volume Sold/Removed	Volume Allocated as	Remaining Volume (MT)	Trading Activity

			(MT)	Credits (MT)		
CSPO	Mass Balance	79,023	0	5,000	74,023	Shipping Announcement
CSPK	Mass Balance	16,463	9,223.28	0	7,239.72	Shipping Announcement
Status: Comply						
E.5.2						
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.						
POM 4 has an installation of Kernel Crushing Plant and located in same site that been certified separately by other CB's.						
Status: Comply						

3.3 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-2	Since earning the RSPO certificate, POM 4 has not received any request over RSPO-certified product from buyers, therefore no utilization over logo and claim for product. Until today, POM 4 does not using logo on its product (on-product) and non-product (off-product).	√
	Status: Full Complied	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ASA-2	Since earning the RSPO certificate, POM 4 has not received any request over RSPO-certified product from buyers, therefore no utilization over logo and claim for product. Until today, POM 4 does not using logo on its product (on-product) and non-product (off-product).	√
	Status: Full Complied	
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-2	Since earning the RSPO certificate, POM 4 has not received any request over RSPO-certified product from buyers, therefore no utilization over logo and claim for product. Until today, POM 4 does not using logo on its product (on-product) and non-product (off-product).	√
	Status: Full Complied	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-2	Since earning the RSPO certificate, POM 4 has not received any request over RSPO-certified product from buyers, therefore no utilization over logo and claim for product. Until today, POM 4 does not using logo on its product (on-product) and non-product (off-product).	√
	Status: Full Complied	

3.4 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>Auditor verification 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"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<ul style="list-style-type: none"> • 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. • 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. • LUCA PT Putra Utama Lestari and PT Pilar Wanapersada was sent on February 11, 2016 to RSPO and is a review process and clarification • POM 5 and POM 6 there is no new land clearing of new planting after November 2005.

		<ul style="list-style-type: none"> Smallholders (KM5, KM8, KM9, KM10A, KM10B, KM10C), and clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing <p>Auditor verification 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 st 2010 must comply with the RSPO New Plantings Procedure.	<ul style="list-style-type: none"> There are 8 plantations have conducting NPP process (under RSPO review) Smallholders (KM5, KM9) planting year before 2010. Smallholders (KM8, KM10A, KM10B, KM10C), no need NPP because no landbank in the area. <p>Auditor verification</p> <ul style="list-style-type: none"> 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 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 PT Agro Andalan, NPP verification from TUV & PT MAL and NPP was a review process by RSPO per January 2017 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
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>Auditor verification 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>Auditor verification There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>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>Auditor verification</p> <ul style="list-style-type: none"> • PT Dharma Intisawit Lestari, Cadastral Map No. 023 year of 2014 for 7,288.84 Ha • 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 • 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 • PT Agro Andalan, Land Use Title No. 35/HGU/BPN RI/2011 date 21 July 2011 area 6,993.2 Ha • PT Kencana Alam Permai, Land Use Title No. 46/HGU/KEM-ATR/BPN/2016 area 5,511.83 Ha • 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 • PT Dharma Persada Sejahtera, Location Permit No. 525/631/KEP-PERTANAHAN/2014 area 3,972 ha • Smallholders (KM5), MoU with Sawit Usaha Tani Sejahtera No. 104/DIR-ARF/DWT/JKT/III/08 dated March 31 2008 • Smallholders (KM8), MoU with Sawit Wehea Tani Sejahtera No. 103/DIR-ARF/DWT/JKT/IV/12 dated April 25th 2012 • Smallholders (KM9), MoU with Karya Sejahtera No. 01/SPK-KPAS/X/2010 dated October 22th 2010 • Smallholders (KM10A, KM10B, KM10C), MoU with Jengea Bong Pet Kuq No. 321/DIR-ARF/DWT/JKT/XII/12 dated December 3rd 2012
--	--	---

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

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

NCR No.	: 2016.01	Issued by	: Muhammad Rinaldi
Date Issued	: 18 Maret 2016	Time Limit	: 17 Mei 2016
NC Grade	: Major	Date of Closing	: 02 Mei 2016
Standard Ref. & Requirement	: 2.1.1 & 4.7.3 Compliance Labour Regulation		
Non-Conformance Description & Evidence observed			
Based on field observation and interview with heavy equipment Operator at LJ1 Afdeling 2, explained that operator does not has License of Transport and Loading Operators. It is not accordance on Regulation of Labour Ministry number 9 in 2010 related to transport and loading operators			
Root Cause Analysis			
<ol style="list-style-type: none"> Does not have backup operator grabber's who has heavy Equipment lisenca's, where the number of operators is equal to the number of units grabber owned Estate LJ1 , so the operator who has heavy Equipment lisenca's will lack when one operator not work (example Sutarno leave on March 15 to 16, 2016) There is still a tendency to permissive act with permissibility of operationalize graber (heavy machine) to personnel who are not have heavy Equipment lisenca's 			
Corrective Action			
<ol style="list-style-type: none"> operator who not has license has been restored to their former work (upkeep worker) such as Rianto. Plantation Head send Memorandum to Estate Head related of the prohibition of the operation of heavy equipment / Farm Tractor by operators who do not have the license. Conduct training of Heavy Equipment Officers through cooperation with licensed training consultants are Batiwakkal Mandiri on April 28 to 30 April 2016, attended by 19 participants from PT. DSN. 			
Preventive Action			
<ol style="list-style-type: none"> collecting data of number of heavy equipment / Farm Tractor and Operators to determine the adequacy of the operator and the Equipment (evidence collection is available) make a plan for training related Heavy Equipment License's to senior helper 			
Assessor Evaluation and Conclusion			
Observation on 2 Mayi 2016			
PT. DSN especially POM-4 and its supply base has identified 2 root causes of non-conformance. Corrective actions have been taken in accordance with the root causes, that is the adequacy of the availability of certified operators and presence a permissive act from the field supervisor to the operators who do not have license. On May 2, 2016, trained operators has been increased in accordance with the number of machine, this is evidenced by the training to the operator in accordance with the rules on 28-30 April 2016 by OHS Service Company (attended by 19 participants from employees), and has instruction to not allow operators who are not has license to operate heavy equipment including grabber.			
Based on this evidence, Non-Compliance Number 2016.01 has been Fulfilled and will observed at the next assessment related a license for heavy equipment operator from related agency.			
Verified by	: Muhammad Rinaldi		

NCR No.	: 2016.02	Issued by	: Bukti Bagja
Date Issued	: 18 Maret 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 12 April 2017
Standard Ref. & Requirement	: 2.2.2 Legal Boundaries Maintenance		
Non-Conformance Description & Evidence observed Company has not provided the evidence of placement and maintenance of the entire land use boundaries in accordance with map and coordinates of Land Use Permit from National Land Agency			
Root Cause Analysis The difference of the tool used at the time of previous measurement with the current GPS, so that the difference of location of coordinate point			
Corrective Action Showing coordinates legal boundaries from Land National Agency and placing legal boundaries in accordance with the coordinates of Land National Agency			
Preventive Action 1. Make a list of all existing Land Use Title pole boundaries in PT SWA 2. Document the marks shown with the photograph (Number pole, Coordinate, Location) 3. Perform monitoring and maintenance periodically (IK-AGR-OLP-033-Rxx)			
Assessor Evaluation and Conclusion Observation 2 May 2016 There is no sufficient evidence to list all of the pole boundaries Land Use Title along with monitoring the condition and suitability with the coordinates of the Land Use Title from Land National Agency. Verification 12 April 2017 Company Shows the location map of the boundary listed in the Boundary Situation Picture Map issued by the Land Office with Number 50 years 1997. The Company also has a Letter from Land Office dated 23 April 2012 with letter number 80/4-464.200/IV/2012 concerning list of coordinates of PT SWA boundaries with a amount of 327 pole boundaries. Based on field visit on pole BPN 206, BPN 652, BPN 654, and BPN 656, it is known that the installation of pole boundaries has been in accordance with the coordinate point given by Land Office Based on explanation above Nonconformity No. 2016.02 has been closed.			
Verified by	: Muhammad Rinaldi		

NCR No.	: 2016.03	Issued by	: Muhammad Rinaldi
Date Issued	: 18 Maret 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 12 April 2017
Standard Ref. & Requirement	: 6.5.3 Clean Water Quality		
Non-Conformance Description & Evidence observed company has been testing clean water sources from the river Telen periodically, but this has to be evaluated with reference to the applicable standard of clean water (regulation of health minister number 416 in 1990), to ensure the provision of adequate clean water facilities for employees			
Root Cause Analysis A lack of understanding of the standards used for temporary water supply provided to employees during the dry season, still using surface water standards.			
Corrective Action			

<ol style="list-style-type: none"> 1. Plantation Head creates an internal memo stating that the water from Telen River can be used as raw water to be processed in the Water Treatment Plant. 2. PT SWA will conduct Water Quality Test Result of Water Treatment based on Permenkes No. 416 year 1990
<p>Preventive Action Water from Water Treatment Plant will be testing and monitoring regularly.</p>
<p>Assessor Evaluation and Conclusion Observation 2 May 2016 No evidence of water quality evaluation testing is consumed by reference to applicable standards especially Permenkes No. 416 year 1990</p> <p>Observation 12 April 2017 The company showed evidence of clean water testing results in JB 1, LJ 1 and LJ 2 PT SWA conducted on March 31, 2017 by Sucofindo Samarinda with quality standard refers to Permenkes No.416 year 1990. Based on the verification of the test results known that all parameters have been in accordance with quality standards.</p> <p>Based on the evidence submitted and verified by the auditor, the Nonconformity No.2016..03 has been fulfilled</p>
<p>Verified by : Dwi Haryati</p>

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

NCR No. :	2017.1	Issued by :	Dwi Haryati
Date Issued :	12 April 2017	Time Limit :	11 June 2017
NC Grade :	Major	Date of Closing :	22 May 2017
Standard Ref. & Requirement :	4.7.1 Harus tersedia kebijakan keselamatan dan kesehatan kerja. Rencana keselamatan dan kesehatan yang didokumentasikan, diimplementasikan, serta dipantau keefektifannya.		
<p>Non-Conformance Description & Evidence observed (filled by auditor): The Company already has a Memorandum No.0016/SHE/VIII/2016 concerning Submission of Occupational Safety Aspects for Contractors issued on August 2, 2016 and Contractor Evaluation, but results of field visits in Jabdan 1 and Long Jenew 1 found unsafe actions in the form of contractor workers Loading and unloading fertilizer that sits on top of the truck cabin under running conditions. This indicates that the company has not implemented safety aspects of the contractor's operational activities in accordance with the Memorandum and evaluation of suppliers of fertilizers has not assessed the OSH aspect.</p>			
<p>Root Cause Analysis (filled by organization audited): undisciplined of contractor loading and unloading worker on safety and health aspects (OHS) and lack of socialization to vendor/contractor of loading and unloading of fertilizer.</p>			
<p>Corrective Action (filled by organization audited):</p> <ol style="list-style-type: none"> 1. Prepare OHS provisions that must be obeyed by the vendor. 2. Provide written warning to all fertilizer suppliers for the event. 3. Perform the MoU addendum by adding the obligation to comply with the OHS rules 4. Socialization to fertilizer vendors on occupational safety and health (OHS) in the work area of PT DSN Group, Tbk 5. OHS Assistant and PGS socialize to loading and unloading workers and drivers of the importance of OHS 6. OHS Assistant & Security conduct safety patrol against contractor workers loading and unloading fertilizer. If a 			

violation is found it will be reported to Plantation Head (PH). PH will coordinate with PRC to follow up..

Preventive Action *(filled by organization audited):*

1. Revise Terms Of Reference by adding OHS provisions.
2. Adding OHS aspect in performance evaluation of vendor, supplier or contractor

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

Verification of auditors dated May 22, 2017

The Company shows evidence of improvements in the form of:

- Transport safety aspect of unloading laborers / laborers.
- An email invitation letter sent to fertilizer vendors of PT DSN Group held on May 2, 2017. In the invitation, there is the warning letter on the violation by the transporter of fertilizer transporter.
- Letter addressed to Procurement Department Head concerning aspects of transportation safety of laborers/unloading of fertilizers. The safety aspect of the freight forwarding worker forbidding the unloading workers is above the head/truck cab and hanging/sitting at the deck.
- Warning letter to fertilizer vendors of PT DSN Group. The warning letter contains the notice to all fertilizer vendors to pay more attention to the safety aspect of the worker and to ensure that the letter is to be socialized to all transporters and laborers of loading and unloading of fertilizer.
- Addendum with the supplier of fertilizer (MoU notes No. 003/MOU/JKT/2016, No: 006/MOU/JKT/2016, and addendum II No. 004-MOU-JKT-2016) dated 2 May 2017. Addendum Informs the agreement between the two parties to add to the provisions of article 2 regarding the obligation of the second party to comply with the laws and regulations about OHS.
- Attendance List of OHS / Laborers' safety to fertilizer vendors held on May 2, 2017. This presentation was attended by SHE department staff and representatives of each fertilizer supplier (3 persons).
- Minutes of Meeting for the submission of safety obligations for laborers/unloaders of fertilizers, which has been implemented on May 2, 2017. The information delivered one of them discussed about the DSN has done and agreed with the board of Cooperatives of the Labor Union of Benua Etam as a provider of unloading power Fertilizer at the Muara Wahau site about the prohibition of workers unloading fertilizer sitting on the cabin/head of the truck.
- The Working Agreement of the Benua Etam Cooperative Workers agreed by both parties between the company and the cooperative on 13 April 2017. In the 8th point there is an explanation of the prohibition of cooperative members to sit on the fertilizer truck cabin.
- Attendance list of socialization of OHS regulation for Labor Contractor of unloading fertilizer (Benua Etam Cooperatives) which has been implemented on April 23, 2017 at the office of cooperatives. The meeting was attended by 57 members of the cooperative.
- Records of safety patrol activities of fertilizer-2 discharge in JB1 estate storage, the workers has equipped by PPE with type of helmets, boots, gloves and masks. (based on the attached picture).

Based on the evidence of improvement submitted by the company, it can be concluded that the **Non-Conformity No.2017.01 has been fulfilled.**

Verified by : **Dwi Haryati**

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.2.3	Companies have the opportunity to improve the quality of procedures on nutrient observation by adding SOPs related to visual observation.

2	4.4.1	Companies are encouraged to identify entire bodies of water that empties into the river.
3	4.4.2	The Company has the opportunity to manage and control the natural vegetation of the river border in accordance with the stipulated Memorandum (Observation)
4	5.2.4	<ul style="list-style-type: none"> • HCV management plans need to consider the mapping aspects based on periodic RTE-based monitoring of species. • Companies have the opportunity to improve the reporting of conservation management practices by adding the results of river basin quality monitoring and evaluation.
5	SCCS E5.1	Monitoring and coordination of sales of certified product volumes between eTrace systems and actual records. (Observation)
6	-	Ensure back drainage in the factory that does not flow well.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	Companies has participated in the development of surrounding communities through the development of smallholders were adequate for the improvement of social welfare and economic empowerment
2	-	Commitment toward nature conservation effort through wildlife and natural vegetation protection and management of HCV area.
3	-	Competency of staff who involved on the implementation of RSPO audit.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Village of Deabeq, Village of Diak Lay, Village of Benhes</p> <ul style="list-style-type: none"> In general, the communication links between the two parties goes well. The company and the villagers has a good relationship and communication. Especially the direct border village The company has delivering CSR's aid to the surrounding village according to the needs of society. The company has been build a smallholder palm oil estate through the scheme-smallholder program in order to increase villagers welfare There is no land conflicts and land acquisition have been resolved by mutual agreement landowners The company provides an opportunity for local communities in getting a job Currently there are no new land clearing There is the issue of environmental pollution People of village have been getting the socialization of HCV Company are contribution in cultural activities, in addition, the Company is providing assistance to the community such as religious, the home learning assistance, repair of roads etc. 	<p>There is no negative issues related local communities. Company has been doing good relations with surrounding villages such as implement the CSR program, cooperation with local contractors such as procurement of transportation and labor absorption.</p>
<p>Local Contractor (FFB & EFB Transport)</p> <ul style="list-style-type: none"> Cooperation with the company has been conducted since 2004 The company give the same opportunities for local contractors who want to cooperate, for instance procurement of FFB transportation from the field to the mill. All cooperation was preceded by the signing of the Contract of Work. In the work contract has been described rights and obligations of both parties and also includes the payment system and protection for workers who work at the contractors (including insurance and the provision of work equipment and PPE by a local contractor) The company helps facilitate the contractors to registering health insurance for contractor's employees, provide housing, electrical, water etc. 	<ul style="list-style-type: none"> There was sighted sample of work contract between the company and local contractor. These document containt of information related to payment mechanism and another obligation for each party. Obligation for the local contractor are included of : <ul style="list-style-type: none"> Covered their employee with insurance Comply to Labor regulation, included of give basic minimum salary to their employee Provide of Personal Protective Equipment Provide of fire equipment <p>Driving license for the driver, etc</p>
<p>Worker Union of PT DSN and PT SWA</p> <ul style="list-style-type: none"> There is no indication of the company to discriminate against employees. Company has implemented the wages in accordance 	<ul style="list-style-type: none"> The company was implemented the standard of minimum wage based on Decision Letter by Governor of East Kalimantan, Number 561/K.634/2016, dated 6 December 2016. The Head Office was issued of Letter

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>with Minimum Wages at Kutai Timur District, payment has been applied on January 2017.</p> <ul style="list-style-type: none"> • The company has regulated the worker complaints mechanism that have been socialized. • No industrial complaints in the past year. • The Company has fulfilled its obligations to the employee, for example, involve all employees in Employment and Health Insurance (BPJS), as well as continue to provide health care benefits to their employees by providing Polyclinic. • The company provides facilities for the welfare of workers such as housing facilities, clean water, electricity, facilities of worship, educational facilities, clinics, sports facilities. • The Company has provided PPE and working tool for all employees in accordance with the type of work. 	<p>Number 015/DIR/I/2017 dated 2 January 2017 to follow up the Decision Letter by Governor of East Kalimantan.</p> <ul style="list-style-type: none"> • The employee already covered with BPJS program. These program is based on Act No. 24 year of 2011. • There is no significant issue related to conflict between company with their employee
<p>Gender Committee of PT DSN & PT SWA</p> <ul style="list-style-type: none"> • Policies on the protection of reproductive rights and the prevention of sexual harassment have been disseminated to employees • The application of reproductive rights protection by companies, such as the provision of menstrual leave and maternity leave, the prohibition of pregnant and lactating women working with chemicals, and the provision of Child Day Care for children under 5 years. Old and Breastfeeding Corner for nursing mothers. • There are no reports of companies discriminating against women workers. • Specific complaints mechanisms have been socialized to all workers. • The Company provides protection of the reporting identity. • Efforts to get food can be obtained easily. The company also provides transportation 2 times a month to bring employees to the nearest market. 	<ul style="list-style-type: none"> • There are no issues related to woman neglected of woman right, for example; pregnancy leave and maternity period. • There are no issues related to woman harassment.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

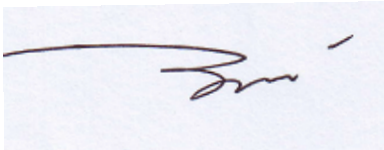
4.1 Formal Sign-off of Assessment Findings

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
Management Representative

Mutuagung Lestari
Lead Auditor



Agustinus Triwibowo
Monday, 24 May 2017



Muhammad Rinaldi
Monday, 24 May 2017

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	Plantation Agency	Kutai Timur District, Kalimantan Timur Province, Indonesia	Phone +62 549 21353 disbunkutim@gmail.com	Email	03 April 2017		√
2	Land National Agency	Kutai Timur District, Kalimantan Timur Province, Indonesia	Phone +62 549 22307 kab-kutaitimur@bpn.go.id	Email	03 April 2017		√
3	Labour Agency	Kutai Timur District, Kalimantan Timur Province, Indonesia	Phone. 0549-24719 Fax. 0549-24181	Fax	03 April 2017		√
4	Enviromental Agency	Kutai Timur District, Kalimantan Timur Province, Indonesia	Phone 0549 22467 Fax. 0549 22577	Fax	03 April 2017		√
5	Benhes Village	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	10 April 2017	√	
6	Dabeq Village	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	10 April 2017	√	
7	Diaklay Village	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	10 April 2017	√	
8	Local Contractor (Transportir CPO dan Transportir TBS)	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	12 April 2017	√	
9	Worker Union of PT DSN dan PT SWA	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	10 April 2017	√	
10	Gender Committee of PT DSN & PT SWA	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	10 April 2017	√	
12	World Wild Found	Indonesia	wwf-indonesia@or.id	Email	03 April 2017		√
13	Wahana Lingkungan Hidup Indonesia	Indonesia	informasi@walhi.co.id	Email	03 April 2017		√
14	Sawit Watch	Indonesia	info@sawitwatch.or.id	Email	03 April 2017		√
15	17 workers at POM 4	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	10 April 2017	√	
16	Long Jenew 2 Estate workers:	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	11 April 2017	√	

	<ul style="list-style-type: none"> • 1 LA operator • 1 worker's wife • 1 storage officer • 2 workshop workers • 2 man & 4 female spray workers 	Province, Indonesia					
17	<p>Jabdan 1 Estate:</p> <ul style="list-style-type: none"> • 1 man & 3 female spray workers • 1 man & 2 female workers at EFB Application • 3 man & 2 Female workers at fertilizer application • 1 workers at road maintenance activity • 4 man harvester • 1 man & 2 Female IPM detection workers 	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	11 April 2017	√	

Appendix 2. Assessment Program

DATE		09 – 13 April 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Sunday, 09 April 2017			
09.20 – 20.00	09.20 – 21.30	JAKARTA – BALIKPAPAN → BERAU → DSN / SWA	• All Team
Monday, 10 April 2017			
08.00 - 08.30 08.30 - 12.00	08.00 - 08.30 08.30 - 12.00	Opening Meeting <ul style="list-style-type: none"> Stakeholders consultation to Nearest village and community leader Internal Stakeholders consultatio (gender commitee, lobour union, local contractor) Field observation about Legal Aspect and HCV Area	<ul style="list-style-type: none"> All Team NKA DHT MRD/YWR
12.00 - 14.00	12.00 - 14.00	BREAK	
14.00 - 17.00 14.00 - 17.00	14.00 - 17.00 14.00 - 17.00	Field Observation POM 4 <ul style="list-style-type: none"> SCCS Verification Production/Processing and Health & Safety Emergency Equipment Check & Emergency Team Interview Hazardous Waste Storage, WWTP, WTP Management of Environment (Environment monitoring station & GHG, etc) Worker Rights (Status, Payment Condition, Gender Aspect, etc) Document Review, Review of Previous Visit Non-conformance (ASA-1) and Public Consultation & Field Observation response	<ul style="list-style-type: none"> YWR MRD/DHT MRD/DHT NKA NKA MRD/DHT All Team
Tuesday, 11 April 2017			
08.00 - 12.00	08.00 - 12.00	Field Observation Long Jenew 2 Estate and Jabdan 1 Estate <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Land Application) & Implementation of Occupational Health & Safety Aspect Implementation of Environmental and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities). Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). 	<ul style="list-style-type: none"> MRD/YWR to Jabdan 1 Estate NKA/DHT to Long Jenew 2 Estate
12.00 - 14.00	12.00 - 14.00	BREAK	
14.00 - 17.00	14.00 - 17.00	Document Review, Review of Previous Visit Non-conformance (ASA-1) and Field Observation response	• All Team
Wednesday, 12 April 2017			

DATE		09 – 13 April 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 - 12.00	08.00 - 12.00	Public Consultation/Field Observation response & Completing of Check List	• All Team
12.00 - 14.00	12.00 - 14.00	BREAK	
14.00 - 15.00	14.00 - 15.00	Audit finding preparation and conclusion	• All Team
15.00 - 16.00	15.00 - 16.00	Closing Meeting	
Thursday, 13 April 2017			
05.00 – 17.00	05.00 – 18.00	• DSN / SWA → BERAU → BALIKPAPAN → JAKARTA	• All Team