

*Roundtable on Sustainable Palm Oil Certification
RSPO*

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : **POM 3 – PT Dharma Satya Nusantara**

Plantation Name : **PT Dharma Intisawit Nugraha (Long Kejiak 1 Estate, Long Kejiak 2 Estate, Long Kejiak 3 Estate)**

Location : Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of East Kalimantan, Indonesia

Certificate Code : **MUTU-RSPO/055**

Date of Certificate Issue : 25 March 2014 Date of License Issue : 25 March 2018

Date of Certificate Expiry : 24 March 2019 Date of License Expiry : 24 March 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	15 to 19 January 2018	Sandra Purba (Lead Auditor), Arif Faisal Simatupang, Asystasya Aishah Silalahi	Octo H.P.N Nainggolan	Ardiansyah

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

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Figure 1. Location Map of POM 3 – PT Dharma Satya Nusantara & PT Dharma Intisawit Nugraha

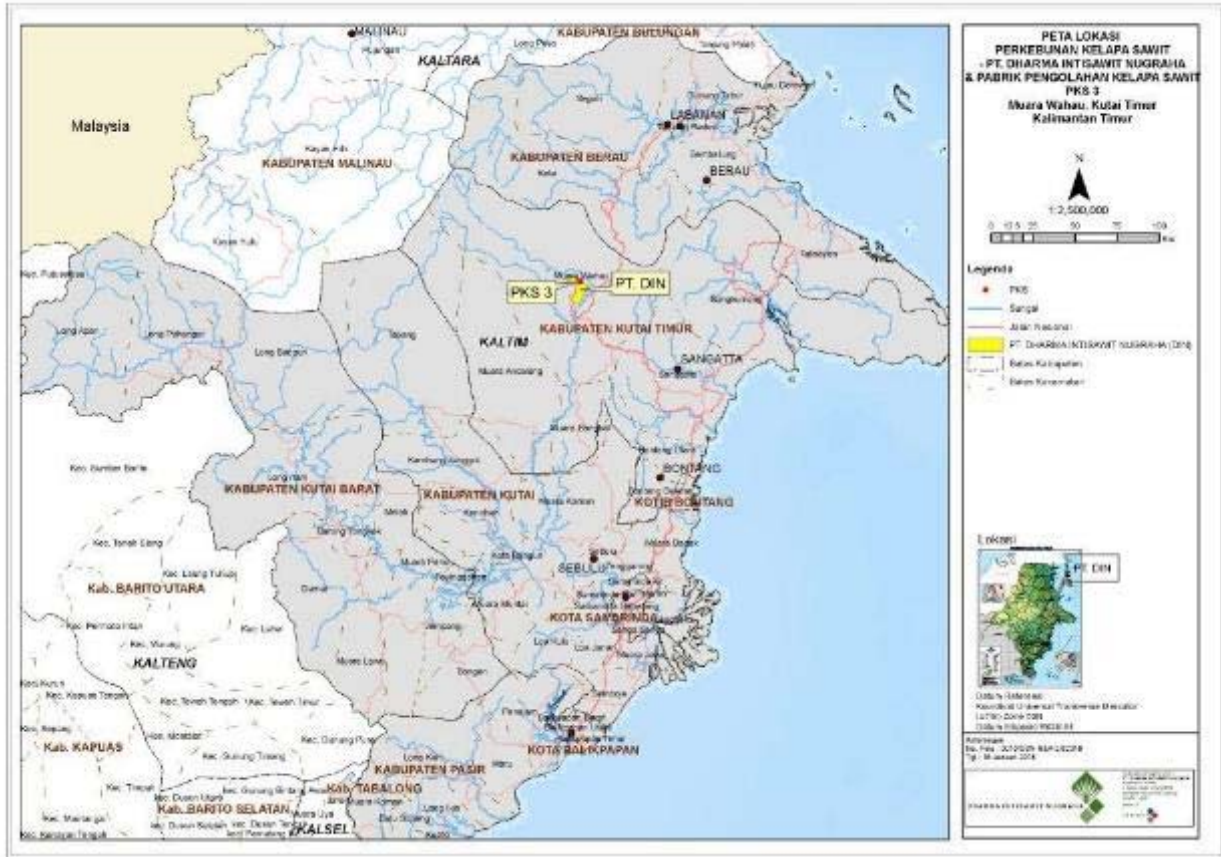
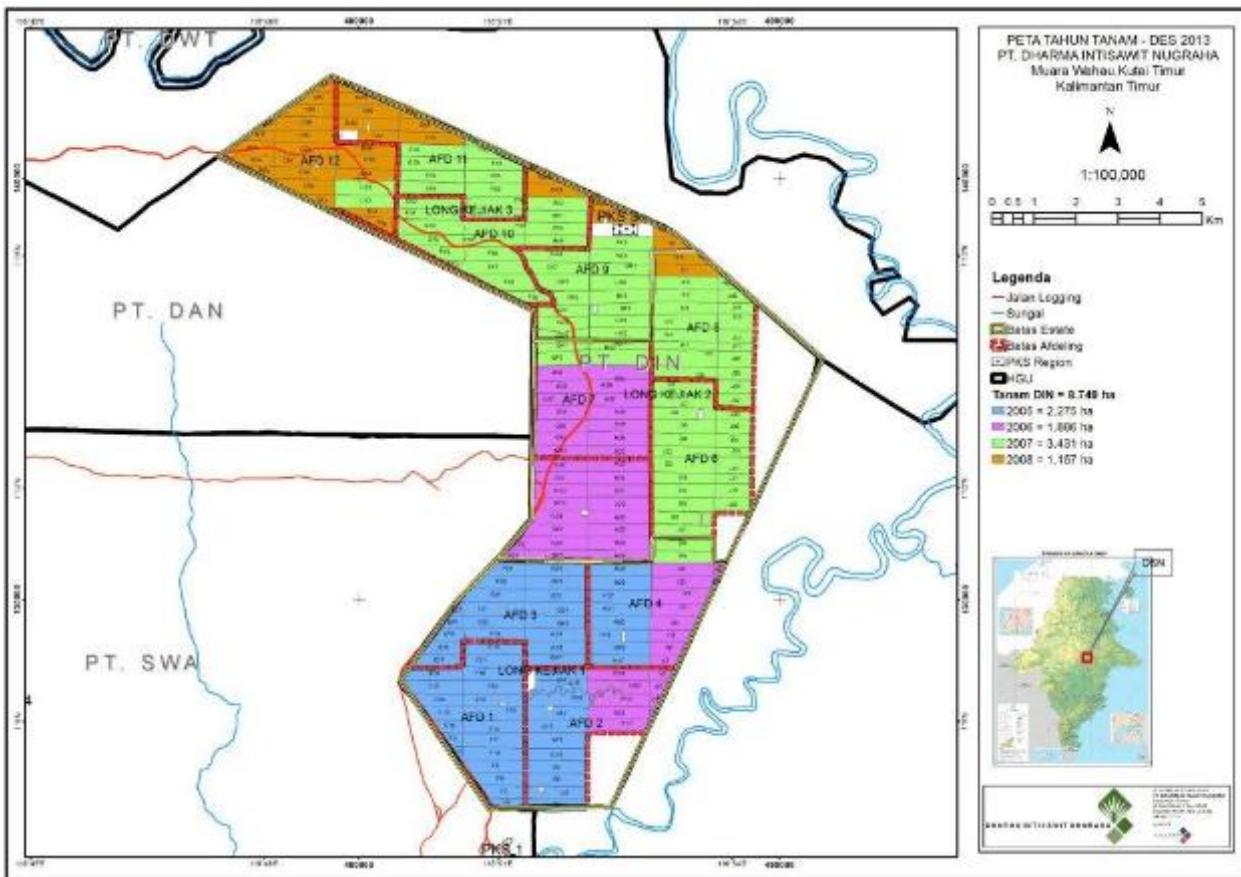


Figure 2. Operational Map of POM 3 – PT Dharma Satya Nusantara & PT Dharma Intisawit Nugraha



Abbreviations Used

ASA	:	Annual Surveillance Assessment
BPN	:	Badan Pertanahan Nasional (National Land Agency)
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DIN	:	Dharma Intisawit Nugraha
DSN	:	Dharma Satya Nusantara
EIA	:	Environment Impact Assessment
EFB	:	Empty Fruit Bunch
EMS	:	Environmental Management System
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior, Informed, Consent
FR	:	Frequency Rates
GPS	:	Global Positioning System
HCS	:	High Carbon Stock
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha (Land Use Title)
HIRARC	:	Hazard identification Risk Assessment Risk and Risk Controlling
IPM	:	Integrated Pest Management
IUP	:	Izin Usaha Perkebunan (Land Permit)
KER	:	Kernel Extraction Rate
LD50	:	Lethal Dose 50
LK 1	:	Long Kejjak 1
LK 2	:	Long Kejjak 2
LK 3	:	Long Kejjak 3
LSU	:	Leaf Sampling Unit
LUCA	:	Land Use Change Analysis
MCU	:	Medical Check Up
MSDS	:	Material Safety Data Sheet
NTT	:	Nusa Tenggara Timur
NTB	:	Nusa Tenggara Barat
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OFI	:	Opportunity For Improvement
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POM 3	:	Palm Oil Mill – 3
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RKL RPL	:	<i>Rencana pengelolaan dan pemantauan lingkungan</i> (environmental monitoring and management plan)
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedure
SR	:	Severity Rates
SSU	:	Soil Sampling Unit
UKL UPL	:	<i>Usaha Pengelolaan dan Pemantauan Lingkungan</i> (environmental monitoring and management effort)

WHO	:	World Health Organization
WI	:	Work Instruction
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)</i> • <i>RSPO Supply Chain Certification Standard For organization seeking or holding certification, Adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017)</i> 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Palm Oil Mill 3 – PT. Dharma Satya Nusantara	
1.2.2	Contact person	Agustinus Triwibowo	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> • RSPO registered company: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur, Indonesia • Liaison Office: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur, Indonesia 	
1.2.4	Telephone	021-4618135	
1.2.5	Fax	021-4606942	
1.2.6	E-mail	agustinus.triwibowo@dsngroup.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 (4 December 2012)	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	POM 3 PT. Dharma Satya Nusantara and supply base PT. Dharma Intisawit Nugraha (Long Kejiak 1 Estate, Long Kejiak 2 Estate & Long Kejiak 3 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 3	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	N 01° 15' 21.7" E 116° 52' 29.1"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude

Long Kejiak 1 Estate	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	N 01° 09' 29.9"	E 116° 51' 26.5"
Long Kejiak 2 Estate	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	N 01° 13' 04.5"	E 116° 53' 12.6"
Long Kejiak 3 Estate	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	N 01° 16' 30.2"	E 116° 48' 58.1"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	9,811.849 Ha
	- Land Use Right Certificate	9,797.149 Ha
	- Land Title Certificate (Building)	14.700 Ha
	• Community	Ha

1.5.2 Area Statement

	LK 1 (Ha)	LK2 (Ha)	LK3 (Ha)	Total (Ha)
• Total area	3,225.219	3,497.930	3,088.700	9,811.849
• Mature area	2,930.000	2,917.000	2,902.000	8,749.000
• Mill	-	-	14.700	14.700
• Emplishment	55.000	48.000	48.000	151.000
• Road, Bridge	63.219	63.930	94.000	221.149
• Others area	-	-	30.000	30.000
• HCV	177.000	469.000	-	646.000

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		LK1 Estate	LK 2 Estate	LK 3 Estate	Total
	2005	2,275	-	-	2,275
	2006	567	1,319	-	1,886
	2007	88	1,512	1,831	3,431
	2008	-	86	1,071	1,157
	TOTAL	2,930	2,917	2,902	8,749
1.6.2	New Planting area after January 2010	-			
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 (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)

POM 3	60	292,079	67,135	23.18	10,204.32	3.52
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**Production data source from 12 months before (January to December 2017)*

***The differences between total supplied to POM and total processed amount of 57.35 tonnes is due to grading result (under ripe FFB)*

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)	%
Long Kejiak 1	3,225.219	2,930	79,007	26.96	73,016.57	92.42
Long Kejiak 2	3,497.930	2,917	81,867	28.07	81,641.68	99.99
Long Kejiak 3	3,088.700	2,902	88,589	30.53	45,978.65	51.9
TOTAL	9,811.849	8,749	249,463	28.52	200,636.90	80.43

**Source Production Data from January to December 2017*

1.7.3 FFB description from other source

Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill
				FFB (tonnes/year)
Jabdan 1 Estate RSPO Certified	PT Swakarsa Sinar Sentosa	-	-	63,984.16
Jabdan 2 Estate RSPO Certified	PT Swakarsa Sinar Sentosa	-	-	3,292.30
Puhus 3 Estate RSPO Certified	PT. Dharma Agrotama Nusantara	-	-	18,568.50
Melenyu 1 Estate RSPO Certified	PT Dewata Sawit Nusantara	-	-	1,310.74
Melenyu 2 Estate RSPO Certified	PT Dewata Sawit Nusantara	-	-	7.12
Long Teman Estate RSPO Certified	PT Karya Prima Agro Sejahtera	-	-	356.11
Sungai Wahau Estate RSPO Certified	PT Karya Prima Agro Sejahtera	-	-	7.95
Kemitraan 3 (DIN) RSPO Certified	Associate smallholder	515 farmers	2,148	2,712.03
Kemitraan 5 (DWT) RSPO Certified	Independent smallholder	-	-	61.66
Kemitraan 6 (DIN) RSPO Certified	Associate smallholder	109 farmers	150	148.63
Kemitraan 9 (KPS) RSPO Certified	Independent smallholder	-	-	142.06
**Kemitraan 13 (KPS) Non-Certified	Independent smallholder	-	-	535.96
**Kemitraan 14 (KPS) Non-Certified	Independent smallholder	-	-	261.13
**Kemitraan 15 (KPS) Non-Certified	Independent smallholder	-	-	60.13
**Kemitraan 16 (KPS) Non-Certified	Independent smallholder	-	-	50.97
TOTAL				91,499.45

**Source Production Data from January to December 2017*

***Contaminated product due to receiving and processing uncertified FFB since 24 March 2017 to 27 March 2017 as much as 26.04 tonnes are claimed as uncertified product, the treatment done by POM 3 to strive for 100% separation explaining in the SCCS summary.*

1.7.4	Product categories		FFB, CPO, PK					
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 25 March 2017 to 24 March 2018 (tonnes/year)		Actual certified product 25 March 2017 to 15 January 2018 (MT/year)			
	• FFB Production		246,185		158,200.11			
	• CPO Production		59,084		52,906.88			
	• Palm Kernel (PK) Production		9,847		7,225.19			
1.8.2	Product selling							
	Tonnage of selling product		Actual selling product period 25 March 2017 until 15 January 2018 (ton)					
	• CSPO		- 20,773.77 (as finalized stock) - 28,200 (as credit stock / book and claim). Total sales : 48,973.77					
	• CSPK		6,714.28					
	• CPO under other scheme trading (e.g ISCC, RFS)		-					
	• CPO under conventional trading (if any)		3,933.11					
	• PK under other scheme		-					
	• PK under conventional trading (if any)		510.91					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	PT DIN - Long Kejiak 1	3,225.219	2,930	78,858	26.9			
	PT DIN - Long Kejiak 2	3,497,930	2,917	88,173	30.2			
	PT DIN - Long Kejiak 3	3,088.700	2,902	49,657	17.1			
	TOTAL	9,811.849	8,749	216,688	24.7			
	<i>*Projected FFB production for period 25 March 2018 to 24 March 2019</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	POM 3	60	216,688	52,005	24	8,668	4	IP
	<i>*Projected CSPO and CSPK production for period 25 March 2018 to 24 March 2019</i>							
1.9	Other Certifications							
	ISCC		-					
	Others		ISPO POM 3 – Certificate No. 82450113012, 25 March 2015					
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound	Location	Status		
	Mill	Time						

	Bound Plan		Plan		
POM 1 (PT SWA)	June 2012	Jabdan 2 (PT SWA)	2012	Muara Wahau, Kalimantan Timur	Certified
		Smallholder (KM 5.9)	2015		
		Smallholder (KM 3,6,11,12)	2017		
POM 2 (PT DSN)	June 2013	Puhus 1 (PT DAN)	2013	Muara Wahau, Kalimantan Timur	Certified
		Puhus 2 (PT DAN)			
		Puhus 3 (PT DAN)			
POM 3 (PT DSN)	August 2013	Long Kejiak 1 (PT DIN)	2013	Muara Wahau, Kalimantan Timur	Certified
		Long Kejiak 2 (PT DIN)			
		Long Kejiak 3 (PT DIN)			
POM 4 (PT DSN)	November 2014	Jabdan 1 (PT SWA)	2014	Muara Wahau, Kalimantan Timur	Certified
		Long Jenew 1 (PT SWA)			
		Long Jenew 2 (PT SWA)			
		Smallholder			
POM 5 (PT DSN)	2018	Bukit Pandulangan 1 (PT Pilar Wanapersada)	2019	Nangabulik, Kalimantan Tengah	NPP Waiting RaCP
		Bukit Pandulangan 2 (PT Pilar Wanapersada)			
		Bukit Pandulangan 3 (PT Pilar Wanapersada)			
		Smallholder			
POM 6 (PT DSN)	2018	Melenyu 1 (PT DWT)	2018	Muara Wahau, Kalimantan Timur	Waiting RaCP
		Melenyu 2 (PT DWT)			
		Melenyu 3 (PT DWT)			
		Melenyu 4 (PT DWT)			
		Smallholder			
-	-	PT Dharma Intisawit Lestari	2020	Bulungan, Kalimantan Timur	NPP & RaCP Approval process RSPO
-	-	PT Karya Prima Agro Sejahtera	2020	Muara Wahau, Kalimantan Timur	NPP & RaCP Approval process RSPO NPP & RaCP Approval process RSPO
		Smallholder	2023		
-	-	PT Putra Utama Lestari	2020	Melak, Kalimantan Barat	NPP NPP
		Smallholder	2023		
-	-	PT Agro Andalan	2019	Sekadau, Kalimantan Barat	NPP
		Smallholder	2022		
-	-	PT Kencana Alam Permai	2020	Sintang, Kalimantan Barat	NPP & RaCP Approval process RSPO NPP & RaCP Approval process RSPO
		Smallholder	2023		
-	-	PT Prima Sawit Adalan	2020		NPP & RaCP

		Smallholder	2023	Sintang, Kalimantan Barat	Approval process RSPO NPP
	-	PT Dharma Persada Sejahtera	2020	Sintang, Kalimantan Barat	NPP
		Smallholder	2023		
<p>Data source:</p> <ul style="list-style-type: none"> Progressive timebound plan certification activity of DSN on January 2018 POM 5 postponed from 2016 to 2019 and POM 6 from 2017 to 2018, due to RaCP process and NPP 					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	The associated smallholder under PT DIN has been certified on 2017 and supplying FFB to POM 1				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-4	<ol style="list-style-type: none"> Sandra Purba (Lead Auditor). Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she verified Legal, SCCS, Social, and Land Conflict aspects. Arif Faisal Simatupang (Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV) and RSPO lead auditor training course. He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify Integrated Pest Management, Best Management Practices, Good Manufacture Practices, management and Economic, and OHS aspect. Asystasya Aishah Silalahi (Auditor). Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verified worker walfare, environment, HCV, and transparency aspect.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-4	Number of auditors : 3 auditor Number of days for ASA-4 at site : 4 days Number of working days for ASA-4 at site : 12 Working days
2.2.2	Assessment Process
ASA-4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dharma Satya Nusantara to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised on 14 June 2017.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (RC).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-4</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
ASA-4	LK 1

1. **EFB Application, Division IV, Block H23.** Observation and interview to supervisor and worker related to procedure implementation, OHS, and worker welfare.

LK 2

2. **Harvesting, Division VII, Block H 37 – 38.** Observation and interview to supervisor and harvesters related to harvesting procedures, OHS and worker welfare aspects.
3. **Barn owl box, Division V, Block H26.** Observation and interview to supervisor related to IPM and monitoring.
4. **Warehouse of working tools and PPE of spraying worker LK 2.** Observation and interview to supervisor related to procedures, OHS, and waste management.
5. **Domestic waste landfill and organic waste composting. Housing of Division V, Block H28.** Observation and interview to supervisor anorganic and organic management, and OHS aspect.
6. **Spraying circle and path. Division V Block H30.** Observation and interview to supervisor and worker related to procedures implementation, OHS and worker welfare aspects.
7. **POME Land Application, Division XIII, Block I42.** Observation and interview to supervisor and worker related to POME land application, OHS and worker welfare aspects.
8. **HCV 1.2, 1.3, 3 Block 1.** Observation regarding to the HCV management
9. **HGU Pole DIN034.** Located in block 2 of HCV area
10. **HGU Pole DIN35.** Located in block 1 of HCV area
11. **HGU Pole DIN 038.** Block J23, division 4, LK1
12. **HGU Pole DIN 39.** Blok I21, division 4, LK1
13. **Riparian area of Blew river.** Block I32, division 6, LK2
14. **Clinic.** Observation and interview regarding to health service and facility and infectious waste management.
15. **Housing, Division 6.** Observation and interview regarding to feasibility of facilities, complain mechanism, waste management, clean water and access to basic needs.
16. **Creche facility.** Interview related to worker welfare, complain mechanism, and feasibility of facilities.
17. **Chemical storage.** Field observations related to condition of the storge and management of hazardous and toxic materials.
18. **Fertilizer warehouse.** Field observations related to the condition of fertilizer warehouse
19. **Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.**
20. **Hazardous Waste Storage.** Field observations related to the management of hazardous and toxic materials.
21. Notes : manuring activity in LK 2 is not conducted during audit due to program of January already realized.

LK 3

1. **Anorganic Fertilization, Division XII, Block D55.** Observation and interview to supervisor and worker related to procedures implementation, OHS and worker welfare aspects.
2. **Harvesting, Division XII, Block D53-D54.** Observation and interview to supervisor and harvesters related to harvesting procedures and rules, OHS and worker welfare aspects.
3. **Barn owl box, Division XII, Block D55.** Observation and interview to supervisor related to IPM and monitoring.
4. **Domestic waste landfill and organic waste composting. Housing of Division X, Block E51.** Observation and interview to supervisor anorganic and organic management, and OHS aspect.
5. **POME Land Application, Division X, Block G49.** Observation and interview to supervisor and worker related to POME land application, OHS and worker welfare aspects.
6. **Land application.** Block G49, division 10.
7. **HGU pole DIN074.** Block C61, division 12
8. **HGU Pole GPS001 DIN.** Block B57, division 12
9. **HGU Pole GPS02 DIN.** Block G44, division 9.
10. **Clinic.** Observation and interview regarding to health service and facility and infectious waste management.

11. **Housing, Division 11.** Observation and interview regarding to feasibility of facilities, complain mechanism, waste management, clean water and access to basic needs.
12. **Child day care.** Interview related to worker welfare, complain mechanism, and feasibility of facilities.
13. **Chemical storage.** Field observations related to condition of the storage and management of hazardous and toxic materials.
14. **Fertilizer warehouse.** Field observations related to the condition of fertilizer warehouse
15. **Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material,** training, provision of PPE, training, emergency response facilities.
16. **Hazardous Waste Storage.** Field observations related to the management of hazardous and toxic materials

POM 3

1. **Security.** Observation on FFB reception, interview regarding to the implementation of SCCS
2. **Weigh-bridge.** Observation on FFB reception, interview regarding to the implementation of SCCS
3. **Grading.** Observation on implementation SOP, OHS aspect and employment aspect.
4. **Loading ramp, Sterilizer, Press, Boiler, Engine room.** Observation and interview with operator in regard of SOP, trainings, OSH aspect, PPEs and audiometry test.
5. **Kernel silo, storage tank.** Observation in regard of certified product storages
6. **Storage tank T300 – Miau Baru.** Observation in regard of certified product storages
7. **Chemical Warehouse.** Field observations related to condition in the chemical warehouse and management of hazardous and toxic materials.
8. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.
9. **Hazardous Waste Storage.** Field observations related to the management of hazardous and toxic materials.
10. **Water Treatment Plant.** Observation related to hazardous material handling and recording water usage using a flow meter.
11. **WWTP.** Observation related wastewater management

Notes : spraying activity in LK 3 is not conducted during audit related to high rainfall

Stakeholder consultation:

- Consultation to relevant agencies on 16 January 2018
- Consultation to local contractor (1 contractor) and communities (3 person) on 16 January 2018
- Interview with gender committee and labour union on 16 January 2018
- Interview with workers during the audit of ASA-4 (detailed in annex 1).

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-4	Summary of stakeholder consultation process Consultation of stakeholders for PT Dharma Satya Nusantara was held by: <ul style="list-style-type: none"> • Public Notification on 29th December 2017 PT Mutuagung Lestari Website (http://mutucertification.com/wp-content/uploads/2018/01/Public-Announcement-PT-DSN-PKS-3-eng-ASA-4.pdf) • Public consultation meeting with government of Kutai Timur conducted by visits and interview on 16th January 2018 • Public consultation meeting with local stakeholder conducted by FGD and interview on 16th January 2018 • Public consultation meeting with internal stakeholder FGD and interview on 16th January 2018 • Public consultation with NGO by email conducted on 8th January 2018
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (RC) will be determined one year after ASA-4 (January – 2019).

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

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

During the assessment, there was no non-conformance raised, however there were two (2) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that POM 3 – PT Dharma Intisawit Nugraha, Dharma Satya Nusantara Group complied with the requirements of Indonesian National Interpretation - NITF – September 2016; RSPO Supply Chain Certification Standard For organization seeking or holding certification, Adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017) and RSPO Certification System 2007, Revised Oct 2011.

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>Certificate holder has the latest list of stakeholder updated on January 2018, consist of surrounding village (Benhes, Diaklay, Dabeq, Muara Wahau, Nehas Liah Bing, Jabdan, Long Bau, Miau Baru SP), organization of worker and community (Muspika, worker union, The Nature Conservacy), schools, and statutory bodies. Based on interview with company's management, the list of stakeholders will updated if there is a revision. Based on interview with related stakeholders, they've already know the person in charge for communication with stakeholder.</p> <p>Mechanism for consultation is listed in Communication and Consultation Procedure (0215B/SWA-CSR-WHU/VI/2012). The procedure explain that all the information request will be responded by CH not more than three days. Stakeholders also can access the CH's documents, such as CH's policies, licensing, reporting, and so on. The list of document can be seen in Communication and Consultation Procedure. Based on interview with related stakeholder, it is known that they don't have difficulties to communicate with the company for information request.</p>
1.1.2	<p>Mechanism for consultation is listed in Communication and Consultation Procedure (0215B/SWA-CSR-WHU/VI/2012). This document explains communication and consultation and information request procedures from the stakeholders. All the information request will be responded by CH not more than three days. The person in charge for communication and consultation is staff of corporate social responsibilities. The documentation of information request is recorded in "Surat Masuk Eksternal PT DIN tahun 2014". Throughout the year 2017, it is known In the book shows that there is no incoming information requests, there are only proposals, complaints and invitation to attend meeting held by stakeholders. For example: The letter dated April 25, 2017 relates to request of heavy equipment. The letter was responded on April 28, 2017 by providing funding for heavy equipment.</p>
	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	CH has list of document that can be accessed publicly. The public documents, such as environmental document, company

annual report, general policies, licensing includes land use title and decree of land use title, OHS, and social reports, plans for continuous improvement and OHS program. These documents are available in estate and mill office. The list of public document is listed in Communication and Consultation Procedure (0215B/SWA-CSR-WHU/VI/2012).

CH also has monitoring and management report, such as employment report, report of environmental management and monitoring plan. These documents also can be accessed by public through the mechanism which has determined by the company.

Status: Comply

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

1.3.1

CH has commitment related to integrity and ethical conduct in all operational activities. The commitment is listed in “Pedoman Mutu” document (PDM-AGR-R04) dated 1st May 2015. In clausa 7.5 about ethical conduct in all operational business activities, stated that:

- Each activity must reflect to fair business practices.
- Prohibits any employee for corruption, bribery and fraud in the use of funds and resources.
- Provide information in accordance with applicable laws and practices of the oil palm industry.

This policy has been socialized to the contractor and stakeholders on 26th September 2015 attended by 82 participants and on 9th October 2017 and 2nd February 2017 in LK 3 and LK2. .This policy is available in Indonesian Language. Based on interview with worker in estate and mill, it is known that they understand about the ethical conduct of the company

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, 2.1.2

List of updated law and regulation as well as its evaluation shown in the document “checklist of law and regulation” updated Jan 2018, consist of OHS aspect, environment aspect, employment aspect and legal operational aspect. All regulations have been registered including the latest regulations such as Regulation of Agrarian and Spatial no.: 7 year of 2017.

Sighted the evidence of compliance with regulations, for example:

- OHS Act No 1/1970 and Permenakertrans No 1/2010, the entire employees has been use the appropriate PPE during work, provide first aid kit in work-place, provide training regarding to the working in noise area and regularly conduct audiometry test for workers who exposed to noise, spirometry test for workers who exposed to dust and cholinesterase/blood test for workers who exposed to chemical.
- Regulation of the Minister of Manpower no. 6 of 2016 concerning religious holiday allowance for company workers / labourers
- Regulation of the Minister of Manpower no 9 / 2016 on OHS aspect for working in high places
- Plantation Act 39/2014 on plantation and Law No. 5 of 1960 on Main Agrarian Regulations, the entire managed area is in the HGU and already has IUP
- Has been comply to PP no.: 101/2014 on hazardous waste management, the CH has licensed scheduled waste storage (Regent decree no.: 660/K.544/2016 issued on 11 July 2016)
- The Company has been implemented the regulation related to labor, for example the minimum wage is in accordance with Decree of Kalimantan Timur Governor (561/K.784/2017) about Minimum wage of Kutai Timur Regency of 2018.
- Overtime payment has been implemented in accordance with Kepmenaker 102/2004

2.1.3, 2.1.4

The mechanism for updating and monitoring of implementation the law and regulation describes in the SOP No.: SOP-AGR-024-R01 issued date 8 September 2014. On the section 5 describes that SHE/HCD/HCO/Legal Department conduct monitoring and evaluation regarding to implementation of law and regulation. Result of its showed in the form of minute of meeting, audit report (internal and external) and audit checklist, for e.g. internal audit report period of 2nd semester of 2017 (27-29 July 2017). In its summary finding shown that there is regulatory references that have not been updated namely PP no. 18/1999. Its raised as OFI during audit. **#OFI**

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.

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.

2.2.1

No changes to the right of land use of PT DIN and POM 3-PTDSN since ST-2. Land ownerships document for all cultivated area as much as 9,811.849 Ha, are shown as follows:

- Decree of BPN East Kalimantan no.: . 20/HGB/BPN-64/2011 dated 2 Feb 2011 for 14.70 Ha, valid for 20 years, HGB certificate No. 04 year of 2008 dated 23 March 2011 as much as 14.70 Ha in Muara Wahau village, Sub District of Muara Wahau, District of Kutai Timuri.
- Decree of BPN of East Kalimantan No. 66-HGU-BPN RI-2007 dated 19 December 2007 as much as 9,811.85 ha and HGU certificate No. 22 year of 2008 dated 15 January 2008 valid for 30 years, corrected to be 9,797.149 Ha due to exclusion of mill area as much as 14.70 Ha.
- In addition, the certificate holder also has IUP for cultivation and processing, namely Decree of Regent Kutai Timur No. 188.4.45 / 057 / Eko.1-V / 2011 dated May 10, 2011 for the Capacity of 60 Ton / Hrs and No. 431 / 01.188.45 / HK / IX / 2007 dated August 24, 2007 for oil palm plantations covering an area of ±10,000 Ha.

2.2.2

All HGU boundary poles with total 88 already mapped with scale 1: 25000, map number of 013-16.09-2006 issued by BPN (measurement and mapping directorate) on June 14, 2006, including the coordinates for each pole. Field observation to the sampled poles is done to ensure that the marks are physically available in the field, such as observation to the DIN034, DIN035, DIN036, DIN038 and DIN039 DIN035. All the poles are well maintained and legible. The position of the poles has been verified using GPS and the coordinate is in accordance with the point specified by the relevant agency. Working instructions are available for HGU marker installation and maintenance namely document no.: IK-AGR-OLP-33-R00 issued on September 28, 2015.

2.2.3, 2.2.4, 2.2.5

Based on interviews with surrounded communities (head of Muara Wahau village) and related agencies (BPN) stated that there are no land disputes since the entire area of PT DIN is released from forest area through decree no.:130 / Menhut-II / 2005 on May 23, 2005 covering 10,125 Ha, so there is no compensation process with the community.

2.2.6

There is no indication of violence and paramilitary use related to the conflict resolution with the community. The established SOP for conflict resolution states the conflict settlement is done by discussion or by legal means.

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.

As has been verified during ST-2 up to ASA-3, in the SIA and HCV document stated that there is no customary rights as well as traditional rights within PT DIN' concession. The entire area of PT DIN is acquired from forest area through decree no.:130 / Menhut-II / 2005 on May 23, 2005 covering 10,125 Ha, so there is no compensation process with the community. Verification also done through consultation with communities around and relevant agencies. Certification unit has the procedure for land clearing, document number SOP-AGR-071-R01 dated 1 December 2016. In the SOP has been describes regarding to law requirement compliance and technical study prior to land clearing, such as EIA, HCV, SIA, HCS, LUCA and meet the principles of FPIC during the land acquisition. Also describes that the land acquisition process shall consider the factor of gender differences, transmigrant and local people, and the differences of legal rights and communal rights. Its procedure was referring to FPIC guidelines document no.: DK-MS-07-R00 dated 1 November 2016.

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 & 3.1.2	
Certificate holder has long-term management plan projections indicated in the document work plan and budget of the year 2017 – 2021. The plan includes projections of production, OER, KER, costs of production, the estimated price etc. Based on the plan can be seen that Certificate Holder achieve long-term economic and financial viability. Evaluation of achievement conducted annually, changes will be made if necessary. In the 5-year ahead is also known that there is no replanting program.	
	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 Certificate Holder has had procedures for agronomy and FFB processing. The procedures include major activities such as plantation crops, fertilizing, pest management, FFB processing and supply chains. Based on field observation in POM 3, LK 2 and LK 3 known that workers in generally understand and can demonstrated technical work in accordance with the procedure.	
4.1.2, 4.1.3	
Certificate holder conducted annually operational and RSPO internal audit in order to monitor the implementation of the procedures. Operational internal audit evaluate the implementation of operational and administration of estates and mill. Whereas RSPO internal audit evaluate the implementation of sustainability procedures in estates and mill. Furthermore, the management representative (Assistant, Manager, General Manager) routinely conduct inspectorate visit to control the implementation of the procedures.	
The result of internal audits were documented in audit reports. The last operational internal audit for POM 3 conducted on August 2017, whereas the LK 2 and LK 3 conducted on July 2017 and the last RSPO internal audit conducted on July 2017. All nonconformities has been followed up and closed by the management units.	
4.1.4	
Based on document review of FFB received by POM 3 period of January to December 2017, there are FFB received from certified and uncertified third party. The third party certified FFB are from Estates of Jabdan 1, Jabdan 2, Puhus 3, Melenyu 1, Melenyu 2, Long Teman, Sungai Wahau with amount 91,499 tons. Meanwhile the third party uncertified FFB amount of 83 tons. This is explained in more detail in SCCS indicator.	
	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, 4.2.2, 4.2.3	
Certificate Holder has fertilization procedures to manage soil fertility. Based on document review and interview with manuring workers, the strategy has been implemented among others conducted soil sampling (SSU) every 6 years and leaf sampling (LSU) annually as a consideration in making manuring recommendation, organic and anorganic fertilizing in accordance with recomendation, as well as POME land application, and planting legume cover crops. Furthermore, certificate holder implemented selective weeding on interrow to minimize run off and erosion.	
Field observation in LK 3 Block D 55, known that Certificate Holder conducted anorganic fertilizing in accordance with manuring recomendation. The worker prepared with measuring tools, and can demonstrate activities well.	
4.2.4	
Nutrient recycling strategy as a part for incresing soil fertility has been conducted, such as EFB mulching application and POME land application. Field observation in LK 1 Block H 23, it is known that EFB mulching application has been	

implemented especially in sandy area with dosage 40 tonnes/ha/year. Whereas in LK 2 Block I 42 and LK 3 Block G 49, POME land application with dose 750 tonnes/ha/year in three rotation (250 tonnes/ha/rotation) has been implemented. The record off EFB and POME application has been well documented.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1, 4.3.2, 4.3.4, 4.3.5 & 4.3.6

Certificate Holder has soil maps that showing soils types which are generally of types *Kanhapludults*, *Kandiudults* and *Udfluvents*. There are no widespread peat, fragile or marginal soils in companies land area, soils types are primarily alluvial soils with good drainage and no peat soils. Certificate Holder also has a topography maps which shows a generally flat area of 0- 15% and only very small areas of slope.

Based on document review and field observation in LK2 and LK3, it is known that the area is relatively flat and there is no contour terrace, but individual terrace in certain area. Management of certain slopes include the EFB application found in LK1 Block H23. Observation on the activities of harvesting, manuring, spraying in LK 2 and LK 3 found the U shape frond stacking system, and selective weeding by not spraying soft fern (*Neprolepis bisserata*) in interrow.

4.3.3

Certificate holder has had document of road maintenance program and realization. Based on document review and field observation, road maintenance has been conducting well, allowing to be used well for operational activities. Road maintenance conducted manually or by heavy equipment such as road grader and vibro compactor.

Status: Comply

4.4

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

4.4.1

CH has water management plan for estates and mill listed in environmental management and monitoring plan, environmental management and monitoring effort, and management program of riparian. The management plan is listed as follows:

- Water quality testing of Wahau River regularly
- Monitoring the efficiency of water use for the mill process
- Maintenance of vertifer grass
- Prohibition of maintenance of circle path and interrow using chemical

The implementation of water management plan, is listed as follows:

- Water quality testing of Wahau River and WTP that listed in environmental management and monitoring plan, environmental management and monitoring effort report.
- Monitoring the water use for mill process of 2017
- Based on observation Blew riparian river, it is known that there is vertifer grass and it maintained well.

4.4.2

Based on field observation in riparian area of Blew river in Block I 32/J32 of LK 2, sighted that the CH has been planted the vertifer grass to prevent of erosion and already installing spraying ban sign. The vertifer grass is maintained well. and Besides, the spraying banning sign also sighted in water point in LK3. It has been in accordance with the WI of Riparian Area No. IK-AGR-SHE-06-R00 dated on April 1, 2014 approved by the Social Responsibility and Environment Director.

4.4.3

CH has the permit of land application of PT DSN, Subdistrict of Muara Wahau, Kutai Timur Regency No 660/K.308/2017 on 10th April 2017. Based on field observation in Land application area in block G49, division 10, LK3 it is known that there is no overflow of wastewater outside the flatbed. The waste water quality testing conducted by PT Sucofindo for the first semester of 2017. The quality standard used is the Decree of LH No. 28 of 2003. The whole parameters tested is in accordance with threshold, include: BOD, COD, pH, Oil and Fat, Pb, Cu, Cd, and Zn. For example, the result of BOD in outlet for December 2017 is 2,916.11 mg/L.

4.4.4

The water use for mill process is monitoring in monthly by laboratorium assistant. The average of water use for process in 2017 is 20,008 m³, the water use for non process activities is 9,960 m³, and the average of water use is 1.25 L/tonnes FFB.

Status: Comply

4.5

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

4.5.1, 4.5.2

An integrated strategy for pest and disease management has been established in agronomy procedures on pest and disease control. The strategies has been observed, include the planting of beneficial plants (*Turnera subulata* and *Antigonon leptosus*) and selective weeding to establish soft weeds to suppress leaf eater pests. In addition, the installation and monitoring of the barn owl boxes to suppress infestation of rats.

Early warning system is conducted in the form of regular detection/census to monitor the infestation of potential pests and diseases such as leaf eater caterpillar, rats, tiratabha, marasmius, and ganoderma. Appointed detection/census workers have been regulary trained, the last training conducted in 6 March 2017.

Based on data and summary of cencus of 2017 in LK 2 and LK 3, it is known that there are no pest and disease infestation that exceed the economic threshold. So there is no usage of pesticides for pest and disease control. This is verified by field observation in LK 2 Block H 37 and LK 3 Block D53, visually there is no symptoms of leaf eater caterpillar infestation on the canopy, or the rats infestation on the FFB collected in the FFB platform.

Status: Comply

4.6

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

4.6.1, 4.6.4

Certificate holder has had document of recomended pesticide, include 4 trade mark of pesticide, which registered in pesticide commission, identified active ingredient, and the specific objectives of control. In periode of 2017 the used pesticides are *Methyl metsulfuron*, *Glyphosate*, and *Fluroksipir*. Certificate Holder does not use WHO 1A, 1B pesticide or paraquat since 2013.

4.6.2

The documentation of pesticide usage records product name, active ingredients, LD50, percentage of active ingredients, total product application, total active ingredients, hectare application and active ingredients per ha application. For instance for LK 2 in period of 2017, the utilization of *Metyl metsulfuron* 0,003 kg/ha, *Glyphosate* 0,482 kg/ha, and *Fluroksipir* 0,024 kg/ha. The CH has program to reduce pesticide usage (round up) by reducing dose as much as 0.20 l/ha.

4.6.3

Related to reduce the usage of pesticides, monitoring conducted daily, monthly, and annually. Furthermore conducted regularly pest and disease detection/census as an early warning system, aims to prevent outbreak of pest and disease, so it is expected to minimize the use of pesticides. Pesticides are only used if the infestation has exceeded the economic threshold. Based on pest and disease census data in the period of 2017, it is observed that there is no infestation exceeded the economic threshold, so there is no usage of pesticides for pest and disease control. Pesticides are used regularly for weed control in the circle and harvesting path with interval every 4 months.

4.6.5 , 4.6.6 , 4.6.7 4.6.9

Each pesticide has been stored in a special place. Based on field visit in Chemical Warehouse of LK 2 and LK 3, separate warehouse conditions with other materials, there are symbols hazardous chemical , Material Safety Data Sheet (MSDS) an others. Based on dovument review and interview with spraying worker in LK 2 Block H 30, they have received internal training about handling pesticide, spraying technic in 22 February and 22 August 2017. The workers has implemented safe working practices accordance with the existing procedures. Knapsack sprayers are in good condition, personal protective equipment has been used according to MSDS and HIRAC such as boots, apron, rubber gloves, mask, and face protector. They can demonstrated the safe working practices, including prohibition of spraying on river or water bodies, and understanding emergency response in the event of an accident. Pesticide solutions are mixed in pesticide

warehouses and transported by special vehicles. After work, knapsack sprayer and PPE are stored in a special storehouse at the Estate.

4.6.8

Based on a review of documents and interviews with management staff and workers, certificate holder did not perform the application of pesticides from the air.

4.6.10

Certificate Holder has had Work Instructions (No. IK-AGR-SHE-09-R02 dated 19 October 2015) of handling hazardous waste. Hazardous waste such as former agrochemical packaging drums and plastic containers it's washing or 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 agrochemicals. Based on field visits in temporary storage hazardous waste and interviews with officers, pesticide ex-containers are collected into temporary storage hazardous waste and delivered to the licensed hazardous waste transporter. Socialization to workers are done during the morning roll-call, confirmed during the interview with workers in line-site, shown that the workers are able to demonstrate waste disposal/handling mechanism.

4.6.11

The Certificate Holder has conducting medical check up which conducted twice a year. Type of analysis were consist of physical parameter and cholinesterase (blood check). According to last MCU record in LK 2 and LK 3 shows that all workers are in good condition were considered normal and fit to conduct agrochemical works. Observation and interview to workers are done for example in Division V Block H30, sighted that there were no indication of skin disease and itches.

4.6.12

Certificate holder has a prohibition policy for pregnant and lactating female to work which are related to agrochemical. Certificate holder delivers monthly examination for female worker in order to ensure that they are not working with agrochemical when they are pregnant or lactating. There has been a letter of mutation on 20 November 2017, for pregnant worker who were transferred to upkeep activity.

Status: Comply

4.7

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

4.7.1, 4.7.2, 4.7.5

Certificate Holder has established Occupational Health and Safety Policy that includes the prevention of health risks and safety of workers. Certificate Holder also has a Health and Safety Plan of 2018 that include HIRAC evaluation, safety patrols, provision of PPE, etc. The risk assessment carried out for all operations unit in Estate and Mill to consider the accident happened and may occur in the future. Procedure of accidents and recording of occupational accidents has been provided with investigations in case of accidents. Based on field observation in LK 2 and LK 3, trained First Aid Officers and first aid equipment available in every working units. PIC phone numbers, charts of emergency response manuals are available in spraying activity or office.

4.7.3

Based on document review and field observation in POM 3, LK 2 and LK 3, it is known that Certificate Holder has conducted internal training for safety work and provides PPE. The workers can demonstrate the safe working practices in accordance with procedures. PPE provide for every worker in accordance with the MSDS or risk identification, and also provided the exchange if it broken.

4.7.4

Certificate holder has OHS committee as personnel in charge on implementing the occupational health and safety program for Estate and Mill. The secretary of this committee is the OHS General Expert. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The OHS Committee also has OHS report which its content is about OHS implementation, OHS programme, minutes of meeting of monthly meeting, and attachment related to OHS.

4.7.6

Certificate holder has provided the employees with insurance to cover occupational accident and medical insurance in accordance with the national social insurance for manpower named BPJS that set by the government, which is routinely paid every month. It's has been verified by interview with the workers in POM 3, LK 2, LK 3 and also workers union. In the contract letter stated that the contractors are responsible for their workers insurance.

4.7.7

The occupational accident monitoring provide a comprehensive information of monthly accident occurred, the number of cases, accident location, types of accident, effects, work hours lost, causes, follow-up, and the results. An evaluation of the accident is also conducted every month and the outcome is discussed during the monthly meeting of OHS Committee. Certificate Holder has monthly record of Frequency Rates (FR) and Severity Rates (SR) of POM 3 and Estate.

Status: Comply

4.8

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

4.8.1

CH has training program for workers for period of 2018 for operational training. The aspect in the training program are such as environment, labor best management practice aspect, ect. Some of training program, namely:

- Manual spraying/mechanic
- First aid training
- Maintenance of heavy equipment
- Water processing
- Etc

Based on interview with worker in estate and mill, they have received some training related to their work, such as harvesting best practice, training for manuring, and spraying, first aid training. The training has been documented into minutes of meeting, list of attendees, and photo activity.

4.8.2

Company has showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. For example, technique of harvesting on 3rd January 2017 attended by 11 participants, manuring technique on 27th September 2017 attended by 137 participants, awareness of OHS and environment, company policy on 24th April and 13th December 2017 attended by 42 participants. The training is for all worker, include daily worker, contractor worker, and permanent worker.

Status: Comply

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

5.1

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

5.1.1

The impact assessment document / EIA which is owned by the management unit is:

- ✓ PT. DSN (POM 3): Recommendation Letter from Environment Bodies of East Kutai Regency No. 660/649/3-BLH / VIII / 2010 dated August 6, 2010 on approval of the Environmental Management Efforts / Environmental Monitoring Efforts POM Activity PT. DSN in the Muara Wahau Village, Muara Wahau District.
- ✓ PT. DIN: Approval Letter of EIA documents, Environmental Management and Environmental Monitoring Plan of plantation and Palm Oil Processing Mill PT. DIN in East Kalimantan from the Minister of Forestry and Plantation No.136 / Menhut-II / 2000 dated December 22, 2000. The scope of this document is the oil palm estates covering an area of + 10,000 hectares and a capacity of 60 ton FFB / hour.

5.1.2

The implementation of environmental monitoring and management plan dan environmental monitoring and management effort is documented on periodical reporting of environmental monitoring and management effort (UKL-UPL) for POM 3 and environmental monitoring and management plan (RKL-RPL) for PT DIN. It is reported every 6 months to related

agency. RKL-RPL for 2nd Semester of 2017 is reported on 3rd January 2018 and UKL-UPL for 2nd semester of 2017 is reported on 8th January 2018.

5.1.3

POM 3 indicate the review and manage document and monitor the environment per 2 years in the document evaluation of the implementation of the environmental management (UKL) and environmental monitoring efforts (UPL) POM 3 PT. DSN In reviewed the matrix of environmental management and monitoring, covering the aspects: the management of solids, liquids, gases, noises, vibrations, dusts and other aspects (traffic accidents, employment), the implementation of which has been running as well as the follow up of the company. CH concluded that manage and monitor aspects still relevant to the conditions in the field, so it will still do the effort to maintain.

Environment monitoring plan listed in the UKL-UPL report (POM 3) and RKL-RPL report (PT DIN) and it has been reported to the relevant agencies in January 2018 for period of 2nd Semester of 2017.

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.

CH has conducted the identification of HCV in the operational area of PT. DSN and PT. DIN in 2012 in collaboration with *Daemeter Consulting*. Executive identification member is RSPO *approved HCV assessor*. Lead Auditor Biodiversity dan Environmental Service (HCV 1-4) on behalf Neville Kemp Msc dan Lead Auditor Social Economy dan Cultural Values (HCV 5-6) on behalf Iwan Kurnia Rosyid. With total area HCV amounted to 646 ha.

Based on identification results, there are eight (8) locations in the HCV area of PT. DIN as follows:

- ✓ Conservation area I (71 Hectares): containing HCV 1.2; 1.3; 3
- ✓ Conservation area II (37 Hectares): 1.2; 1.3
- ✓ Conservation area III (228 Hectares): containing HCV 1.2; 1.3; 3
- ✓ Conservation area IV (133 Hectares): containing HCV 1.2; 1.3; 3
- ✓ Conservation area V (177 Hectares): containing HCV 1.2; 1.3; 3
- ✓ Kenden Besar riparian: 4.1; 5;
- ✓ Bleu riparian: containing HCV 4.1
- ✓ Sung riparian: containing HCV 4.1

5.2.2 & 5.2.4

CH shows conservation work plan for 2017 (January - December 2017) that describes:

- ✓ Survey of the diversity of species is located in a conservation area of Blok 1, 2, 3, 4 LK 2, blok V LK 1
- ✓ Survey monitoring of flora in the area of conservation blok I, II, III IV LK 2 and blok V LK 1
- ✓ Monitoring and maintenance of conservation attributes.
- ✓ The restoration, conservation treatment plants and reduction of invasive plants in the conservation area.
- ✓ Monitoring the potential for erosion.
- ✓ Monitoring of water resources.
- ✓ Socialization of conservation.

The implementation of HCV management plan for TP Dharma Intisawit Nusantara for period of 2017, among others:

- ✓ Survey of animal diversity in block I of LK2. Survey and monitoring are realized for 1 hour from 1 hour targeted. The activities were carried out on December 14 and 18, 2017. Animals encountered include cinenen belukar, white belly kangkareng, honey bird king, squirrel raw weed, rat eagle, wet bondol, striped fan, cipoh litter, sword cucak, wild boar, crested, kareo paddy, light bulbs, plain honey birds, cucak kutilang, tepus merbah garbage, golden pekaka, etc..
- ✓ Survey of species diversity in block II LK 2. Survey and monitoring is realized for 1 hour from 1 hour targeted. The activities were held on December 14 and 18, 2017. Animals encountered include monkey monkeys, gray clashes, white belly kangkareng, Borneo bondol, tuapi, cipoh lint, monitor water lizard, honey king, red cinenen, delimuman emerald, etc.

The results of management plan in 2017 is input during the preparation of the management plan 2018.

5.2.3.

Based on interviews with HCV officer, there is no hunting activities in every conservation area. In conservation area has installed a Board ban on hunting in accordance with Law number 5 year 1990 and other types of protected fauna.

Based on field observation in the HCV area in block 1 and 2, there are sanctioned warning board in accordance with regulation No 5/1990 and other types of protected fauna.

5.2.5.

Based on field visits and interviews with the local community (Muara Wahau Village) during this time, there is no area of local communities who used as the 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

CH has identified the source of waste and pollution for POM 3 and PT DIN. The source of waste and pollution for period of 2017 such as

PT DIN: generator, chemical waste, domestic waste, and hazardous waste from clinic

POM 3: waste and pollution from boiler, generator set, wastewater, EFB, fiber, and mill operational and maintenance

5.3.2 & 5.3.2

CH has hazardous waste storage in each unit, mill and estate. The permit of Hazardous Waste storage in POM 3 is in accordance with Decree of Regent of Kutai Timur Regency No 660/K.359/2015 and in PT DIN is in accordance with Decree of Regent of Kutai Timur Regency No 660/K.544/2016. Based on field observation in hazardous waste storage in mill and estate, the waste is placed accordance with its kind.

The waste is collected by the transporter of hazardous waste (PT Sumber Rezeki Abadi) with agreement letter No 018/DSN/JKT/2018 and 003/DIN/JKT/2018 and valid until 31st December 2018. Document of hazardous waste transporting is in form of minutes of meeting of handover and manifest.

The latest despatch of hazardous waste of Mill 3 is 15th January 2018, among others:

- Used oil as much as 667 kg with manifest no KLH-86440000000032U
- Used filter as much as 24.6 kg with manifest no KLH-86440000000033U
- Ex hazardous package as much as 83.7 kg with manifest no KLH-86440000000035U
- Ex paint cans as much as 34.6 kg with manifest no KLH-86440000000036U
- Rags as much as 16 kg with manifest no KLH-86440000000034U
- Electronic waste as much as 3.5 kg with manifest no 86440000000048U
- Ex accu as much as 6.5 kg with manifest no KLH-86440000000049U

The latest despatch of hazardous waste of PT DIN is 17th November 2017, among others:

- Solid waste as much as 299,19 kg with manifest no AUV 0000616
- Liquid waste as much as 686 liters with manifest no AUV 0000617

The latest despatch of medical waste period of December 2017 to POM 4, among others:

- Handscoen as much as 24 pcs
- Nald + bisturi as much as 24 pcs
- Sputit as much as 20 pcs
- Vial ampoul as much as 17 pcs

Based in field observation in housing complex in LK 2 and LK 3, there is no hazardous waste that is reused. The incoming and outcoming waste is recorded in hazardous waste balance sheet that updated every month.

Status: Comply

5.4

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

Based on document review of efficiency use of fossil fuels for 2017, it is known that:

- Processed FFB is 292,078,882 kg
- CPO Production is 67,704,048 kg
- Power used for generator is 1,422,280 KWh and for turbine is 4,422,280
- Fuel use for generator is 1.41 L/ton FFB
- Estimated fuel use for turbine is 4,45 L/ton FFB

The turbin using steam power coming from boiler and the boiler fuel derived from shell and fiber. So, based on data above, it is known that the efficiency of fossil fuel from renewable energy is as much as 4.45 liters/ton FFB.

Status: Comply

5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

5.5.1 & 5.5.2

Based on field observation in LK 2 and LK3, there is no burning activities in estate. CH has policy about prohibition of burning activities in estate. Besides, there is no new land clearing activities based on document and field observation. Also, work instruction no about Land Clearing No IK-AGR-OLP-01-R02 poin 2.1 letter c stated that land clearing is done by zero burning method.

Status: Comply

5.6

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

5.6.1

Sighted the map of pollutions and emissions sources of POM 3, such as CO2 (boiler, generator, transportation), CH4 (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for LK2 and LK3 shown in the identification documents and management plans for pollution sources for the period of Jan2017-December 2017, among others: emissions (CO2, CO), noise, chemical waste, organic and inorganic waste and infectious waste.

5.6.2

LK2, LK3 and POM 3 can demonstrate the plans and shows the realization records of mitigation and reduction of GHGs, including:

- The use of renewable energy (fibre and shell) as a substitute for fossil energy, can be shown the recapitulation the use of shells and fibre for boiler in period 2017. Fibre: 20,707,393 tons, Shell: 39,325,971 tons
- Sighted the plan and annual realization of machines: periodical service of LK2, for example service of Cummins generator 50 KVA and Perkin 30 KVA on 14 Jan 2018 (after reached 750 HM).
- Perform testing of noise levels at POM 3 on a regular basis once every 6 months by an accredited Lab, for example: testing report on September 11, 2017 with noise levels: Boiler 92.5 dBA, generator / turbine: 102.5 dBA, nut plant area: 97.5 dBA, clarification area: 97.6 dBA, press area: 93 dBA, tippler area: 97.5 dBA, sterilizer area: 102.4 dBA, and loading ramp area: 82.5 dBA.

Handling of noise is done by conducting audiometry test in periodically (the test results period of April 2017 was indicated no hearing loss). POM 3 also provides PPE (ear plug and ear muff) to employees as observed during the field visit, as well as giving training to all operators on the risks of noise exposure, such as training on 7 July 2017, 67 participants. Observations and interviews with employees on process activities are known that employees already aware to the risks of noise, its also sighted that the mill has been instal the signage (warning) in the noise areas.

5.6.3

The CH already monitored and reported the significant emissions and pollutions annually using RSPO palmGHG calculator, for period of 1 Jan – 31 Dec 2017 describes as follow (calculator ver 3.1):

Milling production

Description	Unit	Value
Crude Palm Oil (CPO) Production	t	67703
Palm Kernel (PK) Production	t	10287

Milling extraction rate

Description	Unit	Value
OER	%	23.18
KER	%	3.52

POME calculation result

POME produce	t/yr	196461.7
CH4 (total)	t/yr	2573.65

N2O calculation result

Applied N in POME	t/yr	88.41
Total N2O emission from POME	tCO2e/yr	589.41

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 %

Summary Emissions

Product	tCO2e/t Product
CPO	1
PK	1
PKO	0
PKE	0

Description	Unit	Value
Total Planted Area	Ha	30860.34
Total Planted Area on Peat	Ha	0
Conservation Area	Ha	1199.4
OER	%	23.18
KER	%	3.52

Mill Emissions and Credits

Description	tCO ₂	tCO ₂ e/t FFB
Emissions Sources		
POME	57263.67	0.2
Fuel Consumption	1564.85	0.01
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Housing & Grid	0	0
Sale Of PKS	0	0
Sale Of EFB	0	0
Total	58828.52	0.2

Field Emissions and Sinks

Emissions	Own Crop			Group			3 rd Party		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB
Land conversion	55128.17	7.62	0.27	27012.24	7.97	0.39	0	0	0
*CO ₂ emissions from fertilizer	11400.15	1.61	0.06	4538.42	5.34	0.26	0	0	0
**N ₂ O emissions	8995.24	1.22	0.04	3018.31	3.42	0.17	0	0	0
Fuel consumption	1831.64	0.26	0.01	401.4	0.25	0.01	0	0	0
Peat Oxidation	0	0	0	0	0	0	0	0	0
Sinks									
Crop sequestration	-66686.04	-9.36	-0.03	-26670.45	-9.36	-0.46	0	0	0
Conservation Sequestration	0	0	0	-40.78	-0.07	0	0	0	0
Total	10669.16	1.34	0.05	8259.139	7.55	0.37	90.82	0	0

Emissions from Palm Kernel Crusher

Emission Source	tCO ₂ e
PK from own mill	10268.22
PK from other sources	0
Fuel consumption	0
Total crusher emissions	0

This mill has no kernel crusher operation

Status: Comply

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

6.1

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

6.1.1, 6.1.2

SIA was done in 2011 by Daemeter Consulting, compiled based on the aspirations of the community through in-depth interviews and Focus Discussion Group, villages sampled namely Deabeq Village, Village of Nehas Liang Bing, Village of Beanheas, Village of Diak lay, Village of Miau Bau and Muara Wahau Village. Records of participatory in the form of attendance list, has been involve the community around, for example: Muara Wahau SP2 as many as 18 people.

6.1.3, 6.1.4, 6.1.5

Sighted the SIA management plan for period of 2017/2018, describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management during the last 2 years which conducted in a participatory way on 5 January 2018 involving the affected parties (internal and external) through direct communication / consultation and also through the distribution of questionnaires. There are 12 social impacts to be monitored during 2017/2018 including the impacts to smallholder's scheme. No negative issues raised during interviews with communities around the plantation such as interviews with community leaders, women's communities, local contractors, and village heads from Muara Wahau Village.

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

CH can demonstrate the standard communication and consultation procedures as indicated in SOP No. 0215B / SWA-CSR-WHU / VI 2012 on Communication and Consultation. The SOP prepared along with surrounded community on 7 June 2012. Socialization and communication done routinely to the stakeholder, as confirmed during the public consultation to community leader, women's communities, local contractors, and village head from Muara Wahau Village.

A list of stakeholders per Jan 2018 can be shown for the DSN Group, informing the name, position, address and contact number.

6.2.2, 6.2.3

No changes to the responsible in charge for communication and consultation with the community and other stakeholders since ASA-3. The PIC divided into: Head Office is as many as three people and the PIC in the unit as much as 5 people. Communication can be done by phone and by mail or by writing using a specific form that can be retrieved at the CSR office. All communications records are stored in the CSR office.

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

Certification unit has a system of communication and consultation document No. 0215B / SWA-CSR-WHU / VI in 2012, describes and regulates the procedures for the company and its stakeholders in communication and consultation, prepared in a participatory way on June 7, 2012. In section 3 is described a mechanism to reporting on violations that want to keep private (whistle blowing and anonymity) which states that every occurrence of acts of violation and other unethical actions can be reported confidentially to the good intention for the sake of the company and stakeholders. Not specifically written in the SOP, but based on interviews with CSR staff, stated that any grievance / complaints related to RSPO implementation may also be submitted through the RSPO complain mechanism.

6.3.2

There were no internal and/or external complaints submitted during the period of 2017. Cross-check has been conducted through interviews with labour union of PT DIN and POM 3, interviews with employees during field observations as well as interviews with surrounded community (Muara Wahau Village).

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

No changes since ASA-3, Based on SIA and HCV document, as well as interview with related institution (BPN) and surrounded communities known that there is no customary rights and traditional rights within PT DIN' concession. The entire area of PT DIN is acquired from forest area through decree no.:130 / Menhut-II / 2005 on May 23, 2005 covering 10,125 Ha, so there is no compensation process with the community.

Certification unit has had the procedure of land clearing, document number SOP-AGR-071-R01 dated 1 December 2016. In the SOP has been describes regarding to law requirement compliance and technical study prior to land clearing, such as EIA, HCV, SIA, HCS, LUCA and meet the principles of FPIC during the land acquisition. Also describes that the land acquisition process shall consider the factor of gender differences, trans migrant and local people, and the differences of legal rights and communal rights. Its procedure was referring to FPIC guidelines document No. DK-MS-07-R00 dated 1 November 2016.

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

CH has work agreement for contract worker which explain about the wages, work hour, duty and responsibility, and other provisions. The contract that is showed to auditor is for 6 workers. The wages is in accordance with Kalimantan Timur Governor Decree No 561/K.784/2017 about minimum wage for Kutai Timur Regency as much as Rp 2,678,731 per month. The wage for contract worker is set in the work agreement. Based on interview with worker in estate, they received the payslip document and the amount is in accordance with the applicable regulation. Based on document review of wage documentation, it is known that the wage is paid in accordance with the regulation. The payment overtime also in accordance with the applicable regulation based on documentation of overtime recapitulation.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.

6.5.2

Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract.

CH also has company regulation. The company regulation is ratified on 4th July 2017 through Head of Manpower and Transmigration Agency of Kutai Timur Decree NO. 798/PHIJSK-PK/PP/VII/2017. This document is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on. Based on interview with the worker, it is known that they understand about worker's rights and obligation as written in Company Regulation.

6.5.3 & 6.5.4

Based on field observation in housing complex in L2 and LK3, it is known that CH has been providing housing facilities, lighting, water, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. Based on interview with the residents, it is known that there is no complaint related ot housing facilities. The facilities provided by the CH is adequate. Adequette food supply can be accessed by the nearest market. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price.

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	The policy related to right to form and join worker union is listed in company policy article 4 poin 6. It is stated that workers are free to establish trade unions, become trade union members / leaders under the terms of applicable government regulations. Based on interview with representative of worker union from PT DIN and POM 3, it is true that company is giving freedom for worker to establish a worker union. The worker union has been registered to Labor Agency of Kutai Timur Regency.
6.6.2	The worker union conducted internal meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on 27 th April 2017 attended by 7 participants and 2 nd October 2017 attended by 52 participants. The documentation is available in office unit and available for member if they were asking.
	Status: Comply
6.7	Children are not employed or exploited.
6.7.1	The minimum age for new worker recruitment is 18 years old, it is based on company policy. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Kutai Timur Regency and field observation, there is no issue regarding child labor. Based on interview with worker in estate and mill, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children.
	Status: Comply
6.8	Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.
6.8.1 & 6.8.2	CH has policy related to equal opportunity listed on Quality Guidance of DSN Group No PDM-AGR-R04. The policy stated that DSN Group SBU Agro I does disagree discriminatory acts against all of its employees, religiously, ethnically, genderally and regionally. All workers are treated equally and have equal opportunity. Based on field observation and interview with spraying and manuring female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from board of labor union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion.
6.8.3	CH kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment and also medical check up. Company showed documentation of employee recruitment, such as photocopy of KTP, Family ID, application letter, medical check up and if the result was good, will be recruited and signed the work agreement.
	Status: Comply
6.9	There is no harassment or abuse in the work place, and reproductive rights are protected.
6.9.1, 6.9.2, 6.9.3	Policy related to Sexual Harassment is regulated in Company Regulation. Based on interview with female worker in child day care, it is known that they understand the policy. Also, interview with committee of Gender Committee in estate and mill, it is known that there is no issue or complaint related to sexual harassment on the workplace. CH also form gender committee for handling the harassment issue around female workers. It is also known that they understand the mechanism of complaint submission. Complaint can be submitted to board of bipartite cooperation, gender committee, or their foreman. Based on interview with the board of gender committee, the company provides the female worker with pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, CH give special breast feeding time for female worker, but prohibit the worker from working with chemical material.
	Status: Comply
6.10	

Growers and mills deal fairly and transparently with smallholders and other local businesses.	
6.10.1, 6.10.2, 6.10.3	
There is no smallholder involve as the mill receives FFB only from its own estates. However, the CH has been involves the local contractor in its several activity, such as for FFB transporting (e.g. contract no.: 003/DIN/LK3/2017) and provision of operational vehicles (contract no.: 013/DIN/LK1/2016).	
6.10.4	
Payment are done in timely manner according to the result of document verification and interview with local contractor. For example, sighted payment evidence on 2 Jan 2018, payment code 2600000223, and payment receipt no.: 0404/DIN23/12/2017.	
	Status: Comply
6.11	
Growers and millers contribute to local sustainable development wherever appropriate.	
6.11.1	
The CH prepared the CSR program based on inputs received from community around, currently the program for period of 2018 is on approval process. CSR program and evidence of its realization sighted during the audit, stored and recapitulated by CSR Dept. The program includes: education field, community economic improvement, cultural field and environment. For example:	
<ul style="list-style-type: none"> • Comparative study report of KSU Mitra DSN Group to CU Sawiran, Sinau Andani Ekonomi Cooperative Unit and CU Tyas Manunggal on 12-18 November 2017 • Report of elementary school Olympics 2017, in collaboration between DSN Group with Univ Sanata Dharma Yogyakarta held at SDN 006 Muara Wahau Bean Heas Village on 20 - 25 November 2017 followed by 16 elementary schools 	
6.11.2	
Personnel to manage smallholders, consisting of Estates Head, Assistant Chief and field assistant and activity foreman.	
	Status: Comply
6.12	
No forms of forced or trafficked labour are used.	
6.12.1; 6.12.2; 6.12.3	
Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview bipartite cooperation member, there is no issue related to force labour.	
Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.	
Based on field observation and interview with worker, it is known that there is inter regional worker in company. CH has recommendation letter from Manpower Ministry No B.335/PPTKPKK-TKDN/III/2017 stated that PT DIN has approval for the use of inter regional woker from several regional, such as Jatim, Jateng, Jabar, Yogyakarta, Banten, Sulbar, Sulteng, NTT, NTB, Aceh, Sumut, Sumbar, Sumsel, Lampung, Jambi, dan Bengkulu. CH also showed the sample of their contract and it is signed by the worker, manpower agency from workers' home region and CH's region. The wage is in accordance with minimum wage of Kutai Timur.	
	Status: Comply
6.13	
Growers and millers respect human rights	
6.13.1	
CH has policy on human rights which explain the kind of human rights for all workers (June, 2014). The policy has been socialized to the workers and contractor, for example on 13 th January 2018 in POM 3 attended by 25 participants, 26 th September 2015 to contractor and stakeholder attended by 82 participants and 2 nd February 2017 attended by 57	

participants. The socialization has been documented in form of minutes of meeting, list of attendees, and socialization material. Based on interview with worker in estate and mill, they know and understand about workers rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there is a complaint, the complaint can still be resolved by amicable way between employees.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.3.1 and 7.3.2.

Certification unit identifying HCV on Nov 2011. There is clearing after the Nov 2005 conducted without prior identification of HCV and the company has reported Liability disclosure to the RSPO Secretariat on April 23, 2015 for RaCP process.

Based on the results of Land Use Change Analysis (LUCA) of PT DIN known that that there are no land clearing on areas with a coefficient of 1, 0.7 and 0.4 after November 2005. All land clearing by PT DIN is in an area with a coefficient of 0 covering 6,115.47 Ha (Nov 2005 - Nov 2007) and 1,426.48 Ha (Des 2007 - Des 2009).

Based on an email from RSPO on 12 Feb, 2016 is known that the LUCA of PT DIN have been reviewed and passed / approved and no need to process RaCP due to zero liability.

7.3.3.

The date of start of land clearing is recorded by each estate in data of land clearing and use of heavy equipment for land clearing. The beginning of the planting in PT DIN was in January 2005 in Block F6 and F7.

7.3.4 and 7.3.5.

Certification unit has been assessing the HCV, the company has shown evidence of community engagement to identify areas of HCV.

Status: Comply

7.2

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

7.2.1 & 7.2.2

Based on Area Statement known that the planting began in 2005 to 2008. There are no new planting activities since ASA 3 to ASA 4. Map suitability of land or land surveying and topographical information into consideration in the planning of drainage, irrigation systems, roads and other infrastructure as a reference for determining the suitability of the long-term operational plantations.

Status: Comply

7.3

New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

7.3.1 and 7.3.2.

Certification unit identifying HCV on Nov 2011. There is clearing after the Nov 2005 conducted without prior identification of HCV and the company has reported Liability disclosure to the RSPO Secretariat on April 23, 2015 for RaCP process.

Based on the results of Land Use Change Analysis (LUCA) of PT DIN known that that there are no land clearing on areas with a coefficient of 1, 0.7 and 0.4 after November 2005. All land clearing by PT DIN is in an area with a coefficient of 0 covering 6,115.47 Ha (Nov 2005 - Nov 2007) and 1,426.48 Ha (Des 2007 - Des 2009).

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7.3.3.

The date of start of land clearing is recorded by each estate in data of land clearing and use of heavy equipment for land clearing. The beginning of the planting in PT DIN was in January 2005 in Block F6 and F7.

7.3.4 and 7.3.5.

Certification unit has been assessing the HCV, the company has shown evidence of community engagement to identify areas of HCV.

Status: Comply

7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

7.4.1 & 7.4.2

Based on Area Statement known that the planting began in 2005 to 2008. There are no new planting activities since ASA 3 to ASA 4. Certificate Holder has soil maps that showing soils types which are generally of types *Kanhapludults*, *Kandiudults* and *Udifulvents*. There are no widespread fragile or marginal soils in operational area, soils types are primarily *alluvial* with good drainage and no peat soils.

Status: Comply

7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

7.5.1

Based on document SIA and confirmed during the public consultation to BPN of Kutai Timur Regency and community around, known that there is no traditional rights in the area of PT DIN. The entire area is ex-forest area that has been granted decree of release No. 130/Menhut-II/2005 dated 23 May 2005 area of 10.125 Ha for palm oil plantation purposes.

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.

7.6.1, 7.6.4, 7.6.5, 7.6.6

Based on document SIA and confirmed during the public consultation to BPN of Kutai Timur Regency and community around, known that there is no traditional rights in the area of PT DIN. The entire area is ex-forest area that has been granted decree of release No. 130/Menhut-II/2005 dated 23 May 2005 area of 10.125 Ha for palm oil plantation purposes.

7.6.2 & 7.6.3

Certification unit has a mechanism of identification, calculation, and compensation for loss of legal rights in SOP Communication and Consultation number 0215B/SWA-CSR-WHU / VI / 2012 (See Criterion 6.4 previously). However the company has contributed to local development, for example through CSR programs and cooperation with local contractor.

Status: Comply

7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

7.7.1 7.7.2

Based on Area Statement known that the planting began in 2005 to 2008. There are no new planting activities since ASA 3 to ASA 4. Certificate Holder used *zero burning* method in the preparation of new plantings according to the results of interviews of surrounding community.

Status: Comply

7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

Based on review documents of area statement is known for the scope of POM 3 and PT. DIN there are no planting began on January 1, 2015.

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.

During the audit (ASA-4), sighted the continuous improvement that has been implemented by the CH, namely:

- Certificate Holder did not use paraquat since 2013 and conducted Integrated Pest Management (IPM). In periode of 2017 there is no use of pesticides for pest and disease control, but only for routine weed control in circle, path, or interrow.
- The company also installed yield-pole in each block for monitoring yearly FFB yield in ease.
- The company utilizing organic waste from households for composting
- Has achieved Award from East Kalimantan Provincial Government (Corporate Performance Rating Program in Environmental Management - Green PROPER, 2016 - 2017).
- The company continually implementing the sustainability standard such as ISPO and ISCC.

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.
	The organization did not hiring others outsorcers to handling its RSPO certified product. Verification has been done by auditor since FFB transport from field to mill, and CPO/PK transport from storage to storage transit.
	Status: Comply
5.1.2	Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.
	The organization did not buying from RSPO licensed traders.
	Status: Comply
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.
	POM-3 already registered in RSPO IT Platform with member id : RSPO-PO1000000950 and sub license : CB49660, registered member name : PT Dharma Satya Nusantara (POM 3). RSPO membership under PT DSN Group : 1-0135-12-000-00 (4 December 2012)
	Status: Comply
5.1.4	Processing aids do not need to be included within an organization's scope of certification.
	The organization has no a processing aids
	Status: Comply
5.2	Supply chain model
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.
	POM 3 applied SCCS Identity Preserved (module-D).
	Status: Comply
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
	The organization only use one module.
	Status: Comply
5.3	Documented procedures
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.

<p>The organization has written work instruction document No.: IK-AGR-MS-08-R04 for traceability product of CSPO and CSPK model IP and SG are sighted in place, issued on 15 May 2017, prepared by Management System Dept. Head and approved by Management System and Operation Audit Group Head. The document already describes all the elements specified in the SCC requirements.</p>	
	Status: Comply
<p>5.3.2 The site shall have a written procedure to conduct annual internal audit</p>	
<p>Describes in SOP of management system audit SOP-AGR-040-R03 issued 1 Oct 2015, in general requirements mentioned that one of the scope of the SOP is audit on SCCS implementation.</p>	
	Status: Comply
5.4	Purchasing and goods in
<p>5.4.1 The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier</p>	
<p>The organization does not purchase RSPO certified oil palm products. POM 3 only receive and process the FFB from its own estates.</p>	
	Status: Comply
<p>5.4.2 The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p>	
<p>Describing in the work instruction document No.: IK-AGR-MS-08-R04 for traceability product of CSPO and CSPK model IP and SG are sighted in place, issued on 15 May 2017</p>	
	Status: Comply
5.5	Outsourcing activities
<p>5.5.1 In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p>	
<p>The organization does not outsources activities to independent third parties</p>	
	Status: Comply
<p>5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
<p>The organization does not outsources activities to independent third parties</p>	
	Status: Comply
<p>5.5.3 The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	

The organization does not outsources activities to independent third parties	
	Status: Comply
5.5.4 The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
The organization does not outsources activities to independent third parties	
	Status: Comply
5.6	Sales and goods out
5.6.1 The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
The organization does not sales certified product, all certified product produced despatched to Labanan Bulking (certified facility), product sales are coordinated by commercial dept under DSN Group.	
	Status: Comply
5.7	Registration of transactions
5.7.1 Supply chain actors who:	
<ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
POM 3 already registered in RSPO IT Platform with member id : RSPO-PO1000000950 and sub license : CB49660, registered member name : PT Dharma Satya Nusantara (POM 3). The entire requirements for appropriate supply chain has been met by the mill such as : the estimate certified product already recorded in the palm-trace and including finalized transactions records and stocs transactions record during the license period.	
	Status:
5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:	
<ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	
All transaction has been announcing on RSPO PalmI-trace. Announcement are done by shipping.	
	Status: Comply
5.8	Training
5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Training are planned once a year including refreshment.	

	Status: Comply
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed
	According to the result of interview with key personnel on mill (security and weigh-bridge operator), they are able to demonstrate their job description on implementation of SCCS.
	Status: Comply
5.9	Record keeping
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements
	All records are accurate, complete, up-to-date and accessible. All document are stored in mill.
	Status: Comply
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock
	On the organization' SOP mentioned that the document retention is 5 years.
	Status: Comply
5.9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.
	The projection of certified product are set for next 12 months, the record of volume claimed are kept over a period of 12 months.
	Status: Comply
5.10	Conversion factors
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries
	Not applicable. The organization is CPO mill
	Status: Comply
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.
	Not applicable. The organization is CPO mill
	Status: Comply
5.11	Claims
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.
	Based on the organization' SOP, all communication are made in accordance with RSPO Rules on Market Communications and Claims.

	Status: Comply
5.12	Complaints
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.
	Mechanism for complaint handling are describes in work instruction document No.: IK-AGR-MS-08-R04
	Status: Comply
5.13	Management review
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken
	The new standard are applicable since 1 January 2018, management review are planned and verified in the next audit.
	Status: Comply
5.13.2	The input to management review shall include information on:
	<ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement.
	The new standard are applicable since 1 January 2018, management review are planned and verified in the next audit.
	Status: Comply
5.13.3	The output from the management review shall include any decisions and actions related to:
	<ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs.
	The new standard are applicable since 1 January 2018, management review are planned and verified in the next audit.
	Status: Comply

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements												
D.1	Definition												
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</p>												
ASA4	<p>Verified during the ASA-4 (since 1 April 2017), POM 3 only received FFB from certified sources. Based on observation to FFB reception station (security and weigh-bridge) and interview with MR and key personnel involved (weigh-bridge operator, security and ADM head) stated that the FFB that acceptable and processed is only from certified sources designated by PT DSN management, namely based on the memorandum no.: 0003 / MS / III / 2017 dated March 14, 2017, POM 3 supplied by PT DIN (LK1, LK2 and LK3). In this case POM 3 can implement module D (IP) in its supply chain system.</p>												
Status : Comply													
D.2	Explanation												
D.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>												
ASA-4	<p>Total estimated certified product could be produced by POM 3 for the license period of 25 March 2017 – 24 March 2018 contained in the certificate annex of ASA-3, namely for FFB production was 246,185 tonnes, CSPO production was 59,084 tonnes and CSPK production was 9,847 tonnes.</p> <p>Actual FFB, CSPO and CSPK production 25 March 2017 – 15 Jan 2018:</p> <table border="1"> <tr> <td>FFB Certified (LK1, LK2 LK3)</td> <td>158,200.11 MT</td> </tr> <tr> <td>CSPO</td> <td>52,906.88 MT</td> </tr> <tr> <td>CSPK</td> <td>7,225.19 MT</td> </tr> </table> <p>Estimation for next license period for FFB, CSPO and CSPK production 25 March 2018 - 24 March 2019:</p> <table border="1"> <tr> <td>FFB Certified (LK1, LK2 LK3)</td> <td>216,688 MT</td> </tr> <tr> <td>CSPO</td> <td>52,005 MT</td> </tr> <tr> <td>CSPK</td> <td>8,668 MT</td> </tr> </table>	FFB Certified (LK1, LK2 LK3)	158,200.11 MT	CSPO	52,906.88 MT	CSPK	7,225.19 MT	FFB Certified (LK1, LK2 LK3)	216,688 MT	CSPO	52,005 MT	CSPK	8,668 MT
FFB Certified (LK1, LK2 LK3)	158,200.11 MT												
CSPO	52,906.88 MT												
CSPK	7,225.19 MT												
FFB Certified (LK1, LK2 LK3)	216,688 MT												
CSPO	52,005 MT												
CSPK	8,668 MT												
Status : Comply													
D.2.2	<p>The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>												
ASA-4	<p>POM-3 already registered in RSPO IT Platform with member id : RSPO-PO1000000950 and sub license : CB49660, registered member name : PT Dharma Satya Nusantara (POM 3). The entire requirements for appropriate supply chain has been met by the mill such as : the estimate certified product already recorded in the palm-trace and including finalized transactions records and stocs transactions record during the license period.</p>												

- **Certified CPO sold to each buyer period of 25 March 2017 – 15 Jan 2018 from Labanan Bulking (announce as SG)**

Date	Buyer	Volume
Apr	Wilmar	1,748.84
May	LDC Indo + Wilmar	1,256.76 + 1348.71 + 2066.94
Jun	Wilmar	2,745.89
Jul	Wilmar	2,218.36
Aug	Wilmar	2,084.64
Sep	Wilmar	1,404.85
Oct	Wilmar	2,036.48
Nov	Wilmar	1,888.91
Dec	Wilmar	1,973.39
Total		20,773.77

Total of 28,200 MT CSPO has been sold as credit stocks (book & claim) on Aug 2017, Oct 2017, Nov 2017 and Dec 2017.

Tonnage of selling product	Actual selling product period 25 March 2017 – 15 Jan 2018 (ton)
• CSPO sold as RSPO certified product	20,773.77 (as finalized stock) + 28,200 (as stock credit). Total :48,973.77
• CSPK sold as RSPO certified product	6,714.28
• CSPO sold under other scheme	-
• CSPK sold under other scheme	-
• CSPO sold as conventional	3,933.11
• CSPK sold as conventional	510.91

- **Certified Palm Kernel sold to each buyer period of 25 March 2017 – 15 Jan 2018 to KCP-DSN (announce as MB)**

Date	Buyer	Volume
Apr	PT DSN KCP	464.59
May		1,010.25
Jun		770.67
Jul		888.05
Aug		664.97
Sep		893.61
Oct		857.46
Nov		653.77
Dec		464.59
Apr		1,010.25
Total		6,714.28

Status : Comply

D.3 Documented Procedure

D.3.1
 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

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

procedures for the implementation of this standard.

ASA-4	<p>Written WI document No.: IK-AGR-MS-08-R04 for traceability product of CSPO and CSPK model IP and SG are sighted on place, issued on 15 May 2017, prepared by Management System Dept. Head and approved by Management System and Operation Audit Group Head. The document already describes all the elements specified in the SCC requirements, among others:</p> <ul style="list-style-type: none"> - General requirements : SCC modul/model applied, list of FFB certified supplier for each mill, over-production reporting to CB (if any), declassification product if there is contaminated to the certified product, mass-balance report and record keeping. - FFB receiving on mill : trained security and weigh-bridge operator are in charge on this activity, FFB that acceptable is only from certified sources, security and weighing operators have to verify the FFB receipts (estate name, afdeling number, driver name, police number, receipt number, date, bunch number, and tonnage). The wheigh-bridge operator will stamps a "certified" on the delivery receipts and weigh ticket for verified FFB. - Transport clerck, production assistance, laboratory assistance, head ADM and mill manager are the in charge who is responsible to monitor the implementation of the whole requirements on this system. - Production assistance is responsible to record, recapitulate and reporting the stock volume of CPO, PK and FFB, as well as calculating according to the specified ratio. The despatch assistance responsible to recording and recapitulate for the delivery of CPO and PK - Commercial head dept responsible to listing the CSPO and CSPK buyer and reporting the certified product sales trough RSPO IT Platform. <p>The implementation of procedure are verified during the field observation and interview with the key personnel.</p>
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Status : Comply

D.3.2

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

ASA-4	<p>Written WI document No.: IK-AGR-MS-08-R04 for traceability product of CSPO and CSPK model IP and SG are sighted on place, issued on 15 May 2017, prepared by Management System Dept. Head and approved by Management System and Operation Audit Group Head. The document already describes all the elements specified in the SCC requirements.</p> <p>The procedure for FFB processing and job description of the whole staff are describes in the document no.: SOP-AGR-027-Rxx.</p>
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Status : Comply

D.4 Purchasing and goods in

D.4.1

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

ASA-4	<p>Verification on FFB acceptance in the mill is done by security and weighing operators at the time of FFB transporter entering the mill. During the observation to POM-3 sighted that the security/weigh-operators are checks the FFB receipts document and ensure the sources are in accordance with the list of allowed suppliers (certified suppliers). There is no FFB receipts from uncertified sources since April 1, 2017. FFB which has been verified as certified to be weighed and forwarded for grading and processing. Each FFB delivery document will be stamped by the weigh operator with a "CERTIFIED" stamp.</p> <p>During the periode of 10 March – 27 March 2017, the POM 3 are incidentally received and processed the uncertified FFB so that the entire stored product (CPO and PK) are claimed as contaminated product. Related to this, the company already treating by washing the storage tanks (storages in POM 3 as well as transit tank T300 and T30) using soap-water and has done flushing along the process-lane by processing the certified FFB with fomula 1.5 x the volume of pipes and tanks</p>
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along the processing lane. Related to this is completely described in D6.1. Both CPO and PK since 25 - 27 March 2017 claimed as non certified product, including products produced since the flushing process on 28 - 31 March 2017.

• **Certified and non-certified FFB received period of 25 March 2017 to 15 Jan 2018**

Month	FFB		CPO	
	RSPO Certified	Non Certified	Total uncertified	Total certified
25 March 2017 – 31 March 2017	7,258.49	26.04	7,402.31 (all contaminated FFB claimed as non-certified)	-
April	29,761.43	-		29,761.43
May	34,751.04	-		34,751.04
June	22,774.49	-		22,774.49
July	21,963,790			21,963,790
August	19,047,000			19,047,000
September	21,711,020			21,711,020
October	21,443,880			21,443,880
November	18,518,020			18,518,020
December	19,619,770			19,619,770
January 2018	9,536,670			9,536,670
Total	206,845.60	26.04	7,402.31	206,871.64

Status : Comply

D.4.2

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

ASA-4 There is no projected overproduction of certified tonnage during the license period.

Status : Comply

D.5 Record keeping

D.5.1

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

ASA-4 The table below describes the balance all receipts certified FFB, certified CPO despatch to Labanan Bulking, certified PK despatch to CKP-DSN and CPO sales to buyer since 1 April 2017 up to 15 Jan 2018.

Period	FFB (supply base and other certified sources)	CPO Produced	PK Produced	CPO Despatch to Labanan (IP)		PK Despatch to CKP-DSN (IP)		CPO-SG Sales (Labanan to buyer)	Buyer
				IP	STOCK	IP	STOCK		
Apr	29,775.85	6,901.26	950.11	2,582.97	4,318.29	782.35	167.76	1749	Wilmar
May	34,816.45	7,959.73	1,333.82	7,921.70	4,356.32	1341.89	159.70	4673	LDC Indo +Wilmar
Jun	22,875.80	4,963.02	806.50	4,751.97	4,567.37	770.67	195.52	2746	wilmar
Jul	21,873.05	5,137.15	771.14	5,756.37	3,948.15	888.05	78.61	2218	wilmar
Aug	18,994.97	4,884.83	701.19	4,861.70	3,971.28	664.97	114.82	2085	wilmar
Sep	21,493.87	5,282.61	828.36	5,298.97	3,954.92	893.61	49.57	1405	wilmar

Oct	21,638.38	5,283.65	961.82	5,004.51	4,234.06	857.46	153.928	2036	wilmar
Nov	18,624.96	4,519.86	680.36	4,794.08	3,959.83	737.69	96.593	1889	wilmar
Dec	19,699.05	4,766.33	703.36	4,910.30	3,815.86	726.7	73.249	1973	wilmar
Jan-18	9,368.54	2,257.26	330.74	2,085.23	3,987.89	315.04	88.95	-	
Total	219,160.91	51,955.69	8,067.38		3,987.89				

CPO-IP Despatch to Labanan Bulking since 13 Apr 2017 due to the remaining stock of non-certified still stored in T300 and T30 (CPO-IP kept in storage 4 in mill).

Due to product contamination between 25 March and 27 March 2017 as much as 26.04 MT FFB so POM 3 decided that all products both initial physical stock and all products produced during that period were claimed as uncertified product. Washing treatment to the entire storage tank in mill and transit tank (T300 dan T30) already done to ensure that there is no remaining contaminant (describes in D6.1). Flushing also done to the whole tanks and pipes along the process-lane using certified FFB with formula 1.5 x volume of tanks and pipes on 28-31 March 2017. The product produced during the treatment process are claimed as non-certified.

Status : Comply

D.6 Processing

6.1

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

ASA-4

During the license period of 25 March 2017 – 15 Jan 2018, POM 3 incidentally received and processing the FFB from uncertified sources namely since 25 March up to 27 March 2017 as much as 26.04 MT. Related to this, the management has been communicating to RSPO through email to janvandriel@rspo.org on 25 July 2017, and responded : IP Mills or SG/IP storage facility are allowed to do flushing (1.5 x volume) to clean the remains of non-certified CPO on pipe or other container to strive for 100% separation, so that mill can re-apply IP Model.

The process of separation and treatment in order to return to IP has been done by POM 3, describes as follows:

CPO

POM 3 has 4 storages, during the acceptance and processing from non certified sources, all CPO produced stored in storage - 3 (mixed with the previous IP stock) and storage-1, so that there are two uncontaminated storages in POM 3 (storage 2 and 4).

Storage tanks washing at POM 3 and transit tanks at T300 and T30 have been done by the mill to ensure no remaining contaminants, including flushing the entire process-lane. The following explanation is based on report of tank washing:

- Flushing pipes and tanks along the process line done in 29 March – 31 March 2017 by receiving and processing certified FFB. Number of certified FFB using for the flushing process was based on calculation of all volume of pipes and tanks along the process-lane, volume of pipe from storage 1 up to storage 4, volume of transit tanks T300 and T30, volume of drop tank pipe to T300 and pipe from T300 to T30. Total CSPO required for washing is 1.5 x total volume, which is 88.96 tonnes.
- Washing of storage -1 in POM 3 done on April 11, 2017, the last CPO stock per date of 10 April 2017 was 25.21 ton has been delivered to transit tank in Miau Baru, and the rest are washing using soap-water and discharged into WWTP pond, the report was attached by photo documentation.
- Washing of storage-3 on POM 3 done on April 16, 2017 with the last CPO stock of 22.92 tonnes delivered to Miau Baru, the remaining was washed with soap-water and discharged into the WWTP pond. The report are completed along with photo documentation.
- Washing of transit tank T300 and T30 of POM 3 at Miau Baru was done on April 25, 2017, the last stock CPO stored was disposed into WWTP pond (due to poor quality) as well as the washing of CPO tank truck with soap-water (2 units). CSPO as much as 36.06 tons are used as flushing of drop tank to T300 (claimed as non-certified),

and washing of pipe from T300 to T30 using CSPO as much as 50.86 ton (claimend as non-certified). Both the T300 and T30 tanks have been washed with soap-water in the same date. Total non IP products after washing lanes sent to Labanan were 96.05 tonnes.

Between 1-25 Apr 2017, POM 3 did not drop the CSPO-IP to T300 Miau Baru (due to the washing and flushing pipe process), all CSPO produced is stored in ST-4.

PK

All PK produced by POM 3 from 25 March to 27 March 2017 (including contaminated CSPK) are defined as uncertified product by POM 3 and delivered to CKP-DSN. All PK produced on 28-31 March 2017 (during flushing process) are defined as uncertified product and sent to CKP DSN.

During field observation to kernel silo station and kernel warehouse, there is no more uncertified PK stored in the warehouse.

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-4	PT Dharma Intisawit Nugraga (DSN Group) did not use the logo or symbol of the RSPO Certified in trading activities.	
	Status: NA	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ASA-4	PT Dharma Intisawit Nugraga (DSN Group) did not use the logo or symbol of the RSPO Certified in trading activities.	
	Status: NA	
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-4	PT Dharma Intisawit Nugraga (DSN Group) did not use the logo or symbol of the RSPO Certified in trading activities.	
	Status: NA	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-4	PT Dharma Intisawit Nugraga (DSN Group) did not use the logo or symbol of the RSPO Certified in trading activities.	
	Status: NA	

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><i>Auditor verification</i> 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

		<ul style="list-style-type: none"> • POM 5 and POM 6 there is no new land clearing of new planting after November 2005. • 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><i>Auditor verification</i> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 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><i>Auditor verification</i></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><i>Auditor verification</i> There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>No any labour disputes.</p> <p><i>Auditor verification</i></p>

		There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Legal non compliance, there is process for land legality PT Dharma Intisawit Lestari, PT Karya Prima Agro Sejahtera, PT Putra Utama Lestari, PT Prima Sawit Andalan and PT Dharma Persada Sejahtera.</p> <p><i>Auditor verification</i></p> <ul style="list-style-type: none"> • 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, Opportunity for Improvement and Noteworthy Positive Components.

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

NCR No.	: 2017.01.	Issued by	: Leonada
Date Issued	: 20 January 2017	Timeline of Implementation	: 19 March 2017
NC Grade	: Major	Date Closed	:
Standard Reference and Requirement	: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
Description of Non-conformance and Evidence observed :			
<p>Based on the results of field observation known that each worker had been given safe working training. Based on the results of field visits also found some non compliance related to the use of PPE such as:</p> <ul style="list-style-type: none"> • LK1 Estate on the harvest and spray found workers who did not use PPE in accordance with the identification PPE requirement (procedure No. SOP-AGR-072-R00 attachment DK-SHE-140-R01) as the harvester does not use glasses, gloves and spray foreman's apron in a damaged condition. • LK2 Estate on EFB application activities, harvesting and interrow maintenance manuals found workers using their own PPE (Shoes). <p>Based on these explanation, that became Nonconformance Number NCR 2017.01.</p>			
Root cause analysis:			
<ul style="list-style-type: none"> a. Awareness related to OHS, especially the use of PPE has not really become a culture of employee although socialization has been done b. There are no regulations regarding the replacement of the damaged PPE before the replacement period. <p>Supervision related to the use of PPE, currently only the supervision of direct supervisor and EHS assistant</p>			
Corrective action:			
<ul style="list-style-type: none"> • Region Head shall issue a memorandum to reaffirm the obligation of the use PPE in accordance with the type of work and sanctions for employees that does not comply along with their supervisors • Issued regulations regarding the replacement of the damaged PPE • EHS assistant along with EH, perform data collection immediately against the damaged PPE for evaluation and replacement 			
Preventive action:			
<ul style="list-style-type: none"> • Adding a clause on employment agreement concerning the willingness of employees to use PPE in accordance with the provisions of the company. • Improving the monitoring mechanism through monitoring randomly checks on a regular basis by assistant EHS against disciplinary PPE use, and reported to the Head Plantation and Mill Head. • The results of the monitoring of the PPE use were evaluated by Head Plantation and Mill Head each month. • Straightening the rules of discipline related to the use of PPE through coaching of employees who does not 			

comply and supervisors.

Evaluation Assessors and Conclusion:

- The company has shown evidences of corrective actions, such as memorandum No. 002 / Dir / JKT / II / 17 dated 13 February 2017 from Operation Director related to reaffirmation of PPE use, installation of safety signs, the replacement of damaged PPE, safety patrols in daily basis, monitoring during the muster morning and monitoring of implementation the entire mechanism. Provided PPE usage disciplinary process flow diagram.
- Evidence of PPE monitoring in the field, examples on March 2, 2017. The provisions in the replacement of PPE is done by showing the damaged PPE, which then do the handover.
- Identification of all PPE in the field (available, damaged or absent) and evidence of PPE purchase order that have been approved, for example, on 9 February 2017, evidence of handover PPE dated February 27, 2017 in accordance with the results of the identification of PPE condition.
- Evidence of re-socialization to employees, for example:
 LK1 division 1, dated February 28, 2017
 LK2 division 5, dated February 27, 2017
 LK3 division 9, dated February 28, 2017

Based on evidences indicated corrective action, root cause analysis and preventive action planned, the nonconformity declared closed with observation.

Verified by : **Leonada**

NCR No.	2017.02.	Issued by	Brigitta Prita
Date Issued	20 January 2017	Timeline of Implementation	ASA-3
NC Grade	Major	Date Closed	19 January 2017
Standard Reference and Requirement	6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		

Description of Non-conformance and Evidence observed :

The company owns the terms of wages payment, describes in Collective agreement Document, as follows:

1. Divide the basic wage of permanent employees are 30 days.
2. Payment of wages is based on effective Business Day plus Non Effective Business Day (pay).
3. There arof employe the terms of payment permanent employees with the calculation of 1.5 x Normal working day.

However, Based on a review of documents (Months Salary Slip permanent employees in December 2016) that known: There are employees who work on holidays for 7 hours. With the payment of overtime wages 1.5 X normal working day IDR 113,580. This is not appropriate with the terms payment of overtime wages regulated in Ministerial Regulation No. 02 year 2004 ((1 month basic salary /173) x 2) x working hours). Example: Employee in Long Keijak 2 estate with registration number of employees 0007421 work on Sunday, December 18th and 25th, 2016. It is became Nonconformance NCR No.2017.02 with Major Category.

Root cause analysis:

Officers of Day Care is basically permanent worker who are temporary assigned there, for example due to her pregnancy or breastfeeding. Thus the official status they were permanent employees. Generally, employees are still

working under employment targets (base rate), so that applies is the result of over wages, instead of overtime. In addition to the generally the daycare officers do not work on day-off and only on-duty during normal working hours, so rarely do overtime work, especially on day-off.

Due to the above conditions, then there is lack of unfamiliarity of assistant in applying the rules of the company against daycare officers and other work activities on holidays that use the rules "over wages system" so that the payments overtime on holidays is 1.5 x normal hourly wage applied. Whereas the company regulations clause 15 mentioned that overtime on holidays = 2 x normal hourly wage.

Corrective action:

- Issue a memorandum on implementation of overtime pay rules in accordance with company rules and Manpower Regulation No. 102 of 2004.
- Re-socialization to all field assistants and administrative staff of the plantation on the calculation of overtime on weekdays and holidays.
- Payment of overtime wages daycare officers and other workers shall carried out in accordance with aforementioned regulation.

Preventive action:

- Recapitulate payment of overtime each month to ensure payment of overtime wages is in accordance with the regulations.
- To evaluate the effectiveness of the socialization to employees on the differences between the application over wages and overtime payments

Evaluation Assessors and Conclusion:

Verification on 9 March 2017

The company has showed the memorandum number 042 / HCO / I / 2017 from the Human Capital Operation Department dated January 28, 2017 regarding the system of remuneration of excess working hours of permanent employees to jobs that are not based on units of work, schedule and authorize the document, effective since January 1 2017.

The Company showed evidence of socialization related to the calculation system overtime wages on weekdays and holidays to all employees. Documented evidence in the form of the attendance list and photos.

The company has showed the recapitulation of payments to each estate, such as payments in January 2017, of evidence wage payment voucher to 8 employees.

Based on the explanations and evidence of corrective actions above, the nonconformity No.2016.02 Indicators 6.5.1. Major categories declared closed with observation.

Verified by:	Brigitta Prita
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3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

<i>NCR No.</i>	: -	<i>Issued by</i>	: -
<i>Date Issued</i>	: -	<i>Time Limit</i>	: -
<i>NC Grade</i>	: -	<i>Date of Closing</i>	: -
<i>Standard Ref. & Requirement</i>	-		
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>			
-			
<i>Root Cause Analysis (filled by organization audited):</i>			
-			
<i>Correction (filled by organization audited):</i>			
-			
<i>Corrective Action (filled by organization audited):</i>			
-			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i>			
-			
<i>Verified by</i>	:		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.1.1	Ensure that updated regulatory references are available in the unit
2	SCCS	The certificate holder has the opportunity to revise the existing Supply Chain Procedure by completing it in accordance with RSPO Supply Chain Certification Standard 2017 requirements.

3.5.4 Noteworthy Positive Components

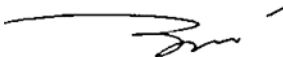

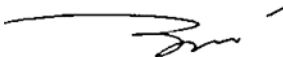

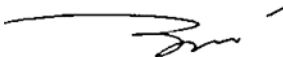

No	Description Deskripsi
1	Has achieved ISCC, RSPO & ISPO Certificate
2	Has achieved Award from East Kalimantan Provincial Government (Corporate Performance Rating Program in Environmental Management - Green PROPER, 2016 - 2017)
3	Opened business opportunities for the surrounding community (for example procurement of operational vehicles hired from the surrounding villagers)
4	Utilizing organic waste from households for composting

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

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

Issues from Public	Auditor Response
<p>cultivation. Thus is also refers to Decree of Forestry & Environment Number 718 of 2014, the Certification Unit area is in status of other.</p> <ul style="list-style-type: none"> • The Certification Unit did not propose for extending area of the plantation. • For the last year of 2016, the agency did not except any reporting of land conflict from the community for assisting mediation. There is also no conflict or over claim in the plantation area against other plantation company or mining company. • The company is acceptable to determine the conservation area in the land use right area, as long as the area was not properly to be planted, but not abandoned. The abandoned land would be the object to be sight by the agency. • The management of boundary pole is obligation for the plantation company. 	<p>compliance to RSPO standard criteria 2.1; 2.2 and 5.2.</p>
<p>Head of Village, Informal Leader, villager and smallholder cooperation staff, Woman Group and Local Contractors in Muara Wahau Village The discussion was conducted by Focus Group Discussion (FGD) method. Some discussion points:</p> <p>Woman Group</p> <ul style="list-style-type: none"> • Perusahaan telah melakukan pembinaan terhadap kelompok ibu-ibu di desa dalam kegiatan industri rumah tangga • Pernah dilakukan studi banding ke Jogjakarta untuk melihat kegiatan industri rumah tangga <p>Smallholder cooperation staff</p> <ul style="list-style-type: none"> • The company has cooperated with "Koperasi Sawitan Surya" in a partnership program of oil palm plantation management in community land since 2013. • Some of the local villagers (local contractors) have also partnered with the company in the rent car) <p>Head of Muara Wahau Village</p> <ul style="list-style-type: none"> • The impact of plantation operations; road access and working opportunity for village surround • Some of the aid that has been given by the company: <ul style="list-style-type: none"> - Heavy Equipment for road maintenance - Development of Kindergarten School (Harapan Muda) and aid for transportation of the student from village surround • There are no issues and conflicts of land tenure between the company and the surrounding Community There are also no issues related to the complaints of surrounding communities to the and factories, and operation of plantation and mill. • During the one year period there are no cases of negative impacts on the operation of plantation and mill (eg, environmental pollution) • There was no cases of land fires since the last year <p>Aspiration:</p>	<p>Based on verification on related Indicators: Indicator 2.2.3 to 2.26 and 2.3. Sd 2.3.3 does not indicate a conflict between the company and the surrounding community.</p> <p>Indicator 6.3.1 & 6.3.2, there are no significant complaints from the other parties</p> <p>Indicator 6.11.1 & 6.11.2, the company has implemented/provided assistance to the surrounding community and the opportunity to adapt social governance activities based on community needs and based on more participatory planning</p>

Issues from Public	Auditor Response
<ul style="list-style-type: none"> • The women empowerment need to be further enhanced • Opening business opportunities for surrounding communities 	
<p>Local Contractor – FFB Transport</p> <ul style="list-style-type: none"> • Cooperation with the company has been started since January 2017 for the transportation of FFB from the plantation area to the location of the POM 2 • Information about partnership opportunities with companies is obtained directly from company staff • At the time of starting in cooperation with PT DAN , there is a contract signed by both parties and each keeps the document • In the contract have been listed : <ul style="list-style-type: none"> - Provisions of the company to be followed by the contractor (Driver has a SIM and is well- dressed, - Use of Personal Protective Equipment (Helmet & Shoes) - Payment time • Timely payment in accordance with clauses describes in the document contract that is at the end of each month and can be taken through in Bank Rakyat Indonesia in Muara Wahau Sub District 	<p>Indicator 6.10.1 & 6.10.4, there was no smallholder scheme and the company has provided employment opportunities to several local contractors for the transportation of FFB and CPO</p>
<p>Labour Union and Gender Committee</p> <ul style="list-style-type: none"> • Salary and overtime payment has been paid in accordance with applicable provision and regulation. • There is no nonpermanent daily worker in both PT DIN and POM 3, the employment status is permanent daily worker, monthly worker and specified time contract workers which already bond by direct contract letter. • All workers has been registered in the social insurance both healthy and employment (covered including accident and death insurance). • Workers grievance are submitted through labour union, mostly in regard of housing feasibility and maintenance. However, stated that the CH has been responded in time. • No issues raised during the consultation, stated that the company both POM 3 and PT DIN has been facilitate the activity of labour union and gender committee • There is no sexual harrasment reported to the gender committee, the mechanism has been socialized to the workers and representative board are designated in each division. • CH gives special time to breastfeeding effectively for women workers. As for female sprayer worker, it is prohibited to work with chemical material during breasfeeding. 	<p>Auditor has verified the issues related to worker welfare and the compliance with the RSPO indicator no 6.5.1, 6.5.2, 4.7.6, 6.9.1</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table data-bbox="363 817 1348 1108"><tr><td data-bbox="363 817 774 1108">PT Dharma Satya Nusantara (POM 3) Management Representative  <u>Agustinus Triwibowo</u> Monday, 12 February 2018</td><td data-bbox="1061 817 1348 1108">Mutuagung Lestari Lead Auditor  <u>Sandra Purba</u> Monday, 12 February 2018</td></tr></table>	PT Dharma Satya Nusantara (POM 3) Management Representative  <u>Agustinus Triwibowo</u> Monday, 12 February 2018	Mutuagung Lestari Lead Auditor  <u>Sandra Purba</u> Monday, 12 February 2018
PT Dharma Satya Nusantara (POM 3) Management Representative  <u>Agustinus Triwibowo</u> Monday, 12 February 2018	Mutuagung Lestari Lead Auditor  <u>Sandra Purba</u> Monday, 12 February 2018		

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.	National Land Agency of Kutai Timur District.	Kutai Timur District, Kalimantan Timur Province.	-	Interview	16 January 2018	√	-
2.	Plantation Agency of Kutai Timur District.	Kutai Timur District, Kalimantan Timur Province.	-	Interview	16 January 2018	√	-
3.	Environment Agency of Kutai Timur District	Kutai Timur District, Kalimantan Timur Province.	-	Interview	16 January 2018	√	-
4.	Labor Union Labor PT DIN & DSN Group	Kutai Timur District, Kalimantan Timur Province.	-	Interview	16 January 2018	√	-
5.	Coordinator of Gender Committee	Kutai Timur District, Kalimantan Timur Province.	-	Interview	16 January 2018	√	-
6.	Local contractor	Kutai Timur District, Kalimantan Timur Province.	-	Interview	16 January 2018	√	-
7.	Village of Muara Wahau	Kutai Timur District, Kalimantan Timur Province.	-	Interview	16 January 2018	√	-
8	LK 2 Estate - 5 harvester - 10 spraying worker	Long Kejiak 2 Estate		Interview	17 January 2018	√	-
9	LK 3 Estate - 18 manuring workers - 5 harvesters	Long Kejiak 3 Estate		Interview	18 January 2018	√	-
10	POM 3 - 1 WTP operator - 2 WWTP operator - 2 workshop workers	POM 3		Interview	18 January 2018	√	-
10.	WALHI	Indonesia	info@walhi.or.id	Email	11 January 2018	-	√
11.	WWF	Indonesia	suhandri@wwf.or.id	Email	11 January 2018	-	√
12.	Sawit Watch	Indonesia	info@sawitwatch.or.id	Email	11 January 2018	-	√
13.	AMAN	Indonesia	rumahaman@cbn.net.id	Email	11 January 2018	-	√

Appendix 2. Assessment Program

DATE / TANGGAL	15 January – 20 January 2018	
PLANNED TIME RENCANA WAKTU	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
Monday, 15 January 2018		
06.00 – 11.30	JAKARTA → BALIKPAPAN	SP / AFS / AST
11.30 – 16.00	BPPN → BERAU → PT DHARMA SATYA NUSANTARA	SP / AST
16.00 – 17.00	Opening Meeting	SP / AST
11.30 – 17.00	BPPN → Sangatta	AFS
Tuesday, 16 January 2018		
08.00 – 12.00	<ul style="list-style-type: none"> Public consultation to: <ul style="list-style-type: none"> Relevant institution in Kutai Timur District – Sangatta (Disbun, Disnaker, DLH, BPN) → Covering issues for POM 2 and POM 3 Labor union, gender committee and employees cooperative unit, Local contractor 	AFS SP/AST
12.00 – 14.00	Break	
14.00 – 17.00	Field Observation at POM 3 <ul style="list-style-type: none"> POM (loading ramp, process, engine room, workshop, boiler), SCCS (security, weighbridge) WTP, WWTP, Hazardous Waste Warehouse (<i>TPS limbah B3</i>), drainage, collecting place of solid waste (EFB, fiber, shell), methane capture (if any), composting (if any) 	SP AST
Wednesday, 17 January 2018		
08.00 – 12.00	Field Observation at Long Kejiak 2 Estate <ul style="list-style-type: none"> HCV, Boundaries, Land dispute (if any) Harvesting, Manuring, Sparying, IPM, application of waste (if any EFB or composting), Land application (if any) and replanting/new area (if any) Housing, chemical warehouse, hazardous waste warehouse, mixing area & PPE storage, workshop 	SP AFS AST
12.00 – 14.00	BREAK	SP / AFS / AST
14.00 – 17.00	Continuing field observation at LK2 Estate Review of Previous Visit Non-conformance (ST2 – ASA3), partial certification RSPO Document Review and clarification of field visit	SP / AFS / AST SP / AFS / AST
Thursday, 18 January 2018		
08.00 – 12.00	Field Observation at Long Kejiak 3 Estate <ul style="list-style-type: none"> HCV, Boundaries, Land dispute (if any) Harvesting, Manuring, Sparying, IPM, application of waste (if any EFB or composting), Land application (if any) and replanting/new area (if any) Housing, chemical warehouse, hazardous waste warehouse, mixing area & PPE storage, workshop 	SP AFS AST
12.00 – 14.00	BREAK	SP / AFS / AST

DATE / TANGGAL	15 January – 20 January 2018	
PLANNED TIME RENCANA WAKTU	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
14.00 – 17.00	Continuing field observation at LK3 Estate Review of Previous Visit Non-conformance (ST2 – ASA3), partial certification, RSPO Document Review and clarification of field visit	SP / AFS / AST
Friday, 19 January 2018		
08.00 – 11.30	Continuing field observation at LK2 Estate (if necessary) and RSPO Document Review	SP / AFS / AST
14.00 – 15.00	Interim Meeting/ preparation for closing meeting	SP / AFS / AST
15.00 –	Closing Meeting	SP / AFS / AST
Saturday, 20 January 2018		
04.00 – 09.00	PT DSN → Berau	SP / AFS / AST
10.00 – 14.00	Berau → Balikpapan → Jakarta	SP / AFS / AST