

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

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : **POM 4 Subsidiary of PT DHARMA SATYA NUSANTARA Tbk**  
 Plantation Name : PT Swakarsa Sinarsentosa  
 (Jabdan 1 Estate, Long Jenew 1 Estate dan Long Jenew 2 Estate)  
 Location : Village of Benhes, Sub-District of Muara Wahau, District of Kutai Timur,  
 Province of Kalimantan Timur, Indonesia  
 Certificate Code : **MUTU-RSPO/060**  
 Date of Certificate Issue : 01 June 2015                      Date of License Issue : 01 June 2018  
 Date of Certificate Expiry : 31 May 2020                      Date of License Expiry : 31 May 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	20 – 23 March 2018	Sandra Purba (Lead Auditor), Arif Faisal Simatupang, Naila Karima, Dwi Haryati Radityo Puspanjana	Octo H.P.N. Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	23 April 2018

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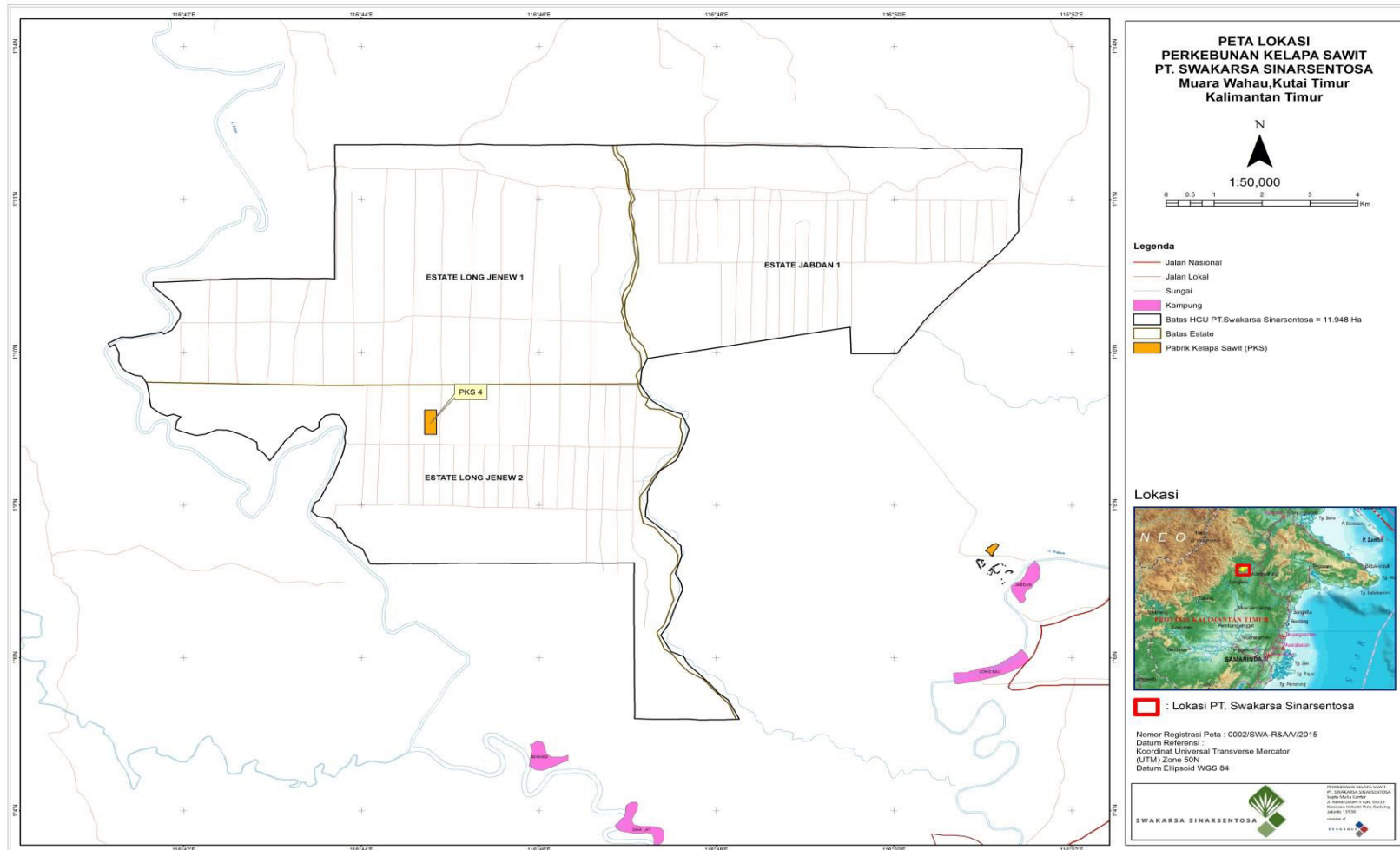
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FIGURE

Figure 1. Location Map of PT. Dharma Satya Nusantara



Figure 2. Operational Map of PT Swakarsa Sinarsentosa



**Glossary**

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

SOP	:	Standar Operational Procedure
SR	:	Severity Rate
SWA	:	Swakarsa Sinarsentosa
UKL-UPL	:	Upaya Kelola Lingkungan Upaya Pemantauan Lingkungan
WHO	:	World Health Organization
WWTP	:	Water Waste Treatment Plan

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>		<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill) Revised on 14 June 2017</i></li> </ul>	
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT Dharma Satya Nusantara, Tbk	
1.2.2	Contact person	Agustinus Triwibowo	
1.2.3	Organisation address and site address	<p><b>Central Office register at RSPO:</b> Jl. Rawa Gelam V Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta, Indonesia</p> <p><b>Site Address</b> Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Indonesia</p>	
1.2.4	Telephone	+62-21-4618135	
1.2.5	Fax	+62-21-46834865	
1.2.6	E-mail	<a href="mailto:agustinus.triwibowo@dsn.co.id">agustinus.triwibowo@dsn.co.id</a>	
1.2.7	Web page address	<a href="http://www.dsn.co.id">www.dsn.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Agustinus Triwibowo	
1.2.9	Registered as RSPO member	1-0135-12-000-00 tanggal 4 December 2012	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	1 POM (POM 4) with 3 supply bases: Jabdan 1 Estate; Long Jenew 1 Estate dan Long Jenew 2 Estate	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	POM 4	Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 09' 06"      E 116° 44' 46"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Jabdan 1	Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province	N 01° 10' 53"      E 116° 49' 44"

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

**1.5 Description of Area Statement**

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

**1.6 Planting Year and Cycles**

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Jabdan 1	Long Jenew 1	Long Jenew 2	Total
	1998	368	-	-	368
	1999	654	-	564	1,218
	2000	508	-	-	508
	2001	747	-	1,434	2,181
	2003	780	1,488	903	3,171
	2004	-	2,839	439	3,278
	2011	-	-	41	41
	<b>TOTAL</b>	<b>3,057</b>	<b>4,327</b>	<b>3,381</b>	<b>10,765</b>

*Note: Planting year 2011 41 ha is ex-nursery*

1.6.2	New Planting area after January 2010	-	Ha
1.6.3	Planting Cycle	1 <sup>st</sup> Cycle	

**1.7 Description of Mill and Supply Base**

1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)



POM 4	60	291,700.62	64,464.92	22.09	11,943.20	4.09
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*\*Production data period March 2017 until February 2018*

1.7.2 Description of Certification Scope of Supply Base

Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
					FFB (tonnes/year)	%
Jabdan 1	3,508	3,057	78,866.15	25.80	9,191.43	11.65
Long Jenew 1	4,446	4,327	117,832.66	27.23	64,603.32	54.83
Long Jenew 2	3,775	3,381	92,492.63	27.36	81,654.68	88.28
<b>TOTAL</b>	<b>11,729</b>	<b>10,765</b>	<b>289,191.44</b>	<b>26.86</b>	<b>155,449.43</b>	<b>53.75</b>

*\*Production data period March 2017 until February 2018*

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 2 Estate (RSPO Certified)	PT Swakarsa Sinarsentosa	-	5,121.00	62,741.90
Melenyu 1 (RSPO non-certified)	PT Dewata Sawit Nusantara	-	3,641.10	6,589.78
Melenyu 2 (RSPO non-certified)	PT Dewata Sawit Nusantara	-	3,469.61	8,210.64
Melenyu 3 (RSPO non-certified)	PT Dewata Sawit Nusantara	-	3,812.54	7,785.77
Melenyu 4 (RSPO non-certified)	PT Dewata Sawit Nusantara	-	2,706.25	6.06
Long Teman Estate (RSPO non-certified)	PT Karya Prima Agro Sejahtera	-	556.63	775.28
Sungai Wahau Estate (RSPO non-certified)	PT Karya Prima Agro Sejahtera	-	2,563.00	154.18
KM 1 (KUD Min Sun Lekut) (RSPO non-certified)	Smallholder of PT Swakarsa Sinarsentosa	530	1,099.00	19,618.67
KM 2 (KSU Min Bea Glang Mandiri) (RSPO non-certified)	Smallholder of PT Swakarsa Sinarsentosa	84	419.00	9,233.21
KM 4 (KSU Gerdabang Glang Mandiri) (RSPO non-certified)	Smallholder of PT Dharma Agrotama Nusantara	217	414.00	7,999.77
KM 5 (RSPO certified)	Smallholder of PT Dewata Sawit Nusantara	-	-	7.00
KM 7 (RSPO non-certified)	Smallholder of PT Dewata Sawit Nusantara	-	-	19.16
KM 8 (RSPO non-certified)	Smallholder of PT Dharma Agrotama Nusantara	-	-	510.73
KM 9 (RSPO certified)	Smallholder of PT Karya Prima Agro Sejahtera	-	-	2,625.59
KM 10 (RSPO non-certified)	Smallholder of PT Dharma Agrotama Nusantara	-	-	6,508.21
KM 11 (RSPO certified)	Smallholder of PT Dharma Agrotama Nusantara	-	-	94.38
KM 12	Smallholder of PT Dharma	-	-	54.86

(RSPO certified)	Agrotama Nusantara			
KM13 (RSPO non-certified)	Smallholder of PT Karya Prima Agro Sejahtera	-	-	1,337.61
KM 14 (RSPO non-certified)	Smallholder of PT Karya Prima Agro Sejahtera	-	-	475.06
KM 15 (RSPO non-certified)	Smallholder of PT Karya Prima Agro Sejahtera	-	-	93.49
KM 16 (RSPO non-certified)	Smallholder of PT Karya Prima Agro Sejahtera	-	-	277.63
KM 17 (RSPO non-certified)	Smallholder of PT Dewata Sawit Nusantara	-	-	27.35
PT.Roni Putra Abadi (RSPO non-certified)	Independent Supplier	-	-	40.99
Sawit Sejahtera Wahau Jaya (RSPO non-certified)	Independent Supplier	-	-	522.30
Harapan baru (RSPO non-certified)	Independent Supplier	-	-	467.75
Sawit Usaha Tani Sejahtera (RSPO non-certified)	Independent Supplier	-	-	73.82
<b>TOTAL</b>				<b>136,251.19</b>

*\*Production data period March 2017 until February 2018*

1.7.4 Jenis Produk **FFB, CPO, PK**

**1.8 Estimate Tonnage of Certified Product**

1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 01 June 2017 to 31 May 2018 (tonnes/year)	Actual certified product 01 June 2017 to 19 March 2018 (tonnes/year)
	• FFB Production	272,404.00	132,133.73
	• CPO Production	68,101.00	29,809.62
	• Palm Kernel (PK) Production	13,620.00	5,463.47

**1.8.2 Product selling**

	Tonnage of selling product	Period of actual selling product 01 June 2017 to 19 March 2018
•	CSPO sold as RSPO certified product	29,766.276
•	CSPK sold as RSPO certified product	5,439.488
•	CSPO sold under other scheme	-
•	CSPK sold under other scheme	-
•	CSPO sold as conventional	-
•	CSPK sold as conventional	-

**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)
Jabdan 1	3,508	3,057	82,019	26.83
Long Jenew 1	4,446	4,327	122,541	28.32
Long Jenew 2	3,775	3,381	96,189	28.45
<b>TOTAL</b>	<b>11,729</b>	<b>10,765</b>	<b>300,749</b>	<b>27.94</b>

*Projected FFB production period 01 June 2018 until 31 May 2019								
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 4	60	300,749	72,180	24.00	13,534	4.50	MB
*Projected CSPO and CSPK production period 01 June 2018 until 31 May 2019								
<b>1.9 Other Certifications</b>								
	Others			ISPO Certificate with number 824 501 13005 validity period until 20 January 2019				
<b>1.10 Time Bound Plan</b>								
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	POM 1 (PT SWA)	June 2012	Jabdan 2 (PT SWA)	2012	Kutai Timur District, Kalimantan Timur Province	Certified		
			Smallholder (KM 5.9)	2015		Certified		
			Smallholder (KM 3,6,11,12)	2017		Certified		
	POM 2 (PT DSN)	June 2013	Puhus 1 (PT DIN)	2013	Kutai Timur District, Kalimantan Timur Province	Certified		
			Puhus 2 (PT DIN)	2013		Certified		
			Puhus 3 (PT DIN)	2013		Certified		
	POM 3 (PT DSN)	August 2013	Long Kejiak 1 (PT DSN)	2013	Kutai Timur District, Kalimantan Timur Province	Certified		
			Long Kejiak 2 (PT DSN)	2013		Certified		
			Long Kejiak 3 (PT DSN)	2013		Certified		
	POM 4 (PT DSN)	Nov 2014	Jabdan 1 (PT DSN)	2014	Kutai Timur District, Kalimantan Timur Province	Certified		
			Long Jenew 1 (PT SWA)			Certified		
			Long Jenew 2 (PT SWA)			Certified		
			Smallholder			2018	ST-2 March 2018	
	POM 5 (PT DSN)	2019	Bukit Pandunlangan 1 (PT Pilar Wanapersada)	2019	Lamandau District, Kalimantan Tengah Province	NPP Waiting RaCP		
			Bukit Pandunlangan 2 (PT Pilar Wanapersada)	2019				
			Bukit Pandunlangan 3 (PT Pilar Wanapersada)	2019				
			Smallholder	2022				
	POM 6 (PT DSN)	2018	Melenyu 1 (PT DWT)	2018	Kutai Timur District, Kalimantan Timur Province	Waiting RaCP		
			Melenyu 2 (PT DWT)	2018				
			Melenyu 3 (PT DWT)	2018				
			Melenyu 4 (PT DWT)	2018				

		Smallholder	2020		
-	-	PT Dharma Intisawit Lestari	2020	Bulungan District, Kalimantan Timur Province	-
-	-	PT Karya Prima Agro Sejahtera	2020	Kutai Timur District, Kalimantan Timur Province	NPP & RaCP Approval process RSPO
		Smallholder	2023		NPP & RaCP Approval process RSPO
-	-	PT Putra Utama Lestari	2020	Melak District, Kalimantan Barat Province	NPP
		Smallholder	2023		
-	-	PT Agro Andalan	2019	Sekadau District, Kalimantan Barat Province	NPP
		Smallholder	2022		
-	-	PT Kencana Alam Permai	2020	Sintang District, Kalimantan Barat Province	NPP & RaCP Approval process RSPO
		Smallholder	2023		
-	-	PT Prima Sawit Adalan	2020	Sintang District, Kalimantan Barat Province	NPP & RaCP Approval process RSPO
		Smallholder	2023		
-	-	PT Dharma Persada Sejahtera	2020	Sintang District, Kalimantan Barat Province	NPP
		Smallholder	2023		
Data source: <ul style="list-style-type: none"> <li>Progressive timebound plan certification activity of DSN on January 2018</li> <li>POM 5 postponed from 2016 to 2019 and POM 6 from 2017 to 2018, due to RaCP process and NPP</li> </ul>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	<p>Information related with progress of certification of FFB sources from estates under same management with PT. DSN, refers to the above mentioned time Bound plan. For scheme smallholding and other smallholding sources that are not fully managed by PT. DSN, certification Bodies will ensure that those sources will be certified within three years after POM 4 RSPO Certified.</p> <p>In accordance with this, RSPO certification system points 4.2.3 describes that the “All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years”.</p>				

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-3</b>	<ol style="list-style-type: none"> <li><b>Sandra Purba (Lead Auditor).</b> 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, and Land Conflict aspects.</li> <li><b>Arif Faisal Simatupang (Auditor).</b> 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 Long Term Budget.</li> <li><b>Naila Karima.</b> Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She had experience working in private oil palm plantation companies in Indonesia. She had followed training such as ISPO Lead Auditor, awareness training RSPO certification system, awareness training Occupational Health and Safety Management System (PP No. 50 tahun 2012), Integrated Management System (OHSAS 18001:2007, ISO 14001:2004, and ISO 9001:2008), and HCV Management Training. During this assessment, she assigned to verify of OHS, water management and conservation.</li> <li><b>Dwi Haryati.</b> Indonesian citizens. Bachelor of Agriculture Department of Agriculture. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include : Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 &amp; 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, Palm Oil Mill Processing, Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. During this assessment, she assigned to verify of worker welfare aspect, social and transparency of information.</li> <li><b>Radityo Puspanjana.</b> Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMIT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospacial Information System, IHT Hight Conservation Value, IHT Environmental Impact Assesment, IHTGreen House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. At the time of audit, has verify aspect of HCV, GHG and Environment.</li> </ol>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-3</b>	Number of auditors : 4 auditor and 1 trainee Number of days for <b>ASA-3</b> at site : 4 days Number of working days for <b>ASA-3</b> at site : 20 Working days
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-3</b>	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Dharma Satya Nusantara (POM 4) – PT Swakarsa Sinarsentosa (Jabdan 1 Estate; Long Jenew 1 Estate; Long Jenew

2) to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised on 14 June 2017.

The assessment was conducted through 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-3** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-4**). Improvement of findings from main assesment findings were observed by auditors at this **ASA-3** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-3**.

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-3</b>	<p>Sampling method for chosing location by audit team is based on:</p> <ol style="list-style-type: none"> <li>1. The choosen locations represent each operation area (by using the 0,8√y formulation, for this activity, the representation samples are JB1 Estate and LJ2 Estate)</li> <li>2. Consideration over rising issue from document’s review and stakeholders consultation result, which are substantial and crucial. A complete list of visited locations:</li> </ol> <p><b>POM 4:</b></p> <ul style="list-style-type: none"> <li>• <b>Security post and weigh-bridge.</b> Observation and interview related to SCC implementation.</li> <li>• <b>Grading station.</b> Observation and interview on FFB grading, SOP implementation, OHS and employment implementation.</li> <li>• <b>Boiler, engine, nut kernel.</b> Observation and interview regarding to the implementation of OHS and employment aspect.</li> <li>• <b>Kernel Silo and kernel basculator.</b> Observation on PK storing and delivery from POM to KCP.</li> <li>• <b>Water treatment plant.</b> Observation and interview related to water treatment procedure, water usage calculation,OHS and employment aspect.</li> <li>• <b>Chemical material warehouse.</b> Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.</li> <li>• <b>Workshop.</b> Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management.</li> <li>• <b>Mill Drainage.</b> Observations mill effluent lines, sanitation mill and flow of leaching mill.</li> <li>• <b>Hazardous waste temporary warehouse.</b> Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.</li> <li>• <b>Solid Waste.</b> Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill.</li> <li>• <b>WWTP.</b> Field observations related to Ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent.</li> <li>• <b>Fire Fighting Equipment Storage.</b> Simulation the function of fire extinguishers and team readiness.</li> </ul> <p><b>Jabdan 1 Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Legal boundaries BPN 171 (block B38 Div 3), BPN 160 (Block B39 Div 3).</b> Observation related to pegs maintainance and coordinates.</li> <li>• <b>Harvesting, Afdeling II Block A39.</b> Observation and interview related safe working practices, OHS and worker welfare aspects.</li> <li>• <b>Manual Upkeep, Afdeling II, Block A26.</b> Observation and interview related safe working practices, OHS and worker welfare aspects.</li> <li>• <b>Barn Owl Box, Afdeling II Block A39.</b> Observation of biological treatment of infestation of rats by installing barn owl boxes.</li> </ul>

- **Spraying Circle and Path, Afdeling IV Block B20.** Observation and interview related working procedure, OHS and worker welfare aspects.
- **Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).** Observation and interview related to wages, training, PPE, work accident, and complaint mechanism.
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **Scheduled waste storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Fuel Storage.** Observation emergency response procedure.
- **Chemical Warehouse.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
- **Washing facility for spraying team.** Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling.
- **Fire Extinguishers Warehouse.** Observation on the availability and condition of fire extinguishers and preparedness of fire-fighting team.
- **Generator set room.** Observation and interviews related to work procedures, OHS implementation, employment and complaint mechanism.
- **Worker Housing at afdeling 2.** Observation of employee facilities, management of domestic waste, emergency response facilities, provision of clean water.
- **Creche at Afdeling 2.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
- **Reservoir at afdeling 2.** Observation related to provision of clean water, waste management and handling leak in the water engine room, the prohibition of the application of chemicals around the reservoir.
- **Clinic.** Observation and interview related to the mechanism of treatment, medical waste management, record of work accident, worker medical examination, complaints mechanisms and first aid facility.

#### Long Jenew 1 Estate

- **Legal boundaries BPN 057 (block A45 Div 3), BPN 044 (Block A44 Div 3), BPN 606 and 609 (block of D15 Div 7).** Observation related to pegs maintainance and coordinates
- **Kenden River, block of 47C Div 4.** Observation regarding to HCV management and erosion prevention measures
- **PPE storage and mixing area of spraying team.** Observation the conditions body shower room, PPE, and mixing procedure.
- **Manual Upkeep, Afdeling II, Block B38.** Observation and interview related safe working practices, OHS and worker welfare aspects.
- **Harvesting and FFB Transportation, Afdeling II Block B38.** Observation and interview related safe working practices, OHS and worker welfare aspects.
- **Barn Owl Box, Afdeling II Block B38.** Observation of biological treatment of infestation of rats by installing barn owl boxes.
- **Spraying Circle and Path, Afdeling II Block A35.** Observation and interview related working procedure, OHS and worker welfare aspects.
- **Mechanical EFB application, Afdeling VI Block C 28.** Observation of procedures implementation, EHS and worker welfare aspects.
- **Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).** Observation and interview related to wages, training, PPE, work accident, and complaint mechanism.
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **Scheduled waste storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Fuel Storage.** Observation emergency response procedure.
- **Chemical Warehouse.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
- **Washing facility for spray team.** Observation and interviews related to washing of working tools, PPE spray

teams and used pesticide containers handling.

- **Fire Extinguishers Warehouse.** Observation on the availability and condition of fire extinguishers and preparedness of fire-fighting team.
- **Generator set room.** Observation and interviews related to work procedures, OHS implementation, employment and complaint mechanism.
- **Worker Housing at afdeling 3.** Observation of employee facilities, management of domestic waste, emergency response facilities, provision of clean water.
- **Creche at Afdeling 3.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
- **Reservoir at afdeling 3.** Observation related to provision of clean water, waste management and handling leak in the water engine room, the prohibition of the application of chemicals around the reservoir.

**Long Jenew 2 Estate**

- **POME Land Application Control Well at Worker Housing. Afdeling X Block F34.** Observation at POME Land Application Control Well and water quality.
- **POME Land Application, Afdeling XI Block F37.** Observation of procedures implementation, environmental, safety, and worker welfare aspects.

*Notes : during the assessment, there is no fertilization activity related the program is done in January and February, and then will be conducted in May - June, and September - October*

**Public consultation**

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

*Notes: Consultation to relevant institution on ASA-3 is not conducted due to distance considerations. The public consultation in regard of DSN Group (East Kalimantan region) has been done in Jan 2018, there is no issue raised*

<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-3</b>	Summary of stakeholder consultation process Consultation of stakeholders for PT Swakarsa Sinar Sentosa and PT Dharma Satya Nusantara was held by: <ul style="list-style-type: none"> <li>• Public Notification at <a href="http://www.mutucertification.com">www.mutucertification.com</a> on March 27<sup>th</sup>, 2017.</li> <li>• Public consultation meeting with villagers and community near company, local contractor and internal stakeholder (union labour and gender committee) on 20 March 2018</li> <li>• Public consultation with national NGO's by email to Wahana Lingkungan Hidup, Sawit Watch, and World Wild Fund on 14 March 2018.</li> </ul>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit ( <b>ASA-4</b> ) will be determined one year after this <b>ASA-3</b> (March-2019).



**3.0 ASSESSMENT FINDINGS**

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

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

During the assessment, there were one (1) Nonconformities were assigned against Minor Compliance Indicator and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that POM 4 – PT Dharma Satya Nusantara complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised on 14 June 2017 (Module E for CPO Mill).

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b> <b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>		
<b>1.1.1 &amp; 1.1.2</b> The Company has procedure and has appointed person in charge in the requests for information from stakeholders. The Company responded to information requests with maximum of 3 days since request received. Based on verification document and interview with external stakeholders, management has been responds the information request no longer than 3 working days.  There are type of information that can be accessed by the stakeholders includes Land use Permit information, environmental document, SIA document, Company policy, OHSAS program, social conflict completion report etc. Based on interview with community of villages, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted. Based on verification of records of correspondence with stakeholders, all request for information is only in the form of request for assistance.  Some information related to mandatory reporting has been submitted regularly to the relevant agencies, its in accordance with the results of interviews with government agencies and verification on the receipts. Verification of stakeholders is done by conducting direct interviews with stakeholders such as local contractors, Workers Union, Gender Committee and employees. From the results of the interviews it is found that the stakeholders can access information / data from the company in accordance with their respective interests. Based on the results of interviews with the community and village representatives already know the procedures for accessing information. The company socializes the procedure by sending copies of procedures to access information (communication / consultation procedures) to village representatives. The type of information accessible to the public has been contained in the procedure.		
<b>Status: Comply</b>		

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

**1.2.1**  
 Management has list of documents that can be accessed by the public recorded on the Procedure of communication and Consultation No. 0215B/SWA-CSR-WHU/VI/2012. Type of document which is available to the public such as Land use Permit information, environmental document, SIA document, Company policy, OHSAS program, social conflict completion report etc. Based on the procedure, the person responsible for communications between stakeholders and the company is CSR staff. Documents may be provided with records not abused and in accordance with their designation. Based on consultation with smallholders told that the payment document is accessible and they have know the debt of plasma payment through cooperative unit.

**Status: Comply**

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

**1.3.1**  
 Company has a policy of standard bussiness of conduct that explains fair business practices, prohibition of corruption, bribery, fraud in the use of funds and resources as well as the disclosure of information in accordance with prevailing regulations. The policy contained in document Quality Guidelines no PDM –AGR-R04 that approved on May 1, 2015. The policy is available in Bahasa. The policy is communicated to workers in accordance with the results of interviews with them. Based on interview with contractor of operational transport, it is known that company has been disseminated the policy of standard bussiness of conduct.

Dissemination of code of integrity and ethical behaviour disseminated by specific sozialisation or morning briefing to all level of workers . Based on interview with workers, labor union, representatives of gender committees know about code of integrity and ethical behavior.

**Status: Comply**

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

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

**2.1.1**  
 Certificate holder consistently applies legislation relating operational plantation and palm oil mill. The Certification Unit has shown compliance with laws and regulations, for example:

- Evidence of compliance to OHS regulation such as Act No 1/1070, the company has been provide PPE to all workers including workers in high noise areas such as earplugs and earmuffs, and for areas with potential dangers of dust, smoke and ash in the form of masks. In addition to the provision of PPE, protection for workers is done by performing regular health checks in the form of cholinesterase, audiometry and spirometry. As well as testing the air quality in the factory environment to ensure that the working environment in a safe condition in accordance with requirement (refer to indicator 4.7.3). Workers at specific station have completed with license in accordance with requirement (refer to indicator 4.7.3). For example OHS License for Boiler man No. Reg. 8757.OPK3-PUBT-B.I/IX/2015 valid until 21 September 2020, OHS License for OHS Electrician o. Ser.2393/TK3-LIST/X/2016 Reg.13724/TK3-LIST/X/2016-P0 valid untl 14 October 2019, and certificate welder No. S.349/JL/BINWASK3-PNK3/V/2017 welder Class II.
- Have the hazardous waste storage permit referring to Governments Regulation No. 101 year 2014 (refer to cirteria 5.3)
- Testing the quality of river water (Wahau River, Kenden Besar River, Kenden Kecil River, Long Sengat Hilir River and Telen River) regularly with quality standard and test parameters (physical test, chemical test, and microbiological test) at Governor Regulation of East Kalimantan 2 Year 2011 in V, Class II (refer to criteria 4.4).
- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely (refer to criteria 5.1).
- Has been manage the hazardous waste and domestic waste in accordance with applicable government regulation, number 101 year 2014.

- The company has included all workers in the Social Security Program (BPJS Kesehatan and BPJS Ketenagakerjaan) in accordance with applicable regulations.
- The company has comply with minimum wage referring the decree of East Kalimantan Governor year 2018.
- Compliance to Agrarian Law No 5/1960, Plantation Law no 39/2004 and Permentan no. 98/2013 : the company already has HGU certificate as valid land tenure, valid up to 35 years and has a document of IUP as a permit of cultivation and processing.

**2.1.2**

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

**2.1.3**

Every 6 months (June and December), SHE/HCD/HCO/Legal Dept Head conduct monitoring and evaluating of compliance with laws and regulations and requirements. Monitoring and evaluation evidence are including the minutes, reports, checklists, minutes of meetings, photographs or other documents. Monitoring and evaluation results are listed in form of Evaluation Summary of Compliance with Rules and Regulations (No. DK-MS-01A-RO1) that was renewed in January 2018. The document is an inventory of national and local regulations related to aspects of legal, labour, health and safety, and environmental.

**2.1.4**

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

**Status: Comply**

**2.2**

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

**2.2.1**

For the total cultivated area **11,729 Ha** has been owned legally by PT SWA through HGU certificate no.: 1 year of 1998 covering 16,850 Ha, issued based on BPN decree no.: 135/HGU/BPN/1997 dated 28 Oktober 1997, valid for 35 years. All document are kept in head office (Jakarta) and copies are available in unit. POM4 (under PT. DSN) was established in the land of PT. SWA which has an cooperation agreement between PT. DSN and PT. SWA No. 437 / SWA / Dir-Arf / JKT / V / 14 on the Granting of Right and Authority to Use Land and Establish the Building of POM and Other Facilities in Muara Wahau Village Muara, Wahau Sub-district, East Kutai Regency. Both mill and plantation has own the plantation permit, issued by Kutai Timur Regent namely: decree no 188.4.45/038/Eko.1-XII/2012 issued on 7 December 2012 for the POM4 with the capacity of 60 ton FFB/hr and No. 188.4.45/038/Eko.1-III/2012 issued on 21 March 2012) for the plantation area of 16.850 Ha.

**2.2.2**

The position of all legal boundaries as much as 327 pegs describes in the situation map issued by BPN scale of 1:25000. Pegs maintenance programmed once a year in accordance with the company's SOP (IK-AGR-OLP-33-R00), the realization report for the period 2017 verified during ASA -3. Field observations were conducted to ensure that the pegs are available on place and maintained, the positions was checked using GPS, such as observation to BPN160 in block 39 and BPN171 in block 38 JB1, BPN606 and BPN609 in block D15 LJ1 Estate, BPN057 in Block A45 LJ1 estate and BPN055 in block A44 LJ1 Estate. Of all the samples, there is 1 peg that are not in accordance with the coordinates owned namely BPN055. In this regard, the company can improve the effectiveness of monitoring the peg. #OFI. There is no

planting outside of HGU.

**2.2.3, 2.2.4, 2.2.5**

Based on document review on company's hectare statement and interview with community around (during public consultation) known that there is no land dispute within the area of PT SWA since 2012.

**2.2.6**

The Operation Director of PT DSN Group has issued a memorandum (No. 30 / MS / XI / 2016) dated 1 November 2016 regarding 'prohibition on the use of violence and / or intimidation and / or the use of mercenaries', and there is no evidence of any violence or military personnel has been used in order to maintain peace.

**Status: Comply**

**2.3**

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

**2.3.1, 2.3.2, 2.3.3**

There is no new expansions and/or new land clearing. There are no traditional/customary rights and/or other rights within concession of PT SWA. This is consistent with the results of interviews with surrounding communities. In the SK HGU No.:135 / HGU/BPN/1997 dated October 28, 1997, explained that the area of PT.SWA is derived from the state's land which its status of Convertible Forest land and has been able to show the decree of forest area release to other land usage from the Minister of Forestry, no.: 174/Menhut-VII/1996 dated February 9, 1996 and letter no. 152/Kpts-II/1997 covering an area of 17,500 hectares. The FPIC guidance document is described in document no. : DK-MS-07 / R00 dated November 1, 2016, drawn up in accordance with the FPIC guidelines established by the RSPO, consisting of measures: risk assessment, participatory mapping approvals, negotiations and pre- , public consultation, implementation of agreements, monitoring and evaluation. In the SOP it is explained that at the time of negotiation to reach agreement between both parties, the communities is entitled to be accompanied by a lawyer or a designated third party.

**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 shown the Projection of Work Plan & Budget year of 2018 to 2022 which covered area of mill, estates, as well as smallholders in aspect of hectare statement, type of seed used, area statement (land area of replanting, mature & immature area), production (FFB, CPO & Kernel) extraction of CPO & kernel, operational costs, social allocation costs, environmental allocation costs, income to profit estimates. There is no replanting plan for the next 5 years, because the age of oil palm is still under 25 years. Budget evaluation is done every 3 months that documented in Performance Review which explains the comparison between plan and realization.

**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 4, LJ1 and JB1 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 annual operational/RSPO internal audit in order to monitor the implementation of the procedures. Operational/RSPO internal audit evaluate the implementation of operational, administration of estates and

mill. Whereas RSPO internal audit evaluate the implementation of procedures and RSPO P&C 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 4 conducted on September 2017, whereas the LJ1 and JB 1 conducted on October 2017. All nonconformities has been followed up and closed by the management units.

**4.1.4**

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

Also, POM 4 Mill has implementing the Mass Balance Supply Chain Model, meaning the FFB processed is origins from Certified and Non-Certified sources. During 12 months behind, records of third party suppliers was available on Basic Information above this report.

**Status: Comply**

**4.2**

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

**4.2.1, 4.2.4**

Certificate Holder already has procedures to improve soil fertility, consist of Working Instructions for EFB Application (IK-AGR-OLP-11-R02), Working Instructions of Land Application (IK-AGR-OLP-10-R02), Fertilization Instructions (IK-AGR-OLP-09-R03).

During the audit there was no chemical fertilization activity because the first rotation was implemented in January and February. However the auditor team has interviewed the the foreman and workers of fertilization, obtained information that the application method, dose, PPE usage, and medical examination have been conducted in accordance with the procedure. Field observation in LJ2 Block F37 known that Certificate Holder has been implemented POME Land Application with dose 750 m<sup>3</sup>/ha/years in three rotation/year. Meanwhile in LJ1 Block C28 known that Certificate Holder has been conducted EFB mulching application with dose 30 tons/ha/year. Visual observation of oil palm canopy shows no symptoms of nutrient deficiency.

**4.2.3**

Certificate holder has had WI of sampling technique (IK-AGR-OLP-25-R01), that explain leaf analysis conducted once a year, and soil analysis conducted every 6 years. The last LSU dan SSU conducted in April 2017, have analyzed micro and macro elements on soil and tissue.

**4.2.2**

All records of fertilization is done in document of Fertilizer Monitoring which explain the plan (recommendation) and realization of fertilizing activity per kind of fertilizer. Certificate Holder can show the recording for the period of 2017 and todate February 2018. The documents showed that all fertilization activities have been in accordance with the recommendation. The types of fertilizers applied to all sample units are Hikay (NPK), borate, RP, Kieserite, Urea, and MOP.

**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 Typic Kanhapludults, Typic Kandiudults, Plinthic Kandiudut, Aquic Udifluvents and Typic Fragiorthods. Based on the map and field observation there is no widespread of peat soil. But there are 73 ha area in LJ2 categorized as unsuitable / marginal soil because of there

are layers of hard pan. This area has been planted with some treatment, by making a trench in the interrow with a ratio of 1 trench for 2 rows of plants to break the hard pan. Certificate Holder also has a topography maps which shows a generally flat area of 0- 15% and only very small areas of slope. It has been verified by field observation, that the area is relatively flat and there is no contour terrace.

**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 and 4.4.2**

The company has identified the entire water bodies within its operational area namely Kenden Besar river which located in Jabdan 1 Estate as well as Kenden Kecil river and Long Sengat river located in Long Jenew 1.

Certificate holder has consistently set water management strategies that were implemented. Several strategies as follows:

- Protecting riparian from chemicals contamination. The company has installed sign as prohibiting application of pesticides and fertilizers. The signs can be red painting in palm-stem or sign board. Based on interviews with spraying workers in JB1, LJ1, KM1 and KM4, workers are aware of this.
- *Vertiver grass* planting in riparian area. For example, observation in block C12/B13 riparian of Kenden Kecil River, there was *vertiver grass* and legume cover crop planted in riparian. Therefore, the company has set riparian as conservation area. The consequence is no chemicals application, logging and hunting. The riparian monitored by conservation officer routinely.

The signs can be red painting in palm tree in Block B47 Division 3 LJ1 Estate



Vertiver Grass planting in Block B47 Division 3 LJ1 Estate



- Surface water monitoring every semester, by accredited laboratory PT Sucofindo Samarinda( KAN LP-258-IDN), test parameter referring to appendix 5, local regulation of Kalimantan Timur No. 2/2011. Based on the last tests on March 2017 in upstream and downstream of Kenden Besar River, Kenden Kecil River and Long Sengat River, parameters (pH) that has tested still accordance to surface water quality threshold. The Company has evaluated the test results against the parameters which exceeded the treshold in the form of cause analysis, corrective action and preventive action. Evaluation was made by EHS staff and approved by SHE Department Head.

**4.4.3**

Waste water of oil palm processing has processed through Waste Water Treatment Plant (WWTP) station. Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Has been verified the test result of July – Dec 2017, there is no parameters (pH, BOD) which exceeds the quality threshold (Minister of Environment Decree No. 28 of 2003).

The Certification Unit has shows permit of land application from Regent of Kalimantan Timur No. 660.5/K.522/2016 dated

11 July 2016 about extended of the previous land application permit No. 660/K.570/2014. There is no new area proposed on the extended permit application. Observation in land application area Block F37 Division 11 LJ1 Estate shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with Benhes Village and Diaklay Village, there was no issues regarding to river pollution especially to the river that across the village.

**4.4.4**

Water consumption for processing activities in mill regulated in internal memo of Mill Head No. 0002/DSN-MH/III/2018 on March 2018. In Memo explained with changes in water use for the addition of water consumption requirements in the Kernel Crushing Plant (KCP), it is necessary to rearrange for the total use of water in POM and KCP, namely:

1. Water consumption per ton of FFB needs POM are 1.3 m<sup>3</sup>/ton of FFB
2. Water consumption per ton of FFB needs KCP are 0.41 m<sup>3</sup>/ton of FFB

Total water use of POM 4 and KCP is 1.71 m<sup>3</sup>/ton of FFB. So the Internal Memorandum issued on 2015 about Water Consumption per ton of FFB is not applicable.

Through the laboratory annual report which documented by laboratory staff, shows that water consumption were monitored and documented every day. It counted based on flowmeter data in water treatment plant (water intake). Through the data monitoring water consumption period January until December 2017, average water consumption for process were 1.38 m<sup>3</sup>. It shows that water consumption under the budget that has been set. Based on the above explanation, it can be concluded that the company has been trying to make efficient use of water for processing.

<b>Status:</b>	
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**4.5**

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

**4.5.1, 4.5.2**

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

Based on field observation, the strategies has been implemented, 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.

Certificate Holder has identified potential pests in the plantation such as leaf eater caterpillar, rats, tiratabha, marasmius, and ganoderma. Regular pest/disease detection has been conducted. Appointed detection/census workers have been regulary trained, the last training conducted in January and March 2018.

Based on data and summary of census of 2017 in LJ1 and JB1, 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 harvesting activity, 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.

<b>Status: Comply</b>	
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**4.6**

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

**4.6.1, 4.6.4**

Certificate Holder has Work Instructions of Weed Control For Immature & Mature Area (IK-AGR-OLP-15-R02) and Working Instructions of Pest & Disease Control (IK-AGR-OLP-14-R02) describes the justification for the use of pesticides to control specific weeds/pests/diseases, rotation of control activities till the dose used. Certificate Holder used 4 trade mark of pesticide, which registered in goverment's pesticide commission, identified active ingredient, and the specific objectives of control. In periode of 2017 the used pesticides are *Methyl metsulfuron*, *Glyphosate*, *Trikklopir* and *Fluroksipir*.

Based on document review and observation of pesticide warehouse, Certificate Holder does not use WHO 1A, 1B pesticide or paraquat since 2013.

#### **4.6.2**

The documentation of pesticide utilization 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 LJ1 in period of 2017, the utilization (a.i/ha) of *Metyl metsulfuron* 0,01 kg/ha, *Glyphosate* 0,23 kg/ha, and *Fluroksipir* 0,01 kg/ha.

#### **4.6.3**

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

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.

Based on field observation, the strategies has been implemented, 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.

#### **4.6.5 , 4.6.6 , 4.6.7 4.6.9**

Each pesticide has been stored in a specific place. Based on field visit in chemical warehouse of LJ1 and JB1, all chemicals has been separated from other materials, labels and symbols has been installed properly as well as Material Safety Data Sheet (MSDS) and others. Based on document review and interview with spraying worker in LJ1 and JB1 sighted that they trained well on handling pesticide and spraying technique, such as training held on in 27 February 2018. 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 rinsing water rinsed 3 times or one time in a way sprayed with pressurized water. As for the water used washing / rinsing may not be directly discharged into the environment but can be reused as water mixing agrochemicals. Based on document review and field observation in temporary storage hazardous waste, old pesticide containers are collected into temporary storage hazardous waste and sent to the licensed hazardous waste transporter.

#### **4.6.11**

Certificate holder regularly done a medical check (every six months) for pesticide operator. The company can show a list of spraying workers in each of Estate. All operators has check through cholinesterase test, to ascertain the condition of workers in good health. This semester examination was conducted in January 2018 for all units. Examination results



stating that all pesticide operators are in a healthy condition (levels of cholinesterase in the blood within normal limits).

The results of interviews with pesticide operators in JB1 Estate and LJ1 Estate, submitted that all pesticide operators have been checked health periodically six months and workers have known the results of the examination. No worker has an indication of exposure to chemicals such as itching, skin irritation, poisoning or anything else.

**4.6.12**

Certificate holder has a policy that prohibits pregnant and breastfeeding personnel working with chemical material in Internal Memo No. 026/SWA-PH/III/2017, dated 17 March 2017. Based on interview with spraying personnel LJ1 and JB1 Estate, it is known that there was neither pregnant nor breastfeeding female personnel who work with pesticide. Moreover, company conducts pregnancy test and examination every month. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breastfeeding.

Interviews with pesticide operators in JB1 Estate and LJ1 Estate submitted that workers have known the prohibition of female workers in pregnant conditions working with chemicals, if any female workers experience signs of pregnancy then the concerned will report to the foreman and immediately went to the clinic. If correct in pregnant conditions then the worker is immediately transferred to work that is not related to chemicals.

**Status: Comply**

**4.7**

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

**4.7.1**

Policy and procedure related OHS still the same as previous assessment, namely OHS policy issued by CE AGRO dated 01 December 2010 and OHS & Environment Procedure DSN Group (SOP-AGR-037-R01, dated 01 November 2013) approved by Executive Director SBU Agro I. Based on interview with workers known that they have been known about the OHS policy, for example workers are required use PPE while working and safe working practices. They also said that EHS Officer perform morning briefing every day before starting work and ensure the completeness of the PPE of all workers. The plan related OHS has been prepared in the OHS Committee program PT SWA of 2018, and the company has realized activities in accordance with the program created, for example socialization of OHS contractor dated 12 February 2018 submitted to contractor worker for work of construction in employee housing.

**4.7.2**

CH shows the document Hazard Identification, Risk Assessment dan Determining Control based on OHS & Environment Procedure DSN Group (SOP-AGR-037-R01, dated 01 November 2013) approved by Executive Director SBU Agro I. For Estate has been review of December 2017 and for Mill has been review on March 2018 (revision-1) covering the entire process and operational activities. For example Risk Assessment on spraying activity at JB1 and LJ1 with odor chemical hazard with risk/impact in the form of respiratory disorders and risk analysis result set moderate level. The risk control that has been done is to conduct regular medical check-up, safe working practices, availability first aid kit and use of PPE accordance to MSDS.

**4.7.3**

CH has established the OHS training program for the period of 2017 and 2018. Up to February 2018 the training has been conducted for example pesticide operator training by distributor pesticide (NuFarm) with participants all operator pesticide in JB1, LJ1 and LJ2 Estate.

Based on field visit in Estate and Mill, all workers have been using PPE according to risk analysis made and PPE is in good condition and in accordance with its function. Boiler operators at mill using PPE kinds of helmets, ear muff, gloves, mask, and safety shoes. Workers also can explain how to work safely for example in the boiler station, workers can explain the PPE to be used, how to monitor the boiler in order to operate safely, has been given training related firefighters. Boiler operator have attended training and certification OHS, as evidenced by the avallabilty OHS Licensed No. Reg. 8757.OPK3-PUBT-B.I/IX/2015 valid until 21 September 2020. During field visit in JB1 and LJ1 Estate on spraying activity and pesticide storage JB1 and LJ1Estate ware known to PPE type of mask used in the form of particulate respirator it has been in accordance with MSDS. in addition, interview with operator engine room in Mill revealed that company would substitute or replace the PPE if there is a damage or broken.

**4.7.4**

Certificate holder has identified those responsible for implementation of OHS program formed in P2K3 structure Estate and Mill. P2K3 that owned has been approved by Labour Agency of Kalimantan Timur Province with No. No. 566/663/P2K3/Was dated 23 March 2016 for Mill, and No. 566/2188/P2K3/Was dated 14 November 2016 for Estate. Secretary of P2K3 who is an OHS Expert in accordance with the applicable regulation has certificate of OHS Expert from Labour of Minister RI. Besides that, meeting related OHS has been done on every month by P2K3 personnel, example meeting on February 2018 in Estate and Mill with the agenda of discussion on OHS problems, work accident, safety patrol, etc.

**4.7.5**

Certificate holder has made efforts to deal with emergencies and accidents. CH has procedures related to the handling of emergencies and accident investigation, the procedure is still the same as the previous assessment. CH has emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water tank, and other supporting equipment. CH has been conducted the training of emergency, for example emergency response training in Estate on March 22, 2017. Based on field visits in mill at kernel station known that hydrant can function properly and in each fire extinguisher there is checklist of inspection that monitored every month.

The company has a Memorandum No. 0001/SHE-JKT//2017 dated January 17, 2017 issued by SHE Department - SBU Agro regarding the First Aid Box. In the memo mentioned that the standard of the first-aid box refers to the Manpower No.15 Year 2008 on First Aid kit in the Workplace which contains 21 items.

Field observation results in

- Block B38 Division 2 LJ1 Estate, manual and harvest activities, foreman does not carry first aid bags
- Block A35 Division 2 LJ1 Estate, pesticide application activities, foreman carrying first aid bags but first aid kit in incomplete condition.

Based on the above explanation, the provision of first aid box on operational activities in the field has not been in accordance with the Memorandum stipulated by the Company. **Non-conformity No. 2018.01**

**4.7.6**

Medical Check-Up of Mill workers was conducted in April 2017 with type of audiometric and spirometri examination. The results of the examination indicate that all workers are in good health and no health problems due to occupational diseases.

Certificate holder has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government (BPJS). Such insurance is named BPJS Ketenagakerjaan (Social Security Agency for Workers), which is routinely paid every month. Based on interview with worker in Estate and Mill, explained that all workers have been registered in accident insurance. Period 2017 to February 2018, the company does not make claims to BPJS Ketenagakerjaan related work accident. Based on the results of public consultations through interviews with the head contractor for the work of building emplacement type G10 is submitted that for accident insurance member/contractor workers have been registered in the program of BPJS.

**4.7.7**

Certificate holder had recorded of work accidents in Work Accident Monitoring Reports that inform date, name of victim, site of accident, number of accidents, loss of work days, and category of an accident and cause of the accident. Based Monitoring accident period Januari to December 2017 that in Estate (7 work accident with 69 loss time) and mill (7 work accident with 35 loss time).

The company has been monitoring statistic work accidents until December 2017 and analyze the lost time due to accidents. Frequency Rate for Mill 7.98 and for Estate 1.03. Severity Rate for Mill 69.81 and for Estate 10.17. Monitoring of work accidents performed every month and reported to the relevant agencies with regular reports of P2K3.

<b>4.7.5</b>	<b>Non-conformity No. 2018.01 with minor category</b>	<b>Open</b>
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**4.8**  
**All staff, workers, smallholders and contractors are appropriately trained.**

**4.8.1**

The company has training schedule for employee 2018 covering aspects of RSPO, among others: ISCC, ISO, RSPO, ISPO, OHS and environment, basic electricity, first aid basic, conservation training, fertilization, supervision of operational foreman, water treatment, Factory waste, OHS licence certification, boiler certification, training of technical administration, etc.

The management unit maintains the training documentation in the Learning Center division (under Human Capital Development). Training that has been realized such as pesticide handling training on February 28, 2018.

Interview results with workers such as warehouse officers, harvesters, spray teams are known that they have received training related to their duties and responsibilities. The results of interviews with contractors are known that the workers have received training / socialization such as socialize the use of PPE in the workplace.

**4.8.2**

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

The company through the Human Capital Development Department of the Learning center division that keeps every training record followed by each worker has been well kept in the All Year Training Monitoring. This monitoring informs the employee name, afdeling / estate / plantation, the training title that has been followed, the date of the training, and the position.

The company keeps records of employee training. The company shows several training recordings such as:

- Employee with Registration number of employees, NIK 50076 as the LJ1 harvesting foreman, has attended safety and environment basic training, supervisory foreman 1, first aid.
- Employee of Warehouse Administration KM-1 who has received training: warehouse administration (October 21, 2017), Introduction to windows OS and MS Office applications (13 May 2017), ISO, ISPO, RSPO, SCCS, and ISCC (July 7, 2017).
- Pesticide operator of KM1 has attended Pesticide handling Training (February 27, 2018).
- Foreman harvest of KM1 has attended basic first-aid training (December 12, 2017), and supervision of the foreman harvest (July 25, 2017).
- Harvested workers of LJ1 afdeling 5 participated in harvesting training on September 14, 2017..
- Clerk administration of KM2 has attended SAP tillage workshop, paytrack and SAP Checkroll & estate management.
- Harvester of KM4 who has attended harvesting training on 30 November 2017.
- Nursing of JB1 has attended basic first-aid training on November 14 and December 11, 2017, supervision of the outpatient duty (23 September 2017), leaf sampling training (21 February 2018).

**Status: Comply**

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

**5.1**

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

**5.1.1, 5.1.2 and 5.1.3**

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

EIA of POM4 namely “Upaya Pengelolaan Lingkungan – Upaya Pemantauan Lingkungan” (UKL – UPL) document had been approved by local government through decree number 660/520/3-BLH/IV /2011 dated 14 April 2011 concerning Recommendations on UKL-UPL of CPO and PKO POM 4 of PT. Dharma Satya Nusantara in Benhes Village, Muara Wahau Sub-District, East Kutai District, East Kalimantan Province.

UKL-UPL had contained plan / protocol of management and monitoring of environmental impact that will be carried out by PT. DSN, which included management and monitoring of: 1) liquid waste, lubricating oil and waste water, 2) gas

emission from boilers and generators, 3) solid waste, such as empty fruit bunches, fiber, and shells, 4) factory environmental, and 5) occupational health environment

POM 4 PT DSN has periodically (every six months) delivered reports on EIA implementation (UKL-UPL) to local authorities. Latest report available for second half of 2017 which was submitted on January 9, 2018 to Environmental Office of East Kalimantan Province and to Environmental Office of East Kutai.

To evaluate the relevance of environmental management and monitoring plan, management unit of PT.DSN has developed a regular review on UKL-UPL document every two years. The latest review was available for year 2017 which showed that the UKL-UPL document is still relevant to be implemented and there are no changes needed in the management and monitoring of the environment.

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

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

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

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

As evidence of the implementation of environmental management and monitoring, the company has compiled regular report to local authorities every six months. The latest reports available for the second half of 2017 which were submitted to the local government on January 8, 2018

Based on observations of auditors, RKL-RPL report of 2nd half of 2017 has already contained adequate environmental management and monitoring component as follows: 1) water quality, 2) ambient air quality, 3) attitudes and negative perceptions of the community, 4) employment opportunities, 5) business field, 6) attitude and a positive perception of society, 7) degradation of soil fertility, 8) degradation of biodiversity, 9) traffic accidents ashore, 10) load of sediment into the water body, 11) disruption of governance runoff, 12) reduction in environmental sanitation.

To evaluate the relevance of environmental management and monitoring plan, management unit of PT. SWA has developed a regular review on EIA document every two years refers to the valid EIA document. The latest review of EIA document is available for year 2017 which showed that the RKL-RPL document is still relevant to be implemented and there are no changes needed in the management and monitoring of the environment.

**Status: Comply**

**5.2**

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

**5.2.1 and 5.2.2**

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

The area of PT SWA consists of 4 estate namely JB1, JB2, LJ1 and LJ2 Estate. For conservation area PT SWA consists of 3 (three) areas, namely:

1. Conservation Area of Block VI, with an area of 325 Ha located in JB1 and JB2 Estate adjacent to the east with Long Kejiak 1 Estate (PT DIN)
2. The conservation area of block VII, with an area of 165 Ha located in JB2 Estate
3. Riparian Kenden Kecil River, with an area of 132 Ha where the upstream flow comes from Puhus 2 Estate (PT DAN), crossing JB1, LJ1, JB2 and LJ2 Estate, and its flow to Wahau River (outside *HGU*)

For scope audits POM 4 and supply base (JB1, LJ1, and LJ2 Estate), areas CH with HCV are:

- Riparian Kenden Kecil River area of 28.60 Ha (LJ1 Estate), 20.58 Ha (including planting area LJ1) and 5.59 Ha (including planting area LJ2)
- Riparian Kenden Besar River (including planting area) of 30.60 Ha (JB1 Estate)
- Riparian Long Sengat River (including planting area) of 13.30 Ha (LJ2 Estate)
- Conservation area VI (325 hectare secondary forest).

For the protection of flora and fauna and HCV area, CH has compiled a HCV management program included in:

1. HCV management plan which is integrated with HCV identification documents, which contain:
  - Explanation of important value of HCV area (HCV 1.2 ; 1.3; 3; and 4.1)
  - Guidance for management and monitoring of HCV area (1.2; 1.3; 3 and 4.1)
  - Mangament plan of HCV area
2. SOP of riparian area in Work Instruction No. IK-AGR-SHE-06-R00 concerning Management of Riparian Area

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

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

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

**5.2.3**

For the purposes of managing the conservation area, CH has appointed some officers dedicated in management of HCV area is Achmad Jubair Syam, with an undergraduate qualification in Forestry, already had HCV training certificate from Tropenbos, biodiversity survey training from IPB, and orangutan Conflict Mitigation Training from Mulawarman University

HCV team of CH has been socialized the HCV protection and regular training to workers. Other than internal training during HCV assessment process in year 2012, CH has also programmed regular internal socialization and training. Education towards HCV and its management has given through socialization which conducted in February and March 2018, socialization in JB1, LJ1, LJ2 Estate and community people in Benhes Village and Daklay Village. Furthermore, based on interview with pesticide applicators in JB1 and LJ1 Estate known that they already know about prohibition to capture, harmed, collecting or kill any RTE species. Based on field visit at workers housing shows that no workers that capturing, harming, collecting or killing any RTE species. The figures of flora and fauna were available on housing information board and signboard.

**5.2.4**

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

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

In 2017 there is no change of PT SWA conservation area against the destruction of the area and others. Workers and community perceptions welcomed the conservation area in PT SWA, contributing to maintaining the biodiversity around the estate.

**5.2.5**

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

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

Confirmation on the issue has also been obtained by auditor from public consultation session of RSPO ASA-03 dated March 20th 2018, which shows that there is no overlap between the village community land concession areas including HCV area.

**Status: Comply**

**5.3**

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

**5.3.1; 5.3.2; 5.3.3**

The entire products of waste and its sources have been identified and documented in the identification list document of Environmental Aspects on 2017. Consistently up with the activities of ASA-3, the management unit has identified waste in the Mill and the Estate including the type of waste (hazardous waste, domestic waste, industrial waste, infectious waste, and air waste), waste sources, and actions taken in efforts to reduce hazardous waste.

**Hazardous Waste**

Hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery scrap, pesticides used containers, used lamp, etc are stored in the Hazardous Waste Temporary

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

Record management Hazardous Waste, included in reporting management hazardous waste quarter period October to December 2017 addressed to environment agency. Hazardous waste management recorded several documents, consist of:

- Company has Logbook (Hazardous Waste Warehouse) period October to December 2017
- Company has Balance Hazardous waste warehouse reported period October to December 2017
- Company has Agreement Letter, *PT Sumber Rezeki Abadi Jaya* for transporter Hazardous waste, validity until 31 December 2018
- Company has shipping manifest Hazardous waste warehouse, period January to March 2017. For example hazardous waste shipping in POM 4 on 18 September 2017 and 12 November 2017. In November 2017 with transport evidence in the document of Hazardous Waste Manifest No. AUV 0000602 solid hazardous waste weighing 500 kg, and Hazardous Waste Manifest No. AUV 0000601 liquid hazardous waste (used oil 1,190 kg).
- In efforts to comply with applicable regulations, the company has been regularly reported to the hazardous waste management activities Environment Bodies of East Kutai District and East Kalimantan Province, with evidence Report period October to December 2017, dated 04 April 2017.

CH has opportunity to socialize the Internal Waste Management Memorandum Hazardous Material in Warehousing Area Logistics namely internal memo no. 001 / IM / PKS4 / I / 18 issued by Mill Head on January 2, 2018, to all to workers relating to warehousing activities. **OFI No. 3.**

#### Domestic Waste

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

Based on field visit in housing complex (Estate and POM4) and landfill block B34 Jabdan 1 Estate is known there are no ex pesticide containers disposed in landfills and the use pesticide containers for other uses that are not similar.

#### Mill Waste

Of processing activities at the Mill, the waste generated in the form of empty bunch, effluent (POME), fiber and shells. For each such waste forms of management include: bunch empty applied directly to the land (for example in Afdeling VI Block C28 Long Jenew 1 Estate), and liquid waste generated from the production process POM 4 managed at WWTP before it is applied to the land (for example in Block F34 Afdeling 10 Long Jenew 2 Estate) in accordance with the Decree of the Regent East Kutai No. 660.5/K/522/2016 issued dated July 11 of 2016 on Permit for the Use of Wastewater mills In the Land of Oil Palm Plantations PT Dharma Satya Nusantara POM 4 validity until July 2018. As for the waste in the form of fiber and shells are used to fuel the boilers as the company's efforts in the efficiency of fossil fuel use and optimizing use of renewable energy.

Based on field visits in the boiler station any a fiber and shell is used as fuel. Remaining fiber shell and placed so did not result in pollution and potential fire.

#### Infectious Waste

Infectious waste resulting from activities in clinics such as syringes, infusion bottles and hoses, cotton bandages and scars, and expired drugs. The waste is stored in the Hazardous Waste Temporary Storage and subsequently handed over to the carrier company hazardous waste as hazardous waste others management. Here's proof of transporting infectious waste form dated January 25, 2018 Hazardous Waste Manifest No. 006/KMU-LB/II/2018 with a weight of 57 kg of infectious waste. There is Manifest No.113 / RSPKT / MU / XI / 2017 November 29, 2017 about extermination of infectious waste in

Incinerator Pupuk Kaltim Hospital, destruction method with temperature 1000<sup>o</sup> Celsius as much as 57 kg conducted PT Kaltim Medika Utama.

**Air Waste/Emissions**

From processing operations in Mill also produce waste in the form of air emissions from the boiler chimney activity, and generators, as well as the noise emanating from the operational turbines, generators, polishing drum rotation, nut creeker. The shape management by measuring the air quality and noise on a regular basis, such testing on 28 August, 2017. The results of the emission test parameter generator with NO<sub>2</sub>, SO<sub>2</sub>, CO, particulate, opacity, and flow rate in accordance with the quality standards established at Regulation Of Environmental Ministry No. 13 of 1995. The results of boiler emissions test parameters, among others, SO<sub>2</sub>, CO, NO<sub>2</sub>, O<sub>3</sub>, Cl<sub>2</sub>, HCl, NH<sub>3</sub>, H<sub>2</sub>S, particulate, opacity, Pb, HF, Cd, As, Hg, Zn, and the flow rate in accordance with quality standards established in Regulation Of Environmental Ministry No. 7 of 2007. The results of measurements of noise intensity in the Engine Room, boiler room, kernel of plant, and station clarification known noise intensity exceeds the threshold limit specified in Regulation Of Environmental Ministry No. 48 of 1996. The actions taken by the company to provide PPE (earplug/earmuff) for workers who work in the area with high noise and operator audiometric checked periodically.

**Status: Comply**

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

**5.4.1**

The Certification Unit was able to shows records of total fuel consumption for production activities, stated in liter per ton FFB and per ton CPO. Mill management informed thate installation of biogas plant were not implemented in the near future.

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

Shell and fiber efficiency data for boiler POM 4 year 2017:

Description	January - December 2017
<b>FFB Processing (Tonnes)</b>	<b>301,937</b>
<b>Fossil fuel usage</b>	
Diesel fuel (Tonnes)	99,188
Energy produced (KWH)	362,000
Diesel fuel usage/KWH (litres)	2,274
<b>Renewable energy usage</b>	
Fiber (Tonnes)	36,232
Shell (Tonnes)	24,154
Energy produced (KWH)	11,783,420
<b>Total energy produced (KWH)</b>	<b>12,145,420</b>
KWH/Ton FFB Processing (KWH)	33.00
<b>Diesel fuel efficiency (litre)</b>	<b>3,129,456</b>

Based on data above, the company has make savings 3,129,456 liter diesel fuel by using shell and fiber. All data documented by laboratory staff of POM 4.

**Status: Comply**

**5.5 Use of fire for 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 and 5.5.2**

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

- Work instruction No. IK-AGR-OLP-01-R01 which mentioned that land clearing shall adopt zero burning methods.



Estates unit management stated that replanting was estimated to be carried out in 2030 forward and there is no plan for new planting area.

- Quality manual No. PDM-AGR-R03 mentioned that zero burning method is compulsory to be adopted for all plantation activities in PT SWA and PT DSN.

The company does not conduct burning in land clearing. Based on field visit ASA-3 at Jabdan 1 Estate and Long Jenew 1 there is no land burning activities, the structure and equipment of the field fire extinguisher provided by Estate.

**Status: Comply**

**5.6**

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

**5.6.1**

As explained in the indicator 5.3.1, CH has identified source of waste including emissions from plantation and activities, as indicated in the EIA document and Waste Identification document. In the mill, the major emission source is from POME and the use of diesel fuel for generators and vehicles. Some of the main sources of pollution in palm oil mills are as follows: liquid waste from processing, generator / engine emissions, boiler emission of combustion of renewable fuel, dust from road transportation, emission from CPO and FFB transportation. Greenhouse gas emissions source in plantation are mostly from the use of chemical fertilizers, fossil fuel for transportation, and N<sub>2</sub>O emission.

**5.6.2 and 5.6.3**

Available proof of delivery of GHG RSPO performances as follows: POM4, dated March 19, 2018.

**Summary of Net GHG Emissions**

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	1.06	OER	22.09	FFB Processed	301920.91
PK	1.06	KER	4.16	CPO Produced	66695

Land Use	ha
OP planted area	38277.41
OP Planted on peat	0
Conservation (forested)	2275.37
Conservation (non-forested)	-

**Summary of Field Emissions and Sinks**

	Own Crop		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<b>Emissions</b>								
Land conversion	0	0	120256.39	8.13	-	-		
*CO <sub>2</sub> emissions from fertilizer	0	0	18735.87	1.81	-	-		
**N <sub>2</sub> O emissions	2026.25	0	10623.11	0.74	-	-		
Fuel consumption	0	0	2712.41	0.23	-	-		
Peat Oxidation	0	0	0	0	-	-		
<b>Sinks</b>					-	-		

Crop sequestration	0	0	-	-9.36	-	-		
Conservation Sequestration	0	0	131554.68	-1.05	-0.06	-	-	
<b>Total</b>	2026.25	2026.25	20772.05	1.46	-	-		

**Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	59181.61	0.2
Fuel consumption	1699.75	0.01
Grid Electricity Utilisation	0	0
<b>Credits</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	60881.36	0.2

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

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

**POME Diverted to Anaerobic Digestion:**

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

**Status: Comply**

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

**6.1**

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

**6.1.1**

There is no change significantly for document of Social Impact Assessment (SIA) that made by the Certificate Holder. SIA has completely carried out on December 2011 engaged Daemeter Consulting as a consultant. These documents was explained of negative and positive impact of plantation (PT. Swakarsa Sinarsentosa) and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. Also completed with the minutes meeting of consultation process with community surround. The evidence was consisting of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report.

**6.1.2**

The Social Impact Assessment has been done with involve of related party, consist of communities around the company's operation, head of village and informal leader (customary leader). There was showed documentation of assessment process, for example the attendant list of data gathering in several village surround on October 2011.

**6.1.3**

Certificate Holder has document of Social Impact Management and Monitoring that contained information of the impact which is managed, activity plan for several aspect like of Health, opportunity to work, Environment, Social Culture etc. This document was contained explanation of responsible staff for implementation and time schedule to action.

**6.1.4**

Also, the Certificate Holder has made evaluation of social impact January, 13 2018. The evaluation has been done by participation of related parties. Based on review / evaluation, it is known that management plan is still relevant between focus of impact management with management activity.

**6.1.5**

The evaluation/review of social impact which is conducted by the Certificate Holder for January to December 2017 period. Through participatory of related parties including village nearest. Fo example, there was a quesoner evaluation of village Benhes which is conducted on February 6 2018.

**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, 6.2.2 & 6.2.3**

PT SWA, PKS4 and smallholder has procedure of communication and consultation that contained in SOP Communication and Consultation, document No. 0215B/SWA-CSR-WHU/VI 2012. The documents explains the procedures for the company and the surrounding community, NGOs and organizations / other local individuals to communicate and consult for the common interest, solving the existing problems, in order to achieve a good dialogue and deliberation, as well as acceptable by all parties. Management and company that manage the partnership have list of stakeholders. All the records of communication from stakeholders and records to respond stakeholders is kept in data base administration of CSR department and recorded in the extenal incoming mail book. The time period to respond information request is 3 working days. Based on verrification document and interview with eksternal stakeholders, management always responds the information request no longer than 3 working days.

Based on interview with villagers they have understood mecanism of communication and consultation. Normally, head of the village or communities will send a letter as a form of communicaton. For example, letter from Dea Beq village to request for accommodation, mail received by the company on the date 18 th November 2017 and have responded by the company on November 19th, 2018.

The results of interviews with community leaders such as Benhes and Deabeq village, it is known that they know the mechanism of communication and consultation with the community. Management and company that manage the partnership which is belonging DSN group have a Personnel in Charge which is appointed to communicate with stakeholders. PIC which is appointed to respond the stakeholders from Corporate Sosial Responsibilites & Environment Division. The position of that PIC is made officially to communicate with stakeholders. Based on interview with community leaders, they have known the personnel which is appointed to communicate with them.

**Status: Comply**

**6.3**

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

**6.3.1**

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

**6.3.2**

Based on interviews with village Heads Benhes and Diaklay as well informed that communication with the company can be done either by letter or directly to the Manager or CSR department. The Company continues to facilitate complaints handling in accordance with its own procedures, but until this annual assessment is not known there are no significant complaints to be brought to the RSPO. Records of complaints handling in the complaint record form and dissatisfaction are as follows:

- Complaints related roads Diaklay to Dabeq village damaged, CH and has been responded by the company on February 13, 2017 there letter of road maintenance.
- Logbook of complaint contains fixes for power outage in housing complex and has been respond and also fixed by company on 13 March 2018.

**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**

The CH has a procedure for calculating and distributing compensation which is available, namely SOP of land compensation no.: SOP-AGR-058-R01 valid since November 2, 2015. In SOP there is a phase of land inspection which explains the identification of customary rights as well as the identification of the person entitled to compensation. To the date, there has been no dispute by any parties and no new expansion by PT SWA.

In the SK HGU No.:135 / HGU/BPN/1997 dated October 28, 1997, explained that the area of PT.SWA is derived from the state's land which its status of Convertible Forest land and has been able to show the decree of forest area release to other land usage from the Minister of Forestry, no.: 174/Menhut-VII/1996 dated February 9, 1996 and letter no. 152/Kpts-II/1997 covering an area of 17,500 hectares.

**6.4.2**

In SOP of land compensation no.: SOP-AGR-058-R01 there is an explanation of the negotiation which includes explaining compensation calculation and distribution. Representatives of all parties including consideration of gender, transmigrants and local communities have been described in the company's FPIC guidelines.

**6.4.3**

To date, there has been no dispute by any parties reported and there is no any new expansion. Therefore the process and outcome of compensation could not be observed.

**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**

Company has Letter from direction No.561/K.784/2017 about minimum wage of Kutai Timur Province. It is said that minimum wage of all workers is based on Governor Decision about Minimum Wage of Kutai Timur Province Province 2018. Company could present the payment receipt of minimum wage as indicated in personnel salary list.

Company can show employee salary list of PT SWA, PKS4 and KM1,KM2, KM4 in accordance with the decision of the Governor of Kutai Timur on Province of Minimum Wage 2018. Examples of salary documents in February, 2018.

PT SWA with employee code number SW320001 with 20 working days with total basic salary paid of Rp 2,143,000.- or Rp 107,150 per day.

**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. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage.

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

In other that based on interviews with worker and document verifications, the employment contract is in a Bahasa and the copies are available for both parties, (the workers and company). Based on the interview with employees is known that the employee has had a copy of the work agreement and has understood the agreement.

**6.5.3**

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

**6.5.4**

Based on interviews with workers at housing of LJ1, JB1, KM1 and KM4, it is known that employees have easy access to basic daily needs. Certificate Holder facilitates employees to access adequate food supply by establishing market during the payment day. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with Employees, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

**Status: Comply**

**6.6**

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

**6.6.1**

Certificate holder policy that provides freedom of association contained in the Company Regulation of the Period of 2017-2019 states that workers' right to form a union, a member / leader of the union, a member or head of union workers under the terms of the applicable government regulations. The company regulations were drafted in the Bahasa that is easily understood by workers. Based on interview with Head of Labor Union PT SWA and PKS4, mentioned that company has facilitated the establishment of worker union and personnel understand the function of worker union. Company consistently applies freedom of association with the formation of workers unions in each company (PT SWA, PT DWT, PT DAN and PT DIN). Each committee of union were listed in Labor and Transmigration Agency in Kutai Timur Regency in accordance with regulations.

**6.6.2**

The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the unions. Labor union conducts 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 February 22<sup>nd</sup> 2018 about discussion of the contents of Bipartit and the obligations of employees. These documentation is available for member and placed at each unit.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1**

The Certificate Holder has policy regarding minimum age for worker regulated on Policy about Children Labor. It has consistently applied the minimum age requirement for workers employed in the working unit of POM and Estates. Interview with HCD (Human Capital Development) Department, it was said that the requirement of recruitment is at least 18 years old. Based on the results of field observations on the operational activities of the POM and the estates, it was not found workers aged under 18 years. Furthermore employees also understand that minimum age for employees to be hired is 18 years old. Results of the interview with internal stakeholder (labour union, gender committee and workers) it was mentioned that there are no issues related to child labor working in the company.

**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**

Policy regarding equal opportunity and treatment for work contained in the document which signed by Human Capital Group Head on March 2016. The policy assured equal opportunities for all workers, and embrace diversity, regardless of ethnicity, disability, gender, origin, race, and religion, and ensure that all workers are protected from discrimination in all stages of the employment relationship. Based on public consultation with Union worker and gender committee there is no discrimination issue.

Certificate Holder has possessed policy concerning antidiscrimination. Based on observation on employee list document and interview with employees, it is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with village representative revealed that company opens work opportunity for local communities (in mill and estate). This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities.

**6.8.2**

Based on interview with female worker in PKS4 POM,LJ1, JB2 Estate, KM1,2 and KM4, there is no discrimination issue in company. Based on field observation and interview with worker in estate and POM, it is known that there is no discrimination toward personnel based on origin, ethnicity, race, gender and religion and there is no complaint about discrimination. Based on public consultation with Manpower Agency of Pasaman Barat Regency, there is no discrimination issue.

**6.8.3**

Document verification and interview with management employees recruitment is based on company requirement without considering ethnic, religious, and racial and religion. All prospective employees have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with employees also reveals that there is no indication of discrimination against employees. Certificate Holder is able to demonstrate evaluation of work performance assessment activity is performed once a year by each supervisor.

Interview with HCD Department submitted that the selection process and recruitment of candidates is done in accordance with the applicable procedures in the company, starting from the signing of the agreements, the evaluation of the performance, until the appointment becomes permanent workers. There is a sample for employee performance evaluation such as evaluation of probation period for maintenance workers in June, 2017.

**Status: Comply**

**6.9**

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

**6.9.1 and 6.9.2**

Certificate holder have a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. The policy contained in Company Regulation clause 12. It explains that every worker is entitled to receive protection against sexual harassment in the workplace and Sexual harassment is an offense and if convicted of sexual abuse offenders will be penalized in accordance with applicable regulations. The committee gender has socialized to the employees, for example on March, 13 2018 attended by 43 participants and the representatives of the committee gender are available in each division.

Based on interview with workers and committee gender, the policy had disseminated to workers through gender committee meetings with workers.

**6.9.3**

Complaint mechanism of workers was contained in Procedure no. (SOP-AGR-049-R01), valid date 01 November 2013 which has been endorsed by Executive Director SBU Agro I. The SOP aims to accommodate complaints and grievants from employees. In the procedure described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower).

The results of interviews workers for example WTP officer, spraying teams, warehouse officers, nannies etc are known to

be aware of the grievance mechanism. Related complaints of sexual harassment (women's issues) can be submitted to the gender committee.

**Status: Comply**

**6.10**

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

**6.10.1; 6.10.2**

Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available at the Mill. The price of FFB determined by following Provincial price that issued by Plantation Agency of Kalimantan Timur. It has been verified by document review of FFB payment in February 2018, and interview with smallholders of KM1, KM2 and KM4. There was no complaints on FFB pricing during interview with communities representative.

**6.10.3; 6.10.4**

According to stakeholders interview with smallholders of KM1, KM2 and KM4, as well as FFB supplier and local contractor, it was confirmed that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Also, it was clearly that payments are made in a timely manner, every months and paid by bank account transferring.

**Status: Comply**

**6.11**

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

**6.11.1**

CH has been shown the CSR Program Plan 2017 to 2021. These program was prepared in consultation with the community and government of village surround of plantation area. The program consist aspects of Education Sector, Economic Sector, Socio-Cultural Sector and Enviroment and Settlement Sector. There was also showed several sample of CSR programs was implemented by the company:

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

Based on the consultations with community representatives from Benhes Village, Daklay Village, KUD Min Sun Lekut, KSU Gerdabang Agri Center, it is known that they have been given some assistance in cooperation program with the company consist of: seeds for the plasma partnership program, administrative development for plasma farmer groups, Funds for Transportation (school shuttle fee for elementary students), construction and repair of religious facilities, heavy equipment for rood maintenance, etc.

**6.11.2**

PT SWA has a partnership smallholders namely Kemitraan 1 and Kemitraan 2. Here is the agreement shown by the company has a partnership smallholders, i.e

- The land was smallholder full managed by PT SWA in accordance the MoU with the KUD Min Sun Lekut in Benhes Village in through an agreement number 112/DIR-ND/SWA/JKT/VIII/05, 06 August 2005. Agreement of authorizes of PT SWA to develop oil palm estate.
- The land was smallholder full managed by PT SWA in accordance the MoU with the KSU Min Bea Glang Mandiri in Dabeq Village in through an agreement number 113/DIR-ND/SWA/JKT/VIII/05, 06 August 2005. Agreement of authorizes of PT SWA to develop oil palm estate.

The company to provide guidance to the existing partnership estate for example on 14 June 2017 facilitation of tax

administration in KUD Min Sun Lekut.

**Status: Comply**

**6.12**

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

**6.12.1, 6.12.2, 6.12.3**

The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list, field observation and interview with workers, Labor Unions, and gender committee known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

Based on employee data and interview with workers, most of the workers came from local communities. They have the recruitment process in the company and is in accordance with applicable employee acceptance procedures.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13**

There is no change in human rights policy in PT SWA-PKS4. The management and company that manage the partnership has a policy to respect human rights that contained in Quality Guidelines point 10.2. The company has socialized the policy through meeting with workers. For example : socialization on February 13, 2018.

Interviews with workers such as warehouse workers, mechanics, factory workers, and contractors known that they know about Corporate Policy such as Human Rights Policy. The human rights policy was also presented at the morning briefing and displayed at the estate and factory offices. There is no case of human rights violation.

**Status: Comply**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

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

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

**Status: Comply**

**7.2**

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

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

**Status: Comply**

**7.3**

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

According to AMDAL documents, HCV documents and the use of plantation areas history documents such as maps and other corporate documents, planting activities at PT Swakarsa Sinarsentosa started in 1996 and completed in 2004. The



management unit has not expanded or re-established the plantation. For planting in 2011 in LJ2, is the ex-nursery area that are not used again so that the planting is conducted on 2011.

The company has reported Liability disclosure to the RSPO Secretariat on April 23, 2015.

**Status:**

**7.4**

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

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

**Status: Comply**

**7.5**

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

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

**Status: Comply**

**7.6**

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

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

**Status: Comply**

**7.7**

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

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

**Status: Comply**

**7.8**

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

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

**Status: Comply**

**PRINCIPLE #8 Commitment to continuous improvement in key areas of activity**

**8.1**

**Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.**

The company has implemented commitment to reduce environment impacts on the regular action plan. For example:

- Effluent management and monitoring. WWTP pond management, effluent quality test and report it to Kutai Timur District Environment Agency.
- Air quality management and monitoring. Road maintenance, air quality test and report it to Kutai Timur District Environment Agency.
- Ground water management and monitoring. Testing ground water quality and report it to Kutai Timur District Environment Agency. Hazardous waste management. Storing hazardous waste at the permitted hazardous waste, managing and monitoring hazardous waste.
- Pesticide reduction plans are listed in the Working Instruction of Pest and Disease Control (IK-AGR-OLP-14-R02) which explains that pest control prioritized by biological control. Certificate Holder has shown the implementation of the procedures, such as planted beneficial plant as well as installed barn owl boxes.

**Status: Comply**

**3.2 Summary of Assessment Report of Supply Chain Requirements**

**3.2.1 General Chain of custody requirements for the supply chain**

Clause	Requirement								
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>								
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.								
	Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?								
	All processing of certified product from FFB to CPO/PK are done by POM-4, the mill hiring outside transporter to handling CSPO transportation from mill storages to T300 storage tank at Miau Baru, the agreement for this activity showed to auditor namely: agreement no.: 007/DSN/PKS4/2018 and no.: 006/DSN/PKS4/2018 dated 2 Jan 2018 on truck tank for CPO transport (Hino type FG 235 JL). In the annex of the document describes related to technique instruction such as mentioned : the tank-truck to be used for transporting the CPO is a truck that has been checked for eligibility by POM-4, each truck must standby in POM4 during dispatching, unregistered trucks may not charge.								
	<b>Status: Comply</b>								
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.								
	Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?								
	No. The mill does not buying product from RSPO licensed traders								
	<b>Status: Not Applicable</b>								
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.								
	Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?								
	Yes. POM 4 has been registered and met the requirements of reporting supply chain through the RSPO supply chain managing organization (palm-trace), which describing below:								
	<table border="0"> <tr> <td>Sub License ID</td> <td>CB53187</td> </tr> <tr> <td>Member Name</td> <td>PT DHARMA SATYA NUSANTARA (PKS4)</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000002088</td> </tr> <tr> <td>RSPO Membership under DSN Group</td> <td>1-0135-12-000-000</td> </tr> </table>	Sub License ID	CB53187	Member Name	PT DHARMA SATYA NUSANTARA (PKS4)	Member ID	RSPO_PO1000002088	RSPO Membership under DSN Group	1-0135-12-000-000
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Member Name	PT DHARMA SATYA NUSANTARA (PKS4)								
Member ID	RSPO_PO1000002088								
RSPO Membership under DSN Group	1-0135-12-000-000								
	<b>Status: Comply</b>								
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.								
	Question: Is the site level or its parent had a processing aids?								
	No. The mill and/or its holding has no a processing aids								
	<b>Status: Not Applicable</b>								

<b>5.2</b>	<b>Supply chain model</b>
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.	
Question: Has the organization applied the Supply Chain Model correctly?	
Yes, the mill are applied SCCS-module E, since it received and processed FFB from its own estate and uncertified sources	
	<b>Status: Comply</b>
5.2.2	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Question: Has the organization applied a combination of Supply Chain Model correctly?	
POM 4 only implementing modul E - MB	
	<b>Status: Not Applicable</b>
<b>5.3</b>	<b>Documented procedures</b>
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.	
Questions : Documented procedures established and covering all provisions following:	
<ul style="list-style-type: none"> <li>o Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>o Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>o Identification of 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 organization's procedures for the implementation of this standard.</li> </ul>	
Sighted the work instruction of product traceability (CPO, PK and PKO) namely document no.: IK-AGR-MS-04-R07 valid since 1 Feb 2017, sign by Management system Dept Head and management syst & operation audit group head. The document has been adjusted to RSPO SCC Standard and System revised June 2017. In the document has been describes the steps of FFB acceptance and CPO/PK delivering including the job description of key personnel who is involve in the SCCS implementation, such as : weigh-bridge operator, commercial department, production clerck, despatch assistant, mill head, security. In the document stated that the all delivery receipt and acceptance receipt stamped as "certified" if the FFB sources is RSPO certified and/or stamped "Certified with MB" to the mix product. All the CSPO produced are despatched to Labanan Bulking which has been audited separately as facility certified.	
	<b>Status: Comply</b>
5.3.2	
The site shall have a written procedure to conduct annual internal audit	
Question :	
Documented annual internal audit procedures established and covering all provisions :	
i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	
ii) Effectively implements and maintains the standard requirements within its organization.	
In the WI of product traceability no.: IK-AGR-MS-04-R07 valid since 1 Feb 2017 stated that internal audit are conducted once a year with refer to SOP of management audit system. Audit result will be verified in the next surveilance since the new standard are applicable per 1 Jan 2018.	
	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
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

Question :

All RSPO product information is provided by suppliers in accordance with :

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- Supply Chain certificate number of the seller;
- A unique identification number
- Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).
- The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.
- A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website ([www.rspo.org](http://www.rspo.org)) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.
- The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.

POM 4 did not purchase CSPO/CSPK from outsider, however there were certified FFB from estates (under same holding) namely PU2 (PT DSN - POM2 / PT DAN) and JB2 (PT DSN POM 1 / PT SWA). In the FFB transport receipt has been informs all the information required such as estate/division, date of delivery, tonnes (FFB and loose fruits). The certificate of these supplier sighted and available on place.

JB2 certificate no.: MUTU-RSPO/056 (25 March 2018 – 24 March 2019), issued by PT Mutuagung Lestari

PU2 certificate no.: 824 502 17068 (10 Jan 2018 – 9 Jan 2019), issued by PT TUV Rheinland Indonesia

**Status: Comply**

**5.4.2**

The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents

Question :

Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?

In the section C of product traceability work instruction no.: IK-AGR-MS-04-R07 valid since 1 Feb 2017 explained related to non-conformity handling mechanism, including over production (MR reporting to related CB), unvalid certificate, the differences of tonnes between document and actual and incomplete delivery document.

**Status: Comply**

**5.5**

**Outsourcing activities**

**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.

Question: Are the outsourcers RSPO certified?

PKPOM 4 hiring outside transporter to handling CSPO transportation from mill to T300 storage tank at Miao Baru, the agreement for this activity showed to auditor namely: agreement no.: 007/DSN/PKS4/2018 and no.: 006/DSN/PKS4/2018 dated 2 Jan 2018 on truck tank for CPO transport (Hino type FG 235 JL). In the annex of the document describes related to technique instruction such as mentioned : the tank-truck to be used for transporting the CPO is a truck that has been checked

for eligibility by POM-4, each truck must standby in POM4 during dispatching, unregistered trucks may not charge. No certification process is required for this facility.

**Status: Comply**

**5.5.2**

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- 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

Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing

Yes, outsourcing procedures and instruction are describes in each agreement (attached), legal ownership of the product are keeps by POM 4

**Status: Comply**

**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.

Question : Has the site maintained names and contact details of all outsourcers?

Yes, written in the agreement.

**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

Question : Has MUTU informed about any new outsourcers?

There is no any new outsources

**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

Question :

All RSPO product information is provided by the organization in accordance with :

- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- Supply chain certificate number of the seller;
- A unique identification number.
- Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products

- For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.

All CSPO product are despatched to Labanan Bulking which has been separately certified (PT DSN facility).  
All CSPK product sold to PT DSN CKP, crusher under same holding and membership which has been separately certified.

Sighted the document of delivery of CSPO from POM4 (T300 storage tank in Miao Baru) to Labanan Bulking which informs date, product type, tonnes, (1st weight and 2nd weight), type of certificate (MB : 84.19%).  
Labanan certificate no.: 824 503 15017

The product of CSPK are delivered from POM 4 to DSN CKP directly, tonnes are recorded by POM4 in daily using basculator, for e.g. on 21 March 2018 total of CSPK sent to KCP as much as 48.101 MT.  
PT DSN CKP certified as MB, no.: BMT-RSPO-000569.

**Status: Comply**

**5.7 Registration of transactions**

**5.7.1**

Supply chain actors who:

- 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

Question :

**Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)**

Yes. POM 4 has been registered and met the requirements of reporting supply chain through the RSPO supply chain managing organization (palm-trace), which describing below:

Sub License ID	CB53187
Member Name	PT DHARMA SATYA NUSANTARA (PKS4)
Member ID	RSPO_PO1000002088
RSPO Membership under DSN Group	1-0135-12-000-000

All transaction and shipping has been announced and recorded in plamtrace, CSPO are announced by Labanan Bulking (commercial division) and CSPK are announced by PT DSN KCP.

**Status: Comply**

**5.7.2**

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- 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.

Question :

**Did the organization correctly perform the applicable actions on RSPO IT Platform?**

Yes, POM 4 has been met the requirements of reporting supply chain through the RSPO IT Platform

	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b>	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff
	Question : Has the organization established RSPO training plan?
	SCC training are planned once a year.
	<b>Status: Comply</b>
<b>5.8.2</b>	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed
	Question : Has the organization Delivered Effective RSPO training?
	Sighted the SCCS training report to the key personnel such as administrator, logistic, production clerck, wheigh-bridge operator, security as much as 20 participant, held on 17 Feb 2016.
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b>	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements
	Question : All records are accurate, complete, up-to-date and accessible?
	Yes, all records are accurate and up to date, stored and kept in mill office.
	<b>Status: Comply</b>
<b>5.9.2</b>	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock
	Question : All records are kept for minimum two years and comply with legal and regulatory requirements?
	Records keeping refers to procedure of document control, which requiring that document are kept for minimum 10 years.
	<b>Status: Comply</b>
<b>5.9.3</b>	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.
	Question : For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a Period of twelve (12) months?
	Yes, in the mass balance report sighted that all certified products (CSPO/CSPK/FFB) produced, purchased and despatched are recorded in 12 months (license period).
	Records keeping refers to procedure of document control, which requiring that document are kept for minimum 10 years.
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b>	



<p>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</p>	
<p>Question : Conversion rates applied accurately?</p>	
<p>The mill only processed and produce CSPO and CSPK</p>	
	<p><b>Status: NA</b></p>
<p>5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	
<p>Question : Conversion rates periodically updated?</p>	
<p>The mill only processed and produce CSPO and CSPK</p>	
	<p><b>Status: NA</b></p>
5.11	<p><b>Claims</b></p>
<p>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.</p>	
<p>Question : Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?</p>	
<p>Yes, communication mechanism to any stakeholders are describes in WI of product traceability that has been refers to RSPO Rules on Market Communications and Claims procedure.</p>	
	<p><b>Status: Comply</b></p>
5.12	<p><b>Complaints</b></p>
<p>5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>	
<p>Question : Documented procedures for stakeholders complaints established?</p>	
<p>In the section C of WI of product traceability no.: IK-AGR-MS-04-R07 valid since 1 Feb 2017 explained related to non-conformity handling mechanism, including over production (MR reporting to related CB), unvalid certificate, the differences of tonnes between document and actual and incomplete delivery document.</p>	
	<p><b>Status: Comply</b></p>
5.13	<p><b>Management review</b></p>
<p>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</p>	
<p>Question : Management reviews performed annually at planned intervals?</p>	
<p>Yes, management review and SCC internal audit are planned once a year.</p>	
	<p><b>Status: Comply</b></p>
<p>5.13.2 The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> </ul>	

- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

Question :

Has all input required above has been included in the management review?

Yes, management review and SCC internal audit are planned once a year.

**Status: Comply**

5.13.3

The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

Question :

Has all output required above has been included in the management review?

Yes, management review and SCC internal audit are planned once a year.

**Status: Comply**

**3.2.2 (Module E) CPO Mills - Mass Balance Requirements**

Clause	Requirement																																																									
<b>E.1</b>	<b>Definition</b>																																																									
<b>E.1.1</b>	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>POM 4 applied SCCS – modul E (MB) since its received and processing the FFB from certified and uncertified sources, verification are done trough field observation and interview to security and weigh-bridge operator as well as management representative. Sighted the FFB supplier list of POM 4 between 8 Jan 2017 – 19 March 2018, in the following table:</p> <table border="1"> <thead> <tr> <th>Supplier</th> <th>Code</th> <th>Certified</th> <th>Uncert</th> </tr> </thead> <tbody> <tr> <td rowspan="3">PT SWA (its own estate)</td> <td>LJ1</td> <td>√</td> <td></td> </tr> <tr> <td>LJ2</td> <td>√</td> <td></td> </tr> <tr> <td>JB1</td> <td>√</td> <td></td> </tr> <tr> <td>PT SWA (out scope)</td> <td>JB2</td> <td>√</td> <td></td> </tr> <tr> <td>PT DAN</td> <td>PU2</td> <td>√</td> <td></td> </tr> <tr> <td rowspan="2">PT SWA - KM</td> <td>KM1</td> <td></td> <td>√</td> </tr> <tr> <td>KM2</td> <td></td> <td>√</td> </tr> <tr> <td>PT DAN - KM</td> <td>KM4</td> <td></td> <td>√</td> </tr> <tr> <td>Koperasi Usaha Tani Sejahtera</td> <td>SUTS</td> <td></td> <td>√</td> </tr> <tr> <td>Koperasi Harapan Baru</td> <td>HB</td> <td></td> <td>√</td> </tr> <tr> <td>PT Roni Putra Abadi</td> <td>RPA</td> <td></td> <td>√</td> </tr> <tr> <td>Koperasi Semoga Sawit Wahau Jaya</td> <td>SSWJ</td> <td></td> <td>√</td> </tr> <tr> <td>KSU Min Bea Glang Mandiri</td> <td>MBGM</td> <td></td> <td>√</td> </tr> <tr> <td>KUD Min Sut Lekut</td> <td>MSL</td> <td></td> <td>√</td> </tr> </tbody> </table>	Supplier	Code	Certified	Uncert	PT SWA (its own estate)	LJ1	√		LJ2	√		JB1	√		PT SWA (out scope)	JB2	√		PT DAN	PU2	√		PT SWA - KM	KM1		√	KM2		√	PT DAN - KM	KM4		√	Koperasi Usaha Tani Sejahtera	SUTS		√	Koperasi Harapan Baru	HB		√	PT Roni Putra Abadi	RPA		√	Koperasi Semoga Sawit Wahau Jaya	SSWJ		√	KSU Min Bea Glang Mandiri	MBGM		√	KUD Min Sut Lekut	MSL		√
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	<b>Status: Comply</b>																																																									
<b>E.2</b>	<b>Explanation</b>																																																									
<b>E.2.1</b>	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>Estimated certified product recorded in the certificate annex of last surveillance, actual certified produced has been verified during this assessment (ASA-3), as well as the the estimates of certified production for the next license period has been set by the mill, describes in the following table:</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Estimate Production 1 Jun 2017 – 31 May 2018</th> <th>Actual Production 1 Jun 2017 – 19 March 2018</th> <th>Estimate Production 1 Jun 2018 – 31 May 2019</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>272,404</td> <td>132,133.73</td> <td>300,749</td> </tr> <tr> <td>CSPO</td> <td>68,101</td> <td>29,809.62</td> <td>72,180</td> </tr> <tr> <td>CSPK</td> <td>13,620</td> <td>5,463.47</td> <td>13,534</td> </tr> </tbody> </table>	Product	Estimate Production 1 Jun 2017 – 31 May 2018	Actual Production 1 Jun 2017 – 19 March 2018	Estimate Production 1 Jun 2018 – 31 May 2019	FFB	272,404	132,133.73	300,749	CSPO	68,101	29,809.62	72,180	CSPK	13,620	5,463.47	13,534																																									
Product	Estimate Production 1 Jun 2017 – 31 May 2018	Actual Production 1 Jun 2017 – 19 March 2018	Estimate Production 1 Jun 2018 – 31 May 2019																																																							
FFB	272,404	132,133.73	300,749																																																							
CSPO	68,101	29,809.62	72,180																																																							
CSPK	13,620	5,463.47	13,534																																																							

	<b>Status: Comply</b>						
<b>E.2.2</b>							
<b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b>							
<p>POM 4 has been registered and met the requirements of reporting supply chain through the RSPO supply chain managing organization (palm-trace), which describing below:</p> <table border="0"> <tr> <td>Sub License ID</td> <td>CB53187</td> </tr> <tr> <td>Member Name</td> <td>PT DHARMA SATYA NUSANTARA (PKS4)</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000002088</td> </tr> </table> <p>CSPO sold between 01 June 2017 to 19 March 2018 done through book and claim metode as much as 28,815 MT that has been removed from the certified volume projection, remaining volume as much as 39,268 MT.</p> <p>CSPK sold to buyer (PT DSN CKP) between 01 June 2017 to 19 March 2018 as much as 3987.52 MT (has announced), the remaining volume is 9631.48 MT.</p>		Sub License ID	CB53187	Member Name	PT DHARMA SATYA NUSANTARA (PKS4)	Member ID	RSPO_PO1000002088
Sub License ID	CB53187						
Member Name	PT DHARMA SATYA NUSANTARA (PKS4)						
Member ID	RSPO_PO1000002088						
	<b>Status: Comply</b>						
<b>E.3</b>	<b>Documented procedures</b>						
<b>E.3.1</b>							
<b>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:</b>							
<p>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>							
<p>Sighted the work instruction of product treacibility (CPO, PK and PKO) namely document no.: IK-AGR-MS-04-R07 valid since 1 Feb 2017, sign by Management system Dept Head and management syst &amp; operation audit group head. The document has been adjusted to RSPO SCC Standard and System revised June 2017. In the document has been describes the steps of FFB acceptance and CPO/PK delivering including the job description of key personnel who is involve in the SCCS implementation, such as : weigh-bridge operator, commercial department, production clerck, despatch assistant, mill head, security. In the document stated that the all delivery receipt and acceptance receipt stamped as "certified" if the FFB sources is RSPO certified and/or stamped "Certified with MB" to the mix product. All the CSPO produced are despatched to Labanan Bulking which has been audited separately as facility certified.</p>							
	<b>Status: Comply</b>						
<b>E.3.2</b>							
<b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b>							
<p>In the WI of treacibility product no.: IK-AGR-MS-04-R07 valid since 1 Feb 2017, sign by Management system Dept Head and management syst &amp; operation audit group head, explained that:</p> <p>a. Acceptance and weighing of FFB is done by weigh-bridge operator by checking the FFB/PK delivery note and weighing-tickets. The entire receipts/notes are stamped with "certified" and include the value of MB (%). RSPO certified out-sources must enclose the RSPO certificate along with the agreement signing.</p> <p>b. All processed FFB from certified and non-certified estates are recorded by the production clerk every day, the percentage of certified FFB has been calculated according to the ratio set by the RSPO.</p>							
	<b>Status: Comply</b>						
<b>E.4</b>	<b>Purchasing and goods in</b>						

**E.4.1**
**The site shall verify and document the volumes of certified and non-certified FFBs received.**

POM 4 has recorded all FFB receive and processed including certified and non certified between 1 June 2017 – 19 March 2018:

DATE	FFB INCOMING		FFB PROSES	
	certified	non-certified	certified	non-certified
June-17	16,721,150	3,377,120	16,247,603	3,312,198
July-17	18,545,800	5,232,650	19,201,105	5,089,435
August-17	-	24,361,320	1,454	24,409,516
<b>Total</b>	<b>35,266,950</b>	<b>32,971,090</b>	<b>35,450,162</b>	<b>32,811,149</b>
<b>Stock Akhir</b>				
September-17	16,292,660	3,167,970	16,002,691	3,311,518
October-17	15,621,020	3,516,320	15,560,045	3,494,345
November-17	21,540,440	3,346,520	21,625,567	3,385,009
<b>Total</b>	<b>53,454,120</b>	<b>10,030,810</b>	<b>53,188,303</b>	<b>10,190,872</b>
<b>Stock Akhir</b>				
December-17	19,007,060	3,441,540	19,083,281	3,443,419
January-18	17,910,160	3,676,821	17,841,464	3,673,951
February-18	15,396,110	3,893,705	15,472,408	4,373,488
<b>Total</b>	<b>33,306,270</b>	<b>7,570,526</b>	<b>33,313,872</b>	<b>8,047,439</b>
<b>Stock Akhir</b>				
March-18	10,106,390	2,704,668	10,008,900	3,300,408
<b>TOTAL C/F:</b>	<b>132,133,730</b>	<b>53,277,094</b>	<b>131,961,237</b>	<b>54,349,868</b>

**Status: Comply**
**E.4.2**
**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

There is no over production of certified product (FFB, CSPO, CSPK) during the period of licensi (1 June 2017 – 19 March 2018).

Product	Estimate Production	Actual Production
	1 Jun 2017 – 31 May 2018	1 Jun 2017 – 19 March 2018
FFB	272,404	132,133.73
CSPO	68,101	29,809.62
CSPK	13,620	5,463.47

**Status: Comply**
**E.5**
**Record keeping**
**E.5.1**

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system

according to conversion ratios stated by RSPO.

- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

The mill has balancing all FFB receipt and CPO/PK produce in real time report and recapitulate in monthly basis between 1 June 2017 – 19 Maret 2018, as following table:

**CSPO**

DATE	FFB INCOMING		FFB PROSES		CPO Production		DISPATCH CPO		STOCK(MT)	
	certified	non-certified	certified	non-certified	certified	non-certified	certified	non-certified	certified	non-certified
					Kg	Delivery(Kg)	Kg	Kg	Kg	Kg
B/F OPENING STK					-	-	-	-	675,139	116,655
June-17	16,721,150	3,377,120	16,247,603	3,312,198	3,413,953	694,722	2,890,415	768,785	1,198,677	42,592
July-17	18,545,800	5,232,650	19,201,105	5,089,435	4,182,789	1,178,936	5,049,826	1,079,354	331,640	142,174
August-17	-	24,361,320	1,454	24,409,516	365	6,158,586	309,508	6,028,362	22,497	272,398
<b>Total</b>	<b>35,266,950</b>	<b>32,971,090</b>	<b>35,450,162</b>	<b>32,811,149</b>	<b>7,597,107</b>	<b>8,032,244</b>	<b>8,249,749</b>	<b>7,876,501</b>	<b>22,497</b>	<b>272,398</b>
<b>Stock Akhir</b>									<b>22,497</b>	<b>272,398</b>
September-17	16,292,660	3,167,970	16,002,691	3,311,518	3,704,754	766,332	3,458,092	1,032,668	269,159	6,062
October-17	15,621,020	3,516,320	15,560,045	3,494,345	3,594,740	807,404	3,774,112	812,828	89,787	638
November-17	21,540,440	3,346,520	21,625,567	3,385,009	4,954,051	775,362	4,420,241	723,789	623,597	52,211
<b>Total</b>	<b>53,454,120</b>	<b>10,030,810</b>	<b>53,188,303</b>	<b>10,190,872</b>	<b>12,253,545</b>	<b>2,349,098</b>	<b>11,652,445</b>	<b>2,569,285</b>	<b>150,376</b>	<b>525,432</b>
<b>Stock Akhir</b>									<b>150,376</b>	<b>525,432</b>
December-17	19,007,060	3,441,540	19,083,281	3,443,419	4,214,566	761,637	4,427,734	1,283,406	16,892	3,663
January-18	17,910,160	3,676,821	17,841,464	3,673,951	4,106,358	844,366	3,950,310	774,130	172,940	73,899
February-18	15,396,110	3,893,705	15,472,408	4,373,488	3,536,608	999,671	3,574,149	885,451	135,399	188,119
<b>Total</b>	<b>33,306,270</b>	<b>7,570,526</b>	<b>33,313,872</b>	<b>8,047,439</b>	<b>7,642,966</b>	<b>1,844,037</b>	<b>7,524,459</b>	<b>1,659,581</b>	<b>135,399</b>	<b>188,119</b>
<b>Stock Akhir</b>									<b>135,399</b>	<b>188,119</b>
March-18	10,106,390	2,704,668	10,008,900	3,300,408	2,316,005	764,533	2,339,623	799,367	111,781	153,285
<b>TOTAL C/F:</b>	<b>132,133,730</b>	<b>53,277,094</b>	<b>131,961,237</b>	<b>54,349,868</b>	<b>29,809,623</b>	<b>12,989,912</b>	<b>29,766,276</b>	<b>12,904,734</b>		

**CSPK**

DATE	FFB INCOMING		FFB PROSES		PK Production		DISPATCH PK		STOCK(MT)	
	certified	non-certified	certified	non-certified	certified	non-certified	certified	non-certified	certified	non-certified
					Kg	Delivery(Kg)	Kg	Kg	Kg	Kg
B/F OPENING STK					-	-	-	-	675,139	116,655
June-17	16,721,150	3,377,120	16,247,603	3,312,198	648,946	131,910	629,270	161,114	694,815	87,451
July-17	18,545,800	5,232,650	19,201,105	5,089,435	774,804	206,366	792,895	151,937	676,724	141,880
August-17	-	24,361,320	1,454	24,409,516	61	1,075,174	12,194	1,084,446	664,591	132,608
<b>Total</b>	<b>35,266,950</b>	<b>32,971,090</b>	<b>35,450,162</b>	<b>32,811,149</b>	<b>1,423,811</b>	<b>1,413,450</b>	<b>1,434,359</b>	<b>1,397,497</b>	<b>664,591</b>	<b>132,608</b>
<b>Stock Akhir</b>									<b>664,591</b>	<b>132,608</b>
September-17	16,292,660	3,167,970	16,002,691	3,311,518	684,771	141,890	599,101	188,184	750,261	86,314
October-17	15,621,020	3,516,320	15,560,045	3,494,345	668,951	150,659	712,240	160,670	706,972	76,303
November-17	21,540,440	3,346,520	21,625,567	3,385,009	933,153	146,120	939,308	150,020	700,817	72,403
<b>Total</b>	<b>53,454,120</b>	<b>10,030,810</b>	<b>53,188,303</b>	<b>10,190,872</b>	<b>2,286,875</b>	<b>438,669</b>	<b>2,250,649</b>	<b>498,874</b>	<b>227,596</b>	<b>545,624</b>
<b>Stock Akhir</b>									<b>227,596</b>	<b>545,624</b>
December-17	19,007,060	3,441,540	19,083,281	3,443,419	800,915	144,479	802,599	142,795	305,596	547,308
January-18	17,910,160	3,676,821	17,841,464	3,673,951	715,040	146,246	714,670	146,616	305,966	546,938
February-18	15,396,110	3,893,705	15,472,408	4,373,488	604,465	172,773	608,374	168,864	302,057	550,847
<b>Total</b>	<b>33,306,270</b>	<b>7,570,526</b>	<b>33,313,872</b>	<b>8,047,439</b>	<b>1,319,505</b>	<b>319,019</b>	<b>1,323,044</b>	<b>315,480</b>	<b>302,057</b>	<b>550,847</b>
<b>Stock Akhir</b>									<b>302,057</b>	<b>550,847</b>
March-18	10,106,390	2,704,668	10,008,900	3,300,408	433,280	143,211	431,436	145,055	303,901	549,003
<b>TOTAL C/F:</b>	<b>132,133,730</b>	<b>53,277,094</b>	<b>131,961,237</b>	<b>54,349,868</b>	<b>5,463,471</b>	<b>2,314,349</b>	<b>5,439,488</b>	<b>2,356,906</b>		

**Status: Comply**

**3.3 Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>ASA-3</b>	Since earning the RSPO certificate, POM 4 has not received any request over RSPO-certified product from buyers, therefore no utilization over logo and claim for product. Until today, POM 4 does not using logo on its product (on-product) and non-product (off-product).	√
	<b>Status: Full Complied</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or √</b>
<b>ASA-3</b>	Since earning the RSPO certificate, POM 4 has not received any request over RSPO-certified product from buyers, therefore no utilization over logo and claim for product. Until today, POM 4 does not using logo on its product (on-product) and non-product (off-product).	√
	<b>Status: Full Complied</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or √</b>
<b>ASA-3</b>	Since earning the RSPO certificate, POM 4 has not received any request over RSPO-certified product from buyers, therefore no utilization over logo and claim for product. Until today, POM 4 does not using logo on its product (on-product) and non-product (off-product).	√
	<b>Status: Full Complied</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or √</b>
<b>ASA-3</b>	Since earning the RSPO certificate, POM 4 has not received any request over RSPO-certified product from buyers, therefore no utilization over logo and claim for product. Until today, POM 4 does not using logo on its product (on-product) and non-product (off-product).	√
	<b>Status: Full Complied</b>	

**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><b>Auditor verification</b> Based on the document review, there is a company internal audit that was conducted on January 2017 and the positive assurance is at this table that is also been verified.</p>
2.1.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<ul style="list-style-type: none"> <li>• LUCA PT Dharma Intisawit Lestari and PT Karya Prima Agro Sejahtera was sent on February 4, 2016 to RSPO and is a review process. MS Dept. Head have got confirmation by email from the RSPO Executive Compensation that PT DIL has been completed under review and is being submitted for approval letter from the Compensation panel.</li> <li>• LUCA PT Agro Andalan, PT Dharma Persada Sejahtera, PT Kencana Alam Permai, and PT Prima Sawit Andalan was sent to RSPO and is a review process. Letter of approval of the Panel RSPO yet received.</li> <li>• LUCA PT Putra Utama Lestari and PT Pilar Wanapersada was sent on February 11, 2016 to RSPO and is a review process and clarification</li> <li>• POM 5 and POM 6 there is no new land clearing of new planting after November 2005.</li> </ul>



		<ul style="list-style-type: none"> <li>Smallholders (KM5, KM8, KM9, KM10A, KM10B, KM10C), and clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing</li> </ul> <p><b>Auditor verification</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<ul style="list-style-type: none"> <li>There are 8 plantations have conducting NPP process (under RSPO review)</li> <li>Smallholders (KM5, KM9) planting year before 2010.</li> <li>Smallholders (KM8, KM10A, KM10B, KM10C), no need NPP because no landbank in the area.</li> </ul> <p><b>Auditor verification</b></p> <ul style="list-style-type: none"> <li>NPP Verification PT Dharma Intisawit Lestari and PT Karya Prima Agro Sejahtera has been performed by TUV from 21-24 March 2016 and waiting results of the review by RSPO</li> <li>NPP Verification PT Putra Utama Lestari has been performed by Mutuagung Lestari from 2 – 5 Juni 2016 and waiting results of the review by RSPO</li> <li>PT Agro Andalan, NPP verification from TUV &amp; PT MAL and NPP was a review process by RSPO per January 2017</li> <li>PT Kencana Alam Permai, PT Prima Sawit Andalan and PT Dharma Persada Sejahtera, verification of the NPP has been carried out by PT MAL and refereed RSPO. There are questions regarding the report of the RSPO NPP. Currently the company is working on a response / confirmation to the RSPO</li> </ul>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>No any land conflicts.</p> <p><b>Auditor verification</b> 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><b>Auditor verification</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Legal non compliance, there is process for land legality PT Dharma Intisawit Lestari, PT Karya Prima Agro Sejahtera, PT Putra Utama Lestari, PT Prima Sawit Andalan and PT Dharma Persada Sejahtera.</p>

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

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

<b>NCR No.</b>	<b>: 2017.1</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 12 April 2017</b>	<b>Time Limit</b>	<b>: 11 June 2017</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 22 May 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.1</b> <b>A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> The Company already has a Memorandum No.0016/SHE/VIII/2016 concerning Submission of Occupational Safety Aspects for Contractors issued on August 2, 2016 and Contractor Evaluation, but results of field visits in Jabdan 1 and Long Jenew 1 found unsafe actions in the form of contractor workers Loading and unloading fertilizer that sits on top of the truck cabin under running conditions. This indicates that the company has not implemented safety aspects of the contractor's operational activities in accordance with the Memorandum and evaluation of suppliers of fertilizers has not assessed the OSH aspect.			
<b>Root Cause Analysis (filled by organization audited):</b> undisciplined of contractor loading and unloading worker on safety and health aspects (OHS) and lack of socialization to vendor/contractor of loading and unloading of fertilizer.			
<b>Corrective Action (filled by organization audited):</b> <ol style="list-style-type: none"> <li>1. Prepare OHS provisions that must be obeyed by the vendor.</li> <li>2. Provide written warning to all fertilizer suppliers for the event.</li> <li>3. Perform the MoU addendum by adding the obligation to comply with the OHS rules</li> <li>4. Socialization to fertilizer vendors on occupational safety and health (OHS) in the work area of PT DSN Group, Tbk</li> <li>5. OHS Assistant and PGS socialize to loading and unloading workers and drivers of the importance of OHS</li> <li>6. OHS Assistant &amp; Security conduct safety patrol against contractor workers loading and unloading fertilizer. If a violation is found it will be reported to Plantation Head (PH). PH will coordinate with PRC to follow up..</li> </ol>			
<b>Preventive Action (filled by organization audited):</b> <ol style="list-style-type: none"> <li>1. Revise Terms Of Reference by adding OHS provisions.</li> <li>2. Adding OHS aspect in performance evaluation of vendor, supplier or contractor</li> </ol>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification of auditors dated May 22, 2017</b> The Company shows evidence of improvements in the form of: <ul style="list-style-type: none"> <li>- Transport safety aspect of unloading laborers / laborers.</li> <li>- An email invitation letter sent to fertilizer vendors of PT DSN Group held on May 2, 2017. In the invitation, there is the warning letter on the violation by the transporter of fertilizer transporter.</li> <li>- Letter addressed to Procurement Department Head concerning aspects of transportation safety of laborers/unloading of fertilizers. The safety aspect of the freight forwarding worker forbidding the unloading workers is above the head/truck cab and hanging/sitting at the deck.</li> <li>- Warning letter to fertilizer vendors of PT DSN Group. The warning letter contains the notice to all fertilizer vendors to pay more attention to the safety aspect of the worker and to ensure that the letter is to be socialized to all transporters and laborers of loading and unloading of fertilizer.</li> </ul>			

- Addendum with the supplier of fertilizer (MoU notes No. 003/MOU/JKT/2016, No: 006/MOU/JKT/2016, and addendum II No. 004-MOU-JKT-2016) dated 2 May 2017. Addendum Informs the agreement between the two parties to add to the provisions of article 2 regarding the obligation of the second party to comply with the laws and regulations about OHS.
- Attendance List of OHS / Laborers' safety to fertilizer vendors held on May 2, 2017. This presentation was attended by SHE department staff and representatives of each fertilizer supplier (3 persons).
- Minutes of Meeting for the submission of safety obligations for laborers/unloaders of fertilizers, which has been implemented on May 2, 2017. The information delivered one of them discussed about the DSN has done and agreed with the board of Cooperatives of the Labor Union of Benua Etam as a provider of unloading power Fertilizer at the Muara Wahau site about the prohibition of workers unloading fertilizer sitting on the cabin/head of the truck.
- The Working Agreement of the Benua Etam Cooperative Workers agreed by both parties between the company and the cooperative on 13 April 2017. In the 8th point there is an explanation of the prohibition of cooperative members to sit on the fertilizer truck cabin.
- Attendance list of socialization of OHS regulation for Labor Contractor of unloading fertilizer (Benua Etam Cooperatives) which has been implemented on April 23, 2017 at the office of cooperatives. The meeting was attended by 57 members of the cooperative.
- Records of safety patrol activities of fertilizer-2 discharge in JB1 estate storage, the workers has equipped by PPE with type of helmets, boots, gloves and masks. (based on the attached picture).

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

<b>Verified by</b>	<b>:</b>	<b>Dwi Haryati</b>
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3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	: 2018.1	Issued by	: Naila Karima																																																																		
Date Issued	: 23 March 2018	Time Limit	: ASA-4																																																																		
NC Grade	: Minor	Date of Closing	:																																																																		
Standard Ref. & Requirement	<p>4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</p>																																																																				
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i></p> <p>The company has a Memorandum No. 0001/SHE-JKT//2017 dated January 17, 2017 issued by SHE Department - SBU Agro regarding the First Aid Box. In the memo mentioned that the standard of the first-aid box refers to the Manpower No.15 Year 2008 on First Aid kit in the Workplace which contains 21 items</p>																																																																					
<table border="1"> <thead> <tr> <th>No.</th> <th>ISI</th> <th>JUMLAH</th> </tr> </thead> <tbody> <tr><td>1</td><td>Kasa steril terbungkus</td><td>1 ktk</td></tr> <tr><td>2</td><td>Perban (lebar 5 cm)</td><td>2 roll</td></tr> <tr><td>3</td><td>Perban (lebar 10 cm)</td><td>2 roll</td></tr> <tr><td>4</td><td>Plester kecil</td><td>2 roll</td></tr> <tr><td>5</td><td>Plester Cepat</td><td>10 bh</td></tr> <tr><td>6</td><td>Kapas (25 gram)</td><td>1 bks</td></tr> <tr><td>7</td><td>Kain segitiga/mittela</td><td>2 bh</td></tr> <tr><td>8</td><td>Gunting</td><td>1 bh</td></tr> <tr><td>9</td><td>Peniti</td><td>12 bh</td></tr> <tr><td>10</td><td>Sarung tangan sekali pakai</td><td>2 bh</td></tr> <tr><td>11</td><td>(pasangan)</td><td>2 bh</td></tr> <tr><td>12</td><td>Masker</td><td>1 bh</td></tr> <tr><td>13</td><td>Pinset</td><td>1 bh</td></tr> <tr><td>14</td><td>Lampu senter</td><td>1 bh</td></tr> <tr><td>15</td><td>Gelas untuk cuci mata</td><td>1 bh</td></tr> <tr><td>16</td><td>Kantong plastik bersih</td><td>1 bh</td></tr> <tr><td>17</td><td>Aquades (100 ml lar. Saline)</td><td>1 botol</td></tr> <tr><td>18</td><td>Povidon Iodin (80 ml)</td><td>1 botol</td></tr> <tr><td>19</td><td>Alkohol 70%</td><td>1 botol</td></tr> <tr><td>20 *</td><td>Buku panduan P3K di tempat kerja</td><td>1 buku</td></tr> <tr><td>21 *</td><td>Daftar catatan isi kotak P3K</td><td>1 lembar</td></tr> </tbody> </table> <p>Note: *) Dapat diletakan di dekat Kotak P3K</p>				No.	ISI	JUMLAH	1	Kasa steril terbungkus	1 ktk	2	Perban (lebar 5 cm)	2 roll	3	Perban (lebar 10 cm)	2 roll	4	Plester kecil	2 roll	5	Plester Cepat	10 bh	6	Kapas (25 gram)	1 bks	7	Kain segitiga/mittela	2 bh	8	Gunting	1 bh	9	Peniti	12 bh	10	Sarung tangan sekali pakai	2 bh	11	(pasangan)	2 bh	12	Masker	1 bh	13	Pinset	1 bh	14	Lampu senter	1 bh	15	Gelas untuk cuci mata	1 bh	16	Kantong plastik bersih	1 bh	17	Aquades (100 ml lar. Saline)	1 botol	18	Povidon Iodin (80 ml)	1 botol	19	Alkohol 70%	1 botol	20 *	Buku panduan P3K di tempat kerja	1 buku	21 *	Daftar catatan isi kotak P3K	1 lembar
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<p>Field observation results in</p> <ul style="list-style-type: none"> <li>Block B38 Division 2 LJ1 Estate, manual and harvest activities, foreman does not carry first aid bags</li> <li>Block A35 Division 2 LJ1 Estate, pesticide application activities, foreman carrying first aid bags but first aid kit in incomplete as regulated.</li> </ul> <p>Based on the above explanation, the provision of first aid box on operational activities in the field has not been in accordance with the Memorandum stipulated by the Company. <b>Non-conformity No. 2018.01</b></p>																																																																					
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <p>Foreman chemist and manual upkeep at Division 2 LJ1 Estate has not understood the provisions of the contents of first aid bags as many as 21 items</p>																																																																					
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p>Completing the contents of the first aid kit in accordance with the Memorandum No. 0001/SHE-JKT//2017 dated January 17, 2017 and Regulation of the Minister of Manpower No. 15 Year 2008 (21 items)</p>																																																																					
<p><b>Preventive Action</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>Socialization of standard contents of first aid kit.</li> </ol>																																																																					

2. Completing the contents of first aid bags and boxes according to the Memorandum No. 0001/SHE-JKT/I/2017 dated January 17, 2017 and Regulation of the Minister of Manpower No. 15 Year 2008 (21 items)
3. Assistant Division at the morning briefing to check the completeness of the contents of box or bag first aid kit.

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

**25 April 2018**

The company showed documentation of socialization about first aid conducted on 03 April 2018 and completed with attendance list of participants consisting of field foreman. In addition there is documentation for the handover of contents of first aid kit for field foreman Division 2 LJ1 Estate in accordance with the Memorandum set by the company.

From the evidence presented, the company only pointed to the improvement on the sample unit that became nonconformity. What about the other units, whether the company has conducted a thorough inspection for all units of the certification scope related to the availability of first aid equipment at the work site is in accordance with the specified Memorandum. Please indicate the evidence and if still there are not yet according to how the company follow-up.

The above aims to ensure consistency of the implementation of first aid equipment in the field as a whole has been in accordance with the Memorandum established company and avoid incompatibility of upgrade to Major during the next surveillance activities.

Non-conformity No. 2018.01 stated not yet fulfilled.

**Verified by** :

**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	2.2.2	The effectiveness of legal pegs monitoring.
2	4.7.3	Information of high noise levels
3	5.3.3	Socialization of hazardous waste management

**3.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1	-	Has obtained ISCC, RSPO & ISPO certificate
2	-	Has been awarded PROPER (Green) period of 2016/2017 dated July 13, 2017.
3	-	Commitment to develop scheme smallholders
4	-	Has provide business opportunities to the community (for example procurement of operational vehicles hired from the surrounding villagers)

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Head of Village, Informal Leader, villager and smallholder cooperation staff, Woman Group and Local Contractors in Benhes Village and KM1 (KUD Min Sune Lekut) , Diak Lay Village and and KM4 (KSU Gerdabang Glang Mandiri)</b></p> <ul style="list-style-type: none"> <li>• The impact of plantation operations; road access and working opportunity for village surround</li> <li>• Some of the aid that has been given by the company, for example Heavy Equipment for road maintenance, Aid for transportation of the student from village surround</li> <li>• There are no issues and conflicts of land tenure between the company and the surrounding</li> <li>• There are also no issues related to the complaints of surrounding communities to the factories, and operation of plantation and mill.</li> <li>• During the one year period there are no cases of negative impacts on the operation of plantation and mill (i.e, environmental pollution)</li> <li>• There was no cases of land fires since the last year.</li> <li>• Some of the local villagers (local contractors) have also partnered with the company in the rent car, construction emplacement, transporting, etc.</li> <li>• The village already knows the type of information that can be accessed such as job opportunity for nearest people.</li> <li>• The boundaries of citizens with companies are clear.</li> <li>• There is a representation of village authority in form of hamlet in company operation area.</li> <li>• Indigenous Peoples receive more training from companies, indigenous events and participate in customary celebrations, namely <i>Gawai and Marriage</i>.</li> <li>• The company's contribution to local development includes the construction of access roads, employment and educational facilities.</li> <li>• Communities are involved in an environmental impact assessment carried out before the opening of the plantation.</li> <li>• The perceived impact of factory activities is smoke and watersurface, whereas from plantations there is no significant impact.</li> <li>• The surrounding community has been understood about RTE species.</li> <li>• Development village owned enterprice (BUMDES) on progres.</li> </ul> <p><b>Smallholder cooperation staff</b></p> <ul style="list-style-type: none"> <li>• The company has cooperated with KUD Min Sun Lekut (KM1) and KSU Gerdabang Agri Center in a partnership program of oil palm plantation management in community land since 2005.</li> </ul>	<p>Based on verification on related Indicators: Indicator 2.2.3 to 2.2.6 and 2.3.1 to 2.3.3 does not indicate a conflict between the company and the surrounding community.</p> <p>Indicator 6.3.1 &amp; 6.3.2, there are no significant complaints from the other parties</p> <p>Indicator 6.11.1 &amp; 6.11.2, the company has implemented/provided assistance to the surrounding community and the opportunity to adapt social governance activities based on community needs and based on more participatory planning.</p> <p>There were no negative issues from communities. The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as Criterion 5.1.3; 5.2.1; 6.1.1; 6.1.4.and 6.4.1.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> <li>• The operations of the production is fully carried out by the companies and cooperatives are responsible for controlling the harvesting activities and deliver production result every month to its members.</li> <li>• FFB Pricing is determined by the Plantation Agency, Cooperative unit members can know about it from cooperative management. There are also some members of the cooperative who can access the information from the media or information from fellow members.</li> <li>• Each year the estate is done meeting of the estate operational plan (budget) between smallholder and companies</li> <li>• Monthly production of smallholder was delivered by the company to the next cooperatives and cooperative management would report and distribute the results to each member.</li> <li>• Cooperative unit management can determine / control Monthly production through evidence of FFB weighing results that are brought back and handed over by the operator (driver) of FFB transportation to the Cooperative unit management.</li> <li>• Partnerships between communities and companies, has also led to other productive activities, such as the transport of FFB from the estate directly managed by the Cooperative through the provision of truck.</li> <li>• the natural boundary is the river of wahau (KSU Gerdabang Glang Mandiri)</li> </ul>	
<p><b>Local Contractor</b></p> <ul style="list-style-type: none"> <li>• The company give the same opportunities for local contractors who want to cooperate, for instance procurement of FFB transportation from the field to the mill.</li> <li>• All cooperation was preceded by the signing of the Contract of Work. In the work contract has been described rights and obligations of both parties and also includes the payment system and protection for workers who work at the contractors (including insurance and the provision of work equipment and PPE by a local contractor)</li> <li>• Timely payment in accordance with clauses describes in the document contract that is at the end of each month and can be taken through in Bank in Muara Wahau Sub District.</li> <li>• Basically, the existing cooperation activities, has accelerated economic improvement for the people in the local area.</li> <li>• Based on the results of public consultations through interviews with the head contractor for the work of building emplacement type G10 is submitted that for</li> </ul>	<ul style="list-style-type: none"> <li>• There was sighted sample of work contract between the company and local contractor. These document containt of information related to payment mechanism and another obligation for each party.</li> <li>• Obligation for the local contractor are included of : <ul style="list-style-type: none"> <li>- Covered their employee with insurance</li> <li>- Comply to Labor regulation, included of give basic minimum salary to their employee</li> <li>- Provide of Personal Protective Equipment</li> <li>- Provide of fire equipment</li> <li>- Driving license for the driver, etc</li> </ul> </li> </ul>



Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>accident insurance member/contractor workers have been registered in the program of BPJS.</p>	
<p><b>Worker Union of PKS4, PT SWA, &amp; PT DAN (KM4)</b></p> <ul style="list-style-type: none"> <li>• There are no issues related to discrimination, the use of underage labor or sexual violence.</li> <li>• The Company has paid wages and overtime in accordance with applicable regulations.</li> <li>• Until the audit progresses, there are no complaints from workers. Company has implemented the wages in accordance with Minimum Wages at Kutai Timur District, payment has been applied on January 2018.</li> <li>• The company has regulated the worker complaints mechanism that have been socialized.</li> <li>• No industrial complaints in the past year.</li> <li>• All employees have been included in the BPJS program of employment and health. The company provides facilities for the welfare of workers such as housing facilities, clean water, electricity, facilities of worship, educational facilities, clinics, sports facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Based on field observations, document review and interviews with workers, there is no violation of the applicable regulations. For example, discrimination, wages and overtime. This has been described in indicator 5.2.1</li> <li>• There is no significant issue related to conflict between company with their employee.</li> </ul>
<p><b>Gender Committee of PKS4, PT SWA, &amp; PT DAN (KM4)</b></p> <ul style="list-style-type: none"> <li>• There are no issues related to discrimination, sexual harassment and the use of child labor.</li> <li>• Gender committee officials have programs regarding the socialization of policies on women's rights and counseling on women's reproductive health as well as the prevention of sexual harassment.</li> </ul>	<ul style="list-style-type: none"> <li>• There are no issues related to woman neglected of woman right, for example; pregnancy leave and maternity period.</li> <li>• There are no issues related to woman harassment.</li> </ul>

**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

**4.1 Formal Sign-off of Assessment Findings**

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

Signed on behalf of:

PT Dharma Satya Nusantara  
Management Representative

Mutuagung Lestari  
Lead Auditor



**Agustinus Triwibowo**

02 April 2018



**Sandra Purba**

02 April 2018

**APPENDICES**

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date	Response	
						Yes	No
1	Benhes Village	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	20 March 2018	√	
2	Diaklay Village	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	20 March 2018	√	
3	Local Contractor (Transportir CPO dan Transportir TBS)	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	20 March 2018	√	
4	Worker Union of PT DSN dan PT SWA	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	20 March 2018	√	
5	Gender Committee of PT DSN & PT SWA	Kutai Timur District, Kalimantan Timur Province, Indonesia	-	Interview	20 March 2018	√	
6	LJ1 Pesticide operator 2 Harvester in Afdeling II Block B38 1 Store keeper 2 Workshop officer / personnel  LJ 2 1 Land Application operatorin Afdeling X Block F34 and Afdeling XI Block F37	PT SWA		Interview	20 March 2018	√	
7	JB 1 5 pesticide operator in Afdeling IV Block B20 2 Harvester in Afdeling II Block A39 2 Store keeper 3 Workshop officer / personnel	PT SWA		Interview	22 March 2018	√	
8	POM 4 1 Boiler man 1 WTP operator 1 WWTP operator 1 Engine room operator 1 store keeper 2 wrokshop personnel 3 Grading personnel 2 weigh bridge operator	PT DSN		Interview	22 March 2018	√	
9	World Wild Found	Indonesia	<a href="mailto:wwf-indonesia@orid">wwf-indonesia@orid</a>	Email	14 March 2018		√

10	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@wahahi.co.id">informasi@wahahi.co.id</a>	Email	14 March 2018		√
11	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Email	14 March 2018		√

Note : Consultation to relevant institution on ASA-3 is not conducted due to distance considerations. The public consultation in regard of DSN Group (East Kalimantan region) has been done in Jan 2018, there is no issue raised.

**Appendix 2. Assessment Program**

DATE		19 – 24 March 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 19 March 2018</b>			
06.00 - .....	08.35 – 21.30	<b>JAKARTA – BALIKPAPAN → BERAU → DSN / SWA</b>	• SP / AFS / NKA / DHT / TYO
<b>Tuesday, 20 March 2018</b>			
08.00 - 08.30	08.00 - 08.30	<ul style="list-style-type: none"> <li>• <b>Opening Meeting</b></li> <li>• <b>Stakeholders consultation to</b> Nearest village, community leader, smallholder's farmers, KUD</li> </ul>	• SP / AFS / NKA / DHT / TYO
08.30 - 12.00	08.30 - 12.00		• NKA / TYO
08.30 - 12.00	08.30 - 12.00	<b>Field Observation Long Jenew 1 Estate</b> <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Land Application) &amp; Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). Implementation of Environmental and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities).</li> <li>• Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</li> <li>• Observation to legal boundaries, land dispute and HCV area</li> </ul>	<ul style="list-style-type: none"> <li>• AFS</li> <li>• DHT</li> <li>• DHT</li> <li>• SP</li> </ul>
12.00 - 14.00	12.00 - 14.00	<b>BREAK</b>	• SP / AFS / NKA / DHT / TYO
14.00 - 17.00	14.00 - 17.00	<ul style="list-style-type: none"> <li>• <b>Internal Stakeholders consultation (gender committee, labour union, local contractor)</b></li> <li>• <b>Document Review, Review of Previous Visit Non-conformance (ASA-2) and Public Consultation &amp; Field Observation response</b></li> </ul>	<ul style="list-style-type: none"> <li>• DHT</li> <li>• SP / AFS / NKA / DHT / TYO</li> </ul>
<b>Wednesday, 21 March 2018</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation to KM 1 (Block A11 Div 1) and KM 4 (Block 16A, A15, B15, A11, 12A, A17 and 19 A)</b> <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Land Application) &amp; Implementation of Occupational Health &amp; Safety Aspect and HCV Area</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). Implementation of Environmental and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities).</li> </ul>	<ul style="list-style-type: none"> <li>• AFS / TYO</li> <li>• NKA / DHT</li> <li>• AFS / TYO</li> <li>• SP</li> </ul>

DATE		19 – 24 March 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> <li>Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</li> <li>Observation to legal boundaries and land dispute</li> </ul>	
12.00 - 14.00	12.00 - 14.00	<b>BREAK</b>	
14.00 - 17.00	14.00 - 17.00	<b>Document Review, Review of Previous Visit Non-conformance (ASA-2) and Field Observation response</b>	• SP / AFS / NKA / DHT / TYO
<b>Thursday, 22 March 2018</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation Jabdan 1 Estate</b> <ul style="list-style-type: none"> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Land Application) &amp; Implementation of Occupational Health &amp; Safety Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). Implementation of Environmental and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities).</li> <li>Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</li> <li>Observation to legal boundaries, land dispute and HCV area</li> </ul>	<ul style="list-style-type: none"> <li>AFS</li> <li>DHT</li> <li>DHT</li> <li>SP</li> </ul>
12.00 - 14.00	12.00 - 14.00	<b>BREAK</b>	
14.00 - 17.00	14.00 - 17.00	<b>Field Observation POM 4</b> <ul style="list-style-type: none"> <li>SCCS Verification</li> <li>Production/Processing and Health &amp; Safety</li> <li>Emergency Equipment Check &amp; Emergency Team Interview</li> <li>Hazardous Waste Storage, WWTP, WTP</li> <li>Management of Environment (Environment monitoring station &amp; GHG, etc)</li> <li>Worker Rights (Status, Payment Condition, Gender Aspect, etc)</li> </ul> <b>Document Review, Review of Previous Visit Non-conformance (ASA-2) and Field Observation response</b>	<ul style="list-style-type: none"> <li>SP</li> <li>NKA / DHT</li> <li>NKA / DHT</li> <li>TYO / AFS</li> <li>TYO / AFS</li> <li>NKA / DHT</li> <li>SP / AFS / NKA / DHT / TYO</li> </ul>
<b>Friday, 23 March 2018</b>			
08.00 - 12.00	08.00 - 12.00	<b>Continuing document review of POM 4, LJ1, Jabdan 1, KM 1 and KM 4</b>	• SP / AFS / NKA / DHT / TYO
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	• SP / AFS / NKA / DHT / TYO
14.00 - 16.00	14.00 - 16.00	<b>Audit finding preparation and conclusion</b>	• SP / AFS / NKA / DHT / TYO

DATE		19 – 24 March 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
16.00 - 17.00	16.00 - 17.00	Closing Meeting	
<b>Saturday, 23 March 2018</b>			
05.00 – 17.00	04.00 – 18.00	<ul style="list-style-type: none"> <li>• DSN / SWA → BERAU → BALIKPAPAN → JAKARTA</li> </ul>	<ul style="list-style-type: none"> <li>• SP / AFS / NKA / DHT / TYO</li> </ul>