

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

**[ ✓ ] Surveillance**

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 and Long Jenew 2 Estate)  
 Location : Village of Muara Wahau, 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 2019  
 Date of Certificate Expiry : 31 May 2020                      Date of License Expiry : 31 May 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	19 to 22 March 2019	Arif Faisal Simatupang (Lead Auditor), M. Arif Yusni, Ardiansyah, Radytio Puspanjana, Briyogi Shadiwa	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	22 April 2019

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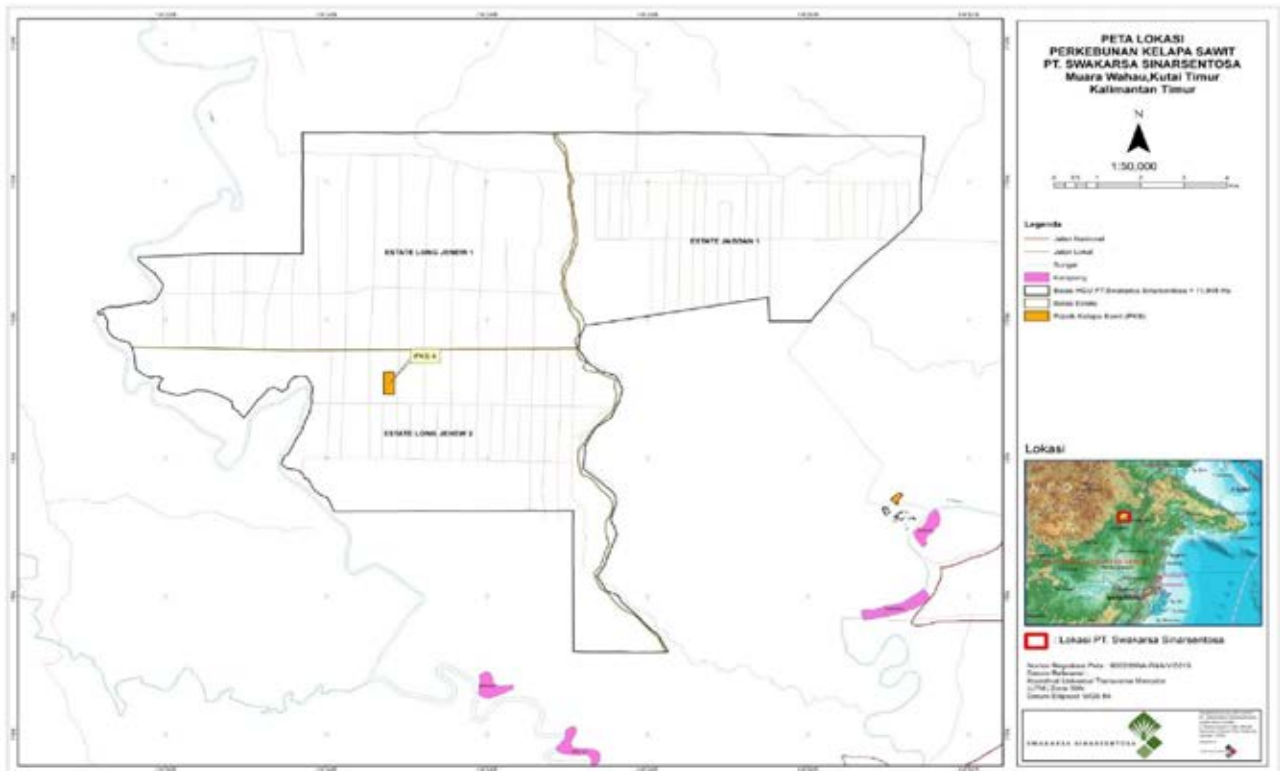
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Figure 1. Location Map of PT. Dharma Satya Nusantara



Figure 2. Operational Map of PT. Swakarasa Sinarsentosa



**Abbreviations Used**

AKAD	:	Angkatan Kerja Antar Daerah (inter-city inter-regional labor)
AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan / Environmental Impact Assessment</i>
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	:	<i>Rencana Kelola Lingkungan Rencana Pemantauan Lingkungan</i>
RSPO	:	Roundtable Sustainable Palm Oil
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SOP	:	Standar Operational Procedure
SR	:	Severity Rate
SWA	:	Swakarsa Sinarsentosa
TBP	:	Time Bound Plan
UKL-UPL	:	Upaya Kelola Lingkungan Upaya Pemantauan Lingkungan
WHO	:	World Health Organization
WWTP	:	Water Waste Treatment Plan

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Indonesian National Interpretation of RSPO P&amp;C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30<sup>th</sup> September 2016.</li> <li>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill)</li> <li>RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul>	
<b>1.2</b>	<b>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</b>	<b>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</b>	<b>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		

	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Jabdan 1	Village of Benhes, Subdistrict of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 10' 53"	E 116° 49' 44"	
	Long Jenew 1	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"	
<b>1.5</b>	<b>Description of Area Statement</b>				
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>				
<b>1.5.2</b>	<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 / occupation)	223.00 Ha			
<b>1.6</b>	<b>Planting Year and Cycles</b>				
1.6.1	Age profile of planting year				
	Planting Year	Hectareage (Ha)			
		Jabdan 1 Estate	Long Jenew 1 Estate	Long Jenew 2 Estate	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>
1.6.2	New Planting area after January 2010		0 Ha		
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle		
<b>1.7</b>	<b>Description of Mill and Supply Base</b>				
1.7.1	Description of Mill				
	Name of Mill	Capacity	FFB Processed	CPO	Palm Kernel



	(tonnes/ hour)	(tonnes/year)	Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
POM 4	60	348,474.31	77,398.75	22.21	14,000.32	4.02
*Production data source from 12 months before assessment (March 2018 to February 2019)						
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 Estate	3,508	3,057	93,878	30.71	12,019.31	12.80
Long Jenew 1 Estate	4,446	4,327	135,210	31.25	89,664.00	66.31
Long Jenew 2 Estate	3,775	3,381	113,938	33.70	113,604.25	99.71
<b>TOTAL</b>	<b>11,729</b>	<b>10,765</b>	<b>343,026</b>	<b>31.86</b>	<b>215,287.56</b>	<b>62.76</b>
*Production data source from 12 months before assessment (March 2018 to February 2019)						
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 (RSPO Certified)	PT SWA	-	5,121.00	39,852.68		
Puhus 2 (RSPO Certified)	PT DAN	-	2,946.00	1,304.21		
Melenyu 2	PT DWT	-	3,469.61	113.84		
Melenyu 3	PT DWT	-	3,812.54	685.52		
Kemitraan 1	PT SWA	530	1,099.00	39,295.33		
Kemitraan 2	PT SWA	84	419.00	13,749.67		
Kemitraan 4	PT SWA	217	414.00	13,987.03		
Kemitraan 8	PT DAN	-	-	2,169.91		
Kemitraan 10	PT SWA	230	2,087	18,479.49		
Koperasi SSWJ	Independent Supplier	-	-	1,132.39		
KSU Harapan Baru	Independent Supplier	-	-	704.45		
Kop. Min Bea Glang	Independent Supplier	-	-	766.15		
Kop. Sawit Usaha Tani	Independent Supplier	-	-	126.30		
Kop. Min Sun Lekut	Independent Supplier	-	-	752.06		
PT.Roni Putra Abadi	Independent Supplier	-	-	67.72		
<b>TOTAL</b>				<b>133,186.75</b>		
*Production data source from 12 months before assessment (March 2018 to February 2019)						
1.7.4	Product categories		FFB, CPO, PK			
<b>1.8</b>	<b>Tonnage of Product</b>					
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)	
	FFB Processed		300,749		256,709	
	CPO Production		72,180		57,004.36	
	Palm Kernel (PK) Production		13,534		10,294.24	
1.8.2	Product selling					
	Type of selling product		Actual selling product for last year (MT)			

	CSPO sold as RSPO certified product		56,901.21					
	CSPK sold as RSPO certified product		9,968.21					
	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							
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>Yield (tonnes/ha/year)</b>				
	Jabdan 1 Estate	3,508	3,057	31.32				
	Long Jenew 1 Estate	4,446	4,327	31.87				
	Long Jenew 2 Estate	3,775	3,381	34.37				
	<b>TOTAL</b>	<b>11,729</b>	<b>10,765</b>	<b>32.50</b>				
	*Projected FFB production for 12 months of certificate (1 June 2019 – 31 May 2020)							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>	<b>Palm Kernel</b>	<b>Supply Chain Module</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	POM 4	60	349,887	80,474	23.00	15,745	4.50	MB
	*Projected FFB production for 12 months of certificate (1 June 2019 – 31 May 2020)							
1.9	<b>Other Certifications</b>							
	ISPO		ISPO Certificate with number 824 501 13005 validity period until 20 January 2019					
1.10	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>		
	<b>MILL</b>	<b>Time Bound Plan</b>						
	POM 1 (PT SWA)	June 2012	Jabdan 2 (PT SWA)	2012	Muara Wahau, Kalimantan Timur	Certified		
			Smallholder (KM 5.9)	2015				
			Smallholder (KM 3,6,11,12)	2017				
	POM 2 (PT DSN)	June 2013	Puhus 1 (PT DAN)	2013	Muara Wahau, Kalimantan Timur	Certified		
			Puhus 2 (PT DAN)					
			Puhus 3 (PT DAN)					
	POM 3 (PT DSN)	August 2013	Long Kejiak 1 (PT DIN)	2013	Muara Wahau, Kalimantan Timur	Certified		
			Long Kejiak 2 (PT DIN)					
			Long Kejiak 3 (PT DIN)					
	POM 4 (PT DSN)	November 2014	Jabdan 1 (PT SWA)	2014	Muara Wahau, Kalimantan Timur	Certified		
			Long Jenew 1 (PT SWA)					
			Long Jenew 2 (PT SWA)					

					Initial Assessment
		Smallholder	2019		
POM 5 (PT DSN)	2020	Bukit Pandulangan 1 (PT Pilar Wanapersada)	2020	Nangabulik, Kalimantan Tengah	NPP & RaCP Process
		Bukit Pandulangan 2 (PT Pilar Wanapersada)			
		Bukit Pandulangan 3 (PT Pilar Wanapersada)			
		Smallholder	2022		
POM 6 (PT DSN)	2019	Melenyu 1 (PT DWT)	2019	Muara Wahau, Kalimantan Timur	NPP & RaCP Process
		Melenyu 2 (PT DWT)			
		Melenyu 3 (PT DWT)			
		Melenyu 4 (PT DWT)			
		Smallholder	2021		
-	-	PT Dharma Intisawit Lestari	2020	Bulungan, Kalimantan Timur	Non Certified
-	-	PT Karya Prima Agro Sejahtera	2020	Muara Wahau, Kalimantan Timur	Non Certified
-	-	Smallholder	2023		
-	-	PT Putra Utama Lestari	2020	Melak, Kutai Barat	Non Certified
-	-	Smallholder	2023		
-	-	PT Agro Andalan	2019	Sekadu, Kalimantan Barat	Non Certified
-	-	Smallholder	2022		
-	-	PT Kencana Alam Permai	2020	Sintang, Kalimantan Barat	Non Certified
-	-	Smallholder	2023		
-	-	PT Prima Sawit Adalan	2020	Sintang, Kalimantan Barat	Non Certified
-	-	Smallholder	2023		
-	-	PT Dharma Persada Sejahtera	2020	Sintang, Kalimantan Barat	Non Certified
-	-	Smallholder	2023		
Tepian langsung POM (PT Bima Palma Nugraha)	2021	Danau Padang 1 ((PT Bima Palma Nugraha)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Tepian Langsa 1 (PT Bima Palma Nugraha)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Sungai Mangkupa 1 (PT Bima Palma Nugraha)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Sungai Mangkupa 2 (PT Bima Palma Nugraha)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Smallholder	2023	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
Muara Bulian POM (PT Bima Agri Sawit)	2021	Ba'äy (PT Bima Agri Sawit)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Muara Bulan (PT Bima Agri Sawit)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Smallholder	2023	Kutai Timur, Kalimantan Timur	Take over 12 December 2018

1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>
	The scheme smallholder under PT SWA is Cooperative of Min Sun Lekut (KM1), Cooperative of Min Bea Glang Mandiri (KM2) and Cooperative of Jengea Bong Pet Kuq (KM 10). Those cooperatives has entered the initial assessment phase, but now is still not certified.

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-4</b>	<ol style="list-style-type: none"> <li>1. <b>Arif Faisal Simatupang (Lead Auditor Witnessed)</b>. Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&amp;C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm Plantation Company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit he is responsible for assessing the aspects of Legality, transparency, long term business plan, SCCS, TBP and Partial Certification</li> <li>2. <b>Moh Arif Yusni (Lead Auditor Witnessing)</b>. Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he assigned to witnessing Arif Faisal Simatupang as Lead Auditor Witnessed.</li> <li>3. <b>Radytio Puspanjana (Auditor)</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 GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. During this audit, he assigned to verify Environment, HCV, GHG, and OHS.</li> <li>4. <b>Ardiansyah (Auditor)</b>. Indonesian citizen, Bachelor of Forest Resources Conservation, Department of Forestry. Had work experience in Environmental NGO for 6 month (2007) and consultant for making EIA Document and KLHS for 3 years (2009 – 2012). Had attend training such as RSPO Lead Auditor course, Lead Auditor ISPO, OHSAS (ISO 18001 – 2007), land cover crop mapping and Management System Certification (ISO 9001-2008), Environmental Management System Certification (ISO 14001-2004), Social Auditing and Conflict Resolution. Had many times following audit activities related to sustainable palm oil certification system which is ISPO as an auditor since 2012 for legal, environmental aspect, conservation, worker welfare, OHS and social. During this audit, he assigned to verify Worker Welfare, and Best Management Practices for mill and estate.</li> <li>5. <b>Briyogi Shadiwa (Auditor Trainee)</b>. Indonesian citizens. Diploma 3 of Oil Palm Plantation. He has 7 years working experience since 2009 as Agronomy Assistant and Agronomy Quality Control in several private oil palm plantation companies in Indonesia. The training has been followed include: ISPO Auditor Training by LPP, RSPO Lead Auditor Course by Checkmark Training, Lead auditor ISO 9001: 2015, Awareness SMK3, Lead Auditor ISO 14001: 2015, Awareness OHSAS 18001: 2007 and OHS Expert. During this audit, he assigned to verify Worker Welfare under supervised by Ardiansyah.</li> </ol>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-4</b>	<p>Number of auditors: 3 auditors, 1 auditor witnessing, and 1 auditor trainee.</p> <p>Number of days for <b>ASA-4</b> at site : 4 days</p>

	Number of working days for <b>ASA-4</b> at site : 12 Working days
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dharma Satya Nusantara to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, Endorsed by BOG on September 2016 and RSPO Supply Chain Certification Standard for Organization seeking or holding certification. Adopted by the RSPO Board of Governors on 21<sup>st</sup> November 2014, revised on June 2017 (General COC &amp; Module E for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-4</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>RC</b>).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this <b>ASA-4</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-4</b></p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-4</b>	<p><b>POM 4</b></p> <ul style="list-style-type: none"> <li>- <b>Security Post and Weight Bridge.</b> Observation and interview related FFB receiving, recording in accordance with SCCS requirements.</li> <li>- <b>Loading Ramp.</b> Observations and interviews with grading worker related FFB grading, employment and OHS.</li> <li>- <b>Sterilizer Station.</b> Observation and interviews with sterilizer operator related employment aspect, OHS aspect and working procedures specified.</li> <li>- <b>Press Station.</b> Observation and interviews with operator Press regarding employment aspect, OHS aspect and working procedures specified.</li> <li>- <b>Kernel Station.</b> Observation and hydrant simulation.</li> <li>- <b>Power House Station.</b> Observation and interviews with power house station operator regarding employment aspect, OHS aspect and working procedures specified.</li> <li>- <b>Boiler Station.</b> Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified.</li> <li>- <b>Sparepart store.</b> Observation for material handling and OHS</li> <li>- <b>Chemical store.</b> Observation for material handling, OHS, and hazardous material handling</li> <li>- <b>Workshop.</b> Observation for OHS and workers welfare</li> <li>- <b>Temporary hazardous waste store.</b> Observation for OHS, material handling, and hazardous waste management</li> <li>- <b>Diesel fuel tank.</b> Observation for OHS and material handling</li> <li>- <b>Mill housing.</b> Observation related OHS, waste management, and interview for workers welfare</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>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>WTP.</b> Observation of the water management, Officers equipped with PPE and Recording of water process.</li> </ul> <p><b>Long Jenew 1 Estate</b></p> <ul style="list-style-type: none"> <li>- <b>Manuring, Block B41.</b> Observation and interviews with manuring workers related to employment aspect, OHS aspect and working procedures specified.</li> <li>- <b>Harvesting, Block D24.</b> Observation and interviews with harvesting workers employment aspect, OHS aspect and working procedures specified.</li> <li>- <b>Leaf Sampling Census, Block A28.</b> Observation and interviews with census workers related to employment aspect, OHS aspect and working procedures specified.</li> </ul>



- **Landfill, Block C17.** Observation related to domestic waste management.
- **Empty Bunch Application, Block B33** Observation and interviews with solid waste applicator related to employment aspect, OHS aspect and working procedures specified.
- **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 checkup), 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.
- **Housing complex at afdeling 7.** Observation of employee facilities, management of domestic waste, emergency response facilities, provision of clean water.
- **Reservoir housing complex at afdeling 7.** 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

- **Harvesting, Block F36 Division 10.** Observation and interview regarding procedure, FFB Quality and harvesting round, OHS, and worker welfare.
- **Spraying Activity Block G33 Division 9** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Manuring Activity Block F36 Division 10.** Observation on safe working practices and interview with the manuring workers related type of fertilizer use according to the procedure and also worker welfare.
- **Land application block G49 AFD 10.** Observation for POME utilization
- **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 checkup), 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.

#### Jabdan 1 Estate

- **Integrated Pest Management Block B33 Division 3,** Observation rat control using BOB, census method and worker welfare
- **Harvesting, Block B34 Division 3.** Observation and interview regarding procedure, FFB Quality and harvesting round, OHS, and worker welfare.
- **Spraying Activity Block B36 Division 2** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.

- **Manuring Activity Block A32 Division 2.** Observation on safe working practices and interview with the manuring workers related type of fertilizer use according to the procedure and also worker welfare.
- **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.
- **Housing complex at afdeling 2.** Observation of employee facilities, management of domestic waste, emergency response facilities, provision of clean water.
- **Reservoir housing complex 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.

**Consulted Stakeholder**

- Local Contractor (Mr. Geleng)
- Benhas Village Citizen.
- Head of Muara Wahau Sub-district
- Head of Worker Cooperation
- Head Of Worker Union of PT SWA (Estate)
- Gender Committee Officials of PT SWA (Estate)
- Head Of Worker Union of PT DSN (POM)
- Gender Committee Officials of PT DSN (POM)

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>Consultation of stakeholders for PT Dharma Satya Nusantara was held by:</p> <ul style="list-style-type: none"> <li>● Public Notification on website of PT Mutuagung Lestari on 25 February 2019</li> <li>● Public consultation meeting with Muara Wahau local (District) Agency on 21 March 2019</li> <li>● Consultation with the local community (Village of benhes) and local contractor on 19 March 2019</li> <li>● Public consultation with internal stakeholders (worker union, gender committee) on 20 March 2019.</li> <li>● Consultation with relevant NGOs (Walhi, Sawit Watch, WWF) via e-mail on 06 March 2019.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Dharma Satya Nusantara.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>RC</b> ) will be determined eight (8) month to twelve (12) month after date of annual license (February to June 2020).



**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, no major or minor nonconformity identified, only five (5) opportunities for improvement.

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 to 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</b>	<p>Certificate holder has the latest list of stakeholder updated on January 2018, consist of surrounding village (Benhes, Diaklay, Dabeq, Muara Wahau, Nehas Liah Bing, Jabdan, Long Bau, Miau Baru SP), organization of worker and community (Muspika, worker union, The Nature Conservatory), schools, and statutory bodies. Based on interview with CH's management, the list of stakeholders will updated if there is a revision. Based on interview with related stakeholders, they've already know the person in charge for communication with stakeholder.</p> <p>Mechanism for consultation is listed in Communication and Consultation Procedure (0215B/SWA-CSR-WHU/VI/2012). The procedure explain that all the information request will be responded by CH not more than three days. Stakeholders also can access the CH's documents, such as CH's policies, licensing, reporting, and so on. The list of document can be seen in Communication and Consultation Procedure. Based on interview with related stakeholder, it is known that they don't have difficulties to communicate with the CH for information request.</p>	
<b>1.1.2</b>	<p>Mechanism for consultation is listed in Communication and Consultation Procedure (0215B/SWA-CSR-WHU/VI/2012). This document explains communication and consultation and information request procedures from the stakeholders. All the information request will be responded by CH not more than three days. The person in charge for communication and consultation is staff of corporate social responsibilities. The documentation of information request is recorded in "Surat Masuk Eksternal PT DIN tahun 2014". Throughout the year 2017/2018, it is known In the book shows that there is no incoming information requests, there are only proposals, complaints and invitation to attend meeting held by stakeholders. For example: The letter dated April 25, 2017 relates to request of heavy equipment. The letter was responded on April 28, 2017 by providing funding for heavy equipment.</p>	
	<b>Status: Comply</b>	
<b>1.2</b>	<b>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.</b>	
<b>1.2.1</b>	CH has list of document that can be accessed publicly. The public documents, such as environmental document, CH	

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

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

**Status: Comply**

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

**1.3.1**  
CH has commitment related to integrity and ethical conduct in all operational activities. The commitment is listed in “Pedoman Mutu” document (PDM-AGR-R04) dated 1<sup>st</sup> May 2015. In clause 7.5 about ethical conduct in all operational business activities, stated that:

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

This policy has been socialized to the contractor and stakeholders on 12 October 2016. This policy is available in Indonesian Language. Based on interview with worker in estate and mill, it is known that they understand about the ethical conduct of the CH.

**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:

- The CH has complied with regulations in the field of plantation business permit and land legality, such as valid HGU (land use title) and IUP (plantation business permit), as well as mandatory reports on annual land use to Land Agency, explained in more detail in Criterion 2.1.
- Have the hazardous waste storage permit referring to Governments Regulation No. 101 year 2014 (refer to criteria 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.
- Processing stations at the Mill, including boilers have valid registered deeds/certificate and are periodically inspected by the Labor Agency.

**2.1.2; 2.1.3 & 2.1.4**

The mechanism for updating and monitoring of implementation the law and regulation describes in the SOP No.: SOP-AGR-024-R01 issued date 8 September 2014. On the section 5 describes that SHE/HCD/HCO/Legal Department conduct monitoring and evaluation regarding to implementation of law and regulation. On this procedure describes every 6 months, 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-R01) that was renewed in January 2019. The document is an inventory of national and local regulations related to aspects of legal, labour, health and safety, and environmental.

Based on Law Register Document review on *Summary of Law Register Evaluation* (No.: DK-MS-01A-R01, Rev. January 2019), there are some new law or regulation that have been listed in the law registers, such as:

- Ministry of Manpower Regulation No. 5 / 2018 related to Occupational Safety and Health for Worker Area
- Ministry of Agriculture Regulation No. 5 / 2018 related to land clearing without burning
- Ministry of Forestry and Environment Regulation No. 5 / 2018 related to Standards and Certification of Competencies of Responsible Operators for Wastewater Treatment Operations and Person in Charge of Water Pollution Control.
- Ministry of Manpower Regulation No. 38 / 2016 related to OHS for Power and Production Vehicle

**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 October 1997, valid for 35 years. All document are kept in head office (Jakarta) and copies are available in unit. POM 4 (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, Kutai Timur Regency. Both Mill and Estates has own the plantation permit issued by Kutai Timur Regent, for the plantation area of 16,850 ha (Decree No. 188.4.45/038/Eko.1-III/2012 dated 21 March 2012) and Mill capacity of 60 ton FFB/hour (Decree No. 188.4.45/038/Eko.1-XII/2012 dated 7 December 2012).

**2.2.2**

The position of all legal boundaries as much as 327 pole describes in the HGU map issued by BPN scale of 1:25000. HGU Pole maintenance programmed once a year in accordance with the CH's SOP (IK-AGR-OLP-33-R00), the realization report for the period 2018 verified during ASA-4. Field observations were conducted to ensure that the poles are available on place and maintained, the positions was checked using GPS, such as observation in Long Jenew 1 Estate (HGU Pole No. BPN 55, BPN 654, BPN 656), Long Jenew 2 Estate (HGU Pole No. BPN 500, BPN 525). It is also known that there are no indications of land disputes. Land boundaries have been demarcated with boundary trenches or clear control roads.

**2.2.3, 2.2.4, 2.2.5, 2.2.6**

Based on field observation, review of hectare statement and interview with Benhes Village Head, known that there is no land dispute within the area of PT SWA since 2012. Nevertheless, the CH has an Operation Director Memorandum (No. 0030/MS/XI/2016 dated 1 November 2016) related to the policy of not using violence, intimidation, or the use of paramilitaries in resolving disputes/conflicts, as well as SOP for Conflict Handling (No. SOP-AGR-007-R00 dated 15 February 2012), state that the stages of conflict resolution are conducted by deliberation or by legal means.

Results of interviews with Benhes Village Head were found that the CH never used violence or intimidation in resolving disputes, but was deliberated first.

**Status: Comply**

**2.3**

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

**2.3.1, 2.3.2, 2.3.3, 2.3.4**

In the Decree of the HGU, it was explained that the entire area of PT SWA originated from the forest area which was released through Decree of Forestry Ministry No. 174/Menhut-VII/1996 dated February 9, 1996 and letter No. 152/Kpts-II/1997 covering an area of 17,500 ha. There is no information that the land acquisition were from legal compensation from the community. As well as in SIA and HCV document stated that there is no customary rights as well as traditional

rights within CH's area.

Based on management interviews, it is known that the CH has no plans to expand the land by legal compensation for community. However, the CH has procedures related to land identification, acquisition, and compensation in FPIC manner that is SOP of Land Acquisition (No. SOP-AGR-071-R02 dated 1 August 2017), and SOP Land Compensation (No. SOP-AGR-058-R02 dated 2 June 2018).

**Status: Comply**

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

**3.1**

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

**3.1.1**

The CH has a management plan for a 3 years period i.e. projection for 2019 to 2023 with information on this document consisting of CH activities such as profit and loss information from Total Revenue and Total Operating Cost, including information about gross operating cost, profit/loss before tax and profit and loss after tax. The CH has a financial schedule for yearly budget.

Information in the document consists of general routine operational activities such as target of FFB yield /ha, plantation maintenance, harvesting, fertilizer, investment plans such as enrichment planting (planting of various plant species to enhance biodiversity), mill activities such as FFB processed, projected oil extraction rate (OER) and kernel extraction rate (KER), projected crude palm oil (CPO) and palm kernel (PK) production, CSR programs and environmental monitoring, HCV management plan and other activities to fulfil RSPO requirements.

The CH has also developed a yearly plan as seen for year 2019, containing information on the budget for each activity (including activities for environmental management programs and all CSR related expenses, legal compliance and RSPO P & C compliance) and revenue from CH's production including all CH's liabilities.

In a cash flow projection document, there is also a plan for 3-year cash inflow from sales of CPO and palm kernel sales. The main points of cash outflow is the overall production cost of the estate and the mill include the cost of estate maintenance (sustainability cost), as well as the combination of costs associated with environmental and social monitoring activities.

Budget and target achievement evaluations are carried out every year, and the evaluation of achievement for management plan year 2012 was sighted.

**3.1.2**

There is no replanting programs for the next 5 years. Budget evaluation is done every 3 months that documented in Performance Review which explains the comparison between plan and realization. Meanwhile based on soil map (scale 1:70000) there is no peat soil.

**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**

Documents verifications, interview with managements obtained information if there is no change related agronomy and mill procedure. The procedure has been cover all activity in mill and estate. Based on field observation in mill and estate it's known if the procedure has been implemented and the Worker can demonstrated work technique in accordance with procedure. As for the harvesting activities, the results of field visit and interviews with harvesters have pointed out that they have proper knowledge and comprehension towards the procedures for harvesting activity. They have also understood the standard of fruit ripeness of 5 loosen fruits per FFB, frond stacking, fruit stacking, and PPE usage. In addition, the field visit also informed that all employees have understood the technical matters of their works, have been

equipped with proper and necessary PPE, and all Supervisors have understood first aid measures to be taken in any case of occupational accident.

**4.1.2,**

All of the CH's operational activities are recorded in the form of Monthly Reports for both the estate and the palm oil mill (POM). Said operational activity report is a recap from the daily activities. The CH also discusses each item of the activities. The evaluation mechanism for the entire operational activities, both the estate and the mill, is performed by the manager. The report is a regular report prepared by the unit management of the estate and the mill and submitted to top management.

The result of field visit and interviews with the harvesting supervisor indicated that they also record all operational activities in the Supervisor's Daily Report (*LHM*) and submit such report on a daily basis. The daily report describes types of work, numbers of workers, usage of materials, and employee's individual achievement

**4.1.3**

Certificate holder conducted annually 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. Furthermore to ensure contractor performance in accordance with SOPs, the company conduct routine patrol and conduct contractor evaluation.

**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 prior to the audit conducted, records of third party suppliers were available on Basic Information 1.7.3 of 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, 4.2.2**

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), and Fertilization Instructions (IK-AGR-OLP-09-R03).

Documents verifications and field observations in LJ 1 (Block B41), LJ 2 Block F36 Division 10, Jabdan 1 Block A32 Division 2 its known if the fertilizer that applied in the field is accordance with recommended dosage. Field observation in LJ2 Block F36 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 B33 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.

Record of fertilizer application, included EFB mulching and land application were available. This is indicate management strategy towards soil fertility improvement were satisfactory monitored. Documents verifications obtained information if during 2018 known that Certificate Holder conducted inorganic fertilizing in accordance with manuring recommendation Furthermore, based on observation and interview with workers was known that all applicators were able to explain and demonstrate their technical work, in accordance with the procedure.

**4.2.3**



The management unit routinely been conducting of soil and leaf analysis periodically conducted as follows (1) **(Soil Analysis**, which is done regularly every 6 years measuring the following parameters; texture, acidity (pH), contents of C, N, P, K, Mg, Ca, Na, BS, CEC, Al and H. (2) **Leaf Analysis**, which is done every year as a guide to determine the fertilizing recommendation, by monitoring the following parameters; Indicator Major elements namely N, P, K, Mg and Ca and Indicator Minor elements namely B, Cu, Zn and F and (3) **Visual Analysis**, which is done as part of the points in determining the fertilizing recommendation, identifying nutrient deficiency symptoms, and analyzing the disease attacks that are potential in becoming an endemic of certain disease. The last soil analysis conducted in 2017 and leaf analysis in 2018. Those laboratory analysis results were used as consideration in the annual fertilizer recommendation calculation.

**4.2.4**

Nutrient recycling strategy as a part for increasing soil fertility has been conducted, such as EFB mulching application and POME land application. The result from the field visit indicated that such activity has been correctly done in accordance with the provided recommendation. The CH also conducts an empty bunch application in a dosage of 40 Tonnes/Ha. Field observation in LJ1 Block B33, it is known that EFB mulching application has been implemented especially in sandy area with dosage 40 tonnes/ha/year. Whereas in LJ2 Block F36, POME land application with dose 750 tonnes/ha/year in three rotation (250 tonnes/ha/rotation) has been implemented. The record off EFB and POME application has been well documented.

**Status: Comply**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

**4.3.1, 4.3.2, 4.3.4, 4.3.5 & 4.3.6**

Certificate Holder has soil maps that showing soils types which are generally of types Typic Kanhapludults, Typic Kandudults, Plinthic Kandudut, 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, organic fertilizer and empty bunch application. 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**

The existence of soil map containing information on soil classification, texture, drainage, limiting factors, rocks, and suitability information for the development of oil palm plantation has helped the CH to prepare the road maintenance program as to ensure the FFB yielded from the estate are properly transported to POM 4. The CH also has a Road Maintenance Program equipped with the proper infrastructure and facilities to do such work. According to the result of field visit, the roads are in good condition and the FFB harvested are smoothly transported to the mill.

**Status: Comply**

**4.4**

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

**4.4.1 and 4.4.2**

The CH 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 CH 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 estate and LJ3 estate workers are aware of this.
- *Vertiver grass* planting in riparian area. For example, observation in block C2 JB1 estate riparian of Kenden Kecil River, there was vertiver grass and legume cover crop planted in riparian. Therefore, the CH has set riparian as conservation area. The consequence is no chemicals application, logging and hunting. The riparian monitored by conservation officer routinely.
- Surface water monitoring every semester, 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

November 2, 2018 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 CH 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**

POME 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 October – December 2018, there is no parameters (pH, BOD) which exceeds the quality threshold (Minister of Environment Decree No. 28 of 2003).

The Certification Unit has shown 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. Extended permit valid until 11 July 2019. There is no new area proposed on the extended permit application.

Base on field visit in land application area Block G49 Division 1 LJ1 Estate shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with Benheas Village and Muara Wahau Sub-district, 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

According to water use data in last period October to December 2018 average of water use for processing still below the determined budget (1.12 m<sup>3</sup>/ton FFB while budget is 1.3 m<sup>3</sup>/ton). Overall use of water under the budget of CH.

**Status: Comply**

**4.5**

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

**4.5.1, 4.5.2**

The CH has had IPM program that documented as follows:

- Work instruction of Early detection pest and diseases (IK-AGR-OLP-13-R00) who described if early detection conducted every months in all blocks and observe leaf eater caterpillar
- Work instruction Pest and Diseases Control (IK-AGR-OLP-14-R00) who described about activity of pest and diseases control and critical threshold for all pest that's observe, for instance:
  - Critical threshold for leaf eater caterpillar are between 10 – 40 depends on the type of caterpillar
  - Critical threshold for rats are 5 % from the sample that's observed
  - Critical threshold for termite are 5 % from the sample that's observed

The CH maintains records of conducting pest and disease detections once a month at each estate, which is done for nettle caterpillars, bagworms, rats, termites and spike moths (*Tiratabha* sp.). Whereas for detection diseases symptom (*Marasmius* and *Ganoderma*) conducted every three months inherence with pest detection.

Integrated pest management program was implemented by the CH are monitored and evaluated every month. The evaluation is in the form of a Matrix of pest infestation and diseases symptoms that describes the type of pest; infestation average; analysis of the infestation, level to the threshold; conclusion to determine control techniques if needed. Based on data and summary of census of 2018 in Jabdan 1, Long Jenew 1 and Long Jenew 2, it is known that there are no pest infestation and disease symptom that exceed the economic threshold. So there is no usage of pesticides for pest and disease control. This is verified by field observation in Jabdan 1, Long Jenew 1 and Long Jenew 2, visually there is no symptoms of leaf eater caterpillar infestation on the canopy, or the rat's infestation on the FFB collected in the FFB

platform.

The CH also implements biological pest management methods such as planting beneficial plants such as *Turnera* sp. that attract natural predators of leaf eating insects. Plantings of turnera, casiotora and antigonon species is planted along most of the estate main roads. Meanwhile to prevent rats' infestation the CH also installed BOB. Documents verifications its known if there is 72 BOB in Jabdan 1, 102 BOB in LJ2 and 86 BOB in LJ2

**4.5.2**

The CH able to show the realization of IPM training for instance training 16 March 2018, 25 April 2018, on 13 August 2018 with the participants are assistants, supervisor and the workers. Based on interview with workers, for example workers at Block B 33 Division 3 Jabdan 1 Estate, confirmed that workers has understood on IPM aspect i.e.: methodology census, type of pests and diseases and management controlling.

Status: Comply

**4.6**

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

**4.6.1, 4.6.4**

The CH has had work Instruction *Penentuan Jenis Dosis dan Aplikator Pestisida (IK-AGR-OLP-16-R02)* that's described agrochemical that's in accordance with weed that found. Documents verifications the pesticide that's used are specific characteristic for certain target, for example Glyphosate for narrow leaf weeds, Lyndomin for wide leaf weeds, triclopyr and metyl metsulfuron for woody growth. In periode of 2018s the used pesticides are Methyl *metsulfuron*, *Glyphosate*, *Trilklopir* and *Fluroksipir*. Based on document review and observation of pesticide storage, Certificate Holder does not use WHO 1A, 1B pesticide or paraquat since 2013.

The CH uses chemicals registered and allowed by the Government as [www.pesticide.id](http://www.pesticide.id) and also the CH has reported their chemical usage to the Head of Labour and Transmigration of Kutai Timur Regency through the letter number 054/SWA-PH/XI/2018 and there is evidence of receipt in the form of stamp from the institution on 14 September 2018. Based on documents verifications, field visit to pesticide storage and interview with management and pesticide applicator obtained information if the CH didn't used the pesticide that prohibited by the government as mentioned in Annex II Regulation of Ministry of Agriculture No 39 year of 2015 about Pesticide Registration, for example aldrin, formaldehida, monokrotofos, etc.

**4.6.2, 4.6.3, 4.6.8**

The use of pesticides has been documented by each estate that explains the name of the active ingredient, LD50, % active ingredients, the number of applications, the total active ingredients used, the total FFB production, pesticides units / Hectare, application hectare and the amounts of pesticide / hectare. In period 2018 there is no use of pesticides to control pests and diseases in Jabdan 1, Long Jenew 1 and Long Jenew 2. This is reinforced by the results of the census which show that pests during 2018 was still below the economic threshold. 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.

**4.6.5**

Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers. The CH has had work Instruction *Penentuan Jenis Dosis dan Aplikator Pestisida (IK-AGR-OLP-16-R01)* that's described agrochemical that's in accordance with weed that found.

Based on field observation and interview with foreman and sprayer as follows:

- Field observation and interview with foreman and sprayer on Jabdan 1 Estate Block B36 Division 2 and Long Jenew 1 Block G33 Division 9 for spraying activities using Glyphosate and methyl metsulfuron, the workers have been equipped with shoe type PPE, helmets equipped with face-protection glass, apron, shirts and trousers, masks and nitrile gloves. The type of PPE has been in accordance with the recommendation in MSDS Type Glyphosate and methyl metsulfuron.



- Based on field observation its known if the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV area and riparian zone, as well as PPE's to be used as well as its management.
- Field observation in pesticide storage in Jabdan 1 Estate, Long Jenew 1 Estate and Long Jenew 2 estate has been equipped with MSDS that contains information on the potential hazards (health, fire, reactivity and environmental) and how to work safely with the chemical product. That all MSDS are available and suitable for pesticides. The risk symbols, hazard level instructions, and PPE used are shown correctly.
- Field observation in residential complexes indicate that no use of pesticide and other agrochemical containers is used for domestic purposes
- The mixed pesticide bring to the field using special tank to reduce environmental pollution and safety aspect.
- the results of the field visit are also known to be related to the food that carry out to the field, the management unit has been provided a special box to minimize risk of negative impacts
- related to the food that carry out to the field, the worker placed in the bags and keep by the supervisors
- Field observations and interview with workers it's known if work hour for workers who work with pesticides is limited for five hours a day or 30 hours a week.

#### **4.6.6**

Based on field visit to chemical storage in Jabdan 1 Estate, Long Jenew 1 Estate and Long Jenew Estate its known there are signboards and hazardous symbols for chemical by category, complete series Material Safety Data Sheet, chemical logbook, emergency response manual, first aid kit and personal protective equipment for storage foreman. Training for workers and staff regarding hazardous and agrochemical waste material handling have been conducted on November 2018. Based on interview with sprayer team found that workers recognized how to properly disposed waste materials and workers have been trained by CH about waste and hazardous materials handling. Field visit during audit on housing in Jabdan Division 2 and Long Jenew 1 Division 7 there is no found that ex agrochemical containers are used for other household purposes (for example flower pots and potable water container).

#### **4.6.7; 4.6.9**

Based on field observation and interview with Foreman and Pesticide Applicators in Jabdan 1 Estate Block B36 Division 2 and Long Jenew 1 Block G33 Division 9 it could be concluded that the workers able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example conservation area and stream/riparian zone, which were marked with red paint on palm trunk) as well as PPE's to be used and its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals.

Furthermore, based on field observation to Pesticides Store in Jabdan 1 Estate, Long Jenew 1 Estate and Long Jenew 2, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level, instruction and PPE used were displayed properly. Furthermore there are Pre mixing area as pesticide mixing and PPE's place located nearby Division Office. Moreover, as observed in employees housing areas, it was known that used pesticide containers were not be able to be reused for domestic household purposes. To ensure pesticide that application is constant in accordance with dosage that determined the CH conducted calibration to all knapsack for example calibration on

#### **4.6.10**

The 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**

The Certificate Holder has conducting medical checkup which conducted twice a year. The CH can show a list of spraying workers in each of Estate. Type of analysis were consist of physical parameter and cholinesterase (blood check). According to last MCU record in Jabdan 1 Estate, Long Jenew 1 Estate and Long Jenew 2 shows that all workers are in

good condition were considered normal and fit to conduct agrochemical works (levels of cholinesterase in the blood within normal limits).

Based on field observation and interview with foreman and sprayer on Jabdan 1 Estate Block B36 Division 2 and Long Jenew 1 Block G33 Division 9 obtained information 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 prohibition policy for pregnant and lactating female to work which are related to agrochemical. Certificate holder delivers monthly examination for female worker in order to ensure that they are not working with agrochemical when they are pregnant or breastfeeding. Based on field observations and interviews with personnel LK sprayer on Jabdan 1 Estate Block B36 Division 2 and Long Jenew 1 Block G33 Division 9 known that there were no personnel sprayers women who are pregnant and breastfeeding, and stated that policies related to the prohibition of pregnant and breastfeeding women to spray has been understood.

**Status: Comply**

**4.7**

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

**4.7.1**

There is no revision over occupational health and safety policy in PT DSN. The policy has been implemented based on the applicable regulation. Field visit and interview in mill and estate revealed that the CH has had the occupational health and safety programs as follows Socialization with personnel, Granting and utilization of PPE in estate and mill based on risk analysis and Periodic medical examination, particularly for high risk personnel. The management unit has had procedure in term of OHS such as SOP of OHS, SOP of regular medical checkup, etc. furthermore, the estate and mill management unit has had work program in term of OHS.

Result interview with workers during field observation obtained information if the worker are aware and understand about safety policy. Based on field visit during the audit the CH has been shown the evidence if the policy about safety has been implemented, for example:

- The installation of occupational health and safety signs. For instance in main emplacement there was signboard that indicates the mandatory utilization of PPE, and to maintain safety and environment.
- Occupational health and safety training.
- Development of risk identification document
- Compliance on occupational health and safety tools
- Guiding committee on occupational health and safety meeting to ensure occupational health and safety management is continuously being improved and updated

**4.7.2**

The management unit has had document of risk analysis for OHS program. The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers. Based on interview with the employees in Jadani 1, Long Jenew 1 Estate and Long Jenew 2 Estate, obtained information that the employee has known the potential of dangers that could occurred at workplace. 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 2019 including safety training, hazardous waste training, pesticide handling and etc. Result of field observation in Mill and Estate and interviews with personnel's, it is known that the management unit has provided PPE and have been given training in safe work practices. This was evidence that the personnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures. Furthermore based on field visit in estate and mill and interview with personnel, it is known that the management unit has provided PPE for personnel. For instance, for example the sprayer

using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with spraying operator, harvester in Jabdan1, Long Jenew 1 and Long Jenew 2 revealed that CH would substitute or replace the PPE if there is a damage or broken on the old one.

**4.7.4**

The management unit has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. Guiding Committee of Occupational Safety & Health Board has drafted an OHS working program and evaluates the implementation of OHS program in the field. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers with the agenda of discussion on OHS problems, work accident, safety patrol, etc.. Documents verifications and interview with management revealed that the management unit has submitted the guiding committee for occupational health and safety's periodic report every 3 months. The guiding committee for occupational health and safety report covers the entire occupational health and safety activity within CH's operation activity.

**4.7.5**

Certificate Holder has a procedure for emergency response, for example Procedure of First Aid, Procedure of Handling Accidents and Work Diseases and Procedure of Emergency Preparedness. Based on field observation to POM 4, it was found that Hydrant, fire extinguisher, first aid box were properly monitored and maintained. Moreover, hydrant was satisfactory works during simulation. Based on field visit, CH has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*. At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field, supervisors was carrying first aid kits during his work in the field, and mill was also equipped with first aid kits. Based on interview with supervisor, it is known that he understood the first aid mechanism in case of emergency. The CH have opportunity for improvement to ensure the fire emergency respon facilities in condition of ready to use. **OFI**.

**4.7.6**

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, the CH has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Moreover, Based on interview and documents verifications with contractor workers revealed that contractor's personnel has been registered in manpower insurance/ BPJS.

**4.7.7**

Certificate Holder is consistently conducting monitoring over work accident, which reports the complete information about accident, such as the month of the accident, number of case, the accident's location, type of accidents, the impact, working hour losses, the accident cause, follow up action and result. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction with regular reports of Guiding Committee of Occupational Safety & Health.

For accidents occurring, the CH has conducted an accident investigation, and actions taken to prevent the occurrence of accidents recur. The investigation is contained in the Accident Investigation & Evaluation document describing the victim's data, the time of the incident, the chronology of the accident, the injured part, the investigation of the hazardous actions & conditions and suggestions for improvement.

**Status: Comply**

**4.8**

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

**4.8.1 & 4.8.2**

CH has established a training program that is based on the identification of the training needs of workers to improve competence. The training program period in 2019 consist of technical training, training concerning OHS and environmental

health, simulation and socialization associated with sustainability, for example:

- How to Care for Children (January)
- Water Treatment (July)
- Leaf Sampling Training (October)
- Warehouse Administration (January, May & October)
- Personnel Administration (June)
- Advance Engine (June)
- Basics of Estate Engineering Work (January & April)
- Basics of Agronomy Operational Procedure (January, May & October)
- OHS and Environment (January to December)
- Leadership & Supervisory Training (July)
- POM Maintenance (May & October)
- Production Management (June)
- Negotiation Skill & Mediation for CSR (June)
- Basic First Aid (January to December)
- Risk Management (June)
- Handling of Hazardous Waste (July)
- Pesticide Training (September)
- Conservation Training (November)
- Factory Waste Management Process (October)
- Risk Management (June)
- RSPO Traceability (August)
- IT and Preventive Maintenance Hardware (January)

Training records for each worker are kept and recorded in the attendance list during the training. Examples of training program realizations :

- Security Training On March 27, 2018 attended by 3 employees.
- Daycare Training on March 13, 2018 attended by 5 employees.
- ISPO, RSPO & ISCC training on February 17, 2018 attended by 19 employees.
- Wildlife Mitigation Training on November 1, 2018 attended by 2 employees
- Environmental and OHS Training on March 8, 2018 attended by 20 employees.
- Basic First Aid training on March 8, 2018 attended by 19 employees.
- Green Gas Houses Training on March 3, 2018 attended by 20 employees.

Based on interview with workers such as harvester, Manuring workers and spraying workers known that workers has been given training by CH related their job description. Documents verification, interview with managements and contractor worker obtained information if every training that conducted for worker also involving contractor workers

**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 POM 4 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 semester 2 2018 which was submitted on March 8, 2019 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 2018 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.

The CH (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 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 CH has compiled regular report to local authorities every six months. The latest reports available for semester 2 year 2018, which were submitted to the local government on March 8, 2019 to Environmental Office of East Kalimantan Province and to Environmental Office of East Kutai.

Based on verification, RKL-RPL report semester 2 year 2018 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 2018 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:

- 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)
- The conservation area of block VII, with an area of 165 Ha located in JB2 Estate
- 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 29 Ha, 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:

- 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)
  - Management plan of HCV area
- 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:

- Socialization of HCV protection to employees and the public.
- Monitoring and 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.
- 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 and mahogany.

HCV management plan which is integrated with HCV identification documents, explained: management activities, period of management and monitoring, PIC (HCV officer), and enhancement review for next HCV program.

Field observations, showed the following result riparian area of *Kenden Kecil* River in Block C12 JB-1 estate 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**

The CH has SOP-AGR-052-R00 December 1, 2012 concerning Procedures for Wildlife Protection. The memorandum regarding the prohibition of hunting in the DSN Group Muara Wahau area, number 0028 / SHE / XII / 2011 December 23,

2011 has approved by the SHE Dept. Head.

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 for LJ-2 estate and January 2019 for JB-1 estate in Benhes Village and Daklay Village.

Furthermore, based on interview with pesticide applicators in JB1, LJ1 and LJ2 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 river water quality monitoring in the conservation area, which shows that parameters of the water still meet the river water quality standards.

The enhancement of the HCV / RTE monitoring review for next HCV program. an example of a review of the 2018 program, it will become a HCV program in 2019.

Until audit ASA-4, 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:

- 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
- Documentation of public consultation and HCV dissemination on February 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 it sources have been identified and documented in the identification list document of Environmental Aspects on 2019. Consistently up with the activities of ASA-4, 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 by Head Permit Integrated office of Kutai Timur District Number.503/07/DPMPTSP-PPNP/TPS-LB3/VII/2018 July 9, 2018 with a validity period of 5 years.

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. Base on field visit on hazardous waste storage in LJ-1 and JB2 known, used oil container outside building, because the volume packaging is big meanwhile the building accordance permit is limited, the CH has opportunity an evaluation packaging hazardous waste with bigger volume. Opportunity for Improvement number 03.

Record management Hazardous Waste, included in reporting management hazardous waste quarter period October to December 2018 addressed to environment agency. Hazardous waste management recorded several documents, consist of:

- CH has Logbook (Hazardous Waste Warehouse) period October to December 2018
- CH has Balance Hazardous waste warehouse reported period October to December 2018
- CH has Agreement Letter, *PT Sumber Rezeki Abadi Jaya* for transporter Hazardous waste, and validity until 31 December 2021.
- CH has shipping manifest Hazardous waste period 2018, for example hazardous waste shipping in POM 4 on 5 November 2018. In November 2018 with transport evidence in the document of Hazardous Waste ) *Manifest festronik* KLH-8644000000582U used lubricant weighing 70 kg, Used rag *Manifest festronik* KLH-8644000000583U and Used chemical container weighing 163 kg Manifest KLH-8644000000584U.
- In efforts to comply with applicable regulations, the CH 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 2018, on 14 March 2019.

**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 B29 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.

Solid Waste managed Empty bunch sent to the estate to be applied as mulch to palm oil, shell & fiber are used for boiler as fossil fuel substitution. Base 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. Meanwhile, EFB has been application for organic matter fertilizer in estate.

POME is managed using the WWTP and flowed into Land application then used as an organic fertilizer for oil palm plantations, accordance regent decree Kutai Timur Number 660.5/K/522/2016, date 11 July, 2016 valid 5 years.

**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 CH hazardous waste as hazardous waste others management.

Infectious waste is managed by third parties, namely PT Kaltim Medika Utama by agreement number No. 048/KMU-KSU/PKS-LK/VII/2018 September 1 2018, valid 2 year. There is minute of letter infectious waste 27 November, 2018 from Clinic Pratama to PT Kaltim Medika Utama, the CH shown evidence is manifest number 640/KMU-B/XI/2018 November



2018 weighing 47 kg 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 as testing semester 2, 2018. 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 CH 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 CH already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells and fiber period January to December 2018 has produces 1,773,236 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 32.1 kwh / ton FFB. Result Direct fossil fuel used is 0.90 kWh/ ton FFB.

**Status: Comply**

**5.5**

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

**5.5.1 and 5.5.2**

The CH has 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 CH does not conduct burning in land clearing. Based on field visit ASA-4 in JB 1 Estate, LJ 1 estate and LJ 2 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 and 5.6.2**

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.

Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. The monitoring every months and the last monitoring periods January to December 2018.

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. 2nd Semester 2018 testing result indicates all parameters related to emission are still comply with standard quality. Such as, CH conducts noise level testing according to decision of environment minister number 48 year 1996.

### 5.6.3

Base on document verification, CH has been done calculations emission with RSPO Palm GHG Calculator Version 3.0.1 with data input correctly. Palm GHG Calculation option applied November 2005 cut off for LUC.

#### Summary of Net GHG Emissions period 2018 i.e. :

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	1.04	OER	22.48	FFB Processed	333516.753
PK	1.04	KER	4.12	CPO Produced	13741.191

Land Use	ha
OP planted area	29214.15
OP Planted on peat	0
Conservation (forested)	746.97

#### 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	64221.06	9.7	14487.51	6.79	31620.11	6.63		
*CO <sub>2</sub> emissions from fertilizer	9551.69	1.45	2005.27	1.47	7867.85	1.65		
**N <sub>2</sub> O emissions	8238.96	1.12	1274.47	0.92	5248.33	1.1		
Fuel consumption	1261.12	0.21	338.65	0.19	700.65	0.15		
Peat Oxidation	0	0	0	0	0	0		
<b>Sinks</b>								
Crop sequestration	-62620	-9.36	-14939.05	-9.36	-44643.75	-9.36		
Conservation Sequestration	0	0	0	0	0	0		
<b>Total</b>	<b>20652.6</b>	<b>3.12</b>	<b>3166.85</b>	<b>0.01</b>	<b>1075.85</b>	<b>0.17</b>		

#### Summary of Mill Emissions and Credits

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	65753.13	0.2

Fuel Consumption	1282.59	0
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>	<b>67035.72</b>	<b>0.2</b>

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

Divert to compost	0
Divert to anaerobic digestion	100

**POME Diverted to Anaerobic Digestion:**

Divert to anaerobic pond	100
Divert to methane capture (flaring)	0
Divert to methane capture (electricity generation)	0

**Emissions from Palm Kernel Crusher**

Emissions Source	tCO <sub>2</sub> e
PK from own mill	14237.85
PK from other sources	0
Fuel consumption	0
Total crusher emissions	0

**Status: Comply**
**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**
**6.1**

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

**6.1.1, 6.1.2**

The Certificate Holder has conducted SIA assessment in 2011 by Daemeter Consulting, compiled based on the aspirations of the community through in depth interviews and Focus Discussion Group. Villages sampled namely Village of Benhes, Village of Nehes Liah Bing, Village of Dabeq, Village of Muara Wahau, Village of Miao Baru, and Village of Diaq Lay. Records of participatory in the form of attendance list, has been involve the community around.

The results of interviews with Officials of Benhes Village obtained information that the SIA had been conducted in participatory manner, all potential impacts on the community had been identified and managed, for example in the empowerment of local contractors especially in the case of CH's operational vehicle leases from the community, as well as the development of fully managed smallholders/plasma.

**6.1.3, 6.1.4, 6.1.5**

The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management plan on January 2018, which conducted in a participatory manner. In the SIA Management and Monitoring Plan, there are 12 social impacts to be monitored during 2018/2019 including the impacts to smallholder's scheme. No negative issues raised during interviews with communities surround the plantation such as interviews with community leaders, women's communities, local contractors, and Village Official of Muara Wahau.

The results of interviews with Officials of Benhes Village obtained information that village officials had been involved in the SIA evaluation in January 2018. The community had felt the positive impact generated by the SIA Management and Monitoring Plan, such as economic empowerment with the development of smallholdings, empowerment of local

contractors, and operational vehicles leased from the community.

**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 & 6.2.3**

Communication and consultation procedures are explained in the Employee Complaints Handling SOP procedure (No.:SOP-AGR-054-R02) which released on July 3, 2017. The procedure inform about, among others:

- Every Reporting Identity is maintained and kept confidential
- Complaints regarding employee complaints can be submitted through the HCO Dept. Head (No. Mobile: 087875971601).
- Responses to complaints must be submitted immediately, i.e. no later than 4 working days after the complaint report is received by the parties concerned.
- The time of completion is pursued as quickly as possible, but also depends on the complaints / problems presented. If the problem / complaint cannot be resolved, then it can be submitted to the local Manpower Office to request settlement assistance.

Socialization and communication done routinely to the stakeholder, as confirmed during the public consultation to community leader, women's communities, local contractors, and village officials.

A list of stakeholders per Jan 2019 can be shown for the DSN Group, informing the name, position, address and contact number.

**6.2.2**

The CH has appointed a special officer who manages social issues at PT. DSN, namely under the Corporate Social Responsibilities & Environment Division with the following structures and personnel:

Officers at the Head Office (Head Office)

- CSR Director
- CSR Planning and review

Officer at the Site (Muara Wahau) PT. DIN

- CSR Operation Area 1 Head
- Relation & Partnership
- Com. Development & Entrepreneurship
- Monitoring & Office management
- Community infrastructure:

There's clear Job Description for each position on Corporate Social Responsibilities & Environment Division.

**Status: Comply**

**6.3**

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

**6.3.1**

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

**6.3.2**

There were no internal and external disputes during the 2018/2019 period. Cross-checking had been carried out through interviews with PT DSN SPs and gender committees, interviews with employees during field observations and interviews with the sampled communities.

The certificate holder has also monitored request for information and complaint from stakeholder in form of book in incoming and outgoing letter. The most of letter is about request of funding, repairing facilities and heavy equipment assisting and It was managed through estate and mill.

There are some of the complaints contained in the Employee Complaint Handling Results form (FM-MS-60-R00):

- Request for mosque renovation from employee on January 21, 2019 (responded by the CH on January 21, 2019).
- Request for street lights repairing from employee on January 4, 2019 (the CH has responded on January 4, 2019).

Based on interview with worker union, gender committee, local contractor that all affected parties has been accept about CH complaints/grievances system

In addition, based on the results of public consultations with Head of Muara Wahau Sub-district also found no information regarding complaints from parties around the CH.

**Status:**

**6.4**

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

**6.4.1; 6.4.2; 6.4.3**

The Certificate Holder's land is not obtained from land acquisition from individual rights, customary rights, or traditional rights. In the Decree of the HGU, it was explained that the entire area of PT SWA originated from the forest area which was released through Decree of Forestry Ministry (No. 174/Menhut-VII/1996 dated 9 February 1996 and letter No. 152/Kpts-II/1997) covering an area of 17,500 ha. There is no information that the land acquisition were from legal compensation from the community. As well as in SIA and HCV document and stakeholders consultation stated that there is no customary rights and traditional rights within Certificate Holder's area. Based on consultation with Village Head of Benhes, known that the Certificate Holder's land is not obtained from land acquisition of individual rights, customary rights, or traditional rights.

Based on management interviews, it is known that the Certificate Holder has no plans to expand the land by legal compensation from community. However, the Certificate Holder has procedures related to land identification, acquisition, negotiation and compensation that is SOP of Land Acquisition (No. SOP-AGR-071-R02 dated 1 August 2017), and SOP Land Compensation (No. SOP-AGR-058-R02 dated 2 June 2018). Those procedures stated that the land acquisition conducted FPIC manner, and followed by conducting HCV, EIA and SIA assessments.

**Status: Comply**

**6.5**

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

**6.5.1**

CH showed appointment letter of permanent daily worker, such as:

- Letter No.:0001/DSN/SPK/PKS4/I/2019 dated January 1, 2019
- Letter No.:0002/DSN/SPK/PKS4/I/2019 dated January 1, 2019

The letter explain that wages payment is in accordance with available regulation (based on Kalimantan Timur Governor Decree No. 086/DIR/XII/2018 about minimum wage of plantation sector for Kutai Timur District). The minimum wage is Rp 2,893,850

There are couple of workers type in the CH, here's the list:

- Contract Worker

- Permanent Worker

The CH also has policies related to the wage scale in the Directors' Decree (No.040/DIR/IX/2013) concerning the Wages (Payroll) Component Structure of PT Dharma Satya Nusantara and its Subsidiaries. The decree is effective from September 1, 2013. For the 2019 wage scale that has referred to the Sectorial Minimum Wage of Kutai Timur Regency in 2019 are as follows:

- The lowest group with a work period of 1 year (Group 1A with 1 year work period) has a monthly wage of Rp 2,893,850 (excluding fixed allowances)
- The highest group with a 30-year working period (Group 3F with 30 years' work period) has a monthly wage of Rp 4,425,110 (excluding fixed allowances)

The CH also had the latest salary list documents for employees such as the February 2018 payroll for each units (LJ1, LJ2, JB1 and POM4). The salary list describes the income which consists of basic salary, premiums, overtime, allowances, harvesting premiums. Pieces consist of Social Security, PPh21, debt, etc. The results of interviews with workers in CH operation area and contractor known that the wages of workers have been in accordance with the prevailing minimum wage.

**6.5.2**

CH has CH regulation period of 2017 – 2019. This regulation has conformed to the applicable manpower regulation in Indonesia and has been written in Indonesian Language. It explains about CH and workers duty and rights, including the Retirement Age. It explained that the workers who will be retired, will receive their rights in accordance with the provisions of applicable law.

Based on interview with labor union and management, Collective Labour Agreement has been explained to the workers. The workers (spraying team, harvester, office workers, operators) also know about their rights and obligations, such as equality rights or health rights.

Based on interview with harvester obtained information of wage calculation based on harvesting quota, harvesting area and work hours (7 hours a day). For example when low crop season and the workers not obtained the harvesting quota that determined, the workers should finished the harvesting area or work for 7 (seven) hours a day. Meanwhile interview with harvester it known in common day they can obtain harvesting quota after 5 (five hours) and if there is a excess from quota they get the incentive. Based on that's explanation team auditor considers there is no violating to the wage regulations and force to work. For Mill workers the shift system applies and if there is any excess of working hours than it should be, then the calculation of overtime pay refers to Decree of the Minister of Manpower No.102 of 2004 Article 11. However, he CH have opportunity for improvement to ensure all workers has contractual agreement. **OFI**.

**6.5.3 & 6.5.4**

Based on field observation in Long Jenew 1 Estate, Long Jenew 2 Estate and Jabdan 1 Estate, it is known that the CH has been providing housing facilities, lighting, water, daycare, cooperatives, worship place, school buses, and clinics. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price. The CH also provides rice support to all permanent worker.

**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 & 6.6.2**

Based on the results of the document review, the CH has policies related to freedom of association in the CH Policies Period 2017-2019, especially in clause 4 (g) which explain that workers have the right to establish trade unions, become members / leaders of trade unions in accordance with applicable government regulations. In addition, there is also a memorandum Number 0014 / HCO // M / III / 2016 dated March 14, 2016 concerning the Implementation of Industrial Relations & Association. The Memorandum explains that workers are free, open, independent, democratic, and



responsible for establishing Workers' Unions, becoming members / leaders of trade unions in accordance with applicable government regulations.

The CH also has had Worker Union of PT DSN which has been registered with the Manpower and Transmigration Agency of Kutai Timur District on June 30, 2013 with no. Registration 07/02/SP-SB/Nakertrans-HIJ/II/2013.

Based on interview with worker union there's no intervention by CH, every workers has rights to choose representative in bipartite and there is no intervention by CH to the election of workers representative in Bipartite

One of the meeting documents record shown by the CH was the meeting of PT DSN Workers Union with workers, employees and management on March 8, 2019 which was also attended by CH representatives (estate manager and field assistant). The meeting discussed related worker welfare and minimum wage.

**Status: Comply**

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

**6.7.1**

The minimum age for new worker recruitment is 18 years old, it is based on CH policy. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Head of Muara Wahau Sub-district and field observation, there is no issue regarding child labor. Based on interview with worker in estate and mill, they know the minimum age to work in the CH. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Moreover, interview with personnel revealed that there are no personnel under 18 years old and personnel understand the minimum age for recruitment in CH.

**Status: Comply**

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

**6.8.1, 6.8.2 & 6.8.3**

The CH has policies related to non-discrimination and equal opportunities in the Internal Memorandum (No.:0017/HCO/IM/III/2016) concerning the Declaration of Human Rights Recognition established by Human Capital Group Head on March 14, 2016. In the memorandum explain, among others:

- The CH will wholeheartedly uphold Human Rights all employees who work at the CH.
- The CH treats employees in accordance with the principle of equality and will not carry out acts of discrimination or do any direct or indirect restrictions, harassment or isolation that are based on differentiating humans or religious principles, ethnicity, race, ethnicity, group, class, social status, economic status, genitalia, language, political beliefs.
- The CH does not discriminate in employee recruitment. And provide jobs for all employees in accordance with their fields of expertise and without a system of forced labor.
- Every employee who works in a CH is recognized as a personal human being who has the freedom to have religion, think, think and use his conscience in accordance with the dignity of his humanity based on CH regulations and applicable laws

The results of interviews with workers, worker unions, gender committees, cooperative managers are known that in the recruitment process there are several requirements that must be met, such as identity cards, CVs, family cards, health examination results etc. In addition, workers are also given training related to their job description to improve the skills / expertise of workers. So that workers who are appointed or recruited already have the expertise / ability in accordance with the job description.

Based on interview with women worker in LJ1, LJ2 and JB3, it is known that there is no issue regarding discrimination. The workers that has been interviewed is came from various social origin, race, and religion. Local community also get the same opportunity to work in CH.

**Status: Comply**

**6.9**

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

**6.9.1**

The CH has a Sexual Prevention and Violence Against Women SOP (No.: SOP-AGR-049-R01) which was passed on November 1, 2013. The procedure explains, among others:

- All Cases of sexual abuse will be handled directly by PGS / Estate or Mill head.
- All parties are asked to prevent sexual harassment and violence by not behaving and appearing that invites acts of harassment and violence, as well as dare to admonish / say rejection as early as possible for attempts / attempted harassment or violence.
- Reports or complaints of sexual harassment / violence are guaranteed confidentiality by the CH.
- Decision on the settlement of the action by HCI Dept. head in the form of giving sanctions to the perpetrator or an agreement that can be accepted by both parties.

The policy has been socialized to the worker in each unit through Gender Committee. Gender committee function is to handle the protection of female workers rights. Based on interview with gender committee of PT DSN and PT SSS, CH provided daycare for all workers' children and also give maternity and menstrual leave for female workers.

**6.9.2**

Reproductive rights are regulated in the Memorandum (No.: 0011 / HCO / M / III / 2016) concerning Pregnant and Breastfeeding Women Workers determined on March 14, 2016. In the memorandum, explain:

- Female workers who feel that they have signs / symptoms of pregnancy must go to the nearest location clinic. The doctor / paramedic will issue a pregnancy certificate for female workers who have been diagnosed positively pregnant.
- Female workers who are breastfeeding must periodically check to the nearest clinic and ensure breastfeeding status until the 9 month old baby.
- Pregnant and breastfeeding women are prohibited from working on chemicals-related work.
- The CH provides a breastfeeding place for female workers who breastfeed their babies.
- Female workers are not required to work if they are sick on the first and second day of the day so that they cannot do work with fixed wages paid in full

Based on interview with female worker in child day care, it is known that they understand the policy. Also, interview with committee of Gender Committee in estate and mill, it is known that there is no issue or complaint related to reproductive on the workplace.

**6.9.3**

The CH also has procedure for handling the complaint Communication and consultation procedures are explained in the Employee Complaints Handling SOP procedure (No.: SOP-AGR-054-R02) which released on July 3, 2017. The procedure inform about, among others:

- Every Reporting Identity is maintained and kept confidential
- Complaints regarding employee complaints can be submitted through the HCO Dept. Head (No. Mobile: 0878759716\*\*).
- Responses to complaints must be submitted immediately, i.e. no later than 4 working days after the complaint report is received by the parties concerned.
- The time of completion is pursued as quickly as possible, but also depends on the complaints / problems presented. If the problem / complaint cannot be resolved, then it can be submitted to the local Manpower Office to request settlement assistance.

Based on interview with worker in estate and mill, they all know the mechanism to make a complaint.

**Status: Comply**

**6.10**

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



**6.10.1, 6.10.2, 6.10.3, 6.10.4**

The Certificate Holder has a plasma (scheme smallholder), such as: Min Sun Lekut Cooperative and Min Bea Glang Mandiri, as well as cooperating with many local contractors / businesses. The pricing mechanisms for FFB of plasma, or local businesses are specified in the work agreement. Based on the review of work agreements, interviews with Head of Cooperatives as well as local contractors, it is known that the work agreement has explained the pricing of each work unit. The parties have understood the provisions of work contracts, the contracts has been made fairly, transparently and legally.

The payment of work has been done in a timely manner, in accordance with the provisions in the contracts. For example the pricing of FFB from plasma is determined based on Plantation Agency pricing announcement. A monthly FFB pricing letter is available from the Plantation Agency. Interview with member of Min Sun Lekut Cooperative known that the letter of pricing from the Agency is obtained from the website, or attachments of FFB payments. Document review of payment of plasma and contractors, as well as interview with Head of Cooperative and the contractors is known that FFB or services are paid according to the provisions and on time.

**Status: Comply**

**6.11**

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

**6.11.1, 6.11.2**

The Certificate Holder shown evidences of contribution to local sustainable development, through develop oil palm scheme smallholder/plasma (KM1, KM 2, and KM4), acceptance of local workers, contractors and local businesses, as well as other contributions contained in CSR programs that are prepared in a participatory manner with the community. Other than that, all operational vehicles are rented from surrounding communities.

Based on interviews with the Village Official of Benhes, and local contractor, it was known that the smallholder scheme/plasma was managed in full managed system by Certificate Holder. The resources provided by the Certificate Holder to plasma include land clearing, provision of certified seeds, management services, provision of production input facilities, as credit avalists, and so on. Regarding CSR, program preparation is carried out in a participatory manner in consultation with Village Officials. The CSR program has covers aspects of economic empowerment, education, religion, social, culture, and so on. The Certificate Holder also collaborates with village business entities (BUMDES) to maintain the HCV area.

**Status: Comply**

**6.12**

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

**6.12.1; 6.12.2; 6.12.3**

Based on document review, field observation, and interview with workers and stakeholders revealed that there is no migrant worker, forced labor, and illegal worker. Also, there is no contract substitution in the CH. Each worker have appointment decree letter as daily or monthly permanent worker. Identity document of each worker is kept in unit office and if they want to access their document, they have to communicate it with their supervisor.

Based on document review, field observation, and interview with workers and stakeholders, auditors did not see any harvester accompanied by their wife or children and any indication of force labour. There is no threat against family members. However, the CH have opportunity for improvement to evaluate the CH policies that not include in CH Regulation, for instance related the harvesting penalti. **OFI**.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

The CH has policies related to non-discrimination and equal opportunities in the Internal Memorandum (No.:0017/HCO/IM/III/2016) concerning the Declaration of Human Rights Recognition established by Human Capital Group Head on March 14, 2016. In the memorandum explain, among others:

- The CH will wholeheartedly uphold the Human Rights of all employees who work at the CH.
- The CH treats employees in accordance with the principle of equality and will not carry out acts of discrimination or

do any direct or indirect limitation, harassment or isolation based on differentiating humans or religious principles, ethnicity, race, ethnicity, group, class, social status, status economy, genitalia, language, political beliefs.

- The CH does not discriminate in employee recruitment. And provide jobs for all employees in accordance with their fields of expertise and without a system of forced labor.
- Every employee who works in a CH is recognized as a personal human being who has the freedom of religion, thought, opinion and uses his conscience in accordance with the dignity of his humanity based on CH regulations and applicable laws.

Based on interview with local contractor, worker union and committee gender, it is known that they already understand about the policy. Interview with worker in estate and mill informed that there is no complaint related to violation of human rights.

**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 CH has reported Liability disclosure to the RSPO Secretariat on April 23, 2015.

**Status: Comply**

**7.4**

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

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

**Status: Comply**

**7.5**

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

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

**Status: Comply**

**7.6**

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

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

**Status: Comply**

**7.7**

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

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

**Status: Comply**

**7.8**

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

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

**Status: Comply**

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

**8.1**

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

**RSPO Internal Audit**

One of the efforts to monitor the consistency of implementation of sustainability palm oil is to conduct an annual RSPO internal audit for Estates and Mill. the last internal audit was carried out in 21-22 January 2019. All nonconformity has been followed up and fulfilled by each management unit.

**BMP**

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.

**Social**

The Certificate Holder shown evidences of contribution to local sustainable development, through develop oil palm scheme smallholder, acceptance of local workers, contractors and local businesses, as well as other contributions contained in CSR programs that are prepared in a participatory manner with the community. Other than that, all operational vehicles are rented from surrounding communities.

**Environmental**

The CH 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.

**Status: Comply**

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

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

Clause	Requirement																				
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>																				
<b>5.1.1</b>	<p>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.</p> <p>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 transit storage (T300 storage) at Miau Baru. The agreement for this activity showed to auditor. In the annex of the agreements 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.</p>																				
	<b>Status: Comply</b>																				
<b>5.1.2</b>	<p>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.</p> <p>The organization did not buying CSPO/CSPK from RSPO licensed traders. The selling of certified product has been done by the mill itself.</p>																				
	<b>Status: Comply</b>																				
<b>5.1.3</b>	<p>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.</p> <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" style="width: 100%;"> <tr> <td style="width: 30%;">Sub License ID</td> <td>CB67209</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 Number</td> <td>1-0135-12-000-00 (PT DHARMA SATYA NUSANTARA)</td> </tr> <tr> <td>Issued On</td> <td>08-05-2018</td> </tr> <tr> <td>Issued By</td> <td>PT Mutuagung Lestari</td> </tr> <tr> <td>Start Date</td> <td>06/01/2018</td> </tr> <tr> <td>End Date</td> <td>31-05-2019</td> </tr> <tr> <td>Group Size</td> <td>0</td> </tr> <tr> <td>Total Certified Area (Ha)</td> <td>11,729</td> </tr> </table>	Sub License ID	CB67209	Member Name	PT DHARMA SATYA NUSANTARA (PKS4)	Member ID	RSPO_PO1000002088	RSPO Membership Number	1-0135-12-000-00 (PT DHARMA SATYA NUSANTARA)	Issued On	08-05-2018	Issued By	PT Mutuagung Lestari	Start Date	06/01/2018	End Date	31-05-2019	Group Size	0	Total Certified Area (Ha)	11,729
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Group Size	0																				
Total Certified Area (Ha)	11,729																				
	<b>Status: Comply</b>																				
<b>5.1.4</b>	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Based on document review and field observation, known that POM 4 did not use processing aids.</p>																				
	<b>Status: Comply</b>																				

<b>5.2</b>	<b>Supply chain model</b>
<b>5.2.1</b>	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.
	The mill are applied SCCS-module E, since it received and processed FFB from its own estate and uncertified sources.
	<b>Status: Comply</b>
<b>5.2.2</b>	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
	POM 4 only implementing modul E – MB.
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	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.
	POM 4 has had Work Instruction of Traceability of CPO, PK and PKO in MB Model (No. IK-AGR-MS-04-R10 dated 25 February 2019) that refers to RSPO SCC Standard and System revised June 2017. The procedure already describes all the elements specified in the SCCS requirements as well as the PIC for aspects of FFB acceptance, production processing, product storage, product delivery, registration and transactions in RSPO IT platform, excess production reporting to CB, outsourcing activities, training, internal audit, communicating and claiming according to the RSPO standard, handling of nonconformity, and record keeping. Related management reviews were in SOP of Management Reviews Meeting (No. SOP-AGR-041-R01 dated 01 November 2016).
	Based on observation and interview to the PIC in specific activities (i.e security/receiving FFB, weighbridge, and mass balance data PIC), they have been provide SCCS training and able to demonstrate awareness of the procedures related SCCS implementation.
	<b>Status: Comply</b>
<b>5.3.2</b>	The site shall have a written procedure to conduct annual internal audit
	Internal Audit of SCCS will be conducted anually, described in Work Instruction of Traceability of CPO, PK and PKO in MB Model (No. IK-AGR-MS-04-R10 dated 25 February 2019). The latest internal audit are conducted in 21 – 22 January 2019 together with the RSPO P & C audit. There is no NC related SCCS implementation.
	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
<b>5.4.1</b>	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
	The organization does not purchase RSPO certified oil palm products from outsider. The RSPO product of POM 4 were from FFB of its own Estates, scheme smallholders, and independent suppliers.
	<b>Status: Comply</b>
<b>5.4.2</b>	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	The organization does not purchase RSPO certified oil palm products from outsider. The RSPO product of POM 4 were from FFB of its own Estates, scheme smallholders, and independent suppliers.



	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<p><b>5.5.1</b>          In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p>	
<p>The CPO from POM 4 is distributed first to the transit tank (called TT 300 – Miau Baru), then distributed to Labanan Bulking as a buyer. Distribution of CPO from POM 4 to transit tank conducted by POM 4 itself, meanwhile from transit tank to Labanan Bulking is carried out by 5 contractors. For PK processes in Kernel Crushing Plant of POM 4. POM 4 did not outsource refining and crushing activity.</p> <p>The contractors has been bound in a work agreement, for example work agreement with Cooperative of Min Sun Lekut No. 009/DSN/PKS4/2019 dated 02 January 2019. To ensure that the contractors complies with the requirements of the RSPO SCCS Standard, POM 4 have given them training of RSPO SCCS dated 4 February 2019. One of training clause is sealing the trucks during shipping, to ensure that the transported CPO is not mixed with other sources.</p>	
	<b>Status: Comply</b>
<p><b>5.5.2</b>          Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ol>	
<p>POM 4 has imposed provisions that must be applied by contractors as contained in the work agreements or Work Instruction of Traceability of CPO, PK and PKO in MB Model (No. IK-AGR-MS-04-R10 dated 25 February 2019) which has been socialized on 4 February 2019, these provisions include:</p> <ul style="list-style-type: none"> <li>- The cooperation is bound by a work agreement</li> <li>- The CPO transported only comes from POM 4</li> <li>- CB has the right of access to the contractors to verify the implementation of RSPO SCCS.</li> <li>- The ccontractors must be given socialization about SCCS at least once a year.</li> </ul>	
	<b>Status: Comply</b>
<p><b>5.5.3</b>          The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	
<p>The list of contractors of CPO transporter are :</p> <ul style="list-style-type: none"> <li>- Cooperative of Min Sun Lekut</li> <li>- Filipus Ing</li> <li>- Gregorius Geleng</li> <li>- Hermanius Yoki</li> <li>- Theodorus Telea</li> </ul> <p>The contractors has been bound in a work agreement, for example work agreement with Cooperative of Min Sun Lekut No. 009/DSN/PKS4/2019 dated 02 January 2019.</p>	

	<b>Status: Comply</b>
<b>5.5.4</b>	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products
	Based on review list of transporter verified on ASA 3 with this ASA4, there is no new contractor added. There are 5 outsourcers which physical handling of RSPO certified oil palm products. It will be verified on next surveillance, if any new contractor.
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b>	The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer
	The POM 4 shows shipping documentation in the Shipping Note and/or Expedition Evidence of CPO to transit tank (TT300) and from transit tank to Labanan Bulking. Those documentation informed delivery date, description of product and supply chain model, quantity, identification number, certificate number, sender's name and address of the seller.
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b>	Supply chain actors who: <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries; and</li> <li>• take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>
	POM 4 already registered in RSPO IT Platform with Member ID RSPO_PO1000002088 and Sub License ID CB67209, registered Member Name PT Dharma Satya Nusantara (POM4), with products of CSPO and CSPK.
	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.
	<b>Status: Comply</b>
<b>5.7.2</b>	The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> <li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>• Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>
	The entire requirements for appropriate supply chain has been met by the mill such as the estimate certified product already recorded in the RSPO IT platform and including finalized transactions records and stocks transactions record during the 12 month before the assessment.
	POM 4 has carried out announcements on the sales of certified products (CSPO and CSPK). Announcement time is done no

later than the deadline of license period. The table below shows the trace of sales based on POM 4 records and ballace, and the sales announcements based on RSPO Palm Trace, as well as the status of transactions.

During the license period of 25 March 2018 to 13 January 2019, known as much as 5 transactions of announcement of CSPO and 13 transactions of announcement of CSPK has been confirmed through RSPO IT Platform. Total sold of CSPO and CSPK shown in table below :

Period	CSPO Sales (MT)			CSPK Sales (MT)		
	CSPO Sales based on POM 4 records	CSPO Sales based on Palm Trace Announcement	Status on Palm Trace	CSPK Sales based on POM 4 records	CSPK Sales based on Palm Trace Announcement	Status on Palm Trace
March 2018	-	-	-	2,130.48	1,361.85 + 768.63	confirmed
April 2018	-	-	-	-	-	-
May 2018	-	-	-	1,983	887.67 + 1,095.33	confirmed
June 2018	-	-	-	-	-	-
July 2018	4,500 (credit)	4,500 (credit)	N.A	1,031	1,031,37	confirmed
August 2018	4,200 (credit)	4,200 (credit)	N.A	626	625,72	confirmed
September 2018	3,197	-	-	669	669,03	confirmed
October 2018	-	3,197.38	confirmed	817	816,73	confirmed
November 18	-	10,000 (credit)	N.A	257	257,37	confirmed
December 2018	5,000 (credit)	-	-	576	576.40 + 1,349.92	confirmed
January 2019	3,202	3201,99	confirmed	1,342.44	989.39 + 353.07	confirmed
February 2019	-	-		-	-	-
<b>Total</b>	<b>20,099</b> (amount of <b>13,700</b> sold as credit)	<b>21,897.38</b> (amount of <b>18,700</b> sold as credit)  The differences because of not been announced/re moved		<b>10,782.46</b>	<b>7,215.53</b>	

**Status: Comply**

**5.8**

**Training**

**5.8.1**

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

The training of SCCS aspects planned on February 2019 based in Training Program of 2019 and has been conducted. Based on Work Instruction of Traceability of CPO, PK and PKO in MB Model (No. IK-AGR-MS-04-R10 dated 25 February 2019) stated that SCCS training must be given to each Staff and operators dealing with SCCS.

**Status: Comply**

**5.8.2**

Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed

The latest training conducted on 21 February 2019 attended by PIC of each SCCS aspects, as well as socialization for contractors on 4 February 2019. During the audit, the Staff and operators shows the understanding of SCCS requirement and critical point, for example security and weighbridge operator were able to demonstrate how to verify the FFB from certified and uncertified source and marking by certified stamp.

**Status: Comply**

**5.9**

**Record keeping**

**5.9.1**

The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements

During the audit, all the record are complete and kept in accurate, up to date and accessible. The random sampling are done during the audit.

**Status: Comply**

**5.9.2**

Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock

Based on Work Instruction of Traceability of CPO, PK and PKO in MB Model (No. IK-AGR-MS-04-R10 dated 25 February 2019) stated that the retention time of the documents minimum 2 years.

**Status: Comply**

**5.9.3**

The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.

Estimated certified product recorded in the certificate annex of last surveillance, actual certified produced has been verified during this assessment (ASA-4), 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:

Product	Estimate Production 12 months (MT)	Actual Production 12 months (MT)	Estimate Production 12 months (MT)
	1 June 2018 – 31 May 2019	1 March 2018 – 28 February 2019	1 June 2019 – 31 May 2020
FFB	300,749	256,709	349,887
CSPPO	72,180	57,004.36	80,474
CSPK	13,534	10,294.24	15,745

The mill has balancing all FFB receipt and CPO/PK produce in real time report and recapitulate in monthly basis between March 2018 to February 2019, as following table:

**CPO**

DATE	FFB PROSES (kg)		CPO Production (kg)		DISPATCH CPO (kg)		STOCK (kg)	
	certified	non-certified	certified	non-certified	certified	non-	certified	non-

						certified		certified
<b>B/F OPENING STK</b>							245,114	212,370
March-18	16,961,493	5,554,050	3,942,922	1,291,852	3,898,925	1,353,755	289,111	150,467
<b>Sub Total</b>	<b>16,961,493</b>	<b>5,554,050</b>	<b>3,942,922</b>	<b>1,291,852</b>	<b>3,898,925</b>	<b>1,353,755</b>	<b>289,111</b>	<b>150,467</b>
<b>Sub Stock</b>							<b>289,111</b>	<b>150,467</b>
April-18	17,622,607	7,137,277	4,113,457	1,666,338	4,191,959	1,563,181	210,609	253,624
May-18	18,647,439	6,141,104	4,147,064	1,367,005	3,709,612	1,263,108	648,061	357,521
June-18	20,331,734	6,528,730	4,498,656	1,445,222	4,319,009	1,539,991	827,708	262,752
<b>Sub Total</b>	<b>56,601,780</b>	<b>19,807,111</b>	<b>12,759,177</b>	<b>4,478,565</b>	<b>12,220,580</b>	<b>4,366,280</b>	<b>827,708</b>	<b>262,752</b>
<b>Sub Stock</b>							<b>827,708</b>	<b>262,752</b>
July-18	19,090,524	7,690,023	4,196,584	1,689,973	4,180,484	1,638,666	843,808	314,059
August-18	23,375,114	8,644,391	5,297,343	1,959,061	3,795,230	1,423,410	2,345,921	849,710
September-18	23,777,768	10,327,689	5,401,944	2,346,814	3,858,852	1,610,228	3,889,013	1,586,296
<b>Sub Total</b>	<b>66,243,406</b>	<b>26,662,103</b>	<b>14,895,871</b>	<b>5,995,848</b>	<b>11,834,566</b>	<b>4,672,304</b>	<b>3,889,013</b>	<b>1,586,296</b>
<b>Sub Stock</b>							<b>3,889,013</b>	<b>1,586,296</b>
October-18	26,726,621	9,425,632	5,955,038	2,093,482	7,402,550	196,030	2,441,501	3,483,748
November-18	23,566,610	8,866,240	5,044,398	1,895,400	6,343,930	36,330	1,141,969	5,342,818
December-18	23,911,280	9,003,240	5,191,594	1,951,914	1,412,450	5,239,390	4,921,113	2,055,342
<b>Sub Total</b>	<b>74,204,511</b>	<b>27,295,112</b>	<b>16,191,030</b>	<b>5,940,796</b>	<b>15,158,930</b>	<b>5,471,750</b>	<b>4,921,113</b>	<b>2,055,342</b>
<b>Sub Stock</b>							<b>4,921,113</b>	<b>2,055,342</b>
January-19	23,530,800	6,945,998	5,016,558	1,481,871	6,549,830	3,319,830	3,387,841	217,383
February-19	19,167,620	5,500,329	4,198,809	1,205,459	7,238,380	1,097,560	348,271	325,281
<b>Sub Total</b>	<b>42,698,420</b>	<b>12,446,327</b>	<b>9,215,368</b>	<b>2,687,329</b>	<b>13,788,210</b>	<b>4,417,390</b>	<b>348,271</b>	<b>325,281</b>
<b>Sub Stock</b>							<b>348,271</b>	<b>325,281</b>
<b>Grand Total</b>	<b>256,709,610</b>	<b>91,764,703</b>	<b>57,004,368</b>	<b>20,394,390</b>	<b>56,901,211</b>	<b>20,281,479</b>	<b>348,271</b>	<b>325,281</b>
<b>Ending Stock</b>							<b>348,271</b>	<b>325,281</b>

### PK

DATE	FFB PROSES		PK Production		PK DISPATCH		STOCK(MT)	
	certified	non-certified	certified	non-certified	certified	non-certified	certified	non-certified
			Kg	Delivery(Kg)	Kg	Kg	Kg	Kg
<b>B/F OPENING STK</b>							-	-
March-18	16,961,493	5,554,050	743,978	243,875	743,978	243,875	-	-
<b>Sub Total</b>	<b>16,961,493</b>	<b>5,554,050</b>	<b>743,978</b>	<b>243,875</b>	<b>743,978</b>	<b>243,875</b>	<b>-</b>	<b>-</b>
<b>Sub Stock</b>							<b>-</b>	<b>-</b>
April-18	17,622,607	7,137,277	799,500	322,513	799,500	322,513	-	-
May-18	18,647,439	6,141,104	758,114	249,947	758,114	249,947	-	-
June-18	20,331,734	6,528,730	822,442	264,207	822,442	264,207	-	-
<b>Sub Total</b>	<b>56,601,780</b>	<b>19,807,111</b>	<b>2,380,056</b>	<b>836,667</b>	<b>2,380,056</b>	<b>836,667</b>	<b>-</b>	<b>-</b>
<b>Sub Stock</b>							<b>-</b>	<b>-</b>
July-18	19,090,524	7,690,023	756,664	304,854	756,664	304,854	-	-
August-18	23,375,114	8,644,391	979,991	362,051	979,991	362,051	-	-

September-18	23,777,768	10,327,689	1,011,560	440,019	1,011,560	440,019	-	-
<b>Sub Total</b>	<b>66,243,406</b>	<b>26,662,103</b>	<b>2,748,215</b>	<b>1,106,924</b>	<b>2,748,215</b>	<b>1,106,924</b>	-	-
<b>Sub Stock</b>							-	-
October-18	26,726,621	9,425,632	1,159,426	409,013	1,159,426	409,013	-	-
November-18	23,566,610	8,866,240	989,376	372,920	989,376	372,920	-	-
December-18	23,911,280	9,003,240	804,793	307,419	804,793	307,419	-	-
<b>Sub Total</b>	<b>74,204,511</b>	<b>27,295,112</b>	<b>2,953,595</b>	<b>1,089,352</b>	<b>2,953,595</b>	<b>1,089,352</b>	-	-
<b>Sub Stock</b>							-	-
January-19	23,530,800	6,945,998	822,965	244,218	822,965	244,218	-	-
February-19	19,167,620	5,500,329	645,438	185,039	645,438	185,039	-	-
March-19	11,004,020	3,927,092	417,949	149,733	417,949	149,733	-	-
<b>Sub Total</b>	<b>53,702,440</b>	<b>16,373,419</b>	<b>1,886,352</b>	<b>578,990</b>	<b>1,886,352</b>	<b>578,990</b>	-	-
<b>Sub Stock</b>							-	-
<b>TOTAL</b>	<b>250,752,137</b>	<b>90,137,745</b>	<b>9,968,218</b>	<b>3,611,933</b>	<b>9,968,218</b>	<b>3,611,933</b>		

**Status: Comply**

**5.10**

**Conversion factors**

**5.10.1**

Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ([www.rspo.org](http://www.rspo.org)); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries

Not applicable. POM 4 only conduct FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.

**Status: Comply**

**5.10.2**

Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.

Not applicable. POM 4 only conduct FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.

**Status: Comply**

**5.11**

**Claims**

**5.11.1**

The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.

Based on transaction report documents, all CSPO and CSPK are claims as Mass Balance. The POM 4 did not use RSPO logo on product or off product.

**Status: Comply**

**5.12**

**Complaints**

**5.12.1**

The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.



POM 4 has the External Complaints Communication and Handling Procedures (No. SOP-AGR-044-R01 dated 15 February 2013). Based on document verification, there was no complaint to operational activity. However, POM 4 regularly conducted survey of customer satisfaction. The latest survey conducted for PT LDC East Indonesia and PT Kutai Refinery Nusantara on 17 January 2019.

**Status: Comply**

**5.13**

**Management review**

**5.13.1**

The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken

The management review conducted every 3 month in accordance with SOP of Management Reviews Meeting (No. SOP-AGR-041-R01 dated 01 November 2016), that will discuss clause of :

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.
- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

**Status: Comply**

**5.13.2**

The input to management review shall include information on:

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

The last management review conducted on 28 January 2019. Based on the Management Review Report, known that the review has consider information on the previous management review, result of internal and external audits, status of preventive and corrective actions, other changes to management system and recommendation for improvement.

**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.

Based on the Management Review Report, known that the output has include improvement of the last NC, OFI, as well as training requirements for Staff and operators.

**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 sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply 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. The mill claim only the volume of oil palm products produced from certified FFB as MB.</p> <p>Sighted the FFB supplier list of POM 4 between March 2018 to February 2019, in the following table:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Suplier</th> <th>Unit/Code</th> <th>Certified</th> <th>Uncert</th> </tr> </thead> <tbody> <tr> <td rowspan="3">PT SWA (its own estate, scope of certification)</td> <td>LJ1</td> <td align="center">✓</td> <td></td> </tr> <tr> <td>LJ2</td> <td align="center">✓</td> <td></td> </tr> <tr> <td>JB1</td> <td align="center">✓</td> <td></td> </tr> <tr> <td>PT SWA (out of scope)</td> <td>JB2</td> <td align="center">✓</td> <td></td> </tr> <tr> <td>PT DAN</td> <td>PU2</td> <td align="center">✓</td> <td></td> </tr> <tr> <td rowspan="2">PT DWT</td> <td>Melenyu 2</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>Melenyu 3</td> <td></td> <td align="center">✓</td> </tr> <tr> <td rowspan="2">PT SWA - KM</td> <td>KM1</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>KM2</td> <td></td> <td align="center">✓</td> </tr> <tr> <td rowspan="3">PT DAN - KM</td> <td>KM4</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>KM8</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>KM10</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>Koperasi Semoga Sawit Wahau Jaya</td> <td>SSWJ</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>Koperasi Harapan Baru</td> <td>HB</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>KSU Min Bea Glang Mandiri</td> <td>MBGM</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>Koperasi Usaha Tani Sejahtera</td> <td>SUTS</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>KUD Min Sut Lekut</td> <td>MSL</td> <td></td> <td align="center">✓</td> </tr> <tr> <td>PT Roni Putra Abadi</td> <td>RPA</td> <td></td> <td align="center">✓</td> </tr> </tbody> </table>	Suplier	Unit/Code	Certified	Uncert	PT SWA (its own estate, scope of certification)	LJ1	✓		LJ2	✓		JB1	✓		PT SWA (out of scope)	JB2	✓		PT DAN	PU2	✓		PT DWT	Melenyu 2		✓	Melenyu 3		✓	PT SWA - KM	KM1		✓	KM2		✓	PT DAN - KM	KM4		✓	KM8		✓	KM10		✓	Koperasi Semoga Sawit Wahau Jaya	SSWJ		✓	Koperasi Harapan Baru	HB		✓	KSU Min Bea Glang Mandiri	MBGM		✓	Koperasi Usaha Tani Sejahtera	SUTS		✓	KUD Min Sut Lekut	MSL		✓	PT Roni Putra Abadi	RPA		✓
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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. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</b></p> <p>Estimated certified product recorded in the certificate annex of last surveillance, actual certified produced has been verified during this assessment (ASA-4), 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>																																																																						

Product	Estimate Production 12 months (MT)	Actual Production 12 months (MT)	Estimate Production 12 months (MT)
	1 June 2018 – 31 May 2019	1 March 2018 – 28 February 2019	1 June 2019 – 31 May 2020
FFB	300,749	256,709	349,887
CSPO	72,180	57,004.36	80,474
CSPK	13,534	10,294.24	15,745

**Status: Comply**

**E.2.2**

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

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	CB67209
Member Name	PT DHARMA SATYA NUSANTARA (PKS4)
Member ID	RSPO_PO1000002088
RSPO Membership Number	1-0135-12-000-00 (PT DHARMA SATYA NUSANTARA)
Issued On	08-05-2018
Issued By	PT Mutuagung Lestari
Start Date	06/01/2018
End Date	31-05-2019
Group Size	0
Total Certified Area (Ha)	11,729

The entire requirements for appropriate supply chain has been met by the mill such as the estimate certified product already recorded in the RSPO IT platform and including finalized transactions records and stocks transactions record during the 12 month before the assessment.

During the license period of 25 March 2018 to 13 January 2019, known as much as 5 transactions of announcement of CSPO and 13 transactions of announcement of CSPK has been confirmed through RSPO IT Platform. Total sold of CSPO and CSPK shown in table below :

Period	CSPO Sales (MT)			CSPK Sales (MT)		
	CSPO Sales based on POM 4 records	CSPO Sales based on Palm Trace Announcement	Status on Palm Trace	CSPK Sales based on POM 4 records	CSPK Sales based on Palm Trace Announcement	Status on Palm Trace
March 2018	-	-	-	2,130.48	1,361.85 + 768.63	confirmed
April 2018	-	-	-	-	-	-
May 2018	-	-	-	1,983	887.67 + 1,095.33	confirmed
June 2018	-	-	-	-	-	-
July 2018	4,500 (credit)	4,500 (credit)	N.A	1,031	1,031,37	confirmed
August 2018	4,200 (credit)	4,200 (credit)	N.A	626	625,72	confirmed

September 2018	3,197	-	-	669	669,03	confirmed
October 2018	-	3,197.38	confirmed	817	816,73	confirmed
November 18	-	10,000 (credit)	N.A	257	257,37	confirmed
December 2018	5,000 (credit)	-	-	576	576.40 + 1,349.92	confirmed
January 2019	3,202	3201,99	confirmed	1,342.44	989.39 + 353.07	confirmed
February 2019	-	-		-	-	-
<b>Total</b>	<b>20,099</b> (amount of <b>13,700</b> sold as credit)	<b>21,897.38</b> (amount of <b>18,700</b> sold as credit)  The differences because of not been announced/re moved		<b>10,782.46</b>	<b>7,215.53</b>	

**Status: Comply**

**E.3**

**Documented procedures**

**E.3.1**

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

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- 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.**

POM 4 has had Work Instruction of Traceability of CPO, PK and PKO in MB Model (No. IK-AGR-MS-04-R10 dated 25 February 2019) that refers to RSPO SCC Standard and System revised June 2017. The procedure already describes all the elements specified in the SCCS requirements as well as the PIC for aspects of FFB acceptance, production processing, product storage, product delivery, registration and transactions in RSPO IT platform, excess production reporting to CB, outsourcing activities, training, internal audit, communicating and claiming according to the RSPO standard, handling of nonconformity, and record keeping. Related management reviews were in SOP of Management Reviews Meeting (No. SOP-AGR-041-R01 dated 01 November 2016).

Based on observation and interview to the PIC in specific activities (i.e security/receiving FFB, weighbridge, and mass balance data PIC), they have been provide SCCS training and able to demonstrate awareness of the procedures related SCCS implementation.

**Status: Comply**

**E.3.2**

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

The procedures for receiving and processing certified and non-certified FFBs contained in Work Instruction of Traceability of CPO, PK and PKO in MB Model (No. IK-AGR-MS-04-R10 dated 25 February 2019), describes that :

- 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.

- 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.

The verification results at Wighbridge for FFB receipt documents, it is known that CH has applied a certified and non-certified FFB separation, by giving a “certified stamp” on certified FFB.

**Status: Comply**

**E.4 Purchasing and goods in**

**E.4.1**

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

POM 4 has recorded all FFB receive and processed including certified and non certified between March 2018 to February 2019.

Date	FFB INCOMING (kg)		FFB PROSES (kg)	
	Certified	Non-certified	Certified	Non-certified
March-18	17,065,500	5,559,403	16,961,493	5,554,050
<b>Total</b>	<b>17,065,500</b>	<b>5,559,403</b>	<b>16,961,493</b>	<b>5,554,050</b>
April-18	17,663,990	7,291,142	17,622,607	7,137,277
May-18	18,467,600	6,066,260	18,647,439	6,141,104
June-18	20,369,890	6,533,740	20,331,734	6,528,730
<b>Total</b>	<b>56,501,480</b>	<b>19,891,142</b>	<b>56,601,780</b>	<b>19,807,111</b>
July-18	19,171,160	7,722,970	19,090,524	7,690,023
August-18	23,405,130	8,696,610	23,375,114	8,644,391
September-18	23,625,250	10,175,610	23,777,768	10,327,689
<b>Total</b>	<b>66,201,540</b>	<b>26,595,190</b>	<b>66,243,406</b>	<b>26,662,103</b>
October-18	26,499,620	9,669,800	26,726,621	9,425,632
November-18	23,566,610	9,327,120	23,566,610	8,866,240
December-18	23,911,280	8,510,660	23,911,280	9,003,240
<b>Total</b>	<b>73,977,510</b>	<b>27,507,580</b>	<b>74,204,511</b>	<b>27,295,112</b>
January-19	23,530,800	6,970,300	23,530,800	6,945,998
February-19	19,167,620	5,506,250	19,167,620	5,500,329
<b>Total</b>	<b>42,698,420</b>	<b>12,476,550</b>	<b>42,698,420</b>	<b>12,446,327</b>
<b>Grand Total</b>	<b>256,444,450</b>	<b>92,029,865</b>	<b>256,709,610</b>	<b>91,764,703</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 (CSPO, CSPK) during the 12 month estimate in period of licence compared with 12 month actual production before the audit, shown in the data below :

Product	Estimate Production (MT)	Actual Production (MT)
	1 June 2018 – 31 May 2019	1 March 2018 – 28 February 2019
FFB	300,749	256,709
CSPO	72,180	57,004
CSPK	13,534	10,294

Status: Comply

**E.5 Record keeping**

**E.5.1**

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- b. 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 (3) months. However, a site is allowed to sell short. (i.e. 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 March 2018 to February 2019, as following table:

**CPO**

DATE	FFB PROSES (kg)		CPO Production (kg)		DISPATCH CPO (kg)		STOCK (kg)	
	certified	non-certified	certified	non-certified	certified	non-certified	certified	non-certified
<b>B/F OPENING STK</b>							245,114	212,370
March-18	16,961,493	5,554,050	3,942,922	1,291,852	3,898,925	1,353,755	289,111	150,467
<b>Sub Total</b>	<b>16,961,493</b>	<b>5,554,050</b>	<b>3,942,922</b>	<b>1,291,852</b>	<b>3,898,925</b>	<b>1,353,755</b>	<b>289,111</b>	<b>150,467</b>
<b>Sub Stock</b>							289,111	150,467
April-18	17,622,607	7,137,277	4,113,457	1,666,338	4,191,959	1,563,181	210,609	253,624
May-18	18,647,439	6,141,104	4,147,064	1,367,005	3,709,612	1,263,108	648,061	357,521
June-18	20,331,734	6,528,730	4,498,656	1,445,222	4,319,009	1,539,991	827,708	262,752
<b>Sub Total</b>	<b>56,601,780</b>	<b>19,807,111</b>	<b>12,759,177</b>	<b>4,478,565</b>	<b>12,220,580</b>	<b>4,366,280</b>	<b>827,708</b>	<b>262,752</b>
<b>Sub Stock</b>							827,708	262,752
July-18	19,090,524	7,690,023	4,196,584	1,689,973	4,180,484	1,638,666	843,808	314,059
August-18	23,375,114	8,644,391	5,297,343	1,959,061	3,795,230	1,423,410	2,345,921	849,710
September-18	23,777,768	10,327,689	5,401,944	2,346,814	3,858,852	1,610,228	3,889,013	1,586,296
<b>Sub Total</b>	<b>66,243,406</b>	<b>26,662,103</b>	<b>14,895,871</b>	<b>5,995,848</b>	<b>11,834,566</b>	<b>4,672,304</b>	<b>3,889,013</b>	<b>1,586,296</b>
<b>Sub Stock</b>							3,889,013	1,586,296
October-18	26,726,621	9,425,632	5,955,038	2,093,482	7,402,550	196,030	2,441,501	3,483,748
November-18	23,566,610	8,866,240	5,044,398	1,895,400	6,343,930	36,330	1,141,969	5,342,818
December-18	23,911,280	9,003,240	5,191,594	1,951,914	1,412,450	5,239,390	4,921,113	2,055,342
<b>Sub Total</b>	<b>74,204,511</b>	<b>27,295,112</b>	<b>16,191,030</b>	<b>5,940,796</b>	<b>15,158,930</b>	<b>5,471,750</b>	<b>4,921,113</b>	<b>2,055,342</b>
<b>Sub Stock</b>							4,921,113	2,055,342
January-19	23,530,800	6,945,998	5,016,558	1,481,871	6,549,830	3,319,830	3,387,841	217,383
February-19	19,167,620	5,500,329	4,198,809	1,205,459	7,238,380	1,097,560	348,271	325,281
<b>Sub Total</b>	<b>42,698,420</b>	<b>12,446,327</b>	<b>9,215,368</b>	<b>2,687,329</b>	<b>13,788,210</b>	<b>4,417,390</b>	<b>348,271</b>	<b>325,281</b>
<b>Sub Stock</b>							348,271	325,281
<b>Grand Total</b>	<b>256,709,610</b>	<b>91,764,703</b>	<b>57,004,368</b>	<b>20,394,390</b>	<b>56,901,211</b>	<b>20,281,479</b>	<b>348,271</b>	<b>325,281</b>
<b>Ending Stock</b>							348,271	325,281

**PK**

DATE	FFB PROSES	PK Production	PK DISPATCH	STOCK(MT)
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	certified	non-certified	certified	non-certified	certified	non-certified	certified	non-certified
			Kg	Delivery(Kg)	Kg	Kg	Kg	Kg
<b>B/F OPENING STK</b>							-	-
March-18	16,961,493	5,554,050	743,978	243,875	743,978	243,875	-	-
<b>Sub Total</b>	<b>16,961,493</b>	<b>5,554,050</b>	<b>743,978</b>	<b>243,875</b>	<b>743,978</b>	<b>243,875</b>	-	-
<b>Sub Stock</b>							-	-
April-18	17,622,607	7,137,277	799,500	322,513	799,500	322,513	-	-
May-18	18,647,439	6,141,104	758,114	249,947	758,114	249,947	-	-
June-18	20,331,734	6,528,730	822,442	264,207	822,442	264,207	-	-
<b>Sub Total</b>	<b>56,601,780</b>	<b>19,807,111</b>	<b>2,380,056</b>	<b>836,667</b>	<b>2,380,056</b>	<b>836,667</b>	-	-
<b>Sub Stock</b>							-	-
July-18	19,090,524	7,690,023	756,664	304,854	756,664	304,854	-	-
August-18	23,375,114	8,644,391	979,991	362,051	979,991	362,051	-	-
September-18	23,777,768	10,327,689	1,011,560	440,019	1,011,560	440,019	-	-
<b>Sub Total</b>	<b>66,243,406</b>	<b>26,662,103</b>	<b>2,748,215</b>	<b>1,106,924</b>	<b>2,748,215</b>	<b>1,106,924</b>	-	-
<b>Sub Stock</b>							-	-
October-18	26,726,621	9,425,632	1,159,426	409,013	1,159,426	409,013	-	-
November-18	23,566,610	8,866,240	989,376	372,920	989,376	372,920	-	-
December-18	23,911,280	9,003,240	804,793	307,419	804,793	307,419	-	-
<b>Sub Total</b>	<b>74,204,511</b>	<b>27,295,112</b>	<b>2,953,595</b>	<b>1,089,352</b>	<b>2,953,595</b>	<b>1,089,352</b>	-	-
<b>Sub Stock</b>							-	-
January-19	23,530,800	6,945,998	822,965	244,218	822,965	244,218	-	-
February-19	19,167,620	5,500,329	645,438	185,039	645,438	185,039	-	-
March-19	11,004,020	3,927,092	417,949	149,733	417,949	149,733	-	-
<b>Sub Total</b>	<b>53,702,440</b>	<b>16,373,419</b>	<b>1,886,352</b>	<b>578,990</b>	<b>1,886,352</b>	<b>578,990</b>	-	-
<b>Sub Stock</b>							-	-
<b>TOTAL</b>	<b>250,752,137</b>	<b>90,137,745</b>	<b>9,968,218</b>	<b>3,611,933</b>	<b>9,968,218</b>	<b>3,611,933</b>		
<b>Status: Comply</b>								

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

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-4</b>	POM 4 of PT Dharma Satya Nusantara do not use RSPO Trademark and CB Logo on its product (on-product) and non-product (off-product).	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or√</b>
<b>ASA-4</b>	POM 4 of PT Dharma Satya Nusantara do not use RSPO Trademark and CB Logo on its product (on-product) and non-product (off-product).	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or√</b>
<b>ASA-4</b>	POM 4 of PT Dharma Satya Nusantara do not use RSPO Trademark and CB Logo on its product (on-product) and non-product (off-product).	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or√</b>
<b>ASA-4</b>	POM 4 of PT Dharma Satya Nusantara do not use RSPO Trademark and CB Logo on its product (on-product) and non-product (off-product).	√
	<b>Status: Comply</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 at the time of assessment.

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> <li>• Smallholders (KM5, KM8, KM9, KM10A, KM10B, KM10C), and clearing was conducted after</li> </ul>

		<p>November 2005 but has been first conducted HCV identification before land clearing</p> <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, Opportunity for Improvement and Noteworthy Positive Components.

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

NCR No.	: 2018.1	Issued by	: Naila Karima
Date Issued	: 23 March 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 23 Mei 2018
Standard Ref. & Requirement	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.		

**Non-Conformance Description & Evidence observed** *(filled by auditor):*

The company has a Memorandum No. 0001/SHE-JKT/I/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

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/mitela	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

Note: \*) Dapat diletakan di dekat Kotak P3K

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 as regulated.

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**

**Root Cause Analysis** *(filled by organization audited):*

The foreman for manual weeding and spraying at division 2 LJ1 Estate did not understand about the contents of first aid kits for 21 items



**Correction** *(filled by organization audited):*

Complete the first aid bag contents in accordance with Memorandum No. 0001 / SHE-JKY / I / 2017 dated January 17, 2017 and Manpower Decree No. 15 of 2008 (21 items)

**Corrective Action** *(filled by organization audited):*

1. Socialization of the standard about contents of first aid kit
2. Complete the first aid bag contents in accordance with Memorandum No. 0001 / SHE-JKY / I / 2017 dated January 17, 2017 and Manpower Decree No. 15 of 2008 (21 items)
3. Division Assistant every morning during roll call conduct monitoring the content of first aid kit

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

**25 April 2018**

The company shows the realization of first aid socialization at LJ1 Estate on April 3, 2018 with participant Division foreman, foreman workshop, harvesting foreman etc. Furthermore can be shown the evidence submission of the first aid kit to foreman division 2 LJ2 Estate in accordance with the Memorandum that set by the company.

From the evidence presented, the company only showed corrective evidence from the sample unit which became nonconformity, not with another estate. Nonconformity No. 2018.01 not yet closed.

**11 May 2018**

The company shows the realization of first aid socialization at LJ2 Estate on 03 Mei 2018. furthermore can be shown the evidence submission of the first aid kit to store keeper, spraying foreman, technical foreman, harvesting foreman etc.

As explained in the verification dated April 25, 2018, whether the company has conducted a thorough inspection of all scope units of certification related to the availability of first aid equipment at the work location in accordance with the stipulated Memorandum. Please show the evidence and if there is a nonconformity how to follow up by the company. Nonconformity No. 2018.01 not yet closed.

**23 May 2018**

The company can show:

- Monitoring first aid kit content on Jabdan 1 Estate. The results of monitoring up to May 2018 show that there are 21 items of first aid kit in complete condition.
- Monitoring first aid kit content on LJ1 Estate. The results of monitoring up to March 2018 indicate that first aid kits for 21 items are in complete condition.
- Monitoring first aid kit content on LJ2 Estate. The results of monitoring up to March 2018 indicate that first aid kits for 21 items are in complete condition.

Based on that's explanation the nonconformity no 2018.01 stated closed.

**Verified by** : **Naila Karima**

**3.5.2. Identification of Findings, Corrective Actions and Observations at ASA-4**

<b>NCR No.</b> :		<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :		<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<b>THERE WAS NO NONCONFORMITY RAISED DURING ASA 4</b>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b> :			

**3.5.3. Opportunity for Improvement**

No	Ref. Std.	Description Deskripsi
1	Certification System 4.5.4	Selft assessment for unit under PT DSN that just has been taken over in December 2018, that completed by positive assurance and other evidence.
2	4.7.5	Ensure the fire emergency respon facilities in condition of ready to use.
3	5.3.3	Hazardous waste management that more efectively.
4	6.5.2	Ensure all workers has contractual agreement.
5	6.12	Evaluation of CH policies that not include in CH Regulation, for instance related the harvesting penalti.

**3.5.4. Noteworthy Positive Components**

No	Ref. Std.	Description
1	-	Received PROPER HIJAU period of 2017 -2018 and ISPO Certificate.
2	-	Has been implemented mechanization in operational activity.
3	-	Commitment and contribution in local development.

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Worker Union of PKS4 - PT SWA</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.</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 companies with their employee.</li> </ul>
<p><b>Gender Committee of PKS4, PT SWA</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>
<p><b>Labour Union Swakarsa Sentosa and Gender Committee</b></p> <ul style="list-style-type: none"> <li>• Salary and overtime payment has been paid in accordance with applicable provision and regulation.</li> <li>• There is no nonpermanent daily worker in both PT DSN and POM4, the employment status is permanent daily worker, monthly worker and specified time contract workers which already bond by direct contract letter.</li> <li>• All workers has been registered in the social insurance both healthy and employment (covered including accident and death insurance).</li> <li>• Workers grievance are submitted through labour union, mostly in regard of housing feasibility and maintenance. However, stated that the CH has been responded in time.</li> <li>• No issues raised during the consultation, stated that the company both POM4 and PT DSN has been facilitate the activity of labour union and gender committee</li> <li>• There is no sexual harrasment reported to the gender committee, the mechanism has been socialized to the workers and representative board are designated in each division.</li> </ul>	<p>Auditor has verified the issues related to worker welfare and the compliance with the RSPO indicator no 6.5.1, 6.5.2, 4.7.6, 6.9.1</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>CH gives special time to breastfeeding effectively for women workers. As for female sprayer worker, it is prohibited to work with chemical material during breastfeeding.</li> </ul>	
<p><b>Employee Cooperation</b></p> <ul style="list-style-type: none"> <li>The company has supported cooperatives by providing a place building.</li> <li>The cooperative's real activities are the provision of basic necessities, savings and loans and credit for the needs of employees.</li> <li>Currently the cooperative has a membership of 150 people</li> </ul>	<p>Based on document review and interview of workers, the company has provided freedom for workers to form cooperatives.</p>
<p><b>Head of Muara Wahau Sub District</b></p> <ul style="list-style-type: none"> <li>The company has good relations with government agencies.</li> <li>The company has a CSR program and realization that is very helpful to the surrounding community.</li> <li>There are no issues related to pollution in the operational environment of the company or the area around the company.</li> <li>The company opens jobs for the surrounding community.</li> <li>There are no issues related to discrimination and forced labor in the corporate environment.</li> </ul>	<p>The company has a record of CSR realization both in 2018 and the 2019 plan. From the results of the document review and interviews with workers there were no issues related to employment and environmental pollution.</p>
<p><b>Local Contractor and Representative of Benhas Village</b></p> <ul style="list-style-type: none"> <li>Cooperation has been carried out since 2015.</li> <li>There is a clear and signed contract on the stamp of Rp. 6,000.</li> <li>Contractors are given the opportunity to study the terms and contents of the agreement before signing. Each party holds 1 stamped agreement file.</li> <li>Current payments according to the agreement</li> <li>There are no land dispute issues between villagers and companies</li> <li>The company has employed the villagers on the company's operational activities</li> </ul>	<p>The company has collaborated with several local contractors and purchases of goods and items from several shops around the plantation area.</p> <p>It has been clear, already have legal documents on land (C2.2)</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
4.1	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>PT Dharma Satya Nusantara Management Representative</p>  <p><b><u>Agustinus Triwibowo</u></b> Friday, 12 April 2019</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Arif Faisal Simatupang</u></b> Friday, 12 April 2019</p> </td> </tr> </table>	<p>PT Dharma Satya Nusantara Management Representative</p>  <p><b><u>Agustinus Triwibowo</u></b> Friday, 12 April 2019</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Arif Faisal Simatupang</u></b> Friday, 12 April 2019</p>
<p>PT Dharma Satya Nusantara Management Representative</p>  <p><b><u>Agustinus Triwibowo</u></b> Friday, 12 April 2019</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Arif Faisal Simatupang</u></b> Friday, 12 April 2019</p>		

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	<b>Jabdan 1 Estate</b> - Harvester : 3 Workers - Manuring : 4 Workers - Spraying : 6 Workers - Census : 2 Workers - Housing Afdeling 2: 1 worker. - workshop: 2 workers - storage : 3 workers - Fire extinguishers : 1 operator - HCV monitoring : 1 worler	PT Swakarasa Sinarsentosa	-	Interview and Observation	20 March 2019	✓	
2	<b>Long Jenew 1 Estate :</b> - Harvester : 3 Workers - Manuring : 3 Workers - Empty Bunch : 2 Workers - Census : 4 Workers - Housing Afdeling 2: 1 worker. - workshop: 2 workers - storage : 3 workers - Fire extinguishers : 1 operator - HGU monitoring : 1 worker	PT Swakarasa Sinarsentosa	-	Interview and Observation	21 March 2019	✓	
3	<b>Long Jenew 2 Estate</b> - Harvester : 5 Workers - Manuring : 4 Workers - Spraying : 6 Workers - LA : 3 worker - workshop: 2 workers - storage : 3 workers - Fire Extinguishers : 1 operator - HGU monitoring : 1 worker	PT Swakarasa Sinarsentosa	-	Interview and Observation	21 March 2019	✓	
4	<b>POM 4</b> - WTP Operator : 1 Operator - WWTP Operator : 1 Operator - Security post : 1 operator - Weighbridge : 1 operator	PT Dharma Satya Nusantara	-	Interview and Observation	19 March 2019	✓	



5	Local Contractor	Muara Wahau Sub-district	-	Interview and Observation	19 March 2019	✓	
6	Benhas Village Citizen	Muara Wahau Sub-district	-	Interview and Observation	19 March 2019	✓	
7	Worker Union of POM 4 - PT DSN	PT Dharma Satya Nusantara	-	Interview	20 March 2019	✓	
8	Gender Committee of POM 4 - PT DSN	PT Dharma Satya Nusantara	-	Interview	20 March 2019	✓	
9	Head of Muara Wahau Sub-district	Muara Wahau Sub-district	-	Interview	21 March 2019	✓	
10	Head Of Worker Union of PT SWA (Estate)	PT Swakarasa Sinarsentosa	-	Interview	20 March 2019	✓	
11	Gender Committee of PT SWA (Estate)	PT Swakarasa Sinarsentosa	-	Interview	20 March 2019	✓	
12	WALHI	Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questionnaire	06 March 2019		✓
13	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire	06 March 2019		✓
14	WWF	Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questionnaire	06 March 2019		✓

**Appendix 2. Assessment Program**

DATE	18 – 23 March 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 18 March 2019</b>		
04.55 - 08.05 08.50 – 09.45 10.00 – 16.00	<b>Jakarta → Balikpapan</b> <b>Balikpapan → Berau</b> <b>Berau → PT DSN</b>	<b>All Auditor</b>
<b>Tuesday, 19 March 2019</b>		
08.00 – 12.00	<b>Stakeholders consultation to Sub district of Muara Wahau</b>	<b>Yogi</b>
08.00 – 09.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	<b>Faisal</b>
09.00 – 12.00	<b>Field Observation to Jabdan 1 Estate</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>Faisal</b> <b>Arif</b>  <b>Tio</b>  <b>Tio</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Field Observation to POM 4</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation,</li> <li>Observation of WWTP, WTP, LA, EBA</li> </ul>	<b>Faisal</b>  <b>Arif</b>  <b>Tio</b>
<b>Wednesday, 20 March 2019</b>		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations and previous land owner  <b>Field Observation to Long Jenew 1 Estate</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>Faisal</b>   <b>Tio</b> <b>Arif</b>  <b>Yogi</b>  <b>Yogi</b>

12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	Interview with Gender Committee, Worker’s Union, Worker’s Cooperative, Local Contractor (for Mill and Estate), Third Party Supplier  <ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result and field visit.</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Thursday, 21 March 2019</b>		
08.00 – 12.00	<b>Field Observation to Long Jenew 2 Estate</b> <ul style="list-style-type: none"> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>Faisal Arif</b>  <b>Tio</b>  <b>Yogi</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result and field visit.</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Friday, 22 March 2019</b>		
08.00 – 11.30	<ul style="list-style-type: none"> <li>• <b>Continue Field Observation to Estate; Mill and Public Consultation to</b> Company surrounded village and community leader</li> <li>• <b>Completion of checklist and RSPO Document Review</b></li> </ul>	<b>All Auditor</b>
12.00 – 16.00	Internal discussion by auditor team preparing for Closing Meeting	<b>All Auditor</b>
16.00 – 17.00	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR’s, Conclusion)/</li> <li>• Comments, Responses and Questions</li> </ul>	<b>All Auditor</b>
<b>Saturday, 23 March 2019</b>		
03.00-09.00	<b>PT DSN → Berau</b>	<b>All Auditor</b>
10.25-14.15	<b>Berau → Balikpapan → Jakarta</b>	