

**Roundtable on Sustainable Palm Oil Certification  
RSPO**

Stage-1     Stage-2     Surveillance     Re-Certification

Plantation Management/Owner : PKS.4 - PT DHARMA SATYA NUSANTARA  
 Plantation Name : PT SWAKARSA SINARSENTOSA:  
 Jabdan 1 Estate, Long Jenew 1 Estate, 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 : **1 June 2015**  
 Date of expiry of certificate : **31 May 2020**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ST-1	03 – 07 November 2014	Bukti Bagja (Lead Auditor), Marsudi Eko Santoso, Muhamad Rinaldi, Steve Mualim, Sapto Hadi	Asril Darussamin	Tony Arifiarachman
ST-2	09 – 13 March 2015	Bukti Bagja (Lead Auditor), Moh. Arif Yusni, Yuniar Mitikauji, Panggading Hariara		

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	<b>1 June 2015</b>

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Figure 1. Location Map of PT Dharma Satya Nusantara tbk – POM IV



Figure 2. Operational Map of PT Dharma Satya Nusantara tbk – POM IV

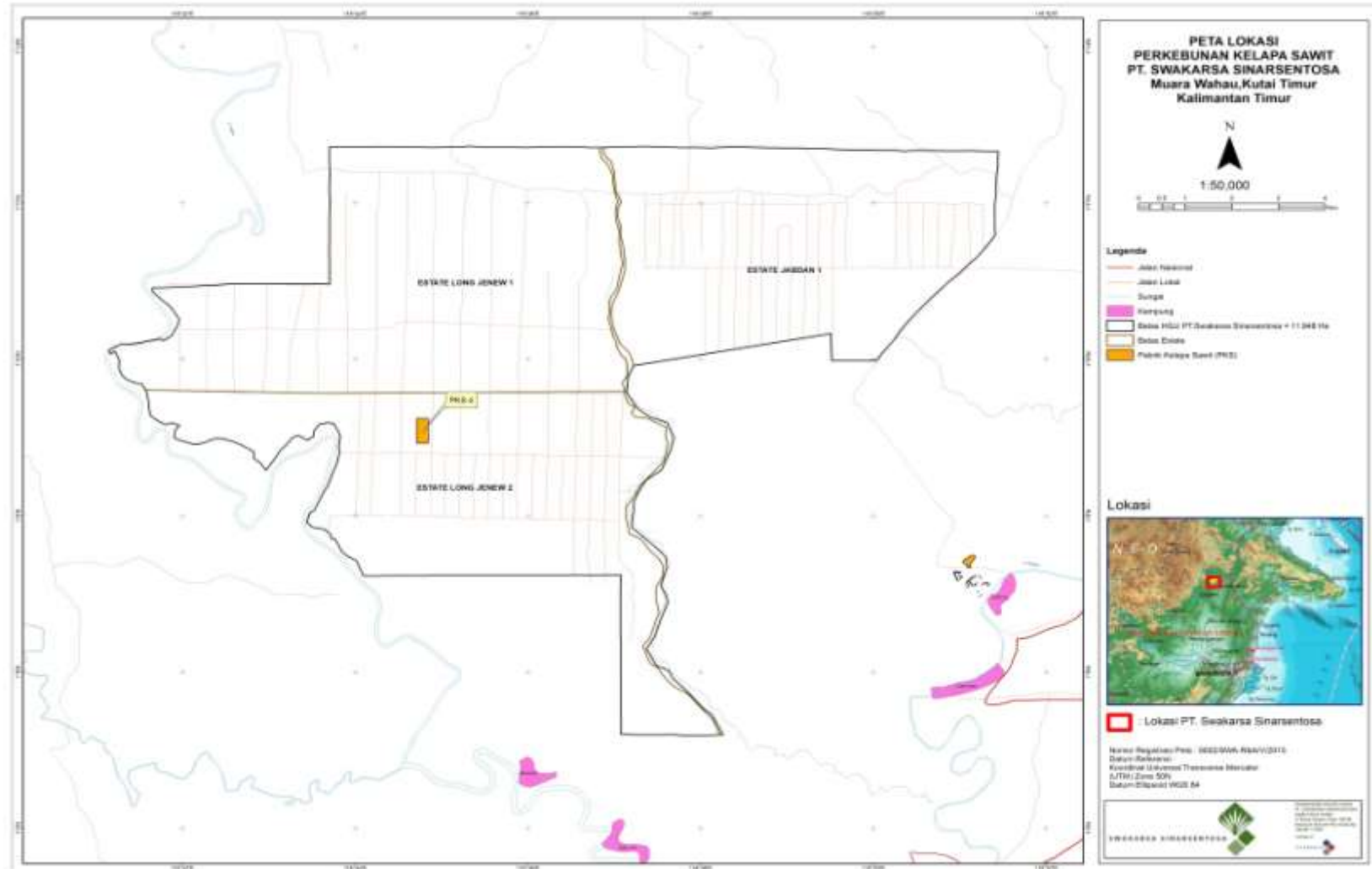
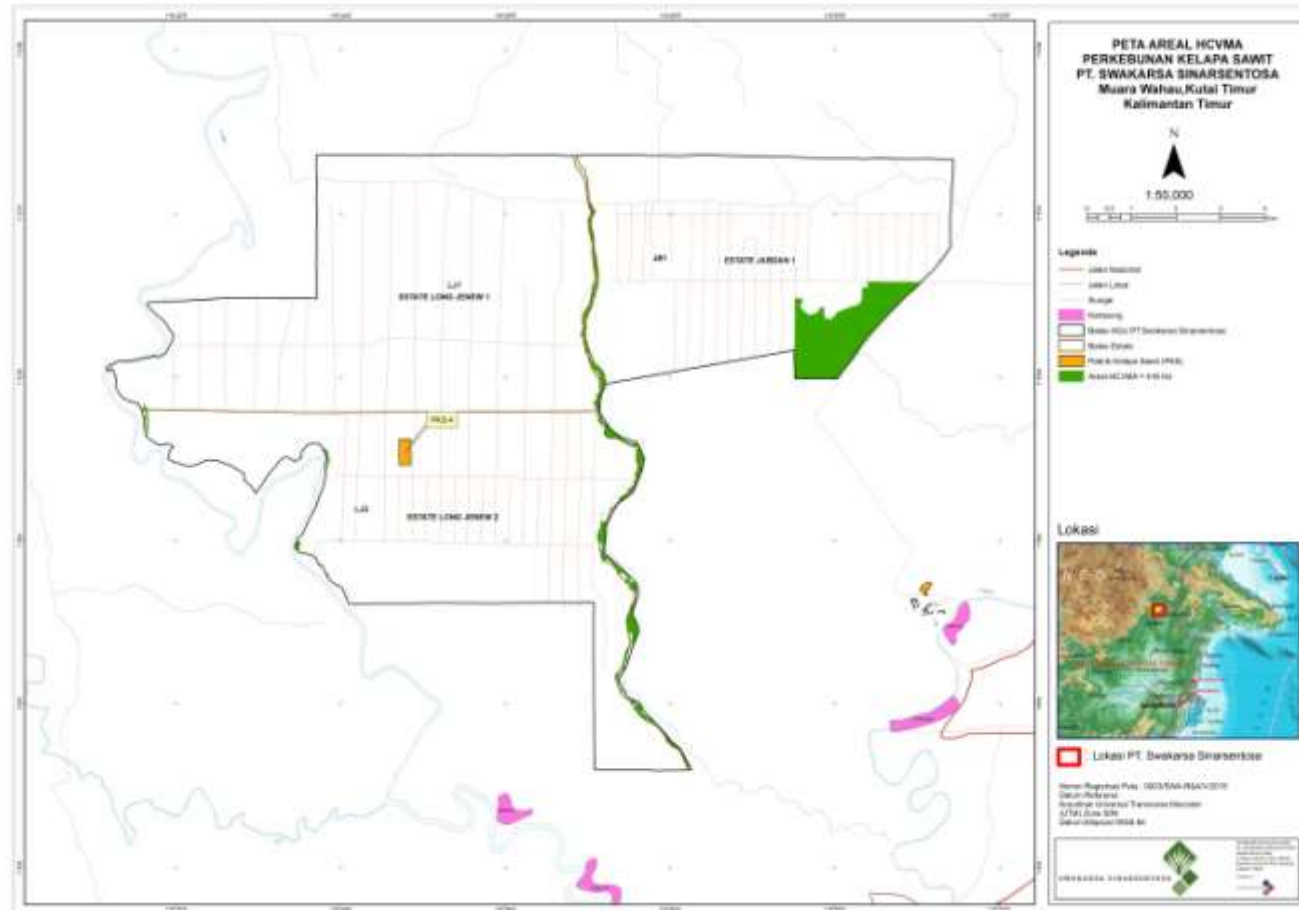


Figure 3. HCV Map of PT Dharma Satya Nusantara Tbk – POM IV



Glossary	
AMDAL (SEIA)	: Analisis mengenai dampak lingkungan (Social Environmental Impact Assessment)
APAR	: Alat Pemadam Api Ringan (Fire Extinguisher)
APD (PPE)	: Alat Pelindung Diri (Personal Protective Equipment)
B3	: Bahan berbahaya dan beracun (Hazardous Waste)
BLH	: Badan Lingkungan Hidup (Environmental Agency)
BOD	: Biological oxygen demand
BHL	: Buruh Harian Lepas (Daily worker)
BPJS	: Badan Penyelenggara Jaminan Sosial (Social Insurance Agency)
BPN	: Badan Pertanahan Nasional (National Land Agency)
CHE	: Cholinesterase
CPO	: Crude palm oil
CSR	: Company Social Responsibility
DPPL	: Dokumen Pengelolaan dan Pemantauan Lingkungan (Environment Monitoring Document)
FFA	: <i>Free Fatty Acid</i>
HCV (NKT)	: <i>High Conservation Value (Nilai Konservasi Tinggi)</i>
HGB	: Hak Guna Bangunan (Building Title)
HGU	: Hak Guna Usaha (Land Use Title)
HPT	: Hama Penyakit Tanaman (Pest and Disease)
IK	: Instruksi Kerja (Work Instruction)
IPAL (WWTP)	: Instalasi Pengolahan Air Limbah (Waste Water Treatment Plant)
HIRARC)	: Hazard Identification Risk Assessment and Risk Control
IUP	: Izin usaha perkebunan (Plantation Business License)
Jamsostek	: Jaminan Sosial Ketenagakerjaan (Worker Social Insurance)
JJK (EFB)	: Janjang Kosong (Empty Fruit Bunch)
K3 (OHS)	: Kesehatan dan Keselamatan Kerja (Occupational Health and Safety)
KCP	: Kernel Crushing Plant
KTD	: Kesiapsiagaan Tanggap Darurat (Emergency Response)
LA	: <i>Land Application</i>
LC	: Land Clearing
LCC	: Legume Cover Crop
LSU	: Leaf Sampling Unit
P2K3	: Panitia Pembina Kesehatan dan Keselamatan Kerja (Occupational Health and Safety Committee)
P3K	: Pertolongan Pertama Pada Kecelakaan (First Aid)
PBB	: Pajak Bumi dan Bangunan (Land and Building Tax)
PHT (IPM)	: Pengendalian Hama Terpadu (Integrated Pest Management)
PK	: Palm Kernel
PKB	: Perjanjian Kerja Bersama (Work Agreement)
PKO	: Palm Kernel Oil
PKS (POM)	: Pabrik Kelapa Sawit (Palm Oil Mill)
POME	: Palm Oil Mill Effluent
PP	: Peraturan Pemerintah (Government Regulation)
PT DSN	: PT Dharma Satya Nusantara
RKL	: Rencana kelola lingkungan (Environment Management Plan)
RPL	: Rencana pemantauan lingkungan (Environment Monitoring Plan)
RTRWP	: Rencana Tata Ruang Wilayah Provinsi
RTRWK	: Rencana Tata Ruang Wilayah Kabupaten/Kota
SCCS	: <i>Supply Chain Certification Standard</i>
SD	: Sekolah Dasar (Elementary School)
SEL	: Studi Evaluasi Lingkungan (Environmental Evaluation Study)
SIA	: <i>Social Impact Assessment</i>



SK	:	Surat Keputusan (Decree)
SKU H	:	Syarat Kerja Umum Harian (Daily employee)
SMK3 (OHSAS)	:	Sistem Manajemen Keselamatan dan Kesehatan Kerja (Occupational Health and Safety Management System)
SPSI	:	Serikat Pekerja Seluruh Indonesia (Indonesian Worker Union)
SOP	:	Standar Operations Procedure
TBS (FFB)	:	Tandan Buah Segar (Fresh Fruit Bunch)

<b>1.0</b>	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<i>National Interpretation, RSP0 Principles and Criteria (P&amp;C) for Sustainable Palm Oil Production, Republic of Indonesia - RSP0 INA-NIWG, May 2008 and RSP0 Supply Chain Certification Standard November 2011 for CPO Mill.</i>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Company name	PT Dharma Satya Nusantara, Tbk	
1.2.2	Contact person	Agustinus Triwibowo	
1.2.3	Company address and site address	<b>RSP0 registered company:</b> Jl. Rawa Gelam V Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta, Indonesia	
1.2.4	Telephone	021-461-8135	
1.2.5	Fax	021-460-6942	
1.2.6	E-mail	<a href="mailto:agustinus.triwibowo@dsngroup.co.id">agustinus.triwibowo@dsngroup.co.id</a> <a href="mailto:renny.kristanti@dsngroup.co.id">renny.kristanti@dsngroup.co.id</a>	
1.2.7	Web page address	<a href="http://www.dsn.co.id">www.dsn.co.id</a>	
1.2.8	Company status	PMDN	
1.2.9	Management Representative who completed the application for certification	T. Notosuroto	
1.2.10	Registered as RSP0 member	1-0135-12-000-00 , December 4th, 2012	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of management unit	Palm Oil Mill and supply base are: <ul style="list-style-type: none"> <li>• 1 POM (PKS-IV) with FFB Supply from three (3) estates</li> <li>• Jabdan 1 Estate; Long Jenew 1 Estate dan Long Jenew 2 Estate.)</li> </ul>	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT. Dharma Satya Nusantara, Tbk	
<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 IV	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	01°09' 06.4" N                      116° 44' 46.8" E
1.4.2	Location of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Jabdan 1	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	01° 11' 03.9" N                      116° 49' 35.8" E



	Long Jenew 1	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	01° 11' 14.5" N	116° 46' 56.5" E	
	Long Jenew 2	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	01° 07' 46.3" N	116° 43' 44.9" E	
<b>1.5</b>	<b>Description of Area Statement</b>				
1.5.1	Tenure				
	• State		16,850*	Ha	
	• Community			Ha	
	<i>*5,121 ha under operational Jabdan 2 Estate and not included scope of certification/audit POM 4</i>				
1.5.2	Area Statement				
	•	Estate			<b>TOTAL (Ha)</b>
		<b>Jabdan 1 (Ha)</b>	<b>Long Jenew 1 (Ha)</b>	<b>Long Jenew 2 (Ha)</b>	
	• Total area	3,508	4,446	3,775	11,729
	• Mature area	3,057	4,327	3,381	10,765
	• Immature area				-
	• Mill			45	45
	• Emplishment and Infrastructure	126	119	126	371
	• Others area (swamp and River Riparian)	325			223
	• HCV			223	325
<b>1.6</b>	<b>Planting Year and Cycles</b>				
1.6.1	Age profile of planting year				
	<b>Planting Year</b>	<b>Hectarage</b>			<b>Total (Ha)</b>
		<b>Jabdan 1 (Ha)</b>	<b>Long Jenew 1 (Ha)</b>	<b>Long Jenew 2 (Ha)</b>	
	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		Ha		
1.6.3	Planting Cycle		1 <sup>st</sup> /2 <sup>nd</sup> Cycle	25 Years	
<b>1.7</b>	<b>Description of Mill and Supply Base, Production Data March 2014 – February 2015</b>				
1.7.1	Description of Mill				

	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	POM IV	60	358,934	83,899	23.37	13,431	3,74
1.7.2	Description of Supply Base in scope of certification/audit						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Jabdan 1	3,508	3,057	77,726	25.43	67,665	87.06
	Long Jenew 1	4,446	4,327	114,343	26.43	96,745	84.61
	Long Jenew 2	3,775	3,381	99,507	29.43	99,507	100.00
	<b>TOTAL</b>	<b>11,729.00</b>	<b>10,765</b>	<b>291,576</b>	<b>27.09</b>	<b>263,917</b>	<b>90.51</b>
1.7.3	FFB description from other sources						
	Name of sources	Members	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Jabdan 2 Estate (RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	67,015			
	Long Teman Estate (Time Bound Plan 2015)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	33			
	Sungai Wahau Estate (Time Bound Plan 2015)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	16			
	Kemitraan 1.1 PT.SWA (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	11,171			
	Kemitraan 2.1 PT.SWA (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	8,606			
	Kemitraan 4.1 PT.DAN (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	7,776			
	Kemitraan 5.1 PT.DWT (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	33			
	Kemitraan 9.1 PT.KPS (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	79			
	Kemitraan 9.2 PT.KPS (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	82			
	Kemitraan 9.3 PT.KPS (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	80			
	Kemitraan 13.1 PT.KPS	PT Dharma Satya	Sub District of Muara Wahau, District of	15			

	(Three years after POM IV RSPO Certified)	Nusantara, Tbk	Kutai Timur, Province of Kalimantan Timur Indonesia				
	Kemitraan 13.3 PT.KPS (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	44			
	Kemitraan 14.2 PT.KPS (Three years after POM IV RSPO Certified)	PT Dharma Satya Nusantara, Tbk	Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur Indonesia	50			
<b>TOTAL</b>				94,950			
<i>Not included scope of certification</i>							
1.7.4	Product categories	FFB / CPO / PK					
<b>1.8</b>	<b>Estimate Certified Product</b>						
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim (tonnes/year)	Actual certified product (tonnes/year)				
	• FFB Production	-	-				
	• CPO Production	-	-				
	• Palm Kernel (PK) Production	-	-				
	• <i>Will be verified during Surveillance Assessment</i>						
1.8.2	Estimate Claim Certified of FFB						
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	Jabdan 1	3,508	3,057	83,555	27.33		
	Long Jenew 1	4,446	4,327	122,919	28.41		
	Long Jenew 2	3,775	3,381	106,970	31.64		
	<b>TOTAL</b>	<b>11,729.00</b>	<b>10,765</b>	313,444	29.12		
1.8.3	Estimate Claim Certified of Palm Product						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	POM IV	60	313,444	73,659	23.55	11,910	3.8
<b>1.9</b>	<b>Other Certifications</b>						
	ISO 9001:2008			-			
	ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	ISCC			-			
	Others						
<b>1.10</b>	<b>Time Bound Plan</b>						
1.10.1	<b>Time Bound Plan for Other Management Units</b>						
	<b>Management Unit</b>	<b>Estate (Supply</b>	<b>Time</b>	<b>Location of Mill</b>	<b>Status</b>		

	MILL	Time Bound Plan	Base)	Bound Plan		MILL
	PKS 1 (PT. SWA)	Juni 2012	Jabdan 2	June 2012	Kutai Timur district, East Kalimantan province	Certified 2013
		Nov 2015	Smallholder KM.5,9	Nov 2015		Plan 2015
	PKS 2 (PT. DSN)	Juni 2013	Puhus 1, Puhus 2, Puhus 3	June 2013	Kutai Timur district, East Kalimantan province	Certified 2014
	PKS 3 (PT. DSN)	Agustus 2013	Longkejiak 1, longkejiak 2, longkejiak 3, melenyu 1, melenyu 2, melenyu 3	August 2013	Kutai Timur district, East Kalimantan province	Certified 2014
		Jan 2017	Smallholders KM.3	Jan 2017		Plan 2017
	PKS 4 (PT. DSN)	November 2014	Jabdan 1, Long Jenew 1, Long Jenew 2	November 2014	Kutai Timur district, East Kalimantan province	Audited 2015
	PKS 5 (PT. DSN)	Juni 2015	Bukit Pandulangan 1, Bukit Pandulangan 2, Bukit Pandulangan 3	June 2015	Ketapang district, West Kalimantan province Barat	Plan 2016
	PT. Dharma Intisawit Lestari	2015	Metun Sajau 1, Metun Sajau 2	2015	Kabupaten Bulungan, North Kalimantan province	NPP 2015
	PT Karya Prima Agro Sejahtera	2015	Long Teman, Sungai Wahau	2015	Kutai Timur district, East Kalimantan province	NPP 2015
	PT Putra Utama Lestari	2015	-	2015	Melak, Kutai Barat	NPP 2015
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	<p>Based from Document verification FFB Received in Palm Oil Mill there is several another Sourche has been Supplied to POM IV PT Dharma Satya Nusantara, are :</p> <ol style="list-style-type: none"> <li>1. Another company are still in management (PT Dharma Satya Nusantara Tbk)</li> <li>2. Scheme Smallholder and another Suplier</li> </ol> <p>Related with another sources progress against certification standards for companies that are still in the management refer to time Bound plan a predeminted. However for Scheme Smallholder and another sources a Certification Bodies will ensure that souches get certified three years after POM IV RSPO Certified. In accordance with RSPO certification system points 4.2.3 which describes that the "All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years".</p>					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Certification Body</b>
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: <a href="http://www.mutucertification.com">www.mutucertification.com</a> Email : <a href="mailto:agri@mutucertification.com">agri@mutucertification.com</a>
<b>2.2</b>	<b>Assessment Team</b>
<b>ST-2</b>	<ol style="list-style-type: none"> <li><b>Bukti Bagja (Lead Auditor)</b> Master of Science majoring environment, Indonesia University. He had involved in RSP0 assessment and HCV for GIS. The training he has followed i.e. ArcGIS, MAPInfo, Global Mapper, ER MAPPER, ERDAS Imagine, Indonesian Sustainable Palm Oil auditor and Awareness RSP0, and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During this ST-2 audit, he assigned to verify of legal and conservation aspect.</li> <li><b>Moh. Arif Yusni (Auditor)</b>. A bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course certification of ISO 9001:2008 Quality Management System (QMS), Lead Auditor RSP0 endorsed by Proforest and Daemeter, Training IHT Awareness RSP0, Training QMS 19011. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. During this ST-2 audit, he assigned to verify of Best Management Practices and Enviromental, Health and safety</li> <li><b>Panggading Hariara (Auditor)</b>.. Bachelor of Social and Political Science. Experience as social activist in Indonesia and the Common wealth Commission on Child Protection. Attended training including ISO9001:2008 Auditor, Social Accountability 8000, Indonesian Sustainable Palm Oil (ISPO) Auditor and has attended several times the related audit system of sustainable palm oil certification as an auditor. During this ST-2 audit, he assigned to verify of workers and social aspects.</li> <li><b>Yuniar Mitikauji (Trainee Auditor)</b>, Master Degree of Enviromental Program at Melbourne University and bachelor of Forestry, with silviculture background at Gajah Mada University. She has been worked as assistant of research at Forestry Faculty at Gajah Mada IPM Program, Prohject Manager of Land Rehabilitation at Samboja Lestari Project , Kalimantan Timur. Selected Training which has followed, such as wildlife statistical analysis hort course by Cardiff and Sabah University, HCV Training from Mutu Agung, Lead Auditor ISPO, Lead Auditor RSP0 endorsed by Proforest and Daemeter, Training IHT Awareness RSP0, Training QMS 19011. Now he worked at Professional Certification Body.. During this ST-2 audit, he assigned to verify of envyromental aspect, Conservation and HCV</li> </ol>
<b>2.3</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.3.1</b>	<b>Figure of person days to implement assessment</b>
<b>ST-2</b>	Number of auditors : 4 auditor Number of days for <b>ST-2</b> at site : 3 days Number of working days for <b>ST-2</b> at site : 12 Working days
<b>2.3.2</b>	<b>Detail process of assessment</b>
<b>ST-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dharma Satya Nusantara &amp; Jabdan 1 Estate; Long Jenew 1 Estate; Long Jenew 2 Estate (PT Swakarsa Sinar Sentosa) to the requirements of National Interpretation of the Republic of Indonesia from RSP0 Principles and Criteria for Sustainable Palm Oil Production (RSP0 INA-NIWG, May 2008 and Supply Chain Requirement for CPO Mill related to land use, social and environmental aspect, integrated pest management, waste management and SCCS</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>

Some opportunities for improvement of the results **ST-2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase.

Improvement of findings from main assesment findings were observed by auditors at this **ST-2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MAL) and part of **Surveillance 1 (S-1)**

The assessment program please find Appendix 2

**2.3.3 Locations of Assessment**

**ST-2**

The areas that were visited during assessment are as follow;

**POM IV**

1. **Workshop.** The welders have undergone the health check process which is performed on a regular basis. Welders have been equipped with appropriate PPE.
2. **Hazardous Waste Temporary Warehouse.** The site has been well managed. Hazardous waste is stored according to its categories and characteristics. There are also eyewash, fire extinguishers, and shower place available at the front section of said site. However, the symbols and labels indicating hazardous waste have not been installed at the premise.
3. **WWTP.** There was no leakage/spillage on the sides of the WWTP ponds. The WWTP is in good condition.
4. **Boiler Station.** Boiler operators have joined the Boiler training in accordance with applicable regulations. Boiler operators have been equipped with appropriate PPE.
5. **Generator Station.** Health examination has been performed on the operators. Generator operators have been equipped with appropriate PPE.
6. **Kernel Station.** Well loader operators have joined OHS Training for Conveying and Forklift. The operators are able to demonstrate the simulation on how to operate the machine correctly.
7. **Mill's Office.** Emergency Response Team is able to properly demonstrate the simulation of emergency situation management.
8. **Processing Stage.** Weighing Bridge, Loading Ramp, Sterilizer, up to the interviews with the operators of Tank Storage Dispatch.
9. **Grading activity.** Observation of FFB grading on POM.IV and interview with the operator regarding the FFB criteria.
10. **Supply Chain System.** Interviews with the personnel involved in the implementation of SCCS.

**Jabdan 1 Estate**

1. **Riparian of Kenden Besar River at Division 3 Block C28 Jabdan Estate 1;** Average width of river is  $\pm 3$  meters, riparian borders have been well arranged by marking the oil palm trees using red paint  $\pm 10$  meters from the riverbank and by installing red poles. Signboards have been installed and there are no signs of chemical applications. The original trees are left grown there to be riparian's natural protector.
2. **Riparian of Kenden Kecil River at Division 5 Block B13 and C12 Jabdan Estate 1;** Average width of river is  $\pm 3$  meters, riparian borders have been well arranged by marking the oil palm trees using red paint  $\pm 10$  meters from the riverbank and by installing red poles. Signboards have been installed and there are no signs of chemical applications. The original trees are left grown there to be riparian's natural protector.
3. **The planting location of Meranti trees (*Shorea sp.*) at Division 3 Block C28 Jabdan Estate 1;** the *Meranti* trees and *Eugenia sp.* that were intended to help soil enrichment are growing well and flourishing. There are no signs of pest or disease attack on said enrichment plants.
4. **HGU Boundaries Poles:** Numbers 60 and 64 at Division 1 Jabdan Estate 1; the poles are well maintained and are in correct positions based on HGU Map from BPN (National Land Agency). Numbers 143, 145, 146, and 148 at Division 2 Jabdan Estate 1; poles numbers 143, 146, 148 and 150 are indicated to be not in their correct positions as listed on the poles HGU list from the BPN.
5. **Jabdan Estate 1's Office:** observations were done on (transit) Hazardous Waste Temporary Warehouse, chemical warehouse, fertilizer warehouse, rinsing house, diesel fuel depot and refill station, fire extinguisher facility, and workshop.
6. **Fertilizing activity at Block F82, Division1 .** Field observation and interviews were conducted with the fertilizing workers regarding their employment status, fertilizing mechanism, minor workers, health check, gender



committee, policy for pregnant and breastfeeding women, minimum wage, PPE distribution, First Aid, policy for *Jamsostek* (Labour Social Assurance) and health cost, grievance mechanism, HCV dissemination, and HCV area treatment.

7. **Harvesting activity at Block D82 Division 1, Jabdan 1.** Field observation and interviews were conducted with the fertilizing workers regarding their employment status, fertilizing mechanism, minor workers, health check, gender committee, policy for pregnant and breastfeeding women, minimum wage, PPE distribution, First Aid, policy for *Jamsostek* (Labour Social Assurance) and health cost, grievance mechanism, HCV dissemination, and HCV area treatment.
8. **Spraying activity at Block G83, Division 3, Jabdan 1.** Field observation and interviews were conducted with the fertilizing workers regarding their employment status, fertilizing mechanism, minor workers, health check, gender committee, policy for pregnant and breastfeeding women, minimum wage, PPE distribution, First Aid, policy for *Jamsostek* (Labour Social Assurance) and health cost, grievance mechanism, HCV dissemination, and HCV area treatment.
9. **IPM (Integrated Pest Management) at Block D43 Jabdan 1.** Observations were conducted related to the Integrated Pest Management using Barn Owls (*Tyto alba*), of which the result showed that the owl's cages are well maintained and regularly monitored.
10. **IPM (Integrated Pest Management) at Block F32, Division 10,** Observations were conducted related to the Integrated Pest Management using Beneficial Plants, namely *Antigonon leptopus* and *Turnera subulata*.

**Long Jenew 1 Estate**

1. **HGU Boundaries Poles numbers 652, 654, and 656 at Division 6, Long Jenew 1 Estate;** the poles have been installed at the correct positions which are in accordance with *HGU* map from the *BPN*.
2. **Location of Land Application at Block F37 Division 11 Long Jenew 2 Estate;** Flat bed is in good condition with specifications that meet the standard, effluent refilling is in accordance with the SOP by allocating three ponds to anticipate the overflow of rain water. There was no indication that such thing happened during the past rainy seasons.
3. **Location of Monitoring Well number 3 at Block E38 Division 11 Long Jenew 2 Estate;** monitoring well is in good condition, there are signboards available to show the location. Sampling tools are available and the water in the monitoring well is clear and odorless.
4. **Long Jenew 1 Estate's Office:** observations were conducted on the (transit) Hazardous Waste Temporary Warehouse, chemical warehouse, fertilizer warehouse, rinsing house, diesel fuel depot and refill station, fire extinguisher facility, and workshop.
5. **Fertilizing activity at Block F82, Division 3, Long Jenew 1.** Field observation and interviews were conducted with the fertilizing workers regarding their employment status, fertilizing mechanism, minor workers, health check, gender committee, policy for pregnant and breastfeeding women, minimum wage, PPE distribution, First Aid, policy for *Jamsostek* (Labour Social Assurance) and health cost, grievance mechanism, HCV dissemination, and HCV area treatment.
6. **Harvesting activity at Block C34, Division 3, Long Jenew 1.** Field observation and interviews were conducted with the fertilizing workers regarding their employment status, fertilizing mechanism, minor workers, health check, gender committee, policy for pregnant and breastfeeding women, minimum wage, PPE distribution, First Aid, policy for *Jamsostek* (Labour Social Assurance) and health cost, grievance mechanism, HCV dissemination, and HCV area treatment.
7. **Spraying activity at Block C43, Division 3, Long Jenew 1.** Field observation and interviews were conducted with the fertilizing workers regarding their employment status, fertilizing mechanism, minor workers, health check, gender committee, policy for pregnant and breastfeeding women, minimum wage, PPE distribution, First Aid, policy for *Jamsostek* (Labour Social Assurance) and health cost, grievance mechanism, HCV dissemination, and HCV area treatment.
8. **IPM (Integrated Pest Management) at Block H45, Long Jenew 1.** Observations were conducted related to the Integrated Pest Management using Barn Owls (*Tyto alba*), of which the result showed that the owl's cages are well maintained and regularly monitored.

2.4

**Stakeholder Consultation and Stakeholders Contacted**



<b>2.4.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ST-2</b>	<p>Summary of stakeholder consultation process            Consultation of stakeholders for PT Dharma Satya Nusantara was held by:</p> <ol style="list-style-type: none"> <li>1. Public Notification 30 days on RSPO Website before assement has been conducted</li> <li>2. Public consultation meeting with Related Institution in District Of Kuta Timur on 10 March 2015</li> <li>3. Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples. On 10 March 2015</li> <li>4. Quesioner by Email To NGO on 09 March 2015</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Djundasawit Lestari and part of ST-2 report</p>
<b>2.4.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.5</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-1) will be determined one year after certificate issued (February to May 2016)

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSP0 Certification

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

During the assessment, there were one (1) nonconformity were assigned against Minor Compliance Indicators and five (5) opportunities for improvement were identified.

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

MUTUAGUNG LESTARI found that POM IV – PT Dharma Satya Nusantara Tbk complied with the requirements of RSP0 Principles & Criteria and *National Interpretation, RSP0 Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSP0 INA-NIWG, May 2008 and RSP0 Supply Chain Certification Standard November 2011 for CPO Mill.*

Therefore MUTUAGUNG LESTARI Recommends RSP0 Certification of compliance is **issued**

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1 Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.</b>		
<p><b>(Major 1.1.1)</b>            The company has demonstrated the proof of its commitment to transparency by presenting the recording for every information request coming from the stakeholders along with its response, which are properly documented in the book of incoming letters. For example, the following incoming letters were addressed to <i>PT. Dharma Satya Nusantara</i> (POM 4) and <i>PT. Swakarsa Sinarsentosa</i>, taken from the years 2014 and 2015;</p> <ul style="list-style-type: none"> <li>- Letters from <i>Kel'an Blom Kejah</i> Cooperative Unit and <i>Usaha Tani Sejahtera</i> Oil Palm Growers Cooperative, regarding the request submitted to the company for it to accept the FFB supplied by both cooperative units directly to the POM. Said letters were dated 29 December 2014.</li> <li>- Recommendation letter sent by the Head of Benhes Village, No. 086/036/Umum/XII/2015 dated 23 January 2015, which contained an outsourcing recommendation for the company to employ <i>Barnabas Beang Tut</i> (resident of Benhes Village) and his FFB transportation service.</li> </ul> <p><b>(Major 1.1.2)</b>            The SOP for Communication and Consultation, which is under a document No. 0215B/SWA-CSR-WHU/VI/2012, points out that the response for every information request is to be given within three days since the request is received. Below are samples of responses given to information requests which are recorded by the management unit;</p> <ul style="list-style-type: none"> <li>- Response given to the request submitted by <i>Kel'an Blom Kejah</i> Cooperative Unit and <i>Usaha Tani Sejahtera</i> Oil Palm Growers Cooperative in letter no. 002/SWA-CSR-WHU/II/2015, which stated that the management would further communicate such matter with the directors for a follow-up, and the result would be informed on 7 January 2015.</li> <li>- Response given to the recommendation from the Head of Benhes Village in a letter no. 009/SWA-CSR-WHU/II/2015 containing an outsourcing recommendation, which was put in the waiting list of operational unit on 3 February 2015.</li> </ul>		

**(Major 1.1.3)**

PT. DSN and PT. SWA have determined a document retention time, which is available in the FM-STD-18-ROO form and was valid from 15 December 2012. The details on the types of document and their retention time are listed in the following table;

<b>File names</b>	<b>Retention Time</b>	<b>Retention Time in Active Room</b>
Incoming Letters	3 years	-
Outgoing Letters	3 years	-
Minutes of Handover	3 years	Permanently
Document Dispatch Memo	3 years	-
Minutes of Meeting	3 years	Permanently
Collective Agreement	5 years	Permanently
Dispatch Payment Receipt	3 years	-
Reports on the Achievement of Quality Objectives	1 year	-
Budget Plans	1 year	-
Copies of Certificates of scheme smallholder cooperative members	5 years	Permanently
Mutual Working Agreement	1 year	-
Legal documents of scheme smallholder cooperative	5 years	Permanently
Activity Reports	3 years	-

**Status: Full Compliance**

**1.2**

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

**(Major 1.2.1)**

The company has provided the list of documents that are available for public and the list of those aren't, which are available in the SOP for Communication and Consultation under a document No. 0215B/SWA-CSR-WHU/VI/2012.

The following documents are the ones categorized as open for public;

- Company's vision and mission,
- Company policies,
- EIA Documents,
- Waste Management Plan,
- Location Permits,
- Land Use Right permits,
- Plantation Business Permit,
- Building Construction Permit,
- POM Operational Permit,
- Hazardous Waste Temporary Warehouse License,
- Map of the Estate,
- POM's Special Code of Conduct
- Company's Regulations,
- Company's Quarterly Reports,
- CSR Activity Reports,
- Social Conflict Settlement Reports,
- Results of ISPO/RSP0/HCV/SIA Audits.
- Program and Implementation Plan of OHS Management System.

The SOP for Communication and Consultation, which is under a document No. 0215B/SWA-CSR-WHU/VI/2012, points

out that the response for every information request is to be given within three days since the request is received.

**(Major 1.2.1)**

The management unit has put together a document retention time under No. SOP FM-STD-18-ROO, which is valid from 15 December 2012. The details on the types of document and their retention time are listed in the following table;

File names	Retention Time	Retention Time in Active Room
Incoming Letters	3 years	-
Outgoing Letters	3 years	-
Minutes of Handover	3 years	Permanently
Document Dispatch Memo	3 years	-
Minutes of Meeting	3 years	Permanently
Collective Agreement	5 years	Permanently
Dispatch Payment Receipt	3 years	-
Reports on the Achievement of Quality Objectives	1 year	-
Budget Plans	1 year	-
Copies of Certificates of scheme smallholder cooperative members	5 years	Permanently
Mutual Working Agreement	1 year	-
Legal documents of scheme smallholder cooperative	5 years	Permanently
Activity Reports	3 years	-

**Status: Full Compliance**

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

**2.1**

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

**(Major 2.1.1)**

Both companies (PT. DSN and PT. SWA) have proofs of compliance with main legal requirements that are relevant to plantation activity, as can be seen in the following examples;

1. Compliance with the regulation on the legal matters of land; namely Government Regulation No. 40 year 1996 regarding *HGU* (Land Use Title), *HGB* (Building Use Title), and *Use Title*. The company has complied with such provision as stated in the Decree of *HGU* No. 135/HGU/BPN/97 dated 28 October 1997 covering an area of 16,850 Ha.
2. Compliance with the regulation on the licensing for plantation business, namely *Permentan* No. 98 year 2013. The company has complied with said provision by obtaining *IUP-P PKS* (Plantation Business Permit – for Processing POM), which was issued under the Decree of Kutai Timur Regent No. 188.4.45/185/Eko.1-XII/2012 on 7 December 2012 for a processing capacity of 60 tons per hour covering an area of ±14 Ha.
3. Compliance with the regulation on environment, namely Statute No. 32 year 2009 on Protection and Management of the Environment. Said compliance is proven by the availability of an environmental license document gained through a Decree of Environmental Feasibility issued by the Regent of Kutai Timur under document No. 662/K.315/2013 on 22 April 2013, with an Addendum for Plantation Business Activity and Palm Oil Mill with a capacity of 90 tons per hour by PT. DSN covering an area of 16,850 Ha.
4. Compliance with the regulation on minimum wage, namely Decree of East Kalimantan Governor No. 561 year 2014. The company has properly applied such minimum wage regulation.
5. Compliance with the regulation on *Jamsostek*, which can be found in the Statute of the Rep. of Indonesia No. 3 year 1992 on Labour Social Assurance, issued on 17 February 1992. All of the employees have been covered by such insurance, as specifically instructed by Article 18 Page 32 of the Company's Regulation.
6. Compliance with the regulation on facilities for workers, as specified in the Letter from the Minister of Labor and Transmigration number 8.600/MEN/Sj-Hk/VIII/2005 dated 31 August 2005, describing the Housing Compensation and the Medication and Hospital Care. The company has complied with the regulation on severance and gratuity package by issuing a Company's Regulation of Period 2013 – 2015 which regulates all

matters related to cash compensation and separation pay, accommodating medication and hospital care compensation, housing compensation rights were realized in the form of the Board of Directors' Decree Number 003/DIR/JKT/XI/2007 dated 1 November 2007 on Transitional Housing Assistance (*Bantuan Perumahan Sementara*).

The company provided different amount of transitional housing assistance for different positions; IDR 550,000 for Assistant/Chief Assistant, IDR 1,000,000 for Manager/Department Head, and IDR 2,200,000 for General Manager/Plantation Head. Additionally, housing assistance for non-staff is regulated in the Collective Labor Agreement for each employee, specifically in Articles 11 and 12.

7. Regional Regulation of East Kalimantan Province No. 02 year 2014 dated 10 February 2014 on the Management of Water Quality and Water Contamination, Article 29 states that licenses are compulsory for all industries that are going to dispose of their waste to the environment or effluent utilization, while Article 35 is about Company's Obligations. The company has accommodated both articles by submitting a land application license request and has been responded through a Decree of Kutai Timur Regent No. 660/K.570/2014 on Issuance of License for Effluent Application on Land given to Oil Palm Plantation by the name of PT Dharma Satya Nusantara for its Palm Oil Mill 4 located at Muara Wahau Sub district Kutai Timur District.
8. DSN PKS.4 has shows the status of the Building Use Permit (HGB) until the technical consideration proposal to National Land Agency of Kutai Timur District accordance to agreement between the PT Swakarsa Sinarsentosa and PT Dharma Satya Nusantara No. No. 457/SWA/DIR-ARF/JKT/V/14 dated 12 Mei 2014, on the agreement stated the Building Use Permit process have to be done until 5 May 2016 and can be continue according to the both side agreement again.

**(Major 2.1.2)**

The company has shows of its amendments to several regulations, as seen in the following examples;

1. Amendment to regulation on minimum wage, through a Decree of Directors No. 011/DIR/I/2014 on Improvement of Minimum Wage for PT. Dharma Satya Nusantara; and No. 12/DIR/I/2015 for PT Swakarsa Sinarsentosa on the same subject. Both decrees are made as amendments to the Copy of Decree of East Kalimantan Governor No. 561/K.776.2014 dated 1 December 2014 on Stipulation of Minimum Wage for Kutai Timur Regency for year 2015, which is IDR 2,117,500.

Decree of Directors No. 11/DIR/I/2015 on Improvement of Minimum Wage for PT. Dharma Satya Nusantara, with the following decisions;

- Minimum Wage is now IDR 2,117,500 with additional benefit of 0.5 kg of daily rice supply, which is based on the attendance of said employee.
- The amount of wages paid to Daily Casual Worker is IDR 87,400 per day.
- As for *SKU H* worker who is deliberately absent from work, a deduction of IDR 70,584 per day will be applied to said worker.

Decree of Directors No. 12/DIR/I/2015 on Improvement of Minimum Wage for PT Swakarsa Sinarsentosa, with the following decisions;

- Minimum Wage is now IDR 2,117,500 with additional benefit of 0.5 kg of daily rice supply, which is based on the attendance of said employee.
- The amount of wages paid to Daily Casual Worker is IDR 87,400 per day.
- As for *SKU H* worker who is deliberately absent from work, a deduction of IDR 70,584 per day will be applied to said worker.

The abovementioned matters are also confirmed by the result of interviews with workers at Daycare Center at Division IV Jabdan 1 Estate, which mentioned that the amount of wages paid to *SKU H* workers is IDR 87,400 per day.

2. Participation of the company (PT. SWA) in an *ISPO* Audit as part of the compliance with the Regulation of Agricultural Minister No. 19 year 2011.

**(Minor 2.1.1)**

PT. DSN and PT. SWA both have a Summary of Evaluation on the Compliance with Regulation No. DK-MS-01A-ROO in

January 2015, which covers Occupational Health and Safety (OHS), Environmental, Employment, and Operational Legal Matters.

- a. Occupational Health and Safety Aspects consist of 5 Statutes, 3 Government Regulations, 20 Ministerial Regulations, 7 Ministerial Decrees, 4 Decrees of Directorate General, and 1 National Standardization Agency.
- b. Environmental Aspects consist of 5 Statutes, 9 Government Regulations, 9 Ministerial Regulations, 9 Ministerial Decrees, 6 Decrees of Head of *Bappedal* (Environmental Impact Control Agency), 2 International Conventions, and 3 Regional Regulations.
- c. Employment Aspects consist of 9 Statutes, 1 Ministerial Decree, 9 Government Regulations, 15 Ministerial Regulations, 10 Ministerial Decrees, 9 Regional Regulations, 10 Circular Letters, and 10 International Conventions.
- d. Operational Legal Aspects consist of 8 Statutes, 9 Government Regulations, 1 Presidential Decree, 11 Ministerial Regulations, 6 Ministerial Decrees, 1 Decree of Directorate General, 1 Decree of Head of *Bappedal* (Environmental Impact Control Agency), and 6 Regional Regulations.

**(Minor 2.1.2)**

Both companies (PT. DSN and PT. SWA) have procedure No. SOP-AGR-024-ROO that was valid from 1 April 2013, regarding Legal Identification and Other Legal Requirements, which was issued by the Head of Legal Department (*Mr. Agus Setiabudi*), reviewed by the Management Representative (*Mr. T. Notosuroto*), and authorized by the Chief Executive of BU Agro (*Mr. T. Arifin C.*). Said procedure contains the diagram of request flow for legal and licensing appeal, and flow of identification and updating of the regulations.

Furthermore, the document also contains the forms of request for legal and licensing appeal, summary of regulations, summary of evaluation on compliance with regulations, list of address of institutions/departments/agencies that issue the regulations, and summary of regulations.

Once every 6 months (June and December), the Head of Department of SHE/HCD/HCO/Legal Division conducts a review on new regulations. The results of said review are included in the FM-Legal-07-Rxx form of Regulation Summary. If the new regulation cancels the previous one, a note would be made on the form of summary regulations. If there is no new regulation issued, then *NIL* will be written in the form.

**Status: Full Compliance**

**2.2**

**The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights**

**(Major 2.2.1)**

The document verification showed that the company has the rights to utilize the land legally and is acknowledged by the local community, as can be found in the following records;

- a. PT. SWA (Estate)
  - Location permit for the estate of PT SWA was issued by the Governor of East Kalimantan on 1 November 1995, which covers an area of 17,500 ha.
  - A Decree of the Release of Forest for PT SWA, issued by the Minister of Forestry in 1997, which covers an area of 17,500 ha.
  - *HGU (Land Use Title) Certificate* for PT SWA No. 01 year 1998, covers an area of 16,850 ha and is valid for 35 years until the year of 2033.
- b. PT. DSN (Mill)
  - Location permit for the mill of PT. DSN in January 2013 and its extension in 2014, issued by the Regent of Kutai Timur (over an *HGU* area of PT SWA).
  - Proof of *HGU* licensing process at the *BPN* of Kutai Timur office.
  - Mutual Working Agreement between PT. DSN and PT. SWA, Number. 437/SWA/Dir-Arf/JKT/V/14 on the Issuance of Rights and Authority from PT. SWA for PT. DSN, to Use the Land and Build the Mill and Its Supporting Facilities at Muara Wahau Village of Muara Wahau Sub district, Kutai Timur Regency.

**(Major 2.2.2)**

The company has also obtained the valid legality / plantation business permit, as shown in the below records;



- a. Plantation Business Registration Document (*SPUP*) No. 199/Menhutbun-VII/2000 dated 10 March 2000 for an area of 16,850 Ha and a mill capacity of 60 tons of FFB per hour. Said document has already been updated/renewed by the issuance of Plantation Business Permit in 2012.
- b. Plantation Business Permit – for Processing (*IUP-P*) for POM 4 of PT DSN, issued by the Regent of Kutai Timur on 7 December 2012 under document No. 188.4.45/038/Eko.1-XII/2012 for the mill area with a capacity of 60 tons of FFB per hour.

The company has done the legal demarcating borders by installing and maintaining *HGU* (*Land Use Permit*) poles (Boundaries Poles) with reference to the *HGU* (*Land Use Permit*) map from *BPN* (*National Land Agency*), as shown in the following records;

- List of coordinates of the *HGU* poles released by *BPN*, which comes with the actual poles coordinate on site from when they were installed.
- Documentation of installation process of the *HGU* poles.
- Collective Agreement Letter dated 19 May 2012 made between PT. SWA and 43 sharecroppers (*petani penggarap*) from Jabdan Village, Benhes Village, and Nehes Liang Bing and acknowledged by each of their respective Head of Village. The agreement states the following points; **1)** the sharecroppers are aware of and agree with the *BPN* poles installation activity in *HGU* areas including the areas cultivated by the people living inside said area; **2)** the company shall not interfere with the existing land cultivation activities; **3)** both parties have agreed to work closely in protecting and maintaining said *BPN* poles.

From the on-site verifications, specifically the ones at Division 1 Jabdan Estate 1 and Division 6 Long Jenew Estate 1, it is revealed that all *HGU* poles have been properly installed on position, in accordance with the *HGU* map from *BPN*. All of those boundaries poles are also in good condition.

Referring to the document of 2015 Area Statement and from the verifications with local community during public consultation, it is discovered that during the ST2 Audit there were no on-going cases of land dispute between the company and the community.

### **(Major 2.2.3)**

According to the data in the available records, the following land disputes have taken place and have been settled;

- Land dispute taking place at Long Jenew 2 Estate between the company and local resident named *Lied Jie Tot* over 115 hectares of arable land.
- Land dispute between the company and a resident named *Anton Beang* over 30 hectares of arable land.

Both land cultivators have refused to accept the compensations for planted crops.

There are samples of proof of dispute settlement for both cases, as illustrated by the Collective Agreement Letter dated 19 May 2012 made between PT. SWA and 43 sharecroppers (*petani penggarap*) from Jabdan Village, Benhes Village, and Nehes Liang Bing. Based on the agreement, PT. SWA have decided to not cultivate said land until all sharecroppers are willing to handover their land and the community have acknowledged that said land is located inside the *HGU* area owned by PT. SWA.

### **(Minor 2.2.1)**

There is also proof of land acquisition through an FPIC (Free, Prior, and Informed Consent) as follows; Statement Letter made on 28 June 2014 by the Head of Villages around the company, namely Benhes Village, Muara Wahau Village, Dabeq Village, Nehes Liang Bing Village, and Diak Lay Village, and was signed by the head of all respective villages, Village Secretary, and Head of Muara Wahau Sub district. The document contains the following statements;

- The community shall fully support the establishment of the estate owned by PT SWA at Muara Wahau Sub district,
- The community has agreed on the border points of area measurement for PT SWA, done by relevant authorized institution.
- The location of the plantation is already free from any land dispute.
- Estates / farm fields owned by the community have been excluded from the company's area.

A mechanism for conflict settlement is documented in the SOP for Communication and Consultation No. 0215B/SWA-



CSR-WHU/VI/2012, which covers the procedure for the following matters; information requests, grievance/dissatisfaction, conflict, claims for compensation, violence, suggestions, and consultation.

The procedure for conflict settlement systematically describes the steps to be taken in settling any conflicts, which is by gathering written material evidence and on-site facts, followed by a consultation to obtain solutions. In case no agreement could be reached at this stage, the process shall then continue with the assistance of a third party (mediator) from local officials. Legal measures through the courthouse shall be the last resort to take should there be no settlement could be reached at this stage.

The abovementioned SOP has been disseminated to and agreed upon by the village heads and local customary leaders, as proven by an agreement document dated 7 June 2012.

**Status: Full Compliance**

**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.**

**(Major 2.3.1; Major 2.3.2 dan Major 2.3.3)**

Document verification showed that no effective traditional rights and communal rights were found inside the *HGU* area of PT. SWA. The following records helped confirming such claim;

- Statement found on the Decree of *HGU* Establishment No. 135 year 1997, which points out that the *HGU* area belongs to the state and there is no traditional right to be claimed there.
- EIA Document, which does not mention any traditional rights inside the area owned by PT. SWA.

The results of public consultation with local communities around the plantation during Stage 2 Audit also suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of public consultation with local Forestry Agency, most of the entire *HGU* area was originally converted from the Production Forest to become the land allocated for other purpose (*APL*), as stated in the Decree for the Release of Forest Area No. 174 year 1996, issued by the Minister of Forestry.

**Status: Full Compliance**

**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.**

**(Major 3.1.1)**

PT DSN has working plan period of 2014-2017 for PKS 4 that contains estimation of estate production, production cost (mill and estate), mill production budget (OER and KER) and other financial parameters. Sample of other financial parameters are profitability, revenue and FFB cost bought from smallholder. Despite of that, the working plan contains information of hectare statement year 2014, loss and benefit from total income, total operational cost, income projection, spent projection, target projection, financial assumption, CSR working plan 2014-2017, SHE Department working plan 2014-2017. There is also document of operational plan 2015 for each estate and mill. The document informs budget for each activity, income from production, monitoring from actual spent compared to budget and total cost.

**(Minor 3.1.2)**

According to said action plan for budget year of 2014 – 2017, PT DSN will not have any replanting activity for the next three-year period. During a Stage 2 PnC RSPO Assessment, it was also confirmed that there were no replanting activities conducted by the company. Such activity will only be done when the trees that were planted in 1996 reach a 25 planting year cycle.

**Status: Full Compliance**

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

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

**(Major 4.1.1 dan Major 4.1.2)**

PT Dharma Satya Nusantara (DSN) has a procedure that serves as a guide for its operational activities at both the estate and the mill:

**Estate procedure**

1. IK-AGR-OLP-01-R01 in term of Land Clearing
2. IK-AGR-OLP-02-R01 in term of Palm Oil Nursery
3. IK-AGR-OLP-03-R01 in term of Legume Crop Cover Planting
4. IK-AGR-OLP-04-R00 in term of Palm Oil Planting
5. IK-AGR-OLP-05-R00 in term of Propagation of *Mucuna bracteata*
6. IK-AGR-OLP-06-R00 in term of Palm Oil Supplying
7. IK-AGR-OLP-06-R00 in term of Castration and Sanitation
8. IK-AGR-OLP-08-R00 Pruning
9. IK-AGR-OLP-09-R00 in term of Manuring of Mature and Immature Plant
10. IK-AGR-OLP-10-R00 in term of POM Effluent Application
11. IK-AGR-OLP-11-R00 in term of EFB Application
12. IK-AGR-OLP-12-R00 in term of Determining census and sample of plants
13. IK-AGR-OLP-13-R01 in term of Pest and Disease Detection
14. IK-AGR-OLP-14-R01 in term of Pest and Disease Management
15. IK-AGR-OLP-15-R01 in term of Mature and Immature Plant Weed Control
16. IK-AGR-OLP-16-R01 in term of Determining pesticide dosage, type and applicator
17. IK-AGR-OLP-17-R01 in term of Pesticide Management
18. IK-AGR-OLP-15-R01 in term of Mature and Immature Plant Weed Control
17. IK-AGR-OLP-23-R03 in term of Harvesting
18. IK-AGR-OLP-24-R00 in term of Harvesting and FFB Dispatch
19. IK-AGR-OLP-31-R00 in term of Nozzle, Knapsack, and Sprayer Suitability Inspection

Meanwhile, there are also work instruction at POM which contains work instruction for entire POM operationals started from FFB receipt until CPO and PKO dispatch and the produced production quality as follow:

1. IK-AGR-PRO-01-R02 in term of Weighbridge
2. IK-AGR-PRO-02-R01 in term of Loading Ramp Unit
3. IK-AGR-PRO-03-R01 in term of Boiling Unit
4. IK-AGR-PRO-04-R01 in term of Tippler Unit
5. IK-AGR-PRO-05-R02 in term of Pressing Station
6. IK-AGR-PRO-08-R00 in term of Purifier Unit
7. IK-AGR-PRO-09-R00 in term of Centrifuge Unit
8. IK-AGR-PRO-10-R00 in term of Decanter Unit
9. IK-AGR-PRO-17-R01 in term of WTP Operation
10. IK-AGR-PRO-18-R01 in term of CPO product management with >5% FFA
11. IK-AGR-PRO-20-R01 in term of Nut Plant Station
12. IK-AGR-PRO-21-R01 in term of Power House
13. IK-AGR-PRO-22-R01 in term of Kernel intake
14. IK-AGR-PRO-23-R01 in term of KCP Station
15. IK-AGR-PRO-24-R00 in term of Oil Recovery
16. IK-AGR-DIS-01-R00 in term of CPO Receipt, Unloading and Loading, PKO is transferred & Dispatch Tank
17. IK-AGR-DIS-03-R01 in term of Kernel Dispatch
18. IK-AGR-LAB-01-R04 in term of Grading
19. IK-AGR-LAB-39-R02 in term of Storage Tank Sounding
20. IK-AGR-LAB-40-R02 in term of POM Sampling
21. IK-AGR-LAB-41-R02 in term of Production Quality Analysis
22. IK-AGR-LAB-42-R02 in term of Oil & Kernel Losses Analysis
23. IK-AGR-LAB-43-R00 in term of Water Quality Analysis
24. IK-AGR-LAB-44-R01 in term of WWTP Control and Operational
25. IK-AGR-LAB-45-R00 in term of Kernel Silo Sounding
26. Work Instruction for Traceability CPO and PK product nomor IK-AGR-MS-04-R03 dated 3 November 2014

The results of a field visit to Jabdan Estate 1 and Long Jenew Estate 1 have help confirmed that said procedure have been well implemented at the premise, such as the fact that the company's operational activities have complied with the established 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 ripeness for fruits that was previously determined which are 2 loose fruits per kg, 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.

**(Minor 4.1.1)**

In ensuring that the operational activity has effectively carried out and is in accordance with the specified procedure, the company has a mechanism for internal monitoring in a form of internal audit that is performed every six month.

**(Minor 4.1.2)**

All of the company'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 company 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 the following matters; types of work, numbers of workers, usage of materials, and employee's individual achievement.

**Status: Full Compliance**

**4.2**

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

**(Minor 4.2.1)**

The company conducted an effort to know the nutrient contain and the need of nutrient by plant in accordance with working instruction on sampling taken technique (IK-AGR-OLP-25-R01) dated 1 February 2014. The working instruction is legalized by Operation Director. The working instruction explains leaf sample taken and analysis of soil physical and chemical character to determine fertilizer dosage. The related activities conducted by the company are (1) **(Soil Analysis**, which is done regularly every 7 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; major elements namely N, P, K, Mg and Ca and 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.

**(Minor 4.2.2)**

In addition to that, fertilizer applications that are based on their dosage and recommendation are also done by the Unit Management as to preserve the soil fertility in order to yield an optimum oil palm production.

The result from the field visit indicated that such activity has been correctly done in accordance with the provided recommendation. The company also conducts an empty bunch application in a dosage of 225 kg per tree.

**Status: Full Compliance**

**4.3**

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

**(Minor 4.3.1; Minor 4.3.4 dan Minor 4.3.5)**

The company owns a soil map with a scale of 1:65,000 which is included in the Detailed Soil Survey Report prepared by the *R&I Swakarsa Group* in December 2011. The Map suggests that there are no area that are categorized as marginal soil, containing sulfuric acid, and containing low organic elements.

**(Minor 4.3.2)**

Moreover, according to Slope Map with a scale of 1:100,000 sourced from Indonesia’s SRTM data (Shuttle Radar Topography Mission) Sheet N01E116, it is revealed that the slope class at PT. SWA is 0 – 15 % flat area. Related to management on specific slope, the company has owns some procedures that conatins regulations on:

1. Leguminosae planting in line with IK-AGR-OLP-03-R01 Leguminosae planting for LCC dated 01 February 2012
2. Planting vertiver grass to protect soil erosion in line with land clearing instruction (IK-AGR-OLP-01-R01)
3. Frond stacking with L shape model to protect soil erosion cause by run off in line with harvesting instruction (IK-AGR-OLP-23-R01)
4. Conducting herbicide spraying with selective weeding method on circle area, interrow, circle weeding and collection point to prevent natural vegetation from disturbance. It is in line with working instruction on dosage determination and pesticide applicator (IK-AGR-OLP-16-R01).

**(Minor 4.3.3)**

The existence of soil map containing information on soil classification, texture, peat depth, drainage, limiting factors, rocks, and suitability information for the development of oil palm plantation has helped the company to prepare the road maintenance program as to ensure the FFB yielded from the estate are properly transported to POM IV. The company 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: Full Compliance**

**4.4**

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

PT Dharma Satya Nusantara has done the following efforts in preserving and maintaining the quality and the availability of surface water and ground water;

- **Preservation of Riparian and Water Springs (Major 4.4.1; Minor 4.4.1)**  
PT Swakarsa Sinar Sentosa (PT SWA), who is the supplier of FFB for PT. DSN POM 4, is traversed by two rivers, namely Kenden Besar River which flows through Jabdan 1 Estate, and Kenden Kecil River and Sengat River, which flow through Long Jenew 1. As specified in the *UKL-UPL* document, it is compulsory that DSN POM conduct a test at Telen River. The field visit to Division 2 Long Jenew 1 Estate revealed that there is a water spring that is used as a source for clean water for housing complex inside Division 2.  
PT. SWA has a Work Instruction IK-AGR-STD-02-R01 that controls the protection of the riparian buffer zone for water flow and wetlands, including preserving and recovering the correct riparian buffer zone, prohibition to do agrochemical applications at the river or other current near it. The realization of riparian management includes marking the oil palm trees as the riparian area border, installing area signboards, planting and treatment of vertiver grass, manually maintaining the spaces between paths (*introw*) and the circles.  
The field visit to Division 2 Long Jenew 1 Estate revealed that the spring is in good condition.
- **Monitoring of the Quality of River Water and Clean Water at the Division (Major 4.4.1; Minor 4.4.1)**  
PT. SWA conducted a water quality examination at Kenden Kecil River, Kenden Besar River, and Sengat River, as well as the clean water sources at the Division. PT. DSN POM 4 has conducted similar test to Telen River and clean water source at WTP. The water quality assessment at PT. SWA and PT. DSN is conducted on a regular basis with reference to the quality standard specified in *PP* No. 82 Year 2001 for river water test, and *Permenkes* No. 416 year 1990 for clean water test.
- **Monitoring of Effluent Quality at the POM ( Minor 4.4.2)**

PT. DSN POM 4 has prepared the Waste Water Treatment Plant (WWTP) using anaerobe bacteria treatment to improve the effluent quality so that it meets the standard required for land application. PT. DSN also conducts a mill's effluent quality test every month prior to it being discharged as land application at the field, with reference to PP No. 28 Year 2003.

- **Effluent Application ( Minor 4.4.2)**

PT. DSN has obtained a license to do effluent application on soil through a Decree of Kutai Timur Regent No. 660/K.570/2014 regarding license issuance for effluent application on soil, which is valid for two years since 4 August 2014. PT. DSN has been performing the compulsory quality test on the effluent being applied, monitoring well analysis every six months to identify the soil condition around the location of land application, and soil analysis once every year.

A field visit to the location of land application at Block F37 Division 11 Long Jenew 2 Estate suggested that the condition of land application was well maintained, no spillage found, and there was special personnel assigned to monitor the activity.

- **Record of water usage at POM 4 PT. DSN ( Minor 4.4.3)**

The water used for the FFB processing activity and for the domestic use at the housing complex is processed at the Water Treatment Plant (WTP), using the water taken from Wahau River. The average use of surface water for FFB processing activity from January 2014 to February 2015 was 30,149.29 m<sup>3</sup> per month with an average budget of 1.02. While the use for housing complex during the same period was 5,601.57 m<sup>3</sup> per month with average budget of 0.19.

**Status: Full Compliance**

**4.5**

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

**(Major 4.5.1)**

The following activities are the IPM Program dome the Unit Management of the company;

- Pests and Diseases Detection Program, which is done periodically (every month). The same monthly period is also applied to the maintenance and caring treatment of the White Buttercup flowers (*Turnera sp.*).
- Monitoring the population of *Tyto alba* (rat-preying barn owls), which is done periodically (every month).

**(Minor 4.5.1)**

The results of detection indicated that there were no pest attacks and symptoms of any diseases that were over the control threshold. As an anticipation measure to prevent the attack of *UPDKS* (Oil Palm Leaf-Eating Caterpillars), the company conducted the planting and maintenance of beneficial plants (*Antigonon leptopus* and *Turnera subulata*).

Furthermore, to avoid the attack of rats, the company applied the biological control by utilizing Barn Owls. The training for such activity has been conducted by the company, such as the ones on 1 December 2013 and 1 December 2014 at Long Jenew 1 Estate. Based on interview with the worker revealed that the worker understand the method of PH implementation. The company of PT DSN and PT SWA have employee public training plan year 2015 documented by training center division. It explains all employee training plan including type of training, training future participant and training schedule which one of it is on IPM.

**(Minor 4.5.2)**

The Unit Management has also conducted a monitoring on the use of pesticides per hectare and per ton of FFB, which is reported every month, at each estate. The monitoring observes the following points; types of pesticide used, active ingredients, measuring unit (liter or kg), and usage period.

**Status: Full Compliance**

**4.6**

**Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where**



agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

**(Major 4.6.1)**

The Unit Management was able to display the list of pesticides used by the company, which was referring to the Book of Pesticides for Agriculture and Forestry 2013, issued by the Directorate of Fertilizers and Pesticides, Directorate General of Agricultural Infrastructure and Facilities, the Ministry of Agriculture of the Republic of Indonesia year 2013. Type of pesticide that is used by the company are:

- Starane 290 EC active ingredient of Fluroxypyr meptyl heptyl with registration number RI. 0103011988854 valid until April 2019
- Round Up 486 SL active ingredient of Isopropil Amina Glifosat 486 g with registration number RI. 01030120001560 valid until 18 Maret 2016

**(Minor 4.6.1)**

The result of document review, field visit and observation on pesticide storage, it is known that the company does not use pesticide with active ingredient of paraquat.

**(Major 4.6.2)**

The list confirmed that all types of pesticide used by the company have been licensed and registered. The usage of said substances have also been well recorded at each estate, which gives information on the amount of pesticide used, items of work (circle chemist, harvesting paths, and spaces between paths), amount of usage per hectare, and the amount of application.

**(Major 4.6.3)**

The Unit Management has its own MSDS (Material Safety Data Sheet) for each agrochemical substance (pesticides) that describes the direction to store and to handle such substances, how to handle possible accident (First Aid Emergency), hazard identification, actions to be taken for any spillage and leakage that occurs, personal protection equipment, physical and chemical characteristics, reactivity and stability, information on toxicology, information on ecology, waste discharge and transport. As for the dosage of agrochemicals used, Unit Management is referring to the dosage recommendation stated on the label of each pesticide and the set budget.

**(Major 4.6.4)**

PT. SWA has been doing the waste management for used pesticide packaging in accordance with the regulations, namely established the licensed Hazardous Waste Temporary Warehouse at POM 1, and transports the hazardous waste including used pesticide packaging to a third party (*CV. Sumber Agung*) who already has a license to become hazardous waste collector in accordance with applicable regulations.

Based on the field visit to Jabdan 1 Estate office, they have a transit warehouse to store the hazardous waste before being transported to POM 1 every Tuesday and Thursday. The hazardous waste generated from the estate is stored in said warehouse and is recorded in the hazardous waste balance sheet. Similarly, the hazardous waste stored in the transit warehouse of Long Jenew 1 Estate is being transported to Temporary Warehouse at POM 1 PT DSN at a maximum of once every seven days.

**(Minor 4.6.1 dan Minor 4.6.2)**

In ensuring the spray workers' health, the unit management has done a regular health examination for operators every six month. The latest health examination conducted in January 2015 suggested that all workers were in healthy condition. In addition to that, the results from document study and interviews with workers also indicated there were no workers who were pregnant or breastfeeding. The workers have fully understood that pregnant or breastfeeding workers are not allowed to be assigned to works related with chemicals.

Status: Full Compliance

**4.7**

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

**(Major 4.7.1)**

The Unit Management has a policy regarding OHS program, which is committed to creating a healthy and safe working environment. There is also a procedure related to OHS, such as SOP for First Aid Emergency, SOP for Regular Health Checkup, and so on. Additionally, Unit Management of both the Estate and the Mill has action plans related to the OHS.

**(Major 4.7.2)**

Specific personnel assigned to be responsible for the OHS program have also be appointed. Unit Management of PT. DSN has established an organization named Guiding Committee of Occupational Health and Safety (*GCOHS*), who is responsible for the OHS program. The interviews with the *Disnakertrans* of Kutai Timur Regency revealed that the unit management has submitted the *GCOHS* report on a regular basis every three months.

Said *GCOHS* report covers the entire OHS activities, including; *GCOHS* recommendations, investigation results of occupational accidents, *GCOHS* activity reports, employees' health checkup reports, and *GCOHS* minutes of meeting held every month.

**(Minor 4.7.1)**

The unit management has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government. Such insurance is named *BPJS Employment* (Workers Social Security Agency), which is routinely paid to the *BPJS* office.

**(Minor 4.7.2)**

The company has been conducting a regular health checkup for its employees who hold high risk at work every six months. The latest results of such health check showed that there were no employees who were exposed to any health problem.

**(Minor 4.7.3)**

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

**(Minor 4.7.4)**

The unit managements of both the estate and the mill have given the necessary OHS training to the workers, such as the training for First Aid Emergency (*P3K*), which was attended by all workers from the operational divisions of the estate and the mill. Furthermore, a drill of emergency response is also regularly conducted, with the procedure related to it available for reference.

**(Minor 4.7.5)**

The company has procedure of Emergency Response in SOP of AGR-037-R01 point 1.7 page 18 on emergency flow chart, report and emergency response team. As an implementation of the procedure, the company has organizational structure of emergency response authorized by Head of OHS Norm, Manpower and Transmigration Agency of East Kutai dated 13 March 2014. Despite of that the company has conducted emergency response activity.



**(Minor 4.7.6 dan Minor 4.7.7)**

The field visit and interviews done with the workers at Jabdan 1 Estate 2 and Long Jenew 1 Estate all indicated that the unit management has provided necessary PPE for the employee, such as PPE for Harvesters, which included safety shoes, helmet, glasses/goggles, and gloves. It was also revealed that the harvesting supervisors were equipped with First Aid Kit Box and that the First Aid Kit Box was also available at POM IV.

The interviews with the supervisors also suggested that they all have the proper knowledge on how to perform first aid emergency in case of any occupational accident at their work area. For example, when a worker is exposed to tree's thorns, the first step to take is to clean the injury and perform first aid emergency, then the supervisor must take said worker to the estate's polyclinic for further treatment.

**(Minor 4.7.8)**

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

**Status: Full Compliance**

**4.8**

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

**(Major 4.8.1)**

The company (PT. DSN and PT. SWA) has a document of public plan records for the 2015 employee training, which was prepared by the Training Center Division. The document describes the plans of employee training which includes the types of training, the trainers, the participants, and the schedule. There are 28 types of training prepared for PT. DSN and 40 for PT. SWA, which include the likes of Warehouse Administration Training, First and Emergency Training, and OHSE (Occupational Health, Safety, and Environment) Training.

The company also has a Form for the Competence GAP Assessment (FM-HRD-12-R03) prepared by the Assistant *PGS*, explaining the name of *NPK* employee, position, competence not yet gained, and types of training suggested.

**(Major 4.8.2)**

The company has several records of the training conducted at the same time in 2015, namely;

- Warehouse Administration Training, on 28 January 2015 at Room 3 Training Center, with 28 participants (warehouse clerks, warehouse staff, bookkeeping clerks, GA admin, and stock keeper).
- Basic First Aid Emergency Training, on 30 March 2015 at Main Room II Training Center, with 40 participants (maintenance supervisors, harvesting supervisors, harvesting clerks, farm tractor operators, head of pharmacy, staff at worker's residential unit, and warehouse staff).
- OHS & Environment Training, on 6 March at Main Room II Training Center, with 36 participants (medical admin, loading operators, unloading & loading operators, mechanics, maintenance supervisors, harvesting supervisors, supervisor 1, harvesting clerks, warehouse clerks, loading ramp, water treatment operators, kernel dispatch crews, and mess boy).
- Monitoring of Maintenance Supervisor, on 8 January 2015 at Room III Training Center, with 30 participants (maintenance supervisors).
- Monitoring of Harvesting Supervisors, on 12 February 2015 at Room III Training Center, with 24 participants (harvesting supervisors).

**(Major 4.8.3)**

The company (PT. SWA) has its own method in appointing the contractors by taking into account their company profile, such as when employing *CV. Berkah Rejeki (Syahbirin)* as the contractor for transporting FFB at JB 1 (MWA No. 001/SWA/JB1/2015). The proof of contractor's competence is their Business License No. 510/629-01/PUIP/PK/X/2013 dated 28 October 2013, mentioning that one of their services is Oil Palm Transportation. Another proof is a Driver's

License type B1 No. 781019280199 by the name of *Bantaeng* that was valid through 18 October 2014. In the mean time, PT. DSN has not initiated any partnership with any contractors, thus does not have any of their company profiles.

**Status: Full Compliance**

**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.**

**(Major 5.1.1)**

PT. SWA has a set of documents of Terms of Reference of EIA (*KA AMDAL*) from the year of 1997, EIA documents, *RKL* and *RPL* documents for the Plantation and POM 1 and POM 2. PT SWA is located at Muara Wahau Sub district, Kutai Regency, East Kalimantan Province, the *HGU* Area/Land Allocation is 30,000 Ha, Estate area is 25,000 Ha, POM 1 capacity is 60 tons of FFB per hour, POM 2 is 60 tons of FFB per hour, taken from the data in 1998. The documents of EIA, *RKL* and *RPL* have been approved by Minister of Agriculture in 1998 under an approval letter No. 21/ANDAL/RKL-RPL/BA/VI/1998 dated 8 June 1998.

**(Minor 5.1.1)**

The Unit Management has increase the capacity and the management of the estate area based on the *HGU*, which then was followed up by preparing the Addendum Document of EIA for PT. Swakarsa Sinar Sentosa, which consists of EIA, *RKL* and *RPL* for the mill with the capacity of 90 tons of FFB per hour, and *HGU* area of 16,850 Ha.

The document was approved by the Regent of Kutai Timur though a Regent's Decree No. 662/K.315/2013 on Environmental Feasibility, Addendum Plantation Business Activity and Palm Oil Mill with a capacity of 90 tons FFB per hour by PT Swakarsa Sinar Sentosa, covering an area of 16,850 Ha at Muara Wahau Village, Benhes Village, Deabeq Village, and Diaklay Village, all located at Muara Wahau Sub district, Kutai Timur Regency, East Kalimantan Province.

Based on document verification, the important impacts that PT. SWA is generating include physical & chemical aspects, namely; increase of sediment load, decrease of surface water quality, decrease of ambient air quality, surface flow system disorders, and soil fertility degradation.

As for the biological aspects, they include degradation of biodiversity, while the social economical, cultural and health aspects include more business opportunities for the community, emergence of positive attitude and positive perception in the society, more employment opportunity, the decreasing of environmental sanitation, and community safety.

PT. DSN also has the document of *UKL* and *UPL* of the Establishment of Palm Oil Mill for POM 4 with FFB production capacity of 40 tons of FFB per hour and PKO (Palm Kernel Oil) production capacity of 300 tons of kernel per day.

The document was authorized under a Letter No. 660/520/3-BLH/IV/2011 dated 14 April 2011 issued by the *BLH* of Kutai Timur Regency, which also contains a Recommendation on *UKL* for PKS 4 and PKO of PT. Dharma Satya Nusantara at Benhes Village, Muara Wahau Sub district, Kutai Timur Regency.

**(Major 5.1.2)**

PT. DSN and PT. SWA have both submitted the reports of environmental management on a regular basis, in the form of *RKL-RPL* Reports, *UKL-UPL* Reports, and the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> Quarterly Reports from 2014.

The 2<sup>nd</sup> Semester *RKL-RPL* Report of PT. DSN was still in a draft format and has not yet submitted to relevant institutions. However, all three other reports, namely 1<sup>st</sup> Semester *RKL-RPL* Report, 2<sup>nd</sup> Semester *RKL-RPL* Report Draft, and 1<sup>st</sup> & 2<sup>nd</sup> Semester *UKL-UPL* Reports for 2014 have all been in accordance with the required management and environmental monitoring matrix specified in the *RKL-RPL* and *UKL-UPL* documents.

**Status: Full Compliance**

**5.2**

**The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.**

**(Major 5.2.1; Major 5.2.2 dan Major 5.2.3)**

Unit management has conducted an HCV study and included the results in the Final Report of High Conservation Value Assessment for Dharma Satya Nusantara Palm Oil Mill Group in January 2012. The report was supplemented with several other supportive documents, such as surveys on flora, mammals, and birds.

The HCV identification resulted in the following findings;

- 29 species of flora are under threat or under protection, which mostly come from the *Dipterocarpaceae* family;
- 44 species are under categories of threat, endemic, protected, or registered in *CITES* (Convention On International Trade in Endangered Species);
- 43 species of bird with the status of “conservation priority”.

The unit management has grouped up the area management with high conservation value into Kenden Riparian, Conservation Area VII (small peat marsh of 165 hectares), and conservation area VI (secondary forest of 325 hectares). There is a water spring at Division 2 that is well preserved and becomes source of water.

The following management measures are taken by the unit management;

- Managing the habitat of conservation area by preserving the area and trying to recover the ideal condition.
- Creating the delineation
- Installing necessary signage prohibiting the hunting of protected animals and the chemicals application at the riparian area.
- Marking the area with clear and visible signage and nurturing the soil by planting the enrichment plants with local species such as dammar trees, camphor trees, Eugenia trees, and Agar woods. Penanaman tanaman tersebut bukan untuk di panen tapi ditujukan untuk pengkayaan tanaman di sempadan sungai
- Weekly monitoring of wild fauna and biannual monitoring of the natural vegetation around the conservation area.
- Planting vertiver grass in the riparian to act as erosion deterrent.
- Conducting a routine patrol schedule at the conservation area.
- Disseminating the management of the conservation area and the protection of the rare species of fauna.

**(Minor 5.2.1)**

Based on the field visit to the HCV area at Kenden Kecil Riparian at Division 5 Block B13 and C12 Jabdan 1 Estate, the HCV area was in a well-protected condition and the signage containing information on the HCV area and protected fauna are available at the site.

**(Minor 5.2.2)**

In managing the conservation area and rare species protection, the unit management has appointed special personnel, namely *Achmad Jubair Syam* and *Wisnu Prabowo* as the conservation staff. Both personnel are competent in managing HCV area, as they have relevant educational background and they have joined necessary trainings for HCV area management.

**Status: Full Compliance**

**5.3**

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

**(Major 5.3.1)**

The unit management has a list of waste source identification and contamination as well as their management plans, which are included in the following documents;

1. EIA Documents for the mill and the estate of PT. SWA, which identify the sources of waste and contamination from the mill. The waste and contamination generated by the mill generally consist of solid waste, effluent from CPO production process, and air contamination from combustion emissions at the boilers and the generators.
2. Documents of Hazard Identification and Risk Assessment (HIRA), and OHSE Risk and Impact Control, which contains the following information; types of activity, waste generated, and level of risk. The types of waste included in the documents are domestic waste from housing complex, hazardous waste from agrochemical use, glass house gas emissions, and so on.
3. Documents of Environmental Management Effort (*UKL*) and Environmental Monitoring Effort (*UPL*) of POM 4 PT.

Dharma Satya Nusantara, with the CPO production capacity of 60 tons of FFB per hour and PKO of 300 tons of kernel per day.

4. Documents of Identification of Waste and Contamination Sources at POM 4. The document lists down 28 types of production activities that are generating waste, including loading ramp, sterilizer, production, WWTP, maintenance, WWTP, Hazardous Waste Temporary Warehouse, Warehouse, and others. The types of waste generated are hazardous waste and effluent.

**(Major 5.3.2 dan Minor 5.3.1)**

The waste management at the Unit Management is stipulated in the SOP of Waste Management (SOP-AGR-035-R01), which was valid from 21 October 2013, and Work Instruction (IK-AGR-SHE-09-R00) for Hazardous Waste Management, which was valid from 15 January 2014. The detailed procedure for such waste handling is as follow;

- **Domestic Waste** is divided into organic and inorganic. They are collected every morning at morning briefing; inorganic waste is collected in a plastic bag and transported to the Landfill, and will be piled up when the landfill is full. While organic waste is being composted at each division in a special composting container. According to the results of a field observation at Block B22 Division IV Jabdan 1 Estate, each Landfill location has its own coordinates, and information on each time of opening the landfill and pile-up sessions, the landfill was also in good condition and the composting container is active and clean. As for domestic liquid waste, it is collected in a special pond and is used for fish farming.
- **Effluent** generated from FFB processing is managed in the WWTP and is then being applied to the estate. The field visit found out that the condition of the pond is good and no leakage. There is also a flow meter available to identify the amount of effluent applied to soil. POM 4 has tested the effluent being applied to meet the quality standard required by the *PP* No. 28 year 2003. The visit to the area of land application also found that the effluent has been applied to land and has always been under supervision to ensure the flow of the effluent stays inside the flat bags provided.
- **Solid Waste** in the form of shells and fibers generated from the FFB processing are used as boiler's fuel at the mill. It is confirmed by the result of a visit to POM 4 PT. DSN, which showed the exact thing.
- **Hazardous Waste** generated from the estate and the mill is managed based on the applicable regulations. The document study revealed that the monitoring of the waste generated and temporarily stored at the licensed Warehouse is recorded in the waste balance sheet. The document records the entry and exit of the waste to the storage warehouse. Hazardous waste generated from the estate at PT. SWA is temporarily stored with a maximum of seven days storage, which would then be transported to be further stored for its maximum retention period of 83 days, in accordance with the License for Hazardous Waste Storage at Hazardous Waste Temporary Warehouse owned by POM 1 PT. DSN. POM 1 PT. SWA is still under the same group of company as POM 4 PT. DSN. Said POM 1 is chosen because its location is closer to the estate, which makes transporting easier. Hazardous Waste from the licensed warehouse at POM 4 PT. DSN and POM 1 PT. SWA is handed over to the licensed transporter and collector, namely *CV. Sumber Agung*.

There is a document of hazardous waste manifest as a proof of handover from the company to the transporter.

As for medical waste, the company has a contract made with *PT. Kaltim Medika Utama* for further handling and transporting.

The visits made to the licensed Hazardous Waste Temporary Warehouse at POM 4 PT. DSN and to the one at Jabdan 1 Estate and Long Jenew 1 Estate all suggested that the condition of each storage was well maintained and they have considered all contamination possibilities around the storage location. Hazardous Waste symbols were also available and visible and were in accordance with applicable regulations.

**(Minor 5.3.1)**

Summary of waste monitoring conducted by the management unit is as follow;

- Recording of the hazardous waste produced is done in the waste balance sheet.
- Recording of the hazardous waste storage at the Temporary Warehouse is done in the logbook.
- Recording of the hazardous waste transportation by waste transporter is done in the manifest.
- Monitoring of the effluent quality is performed on a monthly basis.

- Monitoring on the quantity of the effluent and the empty bunch applied to land.

**Status: Full Compliance**

**5.4**

**Efficiency of energy use and use of renewable energy is maximized.**

**(Minor 5.4.1)**

The company uses shells and fibers to fuel boilers and calculates the efficiency of using them. In January to February 2014 the use of shells amounted 30,035 tonnes and the use of fibers was 49,312 tonnes. The efficiency of shells reached 5.6 kwh/ton CPO and 1.95 kwh/ton CPO, while the efficiency of using fibers was 1.95 kwh/ton CPO.

**(Minor 5.4.2)**

Average of monthly expenses of diesel fuel for genset during the period of January 2014 to February 2015 reached 14,589 liters or equal to 0.49 liter/ton of CPO.

**Status: Full Compliance**

**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.**

**(Major 5.3.1; Major 5.3.2 dan Major 5.3.3)**

Based on the study of the document of work plan and budget for the period of 2014-2017 belonged to PT. SWA, there are no replanting activities scheduled until 2017. The result of area statement document study and management interview showed that the last oil palm planting was conducted in 2005.

Standard operating procedure related to zero burning policy in the company is as follows:

- Quality Manual Document No. PDM-AGR-R03 page 9 point 7.3.1 on quality policy stating that company establishes the application of zero burning principle in all forms of estate management.
- Memorandum No. 0065/SHE/VII/2012 on the prohibition of the burning of domestic/household waste to all employees of PT. SWA. The memo was from the CEO on 19 July 2012.
- IK-AGR-OLP-01-R01 on 1 February 2012 on the instructions of land clearing work. The work instructions explain that the land clearing activities are carried out by means of zero burning.

**(Minor 5.1.1)**

Company also has a structure of emergency response organization for POM 4, Jabdan 1 Estate and Long Jenew 1 Estate as follows:

1. Structure of JB1 Emergency Response approved by the Head of Norms of OHS Supervision of Labour Service of Kutai Timur on 13 March 2014 which was established by the Head of GCOHS on 10 March 2014. The Coordinator of Preparedness and Emergency Response is Mr. Imam Suparlan; Head of JB1 Estate Budi Suprpto; Team Coordinator of Communication and Logistic Assistance by Nara Maryanto with 5 members; Team Coordinator of Security, Fire Fighting and Traction by Afrizal with 13 members, Team Coordinator of Rescue and Evacuation by Seftafier U.S. with 25 members.
2. Structure of LJ 1 Emergency Response approved by the Head of Norms of OHS Supervision of Labour Service of Kutai Timur on 13 March 2014 which was established by the Head of Guiding Committee of OHS on 10 March 2014. The Coordinator of Preparedness and Emergency Response is Mr. Imam Suparlan; Head of LJ 1 Estate Tri Cahyo JM; Team Coordinator of Communication and Logistic Assistance by Sazali Wadana with 8 members; Team Coordinator of Security, Fire Fighting and Traction by Yusuf Trisutrisno with 31 members, Team Coordinator of Rescue and Evacuation by Andrisasono with 36 members.
3. Structure of POM 4 Emergency Response approved on 18 August 2014 by the Head of Guiding Committee of OHS Mr. Heppy A. Suary; Team Coordinator of Communication and Technician by Karsum Putra with 4 members; Team Coordinator of Security, Fire Fighting by M. Riasmin Walalayo with 3 members; Team Coordinator of Rescue and Evacuation by Zulkifli with 8 members and an Observer Eko Ariawan.

The application of procedures include the establishment of preparedness and emergency response at the POM and estate, as well as fire fighting training and simulation that are conducted routinely every year. For example, training on 5 May 2014, which was attended by 45 workers at POM 4.



Based on the result of field visits to POM 4, office of Jabdan 1 Estate, Section IV Jabdan 1 Estate, office of Long Jenew 1 Estate and Section II Long Jenew Estate, the company seems to provide fire safety facilities such as fire extinguishers, water tanks with the capacity of 5000 liters equipped with nozzle and pumps, fire tower and simple fire extinguishers in the form of sacks, shovels, buckets, sand and crowbar which are available in the section for every 10 doors and at the estate office. However, there is no sufficient evidence of the evaluation of the extent of fire vulnerability as the basic consideration of provision, placement and the organization of facilities and infrastructure of land fires effectively. **Based on the explanation, raised the non conformance NC 2015.01 with minor category**

**Minor 5.1.1** | **Status: Non conformance NC.2014.01 with Minor category**

**5.6**

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

**(Major 5.6.1)**

Company has identified several sources of pollution and emissions at POM arranged in the documents of waste sources as follows:

- Activities at kernel station.
- Boiler activities.
- Power house activities.
- POME
- Leakage of CPO bulking system.
- Leakage of BBM bulking system.
- Generator engine exhaust emission.
- Boiler exhaust emission from the mixture fuel burning in the boiler heating unit.
- Dust generated by the friction of FFB transporter wheels with the road surface.

**(Major 5.6.2)**

Document report of Environmental Management and Monitoring Efforts mentioned that the decreasing of air quality are caused by:

- Operational of generator engine and boiler in the POM that produces emission of exhaust gas and the result of the mixture fuel burning in the heating unit. The emission of exhaust gas is also caused by the generator engine placed in the middle of the plantation that affects health disorders of mill workers and to local communities.
- Exhaust gas from trucks transporting CPO and FFB.
- Dust generated by activities occurred along the road in the estate.

**(Minor 5.6.1)**

Efforts to reduce pollution and emission undertaken by the company are as follows:

- Disposal of non-hazardous material waste to landfill.
- Management of POME.
- Using shells and fibers for boiler materials instead of using diesel fuel.
- Recording of the use of chemicals ingredients and saving efforts.
- Engine maintenance.
- The use of PPE.
- Application of fertilizer according to the dose set by the company.
- Not applying chemicals in the area of riparian.
- Choosing the location of Empty Bunch application that is far from settlements.
- Air quality (emission) testing every 6 months.
- Ground water quality testing every 6 months.
- Testing the waste quality, monitoring wells, air quality emission, emission testing, and air threshold to keep from exceeding the BM for greenhouse gas mitigation effort.
- Periodic testing of mill effluent.

The testing results of air quality, waste, monitoring wells, ambient air, air emission, static interference and mill effluent showed that all testing parameters are still in accordance with government regulation for each type of testing.



**(Minor 5.6.2)**

Associated with the effluent management, company has WWTP facility comprising 9 ponds, which are 8 active ponds and 1 reserve pond. The WWTP management method is multi-feeding. Based on the functions the ponds consist of cooling pond, mixing pond, anaerobic pond, aerobic pond and sediment pond. The WWTP is equipped with flow meters both on the inlet and outlet. Based on the field visit to WWTP facility of POM, the WWTP is well-maintained and well-functioned. The flow meters are well-functioned. There is a special WWTP officer running the process at the pond and monitoring the condition of the WWTP.

**Status: Full Compliance**

**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.**

**(Major 6.1.1 dan Minor 6.1.2)**

PT DSN has a document of Environmental Impact Analysis Addendum of Palm Oil Mill and Plantation Activities. The capacity of the mill is 90 tons/hour and the Land Use Title covering an area of 16,850 Ha located in Muara Wahau Village, Benhes Village, Deabeq Village, and Diaklay Village of Kutai Timur Regency in 2013. In the document there is an evaluation matrix of important impacts of the palm oil mill and plantation activities in PT SWA including the components of activities, important impacts, source of important impacts and level of the interests as well as the decision taken.

Important impacts from the plantation activities of PT SWA and PT DSN POM 4 are:

- Decrease in surface water quality.
- Decrease in air quality.
- Degradation of soil fertility.
- Degradation of biodiversity.
- Decrease in air quality of environmental sanitation.
- Public attitudes and negative perception.
- The availability of job opportunities.
- The availability of public entrepreneurship.
- Public attitudes and positive perception.
- Public safety.

Company has a document of Social Impact Assessment (SIA) made by Daemeter Consulting in 2011. It contains the management of palm oil mill. There is an early picture of social environment such as the characters of the population (villages sampled were Miao Baru, Beanheas, Diak lay, NLB, Muara Wahau, and Wanasari), community and institutional structure (the pattern of limited production facilities and the profiles of respondents sampled i.e. farmers, entrepreneurs, employees, civil servants, workers at ages under 10, 10-20 years old and above 20 years old), perception about the company, the need for facilities and infrastructures. SIA compiled is based on public aspirations taken from In-depth Interview and Focus Group Discussion.

Company classified the communities affected by the impacts into 4 groups; indigenous people, transmigrants, Immigrants, and employees and local government. Impact assessment was conducted to types and levels (relocation of residents, land clearing and acquisition, the risks of accidents and occupational health, public perception, public health, job opportunities, marginalization of minor groups, social conflicts, increased income, the increasing of human resource capacity, enforcement of community organization, changes in habits and environment, the development of smallholdings.

**(Minor 6.1.1)**

Social impact management is carried out through Community Development program compiled with community participation every year, thus giving space and opportunity for people to get involved and increasing capacity in rural development planning. This is consistent with the result of the interview with Head of Plantation Service of Kutai Timur District that PT. DSN always involves the community and relevant agencies in planning their CSR so that there is no

overlapped program with the government. The programs of community development are also better targeted. The result of document study of social impacts and interview with the staff of Community Social Responsibility (CSR), it is known that the scope of environmental management document particularly in social field has not changed.

**(Minor 6.1.3)**

Company is able to demonstrate evidence of regular reporting of the environmental management and monitoring results in the form of:

- Report on the implementation of Environmental Management Plan/Environmental Monitoring Plan semester 1 year 2014.
- Report on the implementation of Environmental Management Effort/Environmental Monitoring Effort semester 1 year 2014.
- Report on the implementation of Environmental Management Effort/Environmental Monitoring Effort semester 2 year 2014.
- Quarterly report 1,2,3 and 4 in 2014, POME effluent, solid waste, hazardous waste, noise, vibration, odor.

The reporting of Environmental Management Effort/Environmental Monitoring Effort, Environmental Management Plan/Environmental Monitoring Plan and quarterly report containing indicators need to be managed and monitored in accordance with the matrix of Environmental Management Plan/Environmental Monitoring Plan.

Document verification and interview with the staff of CSR showed that the company has a scheme smallholding that runs with two forms of cooperation, as follows:

1. Full pattern partnership where the community estate is managed entirely by the company, with the total area of 3,580 hectares until 2015. This cooperation is carried out by three cooperative units namely Min Sun Lekut Cooperative Unit covering an area of 1,876 Ha (Benhes Village), Bea Glang Mandiri Cooperative Unit covering an area of 506 Ha (Dabeq Village) and Jengea Bong Cooperative Unit covering an area of 1,918 Ha (combination of 3 villages).

The contracts with two of the cooperative units are:

- Contract with Min Sun Lekut Smallholding Cooperative Unit of Benhes Village No 085/Dir-ND/SWA/JKT/VIII/05 on 6 August 2005, signed by the representative of company, representative of the cooperative unit and acknowledged by Head of Kutai Timur District.
- Contract with Bea Glang Mandiri Smallholding Cooperative Unit of Dabeq Village No. 113/Dir-ND/SWA/JKT/VIII/05 on 6 August 2005, signed by the representative of company, representative of the cooperative unit and acknowledged by Head of Kutai Timur District.

2. Production facility/saprodi pattern partnership where the company provides fertilizers and seeds, while the management of the estate is carried out by the landowners. This cooperation is conducted with a number of farmer groups in 4 villages with a total area of 1,548 hectares.

As a form of attention to smallholders, there are the following records:

1. Environmental impact analysis for smallholding area in the Addendum document of Environmental Impact Analysis (EIA) 2013 for POM with the capacity of 90 tons of FFB/hour and area of Land Use Title covering 16,850 Ha.
2. Analysis of HCV and SEIA for the main area and the smallholding as demonstrated in the document of HCV identification and SEIA.
3. Development of cooperative institution in Benhes Village and Dabeq Village by the CSR team of PT DSN in terms of administration and technical guide.

**Status: Full Compliance**

**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.**

**(Major 6.2.1)**

Company has document of the procedures of communication and consultation with community No. 0215B/SWA-CSR-WHU/VI 2012. The document describes and governs the procedures of communication among the company, the community, NGO and other local individual/organization.

The procedures also govern the submission of complaints or dissatisfaction, mechanism of conflict resolution, complaints/claims, mechanism of land identification, calculation and compensation, violence report, provision of advice and consultation.

The preparation of mechanism was carried out on 7 June 2012 along with affected communities. Each village was represented by 2 participants namely the Head of Village and Custom Leader. Villages agreed with the mechanism/procedures of communication were Behes Village, Diak Lay Village, Deabeq Village, Nehas Liah Bing Village, Muara Wahau Village, and Miau Baru Village.

**(Minor 6.1.1)**

Company has the latest and complete list of stakeholders issued on 1 November 2014. The list is equipped with address and contact numbers include:

1. Board of the village, custom leader, board of cooperative unit, board of sub village and community leader from Benhes Village, Diak Lay Village, Dabeq Village, Muara Wahau and Miau Baru Village.
2. Board of transmigration villages as many as 5 participants consist of Head of Wanasari Village/SP1 Wahau, Head of Wahau Baru Village/SP 2 Wahau, Head of Makmur Jaya Village, SP 3 Wahau, Head of Suka Maju Village/ SP 4 Wahau, and Head of Karya Bhakti Village/SP 1 Pantun.
3. The officials of sub-districts as many as 6 participants consist of Police Chief of Muara Wahau, Commander of Army Administrative Unit of Muara Wahau, Head of Muara Wahau Sub-district, Head of Kongbeng Sub-district, Secretary of Muara Wahau Sub-district and Secretary of Komben Sub-district.
4. Chairman of Worker Union of PT. DSN and DSN.
5. NGO from *The Nature Conservancy/TNC* (in Nehas Liah Bing Village) and *Restorasi Orang Utan* (in Diak Lay Village).

**(Minor 6.1.2)**

To record the aspirations of the local community, company has a register book of external incoming mails for PT. SWA and a register book of external incoming mails for DSN Group. The listing of all mails and aspirations is carried out by CSR division in collaboration with all divisions in PT. SWA and DSN.

During 2014 there were 47 incoming mails to PT. SWA recorded, in 2015 there were 14. There were 40 incoming mails in 2014 and 9 in 2015 received by PT. DSN. Most of the aspirations were in the form of requests for social fund assistance, request for contractor work (SPK), request for road improvement and so forth.

The register book of incoming mails also contains the summary of responses to the aspirations in accordance with the purpose of the letters. For all incoming mails in the period of 2014 and 2015 all aspirations have been well responded. Based on the interview with officers named Suriansyah and Sunandar, some of the aspirations from community were also delivered verbally so they are directed to submit official letters to the company. The average number of verbal requests/phones reached 15 per month.

**(Minor 6.1.3)**

For consulting and communicating with the community, the company has established a CSR division, which is responsible for communicating with people. The division is equipped with adequate facilities including office and transportation. The contact persons of CSR are among others:

1. Kokok Budiyanto (Mobile No. 08115823144)
2. Suriansyah (Mobile No. 08115566624)
3. M Sahal (Mobile No. 085283762847)
4. Ignatius Sunandar (Mobile No. 08122599961)

**Status: Full Compliance**

**6.3**

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

**(Major 6.3.1)**

Company has a system for resolving disputes in the document of SOP No. 0215B/SWA-CSR-WHU/VI 2012 on the procedure for resolving disputes between company and surrounding community. The SOP described the procedure for

submitting complaints/dissatisfaction, mechanism of conflict resolution, complaints/claims, mechanism of land identification, calculation and compensation, reporting violence, the provision of advice and consultation.

Conflict resolution is done through dialogue, discussion, debate and deliberation. If necessary, the problem solving also involves the third party as a mediator that is agreed upon in advance. If the agreement has not been reached yet, the next meeting will be set by involving NGO and other local individuals/organizations to achieve an agreement that is good and acceptable to all parties.

The SOP/mechanism has been disseminated to affected community on 7 June 2012. Each village was represented by 2 participants namely the Head of Village and Custom Leader. Villages agreed with the mechanism/procedures of communication were Behes Village, Dik Lay Village, Deabeq Village, Nehas Liah Bing Village, Muara Wahau Village, and Miau Baru Village.

The company also has a mechanism in Handling Complaints of the Employees No. SOP-AGR-054-ROO. The SOP is to ensure all employees receive proper treatment in accordance with the company rules and applicable regulation. It is also to minimize dissatisfaction and injustice felt by employees.

To record the complaints and objections of employees there is a book recording them in the mill and estate. The document contains Date, Name of the employee submitting complaints, NIK, office, Complaint/Grievance, Follow—Up from direct supervisor (date of the complaint read, corrective action and the date).

**(Minor 6.3.1)**

In 2014 PT. SWA recorded 20 written complaints relating to damage to housing facilities, clogged drainage ditches and waste management. In PT. DSN there are 46 complaints recorded in the form relating to both employment and non-employment. As an example, the complaint related to the right-sided floor of housing in POM 4, which was collapsed on 17 September 2014. This complaint was followed-up by casting the floor on 18 September 2014.

**(Minor 6.3.2)**

The process of identification and calculation of fair compensation for the loss of legal rights and traditional rights to land are also included in the procedure of Communication and Consultation No. 0215B/SWA-CSR-WHU/VI/2012. Compensation is carried out through a negotiation between the company and the landowners acknowledged by local government (head of village or sub-district).

**Status: Full Compliance**

**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.**

**(Major 6.4.1)**

There is mechanism of identification, calculation and compensation for the loss of legal rights in the SOP of Communication and Consultation No. 0215B/SWA-CSR-WHU/VI/2012. The procedure described the stages of compensation as follows:

1. Identification of land by means of measurement along with the community assisted with measurement tools and discussion/verification of legal evidence of the land by the result of measurement.
2. The land compensation is calculated based on the agreement between company and the landowner in accordance with the prevailing norms and decency in order not to burden.
3. Compensation of crops is done based on applicable government regulation.
4. The payment of compensation is conducted after agreement and official report.
5. If no agreement is obtained, the third party will conduct the mediation and if it does not work the litigation might be needed.

**(Minor 6.4.1; Minor 6.4.2 dan Minor 6.4.3)**

Based on the document verification of the land legality, for Jabdan 1 Estate, Long Jenew 1 Estate and Long Jenew 2 Estate, there were no compensation since the Land Use Title of the land is entirely from the release of production forest area (belonged to the state) to be a concession area through Decree of the Release of Forest Area issued by Minister of

Forestry No. 174/1996.

As the evidence of land acquisition, there are statements from head of villages around the company namely Benhes Village, Dabeq Village, Nehes Liah Bing Village and Diak Lay Village on 28 June 2014 signed by head of village, secretary and head of Muara Wahau Sub-district, which showed that:

- Community fully supports the development of PT. SWA plantation in Muara Wahau Sub-district.
- People agree with the measurement boundaries of the area of Pt. SWA have been measured by the authority.
- The location of plantation is already free from land problems.
- Land belonged to community has been excluded from the area of the company.

**Status: Full Compliance**

**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.**

**(Major 6.5.1)**

Company has a document in the form of a list of employees' wages describing the wages payment adjusted with the Decree of the Head of East Kalimantan Province No. 561/K.776.2014 on 01 December 2014 on the Establishment of Minimum Wage of Kutai Timur District 2015 amounted IDR 2,117,500.

There are Decrees of the Board:

1. No. 11/DIR//2015 on changes of minimum wage in PT. Dharma Satya Nusantara, with the decision:
  - The minimum wage of PT. DSN to IDR 2,117,500
  - The amount of BHL wage is set IDR 87,400
  - For SKU H employees who are absent, their wages will be cut IDR 70,584 per day.
2. No. 12/DIR//2015 on changes of minimum wage in PT Swakarsa Sinarsentosa, with the decision:
  - The minimum wage of PT. SWA to IDR 2,117,500
  - The amount of BHL wage is set IDR 87,400
  - For SKU H employees who are absent, their wages will be cut IDR 70,584 per day.

Example of the wage payment recap in February:

On behalf of Marliatin, SKU B; Type 1B; salary IDR 2,117,500 (PT. DSN – POM 4).

On behalf of Jumanah, SKU-H ;Type 1B; 28 workdays; wage IDR 1,976,352 (PT. SWA – Long Jenew Estate).

On behalf of Isrofi; SKU H; Type 1B; 28 workdays; wage IDR 1,976,352 (PT. SWA – Jabdan 1 Estate).

**(Major 6.5.2)**

Company has a regulation of PT Dharma Satya Nusantara for the period of 2013-2015 established in May 2013 and approved by Director General of Industrial Relation development and Labour Social Assurance with Decree No. 311/PHIJSK-PKKAD/PP/IV/2013 on 26 April 2013. There is also a regulation of PT. Swakarsa Sinarsentosa for the period of 2013-2015 established on March 2013 and approved by Director General of Industrial Relation Development and Labour Social Assurance with Decree No. 322/PHIJSK-PKKAD/PP/IV/2013 on 26 April 2013.

There is a document of facilities for general employees of PT DSN and PT Swakarsa, such as:

Type	Jabdan 1	Long Jenew 1	POM 4
Housing T120	1	1	1
Housing T 70/72	4	10	16
Housing G10 wood	3	27	-
Housing G10 bricks	28	6	17
Office	1	1	1
Warehouse	4	3	1
Workshop	1	1	1
Clinic	1	1	-
Mosque	1	1	1
Church	1	-	-
Generator house	6	8	-
Elementary school	-	2	-



Sport facilities	5	7	-
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Note: \*sport facilities in the form of soccer field and volleyball field is available in each estate.

Based on field observation to worker housing complex, the company has provided the adequate public facilities, for example:

- Employee housing which permanently construct provide with 2 rooms, living room and toilet. The electricity and the clean water source provided from the mill,
- **Education facility.** Company provided kindergarten and elementary school, school bus
- **Health facility.** Company provided health clinic located in each estates and mill which support by the company doctor and nurses
- **Othe public facilities.** Church, Mosque, sport field, employee meeting hall and child welfare facilities.

**(Minor 6.5.2)**

Company has a contract agreement with contractors. This agreement requires that contractors must comply with applicable regulation in terms of employment. The interview with management showed that the company only hires contractors to transport FFB. Management unit is able to demonstrate the employment contract such as:

**Jabdan 01 Estate**

SPK No/ 001/SWA/ JB 1/2015 FFB transporting on 2 January 2015 concerning the contract work of transporting the FFB to CV Berkah Rejeki. In the SPK article 4 described the rights and obligation for each party and the fulfillment of applicable regulation in Indonesia. It is including, but not limited to, the regulation on employment and the provision of PPE as well as requiring its workforce to use PPE during working.

**Long Jenew 1 Estate**

SPK No. 008/SWA/LJ 1/2015 on 2 January 2015 on contract work for transporting FFB to Ahmad Haris. In the SPK article 4 described the rights and obligation for each party and the fulfillment of applicable regulation in Indonesia. It is including but not limited to the regulation on employment and the provision of PPE as well as requiring its workforce to use PPE during working. Currently PT DSN-POM 4 has not had document of SPK with contractors yet.

**Status: Full Compliance**

**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.**

**(Major 6.6.1)**

Company policy contained in Company Regulation period of 2013-2015 article 4 stated that workers have the right to form a worker union, to become a member/leader of a worker union in accordance with applicable government regulation.

- Worker union of PT Dharma Satya Nusantara has been registered with the registration No. 07/02/SP-SB/Nakertrans-HIJ/I/2013 on 30 January 2013. Thus, the Decree of Labour and Transmigration Ministry No. Kep-16 Men/2001 Article 2 Paragraph 2 has been met.  
As for the composition of the board consists of Chairman (Jelly Kartono), Deputy Chairman (Sapari), Secretary 1 (Indra P), Secretary 2 (M. Yusri), Treasurer (M. Nashua), Head of External Affair (Arif S), Head of Organization Development (Amirudin), Head of Industrial Relation (Muslimin), Head of Women's Empowerment (Uswatun K), Branch Coordinator of POM 4, Chairman: Khusnul Qomarudin, Secretary: Tandrianto Koko Gunawan, Treasurer: Ingrid Natalia.
- Worker union of PT Swakarsa Sinarsentosa has been registered with the registration No. 04/02/SP-SB/Nakertrans/I/2013 on 6 March 2012. The composition of the board consist of: Chairman: Slamet Sidik, Deputy Chairman: Petrus Saragih, Secretary: Anre Sasono, Deputy Secretary: Muhardiansyah, Treasurer: Nurcholis, Deputy Treasurer: Sutrisna.

Base on the interview with the head of the company worker union gathered information that the company have supported the union and respects the right of all personnel to form and join trade unions

**(Minor 6.6.1)**

Worker union meetings of PT DSN and PT SWA are as follows:

- Meeting on 16 April 2014 discussing the determination of organizational structure of SPSI and dissemination. The meeting was attended by 18 participants.
- Meeting on 4 March 2014 discussing the dissemination of SPDSN. The meeting was attended by 13 participants.
- Meeting on 15 September 2014 discussing the mechanism of complaints or advice submission from supervisors, the mechanism of the handover of complaints from branch member to central board, explanation about the rights and obligation as a member of worker union, the determination of monthly dues and membership card format. The meeting was attended by 25 participants.
- Meeting on 17 October 2014 discussing the procedure for filing leave and BPJS of health.
- Meeting between PT DSN Worker Union with the representative of management on 2 February 2015 at the meeting room of POM 4 discussing BPJS and employees' leave with the attendance list of participants.
- Meeting of SP.SSS of PT SWA on 15 August 2014 discussing the dissemination of BPJS program to all members of SP.SSS with the attendance list of 7 participants.

**Status: Full Compliance**

### 6.7

**Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.**

#### (Major 6.7.1)

Company policy regarding requirement of age for workers is contained in government regulation Article 5 point 1.b 2013-2015 on the general requirement for recruitment. The point described that requirement for recruitment of workers is minimum 18 years old.

#### (Minor 6.7.1)

Based on the visit to Jabdan 1 Estate and Long Jenew Estate as well as the study of workers list, there are no workers under 18 found.

Based on the list of employees on February 2015, there are no employees under 18, for example:

- The youngest employee in Long Jenew 1 is Hari Irawan, section maintenance officer. He was born on 14 April 1996 and was recruited on 11 September 2014.
- The youngest employee in Jabdan 1 is Fitri Anjar Murni, human resources clerk, who was born on 20 February 1996 and was recruited on 26 August 2014.

Based on the document observation known there was no worker under 18 years old which have worked in the company. This also supported by the auditor team field observation and interview revealed there was no worker under 18 years old which have worked in the company operational area.

DSN Group has a document of job vacancy No. 005/OS-HC/II/2015 to Head of Village and Head of Custom of Miau Baru on 28 February 2015. In the document there are several vacant positions such as: maintenance foreman, office boy, harvesting, treatment, seeding with general requirements among others: minimum age is 19 years old and maximum age is 35 years old, male or female.

Company regulation Article 5 Point 3 stated that company provides equal opportunities to workers who meet the requirements and the promotion of the employees is done based on objective assessment.

Article 5 point 1 on the recruitment stated that employees are recruited based on the need of the company and adjusted with the competence of the workers as well as meeting the general requirement such as:

- Adults, minimum age of 18 years old.
- Physically and spiritually healthy.
- Meet the competence of the post.
- Following the procedure of employee recruitment No. SOP-AGR-012-R01.

**Status: Full Compliance**

### 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.**

**(Major 6.8.1)**

Based on the company regulation chapter 5 point 3 stated that the company has give an equal chance for the worker who meet the requirement and the worker promotion is based on objective evaluation.

In chapter 5 point 1 about worker acceptance, stated that the worker recruitment is bade on need and adjusted to worker competency and fulfill general requirement on worker recruitment. The general requirement are:

- Adult with minimum age 18 year
- Healthy physically and mentally
- Meet the competency for each type of job.

It is in line with procedure on employee recruitment No. SOP-AGR-012-R01.

From the field observation and the interview with the worker union, gender committee the auditor team received information that there was no discrimination of race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited

**(Minor 6.8.1)**

There are several records of the giving of equal opportunities and treatment in employment opportunity associated to employee appointment, among others:

PT. DSN

Ferdiandus Viktorius Saka (loading sheed operator)

- Decree of Employee Appointment No. 006/SPK/HRD/DSN-PKS 4/V/14 the employee concerned has accomplished a 3-month probation and has been appointed as employee starting from 18 May 2014.
- The Evaluation Form of Probation Employee on 18 May 2014 by Askep and approved by POM Manager has recommended the employee concerned to be promoted as permanent employee.

PT SWA

Budi Hartono (maintenance worker)

- Decree of Employee Appointment No. 010/OS HC/I/2015 stated that the employee concerned has accomplished one-year-working period (PKWT) and has been appointed as employee starting from 5 January 2015.
- The Evaluation Form of Probation Employee on 5 January 2015 by Askep and approved by Estate Manager has recommended the employee concerned to be promoted as permanent employee.

**Status: Full Compliance**

**6.9**

**Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.**

**(Major 6.9.1)**

PT. DSN and PT. SWA have Company Regulation period of 2013-2015 regulating protection of reproductive rights in Article 12 on the protection from sexual harassment in the workplace. The article stated that:

1. Every worker is entitled to protection of sexual harassment in the workplace.
2. Sexual harassment is an offensive action and if convicted of sexual harassment the offender will be penalized according to applicable regulation.

**(Major 6.9.2)**

PT. DSN and Pt. SWA have Company Regulation period of 2013-2015 regulating the protection of reproductive rights in Article 32 on maternity leave. The article stated that:

1. Pregnant workers are given a 3-month maternity leave with fixed wages paid. The leave can be taken 1,5 months before and 1,5 months after the deliberating/miscarriage in accordance with the advice from company's doctor/midwife.

Female workers are not obliged to work when they feel sick on the first day and second day of menstrual period so that they cannot do the job, with fixed wages paid.

**(Minor 6.9.2)**

As the implementation of Sexual harassment prevention policy:

PT. DSN

1. Establishing Women Committee of POM 4 with the coordinator: Mega Selvi, Chairman: Emjan Beang, Secretary: Ingrid Maria N.
2. Minutes of the dissemination of sexual harassment prevention policy on 27 February 2015 located around the housing of POM 4. There were 45 participants consisted of the employees' wives and female workers.

PT. SWA

1. Establishing Woman Committee of Worker Union with the structure of board as follows: Chairman: Rina Kurniasih, Deputy Chairman: Anie, Secretary: Inuq Juk, Coordinator: Rina Yanti, Della Indah, Khomsiyah, Titi DL. There is also dissemination record at the estate on 3 October 2013 in Section III Jabdan 01 and on 7 October in Jabdan 02.
2. There is a record of violence report against female worker on behalf of Tarsiatur, a worker in Section III who experienced harassment on 4 October 2013. The offender was the victim's husband, SKU employee in Section III. The management followed-up the case on 28 October 2013 by giving a warning to the offender and had him make a statement to refrain his action.

There are several records of policy implementation regarding reproductive rights protection among others:

PT. Dharma Satya Nusantara (POM 4)

- Record of epistle No. SHE-BP/SKS/II/2015 regarding the granting of D1 permit on behalf of Aryati Lawai (24 years old), emplacement worker on 17 February 2015.
- Form of maternity leave on behalf of Yuliana/scale operator, applied for a permit from 24 December 2014 to 12 April 2015. The management of POM 4 granted the permit on 2 December 2014.

PT. Swakarsa Sinarsentosa

Estate Jabdan 1

- Record of epistle No. 16/SHE-BP/SKS/II/2015 regarding the granting of D2 permit on behalf of Miskiyah (40 years old)/SKU of emplacement at Jabdan 1. The permit was granted on 10 to 11 February 2015.
- Form of maternity leave on behalf of Ugi Rahayu/SKU of maintenance Section III who applied for a permit from 23 February to 23 May 2015. The approval from management was issued on 23 February 2015.

**(Minor 6.9.3)**

PT. Dharma Satya Nusantara and PT. Swakarsa Sinarsentosa have SOP-AGR-049-R01 on 1 November 2013 describing the mechanism of handling and prevention of sexual harassment and violence against women.

The plot of complaint submission as follows:

Victim of Sexual Harassment/Violence >> report to women committee by filling out the form FM-STD-52-R00 >> the head of women committee: listening and recording the data of incident, providing counseling and advice for temporary action to the victim, inviting relevant PGS, clarifying the incident to the offender and supervisor, evaluating the case together and deciding whether the incident is categorized as sexual harassment/violence or not related to the specific handling in the form of report/complaint about sexual harassment.

There is an example of handling report on behalf of Mia Kusmiati (SKU Maintenance) who experienced harassment and reported it to Women Committee on 22 October 2013. The report was followed-up by the management by issuing stern written reprimand stage 3 for the offender as well as insisting the offender to write a statement on behalf of Servasius Sani Mana, Acting Supervisor of Harvesting not to commit acts of harassment in the future. The statement was signed on 23 October 2013.

Through the interview with the board of company Gender Committee acquired information that the company has protected the women rights for example the menstruation leave, no pregnant and breast feeding woman are work with the chemical and also already conducted the socialization related to complaint mechanism.

Evidences of reproductive right have been recorded, for example based on interview known that the workers gained the maternity leave. Auditor tam also observed for the worker attendance list and the pay slip, from the observation known that the wage are payed accordingly and follow the regulation.

**Status: Full Compliance**

**6.10**

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

**(Major 6.10.1 dan Major 6.10.2)**

In accordance with MoU between company and smallholding cooperative unit that supplies FFB (see indicator 6.1.4), the purchase price of FFB from smallholding estate by POM 4 PT DSN is based on the pricing set by the Government of East Kalimantan Province. The pricing is set every month through a meeting between the government and the representatives of plantation companies in Samarinda.

FFB price is set every month based on the consideration of the price of CPO, the price of kernel and kernel extraction rate as well as index 'K'. Then it is calculated using the formula of:

**Price of FFB=K ([Price of CPO X CPO extraction rate] + [Price of Kernel X Kernel extraction rate]).**

Example of FFB price for January 2015 as follows:

No	Age of Plants (Year)	Price of FFB (IDR/kg)	Assumption for CPO Price (IDR)	Index "K"	Price of PK	R-CPO	R-IS
1	3	1.333,45	7.371,21	84,84	3.745,61	0,193	0,0451
2	4	1.362,22	7.371,21	84,84	3.745,61	0,1949	0,0451
3	5	1.389,56	7.371,21	84,84	3.745,61	0,1979	0,0478
4	6	1.425,57	7.371,21	84,84	3.745,61	0,2031	0,0489
5	7	1.439,66	7.371,21	84,84	3.745,61	0,2052	0,0492
6	8	1.474,72	7.371,21	84,84	3.745,61	0,2104	0,0500
7	9	1.508,84	7.371,21	84,84	3.745,61	0,2155	0,0507
8	≥10	1.520,77	7.371,21	84,84	3.745,61	0,2170	0,0515

Minutes of pricing are public document that can be accessed by company and community including the smallholding cooperative partner. The minutes are attached in every payment of FFB purchasing from the smallholding. As an example, there are minutes of FFB pricing for January 2015 distributed to smallholding cooperative partners.

Based on the contract document verification in CS Division in 2015 the number of contractors currently collaborating with the company is about 89 contractors with the contract value amounted IDR 14.5 billion (including the purchasing of FFB).

**(Major 6.10.1)**

Document verification and public consultation with community and contractors during the ST2 audit showed that the contracts made between the company and FFB suppliers are fair, legal and transparent. The MoU or contracts clearly regulate the rights and obligation of both parties, technical provisions/job to fair payment method and agreed by both parties.

Several examples of contracts with FFB suppliers are as follows:

- Contract between the company and Min Sun Lekut Smallholding Cooperative Unit of Benhes Village No. 085/Dir-ND/SWA/JKT/VIII/05 on 6 August 2005, which was signed by representatives of company, representative of cooperative unit and is known by Head of Kutai Timur District.
- Contract between the company and Bea Glang Mandiri Smallholding Cooperative Unit of Dabeq Village No. 113/Dir-ND/SWA/JKT/VIII/05 on 6 August 2005, which was signed by representative of company, representative of cooperative unit and is known by Head of Kutai Timur District.
- Work Agreement of FFB Transporting Contract No. 002/SWA/JB1/2014 on 25 February 2014 which was approved by both parties namely PT. DSN represented by Benedictus Parlindungan H (Directors Attorney) and Hartijapno, Director of CV Ditha Jaya Abadi.

**(Major 6.10.2)**

Document verification showed that payment for FFB purchase and job contracts has been conducted on time as shown by the following samples:



- Minutes of Work Settlement, Invoice, and Payment Slip for FFB purchase for the period of January 2015 which was paid on time on 6 February 2015.
- Minutes of the job completion for the construction of G10 house type Brick based on the SPK No. 052/SWA/JKT/2014. The payment was done on time on 5 March 2015 (10 days after billing by vendor).

**Status: Full Compliance**

**6.11**

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

**(Minor 6.11.1)**

Company have smallholders scheme which operate in two different process of agreement, for example:

- ❖ Full Operated agreement, which is the company fully manage the smallholders land, until year 2015 the total area manage coverage 3,580 Ha. This agreement conducted between three (3) cooperatives which are Min Sun Lekut Cooperative coverage 1,876 Ha in Benhes village, Bea Glang Mandiri Cooperative coverage 506 Ha in Dabeq Village, and Jengea Bong Cooperative coverage 1,918.
  - Contract with Min Sun Lekut Cooperative Benhes Village No. 085/Dir-ND/SWA/JKT/VIII/05 dated 6 Agustus 2005 signed by company representative, cooperative representative and known by the District Head of Kutai Timur.
  - Contract with Bea Glang Mandiri Cooperative Dabeq Village No. 113/Dir-ND/SWA/JKT/VIII/05 dated 6 Agustus 2005 signed by company representative, cooperative representative and known by the District Head of Kutai Timur.
- ❖ The second model agreement is villagers land management, which the company only supported the fertilizer and the seed, whereas the upkeep conducted by the smallholders itself. The agreement conducted with four (4) villages coverage 1,548 Ha

Several records of contribution to regional development on the basis of the aspirations of local community:

1. Construction of road on Long Bau street to SP 01 intersection using 16 Hm grader on 31 January 2015.
2. Main road improvement of Jabdan sub-village to SP 01 using 8 Hm grader on 9 February 2015.
3. The making of drainage for river flow in Diak Lay Village using 20 Hm excavator on 10 November 2014.
4. Road improvement and drainage making on both sides of the main street in Diak Lay Village using heavy equipment of 24 Hm grader, 14 Hm Compactors on 5 August 2014.
5. Drainage improvement in the soccer field of Dabeq Village using 8 Hm backhoe loader on 30 September 2014.
6. Bridge construction in Diak lay Village with the length of 8 m and width of 6 m on 7 February 2014.
7. Path-making in the mosque of Wahau Baru Village using 32 Hm backhoe loader on 11 June 2014.
8. Construction of 2 houses habitable for residents of Long Sep sub-village of Miao Baru Village.

**Status: Full Compliance**

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

There is no new development after November 2007. Based on the document area statement land clearing in PT Swakarsa Sinarsentosa (Long Jenew1, Long Jenew 2 and Jabdan 1) starting from 1998 and finished in 2004. Unit management did expand or build a new plantation. It is known by the Environmental Impact Assessment and Identification of HCV is done so that there is no area that is open from November 2005 until prior to the identification of HCV

**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.**

Company has implemented a commitment to continuous improvement, among others:

- Company no longer uses chemicals included in Type 1A or 1B WHO or ingredients listed in Stockholm and Rotterdam Convention as well as paraquat (indicator Minor 4.6.1).
- Company has monitored environmental impacts according to applicable regulation such as having EIA document and reporting the Environmental Management and Monitoring Plan every 6 months (Criteria 5.1).
- Waste management has been conducted in accordance with applicable regulation. The company already has a

permit to utilize and monitor the quality of effluent; also has a licensed temporary warehouse for hazardous waste and send the waste to the third party who has a license; solid waste such as shells, fibers and empty bunches are reused for operational activities (criteria 5.3).

- Company has made the identification and management of the pollution and emission generated by testing the operational appliances in accordance with relevant regulation (criteria 5.6).
- Company has identified social impacts in EIA document and Social Impact Assessment document as well as having monitoring plans for social impacts to be implemented in social activities such as CSR. Company also has reported the activities of social impact management in Environmental Management and Monitoring Plan report (criteria 6.1).

<b>Status: Full Compliance</b>
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3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements
1	<b>Documented Procedures</b>
1.1	<p>The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> <li>Complete and up to date procedures covering the implementation of all the elements in these requirements.</li> <li>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 facilities procedures for the implementation of this standard.</li> </ol>
	<p>There is Work Instruction regarding the Product Traceability of CPO and PK No. IK-AGR-MS-04-R03 on 3 November 2014 available describing the procedures and person responsible for implementing SCCS requirements as follows:</p> <ol style="list-style-type: none"> <li>General provisions of SCCS implementation.</li> <li>Acceptance of FFB in POM and PK in KCP involving weighing operator.</li> <li>Production process in POM and KCP involving production administrator.</li> <li>Storage of CPO and PK involving production assistance, production administrator, production clerk, laboratory analyst, etc.</li> <li>Shipping (despatch) involving despatch assistance, weighbridge operator, etc.</li> <li>Commercial – Bulking of Labanan and Warehouse of Samarinda involving weighbridge operator, bulking administrator, etc.</li> <li>Sales of CSPO/CPK involving commercial staffs.</li> <li>Training</li> <li>Storage of documents explaining the provision of document retention time for a period of 5 years.</li> </ol>
	<b>Status: Full Compliance</b>
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>
	<p>There is a procedure of acceptance and processing of certified and non-certified FFB in:</p> <ol style="list-style-type: none"> <li>Work instruction of Product Traceability of CPO and PK No. IK-AGR-MS-04-R03 on 3 November 2014 particularly on chapter III on the production process in POM and chapter IV on the storage of CPO and PKO.</li> <li>Mill SOP mainly SOP No. SOP-AGR-027-R00 on the Production Process Control describing the production process of incoming fruits.</li> </ol>
	<b>Status: Full Compliance</b>
2	<b>Purchasing and goods in</b>
2.1	<p>The facility shall verify and document the volumes of certified and non-certified FFBs received.</p>
	<p>The facility department has implemented mechanism of verification and documentation of certified and non-certified FFB volume well as demonstrated in the records as follows:</p> <ol style="list-style-type: none"> <li>The list of certified and non-certified suppliers is updated regularly. Based on the list of suppliers in March 2015, there are 7 suppliers with their respective certification status, namely: Jabdan 1 (non-certified), Jabdan 2 (certified), Long Jenew 1 (non-certified), Long Jenew 2 (non-certified), Partnership 1 (non-certified), Partnership 2 (non-certified), Partnership 4 (non-certified).</li> <li>Memo of fruit shipment from each supplier is equipped with a caption/stamp: “certified” for the fruits from certified sources. Fruits from non-certified sources are not stamped.</li> <li>Memo of acceptance (weighbridge ticket) containing identity of incoming FFB, information of fruit volume after weighing,</li> </ol>

	<p>information/stamps of “certified” for certified FFB and without “certified” stamps for FFB from non-certified sources.</p> <p>4. Daily recap of FFB acceptance is made by scale officer. The daily recap provides information of trip, bunches, and tonnage of incoming FFB from each supplier.</p> <p>5. Monthly recap of FFB acceptance containing information of incoming FFB from all suppliers every month. Based on the monthly recap, it can be identified the number of FFB coming from certified and non-certified sources.</p> <p>6. Scale instrument periodic testing at the weigh station by UPTD of Metrology of Industrial Service of East Kalimantan Province.</p>
	<b>Status: Full Compliance</b>
<b>2.2</b>	<b>The facility shall inform the CB immediately if there is a projected overproduction.</b>
	Not to be verified in stage 2 since the facility has not obtained certification. Will be verified in the audit of Surveillance 1.
	<b>Status: Full Compliance</b>
<b>3</b>	<b>Record keeping</b>
<b>3.1</b>	<b>The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</b>
	<p>There are complete and up-to-date records on all aspects of SCCS requirements as indicated by:</p> <ol style="list-style-type: none"> <li>1. Archives of SOP/IK for the implementation of SCCS</li> <li>2. Archives of Training List for officers.</li> <li>3. Archives/document of FFB and PK processing as many as 38 items such as: incoming mails, outgoing mails, FFB acceptance, production process and CPO expenses, such as: memo of fruit shipment, memo of fruit acceptance, recapitulation of FFB processing and CPO production, report of daily production and monthly production, and so forth.</li> </ol> <p>In accordance with document retention policy, the documents are available for a period of 5 years since the enactment of the provision of archives retention that is 3 November 2014.</p>
	<b>Status: Full Compliance</b>
<b>3.2</b>	<b>Retention times for all records and reports shall be at least five (5) years.</b>
	Based on the document of IK in Product Traceability of CPO and PK No. IK-AGR-MS-04-R03 on 3 November 2014, the document retention time is 5 years. More detailed provisions are in the Form FM-MS-18-R00 on the Provision of Document Retention Time, which divides the retention time related to CSPO document and SCCS up to 10 years.
	<b>Status: Full Compliance</b>
<b>3.3</b>	<b>(a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</b>
	<b>(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.</b>
	<b>(c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.</b>
	Not to be verified yet in stage 2 since the facility has not obtained RSPO certification. However, in the SOP there is a provision/planning of record balancing every 3 months when the company obtains the certification. The facility is also equipped with a computerized system that allows the balancing made every 3 months.
	<b>Status: Full Compliance</b>
<b>3.4</b>	<b>The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.</b>
	Not to be verified in stage 2 since the facility has not obtained RSPOO certification. However, in the SOP there is a provision to describe the trade names in relevant document, for example in the contract of purchase and sales.

	<b>Status: Full Compliance</b>
<b>3.5</b>	In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.
	Kernel crushing plant is not outsourced; the facility has its own crushing plant within the scope of POM 4.
	<b>Status: Full Compliance</b>
<b>4</b>	<b>Sales and goods out</b>
<b>4.1</b>	The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information: (a) The name and address of the buyer (b) The date on which the invoice was issued (c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance) (d) The quantity of the product delivered (e) Reference to related transport documentation
	Not to be verified in stage 2 since the facility has not obtained RSPO certification. However, in the SOP there is provision to complete the sales invoice with the information of name and address of the purchaser, date of the invoice, description of product and model of supply chain applied.
	<b>Status: Full Compliance</b>
<b>5</b>	<b>Training</b>
<b>5.1</b>	The facility shall specify and provides the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.
	There is evidence of training for staffs related to the implementation of SCCS as follows: - Training on 9 October 2014 attended by 21 mill staffs related to implementation of SCCS. - Training on 16 January 2013 attended by 18 participants including 5 from POM 4. - Training on 18 March 2014 attended by one staff from POM 4. To support the training, there is document of evaluation for each training made by the instructors to measure the level of understanding of the training participants.
	<b>Status: Full Compliance</b>
<b>6</b>	<b>Claims</b>
<b>6.1</b>	The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.
	Not to be verified in stage 2 since the facility has not obtained RSPO certification. However, in the SOP there is a provision regarding communication and claims according to RSPO regulation.
	<b>Status: Full Compliance</b>



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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
-	Will be verified at the time of surveillance activities.	-
	<b>Status:</b> Not Applicable	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
-	Will be verified at the time of surveillance activities.	-
	<b>Status:</b> Not Applicable	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
-	Will be verified at the time of surveillance activities.	-
	<b>Status:</b> Not Applicable	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
-	Will be verified at the time of surveillance activities.	-
	<b>Status:</b> Not Applicable	

3.4. Summary of RSPO Partial Certification.

<b>Management unit observed:</b> All subsidiary of PT Dharma Satya Nusantara Tbk. planned to be certified RSPO contained in the Time Bound Plan		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	All subsidiary of PT Dharma Satya Nusantara Tbk. planned to be certified RSPO contained in the Time Bound Plan	√
	<b>Status: Complied</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	All subsidiary of PT Dharma Satya Nusantara Tbk. planned to be certified RSPO contained in the Time Bound Plan	√
	<b>Status: Complied</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>
	All subsidiary of PT Dharma Satya Nusantara Tbk. planned to be certified RSPO contained in the Time Bound Plan	√
	<b>Status: Complied</b>	
<b>6.4</b>	<b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	All subsidiary of PT Dharma Satya Nusantara Tbk. planned to be certified RSPO contained in the Time Bound Plan	√
	<b>Status: Complied</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	<b>X or√</b>
	All subsidiary of PT Dharma Satya Nusantara Tbk. planned to be certified RSPO contained in the Time Bound Plan	√
	<b>Status: Complied</b>	
<b>7.5</b>	<b>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.</b>	<b>X or√</b>
	All subsidiary of PT Dharma Satya Nusantara Tbk. planned to be certified RSPO contained in the Time Bound Plan	√
	<b>Status: Complied</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	<b>X or√</b>
	All subsidiary of PT Dharma Satya Nusantara Tbk. planned to be certified RSPO contained in the Time Bound Plan	√
	<b>Status: Complied</b>	

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 ST2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.01	Minor 5.5.1	<b>Analysis of the level of vulnerability</b> Company already has the infrastructures of land fires. However, there is no sufficient evidence of the evaluation of the level of fire vulnerability as the basic consideration of provision, placement, and organization of land fires effectively.	PT. SWA	Minor	Surveillance 1	Company must demonstrate the evaluation of the level of fire vulnerability as the basic consideration of provision, placement and organization of land fires effectively.	Root of the problem:  Corrective Action:  Preventive Action:  Conclusion of the Auditor:	Open	

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	Minor 4.4.1	Company needs to ensure the effectiveness of evaluation follow-up to the condition of water source for the WTP (Bendali) to ensure the quality of water in PT SWA (observation).
2	Minor 4.7.6	Related to the facilities of First Aid for foremen, company needs to evaluate and monitor the compliance as predetermined.
3	Major 5.2.1	Company has taken actions to manage the springs area at section 2 in Long Jenew 1 Estate, but it is encouraged to ensure it has official policy supporting the protection of the spring water (observation).
4	Major 5.2.2	More concerted efforts need to be made in managing conservation area considering the large number of protected species are found the area of PT SWA Plantation.
5	Major 5.2.3	Company needs to take specific protective measures for types of protected species.

**3.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1		Commitment in sustainable palm oil management through the certification of RSPO.
2		Contribution in the development of local economy through the development of smallholdings and partnerships.
3		Commitment to conservation as demonstrated by the establishment and management of Conservation area within the Land Use Title area.
4		Person in Charge (PIC) of RSPO Competence in their respective fields.
5		Applying mechanization in harvesting activities.

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


Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><b>Tuesday, 10 March 2015</b>  <b>Community around the plantation</b></p> <ol style="list-style-type: none"> <li>Secretary of Dabeq Village</li> <li>Head of Minsum Uket Cooperative Unit – Benhes Village</li> <li>Manager of Home Study</li> <li>Local Contractor</li> <li>Board of Benhes Village – Board of Cooperative Unit</li> </ol>		
<p><b>Positive Notes</b></p> <ol style="list-style-type: none"> <li>In general, the relation between company and community is good. There was no dispute and land claim occurred during the process of consultation. There are no serious negative impacts resulting from the company's operation.</li> <li>Communication goes well because the division of CSR is open enough to dialogue with community to represent the company at any time.</li> <li>Positive impacts of the presence of the company are in the form of infrastructure aid, opening of smallholdings, employment, and scholarships for elementary to high school students, home study, and job opportunities for local contractors.</li> <li>Requests for assistance or aspiration are always well responded.</li> </ol> <p><b>Negative Notes:</b></p> <ol style="list-style-type: none"> <li>Application from people of Benhes Village has not been responded yet. The application is related to the change of scheme smallholding from scheme C5 (assistance of land preparation and planting) into scheme of full operation.</li> <li>In the rainy season, people who use water of Telen River often suffer</li> </ol>	<ol style="list-style-type: none"> <li>Response to positive notes:  Company will maintain and enhance the good relationship that has been established with the community. The programs have been running constantly are reviewed to fit the needs of the people.</li> <li>Responses to negative notes  Company will conduct a discussion with community related to it.  Company has been testing the water of the upstream and downstream of Telen River periodically every 6 months. The result of the test</li> </ol>	<ol style="list-style-type: none"> <li>Company is encouraged to maintain a good performance has been achieved including in the social field.</li> <li>Company needs to make a positive contribution to social economy and have sensitivity to the aspirations and needs of the community.</li> <li>Company needs to ensure the passage the social impacts of participatory monitoring effectively.</li> </ol>



Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>from diarrhea. There is a possibility that it is an impact from estate operations such as application of chemicals that leach into the stream.</p> <p><b>Aspiration/Expectation:</b></p> <ol style="list-style-type: none"> <li>1. People expect greater opportunities (priority) to be a local contractor with a value greater than today. If considered not capable, the company should conduct a community development.</li> <li>2. It is expected that there are greater job opportunities (the ease and priority) for local community. A development needs to be conducted for people who are considered incompetent.</li> <li>3. Assistance for clean water facilities once given needs to be updated.</li> </ol>	<p>for Faecal Coliform and Total Coliform (pathogen that can cause diarrhea) in 2014 is below the threshold value as determined by Government Regulation No. 82 Year 2001 on Water Quality Management and Water Pollution Management. Company will review the aspirations of the community</p>	
<p><b>Tuesday, 10 March 2015</b> <b>Social, Labor, and Transmigration Agency,</b></p> <ul style="list-style-type: none"> <li>- Company has conducted regular reporting: Report of Guiding Committee of Occupational Health and Safety, Report of Occupational Accidents, Employment Report Obligatory.</li> <li>- An inspection for equipment/machines at the Palm Oil Mill has been conducted per March 2015.</li> <li>- Forklift operator, boiler, crane, etc. in PT DSN and PT SWA already have Operator License that are still applicable.</li> <li>- Implementation of OHS relating to the use of PPE is still lack of discipline at the estate (PT SWA).</li> </ul>	<p>Company always tries to comply with regulation relating to employment and Occupational Health and Safety and Environment (OHSE)</p>	<ol style="list-style-type: none"> <li>1. Company is encouraged to maintain a good performance has been achieved including in the employment field.</li> </ol>
<p><b>Tuesday, 10 March 2015</b> <b>National Land Agency</b></p>	<ul style="list-style-type: none"> <li>- PT. SWA has certificate of Land Use Title from</li> </ul>	<ol style="list-style-type: none"> <li>1. Company is encouraged to maintain a good performance has been achieved</li> </ol>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> <li>- PT. SWA has Land Use Title 1998. For POM 4 of PT. DSN, the application of Building Use Title is on progress and now on the stage of technical consideration.</li> </ul>	<p>Head of Land Agency of Kutai District No. 1 dated 28 May 1998.</p> <ul style="list-style-type: none"> <li>- Due to the licensing of rights to the land, POM 4 of PT. DSN at this time is still in the process of Location Permit Extension in accordance with Decree of the Head of Kutai Timur District No. 640/K.333/HK/V/2014 dated 5 May 2014.</li> <li>- In obtaining the Building Use Title POM 4 of PT. DSN Tbk. has reached the stage of technical consideration application for land to the Land Office of Kutai Timur District.</li> <li>- According to the agreement between PT. SWA and PT. DSN Tbk. No. 457/SWA/DIR-ARF/JKT/V/14 on 12 May 2014, management of Building Use Title will be conducted in a maximum of up to 5 May 2016 and can be extended in accordance with the agreement between both parties.</li> </ul>	<p>including in the field of land and legality.</p>
<p><b>Tuesday, 10 March 2015</b> <b>Forestry Agency</b></p> <ul style="list-style-type: none"> <li>- In general, company develops the estate not in forest area and has been in accordance with Regional Spatial Plan.</li> <li>- There is no indication of incompliance with the regulation related to forestry.</li> </ul>	<p>In the development of the estate, company tries to comply with the legal aspects, among others the suitability with Regional Spatial Plan and regulation related to forestry.</p>	

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><b>Tuesday, 10 March 2015</b> <b>Environmental Agency,</b></p> <ul style="list-style-type: none"> <li>- Company already has several permits (Hazardous Waste Temporary Warehouse, Land Application).</li> <li>- The submission and material of regular reports (Environmental Management Plan/Environmental Monitoring Plan, Hazardous Waste) are quite good.</li> <li>- Solid and liquid wastes are managed according to government and ministerial regulation.</li> <li>- Company is suggested to repair the waste channel. Floor washing process towards sedimentation pond and not combined with channel/rain water drainage.</li> </ul>	<p>Company always tries to comply with regulation related to environment.</p> <p>POM 4 has made a separation between rainwater drainage with waste channel and washing water.</p>	<ol style="list-style-type: none"> <li>1. Company is encouraged to maintain a good performance has been achieved including in the field of environment.</li> <li>2. Effluent is a potential for environmental impact that needs attention. Company should ensure there are no negative impacts of the waste polluting the environment.</li> </ol>
<p><b>Tuesday, 10 March 2015</b> <b>Plantation Agency,</b></p> <ul style="list-style-type: none"> <li>- Company reports on a regular basis particularly Plantation Business Progress Report.</li> <li>- PT SWA already has estate classification (Class II/Good).</li> <li>- Percentage of community partnership plantation development that owned more that 20% of the Plantation Business Permit.</li> <li>- Coaching and training of oil palm cultivation for the members of Smallholding Cooperative Unit are conducted in collaboration with Plantation Service of Kutai Timur.</li> <li>- Company has firefighting facilities that are proportionally suitable for the needs and the width of the estate.</li> </ul>	<p>Company will always comply with regulation relating to plantation management.</p>	<ol style="list-style-type: none"> <li>1. Company is encouraged to maintain the good performance has been achieved including in the field of agriculture (best practices).</li> <li>2. Coordination and collaboration with plantation agency should always be maintained.</li> </ol>

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>Signed on behalf of:</p> <table data-bbox="399 828 1356 918"><tr><td data-bbox="399 828 718 918">Company Name Management Representative</td><td data-bbox="1101 828 1356 918">Mutuagung Lestari Lead Auditor</td></tr></table> <div data-bbox="303 940 893 1164"></div> <div data-bbox="1021 940 1404 1164"></div> <table data-bbox="430 1187 1356 1299"><tr><td data-bbox="430 1187 718 1299"><b><u>Agustinus Triwibowo</u></b> Friday, 22 May 2015</td><td data-bbox="1085 1187 1356 1299"><b><u>Bukti Bagja</u></b> Friday, 22 May 2015</td></tr></table>	Company Name Management Representative	Mutuagung Lestari Lead Auditor	<b><u>Agustinus Triwibowo</u></b> Friday, 22 May 2015	<b><u>Bukti Bagja</u></b> Friday, 22 May 2015
Company Name Management Representative	Mutuagung Lestari Lead Auditor				
<b><u>Agustinus Triwibowo</u></b> Friday, 22 May 2015	<b><u>Bukti Bagja</u></b> Friday, 22 May 2015				

**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
	Secretary of Dabeq Village	Dabeq Village, Sub District of Muara Wahau , District of Kutai Timur	-	Focus Group Discussion	10 March 2015	√	-
	Head of Minsum Uket Cooperative Unit – Benhes Village	Benhes Village, Sub District of Muara Wahau , District of Kutai Timur	-	Focus Group Discussion	10 March 2015	√	-
	Manager of Home Study	Benhes Village, Sub District of Muara Wahau , District of Kutai Timur	-	Focus Group Discussion	10 March 2015	√	-
	Local Contractor	Benhes Village, Sub District of Muara Wahau , District of Kutai Timur	-	Focus Group Discussion	10 March 2015	√	-
	Board of Benhes Village – Board of Cooperative Unit	Benhes Village, Sub District of Muara Wahau , District of Kutai Timur	-	Consultation Meeting	10 March 2015	√	-
	Social, Labor, and Transmigration Agency	District of Kutai Timur	-	Consultation Meeting	10 March 2015	√	-
	National Land Agency	District of Kutai Timur	-	Consultation Meeting	10 March 2015	√	-
	Environmental Agency,	District of Kutai Timur	-	Consultation Meeting	10 March 2015	√	-
	Forestry Agency	District of Kutai Timur	-	Consultation Meeting	10 March 2015	√	-
	Plantation Agency	District of Kutai Timur	-	Consultation Meeting	10 March 2015	√	-
	Aliansi Masyarakat Adat Nusantara	-	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Quesioner by email	19 March 2015	-	√
	Wahana Lingkungan Hidup Indonesia	-	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a> atau <a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Quesioner by email	19 March 2015	-	√
	WWF Indonesia	-	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Quesioner by email	19 March 2015	-	√



Annex 2. Assessment Program			
DATE		9 – 13 March 2015	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 9 March 2015</b>			
06.00 - 19.00	06.00 - 19.00	JAKARTA – BALIKPAPAN → BERAU → DSN / SWA	• BB / MAY / YM
06.00 - 19.00	06.00 - 19.00	Jakarta – Balikpapan → SANGATA	• PH
<b>Tuesday, 10 March 2015</b>			
08.00 - 08.30	08.00 - 08.30	<b>Opening Meeting</b> <b>Public Consultation</b> <ul style="list-style-type: none"> <li>Stakeholders consultation to Nearest village and community leader</li> <li>Document Review and Review of Previous Visit Non-conformance (Stage-1).</li> </ul>	• BB / MAY / YM
08.30 - 12.00	08.30 - 12.00		• BB / YM
08.30 - 12.00	08.30 - 12.00		• MAY
08.00 - 14.00	08.00 - 14.00	Stakeholders consultation to Related Government Institution (Sangata)	• PH
12.00 - 14.00	12.00 - 14.00	BREAK	
14.00 – 19.00	14.00 – 19.00	Sangata → DSN	• PH
14.00 - 17.00	14.00 - 17.00	❖ Field Observation on POM 4 : WWTP (IPAL), Operational, K3 (OHS), waste management and Supply Chain ❖ Internal Stakeholder (gender committee, labour union)	• BB / MAY
14.00 - 17.00	14.00 - 17.00		• YM
<b>Wednesday, 11 March 2015</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation Jabdan 1 Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, best agricultural practices</li> <li>Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material (B3) management</li> <li>Legal operational and Conservation Area</li> <li>Worker facilities (housing, health clinic, clean water, etc) and</li> <li>Land Fire facilities, Storage, ect..</li> </ul>	• MAY • PH • YM • BB • PH / YM • MAY
12.00 - 14.00	12.00 - 14.00	BREAK	
14.00 - 17.00	14.00 - 17.00	Document Review and Review of Previous Visit Non-conformance (Stage-1) and public consultation response	• BB / MAY / YM / PH
<b>Thursday, 12 March 2015</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation Long Jenew.2 Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, best agricultural practices</li> <li>Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material (B3) management</li> <li>Legal operational and Conservation Area</li> <li>Worker facilities (housing, health clinic, clean water, etc) and</li> <li>Land Fire facilities, Storage, ect.</li> </ul>	• MAY • PH • YM • BB • PH / YM • MAY

DATE		9 – 13 March 2015	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 - 14.00	12.00 - 14.00	<b>BREAK</b>	
14.00 - 17.00	14.00 - 17.00	<b>Audit finding preparation and conclusion</b>	• <b>BB / MAY / YM / PH</b>
14.00 - 17.00	14.00 - 17.00	<b>Closing Meeting</b>	
<b>Friday, 13 March 2015</b>			
08.00 – 17.00	08.00 – 17.00	• <b>DSN → BERAU → BALIKPAPAN → JAKARTA</b>	• <b>BB / MAY / YM / PH</b>

**BB : Bukti Bagja; MAY : Moh Arif Yusni; YM : Yuniar Mitikauji; PH : Panggading Hariara**