

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management : **Palm Oil Mill 2 – PT Dharma Satya Nusantara (DSN)**
 Organisation
 Plantation Name : **PT Dharma Agrotama Nusantara (DAN): Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Estate**
 Location : **Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, INDONESIA**
 Certificate Code : **MUTU-RSPO/056**
 Date of Certificate Issue : *25 March 2014* Date of License Issue : *25 March 2017*
 Date of Certificate Expiry : *24 March 2019* Date of License Expiry : *24 March 2018*

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	16– 21 January 2017	Ardiansyah (Lead Auditor); Rudi Ramdani and Mohamad Amarullah	Octo H.P.N Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	13 March 2017

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FIGURE

Figure 1. Location Map of PT Dharma Satya Nusantara and PT Dharma Agrotama Nusantara

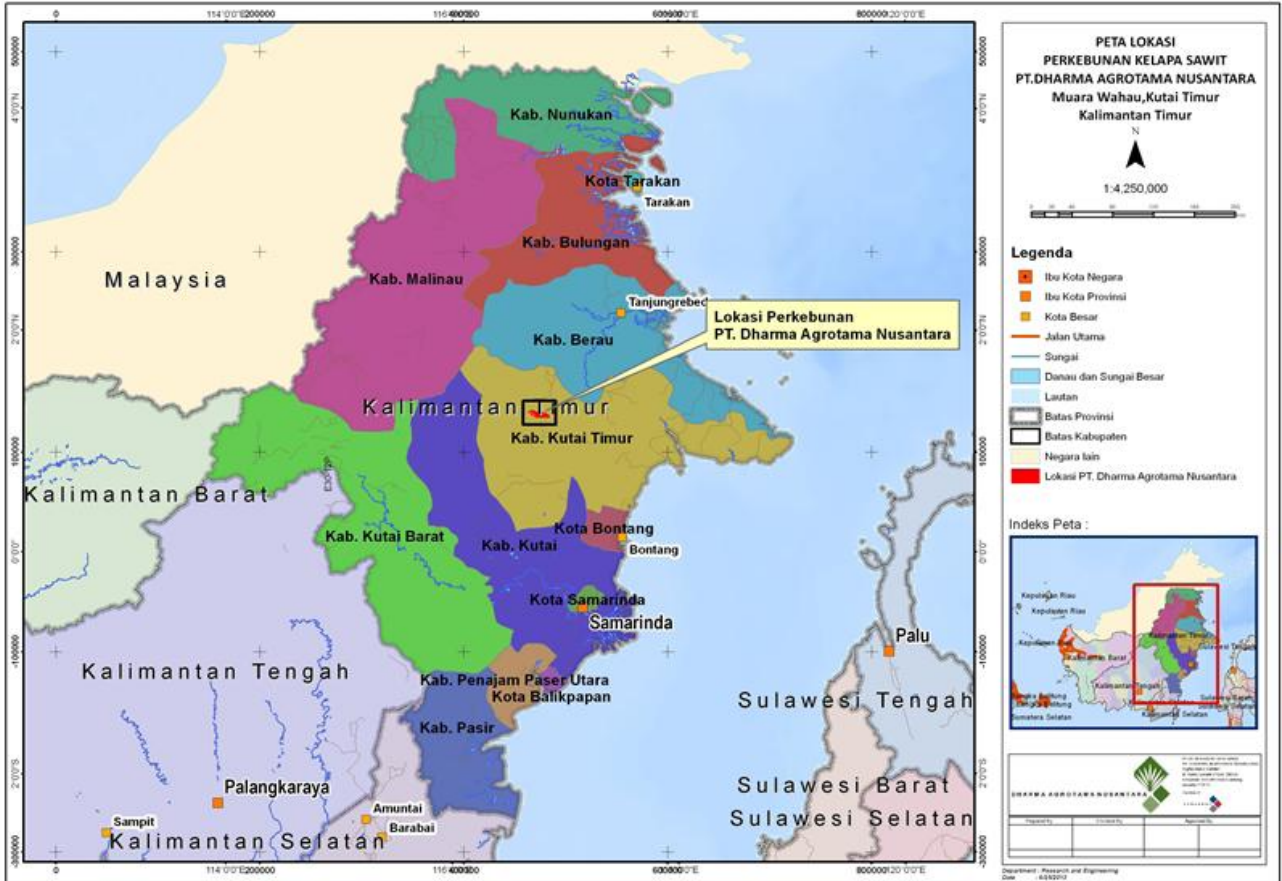
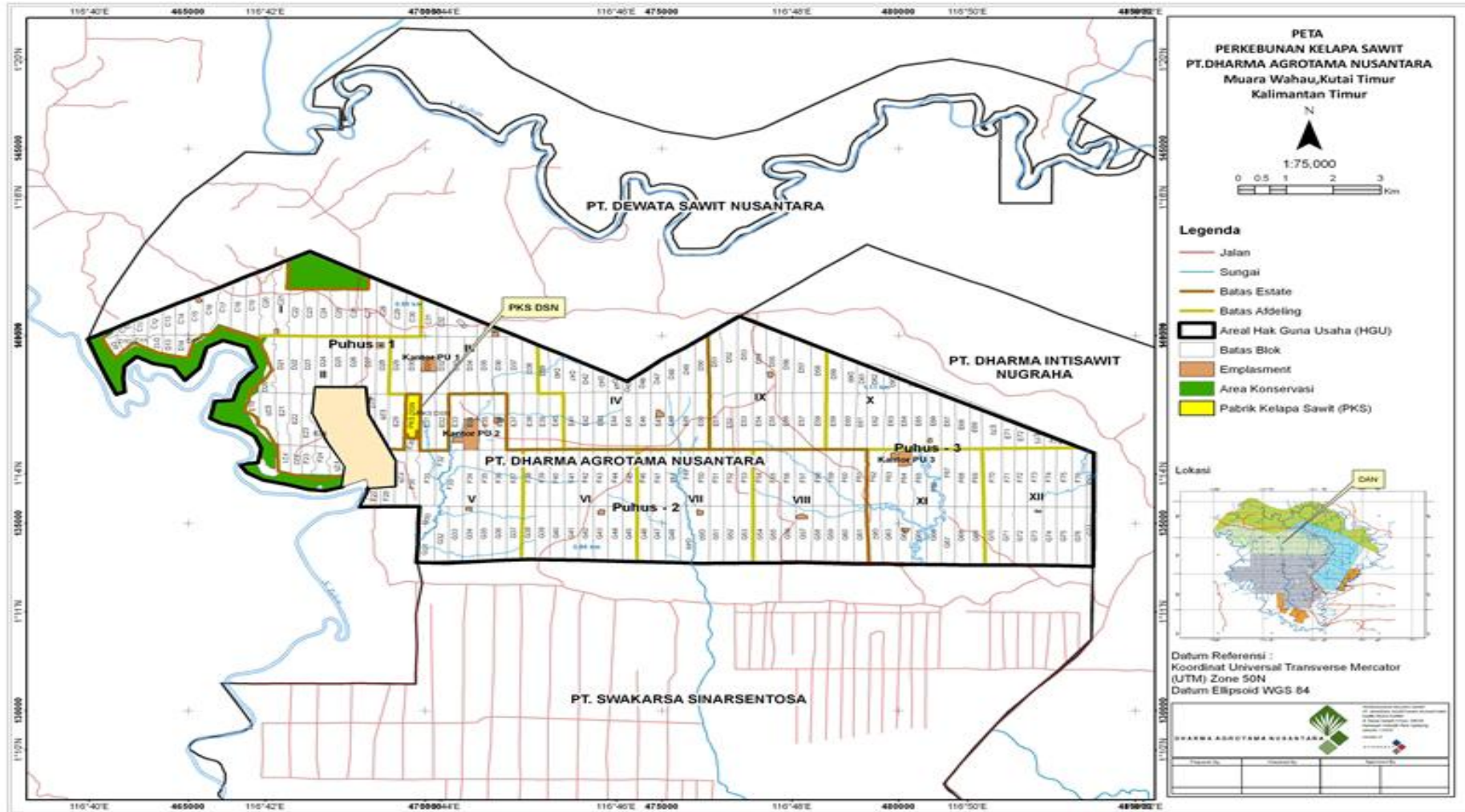


Figure 2. Operational Map of PT Dharma Agrotama Nusantara



Glossary

AKAD	: <i>Antar Kota Antar Daerah (inter-area worker)</i>
AMDAL	: <i>Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)</i>
ASA	: Annual Surveillance Assessment
BPJS	: <i>Badan Penyelenggara Jaminan Sosial (Social Assurance of Labor)</i>
BPN	: <i>Badan Pertanahan Nasional (National Land Agency)</i>
BOD	: Biological Oxygen Demand
CBD	: Convention Biodiversity on Diversity
CH	: Certificate Holder
CHE	: Cholinesterase
CPO	: Crude Palm Oil
CSRE	: Corporate Social Responsibility Environment
DAN	: Dharma Agrotama Nusantara
DSN	: Dharma Satya Nusantara
EFB	: Empty Fruit Bunch
FA	: Finance Department
FASKES	: <i>Fasilitas Kesehatan (Health Facility)</i>
FIFO	: First in First Out
FFB	: Fresh Fruit Bunch
FPIC	: Free Prior Informed and Consent
GHG	: Greenhouse Gas
HCD	: Human Capital Departement
HCO	: Human Capital Operation
HCV	: High Conservation Value
HGB	: <i>Hak Guna Bangunan (Land Use Building)</i>
HGU	: <i>Hak Guna Usaha (Land Use Title)</i>
HIRAC	: Hazard Identification, Risk Assessment and Control
HPK	: <i>Hutan Produksi yang dapat dikonversi (Conversion Forest Area)</i>
IPM	: Integrated Pest Management
ISCC	: International Sustainability & Carbon Certification
ISO	: International Standarization Organization
ISPO	: Indonesian Sustainable Palm Oil
KER	: Kernel Extraction Rate
LUCA	: Land Use Change Analisis
MS	: Management System
MSDS	: Material Safety Data Sheets
NGO	: Non Government Organization
OA	: Operational Audit
OER	: Oil Extraction Rate
OHSE	: Occupational Health Safety and Environment
P2K3	: <i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja (OHS Guiding Committee)</i>
P&D	: Pest and Disease
PIC	: Person In Charge
PK	: Palm Kernel
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PPE	: Personal protective equipment
R&D	: Research & Development
RaCP	: Remediation and Compensation Procedure
RSPO	: Roundtable Sustainable Palm Oil
RTE	: Rare, Threatened or Endangered
SCCS	: Supply Chain Certification Standard

SIA	:	Social Impact Assessment
SHE	:	Safety Health and Environment
SOP	:	Standart Operating System
UKL	:	<i>Upaya Pengelolaan Lingkungan</i> (Environment Management Effort)
UPL	:	<i>Upaya Pemantauan Lingkungan</i> (Environment Monitoring Effort)
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, September 2016</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</i> 	
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT Dhamra Satya Nusantara	
1.2.2	Contact person	Agustinus Triwibowo	
1.2.3	Organisation address and site address	RSPO registered company: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur, Indonesia Liaison Office: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur, Indonesia	
1.2.4	Telephone	021-4618135	
1.2.5	Fax	021-4606942	
1.2.6	E-mail	agustinus.triwibowo@dsngroup.co.id	
1.2.7	Web page address	www.dsn.co.id	
1.2.8	Management Representative who completed the application for certification	Agustinus Triwibowo	
1.2.9	Registered as RSPO member	1-0135-12-000-00 (4 Desember 2012)	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: <ul style="list-style-type: none"> • 02 Palm Oil Mill of PT DSN, • 3 Estates of PT DAN: Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Jaya Estate 	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude
			Longitude
	POM 02	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 15' 02.9"
			E 116° 43' 44.1"
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Puhus 1 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 14' 23.3"	E 116° 44' 20.8"	
	Puhus 2 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 15' 39.9"	E 116° 43' 51.5"	
	Puhus 3 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 14' 17.9"	E 116° 49' 16.2"	
1.5 Description of Area Statement					
1.5.1	Tenure				
	• State		9,959.958 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
			PT DSN (Ha)	PT DAN (Ha)	TOTAL (Ha)
	• Total area		4.703	9,955.255	9,959.958
	• Mature area		-	9,000.000	9,000.000
	• Immature area		-	-	-
	• Mill		4.703	28.000	32.707
	• Building and Emplishment		-	281.255	281.255
	• Slope area		-	60.000	60.000
	• Conservation area (HCV)		-	128.000	128.000
	• Buffer zone (HCV)		-	458.000	458.000
1.6 Planting Year and Cycles					
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Puhus 1 Estate	Puhus 2 Estate	Puhus 3 Estate	Total
	2005	189	2,230	-	2,419
	2006	1,155	548	-	1,703
	2007	214	168	2,964	3,346
	2008	1,451	-	-	1,451
	2012	81	-	-	81
	TOTAL	3,090	2,946	2,964	9,000
1.6.2	New Planting area after January 2010		- Ha		

1.6.3	Planting Cycle	1 Cycle (25 years)					
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	02 POM	60	46.373.980	10,604.067	22.88	1,599.642	3.45
	<i>* Source: Production Data of POM period Jan – Dec 2016</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/yea)	Supplied to Mill	
						FFB (tonnes/year)	%
	Puhus 1	3,865.703	3,090	66,231	21.43	14,917.09	23
	Puhus 2	3,043.255	2,946	63,413	21.53	14,996.63	24
	Puhus 3	3,051.000	2,964	57,944	19.55	5,702.30	10
	TOTAL	9,959.958	9,000	187.588	20.84	35,616.02	19
	<i>* Source: Production Data of Estate period Jan – Dec 2016</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Melenyu 3 (Certified until March 2016)**	PT Dewata Sawit Nusantara	Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	30.64			
	Long Jenew 1 (Certified)	PT Swakarsa Sinarsentosa		10,497.77			
	Long Jenew 2 (Certified)	PT Swakarsa Sinarsentosa		79.40			
	Jabdan 1 (Certified)	PT Swakarsa Sinarsentosa		150.15			
	TOTAL						10,757.96
	<i>* Source: Production Data of POM period Jan – Dec 2016</i>						
	<i>** FFB from Melenyu 3 only received in Jan 2016</i>						
1.7.4	Product categories	FFB, CPO, PK					
1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 25 March 2016 to 24 March 2017 (tonnes/year)		Actual certified product 25 March 2016 to 16 January 2017 (tonnes/year)	
	• FFB Production			265,906		30,858.050	
	• CPO Production			66,477		6,766.571	
	• Palm Kernel (PK) Production			9,307		988.13	
1.8.2	Estimate of Certified FFB Claim						

	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Puhus 1	3,865.703	3,090	86,520	28.00		
	Puhus 2	3,043.255	2,946	88,380	30.00		
	Puhus 3	3,051.000	2,964	80,028	27.00		
	TOTAL	9,959.958	9,000	254,928	28.33		
<i>*Projected FFB production from 25 March 2017 – 24 March 2018</i>							
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	02 POM	60	254.928	58,633	23.00	8,922	3.5
<i>*Projected CSPO and CSPK production from 25 March 2017 – 24 March 2018</i>							
1.9 Other Certifications							
	ISPO from TUV Rheinlandf or period 2015 – 2020						
	Proper Biru from Kalimantan Timur Province for 2015 – 2016						
1.10 Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	Mill	Time Bound Plan					
	PKS 1 (PT. SWA)	June 2012	Jabdan 2 (PT SWA)	2012	Muara Wahau Subdistritc, Kutai Timur district, East Kalimantan province	Certified	
			Smallholder (KM 5.9)	2015		Certified	
			Smallholder (KM 3, 6, 11, 12)	2016		ST-2 (Nov 2016)	
	PKS 2 (PT. DSN)	June 2013	Puhus 1, Puhus 2, Puhus 3 (PT DIN)	2013	Muara Wahau Subdistritc, Kutai Timur district, East Kalimantan province	Certified	
	PKS 3 (PT. DSN)	August 2013	Longkejiak 1, longkejiak 2, longkejiak 3	2013	Muara Wahau Subdistritc, Kutai Timur district, East Kalimantan province	Certified	
	PKS 4 (PT. DSN)	Nov 2014	Jabdan 1, Long Jenew 1, Long Jenew 2 (PT SWA)	2015	Muara Wahau Subdistritc, Kutai Timur district, East Kalimantan province	Certified	
	PKS 5 (PT. DSN)	2018	Bukit Pandulangan 1, Bukit Pandulangan 2, Bukit Pandulangan 3 (PT PWP)	2018	Nangabulik Subdistritc, Lamandau district, Middle Kalimantan province	NPP	
	PKS 6 (PT DSN)	2017	Melenyu 1, Melenyu 2, Melenyu 3 dan Melenyu 4 (PT Dewata Sawit Nusantara)	2017	Kutai Timur district, East Kalimantan province	-	
	-	-	PT Dharma Intisawit Lestari	2020	Bulungan district, Kaltim	NPP	

-	-	PT Karya Prima Agro Sejahtera	2020	Muara Wahau Subdistric, Kutai Timur district, East Kalimantan province	NPP
-	-	PT Putra Utama Lestari	2020	Melak, Kutai Barat district, Kalimantan Timur	NPP
-	-	PT Kencana Alam Permai	2020	Sintang district, Kalimantan Barat	NPP
-	-	PT Prima Sawit Andalan	2020	Sintang district, Kalimantan Barat	NPP
-	-	PT Dharma Persada Sejahtera	2020	Sintang district, Kalimantan Barat	NPP
-	-	PT Agro Andalan	2019	Sekadau district, Kalimantan Barat	NPP
<p><i>Data source: Progressive timebound plan certification activity of DSN on 2017</i> 5 POM and 6 POM postponed from 2016 to 2017 because RaCP process and NPP</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard.				
	POM 2 PT DSN not receive FFB from Smallholder and Outgrowers				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-3	<ol style="list-style-type: none"> Ardiansyah (Lead Auditor). Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Training Lead Auditor ISO 9001:2008, Training ISO 14001:2004, SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Daemeter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During this audit, he assigned to verify of Legality, SCCS, Social and Land Dispute. Rudi Ramdani (Auditor). Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agricultural University. He has experienced more than two years as an operational staff in a private oil palm plantation company in Indonesia. He also followed training he namely: Indonesian Sustainable Palm Oil auditor, RSPO Lead Auditors Training Course endorsed by Proforest and Daemeter, Management System Certification (ISO 9001-2008) training and awareness OHSAS. Currently he works for Independent Certification Body. He had involved activities RSPO and ISPO certification assessment as an auditor. During this audit, he assigned to verify long-term plan, BMP, Worker Welfare, Transparency and Social Aspect. Mohamad Amarullah (Auditor). Master of Wood science and technology from University of Putra Malaysia and Bachelor of Forestry form Bogor Agricultural University. Had six year experience as an Agronomist and Researcher in Indonesia and Malaysia. He had contributed to soil correlation and yield improvement project on peat soil in Riau. He had followed training such as ISO 17021, ISO 17065, HCV, ISO 9001:2008, Auditor ISPO, RSPO Lead Auditors Training Course and ISO 14001:2004. During the assessment the Auditor verified OHS, HCV and Environment aspect.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-3	Number of auditors : 3 auditor Number of days for ASA-3 at site : 4 days Number of working days for ASA-3 at site : 12 Working days
2.2.2	Assessment Process
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT DSN and PT DAN to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, September 2016 And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p> <p>Improvement of findings from survailance assesment findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Location of Assessment
ASA-3	The number of management units of this activity consists of three estates that supply material FFB to the 02 POM. In conducting the assessment, auditor team using formula $0.8 \sqrt{y}$ to determine the sample of and consider the issue of

problems arising from the stakeholders (stakeholders) as fundamental and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill and 2 estates (Puhus 1 Estate and Puhus 3 Estate).

POM 02

1. **Security pos.** Observation and interview related to emergency procedures, inspection of vehicles in and out.
2. **Weighbridge Station.** Observation of supply chain procedure.
3. **Loading Ramp.** Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria.
4. **Process Station.** Observation and interview with personnel related to FFB's processing into CPO, capacity each station, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, liquid waste management, first aid kits, the implementation of occupational health and safety, company's facilities, trainings from company and worker welfare.
5. **Power House Room.** Observation and interview with the worker related to implementation of OHS, understanding of safe working, administration of fossil fuels use.
6. **Boiler's Room.** Observation and interview with the worker related to implementation of OHS, understanding of safe working, overtime calculation.
7. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities
8. **Laboratory.** Observation about OHS implementation, PPE used, first aid kit, fire emergency facility and Hazardous material used.
9. **WTP.** Observation and interview with operator about OHS implementation and PPE use.
10. **WWTP.** Observation of the condition of wastewater management.
11. **Hazardous waste warehouse.** Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste.
12. **Chemical Warehouse.** Field observations related to condition in the chemical warehouses and management of hazardous and toxic materials.

Puhus 1 Estate

13. **Block D 26, Division 2:** observation and interview with EFB applicator (female worker) related on safety working, PPE, payment process, socialization of company policy, female worker right, request and complaint, safety and health insurance, environment protection.
14. **Block E 42, Division 4:** observation and interview with supervisor and fertilizer applicator (female & inter area worker) related on safety working, PPE, payment process, socialization of company policy, female worker right, request and complaint, safety and health insurance, environment protection. And also observation of barn owl box activity.
15. **Block D 46, Division 4:** observation and interview with female worker of manual weeding related on safety working, PPE, payment process, socialization of company policy, female worker right, request and complaint, safety and health insurance, environment protection.
16. **Block E 48, Division 4:** observation and interview with supervisor and harvester (which started as inter-area worker) related on recruitment process, settlement workers, safety working PPE, safety and health insurance, payent, company policy, union worker, request and complaint.
17. **Block D 45.** Observation the conditions and position of legal boundary No. DAN 016/GPS 009.
18. **Conservation area Block 8.** Observation the implementation of management in HCV area in form of natural vegetation.
19. **Hazardous waste warehouse.** Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste.
20. **Fertilizer Warehouse.** Observation the storage of fertilizers and OHS implementation.
21. **Pesticide Warehouse.** Observation the storage of pesticides, type of pesticide used, mixing process, emergency response equipment, PPE storage of spraying team/pesticide aplicator and OHS implementation.
22. **Cetral Housing and AFD 2 housing.** Observation the availability of infrastructure such as housing, water facilities, educational facilities, religious facilities, health facilities, domestic waste management and sports facilities.
23. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.

	<p>Puhus 2 Estate</p> <p>24. Block G 48. Observation the conditions and position of legal boundary No. BPN 57.</p> <p>25. Block F 35. Observation the application of effluent from WWTP in estate.</p> <p>Puhus 3 Estate</p> <p>26. Block G 62, Division 10: observation and interview with FFB transport contractor about socialization of company policy, contract, safety & health induction, etc.</p> <p>27. Block E 62, Division 10: observation and interview with supervisor and worker of fertilizer, related on safety working, PPE, payment process, socialization of company policy, female worker right, request and complaint, safety and health insurance, environment protection.</p> <p>28. Block G 69, Division 11: observation and interview with supervisor and worker of spraying, related on safety working, PPE, payment process, socialization of company policy, female worker right, request and complaint, safety and health insurance, environment protection.</p> <p>29. Block G 71, Division 12: observation and interview with supervisor and harvester related on recruitment process, settlement workers, safety working PPE, safety and health insurance, payent, company policy, union worker, request and complaint.</p> <p>30. Block G 66. Observation the conditions and position of legal boundary No. BPN 114.</p> <p>31. Block G 64. Observation the conditions and position of legal boundary No. BPN 107.</p> <p>32. Block D 53. Observation the conditions and position of legal boundaryNo. GPS 001.</p> <p>33. Block G 65. Observation the implementation of management in HCV area in form of Kenden Besar Riparian.</p> <p>34. Clinic. Observation and interview with paramedic of the company about accident records, handling of infectious waste and medical facility.</p> <p>35. Fertilizer Warehouse. Observation the storage of fertilizers and OHS implementation.</p> <p>36. Pesticide Warehouse. Observation the storage of pesticides, type of pesticide used, mixing process, emergency response equipment and OHS implementation.</p> <p>37. General Warehouse. Observation the storage of PPE stock.</p> <p>38. Warehouse of Fuel, Oil and Lubricant (FOL). Observation the storage condition, fire emergency facility, emergency response equipment and OHS implementation.</p> <p>39. Hazardous waste warehouse. Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste.</p> <p>40. Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.</p> <p>41. Housing in Afd 9. Observation the availability of infrastructure such as housing, water facilities, educational facilities, religious facilities, health facilities, domestic wastemanagement and sports facilities.</p> <p>Stakeholders</p> <p>42. Surrounding communities (Muara Wahau Village, Daebeq Village, Jabdan Hamlet). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</p> <p>43. Institutions of governance of Kutai Timur Districts (Environmental Agency, Manpower Agency, Plantation Agency and Land Office). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area</p>
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Consultation of stakeholders for PT DSN and PT DAN held by:</p> <ol style="list-style-type: none"> Public announcement at web www.mutucertification.com on 2 January 2017. Consultation meeting and interview with government agencies in Kutai Timur District (Plantation agency; Manpower agency, Land Office and Environmental agency) on 17 January 2017. Consultation meeting and interview with locals of the nearby village (Muara Wahau, Jabdan, Daebeq) on 17 January 2017 and contractor on 18 January 2017.

	<p>4. Consultation meeting and interview with Internal Stakeholder (labour union and gender committee) on 17 January 2017.</p> <p>5. Consultation with NGO (Walhi, Sawit Watch, AMAN and WWF) via email on 11 January 2017.</p> <p>Numbers of input from stakeholders were clarified by PT DSN and PT DAN.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-4) will be determined at least 12 months after this ASA-3 (Jan 2018).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of 02 POM – PT DSN and PT DAN operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there two (2) Nonconformities were assigned against Major 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 actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic) and field visit. Those corrective actions taken that consist of two (2) Major Nonconformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that 02 POM – PT DSN and PT DAN complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, September 2016 And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
1.1.1	<p>The certificate holder kept stakeholder list. The list is managed by CSRE Department and updated once in a year. Record of communication from external stakeholder is also available at CSRE Department. There is book of incoming letter from external stakeholder, where for 2016, there was 24 incoming letter. All of the letter was a request of funding and heavy equipment assisting. None of them request for information.</p> <p>The certificate holder has also gave annual reporting to government agency at Kutai Timur District, as of:</p> <ul style="list-style-type: none"> • Liquid waste report of PT DSN POM 2, every 3 months to Environment agency of Kutai Timur District and Kalimantan Timur Province at January 01 2017, Environment and Forestry Ministry at December 7 2016. • Report of OHS committee to Manpower Agency of Kutai Timur District at January 5 2017. • Report of chemical used to Manpower Agency of Kutai Timur at December 31 2016. • Report of environment management for 2nd semester to Environment Agency of Kutai Timur District and Kalimantan Timur Province at January 10 2017 and to Ministry of Forestry and Environment at January 16 2017. • Report of plantation management to Plantation Agency of Kutai Timur District at January 29 2017. <p>Based on interview with surrounding stakeholder obtained information that the stakeholder already understood the mechanism of request for information and the PIC of the company.</p>
1.1.2	<p>The certificate holder has procedure of communication and handling of external complaint (SOP-AGR-044-R00, dated February 2013) which explain the mechanism of communication and handling of complaint. The PIC in site is CSRE Operation Head, by coordination with Plantation Head and POM Head.</p>

<p>The time limit for responding request for information is 3 days prior to the incoming letter.</p> <p>Record of communication from external stakeholder is also available at CSRE Department. There is book of incoming letter from external stakeholder, where for 2016, there was 24 incoming letter. All of the letter was a request of funding and heavy equipment assisting. None of them request for information.</p>	
	Status: Comply
<p>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.</p>	
<p>1.2.1</p> <p>The certificate holder has procedure of communication and consultation (Number 021B/SWA-CSR-WHU/VI/2012) which explain about document that could be accessed by stakeholder and its mechanism. The document that could be accessed by stakeholder is land use tittle, OHSAS, HCV, hazardous waste management, request and complaint, company policy, summary audit.</p> <p>Based on interview with surrounding village obtained information that the procedure of communication and consultation has been communicated with surrounding village stakeholders.</p>	
	Status: Comply
<p>1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</p>	
<p>1.3.1</p> <p>There is no change or updating of etic code policy. It is still same with the previous surveillance. The certificate holder has socialization of the etic code through morning meeting. Based on interview with worker in Puhus 3 and Puhus 1 obtained information that knew of prohibition to bring any fertilizer or pesticide back home.</p>	
	Status: Comply
<p>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</p>	
<p>2.1 There is compliance with all applicable local, national and ratified international laws and regulations.</p>	
<p>2.1.1</p> <p>The company has able to shows list of government laws/regulations which adopted as reference in oil palm plantation activity for DSN Group, documented on Document No. DK-MS-01A-R01, title: Summary and Pursuance Evaluation Towards Government Laws/Regulations (<i>Ringkasan Evaluasi Kepatuhan terhadap Peraturan Perundangan</i>). The document issued by Legal Department Head, Human Capital Operation (HCO) Department Head and Safety Health and Environment (SHE) Department Head, in January 2017. Laws and regulations listed has covers occupational, helath and safety (OHS) aspect, environment aspect, workforce/manpower aspect and operational legality aspect. Updating, monitoring of laws/regulations pursuance and revision of the document were under Management System (MS) Department from Head Office in Jakarta.</p> <p>Based on document review, in term of land legality, OHS, environment, conservation, best management practices in mill and estates, manpower aspects, it could be concluded that the Certification Unit had fulfilled all Indonesian laws/regulations listed in document No. DK-MS-01A-R01 dated January 2017.</p> <p>The Certification Unit has shown compliance with the regulatory changes include:</p> <ul style="list-style-type: none"> • Has had land use title and business permit • It has been reported OHS Committee reports, implementation reportof RKL-RPL and work accidents report according to regulations. • Licences for heavy equipment operator and boiler operators are still within the validity period. • Have enroll all workers became participants of BPJS. 	

- The Certification Unit has comply with minimum wage.

It was known that the lisenca on hazardous waste warehouse in POM-2 and land application permit has expired. However, the Certification Unit has make coordination with the respective government institution. Monitoring and assessment had been carried out by Environment Agency of Kutai Timur District on December 16th 2016. Currently the extended permit were not issued yet. This matters will be observed in the next surveillanca. **OFI.**

2.1.2 and 2.1.4

The Certification Unit has the SOP for legal identification and other legal regulation (SOP-AGR-024-R01 dated 8th September 2014) which describes the person who responsible for updating the identification document of regulation and timeline for identification. In those procedure state that every 6 months, SHE/HCD/HCO/Legal department will update the identification document of regulation. For tracking any change in the law, the CH conduct communication with relevan government agency and searching in website. the For 2017, the list of regulation consist of OHS 60 regulation, environmental 61 regulation, employment 81 regulation and legal 46 regulation. **Based on audit evidence, Nonconformity No. 2016.1 with minor category is closed.**

Interviews with OHSE staff is known that the copies of legal requirement saved in softcopy. OHSE staff can demonstrate the availability of legal requirement copies such as Decree of Manpower and Transmigration Ministry No 102 of 2004 about overtime and Act No. 5 of 1994 about CBD.

2.1.3

To ensure the implementation of legislation, OA Departement conduct internal audit once a year. For the year 2016 has been evaluated in october 2016. Based on the interal audit, the regulation which related to plantation has been complied.

2.1.4	Status: Nonconformity No. 2016.01 with minor category is closed
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2.2

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

2.2.1

The Certification Unit has had the land rights in the form of Land Use Title (HGU) and Land Use Building (HGB) for an area of 9,959.7 hectares which consist of three certificate. Based in document review and field visit known that management unit has manage a area of 9,959. 7 Ha consist of 9,000 Ha planted area; 959.7 Ha supporting facilities. Interview with land office and communities is known that the CH did not conduct expansion the operation area.

2.2.2

Management unit have conducted monitoring of boundaries pole every 6 months. The monitoring results for July 2016 showed that all poles in PT DAN are in good condition. Field visit in PT DAN showed that Boundary Pole No. BPN 107, BPN 114, BPN 57, DAN 16 and GPS 01 are in a well-maintained condition.

2.2.3; 2.2.4; 2.2.5 and 2.2.6

The consultation results with Government Institution of Kutai Timur Districts and the communities (Muara Wahau Village, Daebeg Village and Jabdan Hamlet) known that there was no dispute / conflict of land between the companies and communities. Field visit and document review also shows that there was no dispute / land conflict in operation area of PT DAN. The Certification Unit has had procedure for conflict/ complaint/claim resolution mechanism that has been explained in SOP of communication and consultation (No. 215B/SWA-CSR-WHU0VI02912 on 7th June 2012) that has been approved by village representatives and Certification Unit's representative.

	Status: Comply
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2.3

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

2.3.1; 2.3.2; 2.3.3 and 2.3.4

Document's verification and field visit show that land utilization by PT. DAN does not destruct local communities' traditional

and legal right. During the estate clearing, there is no compensation process because the entire estate area came from forest area (Ex HPH) with the HPK status that has been released by Ministry of Forestry on 2005.

Document review, field visit and interview shows that since the ASA-2 until ASA-3, the Certification Unit does not perform land expansion.

Status: Comply

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

3.1

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

3.1.1

The certificate holder has shown the document of plan and budget projection for period of 2017-2021 of PT DAN and PT DSN POM 2. The document explain of operational cost, financial indicator, material cost, safety and environment cost. The certificate holder has also evaluate the fulfillment of budget 2016 through recapitulation of operational cost of plantation and POM for period of 2017 for all activity.

3.1.2

The oldest plant of PT DAN is 11 years old, so the certificate holder has not yet make replanting program.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The CH has mechanism for plantation management in estate and processing management in mill. All of the activity in the estate and mill is summarized in the monthly report. The certificate holder has also internal audit department. The internal audit job desk is operational audit and certification audit in mill and estate (RSPO, ISPO, ISCC, SCCS, ISO).

4.1.2

The CH has a list of procedure in plantation and mill. Based on field interview with manuring worker at block E62, Division 10, Puhus 3 Estate known that the workers could explain the dosage and application technic.

Based on interview with operational internal audit staff obtained information that operational audit is done at least once in a year.

4.1.3

There are sample of internal audit from internal audit department as of:

- PT DSN POM 2 for 2nd semester 2016 dated 31 October – 1 November 2016 with 3 nonconformance, in example : there is still using of old (previous) hazardous waste form, which is not suit with IK-AGR-SHE-09-R01. Thus has been followed up at 31 December 2016 by using the new form of hazardous waste.
- PT DAN Puhus 1 Estate for 2nd semester 2016 dated 9-10 August 2016, in example: proof of calibration for RP spread tools.

4.1.4

According to the result of document review and interview with the management, there is no FFB sourced from external party.

Status: Comply

4.2

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

4.2.1

The CH has Work Instruction Number IK-AGR-OLP-09-R03 dated November 3 2014, which explain of fertilizing technic.

Based on field interview with manuring worker at block E62, Division 10, Puhus 3 Estate known that the workers could explain the dosage and application technic.

4.2.2

The CH could show the fulfillment of fertilizer program for 2016 as 100% application. Those is using compound fertilizer of Hi Kay, with description Hi Kay: plan 18,000 Ha, 7,438,293 kg; actual application 18,000 Ha, 7,438,293 kg. For borate application in 2016, the estate could show letter from R&D which explain that based on the leaf analysis known that borate status in plan is still in adequate condition. So, the application of Borate in 2016 is carried up to 2017.

4.2.3

There is work instruction for leaf sampling (IK-AGR-OLP-25-R01, dated February 1 2014) which explain the frequency and technic of leaf sampling once in a year. For soil sampling is done every 5 year. There is record of leaf sampling from R&D PT Nusa Pusaka Kencana Analytical Laboratory dated 21 July 2016, with sample result as of:

- Puhus 1: sample no.3 Puhus 1 block G36, with result : Ash 7.41, N 2.51, P 0.175, K 1.03, Mg 0.28, Ca 0.61, B 27.
- Puhus 3: sample no.14 block G66, with result : Ash 7.14, N 2.47, P 0.166, K 1.23, Mg 0.38, Ca 0.55, B 48.

The certificate holder also has fertilizer recommendation for 2017, by using compound or single fertilizer from the Certification Unit R&D. Based on observation in block E62, Division 10 Puhus 3 known that borate application of 125 gram per plan is suitable with its recommendation.

4.2.4

The certificate holder could show monitoring data of production and re-use of bye product of mill for period 2016, as of:

- Shell : production 16,033,353.477 Kg, to boiler as fuel 15,913,812.877 Kg; stock of boiler 119,540.599 Kg.
- Fiber : production 37,022,470.76 Kg; to boiler as fuel 36,096,908.99 Kg, stock boiler 925,561.769 Kg.
- Liquid waste : production 61,608 m3; applied to land 49,762 m3; in WWTP 11,846 m3.
- EFB: production 16,321.018 Ton, applied to estate 13,233.280 Ton, stock POM 143.674 ton.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

PT DAN has soil map with scale 1:40,000 which derived from a detail soil survey report No. R&E.SVY.0002-11-12 conducted in 2012. Report informed that based on USDA Sub-group classification, soils in PT DAN were consist of five mineral soil type which mostly sandy clay texture. About 91 % of PT DAN has classiefied as moderate and the rest or about 9 % has classified as marginal. Limitation factor were identified due to soil low fertility. Moreover, according to elevation map, it could be concluded that about 98 % of PT DAN were classified as flat to rolling, while the rest was rolling to hilly. There were no presence of peat soil as well. Those information were conformend during field observation.

4.3.2 and 4.3.6

Management strategy in rolling area was presented in work instruction No. IK-AGR-OLP-01-R01, such as to adopt individual planting platform (estate term: *Tapak Kuda*) for rolling to hilly area and/or terraced planting platform for hilly area. Slope above 25° (steep) is prohibited to be planted. U-shape frond stacking is recommended on flat to undulating while in countour areas, it should be parallel to the contour line. To keep land cover crop such as *Nephrolephis* sp. by selective weeding and by products (POME, EFB) application are highly recommended. Based on field observation, it was found that individual planting platform (*Tapak Kuda*) were found mostly on rolling slope areas. The platform has considered well maintained. The Certification Unit was able to shows the individual platform maintenance program in Puhus 1 and Puhus 3 Estates and its realization. The Certification Unit also able to shows record on program and actual EFB and POME application on the field.

4.3.3

The Certification Unit has able to shows annual road maintenance program which presented in document of barchart monthly work manual 2016, monitoring grading compact 2016 and Barchart of wooden culvert 2016. Estate management mentioned that actual road maintenance activity was carried out based on actual situation and condition on the field. Road

maintenance usually conducted during wet season. During field observation to Puhus 1 and Puhus 3 Estate, it could be concluded that road condition were well maintained and easily passable by vehicle and trucks. However, road condition on the boundary areas were of passable due to rainy season. Currently, road maintenance on that particular areas were hardly to be conducted and it was expected to be carried out after wet season has over. This matter will be observed on the next surveillance. **OFI.**

4.3.4 and 4.3.5

As explained in Indicator 4.3.1, it was informed that there are no presence of peat soil within PT DAN operational areas. Hence, water management and peat subsidence record, aswell as drainability study before replanting assessment were not available.

Status: Comply

4.4

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

4.4.1

Plan or management strategy of water management for estate and mills purposes were presented several documents, as follows:

- Procedure No. SOP IK - AGR - STD - 02 - R01 about buffer zone and riparian zone protection, which describes buffer zone and riparian zone recovery and maintenance, prohibition on agrochemicals application within those areas, riparian zoning by red paint marking, socialization to workers (especially pesticide applicator and), signboard installation which describes several not-allowed illegal activity, planting of vetifer grass, trees, etc.
- Environment management plan which mentioned water source identification, rehabilitation or restoration towards vetifer grass and trees planting and water chemical properties monitoring.

PT DAN management unit has shows monitoring form of no-chemical spray signboard and conservation area for all estates. The form informed that about sixty signboard had installed within PT DAN riparian and conservation areas and 29 signboard need to be replaced and/or restored.

Based on field observation to Kenden Besar River in Block G65 Puhus 3 Estate, it was found that red paint marked on palm with distance about two times of river wides from water body, to identify riparian zone, no spray signboard and presence of vetifer grass along water body.

According to water quality analysis of Puhus river in the upstream and downstream which conducted by PT Sucofindo in August 2016, it could be concluded that the Certification Unit activity has not affect the value of BOD since the figure in the upstream is already above the standard required (Province of Kalimantan Timur Regulation No. 02 year 2011).

The Certification Unit has shows report of water sampling and anlysis which recorded in document certificate No. 04848/AOEKAJ dated July 18th 2016. Sampling and analysis has carried out by PT Sucofindo in Puhus 1 Estate Afdeling (Afd.) 1b, Afd. 2, Afd. 3a, Afd. 3b and Afd. 4; Puhus 2 Estate Afd. 5, Afd. 6, Afd. 7, Afd. 8 and Afd. 9; Puhus 3 Estate Afd. 10, Afd. 11, Afd. 12 and Emplasmment PU3; as well as in KMT DAN KM4, KM11, KM12 and KM10a. Parameters analyzed are microbiology test (total coliform), physical test (odor, temperature, total dissolved solids, turbidity, taste, pH, and color) and chemical test (Hg, Ar, Fe, Fl, Cd, total hardness of CaCO₃, Cl, Cr hexavalent, Mn, NO₂, NO₃, Se, Zn, Cyanide, Sulphate, Pb and organic matter). Based on document review, it could be concluded that according to Regulation of Health Decree No. 416/MENKES/IX/1990 Attachment II, all parameters analyzed in all locations were less than the detection limit indicated.

The Certification Unit has shows waste water analysis in inlet and outlet of WWTP by PT Sucofindo. Parameters tested are BOD, COD, pH, oil and fat, Pb, Cu, Cd and Zn. According to Ministry of Environment Regulation No. 28 and 29 year 2003, it could be concluded that testing results from July to October were less than the detection limit indicated.

According to ground water sampling analysis results which conducted by Sucofindo, presented in document certificate No. 06980/AOEKAJ dated August 31st 2016, it could be concluded that all parameters are less that the detection limit indicated by Ministry of Environment Regulation No. 28 and 29 year 2003.

4.4.2

Identification of watercourse and wetland was derived from final report of HCV assessment, conducted by Daemeter in 2012. The report recommend that species along protected areas along rivers should be regularly monitored to measure trends in density and diversity. This should be carried out at least annually to determine fluctuations of species with the demarcated riparian buffer zone, and trigger necessary management action should be taken if the species recorded shows any decline.

The Certification Unit shows restoration data in Kenden Kecil river period January to May 2016. It was reported that about 175 *Shorea leprosula*, 120 *Dryobalanops* spp., 102 *Eugenia* spp. and 3 *Dyera* spp. had planted in Block G49 Afdeling VII and Block F49 Afdeling VII. Apart from that, estate management unit has shows activity report dated April 22nd 2016 which informed in the same time, 20 seedlings on *Shorea leprosula* and 20 seedlings of *Hopea* sp. had been planted di riparian bufferzone of Kenden Besar river Puhus 3 Estate. New planting trees was marked by orange ribbon. Based on field observation to Kenden Besar River in Block G65 Puhus 3 Estate, it was found that red paint marked on palm with distance about two times of river wides from water body, to identify riparian zone, no spray signboard and presence of vetifer grass along water body.

Management strategy on riparian buffer zone has described in procedure No. SOP IK-AGR-STD-02-R01 about buffer zone and riparian zone protection, which describes buffer zone and riparian zone recovery and maintenance, prohibition on agrochemicals application within those areas, riparian zoning by red paint marking, socialization to workers (especially pesticide applicator and), signboard installation which describes several not-allowed illegal activity, planting of vetifer grass, trees, etc. Based on field observation to Kenden Besar River in Block G65 Puhus 3 Estate, it was found that red paint marked on palm with distance about two times of river wides from water body, to identify riparian zone, no spray signboard and presence of vetifer grass along water body.

4.4.3

Waste water of oil palm processing has processed through waste water treatment plant (WWTP) station. Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP inlet and outlet was carried out by PT Sucofindo. Based on water sampling in WWTP inlet and outlet results, it could be concluded that testing results on Semptember and October 2016 were less than the detection limit indicated (BOD <5,000), as required by Ministry of Environment Regulation No. 28 and 29 year 2003.

The Certification Unit has shows permit of land application permit from Regent (*Bupati*) of Kalimantan Timur District No. 658.31/K.1186/2013 dated December 31st 2013 about extended of the previous land application permit No. 658.31/K.797/2011. Some revision on the new permit are from 475 ha on 19 Blocks to become 880 ha of application area in 35 Blocks. Since time of permit has over, the Certification Unit shows extended application and currently the process was already verified by Environment Agency of Kutai Timur District in December 16th 2016. There is no new area proposed on the extended permit application. The Certification Unit is now waiting for the new permit being approved. **OFI**.

Report and analysis on soil in Rorak (siltpit) on land application areas were conducted by PT Sucofindo on April 18th 2016, presented in document certificate No. 02656/AOEKAJ.

4.4.4

Plan or management strategy of water management for estate and mills purposes were presented in document Procedure No. SOP IK - AGR - STD - 02 - R01 about buffer zone and riparian zone protection and environment management plan. According to POM-2 water usage data from 2014 to 2016, total water used had decreased about 16 % and 56 % for period 2014 to 2015 and from 2015 to 2016, respectively.

Status: Comply

4.5

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

4.5.1

The certificate holder could show program and its realization for pest and disease for period of 2016. The detection program is done in first 10 days every month for every Division. The result of caterpillar monitoring for 2016 shows that there is no population above the threshold. The average of live caterpillar per frond is 0,41 and dead caterpillar per frond is 0,38. The average of rat attack for 2016 is above 5% in June 2016. Based on monitoring result of 10 barn owl box, it is still in-active condition.

The P&D staff show P&D program for 2017, where detection program is still done in the first 10 day every month. In other way, there is a plan to make trial of owl hatchery in field. The estate showed monitoring of 9 barn owl box. Based on filed visit to block E42, Division 4, Puhus 1 known that the barn owl house is in-active condition. In other way, there is planting of beneficial plant along the road, as part of leaf eater caterpillar control.

4.5.2

There is record of training for P&D team, as of:

- January 20 2016 in Puhus 1, attended by 27 worker.
- January 21 2016 in Puhus 3, attended by 33 worker.
- The training explains of leaf eating caterpillar cycle, the critical phase and the technic for control its population under the threshold.

Based on filed interview with worker in Puhus 3 known that he can explain about P&D program.

Status: Comply

4.6

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

4.6.1

The CH could show the registration for all pesticide used according to book of pesticide from ministry of agriculture, that is :

- Ally 20 WDG/RI.0103011988837/31 December 2018.
- Racumin 0,0375 BB/ RI. 01120120124381/17 October 2017.
- Round Up 485 S/ RI. 01030120103743/18 March 2018.
- Starane 200E/RI.0103011988854/15 April 2019.
- Kleen Up 480 SL/RI.0103011989819/31 December 2018.
- Garlon 670 EC/RI.0103011984695/25 September 2018.
- Termiban/RI.0411011990929/21 April 2017.

There is pesticide justification through memorandum number 0031/MS/XI/2016 dated November 1 2016, which explain of limited use of paraquat by estate. Nevertheless, based on document review and field interview with worker, it is obtained information that there was no paraquat used in 2016. The dosage of glyphosate use for circle and path spraying is also in controlled dosage of 40 ml/Ha. This dosage is lower than its producer recommendation.

4.6.2

The certificate holder has monitored the use of pesticide per Ha, per active ingredients, area of application, every semester. As example for glyphosate use in Puhus 3 in 2nd semester 2016 : 106 liter, for 2.964 Ha, toxicity 0,006 kg/Ha, LD 50 oral 9041 mg/kg body weight.

4.6.3

There is no prophylactic use of pesticide. The certificate holder could explain that the use of pesticide is really monitored, following the internal memorandum number 0031/MS/XI/2016. Based on field interview with sprayer worker in block G69, Division 11, Puhus 3 known that the dosage use for circle and path spray is 40 ml/Ha, which is far lower than its producer recommendation.

4.6.4

Based on field observation and document review of chemical storage known that there was no use of paraquat in 2016. The CH use rodenticide with active ingredients of coumatetralyl 0.75% (anticoagulant generation 2, WHO 1B) for 2016,

like in Puhus 3 as much as 375 kg. There was justification of the chemical usage according to rat census in June 2016, where there was rat attack above 5% in Division 9 (block D54, D56, D58, E54, E57). The application took place in July-August 2016. The next census in September 2016 showed that rat attack has decreased. The application has also known by the Plantation Head.

4.6.5

The certificate holder has work instruction for pesticide application (IK-AGR-OLP-16-R01) which explain of agrochemical used according to weed condition. There were record of pesticide training as of:

- Division 5 Puhus 2 dated March 29 2016, attended by 31 worker.
- Division 4 Puhus 1 dated March 22 2016, attended by 39 worker.
- The training programed once in a year.
- In the other hand, the PPE checked by supervisor in the muster morning.

Based on field interview with spraying worker in Division 11, block G69, Puhus 3 known that the worker could explain the use of PPE, technic of safety spraying, and the potential of exposed by pesticide. MSDS and emergency contact number has also available on the spray trailer unit. Supervisor equipped with first aid kit and able to do first emergency help.

4.6.6

Procedure of agrochemicals (pesticide) waste management was presented in document No. IK-AGR-SHE-09-R00 dated January 15th 2014. Based on observation to agrochemicals (pesticide) storage in Puhus 1 and Puhus 3, it was found that all pesticides has placed properly by store it into limited access room, placed has arranged separately, has a correct risk identification symbols, FIFO method, material flows record (balance sheet) and suit MSDS were available, proper and monitored PPE, fist aid box and fire extinguisher were provided. Pesticide stored are Strane 290 EC, Racumin and Agristik. All pesticide listed were registered on Indonesian book of pesticide commission 2016, issued by Department of Agriculture, Indonesia.

Recod of hazardous wastes including dipsosal pesticide containers were presented in Indicator 5.3.2. Based on observation puhus 1 and 3 estates, it could be concluded that hazardous wastes had stored in the permitted hazardous waste warehouse (storeroom). Balance of hazardous waste record and manifest were available during the audit. Hazardous waste were next to be sent to lisenced collector, namely CV Sumber Agung (Permit No. 503/408/LINK/BPPMD-PTSP/III/2016 dated March 4th 2016). Furthermore, storeroom condition were equipped with MSDS, eyewash, shower, alarm, first aid kit, PPE, fire extinguisher and oil trap.

Based on observation to housing complex in Puhus 1 and Puhus 3, there were no use of ex pesticides container for household purposes such as garbage basket and plant pot. Moreover, based on field observation to chemical warehouse in Puhus 1 and Puhus 3 Estate known that the warehouse has equipped with adequate symbol of hazardous chemical, first aid kit, spill containment, APAR and eye washer. The certificate holder could show record of ex chemical container management (see indicator 5.3.2.).

4.6.7; 4.6.9

There is no smallholder scheme in certification scope. The certificate holder has work instruction for pesticide application (IK-AGR-OLP-16-R01) which explain of agrochemical used according to weed condition. There were record of safety use of pesticide training, as of:

- Division 5 Puhus 2 dated March 29 2016, attended by 31 worker.
- Division 4 Puhus 1 dated March 22 2016, attended by 39 worker.
- The training programed once in a year.
- In the other hand, the PPE checked by supervisor in the muster morning.

Based on field interview with spraying worker in Division 11, block G69, Puhus 3 known that the worker could explain the use of PPE, technic of safety spraying, and the potential of exposed by pesticide. MSDS and emergency contact number has also available on the spray trailer unit. Supervisor equipped with first aid kit and able to do first emergency help.

4.6.8

There is no aerial application of pesticide.

4.6.10

Procedure of waste management were documented in several documents, as follows:

- Document No SOP-AGR-035-R02 dated may 1st 2015 about wastes management, which include organic, inorganic and hazardous waste.
- Work instruction No. IK-AGR-SHE-09-R02 dated October 19th 2015 about hazardous waste handling.

Based on field observation to hazardous storage in Puhus 1 and Puhus 3 Estate, it was found that the record of hazardous waste balance sheet in both estates were available. According to balance sheet and manifest review, it was informed that take over of hazardous waste to the licensed collector was not more than 90 days. The responsible staff was also able to explained and demonstrate flows of hazardous waste handling from estate to the collector. Training and simulation of emergency and agrochemicals handling was carried out in Puhus 3 Estate in February 15th 2016.

4.6.11

The Certification Unit has conduct specific medical checkup for pesticides operators and workers related to agrochemicals, which carried out annually. Testing was carried out by PT Synergy Prima Medika and/or Clinic of Permata Medika in Samarinda on November 2016. Evaluation of CHE testing is carried out by company doctor as Company Medical Section Head. According to the test results, it could be concluded that CHE testing results of all employees indicates as normal. Based on field observation and interview with pesticide applicators in Block D46 Afd. IV Puhus 1 Estate and Block G69 Afd. XI Puhus 3 Estate, the workers stated that cholinesterase test has conducted twice a year. They also mentioned that if the results were not normal, the respective workers would be transferred into another section work which were not related with agrochemicals.

Based on interview with pesticide and fertilizer applicators in Puhus 1 and Puhus 3, it was stated that there were no problem with skin irritation due to agrochemicals used. This is confirmed by interview with medical doctor from central clinic.

4.6.12

Policy of pregnant and breastfeed worker is prohibited to work with agrochemicals is presented in Memorandum of HRA Department No. 010/HRA/VII/2011 dated July 12th 2011. Monitoring of pregnancy shall be carried out by paramedic every month. Based on interview with paramedic in the main clicic and Puhus 1 clinic, it was stated that pregnancy test is carried out monthly at date 25th. Results of testing is recorded on Pregnancy and breastfeed form for pesticide and fertilizer applicators. Worker with positive results will be recommended by Medical Section Head (MSH), to be trasfered to another section which not related to agrochemicals. For example as follows:

- Medical Section Head letter No. 215/OS-BP/XII/2016 dated December 31st 2016 has recommend pesticide operator in DAN-PU1-A03 to be transferred to another section which not related to agrochemicals due to positive pregnancy test result (pregnancy age 6 weeks).
- Medical Section Head letter No. 055/OS-BP/II/2016 dated February 26th 2016 has recommend pesticide operator in DAN-PU3-A12 to be transferred to another section which not related to agrochemicals due to positive pregnancy test result (pregnancy age 4 weeks).

Based on field observation and interview with pesticide applicators in Block D46 Afd. IV Puhus 1 Estate and Block G69 Afd. XI Puhus 3 Estate, the workers stated that pregnant and breastfeeding woman were prohibited to works related to agrochemicals.

Status: Comply

4.7

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

4.7.1

Policy on OHS was issued in December 2010 by Chief Executive AGRO in Jakarta which describes Certification Unit commitment to create a safe and health working environment through Certification Unit operational activity shall in accordance with the respective Laws and Regulations, actively monitoring and improve system management implementation and OHS application and continuous improvement as a part of corporate culture. Procedure of OHS was presented in document No. SOP-AGR-037-R01 dated November 1st 2013. The procedure has decrives plan of OHS and

environment program for estates and mill, risk identification and management control, work permit application, handling and reporting of accident, evaluation and follow up, monitoring and environment measurement, emergency handling, OHS and environment communication, participation and consultation.

The Certification Unit was able to show work program of OHS environment in 2016, as follows:

- PT DAN: Regular meeting of P2K3, P2K3 reporting to the respective government institution, emergency alert, program of well traffic, training of OHS.
- PT DSN (POM-2): the program was consist of safety and health program. The former was consist of working environment and worker behaviour inspection, safety talk, OHS induction, socialization, first aid training and inhouse training. Furthermore, program of the latter are fogging, socialization, health food program, water quality monitoring, periodic medical check up and periodic housing inspection.

4.7.2

The Certification Unit has carried out hazard identification risk assessment (HIRAC) for all activities in the estates and mill, which documented in HIRAC document No. FM-SHE-29-R01. HIRAC for PT DSN POM-2 was issued in January 2nd 2016 by Mill Coordinator while for PT DAN issued in December 19th 2016 by Plantation Head of PT DAN. HIRAC document has describes any product activity, danger/aspect, risk/impact, condition (normal, abnormal and emergency), risk evaluation (impact, opportunity, risk level), operational control, risk impact control (elimination, substitution, engineering, administration and PPE), remarks, remnant risk evaluation (result/consequences, opportunity, risk level), action (important, not important and environment) and PIC. HIRAC scope for mill has covers loading ramp, sterilizer, tippler, screw press, clarification, kernel plant, boiler, WTP, engine room, maintenance, laboratory, compound, material/goods flows, cleanliness of hazardous waste warehouse, road traffic to the mill, general, office, EFB storage, WWTP, staff and employees housing, organic and non-organoc domestic waste management, operators and non-routine activity. Meanwhile HIRAC scope for estates has cover land clearing, immature palm upkeep, pest and diseases management, harvesting and transportation, manuring, chemist, manual upkeep, by product application (EFB and Land Application), emplacement afdeling, workshop, unit, warehouse, office, road and infrastructure, estate clinic, domestic activities in emplacement and building infrastructure.

Based on interview with Secretary of P2K3 dan review on document No. SOP-AGR-037-R01 about OHS, it was mentioned that revision and review on risk and aspect identification, assessment and OHS environment risk-impact control was carried out if there is a change on system management, prosdure, work facility, equipment modification and new activity. Work accident has been recorded and reported for later on to be analyzed through root course identification, fishbone analysis and corrective action. Work accident were updated monthly and reported in quarterly P2K3 report.

4.7.3

Valid lisences such as for field lifting equipment operator, farm tractor operator, wheel loader operators, boiler operator, welder and electrician in estates and mill were available. The workers mentioned were confirm on the list of employee. The Certification Unit has provide training and socialization of OHS, for example Training and socialization of OHS, environment, refreshment, work instruction for harvesting, upkeep, company regulation, certification, clean and health behavior, first aid, gender committee and abuse child labor has conducted on May 19th 2016 in Afdeling III Puhus 1 Estate attended by 79 workers, on May 24th 2016 in Afdeling II Puhus 1 Estate attended by 82 workers and in Afdeling IV Puhus 1 Estate on May 25th 2016 attended by 87 workers.

Based on observation to hazardous warehouse in Puhus 1 Estate, Puhus 3 Estate and Mill, it could be concluded that the worker were able to explained and demonstrate pesticide container handling such as placemement, risk symbols used, PPE used and administrative works. Moreover, based on field observation to Block G69 Afdeling XI Puhus 3 Estate and mill, it was found that the pesticide applicator has used a set of proper PPE, presented on the figure bellows:



PPE of Pesticide Applicator (NIOSH respiratory mask, google, rubber gloves, safety wearpack and boots)

The Certification Unit has shows document of PPE checklist which is updated by the respective Mandore, based on his work (harvester, pesticide applicator, fertilizer applicator, etc. The completeness of PPE was checked weekly and the results is approved by the Assitant, Mandore 1 and Mandore. Moreover. There was a mechanism of monitoring on work environment which noted in Form FM-SHE-08-R00. Among the the item checked is the completeness of PPE used by workers.

4.7.4

OHS Organizations (P2K3) are presented as follows:

- Ratification/endorsement by Workforce Agency SK Disnakertans No. 566/987/P2K3/Was for PT DSN POM-2 dated may 24th 2016. No. of members was 169 workers.
- Ratification/endorsement by Workforce Agency SK Disnakertans No. 566/1493/P2K3/Was for PT DAN (Puhus 1, Puhus 2 and Puhus 3 Estate) dated August 8th 2016. No. of members was 1,157 workers.

Person in charge whose responsible for OHS program implementation are presented as follows:

- Secretary of P2K3 POM-2 PT DSN was OHS expert, Reg. No. 254/PK3/AJ/2/2015-P1 dated February 9th 2015. Valid for three years.
- Secretary of P2K3 POM-2 PT DAN was OHS expert, Reg. No. 23224/PK3/AJ/33/2015/P0 dated July 14th 2015. Valid for three years.

Meeting P2K3 was conducted regularly every month, for example as follows:

- Based on last quarter, the meeting in PT DSN POM-2 has conducted in October 27th 2016, November 22nd 2016 and December 30th 2016, attended by 9 committee members. For example, meeting in December has discussed about accident analysis, discussion on safety patrol findings and next meeting appointment.
- Based on last quarter, the meeting in PT DAN has conducted in October 7th 2016, November 29th 2016 and December 28th 2016, attended by 9 committee members. For example, meeting in December has discussed about number of accident in December 2016, monthly urine test and preparation of RSPO audit in the upcoming January 2017.

However, based on field visit to agrochemical warehouse on the estate Puhus 1, Puhus 3 and mill, it was found that:

- Mill chemical warehouse: hazardous waste symbols were found inside the warehouse and outside the building the hazardous waste symbols were not available. Hence, the mill unit has take corrective action by change the hazardous waste into the hazardous symbols and to installed the hazardous symbols on the outside of building.

- Fertilizer warehouse in Puhus 3: one of the hazardous symbol was identified as hazardous waste symbol. From the observation noted, the things mentioned in the two point above is expected to uncontinuously happen. This will be observed on the next surveillance. **OFI.**

4.7.5

The Certification Unit has procedure on emergency and work accident handling management which presented in document No. SOP-AGR-037-R01 about OHS. Diagram 1.5a in the procedure has describes accident handling starting from reporting to the up-ordinate, first aid action shall be taken, medical action by paramedic and medic rehabilitation if needed after company doctor recommendation. Meanwhile, Diagram 1.5b has describes accident reporting stage, evaluation, corrective action taken, report and investigation by estate or mill OHS Head, accident recapitulation data, accident data distribution, evaluation and recommendation from SHE and reporting to the POM Head. Furthermore, Diagram 1.7 has describes first aid handling starting from reporting towards indication of emergency, sounding situation by alarm or screaming, reporting to emergency team, identification of accident by emergency team, monitoring and emergency action that should be taken, cooedination with the respective Department for measuring step taken and official report.

Based on field observation to housing complex in Puhus 1 and Puhus 3, it was found that flowchart of emergency, first aid kit and set of fire extinguisher were available and well maintained. List of emergency number has also available on the information board.

The Certification Unit has team of paramedic which Hiperkes certified, i.e. company doctor with No. Reg. 014/HPK-BK3/SMD/VI/2007, June 18th 2007 and paramedic with Cert. No. 15.617/PM-I/13, August 2013. New first aid POM-2 team has established on January 2017. The team has consist of 25 members. Last training on first aid has given in January 13th 2017 by company paramedic team. It was informed that there was 10 unit of first aid kit/box were available withn POM-2 operational area. Furthermore, new first aid Estates (Puhus 1, Puhus 2 and Puhus 3) team has established on December 29th 2016. It was informed that there were 22 and 17 unit of first aid kits in both Puhus 1 and Puhus 3 Estates, respectively. Moreover, portable first aid kit in Puhus 1 and Puhus 3 were 30 and 29 unit, respectively. First aid training has given in several estates, for example as follows:

- On April 19th 2016 in Afdeling III Puhus 1 Estate which attended by 86 workers and in Afdeling X Puhus 3 Estate which attended by 86 workers.
- On April 20th 2016 in Afdeling XI Puhus III Estate, attended by 62 workers.
- On April 21st 2016 in Afdeling XII Puhus 3 Estate which attended by 79 workers.

Based on field observation to POM-2 operational areas, Puhus 1 and Puhus 3 Estates, it was found that first aid kits installed were in accordance with Regulation of the Ministry of Labour and Transmigration (Permenakertrans) No. 15 year 2008 about first aid in working areas. Monitoring of items compliteness and expiredity were available.

Based on interview with harvester in Block E48 Afdeling IV Puhus 1 Estate and Block G71 Afdeling XII Puhus 3 Estate, as well as with pesticide applicators in Block 69 Afdeling XI Puhus 3 Estate, it could be concluded that first aid kit was available on the field which bring by the Mandores whoses trained by the company paramedics. Moreover, the Mandores were able to explained and demonstrate first aid action which need to be carried out on the field.

4.7.6

The Certification Unit has provide insurance from BPJS Ketenagakerjaan (government insurance for workers) for all PT DAN and PT DSN employees. The Certification Unit shows the evidence that insurance has been paid every month. This is conformed during interview with estates and mill workers. For example, in December 2016 number of worker that has been paid for BPJS for grade 3-down worker in PT DSN POM-2 was 102 workers and for Puhus 1, Puhus 2 and Puhus 3 Estates were 301, 301 and 315 workers, respectively. The number payment was in accordance with the number of employees during that period. The payment has been carried out via transfer to Bank BRI at January 9th 2017.

Apart from BPJS facility, the Certification Unit has also provide four Polyclinic where located in Puhus 1, Puhus 2, Puhus 3 Estate and Main Office (main polyclinic) for employees health services. According to interview with workers on the estates Puhus 1, Puhus 3 and POM-2, it was stated that all employees had been registered in BPJS program and Certification Unit has provide proper polyclinic located in all estates.

Record of accident is described as follows, for example:

- Date of accident record in October 17th 2016 reported by Harvesting Mandor informed that Harvester got accident in Block D56 Puhus 3 Estate when he cuts palm fronds with two layer figure by sickle. The sickle was getting loose and falling on his head and caused slice wound.
- Investigation of accident dated October 17th 2016 mentioned that harvester have four days lost due to the accident. Corrective and preventive action taken are socialization and to conduct working equipment checking before go the field.
- The accident has reported to the BPJS workforce (*Ketenagakerjaan*) in October 19th 2016 in line with Form of Accident Case Stage I. according to information from Finance Department (FA), it was stated that Stage II claim will be carried out when all medical action taken had established.

The Certification Unit has provide special medical checkup for highrisk worker regularly (semester base). The result of the check up was issued by Medical Service and Pharmacy Staff and Medical Section Head, for example: The doctor concluded that according to Audiometri test results, there were four workers had identified with hearing problem. Apart from worker mentioned in the former, the rest workers tested were indicated as normal. Recommendation mention in the former was presented in document No. 121/OS-BO/V/2016, such as to use ear-plug on the noise working areas, where already identified by PPE symbols, regular control to the clinic head, continuous therapy and to be transferred if there were no improvement.

4.7.7

Management unit has record work accident and evaluate it every month in document of work accident data. The document informaed number of accident, name of worker, employee status, location of accident, code of accident, type of work, unsafe condition, unsafe action, human factor, work factor,v effect of accident, number of victim, level of accident (fatal, heavy, medium and light), lost time accident, affected injured body, chronology and action taken. Accident is reported in Form No. FM-SHE-05-R01 while investigation of accident report is recorded in Form No. FM-SHE-06-R00.

Recapitulation of accident record is presented as follows, for example:

- During 2016, accident in POM-2 was totaling about five times, which two case has classified as medium while the rest was light. The former accident has happen in February 2016 and analyzed have lost three days of work with calculation in February were of 29.9 and 44.9 for frequency rate and severity rate, respectively. The later accident has reported does not affect the days of work. Total in 2016, the frequency rate and severity rate of accident were 7.2 and 10.8, respectively. Action taken for accident in February are first aid and sent to the company Clinic.
- During 2016, total accident in Puhus 1 Estate which caused lost day was about four case for totaling four days that recorded in April, May, June and August. Frequency rate and severity rate were 4.50.
- During 2016, total accident in Puhus 3 Estate which caused lost day was about five case for totaling 13 days that recorded in April, June, August, October and December. Frequency rate and severity rate within one year in Puhus 3 estate were 5.46 and 14.19, respectively. For example, accident in December 8th 2016 has reported that harvester in Afdeling XII namely Arif Mahmudin got injured by sickle on his foot. Analysis mention that the incidence was due to uncorrect position of sickle where the blade side was still on the ground. Action taken is sent the worker to main clinic and later on to be trasfered to Hospital in Sangata. Cost of hospital has cover by BPJS after got recommendation from Medical Section Head PT DAN.

Status: Comply

4.8

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

4.8.1

The certificate holder show plan of training 2017 for estate and POM. PT DAN is planned for 26 training for identified workers, like store administration, human resources, lab analytical, diesel motor, ISO, RSPO, ISPO, SCCS, ISCC, IT, hardware preventive maintenance, OHSAS, first aid kit, harvesting supervisory, etc. PT DSN POM 2 is planned for 13 training in 2017 for identified workers, like : ISO, ISPO, RSPO, ISCC, SCCS, IT, preventive maintenance, computer hardware, OHSAS, first aid kit, water management, land fire, production process, etc.

4.8.2

The certificate holder showed recapitulation of training done in 2016, as example of training ISO, RSPO, SCCS, ISPO, ISCC for

supervisor and assistant Division in 13-14 December 2016.

Status: Comply

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

5.1

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

5.1.1

The Certification Unit was able to shows the document of social and environmental impact assessment (AMDAL for PT DAN and UKL/UPL for PT DSN POM-2), as follows:

- The AMDAL document has endorsed by AMDAL commission of District of Kalimantan Timur, presented in letter No. 188.4.45/674/HK/X/2009 dated October 23rd 2009. Scoope of AMDAL was PT Dharma Agrotama Nusantara, situated on Village of Benhes, Diak Lay, Dabeq and Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Republic of Indonesia. The team were came from Politeknik Pertanian Negeri Samarinda.
- The UKL/UPL document has endorsed by AMDAL commission of District of Kalimantan Timur, presented in letter No. 332/660.1/2.1/LH/III/2009 dated March 16th 2009. Scoope of AMDAL was PT Dharma Agrotama Nusantara, situated on Village of Dabeq, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, Republic of Indonesia. The UKL/UPL team were same with the above.

Up to surveillance 3 audit, there were no new operational areas in both PT DSN POM-2 and PT DAN.

5.1.2 and 5.1.3

Assistant of OHS Environment (K3L) is the one who's responsible for environment management activities. The environment management activities carried out by the Certification Unit has in accordance with document of RKL/RPL (for PT DAN) and UKL/UPL (for PT DSN) Semester II 2016. Activities on environment management carried out by PT DAN and PT DSN were in accordance with management plan mentioned in AMDAL (SEIA) document. According to RKL/RPL and UKL/UPL Semester II 2016, management activities had conducted by the Certification Unit are job opportunity, cooperative scheme, community health, occupational health and safety, perception and negative response from surrounding communités, opportunity to running out the business, community income, potential land accident, perception and positive response from surrounding communities, oil palm population, plants population in conservation or protection areas, disturbed habitat and wild animal's migration, protected animal's habitat, aquatic biota, surface water quality, soil erosion, soil fertility, air ambient quality decreament due to dust content, air ambient decreament due to odor, noisy, fire management control and the use of hazardous materials.

Status: Comply

5.2

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

5.2.1; 5.2.2

High conservation value identification had been carried out in November 1st to 7th 2011 conducted by Daemeter Consulting. The HCV acessor team was consist of ten members which two member were RSPO HCV approved aaccessors. Map of HCV was available on the report dated on January 2012. Results of HCV identification is presented as follows:

- HCV 1.1: Buffer zone or riparian zone forest of Telen River area for about 368 ha where located in Puhus 1 Estate.
- HCV 1.2 and 1.3: Numbers of threatened and endangered animals and plants, e.g. 44 species of mamals, 113 species of birds which among 43 species were classified as priority to be protected and 29 species of trees which 8 specied classified as threatened.
- HCV 3: Forest conservation area for about 128 ha where located in Block C21-27 Puhus 1 Estate.
- HCV 4.1: Water body with width less than 10 m where located in Puhus 1 River, Kenden Kecil River and Kenden Besar River.
- HCV 6: Egun Long Puhus Site which is sacred wood fossil for Wehea community.

It was reported that there were eight flora (trees) species in HCV 1.2, such as *Dipterocarpus cornutus*, *Dipterocarpus grandiflorus*, *Dipterocarpus cf. validus*, *Dryobalanops aromatic*, *Hopea sangali*, *Shorea balangeran*, *Shorea blumutensis* and *Shorea singkawang*. Furthermore, among mammals and birds which considered to be protected were, for example: Beruang madu (*Helarctos malayanus*), Trenggiling (*Manis javanicus*), kancil (*Muntiacus muntjak*), Rangkong badak (*Bucheros rhinoceros*), Elang walaceae and punai besar.

The Certification Unit was able to show program and realization report on HCV area management in 2016 which based on HCV report. Basically, the program was consist of five points, presented as follows:

- Monthly fauna surveys in HCV areas and riparian zone of Telen River.
- Monitoring and maintenance of HCV related signboard.
- Restoration, conservation plants upkeep and maintenance.
- Monitoring on potential erosion areas.
- Socialization on HCV.

The Certification Unit was able to show realization of HCV management from January to December 2016. For example, according to fauna survey in December 2016 which reported in January 3rd 2017, it was informed that the survey had conducted in 7th to 27th December 2016. Fauna found and noted in HCV area Block VIII Puhus 1 Estate were porcupine, gagak hutan (*Corvus enca*), merbah serucuk (*Pycnonotus sp.*), deer (*Cervus unicolor*), sempidan biru (*Lophura ignita*), tekukur biasa (*Stigmatopelia chinensis*), kangkareng hitam (*Anthracoseros malayanus*), kangkareng perut putih (*Anthracoseros albirostris*), burung madu *Ahthreptes sp.*), kipasan belang (*Rhipidura javanica*), perenjak rawa (*Prinia flaviventris*), cucak rumbai (*Pycnonotus sp.*), perling kecil (*Aplonis minor*), tiang emas (*Pityriasis sp.*), beruang madu (*Helarctos malayanus*), elang tikus (*Elanus caeruleus*), cabai bunga api (*Dicaeum triginistigma*), kerak kerbau (*Aridocteres sp.*), etc.

Based on observation to HCV area in Block 8 Puhus 1 Estate which informed for about 4,128 ha, it was found that the vegetation were still virgin and three standby officer on the site which two of them has conduct routine patrol for every 1 to 2 hours. There was marked new planting of *Shorea spp.* and fruit trees. Among endemic flora found were Durian (*Durio spp.*), Bangkirai (*Shorea sp.*) and Meranti (*Shorea spp.*). Among animals founded were porcupine, mouse deer, orang utan, owa kelawat and lutung. It was reported that there was no threats from the surrounding communities and outsiders.

5.2.3

Certification Unit policy on HCV management was presented in the following procedure documents, as follows:

- Procedure No. SOP-AGR-052-R00 dated December 1st2012 about procedure of wild animal protection.
- Work instruction No. IK-AGR-SHE-03-R00 dated October 2nd2012 about vegetation inventarisasi.
- Work instruction No. IK-AGR-STD-02-R00 about riparian zone namagement.
- HCV identification 2012.

Education towards HCV and its management has given through socialization which conducted in May 2016. According to HCV management progres report in June 10th 2016, it was informed that Socialization in Puhus 1 Estate has carried out in Afdeling 1a, 1b, 2, 3a, 3b, 4 and emplacement on 18, 19, 20 and 23 May 2016. Furthermore, socialization in Puhus 3 Estate has carried out in Afdeling 9 and 10 on May 30th to 31st, 2016. Based on field visit to employees PT DSN and PT DAN head office, as well as Puhus 1 and Puhus 3 housing complex, it was found that poster of RTE animals identified in HCV report were available on information signboard. Furthermore, based on interview with harvester in Block E48 Afdeling IV Puhus 1 Estate, pesticide applicators in Block G69 Afdeling XI and fertilizer applicators in Block E63 Afdeling X Puhus 3 Estate, it was stated that the workers got socialization about HCV annually. The figures of flora and fauna were available on housing information board and signboard.

5.2.4

Program of species monitoring has conducted monthly for program evaluation. The Certification Unit was able to provide list of species (local and scientific name) monitoring in 2015 and 2016, protection status according to IUCN, CITES and Government regulation (least concern, near threatened, endangered and vulnerable), location identified in both conservation area Block VIII Puhus 1 Estate and riparian area of Telen River. For example, according to fauna monitoring

data 2016, it was informed that 40 big mamals, 28 small mamals, 9 primates, 37 herpetofauna and 258 bird has monitored during 2016.

For example, according to fauna survey in December 2016 which reported in January 3rd 2017, it was informed that the survey had conducted in 7th to 27th December 2016. Fauna found and noted in HCV area Block VIII Puhus 1 Estate were porcupine, gagak hutan (*Corvus enca*), merbah serucuk (*Pycnonotus sp.*), deer (*Cervus unicolor*), sempidan biru (*Lophura ignita*), tekukur biasa (*Stigmatopelia chinensis*), kangkareng hitam (*Anthracoceros malayanus*), kangkareng perut putih (*Anthracoceros albirostris*), burung madu *Ahthreptes sp.*), kipasan belang (*Rhipidura javanica*), perenjak rawa (*Prinia flaviventris*), cucak rumbai (*Pycnonotus sp.*), perling kecil (*Aplonis minor*), tiang emas (*Pityriasis sp.*), beruang madu (*Helarctos malayanus*), elang tikus (*Elanus caeruleus*), cabai bunga api (*Dicaeum triginistigma*), kerak kerbau (*Aridocteres sp.*), etc.

5.2.5

As mentioned in the previous surveillance and Indicator 2.3.1 it was informed that there were no traditional rights used for Certification Unit operational areas. Whole Certification Unit operational areas were derived from eks private company logging cession (HPH) which have released by the Minister of Forestry. Furthermore, according to HCV report, it was informed that operational areas were in accordance with land use permit (HGU) and there were no overlap with communities surrounding the company. Hence, based on explanation in the former it could be concluded that there were no land claim amendments. This is conform during public consultation with National Land Agency and Estate Crop Agency of Kutai Timur District in January 17th 2017.

The Certification Unit has conduct HCV socialization to the Certification Unit surrounding village. For example, socialization to local traditional institution of Nehas Liah Bing had conducted in January 16th, February 28th, October 4th, November 24th and December 10th 2014. Official letter and report, list of absence and picture documentation were available.

Status: Comply

5.3

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

5.3.1

The Certification Unit has identified wastes and its sources, for example as follows:

- Generator set: used filter, used oil/lubricant, contaminated rags (majun).
- Vehicles: used filter and used oil/lubricant.
- Pesticide application: eks pesticide containers and its cup.
- Fertilizer application: fertilizer sack.
- Workshop: used filter, used oil/lubricant, contaminated rags (majun).
- Agrochemicals warehouse: eks agrochemical containers.
- Clinic: infectious and medical waste.

Based on field observation to Puhus 1 and Puhus 3 Estate housing complex, it was found that employee has devide organic and in-organic domestic waster. The former waste was reused for composting while the latter was sent to the landfill.

5.3.2 and 5.3.3

The Certification Unit has agrochemical storage warehouse and hazardous material warehouse where located on the estates and mill. The Certification Unit shows permit on hazardous materials warehouse, as follows:

- Mill: permit from Regent of Kutai Timur District presented in Letter (SK) No. 658.31/K.775/2011 dated December 27th 2011 which valid for five years. Regarding this matter, PT DSN has proposed permit extention and shows official letter of field visit verification by Environment Agency of Kutai Timur District in December 20th 2016. Currently, the extended permit were not issued yet. This is become observation as mentioned in Indicator 2.1.1.
- Estate: permit from Regent of Kutai Timur District presented in Letter (SK) No.660/K.521/2016 year 2016 which valid for five years (2021).

The Certification Unit has manage to disposed eks agrochemicals containers based on procedure which presented in document work instruction No. IK-AGR-SHE-09-R00 dated January 15th 2014. The procedure has describes as follows:

- Hazardous waste from estate and mills should be stored on the nearest (temporary) hazardous waste warehouse and recorded on the logbook of hazardous balance.
- Temporary stored has only available to store the hazardous waste for maximum seven days.
- Eks agrochemical (pesticide) containers shall be washed and rinsed for three times or high pressure spray only.
- Used washing water is to be collected dan reused for pesticide mixing.
- To avoid reused for domestic purposes, washed ex agrochemical containers were later on to be holed and splitted or chopped.

Apart from the above, procedure of waste management were also presented in the following documents, as follows:

- Document No SOP-AGR-035-R02 dated may 1st 2015 about wastes management, which include organic, inorganic and hazardous waste.
- Work instruction No. IK-AGR-SHE-09-R02 dated October 19th 2015 about hazardous waste handling.

Based on observation to agrochemicals (pesticide) storage in Puhus 1 and Puhus 3, it was found that all pesticides has placed properly by store it into limited access room, placed has arranged separately, has a correct risk identification symbols, FIFO method, material flows record (balance sheet) and suit MSDS were available, proper and monitored PPE, fist aid box and fire extinguisher were provided. Moreover, based on observation puhus 1 and 3 estates, it could be concluded that hazardous wastes had stored in the permitted hazardous waste warehouse (storeroom). Balance of hazardous waste record and manifest were available during the audit. Hazardous waste were next to be sent to lisenced collector, namely CV Sumber Agung (Permit No. 503/408/LINK/BPPMD-PTSP/III/2016 dated March 4th 2016). According to balance sheet and manifest review, it was informed that take over of hazardous waste to the licensed collector was not more than 90 days. Furthermore, storeroom condition were equipped with MSDS, eyewash, shower, alarm, first aid kit, PPE, fire extinguisher and oil trap. Furthermore, based on observation to housing complex in Puhus 1 and Puhus 3, there were no use of ex pesticides container for household purposes such as garbage basket and plant pot.

The Certification Unit was able to shows documentation on hazardous waste management, as follows:

- Official letter Form No. FM-SHE-17-R02 dated November 24th 2016 about hazardous waste handover from PT DSN POM-2 to CV Sumber Agung, for Hazardous Waste Manifest No. UB 0002389 and UB 0002390 for liquid and solid waste, respectively. The number and kinds of hazardous waste were match each other.
- Official letter Form No. FM-SHE-17-R02 dated January 7th 2017 about hazardous waste handover from PT DAN (Puhus 1, Puhus 2 and Puhus 3 Estate) to CV Sumber Agung, for Hazardous Waste Manifest No. UB 0002484 and UB 0002485. The number and kinds of hazardous waste were match each other.
- Balance of hazardous waste were recorded in Form No. FM-SHE-04-B-R03.
- Monitoring record of fertilizer sacks in Puhus 1 and Puhus 3 Estate which informed daily stock of fertilizer sacks and its usage for FFB platform, loosefruit collection and domestic waste container.

According to balance sheet and manifest review, it was informed that take over of hazardous waste to the licensed collector was not more than 90 days. Moreover, based on field observation to Puhus 1 and Puhus 3 Estate housing complex, it was found that employee has devide organic and in-organic domestic waster. The former waste was reused for composting while the latter was sent to the landfill. Land fire due to wastes and hazardous wastes mismanagement were never happen. This is confirm during public konsultation with Environment and Estate Crop Agencies of Kutai Timur District.

Based on observation to agrochemicals (pesticide) storage and hazardous waste warehouse in Puhus 1 and Puhus 3, it was found that all pesticides has placed properly by store it into limited access room, placed has arranged separately, has a correct risk identification symbols, FIFO method, material flows record (balance sheet) and suit MSDS were available, proper and monitored PPE, fist aid box and fire extinguisher were provided.

Medical waste disposal

The Certification Unit has shows manifest of medical waste No. 195/KMU/UM/XI/2016dated November 24th 2016 and official letter of medical waste disposal on Incenerator in Pupuk Kalimantan Timur Hospital. For example, list of medical waste from Puhus 1 Estate were Handscone 0.50 kg, ampul and vial 0.30 kg, nall and bisturi 0.10 kg, spuilt disposable 0.10 kg and infuse set 0.20 kg. Furthermore, list of medical waste from Puhus 3 Estate were Handscone 0.50 kg, ampul and vial 0.20 kg, nall and bisturi 0.10 kg and spuilt disposable 0.10 kg.

Permit of incinerator was based Minister on Environment Decree (SK) No. 177 year 2011, Revision permit No. 660.1/572/BLH dated October 15th 2012, with capacity 120 kg per combustion process (actual 46.20 kg/day). Validation of permit extension presented in document No. Reg. R201609140008 dated 14th September 2016. The extension permit was still under process.

The Certification Unit has adopting composting methods for organic waste which will be used as organic fertilizer applied in the living quarter. For anorganic waste managed by disposed at landfill.

Status: Comply

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

5.4.1
The Certification Unit was able to shows records of total fuel consumption for production activities, stated in liter per ton FFB and per ton CPO. According to data given, it was informed that FFB harvesting and processing were not implemented from March to October due to very low crop. The estate and mill unit management decide to hold the production activities due to economic reason. However, used of fuel per production FFB and CPO were still monitored. Mill management informed thate installation of biogas plant were not implemented in the near future.

Status: Comply

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

5.5.1
Certification Unit policy on land burning is presented in several document, as follows:

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

5.5.2
Based on interview with management unit and document reviews, it could be concluded that the Certification Unit has adopting zero burning method on the first time of land clearing. Since the earliest palms were planted in 2005 in Puhus 1 and Puhus 2 Estate, thus in normal condition, replanting activity is expected to be carried out in 2030. Procedure of land clearing is presented in Indicator 5.5.1.

Status: Comply

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

5.6.1
The Certification Unit was able to shows several data related to pollutions which conducted by PT Sucofindo, for example from September 2016. According to noise monitoring results, the Certification Unit has recommend to always used earplug or earmuff on the respective areas as PPE for operators/workers. Meanwhile, based on vibration monitoring, boiler emission, genset emission, ambient air quality, waste water quality analysis and odor monitoring results, it could be concluded that all parameter tested were below the threshold limit as required in KepmenLH No. 49 year 1996, PermenLH No. 7 year 2007, KepmenLH No. 13 year 1995, PP. No. 41 year 1999, KepmenLH No. 28 and 29 year 2003 and KepmenLH No. 50 year 1996, respectively.

5.6.2

The Certification Unit has shows identification of GHG emission sources. Identification and mitigation program of GHG was presented in document No. FM-MS-55 A-R01. For example, according to report on January 2017, mitigation program and realization is presented as follows:

- Source of emission: Genset on engine room POM-2; Emission: 934.06 tCO₂eq/th; Program: energy efficiency; Target: to reduce solar consumption through fibre and kernel shell as substitute; Remarks: monitoring on energy efficiency of kWh genset.
- Source of emission: POME on WWTP POM-2; Emission: 9,015.01 tCO₂eq/th; Program: composting of EFB; Target: to reduce methane gas on POME; Remarks: monitoring of composted POME.

Based on POME monitoring report, it was reported that during 2016, POME produced and applied into land application areas were 61,608 m³ and 49,762 m³, respectively. furthermore, EFB produced and applied for mulching were 16,321.02 ton and 13,233.28 ton, respectively.

The Certification Unit shows restoration data in Kenden Kecil river period January to May 2016. It was reported that about 175 *Shorea leprosula*, 120 *Dryobalanops* spp., 102 *Eugenia* spp. and 3 *Dyera* spp. had planted in Block G49 Afdeling VII and Block F49 Afdeling VII. Apart from that, estate management unit has shows activity report dated April 22nd 2016 which informed in the same time, 20 seedlings on *Shorea leprosula* and 20 seedlings of *Hopea* sp. had been planted di riparian bufferzone of Kenden Besar river Puhus 3 Estate. New planting trees was marked by orange ribbon. Based on field observation to Kenden Besar River in Block G65 Puhus 3 Estate, it was found that red paint marked on palm with distance about two times of river wifes from water body, to identify riparian zone, no spray signboard and presence of vetifer grass along water body.

5.6.3

The Certification Unit has shows the evidence that GHG calculation has been sent to RSPO Secretariate via email on march 10th 2016. Hence, the NCR No. 2016.02 has remain closed.

Calculation of GHG emission and its monitoring has conducted by Department of Management System. GHG emission has calculated through the RSPO PalmGHG Calculator Version 3.0.0, which informed summary of net GHG emission, summary of field emission and sinks, summary of mill emission and credits, POME treatment and POME diverted to anaerobic digestion. The Certification Unit has reported the calculation summaries to RSPO Secretariate via email (subject: GHG report POM2 2016) on January 13th 2017. Email submitted by Management System Department towards watik.tk@dsngroup.co.id, sent to javin.tan@rspo.org and devaladevi@rspo.org.

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	1.01	OER	23.17	FFB Processed	45,758.00
PK	1.01	KER	3.50	CPO Produced	10,604.00

Land Use	ha
OP planted area	21,035.85
OP Planted on peat	0.00
Conservation (forested)	582.00
Conservation (non-forested)	128.00

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	13,781.77	8.7	-	-	-	-	13,781.77	8.7
*CO ₂ emissions from fertilizer	3,386.52	2.66	-	-	-	-	3,386.52	2.66
**N ₂ O emissions	1,586.31	1.49	-	-	-	-	1,586.31	1.49
Fuel consumption	507.91	0.26	-	-	-	-	507.91	0.26
Peat Oxidation	0.00	0.00	-	-	-	-	0.00	0.00
Sinks								
Crop sequestration	-16,866.25	-9.36	-	-	-	-	-16,866.25	-9.36

Conservation Sequestration	-9.19	-0.23	-	-	-	-	-9.19	-0.23
Total	2,387.07	3.52	-	-	-	-	2,387.07	3.52

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	9,015.01	0.20
Fuel consumption	934.06	0.02
Grid Electricity Utilisation	0.00	0.00
Credits		
Export of Grid Electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	9,949.07	0.22

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

POME Diverted to Anaerobic Digestion:

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

5.6.3 Status: Non conformity No. 2016.02 with minor category is closed

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

6.1

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

6.1.1; 6.1.2

The Certification Unit has conducted Social Impact Assessment (SIA) on December 2011. It assessment gathering all social information from internal stakeholder (workers), external stakeholder (local communities, customary leader, smallholder, village authority). This document has covered all positive and negative social effects that caused and maybe caused by the plantations and mill. Records of participation from local communities and stakeholders during SIA are available. Based on documented SIA and interview with local communities, they were participated in the assessment. Participatory assessment was done by focus group discussion.

6.1.3

The Certification Unit has set SIA mitigation program for periode 2016 – 2017 which involved by communities and workers. The mitigation program has explained timeline and PIC for implemenation. Based on document review, the Certification Unit has realized the SIA mitigation program such as:

1. Providing job information to communities such as in Jabdan Hamlet, Long Bau Hmalet and Miau Baru Village on 19 January 2016.
2. Instalation of WTP in village such as in Benhes Village which handed over to cummunity in 14 Nov 2011. Besides the Certification Unit also provides WTP officer and give their honorarium.
3. Provide training to independent smallholders: for example, was made on 13 April 2016 at the Meeting Hall of Wanasari Village with participant independent smallholders from three districts (Sangkulirang, Kaliurang and Telen).

Documentation of worker involvement in the review process of social impact management plan will be verified the next visit. **OFI**

6.1.4

The Certification Unit has reviewed mitigation program of social impact assessment regularly. The latest reviewed on Januari 2016 for mitigation program period 2014 - 2015. Based on the results of the review note that the focus of mitigation plan made by the Certification Unit is still relevant and very relevant, so that the mitigation plan is continued for the next period.

6.1.5

PT DAN has had a smallholder partnership with some villagers near the Certification Unit.

Status: Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1

The certificate holder has procedure of communication and consultation (SOP 0215B/SWA-CSR-WHU/VI/2012) which explain about mechanism of request for information, complain and conflict handling. The mechanism of communication and consultation in the procedure has flow of FPIC. The procedure has been settled with participation of surrounding stakeholder in form of meeting in June 7 2012.

6.2.2

The PIC for communication and consultation on site is CSRE Department, in cooperation with Plantation and Mill Head. There is CSRE staff for PT DSN and PT DAN along with their job desk. Based on filed interview with surrounding stakeholder obtained information on how and who to communicate with the Certification Unit.

6.2.3

The certificate holder kept stakeholder list. The list is managed by CSRE Department and updated once in a year. Record of communication from external stakeholder is also available at CSRE Department. There is book of incoming letter from external stakeholder, where for 2016, there was 24 incoming letter. All of the letter was a request of funding and heavy equipment assisting. None of them request for information.

Status: Comply

6.3

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

6.3.1

The certificate holder has procedure of communication and handling of external complaint (SOP-AGR-044-R00, dated February 2013) which explain the mechanism of communication and handling of complaint. The PIC in site is CSRE Operation Head, by coordination with Plantation Head and POM Head. The time limit for responding request for information is 3 days prior to the incoming letter.

There is also procedure of handling complaint (Number SOP-AGR-054-R00) which explain of handling internal complaint, based on regulation and trustworthiness.

6.3.2

Based on stakeholder communication with surrounding village known that there are no conflict of land or other thing. The certificate holder has also monitored request for information and complaint from stakeholder in form of book of incoming letter. It was managed through CSRE Department. For 2016, there were 24 incoming letter of request for funding and heavy equipment assisting.

There is also book of internal complaint in PT DAN and PT DSN. For example, there were 5 complaint from workers related

with housing. All of them had been followed up.	
Status: Comply	
6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
<p>6.4.1 CH has had SOP of communication and consultation which describes identification, calculation and compensation for land release mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.</p> <p>6.4.2 and 6.4.3 The results of document review, field visit and interviews show that the CH does not perform new expansion since ASA-2 until ASA-3.</p>	
Status: Comply	
6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	
<p>6.5.1 The CH has a document from Governor of Kalimantan Timur number 561/K.634/2016 concerning about minimum wage of 2017, as much as Rp.2.464.108. There is letter from director of the company number 016/DIR/I/2017 concerning about minimum wage per 2017. Based on public consultation with manpower agency of Kutai Timur District known that there is no industrial conflict in the Certification Unit. The Certification Unit has followed worker regulation.</p> <p>The CH has regulation on wage pays as of:</p> <ol style="list-style-type: none"> 1. The dividing of basic wage for worker each month is 30 day. 2. The payment based on effective working days and added not effective working days. 3. There is payment rules on extra fulfillment wage of worker where 1 daily work is 1.5 x from effective working day. <p>Based on worker payroll slip on November 2016 known that there is worker who work on the not effective day for 7 hours with overtime payment as much as 1.5 x effective working day payment (Rp.113,817). This is not in accordance with Manpower regulation number 102 of 2014 for over time payment rule. Non conformity No.2017.01 with major category.</p> <p>6.5.2 The certificate holder has company regulation for period of 2015-2017. It has been agreed by the ministry of manpower on June 19 2015. Yet there is also statement letter from union worker of PT DAN and PT DSN of receiving the company regulation on January 5 2016. The company regulation has been socialized to workers in April and May 2016.</p> <p>The certificate holder can also demonstrated that all of worker agreement has been fairly communicated and excepted by workers. Evaluation of worker run every year as a basis for their annual performance and promotion. There is example of settlement letter for inter-area worker number 0043 DAN PU2/IV/2013.</p> <p>Based on filed interview with worker in Puhus 1 and Puhus 3 known that the worker has understand of their working status.</p> <p>6.5.3 Facility for worker is still same with previous surveillance. The Certification Unit has polyclinic of FASKES 1 that can be used for BPJS handling.</p> <p>6.5.4 There are worker cooperation. Based on the latest document of yearly member minutes of meeting for period Of 2015-2016, it was known that the number of cooperation member has increased from 763 to 1.220 workers. It was also known</p>	

that the net income for 2015 is about Rp.856,060,000 from selling daily needs, etc. Based on interview with cooperation member known that the member could take their daily needs from the cooperation.

6.5.1 Status: Nonconformity No. 2017.01 with major category

6.6

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

6.6.1

There is no change in Certification Unit union policy. Worker union of PT DAN has been registered to Manpower Agency of Kutai Timur District at 12 January 2017, and PT DSN POM 2 at January 6, 2017. Based on interview with workers and member of union informed that it's a free will to become member of the union. For union membership, there is monthly payment of Rp.2,000 in PT DAN.

6.6.2

Based on interview with worker union of PT DSN POM 2 and PT DAN obtained information that meeting can be initiated in every 3 month or according to the situation. The certificate holder could show minutes meeting of union as of:

- PT DAN : January 12 2017, at Division 8 Puhus 3 which was attended by 24 member and its caretaker. The meeting talked about union program.
- PT DSN POM 2 : December 28, 2016 which was attended by 12 membership and caretaker. The meeting talked about the renewal structure of the union.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Based on document review of manpower period December 2016 for PT DAN and PT DSN POM 2, there is no worker under 18 year old. For PT DAN, the youngest worker is worker who was born in June 19 1998, and for PT DSN POM 2 is worker who was born in 1 August 1997. Field observation in Puhus 1 and Puhus 3 shows that there is no worker under 18 year old.

Status: Comply

6.8

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

6.8.1

The policy of non discrimination is written in Certification Unit rules. The policy has been socialized to worker and contractor. Based on manpower statistic of PT DAN and PT DSN period of December 2016 obtained information that workers came from many of area, tribes, different religion.

6.8.2

Based on observation and filed interview with worker in Puhus 1 and Puhus 3, it is known that they are coming from Java, Flores, Sumbawa, Sulawesi, Sumatera and local area as of Kutai Timur and its surroundings. Female worker has already knew of female committee, its caretaker and its function. They informed that there are no case or complaint against this condition. Female worker has a right to take a monthly menstruation leave and maternity leave.

6.8.3

The CH could show work agreement which cover right and obligation of both party. Based on field interview with worker in Puhus 1 and Puhus 3, they already understand and excepting the agreement. Based on interview with HRD staff obtained information that evaluation of worker performance is done once in a year. Farm tractor operator of Puhus 3 informed that the certificate holder pay a quite good attention and opportunity for local people to join and work in the Certification Unit.

There is sample letter of appointment number 0043 DAN PU2/IV/2013 as monthly worker for inter-area worker (AKAD) who joined since 2010.

Status: Comply

6.9

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

6.9.1

Company rules of CH has flowchart of sexual harassment handling (FM-STD5-52-Rxx). The CH commitment on reproduction right is written in memorandum HRA Dept. Number 010/HRA/VII/2011 dated July 12 2011. The female worker has already knew of female committee, its caretaker and its function. Based on field interview with female worker in Puhus 1 and Puhus 3 informed that there is monthly program of female committee in form of routine recitation. In every Division, there is a daycare for worker children.

6.9.2

The CH commitment on reproduction right is written in memorandum HRA Dept. Number 010/HRA/VII/2011 dated July 12 2011. Based on interview with female worker in Puhus 1 and Puhus 3 informed that they already knew of monthly menstrual leave and maternity leave. They also knew about prohibition for maternal worker to work with chemical. Once in a month, there is pregnancy test for female worker to prevent pregnant woman working in spraying and fertilization.

6.9.3

The certificate holder has procedure of handling complaint (SOP-AGR-054-R01, dated October 12 2015) which managed mechanism of worker complain. It has managed about the FPIC complain and anonymity. Otherwise, there is flowchart of sexual harassment handling (FM-STD5-52-Rxx). Based on interview with female caretaker in PT DAN and PT DSN POM 2 informed that there were no case or complaint of sexual harassment during 2016.

Status: Comply

6.10

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

6.10.1 and 6.10.2

02 POM did not receive FFB from scheme smallholder and outgrower, but receive FFB from other Certification Unit which is in the same group and has been certified.

6.10.3 and 6.10.4

CH conduct cooperation with third parties for certain activities such as the transport of FFB and the rental vehicle. Based on interview with contractor is known that the supplier is given time to learn the contract. It is also stated that up to now there are no problems between the contractor and Certification Unit. The Certification Unit is also make payments timely manner, such as payment of CV Berkat Rejeki for FFB transport, period of 1 - 30 November 2016 which paid on 16 December 2016.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The CH showed record of meeting with government and village stakeholder in sub district of Muara Wahau dated 10 February 2016. The meeting was attended by 2 of CSRE staff as representation of the Certification Unit and talks about development work program of surrounding village and how the Certification Unit will participate. From that meeting, the Certification Unit will compile program of CSRE in 2016. The program was divided in to 4 major field (education, economy, social culture, environment-household). Realization of the CSRE program of 2016 is also showed by the Certification Unit. In other hand, the Certification Unit also gave opportunity for local people to participate as local contractor in FFB & EFB transportation, rent of staff transportation unit, contract of building, etc.

Based on interview with surrounding village stakeholder gathered information that they have given opportunity to participate in plantation activity. For the next 2017 CSRE program, the CSRE Department show example of gathering information in form

of meeting with Cooperation of GAC, Diak Lay village dated October 24 2016, who ask assistance in explaining about agricultural input credit.

6.11.2

The certificate holder does not have smallholder scheme.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1

The CH could show that the use of inter-area worker (AKAD) has followed rules from manpower agency. Based on interview with manpower agency of Kutai Timur District informed that the use of inter-area worker (AKAD) has been permitted by both of the manpower agency.

The CH could show work agreement with inter-area worker, as example : work agreement No.75/SPK-AKAD-DAN/SMD/2016. The agreement has explain all about right and obligation for both two party (job desk, payment, housing facility, health insurance, etc). Based on interview with harvester worker in Puhus 3 (as inter-area worker in 2010) obtained information that they have been treated according to work agreement and regulation.

6.12.2

Based on review of work agreement number SPK No.75/SPK-AKAD-DAN/SMD/2016, it is known that the agreement has explained clear about job desk for workers. Both party has signed on the contract. Based on filed interview with harvester worker in Puhus 1 and Puhus 3 informed that there are no contract substitution. The first year of the contract is evaluation time for worker by management.

6.12.3

The CH use inter–area worker (AKAD) that has been registered by both of the manpower agency. Based on interview and field observation in Puhus 1 and Puhus 3 Estate, there is no illegal worker or family (without work agreement) who help worker in the field.

Based on interviews with inter–area worker (AKAD), who entered in 2010-2011, it is known that workers have been informed of the start of the period of work and type of work that will be done in the company as well as various facilities existing work.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The Certification Unit policy on human right is still same with the previous surveillance. It was written in document number PDM-AGR-R04 dated May 1 2015. The policy has been socialized by the Certification Unit, as example :

- Division 5, Puhus 3, dated March 29 2016, attended by 31 worker.
- Division 4, Puhus 1, dated March 22 2016, attended by 39 worker.

Based on interview with union caretaker and female committee caretaker informed that the Certification Unit has implemented human right policy, where all of worker have been given same opportunity.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1

According to year of planting data, latest palm had planted in 2014 for about 81 ha in Puhus 1 Estate. Regarding this matter, the Certification Unit has shows document of social impact assessment (SIA) report which conducted Daemeter Consulting in December 2011. Seven villages were sampled, namely Diak Lay, Beanheas, Muara Wahau, Jak Luay, Long Wahea, Karya Bakti and Miao Baru. All villeges were situated on two Sub Districts. Only Village of Miao Baru was situated in Sub District of Kombeng, while the rest were situated in Sub District of Muara Wahau. Method of survey has adopting indepth interview through questionnaire and focus discussion group.

Summary of SIA report mentioned that several impact identified such as land acquisition, access to resources, accident risk and occupational health, community perspection, employment, minor community marginalization, social conflict, income improvement, human resources improvement, local organization enforcement and changes on habit and environment were marked as important both positively and negatively. While impact on community relocation was marked as not important. It was Certification Unit responsibility to enhance the positive impact as well as to reduce the negative impact.

7.1.2

The conclusion were same from the previous assessment. Please see Indicator 5.1.3 for more details. Up to two years periodic review in 2016, it could be oncluded that environment management and monitoring aspect scoop were not need to be revised. The current strategy were considered as still relevant with field condition. Furthermore, it was informed that since January 1st 2015, there were no new land clearing or opening in HCV areas.

7.1.3

The conclusion were same from the previous assessment. Please see Indicator 6.1.5 for more details. Up to two years periodic review in 2016 on SIA asseement, it was known that smallholders scheme and its impact has become a part of Certification Unit annual program.

Status: Comply

7.2

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

7.2.1 and 7.2.2

PT DAN was able to shows soil map with scale 1:40,000 which derived from a detail soil survey report No. R&E.SVY.0002-11-12 which conducted by Research Department of PT DSN in 2012. Report informed that based on USDA Sub-group classification, soils in PT DAN were consist of five mineral soil type, namely *Typic Kanhapludults*, *Typic Kandudults*, *Plinthic Kandudults*, *Aquic Udifluvents* and *Typic Fragiorthods*. Texture of soils identified were mostly sandy clay. In term of soil feasibility analysis for oil palm cultivation, about 91 % of PT DAN has classiefied as S2 (moderate) and the rest or about 9 % has classified as S3 (marginal). Limitation factor were identified due to soil low fertility. Moreover, according to elevation map, it could be concluded that about 98 % of PT DAN were ranged from 0-15 % or classified as flat to rolling (0-15%), while the rest was rolling to hilly (15-25 %). Furthermore, there were no presence of peat soil as well. Those information were conformend during field observation. Hence, no special drainage and/or irrigation system is needed to be installed in PT DAN operational areas.

Status: Comply

7.3

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

7.3.1; 7.3.2

The document review showed that the Certification Unit is performed land clearing after November 1, 2005 without preceded by the identification of HCV, so CH need to follow Remediation and Compensation Procedures were approved by the BOG on 16 Nov, 2015. PT DSN, as the parent of PT DAN has conducted disclouser of liability and LUCA on 23 April 2015. Based on an email from RSPO Compensation on 12 Feb, 2016 is known that the LUCA of PT DAN have been reviewed and passed / approved. The result of LUCA shows that PT DAN has final liability as much as 48.38 Ha. CH has

not shown approval of compensation plan from the Compensation Panel for the liability. **Nonconformity No. 2017.02 with major category**

7.3.3; 7.3.4 & 7.3.5

The results of document review, field visits and interviews found that CH did not expand or conduct new planting since ASA-2.

7.3.1 Status: Nonconformity No. 2017.02 with major category

7.4

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

7.4.1 and 7.4.2

According to PT DAN soil map (scale 1:40,000) which derived from a detail soil survey report No. R&E.SVY.0002-11-12 which conducted by Research Department of PT DSN in 2012. Report informed that based on USDA Sub-group classification, soils in PT DAN were consist of five mineral soil type, namely *Typic Kanhapludults*, *Typic Kandudults*, *Plinthic Kandudults*, *Aquic Udifluvents* and *Typic Fragiorthods*. Texture of soils identified were mostly sandy clay. In term of soil feasibility analysis for oil palm cultivation, about 91 % of PT DAN has classiefied as S2 (moderate) and the rest or about 9 % has classified as S3 (marginal). Limitation factor were identified mainly due to soil low fertility and rolling to hilly slope. Furthermore, according to elevation map, it could be concluded that about 98 % of PT DAN were ranged from 0-15 % or classified as flat to rolling (0-15%), while the rest was rolling to hilly (15-25 %). Furthermore, there were no presence of peat soil as well. Those information were conformend during field observation. Hence, it could be concluded that there are no presence of fragile soils within PT DAN operational areas.

To overcome soil low fertility, several strategy which has implemented by the Certification Unit is presented as follows:

- Undulating to hilly (slope 12-25°) area shall be adopt individual planting platform (estate term: *Tapak Kuda*) for rolling to hilly area and/or terraced planting platform for hilly area. Furthermore, slope above 25° (steep) is prohibited to be planted.
- To conduct U-shape frond stacking on flat to undulating and parallel to the contour line.
- To keep land cover crop such as *Nephrolephis* sp. by selective weeding.
- By product application, ex. empty fruit bunch (EFB) application, which also mentioned in work instruction No. IK – AGR- OLP-11-R02. Dosage recommended were about 30-40 ton/ha/year.

Status: Comply

7.5

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

7.5.1

Based on documents review, interview and field visits at CH, it is known that CH did not expand of the operational area and there is no more land clearing activity.

Status: Comply

7.6

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

7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6

Based on documents review, interview and field visits at CH, it is known that CH did not expand of the operational area and there is no more land clearing activity.

Status: Comply

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

7.7.1 and 7.7.2

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

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

Furthermore, based on interview with management unit and document reviews, it could be concluded that the Certification Unit has adopting zero burning method on the first time of land clearing. Since the earliest palms were planted in 2005 in Puhus 1 and Puhus 2 Estate, thus in normal condition, replanting activity is expected to be carried out in 2030.

Status: Comply

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

7.8.1 and 7.8.2

Based on area statement data, it was informed that there were no new planting from January 1st 2015 forward, hence this indicator is not applicable.

Status: Comply

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

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

8.1.1

For continuous improvement purposes, the Certification Unit had carried out internal audit annually which documented in document Form No. FM-OA-12-R01, as follows:

- Non conformity and internal audit observation of PT DSN POM-2 Semester II 2016 has conducted in October 31st to November 1st 2016, issued by Operational Audit Department (OAD) staff, POM-2 Mill Head and OAD Head. The report has describes clauses of findings, non conformity statement aor description, root causes analysis, correction action plan, due date, verification date and list of corrective actions taken, observation columns and recommendation from auditor. For example, according to the Internal Audit Semester II report, it was informed that there were three non conformity (NCR) related to Indicator 4.7 and 5.3.3 minor. All NCR has been fullfilled and considered comply by OAD team by December 31st 2016. Records of communication related to corrective actions taken were attached on the report.
- Non conformity and internal audit observation of PT DAN Semester II 2016 has conducted in August 9th to 10th , July 28th to 30th and July 28th to 30th 2016, for Puhus1, Puhus 2 and Puhus 3 Estate, respectively. The report has issued by OAD staff, Estate Head, Plantation Head and OAD Head. The report has describes the same with the above point. For example, according to the Internal Audit Semester II report, it was informed that there were nine NCR in Puhus 1 Estate related to Criteria 2.1.1 major, 4.7.6 minor, 5.6.3 minor, 5.3.1 major and 4.6.5 major. Furthermore, there were six NCR in Puhus 3 Estate related to Criteria 4.4.2 major, 4.7.1 major and 4.6.5 major. All NCR has been fullfilled and considered comply by OAD team by December 31st 2016. Records of communication related to corrective actions taken were attached on the report.

For example for PT DAN, there is internal audit result from 25-27 July 2016 with 6 finding. In example finding for managing buffer zone in dam area of Division 12.

OFI: evaluation on owl breeding effort as rat predator.

	Status: Comply

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements																									
D1	Definition																									
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p> <p>02 POM is used RSPO supply chain of Identity Preserved module because only received FFB from the estate which has been certified with RSPO.</p>																									
	Status: Comply																									
D.2	Explanation																									
D.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimates of CPO and PK produced by 02 POM obtained from the data of 12 months before the audit activities and have been described in this ASA-3 report.</p>																									
	Status: Comply																									
D.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> RSPO IT Platform member registration number: RSPO_PO100000939 Certified CPO sold to each buyer period of 25 March 2016 to 16 January 2017 <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>Dec 2016</td> <td rowspan="3">PT Dharma Satya Nusantara Tbk, Labanan storage facility</td> <td>967.92</td> </tr> <tr> <td>1 Jan 2017</td> <td>606.6</td> </tr> <tr> <td>2 Jan 2017</td> <td>54</td> </tr> <tr> <td colspan="2">Total</td> <td>1,628.52</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Certified Palm Kernel sold to each buyer period of 25 March 2016 to 16 January 2017 <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>Nov 2016</td> <td>PT DSN KCP</td> <td>295.47</td> </tr> <tr> <td>Dec 2016</td> <td>PT DSN KCP</td> <td>170.38</td> </tr> <tr> <td colspan="2">Total</td> <td>465.85</td> </tr> </tbody> </table>	Date	Buyer	Volume	Dec 2016	PT Dharma Satya Nusantara Tbk, Labanan storage facility	967.92	1 Jan 2017	606.6	2 Jan 2017	54	Total		1,628.52	Date	Buyer	Volume	Nov 2016	PT DSN KCP	295.47	Dec 2016	PT DSN KCP	170.38	Total		465.85
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	Status: Comply																									
D.3	Documented procedures																									
D.3.1																										

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

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

02 POM has had Work Instruction of Supply Chain Product of CPO and PK with IP and SG Module which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. The results of interviews with security and weighbridge operators showed that they understand about inspection of vehicles and granting stamp (RSPO) for delivery document.

In order to maintain knowledge of workers related to the implementation of supply chain, management has delivered SCCS training that was conducted on 20 Dec 2016 which attended by 14 participants.

Status: Comply

D.3.2

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

02 POM PT. DSN has the acceptance and processing procedure for certified and non-certified FFB as stated in traceability work instruction for CPO product, PK with IP and SG Model number: IK-AGR-MS-08-R01 on 1st July 2015. The procedure consists of:

- 1. Acceptance procedure for certified FFB in mill as well as work description for related staff
- 2. Processing procedure for certified FFB as well as work description for related staff, such as:
 - Production process refers to mill's SOP
 - Production admin will input FFB from certified estate
 - Closing book (cut off date) is on 08.00 – 08.00 of the next day
 - Production assistant should protect the purity of CSPO-IP and PK-IP
 - The entire inputting activity is conducted by using the applicable program.

Status: Comply

D.4 Purchasing and goods in

D.4.1

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

- Certified and non-certified FFB received period of 25 March 2016 to 16 January 2017

Month	FFB (Ton)		
	RSPO Certified	Non Certified	Total
25 - 31 Mar 16	-	-	-
Apr 16	-	-	-
May 16	-	-	-
June 16	-	-	-
July 16	-	-	-
August 16	-	-	-
September 16	-	-	-
Oct 16	-	-	-
November 16	10,762.78	-	10,762.78
December 16	14,109.14	-	14,109.14
1 – 16 Jan 17	5,986.13	-	5,986.13
Total	30,858.05	-	30,858.05

Status: Comply

D.4.2

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

02 POM has had SCCSWI that describes the provision of information to CB if there is excess production of RSPO-certified products. Based on the attachment of RSPO ASA-2 certificate, its known that the projected production of CSPO was 66,477 Ton and CSPK was 9,307 Ton. Meanwhile CSPO and CSPK production from 25 March 2016 to 16 January 2017 was 6,766.571 Ton CSPO and 988.13 Ton CSPK.

Status: Comply

D.5 Record keeping

D.5.1

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

02 POM has recorded the entire RSPO certified FFB which enter the mill and deliveries of RSPO certified product (CPO and PK). Here the record deliveries of RSPO certified product with three-monthly basis.

No	Period	Produksi CPO (Ton)			despatch CPO (Ton)		
		Cert	Non-Cert	Total	RSPO	Non-Certified	ISCC
1	Apr 16	-	-	-	-	-	-
2	May 16	-	-	-	57.95	-	-
3	June 16	-	-	-	-	-	-
	Sub Total	-	-	-	57.95	-	-
4	July 16	-	-	-	-	-	-
5	August 16	-	-	-	-	-	-
6	Sept 16	-	-	-	-	-	-
	Sub Total	-	-	-	-	-	-
7	Oct 16	-	-	-	-	-	-
8	Nov 16	2,386.508	-	2,386.508	2,077.36	-	-
9	Dec 16	3,120.426	-	3,120.426	3,017.31	-	-
	Sub Total	5,506.934	-	5,506.934	5,094.67	-	-
10	1 – 16 Jan 17	1,259.637	-	1,259.637	1,390.870	-	-
	Sub Total	1,259.637	-	1,259.637	1,390.870	-	-

No	Period	Produksi PK (Ton)			despatch PK (Ton)		
		Cert	Non-Cert	Total	ISCC	RSPO	Non-Certified
1	Apr 16	-	-	-	-	-	-
2	May 16	-	-	-	-	-	-
3	June 16	-	-	-	-	-	-
	Sub Total	-	-	-	-	-	-
4	July 16	-	-	-	-	-	-
5	August 16	-	-	-	-	-	-
6	Sept 16	-	-	-	-	-	-
	Sub Total	-	-	-	-	-	-
7	Oct 16	-	-	-	-	-	-
8	Nov 16	375.315	-	375.315	-	295.470	-
9	Dec 16	442.757	-	442.757	-	355.910	-
	Sub Total	818.072	-	818.072	-	651.380	-
10	1 – 16 Jan 17	170.065	-	170.065	-	210.900	-
	Sub Total	170.065	-	170.065	-	210.900	-
	TOTAL				-		

Status: Comply

D.6 Processing

D.6.1

<p>The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage</p>	
<p>02 POM only processes FFB from RSPO certified estate, subsequently, the entire product is CSPO and CSPK.</p>	
	<p>Status: Comply</p>
<p>D.6.2</p>	
<p>The objective is for 100 % segregated material to be reached</p>	
<p>02 POM only processes FFB from RSPO certified estate.</p>	
	<p>Status: Comply</p>

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-3	The Certification Unit does not use RSPO logo.	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-3	The Certification Unit does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-3	The Certification Unit does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-3	The Certification Unit does not use RSPO logo.	√

3.4 Summary of RSPO Partial Certification**Partial certification for un-certified units:**

The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.

Positive assurance statement provided of year 2017, which does include the new acquisition found in the revised time bound plan.

The subsidiaries under Dharma Satya Nusantara still in process to receive approval of the Compensations Concept Note by the RSPO.

All the units have been gone through the New Planting Procedure; however there is eight unit in the process for submitting the New Planting Procedure to RSPO.

SIA conducted reported that there are not land conflicts at the uncertified units.

There are no informations against the labor dispute noted and no stakeholder comments or complaints received

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

3.5.1 Identification of Findings, Corrective Actions and Observations at [ASA-2](#) Assessment

NCR No.	: 2016.1	Issued by	: -
Date Issued	: -	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 19 January 2017
Standard Ref. & Requirement	: 2.1.4 A system for tracking any changes in the law shall be available and implemented.		
Non-Conformance Description & Evidence observed: Company has SOP for tracking the update over the applicable regulation, which is stated on SOP-AGR-024-R01. However, the tracking system and evaluation could not be implemented. Subsequently there is a delay on revision (for more than 1 year), for instance:			
<ul style="list-style-type: none"> • Law number 37 in 2014 • Decree 66 in 2014 • Ministry of Environment Decree number 5 in 2014 related to liquid waste standard quality 			
Root Cause Analysis: The Company has attempted to update the legislation through the website of the relevant authorities, but it has not been effective			
Corrective Action: 19 January 2017 To update the legislation by coordinating with related institutions			
Preventive Action: <ul style="list-style-type: none"> • Filing a request to the local government in order to share if there is new legislation • Coordinating with parties or related institutions (Sucofindo, Department of labor, Environmental Agency, etc.) related to the issuance of regulations or socialization of new legislation. 			
Assessor Evaluation and Conclusion: 19 January 2017 The company has to update the list of regulations that made the last in January 2017. Based on the list, it is known that the regulations that are relevant to the activities of oil palm plantations including the latest regulations in 2017 have been included in the regulations list. The company has also demonstrated evidence of communication with relevant parties either through email or letter to update the regulations, for example:			
<ul style="list-style-type: none"> • Letter No. 0008 / MS / II / 2016 dated 11 March 2016 from PT DSN to the Regent of Kutai Timur Regency cq the head of the legal section of Kutai Timur Government regarding the request for information of legislation related to oil palm plantations. • Email from Sucofindo dated November 17, 2016 on the invitation socialization of Law No. 30 of 2009 on electricity, the Minister of Energy and HR No. 29 of 2012 regarding the capacity of power generation for own interest held by the operating license. 			
Based on explanation, Nonconformity No. 2016.1 with minor category is closed			
Verified by	: Ardiansyah		

NCR No.	: 2016.2	Issued by	: -
Date Issued	: -	Time Limit	: ASA-3
NC Grade	: minor	Date of Closing	: 19 January 2017
Standard Ref. & Requirement	: 5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.		
Non-Conformance Description & Evidence observed: Company could not present the evidence that the GHG emission calculation has been submitted to RSPO secretariat.			
Root Cause Analysis: Companies face problems related to the use of palm oil RSPO GHG calculator V2, so still have a lot to communicate with the RSPO, until finally granted a temporary solution GHG calculations.			
Corrective Action: 19 January 2017 Report by email on the calculation of GHG emissions from POM 2 and supply base to RSPO			
Preventive Action: Update the data base in each unit of certification at the beginning of the year, so it can immediately report the results of GHG calculation to the RSPO prior to the audit.			
Assessor Evaluation and Conclusion: 19 January 2017 The company has demonstrated evidence for delivering the GHG calculation of POM 2 for periods in 2015, sent on RSPO via email on 10 March 2016.			
Based on explanation, Nonconformity No. 2016.2 with minor category is closed			
Verified by	: Mohamad Amarullah		

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

NCR No.	: 2017.1	Issued by	: Rudi Ramdani
Date Issued	: 20 January 2017	Time Limit	: 19 March 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): The CH has regulation on wage pays as of: <ol style="list-style-type: none"> 1. Wage payment is regulate in company regulation. 2. The dividing of basic wage for worker each month is 30 day. 3. The payment based on effective working days and added not effective working days. 4. There is payment rules on extra fulfillment wage of worker where 1 daily work is 1.5 x from effective working day. <p>Based on worker payroll slip on November 2016 known that there is worker who work on the not effective day for 7 hours with overtime payment as much as 1.5 x effective working day payment (Rp.113,817). This is not in accordance with Manpower regulation number 102 of 2014 about over time payment.</p>			
Root Cause Analysis (filled by organization audited): Daycare Officers is basically permanent worker who temporary are assigned in the daycare, such as because pregnant or nursing. Thus the official status they are permanent worker. Generally permanent worker work based employment targets (base rate), so that wages applies is "Upah Hasil Lebih", instead of overtime. In addition to the common conditions of the daycare officers do not work on holidays and working on normal hours, so rarely do overtime work, especially on holidays. Due to the above conditions, then there is incomprehension assistant in applying the rules of the company against daycare officers and several activities other work on holidays that use the rules "Upah Hasil Lebih" so that payments overtime on holidays = 1.5 X working hour , While the company regulations of PT DAN Article 15 stipulates that overtime on holidays = 2 x working hour.			
Corrective Action (filled by organization audited): <ol style="list-style-type: none"> 1. Published a memorandum concerning the application of overtime rules accordance with Company Regulation of PT DAN and Permenaker No. 102 of 2004. 2. Resocializing to all field assistants and administrative staff of the estate on the calculation of overtime on weekdays and holidays. 3. Overtime payment of daycare officers will be made in accordance with the regulation 			
Preventive Action (filled by organization audited): <ol style="list-style-type: none"> 1. Create a summary payment of overtime every month to ensure payment of overtime is appropriate regulations. 2. Evaluate the effectiveness of the socialization of the employees about the difference between the application of the "Upah Hasil Lebih" and overtime. 			
Assessor Evaluation and Conclusion (filled by auditor): Verification 9 March 2017 CH has shown evidence of the improvements consist of: <ol style="list-style-type: none"> 1. Memorandum No.042/HCO/I/2017 of Human Capital Operation Dept. dated January 30, 2017 addressed to the management (Agro business unit director, Sr. Area Head/Division Head, Human Capital Group Head, Finance & Accounting Group Head) about the payment of wages / overtime that is not based on the unit results in accordance 			

with Article 15 about Companies Regulations overtime in effect since January 1, 2017.

2. Socialization the provisions of overtime hours non unit results from the Human Capital Operation Dept. to the management unit.
3. Documentation of overtime wages and “Upah Hasil Lebih” conducted at 3 Estate and 12 Afdeling on 21-22 February 2017.
4. Record of socialization the provisions of overtime pay and “Upah Hasil Lebih”.
5. Record of overtime wages paid in January 2017 to the daycare workers, fire tower officers and effluent applications officer.

Nonconformity No. 2017.01 is closed

Verified by : **Rudi Ramdai**

NCR No.	: 2017.2	Issued by	: Ardiansyah
Date Issued	: 20 January 2017	Time Limit	: 19 March 2017
NC Grade	: Major	Date of Closing	: 7 February 2017
Standard Ref. & Requirement	: 7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
Non-Conformance Description & Evidence observed (filled by auditor): The document review showed that the Certification Unit is performed land clearing after November 1, 2005 without preceded by the identification of HCV, so CH need to follow Remediation and Compensation Procedures were approved by the BOG on 16 Nov, 2015. PT DSN, as the parent of PT DAN has conducted disclouser of liability and LUCA on 23 April 2015. Based on an email from RSPO Compensation on 12 Feb, 2016 is known that the LUCA of PT DAN have been reviewed and passed / approved. The result of LUCA shows that PT DAN has final liability as much as 48.38 Ha. CH has not shown approval of compensation plan from the Compensation Panel for the liability.			
Root Cause Analysis (filled by organization audited): LUCA review carried out by the RSPO takes a long time which is almost 1 year, RSPO (Dillon Sarim) has sent a clarification that LUCA of PT DAN have passed the examination by the reviewer on January 17, 2017 and still in the process of final endorsement of the Compensation panel, while LUCA PT DAN have submitted on January 22 2016.			
Corrective Action (filled by organization audited): 1. PT DAN will immediately prepare Remediation and Compensation Concept Note is based on "Analysis Verification Result" that has been received from the RSPO. 2. PT DAN will immediately prepare Remediation and Compensation Plan 3. MR will ask RSPO Compensation Panel to expedite the process of endorsement of LUCA, Remediation and Compensation Concept Note, and Remediation and Compensation Plan of the PT DAN.			
Preventive Action (filled by organization audited): MR will ask RSPO Compensation Panel to expedite the process of endorsement of LUCA, Remediation and Compensation Concept Note, and Remediation and Compensation Plan of the PT DAN.			
Assessor Evaluation and Conclusion (filled by auditor): 7 Februari 2017 The management unit has shown an email from the RSPO Executive Compensation dated 6 February 2017 stating that the certification of PT DAN can be continued, despite having an unresolved compensation case. This case-by-case decision is based on PT DSN's active commitment to resolving the RaCP. Based on the explanation, Nonconformity No. 2017.02 with major category is closed with observation.			
Verified by	: Ardiansyah		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.1.1	<ul style="list-style-type: none"> Follow-up the license renewal for POME application after verification by the Environmental Agency of Kutai Timur Regency on 16 December 2016. Follow-up the license renewal for hazardous waste storage of PT DSN in POM 2 after verification by the Environmental Agency of Kutai Timur Regency on 20 December 2016.
2	4.3.3	Implementation of the road maintenance program.
3	4.7	Increase workers' understanding about signboard of hazardous material and hazardous waste
4	6.1.3	Representation of workers in the implementation of the review for management plan and monitor of social impact
5	8.1	Evaluation of the breeding efforts of owls as natural predators of the pest rodents.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The Certification Unit has had a solid team
2	-	Deployment techniques of <i>Elaeidobius camerunicus</i> to increase the ratio of pollination
3	-	Has had simple means of fire emergency response (APAS) at various locations
4	-	Utilizing organic waste from households for composting

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

Date of Stakeholders Consultation: 17 and 18 January 2017		
	Issue from Public	Auditor Response
1.	Manpower Agency of Kutai Timur District (labor inspection)	
	<ul style="list-style-type: none"> • The Certification Unit communication with the agency is good. • There is no conflict between the Certification Unit and the labour union for the year of 2016. • General review by the agency is planned once in a year. Others is special review by the agency for inspecting of machinery and licensing. • For the year of 2016, there was no fatality report. • The Certification Unit has routinely reporting of manpower position and P2K3. • The Certification Unit has achieved of the best female accompanying. • Polyclinic of the Certification Unit has been health facility approved for BPJS scheme. • Workers has been following both of health and manpower BPJS scheme. • Operator licensing letter is in active condition. • The Certification Unit has done training of first aid kit. • The Certification has adequate equipment for handling land fire condition. • There is no request for AKAD in 2017. • The Certification Unit has applied the minimum wage of 2017 as much as Rp.2.464.208 per month which refers to Governor Decree of Kalimantan Timur for district minimum wage. It is because there is still no sectoral minimum wage for plantation in Kutai Timur District. • Incentive can be part of basic wage component if it is not affected by the absent. • The calculation of premi system cannot minimizing the basic wage. 	There are no negative issues from Manpower Agency. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 2.1 ; 4.7; 4.8; 5.5; 6.3; 6.5 and 6.12.

	<ul style="list-style-type: none"> • PPE for workers is obligation for the Certification Unit. • The Certification Unit has routinely done health assessment for its worker. • The Certification Unit had doctor and paramedic of Hyperkes certificate. 	
2.	Environmental Agency of Kutai Timur District (Staff of environment pollution).	
	<ul style="list-style-type: none"> • For the year of 2016, there is no negative issue of environment pollution caused by the Certification Unit operation. • In the 2016, there was a land fire at the bordering plantation. • The company has routinely reporting of environment management report and management of hazardous waste and waste water treatment. • PROPER scoring has been done at September 2016, yet the result is not final. The previous scoring for the Certification Unit was BIRU. • One point of interest of the Proper team was addition of two WWTP pond as buffer pond. Although there is no leakage nor overflowing of the waste water. 	There are no negative issues from Environmental Agency. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 2.1 ; 2.2; 5.1; 5.3 and 5.5.
3.	Plantation Agency of Kutai Timur District (Plantation Head & Head of Plantation section)	
	<ul style="list-style-type: none"> • The plantation scoring is planned in the end of the month. The plantation district has had 2 officer of the plantation scoring. • The Certification Unit had scoring of class 2. • The plantation report activity is obligation every 3 month. The Certification Unit has routinely reporting the plantation report. • The Certification Unit has also build a smallholder scheme and other scheme of partnership. • For the year of 2016, there was no land conflict report from the community nor with other plantation Certification Unit or mining company. • There is also no complaint of environment pollution caused by the plantation. • The Certification Unit did not request for any change of plantation permit for the managing area or increasing throughput capacity. • The Certification Unit has adequate tolls for handling land fire. 	There are no negative issues from Plantation Agency. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 2.1 ; 2.2 and 5.5.
4	Land Office of Kutai Timur District (Land conflict section)	

	<ul style="list-style-type: none"> • The plantation area of PT DAN and PT DSN according to land use plan of Kalimantan Timur province, number 1 of 2016 is area of plantation cultivation. Thus is also refers to Decree of Forestry & Environment Number 718 of 2014, the Certification Unit area is in status of other. • The Certification Unit did not propose for extending area of the plantation. • For the last year of 2016, the agency did not except any reporting of land conflict from the community for assisting mediation. There is also no conflict or over claim in the plantation area against other plantation company or mining company. • The company is acceptable to determine the conservation area in the land use right area, as long as the area was not properly to be planted, but not abandoned. The abandoned land would be the object to be sight by the agency. • The management of boundary pole is obligation for the plantation company. 	<p>There are no negative issues from National Land Agency. CH has shown the evidence of compliance to RSPO standard criteria 2.1; 2.2 and 5.2.</p>
<p>5</p>	<p>Village of Muara Wahau, Village of Daebeq and Jabdan Hamlet</p>	
	<ul style="list-style-type: none"> • In general, the communication links between the two parties goes well. • There is no land conflicts and land acquisition have been resolved by mutual agreement landowners • The Certification Unit provides an opportunity for local communities in getting a job • Currently there are no new land clearing • There is the issue of environmental pollution • People of village have been getting the socialization of HCV • Certification Unit have contribution in cultural activities, in addition, the Certification Unit is providing assistance to the community such as religious, the home learning assistance, repair of roads etc. 	<p>There are no negative issues from Communities. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 2.2; 5.1; 5.2; 6.1; 6.2; 6.10 and principle 7.</p>
<p>6</p>	<p>Workers Union of PT DAN and PT DSN</p>	
	<ul style="list-style-type: none"> • Worker Unions have existed since the year 2013. Evidence of registration of worker unions of PT DAN with the letter number 06/02 / SP-SB / Nakertrans- 	<p>There are no negative issues from worker unions. CH has shown the evidence of compliance to RSPO standard criteria 2.1; 6.3; 6.5 and 6.6.</p>

	<p>HIJ / I / 2013 dated 29 January 2013 from Social, Manpower and Transmigration Agency of East Kutai regency. Evidence of registration of worker unions of PT DSN with the letter number 07/02/SP-SB/Nakertrans-HIJ/I/2013 dated 30 June 2013 from Social, Manpower and Transmigration Agency of East Kutai regency.</p> <ul style="list-style-type: none"> • Approval of the management of the organizational structure of worker unions Year 2017-2018 of PT DAN dated January 12, 2017. For PT DSN the Approval of the management of the organizational structure of worker unions Year 2016-2018 dated 29 June 2016. • Worker unions dues amounting to Rp 2,000, - every month in PT DAN and for worker union in PT DSN no monthly dues. • Regular meeting of unions conducted every two months in PT DAN and for PT DSN regular meeting conducting every three month. • The Certification Unit also facilitated activities such as borrowing room and vehicles fo Worker Unions. • During this time there is no compulsion to become union members. Policy of association and assembly is delivered during the morning briefing and at the time of the meeting. • There are letters joint statement of the Workers United PT DSN and PT DAN explaining that the company regulation is still relevant to accommodate the interests of employees as a whole and does not conflict with labor legislation. • Complaints can be channeled to the employee suggestion box located in each estate and workers unions protect the reporter's identity (anonymity). • So far, there are no issues related to industrial relations and employment issues. 	
7	<p>Gender Committee of PT DAN</p>	
	<ul style="list-style-type: none"> • During 2016 there were no cases of sexual harassment and violence. • Socialization of policies and mechanisms deal with violence and sexual harassment have been submitted during the membership meeting activities. • Companies participating facilitating activities of gender committee such as 	<p>There are no negative issues from worker unions. CH has shown the evidence of compliance to RSPO standard criteria 2.1 and 6.9.</p>

	<p>borrowing rooms and vehicles.</p> <ul style="list-style-type: none"> The women worker received entitlement namely H1 (menstrual leave) and H2 (pregnant leave) in accordance with the provisions of applicable regulations. 	
8	Local kontraktor (FFB/CPO Transport; construction)	
	<ul style="list-style-type: none"> Workers understand about the rights and obligations contained in the Agreements Letter. Letter Agreements have included the implementation of OHS and Employment obligation. Contractors are from a local resident, namely the village of Muara Wahau Personal protective equipment, Working Equipment and OHS equipment is the responsibility of the contractor, such as helmets, boots, gloves, first aid and others. The obligation to register accident insurance (BPJS) borne by the contractor. Pricing is set by local contractors Payments are made on a timely basis by the Certification Unit. 	<p>There are no negative issues from worker unions. CH has shown the evidence of compliance to RSPO standard criteria 4.7 and 6.10.</p>

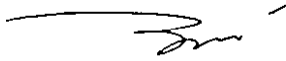
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

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

Signed on behalf of:

PT. Dharma Satya Nusantara Tbk
Management Representative



Agustinus Triwibowo
10 March 2017

Mutuagung Lestari
Lead Auditor



Ardiansyah
10 March 2017

APPENDICES

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
2	Manpower Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
3	Plantation Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
4	Land Office	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
5	Muara Wahau Village	Muara Wahau Village, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
6	Jabdan Hamlet, Village of Muara Wahau	Jabdan Hamlet, Muara Wahau Village, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
7	Workers Union of PT DSN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
8	Gender Committee of PT DAN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
9	Workers Union of PT DAN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	17 January 2017	√	
10	Local Contractor (transport and construction)	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	18 January 2017	√	
11	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	11 January 2017		√
12	Sawit watch	Jakarta, Indonesia	info@sawitwatch.or.id	Email	11 January 2017		√
13	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	11 January 2017		√
14	Wahana Lingkungan Hidup Indonesia (Walhi)	Jakarta, Indonesia	informasi@walhi.or.id	Email	11 January 2017		√

Appendix 2. Assessment Program		
DATE	16 – 21 January 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 16 January 2017		
06.00 – 11.30	Jakarta → Balikpapan → Berau	ARD / RRI / MAH
11.30 – 16.00	Berau → PT DSN	ARD / RRI / MAH
Tuesday, 17 January 2017		
07.30 – 08.00	Opening Meeting	ARD / RRI / MAH
08.00 – 12.00	Public consultation to: <ul style="list-style-type: none"> Communities (if any local contractor) internal stakeholder (labor union, gender committee) Government Institution of Kutai Timur District 	ARD MAH RRI
12.00 – 14.00	BREAK	ARD / RRI / MAH
14.00 – 17.00	Field Observation at 02 POM <ul style="list-style-type: none"> POM (security, weighbridge, loading ramp, process station, engine room, workshop, boiler) WTP, WWTP, Hazardous Waste Warehouse, chemical warehouse, drainage, collecting place of solid waste (EFB, fiber, shell) and Laboratorium 	ARD / RRI / MAH MAH ARD
Wednesday, 18 January 2017		
08.00 – 12.00	Field Observation at PT DAN: HCV, boundary, slope area and land application Field Observation at Puhus 1 Estate <ul style="list-style-type: none"> Harvesting, Manuring, Sparying, IPM and application of EFB Housing, chemical warehouse, hazardous waste warehouse, cleaning and storage of PPE for spraying team, workshop, Landfill and firefighters equipment 	ARD RRI MAH
12.00 – 14.00	BREAK	ARD / MRD / MA
14.00 – 17.00	Review of Previous Visit Non-conformance (Stage-2 – ASA-2), partial certification and time bound plan Public consultation to Contractor RSPO Document Review and clarification of field visit	ARD RRI MAH
Thursday, 19 January 2017		
08.00 – 12.00	Field Observation at Puhus 3 Estate <ul style="list-style-type: none"> Harvesting, Manuring, Sparying, IPM, application of EFB Housing, chemical warehouse, hazardous waste warehouse, cleaning and storage of PPE for spraying team, workshop, Landfill and firefighters equipment 	RRI / MAH ARD
12.00 – 14.00	BREAK	ARD / RRI / MAH
14.00 – 17.00	RSPO Document Review and clarification of field visit	ARD / RRI / MAH
Friday, 20 January 2017		
08.00 – 11.30	Field Observation at Puhus 2 Estate (Manuring) and RSPO Document Review	ARD / RRI / MAH
14.00 – 16.00	Interim Meeting/ preparation for closing meeting	ARD / RRI / MAH

DATE	16 – 21 January 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
16.00 – 17.00	Closing Meeting	ARD / RRI / MAH
Saturday, 21 January 2017		
04.00 – 09.00	PT DSN → Berau	ARD / RRI / MAH
10.45 – 14.30	Berau → Balikpapan → Jakarta	ARD / RRI / MAH

*The audit is based upon a representative sampling method therefore there may be non-conformances within the system that have not been identified during this audit.
Please inform Mutu Certification if you object to the appointment of the auditor or team members stated in this audit plan prior to the audit date*