

**Roundtable on Sustainable Palm Oil Certification
RSPO**

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : POM 3 – PT Dharma Satya Nusantara.
 Plantation Name : PT Dharma Intisawit Nugraha (Long Kejiak 1 Estate, Long Kejiak 2 Estate, Long Kejiak 3 Estate).
 Location : Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of East Kalimantan, Indonesia.
 Certificate Code : **MUTU-RSPO/055**
 Date of Certificate Issue : 25 March 2015 Date of License Issue : 25 Maret 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	17 – 20 January 2017	Sandra Purba (Lead Auditor), Leonada, Brigitta Prita	Octo H. P. N Nainggolan	Tony Arifiarachman

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

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Abbreviations Used

ASA	:	Annual Surveillance Assessment
CSR	:	Corporate Social Responsibility
CPO	:	Crude palm oil
EIA	:	Environmental Impact Assessment
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
HCV	:	High Conservation Value
HGU	:	Land Use Title
HIRARC	:	Hazard identification Risk Assessment Risk and Risk Controlling
IPM	:	Integrated Pest Management
EWS	:	Early warning system
LCC	:	Legume Cover Crop
LK 1	:	Long Keijak 1
LK 2	:	Long Keijak 2
LK 3	:	Long Keijak 3
LUCA	:	Land Use Change Analysis
LUK	:	Laporan Ulasan Kebun (Estate Monthly Report)
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
PIC	:	Person In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective equipment
RaCP	:	Remediation and Compensation Procedure
RKL	:	Rencana Pengelolaan Lingkungan (<i>Environment Management Plan</i>)
RPL	:	Rencana Pemantauan Lingkungan (<i>Environment Monitoring Plan</i>)
RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rare, Threatened or Endangered
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedure
UKL	:	Environment Management Efforts
UPL	:	Environment Monitoring Efforts
UPDKS	:	Ulat Pemakan Daun Kelapa Sawit (Palm-Leaf Eater Caterpillar)
WHO	:	World Health Organization
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>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</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 D / E for CPO Mill)</i> 			
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	Palm Oil Mill 3 – PT. Dharma Satya Nusantara	
1.2.2	Contact person	T. Notosuroto	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> • RSPO registered company: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur • Liaison Office: Muara Wahau, Benhes, Dabeq & Diak Lay Village, Muara Wahau subdistrict, Kutai Timur Regency, East Kalimantan Province, Indonesia 	
1.2.4	Telephone	021-4618135	
1.2.5	Fax	021-4606942	
1.2.6	E-mail	t.notosuroto@dsngroup.co.id	
1.2.7	Web page address	www.dsn.co.id	
1.2.8	Management Representative who completed the application for certification	T. Notosuroto	
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 3 PT. Dharma Satya Nusantara and supply base PT. Dharma Intisawit Nugraha (Long Kejiak 1 Estate, Long Kejiak 2 Estate & Long Kejiak 3 Estate)	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude
			Longitude
	POM 3	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	01° 15' 21.7" N
			116° 52' 29.1" E
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude
			Longitude
	PT Dharma Intisawit Nugraha - Long Kejiak 1 Estate	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Prov. Kalimantan Timur,	01° 09' 29.9" N
			116° 51' 26.5" E

	Indonesia		
PT Dharma Intisawit Nugraha - Long Kejiak 2 Estate	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	01° 13' 04.5" N	116° 53' 12.6" E
PT Dharma Intisawit Nugraha - Long Kejiak 3 Estate	Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	01° 16' 30.2" N	116° 48' 58.1" E

1.5 Description of Area Statement

1.5.1	Tenure			
	• State			9,811.7 Ha
	• Community			- Ha
1.5.2	Area Statement			
		PT DSN (Ha)	PT DIN (Ha)	TOTAL (Ha)
	• Total area	14.70	9,797	9,811.7
	• Mature area	-	8,749	8,749
	• Immature area	-	-	-
	• Mill	14.70	-	14.70
	• Infrastructure/Emplishment / Workers Quarter	-	402	402
	• HCV	-	646	646

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year				
		Hectarage (Ha)			
	Planting Year	Long Kejiak 1	Long Kejiak 2	Long Kejiak 3	Total
	2005	2,275	-	-	2,275
	2006	567	1,319	-	1,886
	2007	88	1,512	1,831	3,431
	2008	-	86	1,071	1,157
	TOTAL	2,930	2,917	2,902	8,749
1.6.2	New Planting area after January 2010	- Ha			
1.6.3	Planting Cycle	1 st Cycle			

1.7 Description of Mill and Supply Base

1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	POM 3	60	194,800	45,427	23.32	7,050	3.62

*Production data source from 12 months before assessment (January – December 2016)
141 ton processed from FFB restan 2015

1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	PT DIN - Long Kejiak 1	3,225	2,930	54,856	18.72	50,120	91.37
	PT DIN - Long Kejiak 2	3,498	2,917	55,294	18.96	52,235	94.47
	PT DIN - Long Kejiak 3	3,088.7	2,902	63,249	21.79	41,533	65.67
	TOTAL	9,811.7	8,749	173,399	19.82	143,888	82.98
	*Production data source from 12 months before assessment (January – December 2016) 29,510.83 tonnes FFB from Long Kejiak 1,2 & 3 sent to POM 2 (PT DSN)						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Melenyu 1 (RSPO Certified)	PT Dewata Sawit Nusantara	District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	2,447			
	Jabdan 1 (RSPO Certified)	PT Swakarsa Sinarsentosa	District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	6,563			
	Jabdan 2 (RSPO Certified)	PT Swakarsa Sinarsentosa	District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	1,488			
	Puhus 3 (RSPO Certified)	PT. Dharma Agrotama Nusantara	District of Kutai Timur, Prov. Kalimantan Timur, Indonesia	40,273			
	TOTAL			50,771			
	* Production data source from 12 months before assessment (January – December 2016)						
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 to 16 January 2017 (tonnes/year)		
	• FFB Production			243,067	165,253.12		
	• CPO Production			61,107	39,618.48		
	• Palm Kernel (PK) Production			8,507	5,944.84		
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)		
	PT DIN - Long Kejiak 1	3,225	2,930	82,715	28.23		
	PT DIN - Long Kejiak 2	3,498	2,917	81,580	27.97		
	PT DIN - Long Kejiak 3	3,088.7	2,902	81,890	28.22		
	TOTAL	9,811.7	8,749	246,185	28.14		
	*Projected FFB production for 12 months of certificate						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed	CPO		Palm Kernel	
				Out put	Extraction	Out put	Extraction

			(tonnes/year)	(ton)	(%)	(ton)	(%)
	POM 3	60	246,185	59,084	24	9,847	4.0

**Projected CSPO and CSPK production for 12 months of certificate*

1.9 Other Certifications

Others	ISPO PKS3 – Certificate No.: 82450113012, 25 March 2015
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1.10 Time Bound Plan

1.10.1 Rencana Terikat Waktu (Time Bound Plan) Sertifikasi untuk Unit Management Lainnya

Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
Mill	Time Bound Plan				
PKS 1 (PT. SWA)	Juni 2012	Jabdan 2 (PT SWA)	June 2012	Kutai Timur district, East Kalimantan province	Certified
		Smallholder (KM 5.9)	2015		Certified
		Smallholder (KM 3,6,11,12)	2017	Kutai Timur district, East Kalimantan province	ST-2 (Nov 2016)
PKS 2 (PT. DSN)	Juni 2013	Puhus 1, Puhus 2, Puhus 3 (PT DIN)	Certified (2014)	Kutai Timur district, East Kalimantan province	Certified
PKS 3 (PT. DSN)	Agustus 2013	Longkejiak 1, longkejiak 2, longkejiak 3	Certified (2014)	Kutai Timur district, East Kalimantan province	Certified
PKS 4 (PT. DSN)	Nov 2014	Jabdan 1, Long Jenew 1, Long Jenew 2 (PT SWA)	Certified (2015)	Kutai Timur district, East Kalimantan province	Certified
PKS 5 (PT. DSN)	2016	Bukit Pandulangan 1, Bukit Pandulangan 2, Bukit Pandulangan 3	2018	Lamandau district, Middle Kalimantan province	NPP
PKS 6 (PT DSN)	2016 (Noncertified)	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, East Kalimantan Province	-
-	-	PT Karya Prima Agro Sejahtera	2020	Muara Wahau District, East Kalimantan Province	-
-	-	PT Putra Utama Lestari	2020	Melak Subdistrict, Kutai Barat District, East Kalimantan Province	-
-	-	PT Agro Andalan	2019	Sekadau District, West Kalimantan	-
-	-	PT Kencana Alam Permai	2020	Sintang District, West Kalimantan	-
-	-	PT Prima Sawit Adalan	2020	Sintang District, West Kalimantan	-
-	-	PT Dharma Persada Sejahtera	2020	Sintang District, West Kalimantan	-

Data source: Progressive timebound plan certification activity of DSN on 2017

	Mill-5 and Mill-6 postponed from 2016 to 2017 due to RaCP process and NPP
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	The smallholder scheme under PT DIN does not supplying FFB to Mill-3, but to other mill under the same group

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-3	<p>1. Sandra Purba (Lead Auditor). Graduated from University of North Sumatra, majored in forestry. Have experience working in industrial forest company and oil palm plantations company for 6 (six) years, have been involve in several RSPO audit activities as auditor and lead auditor. Have been successfully passed the RSPO lead auditor training and auditor of RSPO Next, has been certified as General OHS Expert, have been attend and passed the several trainings of management system such as ISO 22000-2009, ISO 9001-2008/ SNI 19011-9001:2008 and ISO 14000:2008. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and SMK3 auditor training course. Currently she worked as auditor/lead auditor at Certification Body. In this audit she' assessing legal aspect, land dispute, SCCS and social aspect.</p> <p>2. Leonada Wintapraja (Auditor). Bachelor of Agricultural Cultivation Department of Agriculture, Faculty of Agriculture, Department of Plant Breeding and Seed Technology, Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and Sustainability in the company private Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: Auditor Training Indonesian Sustainable Palm Oil (ISPO), awareness of RSPO, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, Lead Auditor ISO 9001; 2008, ISO 14001; 2005, Training Management Depelovment Program Agronomy, training analysis base solution for operation, training Pest Control Plant Diseases and Weeds Integrated Management (IPM), training Use of Pesticides Limited, Training Management of Waste Pesticides and Fertilizers, training, mediation and conflict resolution, OHS training General specialist and Auditor SMK3. He was audit on the best management practice and safet y aspect.</p> <p>3. Brigitta Prita (Auditor). Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. The training which have been followed ISPO Auditor training and certification of quality management system ISO 9001: 2008, 19011 QMS training, IHT Awareness RSPO, 17021 & 17065 IHT Awareness and Training HCV. She assessing on environment, transparancies aspect and welfare employment.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-3	<p>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.</p>
2.2.2	Assessment Process
ST-ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Dharma Intisawit Nugraha to the requirements of Indonesian National Interpretation - NITF – September 2016, RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill), RSPO Certification System 2007, Revised Oct 2011.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. 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 main assesment findings were observed by auditors at this 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	Locations of Assessment
ASA-3	<p>Mill 3.</p> <p>1. Wheighbridge and security. Observation and interview related to FFB receiving process.</p>

2. Grading. Observation and interview related to grading process, labor aspect and OHS aspect.
3. Process. Observations along the flow of processing FFB, as well as interviews to employees.
4. Boiler station. Interviewing operator related to procedure and implementation of OHS, labor and fossil fuel efficiency.
5. Engine room. Interviewing operator related to procedure and implementation of OHS and labor aspect.
6. Chemical Warehouse. Field observations related to condition in the chemical warehouse and management of hazardous and toxic materials.
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. Hazardous & Waste warehouse. Field observations related to the management of hazardous and toxic materials.
9. Water Treatment Plant. Observation related to hazardous material handling and recording water usage using a flow meter.
10. WWTP. Observation related wastewater management

Long Kejiak 1 Estate.

11. Pest detection activity Block E13. Observation of early warning system (IPM), safety procedures, road conditions and employment interviews.
12. Tyto Alba Block G19. Observation of IPM implementations and road conditions
13. Harvesting block I16. Observation of procedures implementation, safety aspect, road conditions, employment interviews.
14. Spraying block I23. Observation of procedures implementation, pesticide handling, safety aspect, road conditions and employment interviews.
15. HGU Pole No. DIN40, Block I19 Division 4. Pole are available, visible and well maintained.
16. HGU Pole No. DIN41, Block I17 Division 4. Pole are available, visible and well maintained.
17. HGU Pole No. DIN45, boundary between smallholder and HCV. Pole are available, visible and well maintained.
18. HGU Pole No. DIN48, boundary with smallholder Pole are available, visible and well maintained.
19. HGU Pole No. DIN49, Block G6 Division 2. Pole are available, visible and well maintained.
20. Housing, Division 4. Observation and interview regarding to feasibility of facilities, complain mechanism, waste management, clean water and access to basic needs.
21. Clinic. Observation and interview regarding to health service and facility and infectious waste management.
22. HCV Block 5. Observation of HCV management, signboard installation and interview with HCV officer regarding to monitoring scheduled and documentation.
23. Riparian of Kenden Besar River, Block G14. Field observation related to conditions and management of riparian river.
24. Chemical storage. Field observations related to condition of the storage and management of hazardous and toxic materials.
25. Fertilizer warehouse. Field observations related to the condition of fertilizer warehouse.
26. Oil Warehouse. Field observations and interview with officer related conditions, job description, working days, PPE, and others.
27. Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities.
28. Hazardous & Waste warehouse. Field observations related to the management of hazardous and toxic materials.

Long Kejiak 2 Estate.

29. Laterite Quarry block G34. Observation of road maintenance
30. EFB application block G30. Observation of procedures implementation, safety aspect, road conditions and employment interviews and soil erosion monitoring.
31. Interrow maintenance block J29. Observation of procedures implementation, safety aspect, road conditions and employment interviews.
32. Harvesting block I39. Observation of procedures implementation, safety aspect, road conditions and employment interviews.
33. FFB Transportations blok I39. Observation of procedures implementation, safety aspect, road conditions and

	<p>contractor interviews.</p> <p>34. HGU Pole No. DIN022, Block J46 Division 8. Pole are available, visible and well maintained.</p> <p>35. HGU Pole No. DIN023, Block J45 Division 8. Pole are available, visible and well maintained.</p> <p>36. HGU Pole No. DIN28, Boundary between HCV area with smallholder.</p> <p>37. HGU Pole No. DIN29, Boundary with smallholder.</p> <p>38. Rinsing house (facility for spraying). Observation to facility post-spraying (OHS aspect and environment aspect).</p> <p>39. Housing and Day care. Observation regarding to labor aspect and complain mechanism.</p> <p>40. Clinic. Observation and interview regarding to health service and facility and infectious waste management.</p> <p>41. HCV area Block 1 Afdeling 6 and Block IV Afdeling 8. Observation of HCV management, signboard installation and interview with HCV officer regarding to monitoring scheduled and documentation.</p> <p>42. Fuel and oil storage. Field observations and interview with officer related conditions, job description, working days, PPE, and others.</p> <p>43. Chemical Warehouse. Field observations related to condition in the chemical warehouse and management of hazardous and toxic materials.</p> <p>44. Fertilizer warehouse. Field observations related to the condition of fertilizer warehouse.</p> <p>45. 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>46. Hazardous & Waste warehouse. Field observations related to the management of hazardous and toxic materials.</p> <p>47. Material Warehouse. Field observations related condition of material warehouse.</p>
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for <i>PT Dharma Intisawit Nusantara</i> was held by:</p> <ol style="list-style-type: none"> 1. Public consultation with NGO by email and public consultation with local government by mail on 11th, January 2017. 2. Public Announcement on the website of Mutuagung Lestari on December 16th, 2016. 3. Public consultation meeting with local stakeholders conducted by visits to villages and interviews with local peoples on January 17th, 2017. 4. Interview with internal stakeholders (worker union and gender committee) on January 17th, 2017. 5. Interview with East Kutai timur government on January 17th, 2017. <p>Numbers of input from stakeholders were clarified by <i>PT Dharma Intisawit Nusantara</i>.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-4) will be determined one year after this ASA-3 (Januari - 2018).

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were 2 (two) Nonconformities were assigned against Major Compliance Indicators and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s).

Those corrective actions taken that consist of two (2) Major non-conformities) had been closed out shall be verified during next assessment.

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

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1.	In the communication and consultations procedure document number 0215B / SWA-CSR-WHU / VI / 2012 explains the mechanism of requests for information, any information requests are responded with a period of 3 days. The officer responsible for responding to any requests for information is CSR officer. The whole recording requests for information contained in the document logbook external for 2016. For example, request from Serba Usaha Harapan Baru Cooperative Unit of Muara Wahau, number 014 / KSU-HB / DS.MW / V / 2016 dated May 30, 2016 on realization of the crops partnership of KSU Harapan Baru, have been responded by certification unit dated June 1, 2016 with letter number 0026 / DIN-CSR-WHU / VI / 2016.	
1.1.2.	In the procedure describes the information that is accessible to the public such as; Vision and mission of certification unit, company policy, EIA Document, location permit, Land Use Title, (Plantation Business Permit), Building Construction Permit, Boiler Permit, Generator Permit, Sterilizer Permit, Estate Map, Licenses and Permits of Paramedic Clinics, Licensed Hazardous Waste Warehouse, Permits related to the POM, company regulations, Estate operational Organizational Structure, quarterly reports of companies, reports of conflict resolution, OHS Program, CSR reports, and reports and social conflict resolution stage. In the list of stakeholders on period December 2016 include, villagers, chairman of the union, the district administration, NGOs, schools and institutions around the estate. Updates list of stakeholders conducted every there is new updates.	
	Status: Comply	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or	

where disclosure of information would result in negative environmental or social outcomes.

Provided procedures of communication and consultation 0215B / SWA-CSR-WHU / VI / 2012, which describes the information that is accessible to the public .
Based on interview with stakeholders (National Land Agency, Environment bodies, plantation agency, labor agency and others), they have been known related information that can be accessed.

Status: Comply

1.3

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

1.3.1.

Certification unit has established and set commitments associated with the code of integrity and ethical conduct in all operations and transaction execution. The commitments contained in the guidance document quality DSN Group, No document PDMAGR-R04 issue dated May 1, 2015 was passed by the Executive Director of Business Unit , Agro I. In clause 7.5 of ethical behavior in all transactions and business operations, stated that:

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

Based on interview with the harvesters, applicator pesticide, fertilizer in Long Keijak Estate 1 & 2 and employees of palm oil mill, certification unit has been socialization policies codes of ethical behavior in all transaction and business operations.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

PT DSN (POM 3) and PT DIN has been fulfill the applicable law and regulation which relevant to its operational activity both of plantation and FFB processing , namely:

- Has been implements the requirement regarding to minimum wages (refer to ind 6.5.1).
- Has had the land tenure document such as land use title (HGU) and building use title (HGB), explained in ind 2.2.1.
- Has been implements the requirement related to OHS aspect (refer to C4.7).
- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely (refer to C5.1).
- Has been manage the hazardous waste and domestic waste in accordance with applicable regulation (refer to C5.3).

2.1.2

The requirements of applicable law and regulation which is relevant has been identified and evaluated by PT DIN and PT DSN (POM 3), the entire requirements summarized in the document of "Evaluation and Compliance Summary of Law and Regulation", document no.: DK-MS-01A-R01 updated on January 2017. The document consist of OHS aspect (60 laws), environment (61 laws), labor (81 laws) and legal operational (46 laws). It also has been compiled with evaluation result based on administration and physical.

2.1.3

The mechanism to ensure the entire implementation of law and regulation mentioned in the SOP of identification of law and other requirements, document No.: SOP-AGR-024-R01 issued date 8 September 2014. On the section 5 describes that SHE/HCD/HCO/Legal Department conduct monitoring and evaluation regarding to implementation of law and regulation. Result of its showed in the form of minute of meeting, audit report (internal and external) and audit checklist.

2.1.4

In the section 1.2 in the SOP has been explained regarding to updating of regulation and other requirement. Updating conducted by SHE/HCD/HCO/Legal Dept, identifying and compiling the related clausul entirely to the mill and plantation operational, reporting to EMS and Certification Department Head and then distribute the regulation summary document to all related department / unit / division.

Status: Comply

2.2

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

2.2.1

PT DIN and PT DSN has had the land right, record of legal document can be shown, as follows:

- Location permit: Kutai Timur Regent Decree No.136/02.188.45/HK/IV/2004 dated 28 April 2004: ± 10,125 Ha extended by Decree No: 175/02.188.45/HK/V/2006 dated 24 May 2006.
- Land Use Title: BPN Head Decree No. 66-HGU-BPN RI-2007 dated 19December 2007, Land Use Certificate No. 22/2008 dated 15 January 2008: 9,797.149 Ha, valid for 30 years.
- Building Use Title Decree No. 20/HGB/BPN-64/2011 dated 2 Feb 2011 and certificate No. 04 / 2008 dated 23 March 2011 for area of 14.70 Ha, valid for 20 years.
- A release decree of convertible production forest issued by Forestry Minister No. 130/Menhut-II/2005 dated 23 May 2005 for area of 10.125 Ha for oil palm plantation purpose on behalf of PT Dharma Intisawit Nugraha.
- PT DIN Plantation Permit for cultivation : Kutai Timur Regent Decree No. 431/ 01.188.45/ HK/IX/ 2007 dated 24 August 2007, ± 10,000 Ha.
- PT DSN Plantation permit for processing (Mill 3): Kutai Timur Regent Decree No. 188.4.45/057/Eko.1-V/2011 dated 10 May 2011, with the capacity 60 Ton/hour.
- The actual land use can be shown in the hectare statement document and year planting map scale of 1:100000, the entire actual land use has been in accordance with the legal rights owned by company.

2.2.2

Location and number of boundaries pole showed in the HGU map with scale 1:25000, sheet number 013-16.09-2006, issued by BPN on 14 June 2006, has been compiled with the list of coodinate point, in totally as many as 88 poles. Has been compiled work instruction of boundaries peg installation and maintenance, WI No.: IK-AGR-OLP-33-R00 date 28 September 2015, mentioned that the maintenance and monitoring conducted twice a year. Record of poles maintenance such as re-painting and clearing, for period of second semester 2016 showed for example LK 1 Estate conducted on 28 December 2016 and LK2 Estate on 4 October 2016. Confirmed during the field observation to boundaries, e.g pole no DIN49, DIN44, DIN45, DIN41, DIN40, DIN22, DIN23, DIN28 and DIN29, the entire poles available, visible and well-maintained.

2.2.3, 2.2.4, 2.2.5, 2.2.6

PT DIN and PT DSN areas entirely is ex-forest concession that has been released by Forestry Minister decree No. 130/Menhut-II/2005 dated 23 May 2005 for area of 10.125 Ha for oil palm plantation purpose, so that there is no compensation process to the community. Complain and grievance handling mechanism explained in the communication and consultation procedure No.: 215B/SWA-CSR-WHU0VI02912 dated 7 June 2012, approved by villager representatives and management representative.

Based on interview with surrounded community and related institution knwn that there is no land dispute in the area of PT DIN. Complaint mechanism has been well-understood and there is no violence in the settlement of social and other activities.

Status: Comply

2.3	
Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	
Based on SIA and HCV document, as well as interview with related institution (BPN) and surrounded communities known that there is no customary rights and traditional rights within PT DIN' concession.	
Certification unit has had the procedure of land clearing, document number SOP-AGR-071-R01 dated 1 December 2016. In the SOP has been describes regarding to law requirement compliance and technical study prior to land clearing, such as EIA, HCV, SIA, HCS, LUCA and meet the principles of FPIC during the land acquisition. Also describes that the land acquisition process shall consider the factor of gender differences, transmigrant and local people, and the differences of legal rights and communal rights. Its procedure was referring to FPIC guidelines document No. DK-MS-07-R00 dated 1 November 2016.	
	Status: Comply
PRINCIPLE #3 Commitment to long-term economic and financial viability	
3.1	
There is an implemented management plan that aims to achieve long term economic and financial viability.	
3.1.1 Major & 3.1.2 Minor	
Certification unit has long-term management plan projections indicated in the document work plan and budget of the year 2017 – 2021. The plan includes projections of production, OER, KER, costs of production, the estimated price etc. Based on the plan can be seen that certification unit Achieve long-term economic and financial viability. In the 5-year plan is also known that in 5 years ahead the company has no plans for replanting.	
	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 Major, 4.1.2 Minor, 4.1.3 Minor & 4.1.4 Major	
The Company has procedures for estate and POM operational. The procedures include major activities such as plantation crops, fertilizing, pest management and supply chains. Based on field observation known that workers in generally understand technical work in accordance with the procedure. Implementation of the procedures is checked regularly (every 6 months) by the operations audit department's and reviewed by management. Based on FFB data received by POM 3 and the results of interviews with stakeholders known that POM 3 has not FFB received from third parties during the last 12 months.	
	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 Minor, 4.2.2 Minor, 4.2.3 Minor & 4.2.4 Minor	
Certification unit has fertilization procedures to manage soil fertility. Fertilization activities carried out based on a recommendation from leaf analysis and soil analysis. Leaf analysis activities carried out routinely every year while the soil analysis performed every 6 years. Certification unit also has a nutrient recycling strategy by using EFB and POME.	
	Status: Comply
4.3	
Practices minimize and control erosion and degradation of soils.	
4.3.1 Major, 4.3.2 Minor, 4.3.4 Major, 4.3.5 Minor & 4.3.6 Minor	
Certification unit has soil maps that showing soils types which are generally of types <i>Kanhapludults</i> , <i>Kandiudults</i> and <i>Udifluvents</i> . There are no widespread fragile or marginal soils in companies land area, soils types are primarily alluvial soils with good drainage and no peat soils. Certification unit has a topography maps which shows a generally flat area of 0- 15% and only very small areas of slope. Based on field observation known The slope management by terracing, U shape frond stacking system and empty bunch application.	

4.3.3 Minor

Based on field observation found that some roads are in defective condition due to a long rainy season in 2016. In 2017 the company has identified the damaged road conditions and compile an improvement plan includes budget, equipment and quarry. This become opportunity for improvement (OFI).

Status: Opportunity for Improvement (OFI).

4.4

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

4.4.1

Certification unit has had a water management plan for the mill and estates listed in the document environmental management efforts / environmental monitoring effort and management program of riparian. The details are as follows:

- Testing the water quality regularly Wahau per 6 months.
- Water reservoir water in Mill.
- Program the restoration or protection of riparian 2016 example planting vertifier grass in riparian area, maintenance of circle in riparian area, and others.

4.4.2.

The results of field visits in Kenden Besar River Block G14, riparian area has been protected, sighted the weeds allowed to grow naturally such as Angsana, hibiscus and bushes, there is no spraying in the area of the riparian area, and the maintenance of circle is done manually. It has been in accordance with the WI of Riparian Area No. IK-AGR-SHE-06-R00 dated on April 1, 2014 approved by the Social Responsibility and Environment Director.

4.4.3.

Certification unit has had a permit of land application (renewal and addition of application area) of PT DSN in Muara Wahau East Kutai Regency with Decree number 650 / K.218 / 2015 is valid for 2 years from the date of March 23, 2015. Provided the test results of wastewater testing conducted by the accredited laboratory (LP 258 IDN). Based on testing report, there is no parameters that exceeds of the threshold assigned by Ministry of Environmet No. 29 of 2003, for example BOD : 873.71Mg/l; pH : 7.28 (report of Deceember 2016).

4.4.4

Certification unit provided Work Instructions Operation of Water Treatment with numbers IK-AGR-PRO-17-R01. In additional, the company provide monitoring water usage for 2016 inform for average of FFB is 195,219.86 tonnes; total water consumption is 29,968 m3, water use efficiency is 20,008 m3 and average water consumption is 1.25 liters/ tonnes FFB.

Status: Comply

4.5

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

4.5.1 Major & 4.5.2 Minor

Certification unit implementing early warning systems and integrated pest management by biological control which is carried out by trained workers. Biological pest control such as developing Tyto alba and Turnera subulata were also found during field visits. From the results of periodic detection during 2016 is not pest and disease exceed The economical threshold.

Status: Comply

4.6

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

4.6.1 Major, 4.6.2 Major, 4.6.3 Major, 4.6.4 Minor, 4.6.5 Major, 4.6.9 Minor

Certification unit does not use 1A, 1B pesticides and paraquat since 2013. Has been set a plan to reduce the pesticides usage by selective spraying. Based on data from the pesticides use during the last 5 years shows the reduction trend of pesticide use. Certification unit also does not use pesticides as preventive and conduct an integrated pest management with early warning systems by trained personnel and equipped with MSDS and safety equipment.

4.6.7 Minor, 4.6.8 Major, 4.6.11 Major, 4.6.12 Major

Certification unit has a pesticide application procedures that minimize the risks and negative impacts. Health checks carried out regularly for pesticides users including measures to address health if there are health problems. From interviews with stakeholders are not identified any application of pesticides from the air. From the results of field visits are also not found pesticide worker who is pregnant or breastfeeding.

4.6.6 and 4.6.10.

Certification unit indicated Work Instructions of handling hazardous waste with number IK-AGR-SHE-09-R02 in effect since October 19, 2015. Hazardous waste such as former agrochemical packaging drums and plastic containers) it's washing or rinsing water rinsed 3 times or one time in a way sprayed with pressurized water. As for the water used washing / rinsing may not be directly discharged into the environment but can be reused as water mixing agrochemicals.

Each pesticide has been stored in a special place. Based on field visit in Warehouse Chemical LK1 & LK3, separate warehouse conditions with other materials, there are symbols hazardous chemical , Material Safety Data Sheet (MSDS) an others. Based on field visits in temporary storage hazardous waste and interviews with officers hazardous waste, old pesticide containers are collected into temporary storage hazardous waste and sent to the transporter hazardous waste (CV Sumber Agung) who had permission from the Ministry of Environment. The last delivery on January 7, 2017.

Status: Comply.

4.7

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

4.7.1 Major, 4.7.2 Major, 4.7.5 Minor & 4.7.7 Minor

Certification unit has established Occupational health and safety policy that was set on 1 December 2010 which includes the prevention of health risks and safety of workers. Certification unit also has a health and safety plan in 2017 include HIRAC evaluation, safety patrols, provision of PPE etc. The risk assessment carried out for all operations with the latest revision dated 22 April 2016 to consider the accident happened. Procedure accidents and recording of occupational accidents has been provided with investigations in case of accidents. First aid trained officers and first aid equipment also available in the field.

4.7.3 Major

Based on the results of field observation known that each worker had been given safe working training. Based on the results of field visits also found some non compliance related to the use of PPE such as:

- LK1 Estate on the harvest and spray found workers who did not use PPE in accordance with the identification PPE requirement (procedure No. SOP-AGR-072-R00 attachment DK-SHE-140-R01) as the harvester does not use glasses, gloves and spray foreman's apron in a damaged condition.
- LK2 Estate on EFB application activities, harvesting and interrow maintenance manuals found workers using their own PPE (Shoes).

It became Nonconformance Number NCR 2017.01.

4.7.4 Major, 4.7.6 Minor

Certification unit has had personnel who are responsible for occupational safety and health. Such personnel hold regular meetings to discuss issues of occupational safety and health. All employees are given accident insurance and health insurance.

Major 4.7.3. Status: Non Compliance with Major category.

4.8

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

4.8.1 Major & 4.8.2 Minor

Certification unit has a training program for all employees based on the training needs analysis. The training program includes technical training work, handling pesticides and how to work safely. Based on the results of field observations found that every worker has the training and can demonstrate technical safe working manner.

Status: Comply

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

5.1

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

5.1.1.

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

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

5.1.2.

Environment management plan listed in the report of the Environmental Management Efforts / Environmental Monitoring Efforts Semester II (Mill 3) and report on Environmental Management Plan/ Monitoring Management Plan Semester II (PT DIN) and has been reported to the relevant agencies in January 2017.

5.1.3.

Palm Oil Mill 3 indicate the review and manage document and monitor the environment per 2 years in the document evaluation of the implementation of the environmental management (UKL) and environmental monitoring efforts (UPL) POM 3 PT. DSN period 2014-2015 made by Occupational Health and Environmental Safety Assistant and approved by Mill Coordinator. In the document has been commissioned to review the matrix manage and monitor the environment, covering the aspects: the management of solids, liquids, gases, noises, vibrations, dusts and other aspects (traffic accidents, employment), the implementation of which has been running as well as the follow up of the company. Certification unit concluded that manage and monitor aspects still relevant to the conditions in the field, so it will still do the effort to maintain.

Environment management plan contained in the report of Environmental Management Efforts / Environmental Monitoring Efforts Semester II (PKS 3) and report the implementation of the Environmental Management Plan / Environmental Monitoring Plan II Semester (PT DIN) and it has been reported to the r. elevant agencies in January 2017.

Status: Comply

5.2

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

5.2.1.

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

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

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

- ✓ Sung riparian: containing HCV 4.1

1.2.2 & 5.2.4

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

- ✓ Survey of the diversity of species is located in a conservation area Long Keijak 1 & Long Keijak 2.
- ✓ Survey monitoring of flora in the area of conservation.
- ✓ Monitoring and maintenance of conservation attributes.
- ✓ The restoration, conservation treatment plants and reduction of invasive plants in the conservation area.
- ✓ Monitoring the potential for erosion.
- ✓ Monitoring of water resources.
- ✓ Socialization of conservation.

Certification unit indicated the realization of conservation management plan PT Dharma Intisawit period of 2016 (January-December 2016), among others:

- ✓ Survey of the diversity of species is located in a conservation area LK 1 and LK 2 by the staff of conservation. The wildlife species found such as: Bondol Kalimantan, pergam green, Merbah Cerucuk, White-Breasted Waterhen, perenjak Java, lizards, long-tailed monkeys, squirrels, tekukur biasa, bondol rawa, cinenen belukar, burung gereja erasia, merbah mata merah and others.
- ✓ Maintenance plant conservation and reduction of invasive plants (*Mucuna* sp) located in a conservation area Block III Long Keijak 2 Estate area of 0.01 ha.
- ✓ Monitoring water sources located in Long Keijak 1 Estate.
- ✓ Monitoring and maintenance conservation attributes in the conservation area Long Keijak 1 & Long Keijak 2 on December 28, 2016.

The results of monitoring plan in 2016 is input during the preparation of the management plan 2017.

5.2.3.

Results of interviews with officers HCV-related activities during this time there are no abuse / hunting in every conservation area. In conservation area has installed a Board ban on hunting in accordance with Law number 5 year 1990 and other types of protected fauna.

In the area of conservation in block 5 LK 1 Estate, Block 1 Afdeling 6, Block IV Afdeling 8 LK 2 estate there are sanctioned warning board in accordance with Law number 5 year 1990 and other types of protected fauna.



a) Signs warning information riparian area.



b) Board ban on hunting in accordance Law no. 5 year 1990

5.2.5.

Based on field visits and interviews with the local community (village Deabeq and Jabdan) during this time, there is no area of local communities who used as the HCV area.

Status: Comply

5.3

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

5.3.1

Certification unit show identification and management plan for pollution sources (waste) for the period January to December 2016 such as:

- a. Estate → chemical wastewater, B3 waste, organic waste, inorganic waste, medical waste.
- b. Palm Oil Mill → waste water, solid waste (Empty Fruit bunch, shells, and fiber) and hazardous waste (Operational of Mill and maintenance), include the identification and management plans of polluting.

5.3.2.

Certification unit has East Kutai Regent Decree number 660 / K.544 / 2016 regarding on granting of temporary storage area hazardous waste to PT Dharma Intisawit Nugraha located in LK 1, LK2 and LK3. The permit valid for 5 years from the date of July 11, 2016. The storage building:

- a. Long Keijak 1 → 4 meters x 3 meters. Coordinates N = 0484121 and E = 0127892.
- b. Long Keijak 2 → 4 meters x 3 meters. Coordinates N = 0487401 and E = 01,234,473.
- c. Long Keijak 3 → 4 meters x 3 meters. Coordinates N = 0479708 and E = 0128014.

Certification unit showed a shipment hazardous waste (LK 1, LK 2 and LK 3) to CV Sumber Agung dated on January 7th, 2011 with vehicle number BF 8622 KT (Decree No. 4298 / A.J30940.JOD / 2016 / 640720298BB of the Ministry of Transportation Directorate General of Land and valid until May 18, 2018) with details:

- ✓ Solid waste (191,827 kg) with manifest number 0002489.
- ✓ Liquid waste with manifest number 0002479 → 3 drum or 30 liter of used oil.

Certification unit showed a Cooperative Agreement Letter with collecting and transporting hazardous waste (PT Sumber Agung) with a number SPK 008 / DSN / JKT / 2016. This agreement is valid from August 11th, 2016 until December 31st, 2017.

Certification unit has East Kutai Regent Decree No. 660 / K.359 / 2015 regarding changes Regent Kutim decision No. 660 / K / 140/2013 on granting a temporary storage area hazardous waste of Mill-3 PT DSN, dated May 25th, 2015, with the validity period following the Decree of the Regent of East Kutai Nomr 660 / K.140 / 2013. Storage building size: 6 m x 15 m and is located at coordinates 116°52'29.7 " E and 1°15'17.3" N.

Certification unit showed a shipment hazardous waste (Palm oil Mill 3) to CV Sumber Agung dated on November 24th, 2011 with vehicle number BF 8622 KT (Decree No. 4298 / A.J30940.JOD / 2016 / 640720298BB of the Ministry of Transportation Directorate General of Land and valid until May 18, 2018) with details:

- ✓ Liquid waste with manifest number 0002393 → 522 kg used oil and 116 kg dirty oil.
- ✓ Solid waste with manifest number 0002394 → 114.42 kg chemical packaging; 0.5 kg paint cans; 17.90 kg filter ex; 22.30 kg rags and gloves; 0.5 kg accu former; 0.5 kg lights; 6 kg spill kit and 0.5 kg solid waste laboratories.

Certification unit showed a Cooperative Agreement Letter with collecting and transporting hazardous waste (PT Sumber Agung) with a number SPK 009 / DSN / JKT / 2015. This agreement is valid from January 2nd, 2015 until December 31st, 2017.

5.3.3.

In addition, there is the minutes of medical waste with the number 33 / OS-BP / XI / 2016 of the Clinic Hospital Pupuk Kaltim dated November 24th, 2016, such as Spuilit dispossable 0.6 kg; Handscone 1.4 kg; Vial ampoule and 1 kg; and Donald and injection of 0.4 kg.

There are Cooperative Agreement Letter between DSN Group (Operational Support Kaltim Head) with PT Kaltim Medika Utama / Hospital Pupuk Kaltim (President) regarding the management of clinical waste with number 004 / KMU-KSU / MCC-LK / VII / 2016. This agreement is valid for 2 years from September 1st, 2016 until August 31st, 2018.

Solid waste (fiber and shell) reused as boiler fuel.

Based on interview with worker and field visit in housing of LK 1 & LK 2, known that the domestic waste is managed well by separating between organic and inorganic, and transported once a week to landfill and also re-used for composting.

Status: Comply

5.4

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

Based on the record efficiency of use of fossil fuels and renewable energy for 2016 (September-December 2016). Total FFB production is 87,419.19 kg; CPO production of 20,680.49 kg; Power requirement is 21.93 kwh / tonnes FFB; consumption solar is 34,016 liters of diesel fuel; consumption fossil fuels for diesel 1,862 solar/ tonnes FFB and 6.898 solar / tonnes of CPO.

Status: Comply

5.5

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

5.5.1 Major & 5.5.2 Minor

Certification unit did not Use of fire for waste disposal and for preparing land. Since ASA 2 to ASA 3 is no land clearing activities.

Status: Comply

5.6

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

5.6.1

Certification unit showed a identification documents and management plans polluting activities period January - December 2016 .

5.6.2 & 5.6.3

Mill-3 PT DSN and PT DIN has been calculate the GHG using RSPO PalmGHG Calculator, the summary shown below:

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	0.77	OER	24.14	FFB Processed	194,659.00
PK	0.77	KER	3.67	CPO Produced	4,699.00

Land Use	ha
OP planted area	22,339.58
OP Planted on peat	0.00
Conservation (forested)	1,112.00
Conservation (non-forested)	87.00

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	78,724.94	8.17	-	-	-	-	78,724.94	8.17
*CO ₂ emissions from fertilizer	11,246.77	1.00	-	-	-	-	11,246.77	1.00
**N ₂ O emissions	8,203.46	0.65	-	-	-	-	8,203.46	0.65
Fuel consumption	2,043.60	0.19	-	-	-	-	2,043.60	0.19
Peat Oxidation	0.00	0.00	-	-	-	-	0.00	0.00
Sinks								

Crop sequestration	96,527.31	-9.36	-	-	-	-	96,527.31	-9.36
Conservation Sequestration	0.00	0.00	-	-	-	-	0.00	0.00
Total	3,691.46	0.65	-	-	-	-	3,691.46	0.65

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	36,098.68	0.19
Fuel consumption	1,803.09	0.01
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	37,901.77	0.19

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 %

Certification unit has reported the above calculation summaries to RSPO Secretariate via email (subject: GHG report POM3 2016) on January 13th 2017. Email submitted by Management System Department towards watik.tk@dsggroup.co.id, sent to javin.tan@rspo.org and devaladevi@rspo.org.

Status: Comply

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

6.1

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

6.1.1, 6.1.2

PT DIN has conducted a social impact assessment, can be shown the document Social Impact Assessment (SIA) created by Daemeter Consulting in 2011. SIA compiled was based on the aspirations of the community through in-depth interviews and Focus Discussion Group, villages sampled namely Deabeq Village, Village of Nehas Liang Bing, Village of Beanheas, Village of Diak lay, Village of Miau Bau and Muara Wahau Village. Records of participatory in the form of attendance list, has been involve the community around, for example: Muara Wahau SP2 as many as 18 people.

6.1.3

Management plans and monitoring the social impact has been compiled through communication and consultation with the community. Has identified as many as 12 parameters of social impact will be monitored and managed. The plan has also been complemented by a time frame for the monitoring and management, PIC and monitoring methods. Provided evidence socialization of programs to the local community which was held on January 12, 2016 the number of participants to 20 people from the Village of Jabdan and Muara Wahau.

6.1.4 and 6.1.5

The review of the monitoring plan and management plan is done every two years, for example, for the period 2014 to 2015 was conducted on January 18, 2016, the next will be done at the beginning of 2018. Conducted in the participatory way, namely through interviews and questionnaires, it has been confirmed during the public consultation to Muara Wahau Village.

Status: Comply

6.2

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

6.2.1

Certification unit can demonstrate that there are standard procedures for communication and consultation as indicated by SOP No. 0215B / SWA-CSR-WHU / VI 2012 on Communication and Consultation, compiled involve the affected communities, on June 7, 2012. Each village is represented by 2 people consists of the Village Head and Head of Adat.

The PIC has been set which will be responsible for communication and consultation with the community and other stakeholders. The PIC divided into: Head Office is as many as three people and the PIC in the unit as much as 5 people. It also inform the job description and telephone number.

Can be demonstrated the list of stakeholders, informing name, job title, address and contact person. Stakeholders identified consisting of village heads, adat leaders, community leaders and head of KSU, MUSPIKA, head of labor union, NGOs, schools and institutions. The list is updated as of December 31, 2016.

Records the entire communications stored and maintained by the company, recorded in the book external correspondence (requests for help / consultation / complaint). Based on interview mentioned the response of communication and consultation has been conducted well.

Status: Comply

6.3

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

6.3.1

Certification unit has a system of communication and consultation document No. 0215B / SWA-CSR-WHU / VI in 2012, describes and regulates the procedures for the company and its stakeholders in communication and consultation, prepared in a participatory way on June 7, 2012. In section 3 is described a mechanism to reporting on violations that want to keep private (whistle blowing and anonymity) which states that every occurrence of acts of violation and other unethical actions can be reported confidentially to the good intention for the sake of the company and stakeholders.

6.3.2

Based on interviews with relevant agencies and villagers around known that until the ASA-3 conducted there is no a dispute between stakeholder with the company.

Based on interviews with employees stated that any complaints can be submitted in writing through the letter box and directly to the supervisor. It also said that all complaints have been handled in accordance with the applicable SOP.

Status: Comply

6.4

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

6.4.1; 6.4.2; 6.4.3

Based on SIA and HCV document, as well as interview with related institution (BPN) and surrounded communities known that there is no customary rights and traditional rights within PT DIN' concession.

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

Status: Comply

**6.5
Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

6.5.1.
Certification unit showed East Kalimantan Governor decree regarding the determination a minimum wage of East Kutai district 2016 with SK No. 561 / K.773 / 2015, valid from January 1st, 2016 until December 31st, 2016.

Provided the Decree of Directors regarding to changes of minimum wage No. 014 / DIR / I / 2016 dated on January 22nd, 2016 was approved by the President Director. Describes in the decree that the minimum wage for employees has been in accordance with the applicable regulation.

Certification unit owns the terms of wages payment as follows:

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

However, Based on a review of documents (Months Salary Slip permanent employees in December 2016) known: There are employees who work on holidays for 7 hours, with the payment of overtime wages 1.5 X normal working day. It is not in accordance with the terms of overtime wages regulated in Ministerial Regulation No. 02 year 2004. It is became Nonconformance **NCR No.2017.02 with Major Category.**

6.5.2.
The entire employs has been owned an work agreement, for example agreement number 18/SPK-Akad-DIN/SMD/ 2015. Valid for 3 years from October 28th, 2015. Showed the recommendation inter-regional workforce with number 562/1725/PPTK dated on November 17th, 2015 issued by Labor Agency District of Kutai Timur.

6.5.3.
Certification unit has been providing public facilities and infrastructure in an effort to improving the welfare of its employees. Such as : housing, Electrical power is disupplai from palm oil mill (Turbine), mosques, churches, clinics, primary school, sports field, clean water (reservoirs) and daycare.

6.5.4.
Has been provide the facility for supplying basic need, namely the employs cooperative of Mandiri Sejahtera. Additionally it has provided vehicles per month per unit for grocery purpose.

Major 6.5.1. Status: Nonconformance NC Number 2017.02 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.
In the company regulations (PP) PT DIN and PT DSN period 2015-2017 which was endorsed by the Director General of ministry of labor Rebulic of Indonesia, SK No.KEP.719 / PHIJSK-PKKAD / VI / 2015 (PT DIN) and SK No.KEP. 714 / PHIJSK-PKKAD / VI / 2015 (PT DSN) dated June 19, 2015 there has been a declaration recognition of freedom of association.

6.6.2.
Showed the union labor meeting, for example meeting for form of the new ubion board on January 2017, participants

who attended are 29 employees (Long keijak 1, Long Keijak 2, Long Keijak 3, and Mill workers).	
Status: Comply	
6.7 Children are not employed or exploited.	
<p>6.7.1. The minimum recruitment age requirements contained in the Company Regulations (PP) PT. DIN and PT. DSN period 2015-2017 chapter 5 points b.2, stated that the minimum age of employment received is 18 years old.</p> <p>Based on employees data in December 2016 there are no workers under the age of 18 years. The interview with the harvest workers, spray, mechanical and Mill employees, during this time, there is no 18-year-old worker. Based on interview with harvester in Block I 16 LK1 and Harvester in Block I 39 LK 2, They already know related the minimum age policy that is under 18 years.</p>	
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.	
<p>6.8.1. Certification unit has established and set commitments related to the respect for human rights. The commitments contained in the quality guidance document DSN Group, document No. PDM-AGR-R04 issue dated May 1, 2015 was passed by the Executive Director of SBU Agro I. In clause 10.2 states that DSN Group SBU Agro I do not justify any acts of discrimination against its employees either religion, ethnicity, gender and region of origin. All workers are treated equally and have the same opportunity.</p> <p>6.8.2. Based on interviews with applicator pesticide in Long Keijak 1 & Long Keijak 2 Estate, during this time there is no discrimination of workers. Every employee is getting the rights and obligations in accordance with the Employment Agreement. In addition, employees have to know about the procedures regarding employee complaints. Employees can report to the management of the union and will be followed by the union. During these complaints arising regarding personal protective equipment yet been followed up by the company.</p> <p>6.8.3. The process of selection and recruitment of employees of the company are described in the SOP recruitment No Documents SOP-AGR-012-R02 issue date January 1, 2015. The document has been signed and endorsed by the audit Operation & management system head and executive director of SBU Agro I.</p>	
Status: Comply	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	
<p>6.9.1 and 6.9.3. Commitments and policies related to the prevention of all forms of sexual harassment and sexual assault contained in the Company Regulations (PP) PT. DIN and PT. DSN period 2015-2017 chapters 12. It is said that every worker is entitled to get protection against sexual harassment in the workplace.</p> <p>SOP complaints handling document No. SOP-AGR-054-R01 dated October 12, 2015 which identifies procedures and flow charts for handling complaints of employment and employment number. It also mentioned that informer's identity if required / requested by the complainant would be protected / withheld (anonymities). Socialization is done on July 22, 2016 located in section 6 Long Keijak 3 Socialization was attended by 69 employees.</p> <p>6.9.2. Commitment to the protection of reproductive rights have been included in the Memorandum HRA Dept. No. 010 / HRA / VII / 2011 dated July 12, 2011 stating that the company pay attention to the dangerous condition of the female workers who are pregnant and breastfeeding with not correct to working on sections that deal with chemicals and heavy work. Monitoring of the symptoms of pregnancy performed by a paramedic.</p>	

Based on interview with women workers in Long Keijak 1 and Long Keijak 2, The employees get H1 & H2 (menstruation and pregnancy permit).

Status: Comply

6.10

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

6.10.1 Minor, 6.10.2 Major, 6.10.3 Minor & 6.10.4 Minor

Mill-3 does not received FFB from smallholders or other third parties. It is known from the Mill-3 FFB received data and from interviews with the surrounding community. There is cooperation with the transport contractors such as CPO transportation. In interviews with the contractor known that the contractor understands The contract and also no problems in the contractual payments.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Can be demonstrated CSR activity plan period in 2016, a period of activity in 2017 are in the stage of approval of the company leadership. Programming conducted by considering the results of consultation with communities (during MUSRENBANG activity), for example, on 10 February, 2016. The type of program that is planned period of 2016, among others:

- ✓ Education sector 3 activities
- ✓ Economic Sector 3 activities
- ✓ Social and cultural sector 2 activities
- ✓ Environmental and settlement sector 5 activities

Realization of CSR can be shown in the form of implementation reports and financial reports CSR activities in 2016 period.

6.11.2

Have been assigned resources to manage the partnership, consisting of Estate Partnership Head, Assistant Chief and Assistant of Division, Division Foreman and Foreman Field.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2.

Based on review document (Employees data December 2016), There are no foreign workers. Workers come from local and non local Kalimantan. In addition, based on labor report 2016 there are no foreign workers.

Based on, labor report period 2015-2016 all employees who work at DSN Group is a legal workers (Indonesian workers). The Companies routinely reported to the LABOUR AGENCY every year in the form required to report the use of labor for the period 2015-2016 with registration number 0164/01262 / Wasnaker / XII / 2016 dated on December 6, 2016. Total employees CPUBL (Monthly Wage Payment Method) are 818 employees (men) and 294 employees (women). Confirmed during field visit and interview with worker found that there is no harveseter who accompanied by the wife or children during the field observation. Based on interview with Maintenance workers (AKAD worker) in Long Keijak 2, there are no force labour. They have fulfilled with the requirements in accordance with Recommendation of SPP Akad

6.12.3.

Certification unit showed a mutation application procedures with number SOP-AGR-012-R02 dated January 1, 2015. In procedure explained about Flowchart recruitment reception inter-regional workforce, Letter of Agreement and the company's development and recruitment of Acceptance employees.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1.

Certification unit has established and set commitments related to the respect for human rights. The commitments contained in the guidance manual DSN Group, document No. PDM-AGR-R04 issue dated May 1, 2015 was endorsed by the Executive Director of Agro I Business Unit. In clause 10.2 states that DSN Group of Agro I Business Unit uphold and respect the human rights of all employees in accordance with mandated in the applicable legislation.

Socialization policies related to human rights listed in guidance manual DSN Group on June 3, 2016 to workers in Long Keijak 1 and Long Keijak 2. The interview with harvester, applicator pesticide, mechanical workers and Mill workers That's known policy related to Human Rights. During this time, employees and the company respect and upholding human rights each others.

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 – 7.1.3.

Based on document review of managing and monitoring environment per 2 years with the conclusion that in the 2016 does not require changes to manage and monitor the environmental aspects, due to all defined aspects of manage and monitor in the manage document and monitor the environment is still relevant to the conditions in the field. The company also has been regularly conducting environmental monitoring and management reporting in accordance with the environmental management documents which are owned.

Based on review document of Social Impact Assessment report rknown that scheme farmers has become a part of a routine program and its impact.

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 Major & 7.2.2 Minor

Based on planting data known that companies planting began in 2005 to 2008. There are no new planting activities since ASA 2 to ASA 3. Map suitability of land or land surveying and topographical information into consideration in the planning of drainage, irrigation systems, roads and other infrastructure as a reference for determining the suitability of the long-term operational plantations.

Status: Comply

7.3

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

7.3.1 and 7.3.2.

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

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

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

7.3.3.

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

7.3.4 and 7.3.5.

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

Status: Comply

7.4

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

7.4.1 Minor & 7.4.2 Major

Based on planting data known that companies planting began in 2005 to 2008. There are no new planting activities since ASA 2 to ASA 3. Certification unit has soil maps that showing soils types which are generally of types *Kanhapludults*, *Kandiudults* and *Udfluvents*. There are no widespread fragile or marginal soils in companies land area, soils types are primarily alluvial soils with good drainage and no peat soils. From the results of field observations known the slope areas management by terracing, U shape frond stacking system and EFB application.

Status: Comply

7.5

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

7.5.1

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

Status: Comply

7.6

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

7.6.1, 7.6.4, 7.6.5, 7.6.6

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

7.6.2 & 7.6.3

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

Status: Comply

7.7

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

7.7.1 Major & 7.7.2 Minor

Based on planting data known that companies planting began in 2005 to 2008. There are no new planting activities since ASA 2 to ASA 3. Certification unit did not Use of fire in the preparation of new plantings according to the results of interviews with surrounding community.

	Status: Comply
7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	
Based on review documents of area statement is known for the scope of POM 3 and PT. DIN there are no planting began on January 1, 2015.	
	Status: Comply
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1	
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
8.1.1 Major	
Certification unit currently not use paraquat and Based on the last 5 years data use of pesticides known that the use of pesticides showed reduction trend from year to year. Certification unit has also established pestisda reduction program for 2017 such as selective spraying.	
Certification unit has been awarded the Proper related to well environment management	
Certification unit continuously improve partnerships with the community around, for example in the case of lease of vehicle, all the vehicle used by the company is belongs to the community which is rented.	
	Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

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>The supply sources of FFB to the Mill3 entirely derived from its own estates and other estate under group that has been RSPO certified, namely PT DIN (LK1 Estate, LK2 Estate dan LK3 Estate), PT DAN (PU3 Estate) dan PT SWA (JB1 Estate). This is in accordance with the memorandum number 0041 / MS / V / 2015 dated May 13, 2015 from the Management Representative to the Mill, Plantation, Department, Region Head of SBU Agro I in term of FFB supplier of Mill 2 and Mill 3. In the document describes that the Mill 3 apply supply chain system Identity Preserved so prohibited to receive FFB from non-certified sources. Field observation during the FFB reception in the security post and wheighbridge showed that Mill 3 not receive and process the FFB from other estates that are not certified.</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>Estimation of certified products that can be produced has been recorded in the annex of the certificate and the audit report of ASA-2, which amounted to 71,709 MT of CPO and PK by 9,983 MT.</p> <p>Based on the Mill-3' summary report of production since 25 March 2016-16 January 2017, certified products produced does not exceed the predetermined estimate amounting to 39,618.484 MT of CPO and amounted to 5,944.835 MT of PK.</p> <p>Has been set the certified product projection for next period, in the table below:</p>																					
<table border="1"> <thead> <tr> <th rowspan="2">Name of Mill</th> <th rowspan="2">FFB Processed (tonnes/year)</th> <th colspan="2">CPO</th> <th colspan="2">Palm Kernel</th> </tr> <tr> <th>Out put (ton)</th> <th>Extraction (%)</th> <th>Out put (ton)</th> <th>Extraction (%)</th> </tr> </thead> <tbody> <tr> <td>Mill - 3</td> <td>246,185</td> <td>59,084.45</td> <td>24</td> <td>9,847.41</td> <td>4</td> </tr> </tbody> </table>						Name of Mill	FFB Processed (tonnes/year)	CPO		Palm Kernel		Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	Mill - 3	246,185	59,084.45	24	9,847.41	4
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Mill - 3	246,185	59,084.45	24	9,847.41	4																
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> <p>Mill-3 has met the requirements of registration and reporting product generated by RSPO IT Platform (etrace), namely:</p> <ul style="list-style-type: none"> ▪ No sublicense ID : CB35214 (periode 25 Maret 2016 – 24 Maret 2017) ▪ Company name: PT. Dharma Satya Nusantara (PKS 3) ▪ Member ID: RSPO-PO1000000950 <p>• Certified CPO sold to each buyer period of 25 March 2016 – 16 Jan 2017</p>																					
<table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>Dec 2016</td> <td>PT Dharma Satya Nusantara Tbk,</td> <td>1716.35</td> </tr> </tbody> </table>						Date	Buyer	Volume	Dec 2016	PT Dharma Satya Nusantara Tbk,	1716.35										
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Dec 2016	PT Dharma Satya Nusantara Tbk,	1716.35																			

	Labanan storage facility	
January 2017		655.13
Total		2,371.48

- **Certified Palm Kernel sold to each buyer period of 25 March 2016 – 16 Jan 2017**

Date	Buyer	Volume
April 2016	PT DSN KCP	678.53
May		555.51
Jun		438.09
Jul		204.73
Jul		68.2
August		323.51
Sept		522
Oct		564.16
Nov		1,223.65
Dec		267.3
Total		4845.68

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.**

There is no changes since ASA-2.

Provided procedures in Work Instruction of Trackbacks CPO and PK for IP and SG Model number: IK-AGR-MS-08-R01 dated July 1, 2015 which was approved by OAMS & Agronomy Group Head. The procedure includes description:

- ✓ General explanation and definitions
- ✓ Procedure for reception of FFB in POM as well as job descriptions of staff related
- ✓ The production process at Mill and job descriptions of staff related
- ✓ Storage CPO and PK as well as job descriptions of relevant staff
- ✓ Delivery of CPO and PK as well as job descriptions of relevant staff

Training related to its implementation has been conducted, based on interviews with key personnel such as security and weighbridge operator known that the related to RSPO and SCCS knowledge has been adequate.

Status: Comply

D.3.2

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

Provided procedures in Work Instruction of Trackbacks CPO and PK for IP and SG Model number: IK-AGR-MS-08-R01 dated July 1, 2015 which was approved by OAMS & Agronomy Group Head.

- FFB reception : The FFB inspection by security to ensure the sources (certified and non-certified) and weigh-bridge operator weighing in and adding stamp 'certified' in the document receipt.
- Processing : referring to the SOP of mill SOP-AGR-027-Rxx

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.

Mill-3 has been verified and recorded all FFB received and processed during the period of the certificate. The records can be shown, as follows, for eg. FFB receipt document from LK1 Estate and LK2 Estate inform date, estate name, division, field, number of bunches, types of commodities, time in, time out, net weight and number of vehicles. Eg FFB receipt dated January 16, 2017 from the LK1 Estate, Division 2, the number of bunches 398, net weight 5,740 kg, no receipt 0503975. The document has been stamped as RSPO certified-IP.

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

Month	FFB		
	RSPO Certified	Non Certified	Total
25 March 2016 – 31 March 2016	4,508.450	-	4,508.450
April	19,270.340		19,270.340
May	15,208.170		15,208.170
June	13,597.380		13,597.380
July	7,938.740		7,938.740
August	7,588.580		7,588.580
September	14,123.460		14,123.460
October	27,358.390		27,358.390
November	22,749.070		22,749.070
December	22,938.410		22,938.410
January 2017	9,972.130		9,972.130

Status: Comply

D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

Estimation of certified products that can be produced has been recorded in the annex of the certificate and the audit report of ASA-2, which amounted to 71,709 MT of CPO and PK by 9,983 MT.

Based on the Mill-3' summary report of production since 25 March 2016-16 January 2017, certified products produced does not exceed the predetermined estimate amounting to 39,618.484 MT of CPO and amounted to 5,944.835 MT of PK.

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.

Recording and balancing the entire reception FFB of certified, as well as the production of CPO and PK and shipment has been carried out in three monthly basis. Mill-3 shows the summary and record production period of March 25, 2016 up to January 16, 2017, as follows:

Periode	TBS olah (MT)		CPO (MT) (certified)	PK (MT) (Certified)	Despatch (certified)	
	Non Cert	certified			CPO (MT)	PK (MT)

25 March 2016 – May 2016	-	38,986.96	9,621.75	1,529.82	-	1234.04
Jun – August	-	29,124.70	7,175.08	1,028.46	-	1034.53
Sept – Nov	-	64,230.92	15,323.94	2,351.19	-	2309.81
Dec – Jan 2016	-	32,910.54	7,497.71	1,035.36	2,371.48	267.3
Status: Comply						
D.6	Processing					
D.6.1						
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>Mill-3 did not receive and process the FFB uncertified, Mill-3 has ensured that there is no mix from non-certified materials, through:</p> <ul style="list-style-type: none"> ✓ Inspection the truck-tank by security. ✓ Operator weigh / despatch identify the suitability of the documents when CPO loaded into the tank to avoid mistakes filling the tank. Weigh-ticket stamped "RSPO Certified - IP". ✓ Operator of weigh issuing transaction slip (Nota Delivery) with the stamp "RSPO Certified - Identity Preserved" containing information: memo number, date, origin, purpose, type of material, time in, time out, net weight, the signature of operator stations, PGS and Mill head. 						
Status: Comply						
D.6.2						
The objective is for 100 % segregated material to be reached						
<p>The existence of policy to restrict supply from certified sources and implementation of verifying the FFB delivery and CPO / PK shipment as described in the previous indicator shows target 100% product separated can be achieved in Mill-3.</p>						
Status: Comply						

3.3. Conformity Checklist of Certificate and Logo Use *(Only apply for Surveillance Assessment Report)*

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

3.4. Summary of RSPO Partial Certification.

Management units observed:

1. PT Agro Andalan (AAN) – Sekadau District, Kalimantan Barat Province
2. PT Dharma Persada Sejahtera (DPS) – Sintang District, Kalimantan Barat Province
3. PT Kencana Alam Permai (KAP) – Sintang District, Kalimantan Barat Province
4. PT Prima Sawit Andalan (PSA) – Sintang District, Kalimantan Barat Province
5. 04 POM PT DSN and PT Dewata Sawit Nusantara (DWT) – Kutai Timur District, Kalimantan Timur Province
6. PT Dharma Intisawit Lestari (DIL) – Bulungan District, Kalimantan Timur Province
7. 05 POM PT DSN and PT Pilar Wana Persada (PWP) – Lamandau District, Kalimantan Tengah Province
8. PT Karya Prima Agro Sejahtera (KPS) – Kutai Timur District, Kalimantan Timur Province
9. PT Putra Utama Lestari (PUL) – Kutai Barat District, Kalimantan Barat Province

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

Positive assurance statement provided are still same as of year 2016, which does not include the new mill found in the revised time bound plan; however, there are still room for improvement especially on internal audit procedures for all uncertified subsidiaries and new acquisition to ensure the requirements are met. Concerning the potential overlook of the implementation of the internal audit procedure, a minor non-compliance is raised

The subsidiaries under PT DSN 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 still one unit in the process for submitting the New Planting Procedure to RSPO.

SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.

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

2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or √
	<p>According to the result of internal audit, The Company has shown compliance with the regulatory, such as:</p> <ul style="list-style-type: none"> • Land use title (HGU) of PT AAN: SK HGU No .35/HGU/BPN RI/2011 dated 21 July 2011 for an area 6,993.2 Ha • Location permit of PT DPS: Location permit based on Sintang Regent decree No. 525/631/KEP-PERTANAHAN/2014 for an area 3,972 Ha. • Land use title (HGU) of PT KAP: SK HGU No. 46/HGU/KEM-ATR/BPN/2016 for an area 5511.83 Ha • Location permit of PT PSA: Location permit based on Sintang Regent decree No. 525 of 2012 for an area 9,588 ha and Location permit No. 525/702/KEP-PERTANAHAN/2013 date 22 July 2013 for an area 1,030 Ha. • Location permit of PT PUL: Location permit based on Kutai Barat Regent decree No. 525.29/K.1049/2012 dated 30 November 2012 for an area 17,000 Ha. • Land use title (HGU) of PT PWP: SK HGU No . 2/HGU/BPN/99 dated 6 January 1999 for an area 15,153 Ha • Cadastral map of PT DIL from National Land Agency No. 023 of 2014 for an area 7,288.84 Ha. • Cadastral map of PT KPS from National Land Agency No. 006-16.09-2015 dated 206 January 2016 for an area 556.63 Ha and location permit No. 525.26/K.105/HK/2014 dated 15 January 2014 for an area 3,119.63 Ha. • Land use title (HGU) of PT DWT: SK HGU No. 84-HGU-BPN RI-2008 dated 31 December 2008 for an area 13,629.50 Ha 	√
	Status: Comply	

2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or √
	<p>According to the result of internal audit, The Company has shown compliance with the regulatory, such as:</p> <ul style="list-style-type: none"> • Land use title (HGU) of PT AAN: SK HGU No .35/HGU/BPN RI/2011 dated 21 July 2011 for an area 6,993.2 Ha • Location permit of PT DPS: Location permit based on Sintang Regent decree No. 525/631/KEP-PERTANAHAN/2014 for an area 3,972 Ha. • Land use title (HGU) of PT KAP: SK HGU No. 46/HGU/KEM-ATR/BPN/2016 for an area 5511.83 Ha • Location permit of PT PSA: Location permit based on Sintang Regent decree No. 525 of 2012 for an area 9,588 ha and Location permit No. 525/702/KEP-PERTANAHAN/2013 date 22 July 2013 for an area 1,030 Ha. • Location permit of PT PUL: Location permit based on Kutai Barat Regent decree No. 525.29/K.1049/2012 dated 30 November 2012 for an area 17,000 Ha. • Land use title (HGU) of PT PWP: SK HGU No . 2/HGU/BPN/99 dated 6 January 1999 for an area 15,153 Ha • Cadastral map of PT DIL from National Land Agency No. 023 of 2014 for an area 7,288.84 Ha. • Cadastral map of PT KPS from National Land Agency No. 006-16.09-2015 dated 206 January 2016 for an area 556.63 Ha and location permit No. 525.26/K.105/HK/2014 dated 15 January 2014 for an area 3,119.63 Ha. • Land use title (HGU) of PT DWT: SK HGU No. 84-HGU-BPN RI-2008 dated 31 December 2008 for an area 13,629.50 Ha 	√
	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 parties.	X or √
	<p>According to the result of internal audit, the company has procedure for dealing with complaints and grievances in SOP of Workers Complain (SOP-AGR-054/Rxx). In generally complaint of workers consist of damage of housing and support facilities such as electricity and water. The workers complaints has been documented and resolved by each unit, such as:</p> <ul style="list-style-type: none"> • In PT PSA: complaint on 21 Dec 2016 about Home ceiling damaged and has been resolved on 27 Dec 2016. • In PT PUL: complaint on 1 October 2016 about damaged carpet in daycare and has been resolved on 4 October 2016. 	√
	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.	X or √
	<p>According to the result of internal audit, there is no land conflict in PT AAN, PT DPS, PT KAP, PT PSA, PT DWT, PT DIL, PT PWP, PT KPS and PT PUL. Each unit has carried out the process of compensation in accordance with procedures which stated that compensation is involved land owners, village and sub-district administration government representation.</p>	√
	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.	X or √
	<p>According to the result of internal audit, there are new planting since November 2005 prior the HCV assessment in PT AAN, PT DPS, PT KAP, PT PSA, PT DWT, PT DIL, PT PWP, PT KPS and PT PUL. PT DSN as parent company has submit disclosure of liability and LUCA to RSPO for RaCP. The progress of RaCP in each unit are:</p>	X

	<ul style="list-style-type: none"> • PT AAN: Review of LUCA by RSPO reviewer • PT DPS: Review of LUCA by RSPO reviewer • PT KAP: Review of LUCA by RSPO reviewer • PT PSA: Review of LUCA by RSPO reviewer • PT DWT: Review of LUCA has been completed by RSPO reviewer. Now in the process of clarification between the compensation panels and reviewer. • PT DIL: Review of LUCA has been completed by RSPO reviewer. Now being asked to obtain a approval letter from the Compensation panel. • PT KPS: Review of LUCA has been completed by RSPO reviewer. Now being asked to obtain a approval letter from the Compensation panel. • PT PUL: Review of LUCA by RSPO reviewer and need clarification. • PT PWP: Review of LUCA by RSPO reviewer and need clarification. <p>The company can not show the approval of LUCA by RSPO Compensation Panel (CP) for management unit with no remediation or final social or conservation liability and approval of HCV compensation project plan by RSPO CP for Management units with remediation and/or final social or conservation liability.</p>	
	Status: Nonconformity	
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.	X or √
	According to the result of internal audit, there is no land conflict in PT AAN, PT DPS, PT KAP, PT PSA, PT DWT, PT DIL, PT PWP, PT KPS and PT PUL. Each unit has carried out the process of compensation in accordance with procedures which stated that compensation is involved land owners, village and sub-district administration government representation.	√
	Status: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or √
	According to the result of internal audit, there is no land conflict in PT AAN, PT DPS, PT KAP, PT PSA, PT DWT, PT DIL, PT PWP, PT KPS and PT PUL. Each unit has carried out the process of compensation in accordance with procedures which stated that compensation is involved land owners, village and sub-district administration government representation.	√
	Status: Comply	

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

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

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.01	2.1.4	<p>The company has SOP for tracking updates the evaluation of compliance legislation in the SOP-AGR-024-R01. However, tracking and evaluation system has not been implemented properly so there were the regulation has not been list (more than one year), for example:</p> <ul style="list-style-type: none"> • Law number 37 of 2014 • Government regulation number 66 of 2014 • Regulation of the Minister of Environment No. 5 of 2014 related waste water quality standards. 	PT DIN	Minor	ASA-3	The Company must be able to indicates the implementation of the tracking system and evaluation of regulatory updates.	<p>Root cause: The Company has attempted to update the regulation through the website of related institutions but it has not been effective.</p> <p>Corrective action: 19 Januari 2017. Update regulation.</p> <p>Preventive Action:</p> <ul style="list-style-type: none"> • Submitting an application letter to the law firm of governments to share if any new regulations. • To coordinate with parties or related institutions (Sucofindo, Labor Agency, Environment Agency,etc.) regarding the publication or socialization of the new regulations. <p>Conclusion auditor: The company has to update the list of regulations that last made in January 2017. Based on the list, it is known that the regulations are relevant to the activities of oil</p>	Closed	19 January 2017.

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>palm plantations including the latest regulations in 2017 have been included in the list of rules. The company has also showed evidence of communication with relevant parties either through email or letter to update the regulations, for example:</p> <ul style="list-style-type: none"> • Letter No. 0008 / MS / II / 2016 dated on March 11th, 2016 from PT DSN to the Regent of East Kutai Regency cq the head of the legal section of the East Kutai regarding request for information application accordance laws and regulations in oil palm plantations. • Email of 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 these explanations, Nonconformance NCR No.2016.01 is closed. 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.02.	5.6.3.	The company could not showed evidence of calculation of GHG emissions (GHG) that has been submitted to the RSPO secretariat.	PT DIN	Minor	ASA-3	The company must be able to indicates evidence of calculation of GHG emissions (GHG) that have been submitted to the RSPO secretariat.	<p>Root cause: The company dealing problems related the use of palm oil RSPO GHG calculator V2, so still had to communicate with RSPO, until have temporary solution of GHG calculations.</p> <p>Corrective action: 19 Januari 2017 Immediately report by email related calculation of GHG emissions estate and Palm Oil Mill 2 PT DIN to Secretariat RSPO.</p> <p>Preventive action: Update the data base in each unit of certification at the beginning of the year, so it can immediately report to the RSPO before conducting audit.</p> <p>Conclusion auditor: The company has showed evidance of calculation GHG mills 2 period in 2015 which was delivered on RSPO via email on March 10th, 2016.</p> <p>Based on these explanations, Nonconformance NCR No.2016.02 is closed.</p>	Closed	19 January 2017.

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

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

Evaluation Assessors and Conclusion:

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

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

Verified by : **Leonada**

NCR No.	: 2016.02.	Issued by	: Brigitta Prita
Date Issued	: 20 January 2017	Timeline of Implementation	: ASA-3
NC Grade	: Major	Date Closed	: 19 January 2017
Standard Reference and Requirement	: 6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		

Description of Non-conformance and Evidence observed :

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

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

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

Root cause analysis:

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

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

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

Corrective action:

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

Preventive action:

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

Evaluation Assessors and Conclusion:

Verification on 9 March 2017

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

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

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

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

Verified by: Brigitta Prita

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1.	4.3.3	Implementation of road repair program.
2.	5.3.3	Monitoring the package in hazardous housing (due to employee activities).
3.	6.1.3	Representative of employees in the implementation of the management review and monitor social impact.

3.5.4 Noteworthy Positive Components

No Ref Std	Descriptions
1	The company has a solid team.
2	Technique using Kamerunicus Elaeidobius to improve the ratio pollination.
3	Own a simple fire emergency response (APAS) at various locations.
4	Utilizing the organic waste from households for composting.

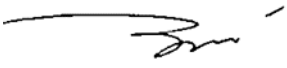

3.6 Summary of Arising Issues from Public, Management and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>National Land Agency of Kutai Timur District. (Mahendra/Land Use section; Zulkifli/Land conflict section).</p> <ul style="list-style-type: none"> • The plantation area of PT DAN, PT DIN 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 company area is in status of other. • The company 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. • For the latest, the agency had only excepting copy letter of land conflict requested from Muara Wahau Village dated March 12 2015 to the District head of Kutai Timur, specially for PT DIN. But the agency did not asked by the government for assisting the mediation, or else informed of the settlement. The letter was about request of fulfillment of land agreement between the company with the villagers. • 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 is no negative issue related claim in the plantation, legal, and others.</p>
<p>Plantation Agency of Kutai Timur District. (Plantation Head & Head of Plantation section).</p> <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 company had scoring of class 2. • The plantation report activity is obligation every 3 month. The company has routinely reporting the plantation report. • The company 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 company or mining company. • There is also no complaint of environment pollution caused by the plantation. • The company did not request for any change of plantation permit for the managing area or increasing throughput capacity. • The company has adequate tolls for handling land fire. 	<p>There is no negative issue related plantation permit and others.</p>
<p>Environment Agency of Kutai Timur District (Taufik/Staff of environment polution).</p> <ul style="list-style-type: none"> • For the year of 2016, there is no negative issue of environment pollution caused by the company operation. • In the 2016, there was a land fire at the bordering plantation. 	<p>There is no negative issues related environment, waste water, pollution and others.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> 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 company was BIRU. One point of interest of the Proper team was addition of two WWTP pool as buffer pool. Although there is no leakage nor overflowing of the waste water. 	
<p>Labor agency of Kutai Timur District. (Section of Manpower).</p> <ul style="list-style-type: none"> The company communication with the agency is good. There is no conflict between the company and the labour union for the year of 2016. General review by the agency is planed 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 company has routinely reporting of manpower position and P2K3. PT DIN is planned to follow the zero accident scheme. The company has achieved of the best female accompanying. Policlinic of the company 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 company has done training of first aid kit. The company has adequate equipment for handling land fire condition. There is no request for AKAD in 2017. The company 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. PPE for workers is obligation for the company. The company has routinely done health assessment for its worker. The company had doctor and paramedic of Hyperkes certificate. 	<p>There is no significant issue of manpower between the company and the union. The company has an opportunity to improve management of PPE in the plantation.</p>
<p>Tuesday, 17 January 2017. Head and secretary of Union Labor of PT Dharma Intisawit Nugraha Head and secretary of Union Labor PT Dharma Satya Nusantara (DSN)</p> <ul style="list-style-type: none"> The company has facilitated the activities of trade unions such as providing room and vehicles. So far there is no compulsion to become union members. Policy of 	<p>It has been in verified through document verification and during the interview with worker, it has been in accordance with ind. 2.1.1, 6.6.2 and 6.6.1.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>association and assembly are carried out during the morning briefing and during the meeting.</p> <ul style="list-style-type: none"> • There is no collective agreement, however there are joint declaration letters from Union Labors of PT DIN and PT DSN describes that the current company regulation still relevant to accomodate employes rights and does not contrary with labor regulation • Complaint can be submit through letter box that has been located in each estates, the union labor committed to protect the reporter's identity (anonymity). • So far there are no issues related to industrial relations and employment issues. 	
<p>Coordinator of Gender Committee of PT Dharma Intisawit Nugraha</p> <ul style="list-style-type: none"> • There is no cases of sexual harassment, socialization of mechanisms and policy of violence and sexual harassment have been submitted during the membership meeting activities. The Company has been provide the facilities such as, borrowing room and vehicles (school buses). • Women worker has been provided maternity and mestruation leave in accordance with the provisions of applicable regulations. 	<p>It has been in verified through document verification and during the interview with worker, it has been in accordance with C6.9.</p>
<p>Local contractor (FFB Transporter and building contractor).</p> <ul style="list-style-type: none"> • The contractor already has a copy of agreement and understand about the rights and obligations contained therein. • The majority of contractors are from locals (Muara Wahau Village). • It had been agreed regarding to OHS and employment related aspects are the responsibility of the contractor, listed in agreement • Payments are made on a timely basis by the company. 	<p>It has been in verified through document verification and during the interview with worker, it has been in accordance with C6.10.</p>
<p>Village of Deabeq Village of Muara Wahau Sub Village Jabdan</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 company 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 • Company ara contribution in cultural activities, in addition, the Company is providing assistance to the community such as 	<p>There is no negative issues realted local communities.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
religious, the home learning assistance, repair of roads etc.	

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>PT Dharma Intisawit Nugaraha (PKS 3) Management Representative</p>  <p><u>Agustinus Triwibowo</u> Thursday, 9 March 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> Thursday, 9 March 2017</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	National Land Agency of Kutai Timur District.	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
2.	Plantation Agency of Kutai Timur District.	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
3.	Environment Agency of Kutai Timur District	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
4.	Union Labor PT DIN & DSN Group	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
5.	Coordinator of Gender Committee	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
6.	Local contractor (FFB Transporter and building contractor).	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
7.	Village of Deabeq	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
8.	Village of Muara Wahau	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
9.	Sub Village Jabdan	Kutai Timur District, Kalimantan Timur Province.	-	Interview	17 January 2017	√	-
10.	WALHI	Indonesia	info@walhi.or.id	Email	11 January 2017	-	√
11.	WWF	Indonesia	suhandri@wwf.or.id	Email	11 January 2017	-	√
12.	Sawit Watch	Indonesia	info@sawitwatch.or.id	Email	11 January 2017	-	√
13.	AMAN	Indonesia	rumahaman@cbn.net.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	SP / LEO / BP
11.30 – 17.00	BERAU → PT DHARMA SATYA NUSANTARA	SP / LEO / BP
Tuesday, 17 January 2017		
07.30 – 08.00	Opening Meeting	LEO
08.00 – 12.00	<ul style="list-style-type: none"> Public consultation to: Communities (if any local contractor) Relevant institution (at Sanggatta) Field Observation at POM 3 POM (loading ramp, process, engine room, workshop, boiler) WTP, WWTP, Hazardous Waste Warehouse (<i>TPS limbah B3</i>), drainage, collecting place of solid waste (EFB, fiber, shell), methane capture (if any), composting (if any) SCCS (security, weighbridge) 	Rudi Ramdani (auditor team of PKS2) SP / BP SP / LEO / BP BP SP
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> Contractor, internal stakeholder (labor union, gender committee) Continuing field observation at POM 3, verification of basic information and Time Bound Plan Continuing public consultation to communities RSPO Document Review and clarification of field visit 	LEO SP / LEO / BP
Wednesday, 18 January 2017		
08.00 – 12.00	Field Observation at Long Kejiak 1 Estate <ul style="list-style-type: none"> Boundaries, housing, landfill, fire fighters facility, Land dispute (if any) Harvesting, Manuring, Sparying, IPM, application of waste (if any EFB or composting), Land application (if any) and replanting/new area (if any) HCV, chemical warehouse, hazardous waste warehouse, mixing area & PPE storage, workshop 	SP LEO BP
12.00 – 14.00	BREAK	SP / LEO / BP
14.00 – 17.00	Continuing field observation at LK1 Estate Review of Previous Visit Non-conformance RSPO Document Review and clarification of field visit	SP / LEO / BP SP / LEO / BP
Thursday, 19 January 2017		
08.00 – 12.00	Field Observation at Long Kejiak 2 Estate <ul style="list-style-type: none"> Boundaries, housing, landfill, fire fighters facility, Land dispute (if any) Harvesting, Manuring, Sparying, IPM, application of waste (if any EFB or composting), Land application (if any) and replanting/new area (if any) HCV, chemical warehouse, hazardous waste warehouse, mixing area & 	SP LEO BP

DATE	16 – 21 January 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	PPE storage, workshop	
14.00 – 17.00	BREAK	SP / LEO / BP
	RSPO Document Review and clarification of field visit	SP / LEO / BP
Friday, 20 January 2017		
08.00 – 11.30	Continuing field observation at LK2 Estate (if necessary) and RSPO Document Review	SP / LEO / BP
14.00 – 15.00	Interim Meeting/ preparation for closing meeting	SP / LEO / BP
15.00 – 17.00	Closing Meeting	SP / LEO / BP
15.00 – 21.00	PT DSN → Berau	SP / LEO / BP
Saturday, 21 January 2017		
10.00 – 14.00	Berau → Balikpapan → Jakarta	SP / LEO / BP