

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

**[✓] Re-Certification**

Name of Management Organisation : **Palm Oil Mill 2 subsidiary of PT Dharma Satya Nusantara, Tbk.**  
 Plantation Name : **PT Dharma Agrotama Nusantara (DAN): Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Estate**  
 Location : **Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, INDONESIA**  
 Certificate Code : **MUTU-RSPO/056**  
 Date of Initial Registration : 25 March 2014  
 Date of Certificate Issue : 02 May 2019                      Date of License Issue : 25 June 2019  
 Date of Certificate Expiry : 24 March 2024                      Date of License Expiry : 24 March 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>Re-Certification</b>	15 to 18 January 2019	Muhammad Rinaldi (Lead Auditor), Dwi Haryati, Asystasya Aishah Silalahi, Haikal Ramadhan Kharismansyah	Ganapathy Ramasamy	Octo H.P.N. Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>Re-Certification</b>	<b>02 May 2019</b>

**TABLE OF CONTENT**

**FIGURE**

Figure 1. Location Map of PT Dharma Satya Nusantara and PT Dharma Agrotama Nusantara	1
Figure 2. Operational Map of PT Dharma Agrotama Nusantara	2

Abbreviations Used	3
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**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used	5
1.2 Organisation Information	5
1.3 Type of Assessment	5
1.4 Location of Mill and Plantations	5
1.5 Description of Area Statement	6
1.6 Planting Year and Cycles	6
1.7 Description of Mill and Supply Base	7
1.8 Estimate Tonnage of Certified Product	7
1.9 Other Certifications	8
1.10 Time-Bound Plan	8

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team	10
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	10
2.3 Stakeholder Consultation and Stakeholders Contacted	13
2.4 Determining Next Assessment	13

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	14
3.2 Summary of Assessment Report of Supply Chain Requirement	45
3.3 Conformity Checklist of Certificate and Logo Use	56
3.4 Summary of RSPO Partial Certification	57
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	60
3.6 Summary of Arising Issues from Public and Auditor Verification	65

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

4.1 Formal Signing of Assessment Findings	69
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**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process	70
2. Assessment Program	72

### FIGURE

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

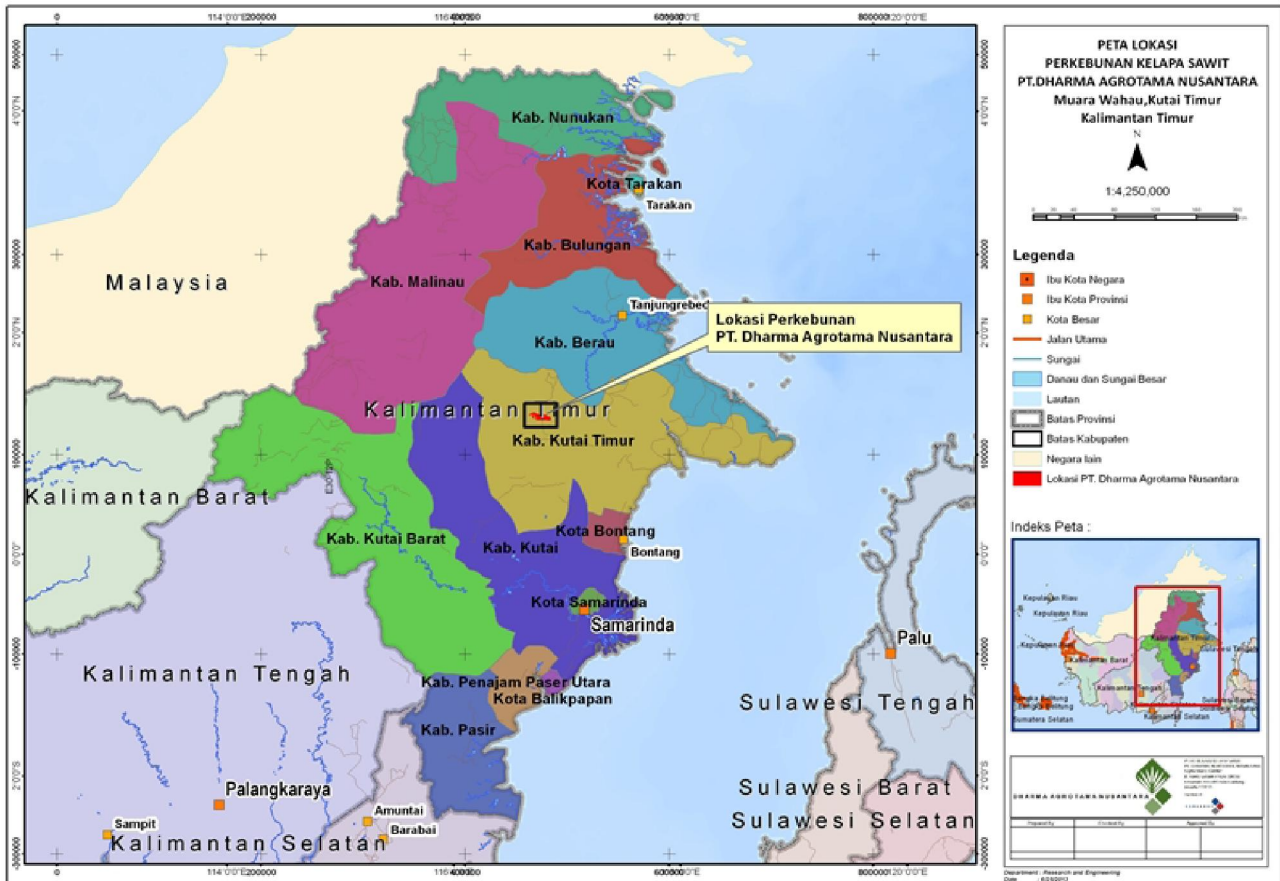
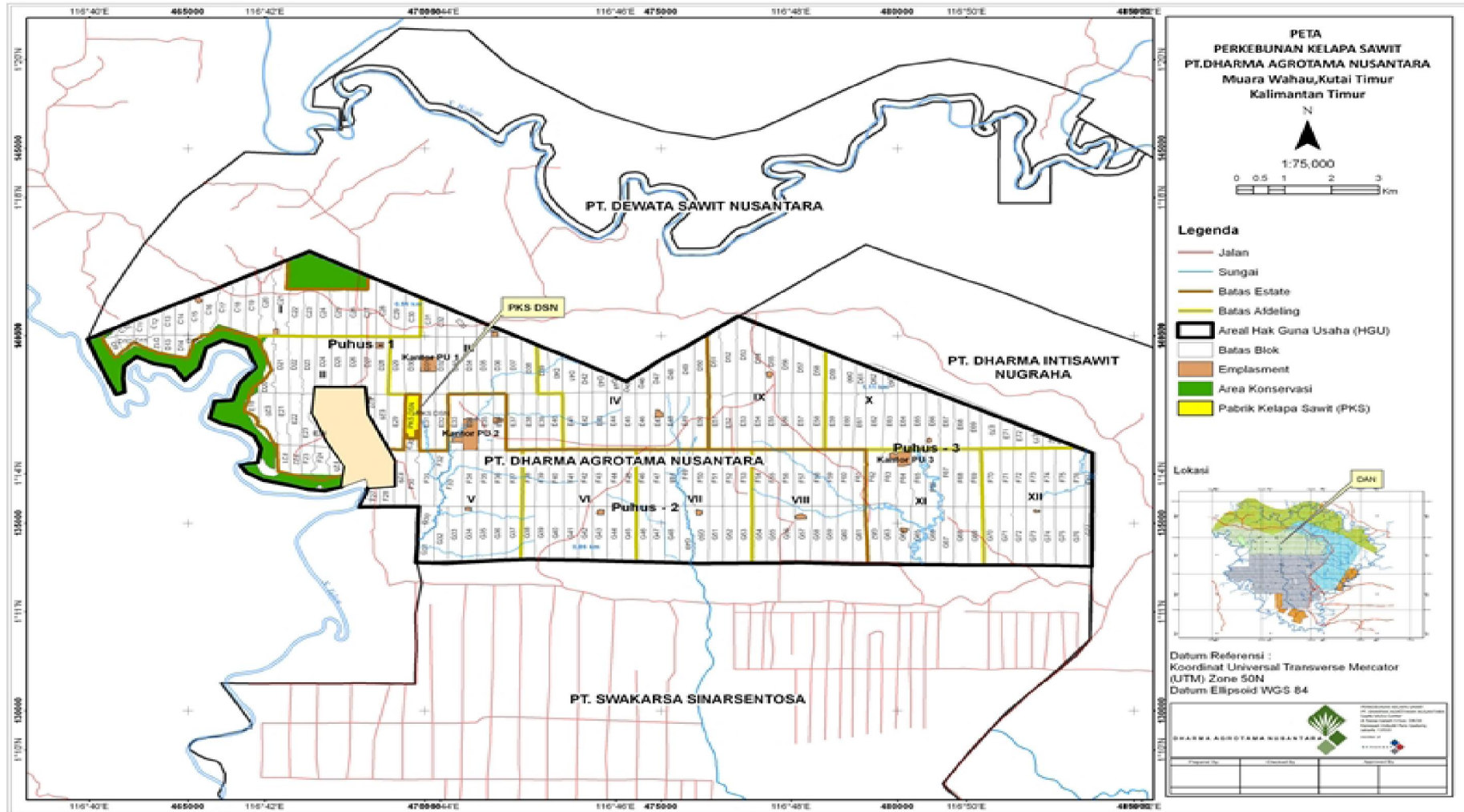


Figure 2. Operational Map of PT Dharma Agrotama Nusantara



**Glossary**

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Social and Environmental Impact Assessment)
BKSDA	:	<i>Badan Konservasi Sumber Daya Alam</i> (Natural Resources Conservation Agency)
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Assurance of Labor)
BPJSTK	:	<i>Badan Penyelenggara Jaminan Sosial Ketenagakerjaan</i> (Government Insurance Scheme for Manpower)
BNP	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
BOD	:	Biological Oxygen Demand
CBD	:	Convention Biodiversity on Diversity
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DAN	:	Dharma Agrotama Nusantara
DSN	:	Dharma Satya Nusantara
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
EWS	:	Early Warning System
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
FPIC	:	Free Prior Informed and Consent
GHG	:	Greenhouse Gas
GPS	:	Global Positioning System
HCD	:	Human Capital Department
HCO	:	Human Capital Operation
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
IDR	:	Indonesian Rupiah
IPM	:	Integrated Pest Management
KWh	:	Kilo Watt Hour
LPUP	:	<i>Laporan Perkembangan Usaha Perkebunan</i> ( Report on Plantation Business Development)
LTA	:	Lost Time Accident
MOP	:	Muriate of Potash
NGO	:	Non Government Organization
OA	:	Operational Audit
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
P&D	:	Pest and Disease
PU	:	Puhus
PUP	:	<i>Penilaian Usaha Perkebunan</i> (Assessment of Plantation Business)
PIC	:	Person In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal protective equipment
QC	:	Quality Control
R & E	:	Research & Environment
R & A	:	Research & Agronomy
RP	:	Rock Phosphate
RKL RPL	:	<i>Rencana Pengelolaan Lingkungan – Rencana Pemantauan Lingkungan</i> (Environment Management and Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rare, Threatened or Endangered
SBU	:	Sub Business Unit

SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SR	:	Severity Rate
SHE	:	Safety Health and Environment
SNHL	:	Sensory Neural Hearing Loss
SOP	:	Standard Operational Procedure
UKL	:	<i>Upaya Pengelolaan Lingkungan</i> (Environment Management Effort)
UPL	:	<i>Upaya Pemantauan Lingkungan</i> (Environment Monitoring Effort)
UMK	:	<i>Upah Minimum Kabupaten</i> (District Minimum Wage)
UMSK	:	<i>Upah Minimum Sektoral Kabupaten</i> (District Sectoral Minimum Wages)
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant
WLTK	:	<i>Wajib Laport Tenaga Kerja</i> (Mandatory Labour Report)



<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• Indonesian National Interpretation Principle and Criteria RSPO 2013 for Indonesia July 2016, approved RSPO Governors 30 September 2016.</li> <li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D for CPO Mill)</li> <li>• RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Dharma Satya Nusantara, Tbk.	
1.2.2	Contact person	Agustinus Triwibowo	
1.2.3	Organisation address and site address	<b>RSPO registered company:</b> Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur, Indonesia  <b>Site Address:</b> Village of Muara Wahau, Sub District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur, INDONESIA	
1.2.4	Telephone	021-4618135	
1.2.5	Fax	021-46834865	
1.2.6	E-mail	<a href="mailto:agustinus.triwibowo@dsngroup.co.id">agustinus.triwibowo@dsngroup.co.id</a>	
1.2.7	Web page address	<a href="http://www.dsn.co.id">www.dsn.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Agustinus Triwibowo	
1.2.9	Registered as RSPO member	1-0135-12-000-00 (4 December 2012)	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: <ul style="list-style-type: none"> <li>• Palm Oil Mill 2 of PT DSN,</li> <li>• 3 Estates of PT DAN: Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Jaya Estate</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	POM 2	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 15' 03"      E 116° 43' 44"

1.4.2	Location of Certification Scope of Supply Base				
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>		
			<b>Latitude</b>	<b>Longitude</b>	
	Puhus 1 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 14' 23"	E 116° 44' 21"	
	Puhus 2 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 15' 40"	E 116° 43' 51"	
	Puhus 3 Estate (PT DAN)	Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur, Province of Kalimantan Timur	N 01° 14' 18"	E 116° 49' 16"	
<b>1.5</b>	<b>Description of Area Statement</b>				
1.5.1	Tenure				
	• State		9959.95	Ha	
	• Community		-	Ha	
1.5.2	<b>Area Statement</b>				
	• Total area		9959.95	Ha	
	• Mature area		9000.00	Ha	
	• Immature area		-	Ha	
	• Mill		32.70	Ha	
	• Emplishment, Road, Office, & water reservoir		281.25	Ha	
	• Conservation Area (HCV)		128.00	Ha	
	• Buffer Zone (HCV)		518.00	Ha	
<b>1.6</b>	<b>Planting Year and Cycles</b>				
1.6.1	Age profile of planting year				
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>			
		<b>Puhus - 1</b>	<b>Puhus - 2</b>	<b>Puhus - 3</b>	<b>Total</b>
	<b>Mature</b>				
	2005	189	2230	-	2419
	2006	1155	548	-	1703
	2007	214	168	2964	3346
	2008	1451	-	-	1451
	2012	81	-	-	81
	<b>Sub Total Mature</b>	3090	2946	2964	9000
	<b>Immature</b>				
	<b>Sub Total Immature</b>	-	-	-	-
	<b>TOTAL</b>	3090	2946	2964	9000
1.6.2	New Planting area after January 2010		-	Ha	



1.6.3	Planting Cycle	1 <sup>st</sup> Cycle					
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	POM - 2	60	259257.62	62042.42	23.93	10000.23	3.86
	<i>*Production data source from Jan – Dec 2018</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Puhus 1	3865.70	3090	92277.95	29.86	90674.08	98.26
	Puhus 2	3043.25	2946	83346.60	28.29	81922.71	98.29
	Puhus 3	3051.00	2964	77811.66	26.25	47339.25	60.83
	<b>TOTAL</b>	9959.95	9000	253436.21	28.16	219936.04	86.78
	<i>*Production data source from January – December 2018</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>		
					<b>FFB (tonnes/year)</b>		
	Long Jenew 1 Estate (RSPO Certified)	PT Swakarsa Sinarsentosa subsidiary of PT Dharma Satya Nusantara	-	4327	39378.82		
	Long Jenew 2 Estate (RSPO Certified)		-	3381	17.36		
	<b>TOTAL</b>					39396.18	
	<i>*Source Production Data on January – December 2018</i>						
1.7.4	Product categories			FFB, CPO, PK			
<b>1.8</b>	<b>Tonnage of Product</b>						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim for last year (tonnes/year)		Actual certified product for last year (tonnes/year)	
	• FFB Production			292804		259257.62	
	• CPO Production			70068*		62042.41	
	• Palm Kernel (PK) Production			11494*		10000.23	
	<i>*There is extension volume on 22 Januari 2019</i>						
1.8.2	Product selling						
	Tonnage of selling product			Period of actual selling product for last year			
	• CSPO sold as RSPO certified product			11570.77			
	• CSPK sold as RSPO certified product			6357.29			
	• CSPO sold under other scheme			0			
	• CSPK sold under other scheme			0			
	• CSPO sold as conventional			43330.31			

	<ul style="list-style-type: none"> <li>CSPK sold as conventional</li> </ul>				0			
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Puhus 1	3865.70	3090	99661	32.25			
	Puhus 2	3043.25	2946	90014	30.55			
	Puhus 3	3051.00	2964	84037	28.35			
	<b>TOTAL</b>	9959.95	9000	273712	30.41			
	<i>*Projected FFB production for 12 months of certificate</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	POM - 2	60	273712	65690	24	10948	4	IP
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	<b>Other Certifications</b>							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>		
	<b>MILL</b>	<b>Time Bound Plan</b>						
	POM 1 (PT SWA)	June 2012	Jabdan 2 (PT SWA)	2012	Muara Wahau, Kalimantan Timur	Certified		
			Smallholder (KM 5.9)	2015				
			Smallholder (KM 3,6,11,12)	2017				
	POM 2 (PT DSN)	June 2013	Puhus 1 (PT DAN)	2013	Muara Wahau, Kalimantan Timur	Certified		
			Puhus 2 (PT DAN)					
			Puhus 3 (PT DAN)					
	POM 3 (PT DSN)	August 2013	Long Kejiak 1 (PT DIN)	2013	Muara Wahau, Kalimantan Timur	Certified		
			Long Kejiak 2 (PT DIN)					
			Long Kejiak 3 (PT DIN)					
	POM 4 (PT DSN)	November 2014	Jabdan 1 (PT SWA)	2014	Muara Wahau, Kalimantan Timur	Certified		
			Long Jenew 1 (PT SWA)					
			Long Jenew 2 (PT SWA)					
			Smallholder	2018				
	POM 5 (PT DSN)	2020	Bukit Pandunlangan 1 (PT Pilar Wanapersada)	2020	Nangabulik, Kalimantan Tengah	NPP & RaCP Process		

		Bukit Pandulangan 2 (PT Pilar Wanapersada)			
		Bukit Pandulangan 3 (PT Pilar Wanapersada)			
		Smallholder	2022		
POM 6 (PT DSN)	2019	Melenyu 1 (PT DWT)	2019	Muara Wahau, Kalimantan Timur	NPP & RaCP Process
		Melenyu 2 (PT DWT)			
		Melenyu 3 (PT DWT)			
		Melenyu 4 (PT DWT)			
		Smallholder	2021		
-	-	PT Dharma Intisawit Lestari	2020	Bulungan, Kalimantan Timur	Non Certified
-	-	PT Karya Prima Agro Sejahtera	2020	Muara Wahau, Kalimantan Timur	Non Certified
		Smallholder	2023		
-	-	PT Putra Utama Lestari	2020	Melak, Kutai Barat	Non Certified
		Smallholder	2023		
-		PT Agro Adalan	2019	Sekadu, Kalimantan Barat	Non Certified
		Smallholder	2022		
-	-	PT Kencana Alam Permai	2020	Sintang, Kalimantan Barat	Non Certified
		Smallholder	2023		
-	-	PT Prima Sawit Adalan	2020	Sintang, Kalimantan Barat	Non Certified
		Smallholder	2023		
-	-	PT Dharma Persada Sejahtera	2020	Sintang, Kalimantan Barat	Non Certified
		Smallholder	2023		
Tepian langsung POM (PT Bima Palma Nugraha)	2021	Danau Padang 1 ((PT Bima Palma Nugraha)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Tepian Langsa 1 (PT Bima Palma Nugraha)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Sungai Mangkupa 1 (PT Bima Palma Nugraha)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Sungai Mangkupa 2 (PT Bima Palma Nugraha)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Smallholder	2023	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
Muara Bulian POM (PT Bima Agri Sawit)	2021	Ba'ay (PT Bima Agri Sawit)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Muara Bulan (PT Bima Agri Sawit)	2021	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
		Smallholder	2023	Kutai Timur, Kalimantan Timur	Take over 12 December 2018
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	The associated smallholder under PT DAN has been certified on 2017 and supplying FFB to POM1				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>RC</b>	<p><b>1. Muhammad Rinaldi (Lead Auditor).</b> Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, SCCS training, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, SA 8000 training, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During the assessment he assigned to verify legal, land dispute and SCCS</p> <p><b>2. Dwi Haryati (Auditor).</b> Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 &amp; 17065, SA 8000 training, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. During this assessment she was observed and audit on Transparency, Occupational Health and Safety, and Worker Welfare.</p> <p><b>3. Asystasya Aishah Silalahi (Auditor).</b> Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, and several in house training related to environmental, HCV, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verify environmental aspect, HCV, GHG, and social aspect.</p> <p><b>4. Haikal Ramadhan Kharismansyah (Auditor Trainee).</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Auditor ISPO, RSPO awareness, ISO 22000 awareness and SA 8000 training. Did some audit ISPO scheme with aspects Best management practices. During this audit, he assigned to best management practice and long-term plan.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>RC</b>	<p>Number of auditors : 3 auditor and 1 auditor trainee          Number of days for RC at site : 4 days          Number of working days for RC at site : 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT DSN and PT DAN to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised on 14 June 2017 (Module D for CPO Mill).</p>

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **RC** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.1**).

Improvement of findings from Re-Certification assessment findings were observed by auditors at this **RC** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **RC**.

**The assessment program please find Appendix 2**

<b>2.2.3</b>	<b>Location of Assessment</b>
<b>RC</b>	<p><b>POM 2 PT DSN</b></p> <ol style="list-style-type: none"> <li>1. <b>Weighbridge Station.</b> Observation of supply chain procedure.</li> <li>2. <b>Security.</b> Observation related to the acceptance of FFB.</li> <li>3. <b>Grading.</b> Interview with 3 worker related to sorting techniques, working hours, PPE, BPJS, and wages.</li> <li>4. <b>Sterilizer.</b> Observation towards technical, maintenance, manpower, safety, health and environment aspects.</li> <li>5. <b>Thresher.</b> Observation and interview with 1 operator towards technical, maintenance, wages, working hours, allowance.</li> <li>6. <b>Press.</b> Observation units of press machines with a capacity of 15 tons / hour.</li> <li>7. <b>Engine Room.</b> Interview with 1 worker related to the mechanism of PPE replacement, health checks, wages and overtime.</li> <li>8. <b>Boiler.</b> Interview with 1 operator related to OHS license, working hours, wages, overtime, complaints mechanism, facilities and freedom of association.</li> <li>9. <b>Hydrant Simulation.</b> Observation on rediness of fire fighter team and devices</li> <li>10. <b>Workshop.</b> Observation and interview with head of workshop about workshop activity, OHS implementation, worker welfare, and waste management</li> <li>11. <b>Oil storage.</b> Observation and interview with storage officer about worker welfare, duty and responsibility, OHS implementation, and waste management</li> <li>12. <b>Water treatment plant.</b> Observation and interview with WTP operator about duty and responsibility, worker welfare, OHS implementation</li> <li>13. <b>Schedule waste storage.</b> Observation and interview with operator about duty and responsibility, worker welfare, training, waste management, and OHS implementation.</li> <li>14. <b>Chemical storage.</b> Observation about storage condition, chemical stock, and emergency tools.</li> <li>15. <b>WWTP.</b> Observation and interview with operator about duty and responsibility, OHS implementation, worker welfare.</li> </ol> <p><b>Puhus 1 Estate</b></p> <ol style="list-style-type: none"> <li>1. <b>Block F27.</b> Observation of legal boundary conditions No DAN 28</li> <li>2. <b>Block C11.</b> Observation of legal boundary conditions No DAN 63</li> <li>3. <b>Block C10.</b> Observation of legal boundary conditions No DAN 62</li> <li>4. <b>Block D23/24.</b> Observation of legal boundary conditions No R01, bordering with Smallholder of PT SWA</li> <li>5. <b>Block F25.</b> Observation related to the Telen River riparian area</li> <li>6. <b>Block E23.</b> Observation related to HCV 6 area in the form of "Situs Engun Long"</li> <li>7. <b>Block E33.</b> Observation related to the Puhus River riparian area</li> <li>8. <b>Agrochemical storage.</b> Observation about storage condition, chemical stock, MSDS, and interview with worker about PPE, worker welfare, and OHS implementation</li> <li>9. <b>Fertilizer storage.</b> Observation about storage condition and interview with worker about PPE, worker welfare, and OHS implementation</li> <li>10. <b>Fuel tank.</b> Observation about tank condition, secondary containment, emergency equipment.</li> <li>11. <b>Workshop.</b> Observation about workshop condition, emergency equipment, and interview with worker about worker</li> </ol>



welfare, waste management, OHS implementation, and complaint mechanism.

12. **Clinic.** Interview with paramedic about work accident, facility in clinic, medical waste management, pregnancy test, menstrual and maternity leave mechanism.
13. **Working tool storage.** Observation about storage condition, shower room for spraying worker, rack for PPE.
14. **Crèche.** Interview with worker about worker welfare (working hour, basic wage), understanding about gender committee, reproductive rights, and facility for worker.
15. **Generator room.** Interview with generator operator about worker welfare, social and health insurance, PPE
16. **Clean water source.** Observation about the clean water condition.
17. **Landfill.** Block L34 Afd 3. Observation about condition of landfill.
18. **Circle and Path Spraying.** Block E45/44 Afdeling 4. Observation and interview related knowledge of the worker on handling pesticide, safety work, and rinse house
19. **Barn Owl Box and Beneficial Plant.** Block E44 Afdeling 4. Observation and interview related pest biological control
20. **Harvesting. Block C33.** Observation and interview related harvesting score, harvesting interval, and worker welfare
21. **FFB Transport. Block E21.** Observation and interview related FFB transport procedure, PPE, and worker agreement

**Puhus 2 Estate**

1. **Conservation area Sungai Kenden Kecil, Block G50 Afd 7.** Observation about riparian management, conservation area sign.
2. **Land Application, block F39 Afd 6.** Observation about land application and interview with worker about worker welfare, OHS implementation, social and health insurance, other facility for worker.
3. **Block G50 Afd 7.** Observation about the condition of boundary pole No BPN 060
4. **Block G53 Afd 7.** Observation about the condition of boundary pole No BPN 067
5. **Block G54 Afd 8.** Observation about the condition of boundary pole No BPN 075
6. **Circle and Path Spraying. Block G43 Afdeling 6.** Observation and interview related knowledge of the worker on handling pesticide, safety work, and rinse house
7. **Harvesting and FFB transport. Block F52 Afdeling 7.** Observation and interview related harvesting score, harvesting interval, worker welfare, FFB transport procedure, PPE, and worker agreement
8. **EFB application and individual platform. Block F51 Afdeling 7.** Observation related soil and water conservation through the use of organic fertilizer and monitoring of individual platform

**Puhus 3 Estate**

1. **Block G77.** Observation of legal boundary conditions No DIN 61
2. **Block F77.** Observation of legal boundary conditions No DIN 62
3. **Block G77.** Observation of legal boundary conditions No G003
4. **Block G75.** Observation of legal boundary conditions No BPN 140
5. **Block G66.** Observation related to the Kenden River riparian area
6. **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
7. **Fertilizer storage.** Observation and interviews related to waste management and implementation OHS.
8. **Fuel Storage.** Observation related to implementation of OHS.
9. **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
10. **Rinse House.** Observation the conditions of chemical mixing area, PPE warehouse and PPE handling.
11. **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism..
12. **Crèche at afdeling IX.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers. (2 person).
13. **Fire Fighter Warehouse at PU2.** To observe completeness and readiness of fire fighter equipment.
14. **Worker Housing at afdeling IX.** Observation of employee facilities, management of domestic waste, emergency

	<p>response facilities, provision of clean water.</p> <p>15. <b>Storage of Spray Equipment afdeling X.</b> Observation related management of tools and PPE for sprayer, bathing and washing facilities, management of environmental pollution.</p> <p>16. <b>Genset room and Fuel storage afdeling IX.</b> Observation and interviews related to work procedures, OHS implementation, employment and complaint mechanism.</p> <p><b>Stakeholders</b></p> <ol style="list-style-type: none"> <li>1. <b>Government Institutions of Kutai Timur Districts</b> (Environmental Agency, Manpower Agency, Plantation Agency and National Land Office). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.</li> <li>2. <b>Surrounding communities</b> (Benhes Village, Daebeq Village). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society, impact of corporate activities, CSR Programme, social interaction between company and the community, social issues, etc.</li> <li>3. <b>Labor Union</b> of PT DSN and PT DAN. Interview related to worker welfare and other manpower aspects.</li> <li>4. <b>Gender Committee.</b> interview related to woman rights as an employee.</li> <li>5. <b>Smallholders Cooperative</b></li> </ol>
<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Consultation of stakeholders for PT DSN and PT DAN held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement at web <a href="http://www.mutucertification.com">www.mutucertification.com</a> on 10 December 2018.</li> <li>2. Consultation meeting and interview with government agencies in Kutai Timur District (Plantation agency; Manpower agency, Land Office and Environmental agency) on 15 January 2019.</li> <li>3. Consultation meeting and interview with locals of the nearby village (Benhes, Daebeq), local contractor and smallholders cooperative on 15 January 2019</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labour union and gender committee) on 15 January 2019.</li> <li>5. Consultation with NGO (Sawit Watch and WWF) via email on 03 January 2019.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT DSN and PT DAN.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit ( <b>ASA 1.1</b> ) will be determined at least 9-12 months after receiving the certificate.



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

MUTUAGUNG LESTARI has conducted an assessment of POM 2 – PT Dharma Satya Nusantara (PT DSN) and PT Dharma Agrotama Nusantara (PT DAN) operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were 1 (one) nonconformity were assigned against Major Compliance Indicator; two (2) nonconformities were assigned against Minor Compliance Indicators and seven (7) opportunity for improvements were identified.

MUTUAGUNG LESTARI found that POM 2 – PT Dharma Satya Nusantara and PT Dharma Agro Nusantara complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised on 14 June 2017 (Module D for CPO Mill).

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	
<p>The company already has a list of stakeholder related / direct contacts with the company. The list of stakeholders includes village heads, traditional leaders, community leaders, heads of oil palm cooperatives, police, sub-district heads, trade unions, NGOs, schools, government agencies. The data is prepared by CSR Department as of August,1 2018. Based on interviews with the CSR division, renewing the list of stakeholders is carried out whenever there is information on stakeholder changes.</p> <p>The types of documents accessible and provided to stakeholders are in the list of information for stakeholders. There are type of information that can be given to the stakeholders include Land use Permit information, environmental document, SIA document, Company policy, social conflict completion report etc.</p> <p>Based on interview with community of villages, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted. Based on verification of document incoming and outgoing mail, a request for information only in the form request for assistance.</p> <p>The results of public consultations with stakeholders on January 15, 2019 obtained information that they never requested information about operational activities. However, if the village community submits requests for assistance, the company always responds quickly.</p> <p>Based on field interviews with land-owning farmers and head of villages, informed that information request could be addressed to the company.</p>	
<b>1.1.2</b>	
<p>Employee Complaints Handling Procedure (No.SOP-AGR-054-R02, July 3, 2017) and External Complaints and Complaints Handling Procedure (Number: 044-R01, July 3, 2017). Delivery period of response no later than 4 days after letter received by CSR department.</p>	

The company shows examples of providing information to stakeholders :

- The Company has been reported the Progress Report of Plantation Activities for the 4th quarter of 2018 on January 10, 2019 to the Plantation Office of Kalimantan Timur Province.
- The Company has reported the HGU utilization report to the National Land Agency of the Kutai Timur Regency on January 10, 2019.

Based on verification of document incoming and outgoing mail, a request for information only in the form request for assistance. However, if the village community submits requests for assistance, the company always responds quickly.

**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.**

**1.2.1**

The Company has a list of public documents described in the document of information list for stakeholders. In the document stated a list of information that can be accessed by the public, such as: Land use Permit information, environmental document, waste management and garbage disposal, SIA document, Company policy, social conflict completion report etc. The document can be provided with the record not abused and in accordance with its designation.

Based on interviews with Village head and community, known that the villagers understand how to obtain information from the company. The company maintains records of request for information and responses. Based on document verification, that's known the company always responds quickly. There are showed sample of request from villagers (relief fund) and the company has been follow up these request.

**Status: Comply**

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

**1.3.1**

The company has code of integrity and ethical behavior that contained in document Quality Guidelines no PDM –AGR-R04 that approved on May 1, 2015. That document which is available in bahasa, explains fair conduct of business, Prohibits any employee for corruption, and bribery and provide information in accordance with applicable laws.

The company has carried out socialization regarding the policy to employees. Evidence of socialization can be shown in the form of minutes and attendance, for example:

- Socialization to 180 workers on September 26, 2018 at the old director's office.
- Socialization on May 4, 2018 to contractors and village community in afdeling 1 PT DAN.

During an interview with workers , labor union, representatives of gender committees can explain the understanding of the policy in a language acceptable to the auditor.

**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**

The Company Unit consistently applies legislation relating to plantation and palm oil mill. The Management Unit has shown compliance with laws and regulations, for example:

**Legality**

The company has land use rights with total area of 9,955.25 Ha and building use rights with total area of 4.7 Ha. The company also has 10,000 hectares of plantation business licenses with 60 tons/hour factory capacity. This is in accordance

with Government Regulation No. 40 on 1996 and Plantation Ministry Regulation No. 98 on 2013 (see criterion 2.2).

**Best Management Practices**

Using registered pesticides and the distribution permit is still valid

**Environment**

- Conduct water quality, emission, and noise level testing according to RKL RPL and UKL UPL.
- RKL RPL implementation report to Environment Agency of Kutai Timur Regency period of 2<sup>nd</sup> Semester of 2018 on 7 January 2019 and to Environment Agency of Kalimantan Timur Province on 8 June 2019.
- Hazardous waste report to Environment Agency of Kutai Timur Regency period of 4<sup>th</sup> Quarter of 2018 on 7 January 2018 and to Environment Agency of Kalimantan Timur Province on 8 June 2019.

**OSH and Employment**

- The company shows the recapitulation of machine production licenses for all Mill stations. In the recapitulation it is stated that the period of inspection and testing of machines production is carried out every 2 years. Based on the results of testing and inspection by the labor agency in September 2017 for example a boiler is declared to be in a condition worthy of operation.
- The company has endeavored to protect workers from hazards and risks by providing PPE for high noise areas such as earplugs and earmuffs, and for areas with potential dangers of dust, smoke and ash in the form of masks. In addition to the provision of PPE, protection for workers is done by performing regular health checks in the form of audiometry and spirometry. As well as testing the air quality in the factory environment to ensure that the working environment in a safe condition in accordance with requirement (refer to indicator 4.7.3)
- Workers at specific station have completed with license (boilerman, electrician, heavy equipment operator and welder) in accordance with requirement (refer to indicator 4.7.3)
- Already has an organizational structure of Guiding Committee of Occupational Safety & Health and reporting Guiding Committee of Occupational Safety & Health regularly every three months (refer to indicator 4.7.4)
- The Certification Unit has comply with minimum wage referring the decree of Kalimantan Timur Governor No. 561/K.555/2018 (refer to indicator 6.5.1)
- CH has a boiler register of checks, cleaning, and repairs in preventive maintenance documents. Besides that, every year there is an inspection of the condition of equipment and machinery by the OHS supervisor from the labor agency.
- The report of P2K3 PT DSN POM-2 period October to December 2018 reported to the Kalimantan Timur Provincial Manpower and Transmigration Office on 5 January 2019.
- The report of P2K3 PT DAN period October to December 2018 reported to the Kalimantan Timur Provincial Manpower and Transmigration Office on 13 January 2019.
- The company has 8 fire role officers who already have certificates such as No.Ser.05624 / PeranK3-KEB / IX / 2018 which are valid until September 2021. This has been in accordance with Labor Ministerial Decree No. 186 of 1999.
- The result of air quality monitoring results (ambient emissions), and measurement of the level of impaired immobility (noise, odor and vibration) still in accordance with the standard quality threshold. Workers also provide with PPE.

**2.1.2, 2.1.3, and 2.1.4**

Certificate holder's mechanism to ensure compliance should be implemented and stipulated in Procedures and Other Legal Requirements (SOP-AGR-024-R01, dated 8<sup>th</sup> September 2014). The procedure contains a flowchart of application for consideration of the legality and licensing, as well as flow charts of identifying and updating of laws and regulations. Also in the document are the forms of legality and licensing application, a summary of laws and regulations, evaluation summary of compliance to regulation, the address list of agency/department /agency issuing laws and regulations and summary documents of law and regulations.

This procedure describes every 6 months, SHE/HCD/HCO/Legal Dept Head conduct monitoring and evaluating of compliance with laws and regulations and requirements. Monitoring and evaluation evidence are including the minutes, reports, checklists, minutes of meetings, photographs or other documents. Monitoring and evaluation results are listed in form of Evaluation Summary of Compliance with Rules and Regulations (No. DK-MS-01A-RO1) that was renewed in January 2019. The document is an inventory of national and local regulations related to aspects of legal, labour, health and

safety, and environmental. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted on August, 1 2018.

**Nonconformity No.2019.01**

Based on results of the document review List of Legal Requirements owned by the company in the Compliance Evaluation Summary of Laws and Regulations (No. DK-MS-01A-R01, Revised January 2019), but based on the results of verification there are still some documents that have not been documented for example but not limited on:

- Regulation of Agriculture Ministry No. 5 of 2018 concerning Opening and / or processing of Plantation Land without Burning.
- Regulation of Labour Ministry No. 38 of 2016 concerning Occupational Safety and Health License of power and production equipment.
- Regulation of Labour Ministry No.5 of 2018 concerning Occupational Safety and Health at the Work Environment.
- Regulations of the Environment and Forestry Ministry No.5 of 2018 concerning Standards and Certification of Competency of Responsible Operators for Wastewater Treatment and Responsible for Water Pollution Control.
- Regulation of Labour Ministry No. 37 of 2016 concerning Occupational Safety and Health of Pressure Vessels and Stock Tanks.

The legal register document does not yet contain all regulations / laws that support the company's operations.

<b>Minor 2.1.2</b>	<b>Status: Nonconformity No.2019.01 with Minor category</b>	
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**2.2  
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.**

**2.2.1**

The certificate holder has the Land Use Legalities consist of:

**1. POM 2 - PT Dharma Satya Nusantara**

- Land Title Certificate (Building) No. 02, dated 14 January 2008, Dabeg Village, Muara Wahau Sub District, East Kutai District, East Kalimantan Province, valid till 13 January 2028. No Letter Measure: 01 / Benhes / 2008, dated 14 January 2008. Area: 47,030 m<sup>2</sup> (4.703 Ha). Decision Letter of Land Agency of East Kalimantan Province, No: 167-550.2-44-2007, dated 27 December 2007.
- Plantation Business Permit-(Mill) PT DSN through Decision Letter of Kutai Timur District Head: No. 500/171 / Eko.2-V / 2009, dated 1 May 2009. Capacity of mill: 60 Ton FFB / Hour.

**2. Plantation – PT Dharma Agrotama Nusantara**

- Land Use Right with Decision Letter of Land Agency of East Kalimantan Province No: 85-HGU-BPN RI-2008 dated 31 December 2008 with total area: 9,955.255 Ha.
  - Land Use Right Certificate No. 42, dated 27 January 2009 with total area: 413.69 Ha
  - Land Use Right Certificate No. 43, dated 27 January 2009 with total area: 9,541.565 Ha.
- Head District Decree: No. 432 / 02.188.45 / HK / IX / 2007 dated 24 August 2007 (Land Business Permit Extension of PT DAN. Area of 10,000 Ha.

Based on the above explanation, it is known that the land use rights are in accordance with the operational area that is 9,959.95 Ha.

**2.2.2**

There was no change in the maintenance boundary mark procedure stated in the Work Intruction of Boundary Installation and Maintenance (IK-AGR-OLP-33-R00) dated 28 September 2015 which explained that the pole monitoring and maintenance activities were carried out every 2 times a year.

It has also been shown the Boundary Pole Monitoring Document carried out in December 2018 revealed that the boundary poles consisted of 66 poles in Puhus 1, 21 poles in Puhus 2 and 20 poles in Puhus 3, all of which were installed properly.

**Non-conformity No. 2019.02 in the Minor category**

Based on the results of the HGU boundary poles observation and study of coordinate list documents from the National Land Agency, it is known that the position of the HGU boundary poles does not match the specified coordinates, for examples:

Location	Poles No.	Differences
Puhus 3	DIN 061	± 4 trees toward to PT DAN
Puhus 3	DIN 062	± 4 trees toward to PT DAN

In addition, in the HGU Boundary Pole Monitoring document, it is known that monitoring activities only monitor the presence and maintenance of poles.

In the Work Instruction of Boundary Installation and Maintenance (IK-AGR-OLP-33-R00 dated 28 September 2015), it stated that the poles was installed in accordance with the licenses set by government agency, the position of the pole was determined using a GPS measurement

The company has not been able to show evidence that the boundary poles has been installed in accordance with the coordinates specified by relevant agency.

**2.2.3, 2.2.4, 2.2.5**

On HGU Decree No. 85-HGU-BPN RI-2008, dated December 31, 2008, explained that the results of B Committee dated July 5, 2007 with minutes meeting No. 06 / RPT-PAN.B / VI / 2007, explained that:

- The status of HGU area of PT Dharma Agrotama Nusantara is State land with convertible Forest status that has been released by the Ministry of Forestry to PT Dharma Agrotama Nusantara with Forest Area Release Permit No. SK.129 / MENHUT-II / 05, dated May 23, 2005, total areal: 10,867 Ha.
- The land is free from community ownership as referred to the Statement of the Head of the Benhes Village and Head of the Muara Wahau Village on June 29, 2007. The document explains that the area of the company does not owned by the community to cultivate or managed.

Based on interviews with representatives of the Benhes and Dabeq Villages, it was explained that there was no compensation for land in the company area, because the area was formerly the Forestry Company in the same group. In addition, there is no land dispute in the company's area.

**2.2.6**

The company has Memorandum No. 0030 / MS / XI / 2016 dated November 1, 2016 related to the Prohibition of the Use of Acts of Violence and or Intimidation and or Use of Mercenaries. Based on interviews with representatives of Benhes Village and Dabeq Village, it was found that there were no land disputes in the company area and there was no intimidation from the company to the surrounding community.

<b>Minor 2.2.2</b>	<b>Status: Non-conformity No. 2019.02 with Minor category</b>
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**2.3**  
**Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.**

**2.3.1, 2.3.2, 2.3.3, 2.3.4**

On HGU Decree No. 85-HGU-BPN RI-2008, dated December 31, 2008, explained that the results of B Committee dated July 5, 2007 with minutes meeting No. 06 / RPT-PAN.B / VI / 2007, explained that:

- The status of HGU area of PT Dharma Agrotama Nusantara is State land with convertible Forest status that has been released by the Ministry of Forestry to PT Dharma Agrotama Nusantara with Forest Area Release Permit No. SK.129 / MENHUT-II / 05, dated May 23, 2005, total areal: 10,867 Ha.
- The land is free from community ownership as referred to the Statement of the Head of the Benhes Village and Head of the Muara Wahau Village on June 29, 2007. The document explains that the area of the company does not owned by the community to cultivate or managed.

Based on interviews with representatives of the Benhes and Dabeq Villages, it was explained that there was no compensation for land in the company area, because the area was formerly the Forestry Company in the same group. In



addition, there is no land dispute in the company's area.

There are changes to FPIC procedures and participatory mapping listed in the SOP of Land Acquisition No. SOP-AGR-071-R02 dated August 1, 2017 which explains the process of land transfer must follow FPIC guidelines, a survey and mapping should be carried out jointly, conduct socialization regarding land management plans till how to make land compensation by negotiation.

**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**

Certificate Holder has a Projection of PT Dharma Agrotama Nusantara's Work Plan and Budget for the period 2019 – 2023 which have explained the statement area, plant projections, factory extraction rates, production costs, price estimates, and financial indicators. For example, in 2023 it targets production of FFB of 253,629 tons and processing 401,797 tons of FFB with OER 24.26% and CPO production of 97,476 tons. The expected net balance is 103,847 (Idr million).

**3.1.2**

Based on the Estate Head monthly report it is known that the distribution of planting years in the Certificate Holder operational area is between 2005 and 2012. Thus the replanting will not be implemented for the next five years. In accordance with procedures owned by Certificate Holder, replanting will be carried out when the oil palm are 25-30 years old.

**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**

Certificate Holder has a Work Instruction list document that applies to all PT Dharma Satya Nusantara subsidiaries. Work instructions have covered all estate and factory operations starting from land clearing, maintenance, pest handling, harvesting, transportation of FFB, replanting, delivery to POM, processing of FFB and how to check quality and product traceability.

Procedure of safe working practices is presented in several documents as follows:

- Material Safety Data Sheet (MSDS) of agrochemical products.
- Hazard Identification Risk Assessment and Control (HIRAC).
- No. IK-AGR-SHE-01-R01 to No. IK-AGR-SHE-11-R00 about safety and environment management

SOP for measuring and monitoring mill effluent described in IK – AGR – OLP – 35 about handling liquid waste leaks in the land application and IK-AGR-OLP-10-R02 about POME application in the field.

Emission test for boiler and generator has been conducted regularly every 6 month. The result of emission test in accordance with Minister of the Environment No.13 of 1995. The latest test was conducted on October 5 2018. Based on the test, all parameter is under threshold limit.

Based on field visits to Block E45 / E44 Division 4 Puhus - 1 and Block G43 Division 6 Puhus - 2, it is known that workers have been able to explain well about the management of pesticides starting from storage, mixing, field applications and handling waste and safe working methods for themselves. or environment. Field visit to grading station POM-2 known officers have been able to explain well about the sampling method and the criteria for FFB and loose fruit that are suitable to be processed.

The SOP owned by Certificate Holder are relevant and cover all estate and factory operations

**4.1.2 & 4.1.3**

Daily internal supervision is carried out by the level of supervision starting from the foreman, assistant division, assistant head, to the Estate Head. In addition there are monthly and semester assessments carried out by the Operational Auditor team. Based on the Non Conformity form and Internal Audit Observation, it is known that the OA team provides a maximum repairs period of up to 3 months before the next internal audit period.

Results of the internal audit assessment of PT Dharma Agrotama Nusantara for the second semester of 2018 are as follows:

- Puhus – 3  
Observation Result : Ripe fruit not harvested in block G72 row 52 oil palm number 27  
Status : Improvement has been completed on August 11 and September 29, 2018
- POM – 2  
Observation result : A steam leak was found in the steam kernel silo No. 01 header pipe at the Nut and Kernel stations.  
Status : Has been fixed on October 18, 2018. Regular checking by supervision for all PKS operational areas is carried out every 2 weeks  
In addition there is a monthly assessment of mill performance and estate performance made by the Operational Audit department. The results of the December 2018 assessment include:
  - POM - 2: Average value of 75%; with medium category rating grade. The aspects assessed include oil losses, kernel losses, CPO quality, kernel quality, boiler water quality, sterilizer control process, temperature control process, administration, boiler pressure, and improvement follow-up on findings
  - PT DAN (PU - 1, PU-2, and PU - 3)  
The quality of the harvest is 98.25% with good category  
Fertilizer quality value is 100% in good category  
The results of internal audit reports are stored at each estate unit office and POM.

**4.1.4**

POM 2 only accepts FFB from main estate that have obtained RSPO Certificates namely Puhus 1,2 & 3 and Long Jenew 1, 2 (is a company that is still in one PT Dharma Satya Nusantara Holding Company). There is no collaboration with the smallholder or other parties in terms of procurement of FFB.

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

Procedures for managing soil fertility are explained in several documents as follows:

- No. IK-AGR-OLP-09-R03 dated November 3, 2014 about manuring
- No. IK-AGR-OLP-10-R02 October 2014 about POME application in the field
- No. IK-AGR-OLP-11-R02 dated November 3, 2014 about EFB application

One of the monitoring results of fertilization is carried out by the Audit Operations team as outlined in the monthly assessment report on manuring quality. In the 2018 period, on average, from January to December PT DAN is given a value of 98 with a good grade rating. For 2019, fertilization will begin in March.

Interviews with manuring workers in the E44 Division 4 Puhus - 2 Estate block revealed that workers could explain well about dosage applications, how to apply, and how to work safely both for themselves and the environment. To ensure that the dosage of the applied fertilizer is properly used, the aid is in the form of a calibrated bowl.

**4.2.2**



Records of PT DAN manuring in the 2018 period can be seen from the manuring realization report as follows:

Estate	Fertilizer	Program (Ton)	Realization (Ton)	Fertilizer/Ton FFB
Puhus - 1	Borate	43.15	44.57	0.000492
	CPD-HIK	3,692.49	4,224.20	0.046587
	MOP	-	394.5	0.004351
	Rock Phospate	-	861.40	0.0095
	Super Dolomite	198.93	-	-
Puhus - 2	Borate	41.88	44.88	0.000548
	CPD-HIK	3,647.52	4,255.86	0.05195
	MOP	-	720	0.00878
	Rock Phosphate	-	585.44	0.0071
	Super Dolomite	1,085.15	793.59	0.00968
Puhus - 3	Urea	-	978.00	0.0119
	Borate	41.81	41.81	0.00088
	CPD-HIK	3,706.76	4,220.72	0.0891
	MOP	-	175.40	0.0037
	Rock Phospate	-	713.83	0.0150
	Super Dolomite	1,244.31	805.80	0.0170
	Urea	-	130.77	0.0027

\*FFB production Puhus – 1 : 90,674.08 ton

\*FFB production Puhus – 2 : 81,922.71 ton

\*FFB production Puhus – 3 : 47,339.25 ton

Based on the data it is known that the achievement of manuring in 2018 as a whole >95%. Some types of fertilizers such as MOP, RP, and Urea were not initially programmed however, the application was made after receiving an Internal Correspondence letter from the Head of Research & Agronomist on March 29, April 24, and June 25, 2018 about the provision of additional urea fertilizer, RP, and MOP for yellow oil palm with a dose of 2kg / oil palm (Rock Phospate) and 1Kg / oil palm (Urea and MOP). Whereas the excess application of CPD-HIK fertilizer is due to dosage revisions according to the letter dated March 29, 2018 from head of R & A PT DAN regarding revisions to fertilizer doses for rotations II and III in 2018.

Based on this, it can be concluded that the estate has carried out fertilization in accordance with the recommendations given by the research team.

#### 4.2.3

IK-AGR-OLP-25-R01 is available on February 1, 2014 for technical sampling of leaves and soil samples. Based on interviews with research staff that leaf analysis is carried out every year while for soil analysis per 6 years, however soil sample data can be used for 7 years.

#### Soil Sampling Unit

The last time was held in March 2018. The executor is the Research and Development department of PT Nusa Pusaka Kencana Analytical & QC Laboratory. For example the test results No 076 / RD / EXT / L / APR / 18. The parameters tested included the percentage of elements Ash, N, P, K, Mg, Ca, and B

#### Soil Analysis

The last time was held in December 2013 through the Detailed Soil Survey Report of PT Dharma Agrotama Nusantara. The parameters tested included Nutrition Retention (CEC me / 100g soil; pH), Nutrition (Total N, P2O5, and K2O), and slope conditions.

Based on the information provided by the R & E Agro PT DSN Group staff, the results of leaf analysis and the results of

soil analysis were used as a reference in the preparation of fertilizer recommendations.

**4.2.4**

The strategy for recycling nutrients is to use EFB and POME as organic fertilizers. Records of POME and EFB utilization are as follows:

**POME**

Records of POME 2018 implementation are as follows:

Month	Volume Application (m <sup>3</sup> )
Januari	23,703
February	23,505
March	21,513
April	31,442
May	17,954
June	19,240
July	21,518
August	22,673
September	29,622
October	29,865
November	35,493
December	31,005

Based on the results of field visits to block F39 Puhus - 2, it is known that the POME application has been carried out and there is no indication of environmental pollution. The flat bed is in good condition and there are no spills or runoff that spills out.

**EFB Application**

Based on the 2018 quarterly report of the POM - 2 EFB applications to the field are as follows:

- October : 7,090.65 Ton
- November : 7,416.34 Ton
- December : 7,548.38 Ton

Based on the results of field visits to block F51, Division 7 known EFB is applied at a dose of 300 kg / oil palm and placed on interrow and between oil palm. shelf life of EFB from being retailed on the roadside until applied at a maximum of 7 days to minimize loss of nutrients.

**Status: Comply**

**4.3**

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

**4.3.1 & 4.3.2**

Certificate Holder has a detailed soil survey document year 2013 created by the Agro DSN Group R & E department. Soil and land suitability classes are listed in the document. (scale 1: 70,000). In the conclusion section state there is no marginal area in the operational area of the company.

The type of soil identified is sandy clay minerals with a class of S2 (Moderately Suitable) land area of 8,233 hectares or 91% of the total area and the category S3 (Marginal Suitable) covering an area of 767 ha or 9% of the total area. The slope map PT DAN informs 98% area categorized as flat to undulating (0 – 15% slope) and the rest is categorized as undulating to hilly (15 – 25% slope).

The results of field visits to the F51 Division 7 Puhus – 2 block are known to have made individual platforms (*Tapak Kuda*) for plants that have been tilted. The realization of the manufacture of individual platform (*Tapak Kuda*) for 2018 includes

2,923 pieces for Puhus – 3; 3,090 pieces for Puhus -1; and 3,480 pieces for Puhus – 2. Individual Platform conditions are monitored periodically and carried out simultaneously with crop rotation. Information about the individual platform can come from each harvester or responsible.

**4.3.3**

The road maintenance program is listed in the Annual Work Plan for each estate which is then detailed into a monthly work plan. Records of road maintenance for the 2018 period are as follows:

- Road Grader and Compact for Puhus – 1 : Plans for road maintenance 354,306 meters realized 347,475 meters
- Road Grader and Compact for Puhus – 3 : The planned 271 meter realization is 271 meters
- Road Maintenance report for Puhus – 2 period 2018 :
  - Bridges : 111 pieces
  - Box Culvert : 360 pieces
  - Road Grader and Compact : Plans 309,494 meterrealization 309,494 meter

Based on field visit to block G43 Division 6 Puhus – 2 and Block E45 Division 4 Puhus – 1 road still in good condition and can be easily passed by FFB transporter.

**4.3.4 & 4.3.5**

Based on soil survey carried out by the PT DSN research department in 2012 (No.R & E.SVY.0002-11-12 it was found that there were no types of peat soil in the operational area of the company. Soil identified as predominantly sandy clay. In accordance with the USDA classification classified into the Typic Kanhapludults subgroup, Typic Kandiudults, Plinthic Kandiudut, Aquic Udifluvents and Typic Fragiorthods.

**4.3.6**

Based on the detailed soil survey of PT Dharma Agrotama Nusantara made by the R & E Agro DSN Group department as well as the Soil Class Map and Slope Map PT DAN it is known that there is no marginal area in the operational area of the company. The type of soil identified is sandy clay minerals. With slopes of 0-20°.

	<b>Status: Comply</b>	
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**4.4**

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

**4.4.1**

Water management plan for estate and mill is listed on OHS and Environment Work Program of PT Dharma Agrotama Nusantara. The program is routine scheduling for monitoring clean water, river water carried out every 3 months. Company also have work instruction of Riparian River No IK-AGR-SHE-06-R02 which stated that in the area of the riverbanks there should be planting of plants that cover the surface (cover crop) such as vertiver grass.

Company has conducted the result of water testing of Puhus River and clean water which is source of clean water for worker. Based on the result, there is no parameters that exceed the specified quality standard. For example, result for pH, BOD, and COD testing are in threshold. Besides, based on observation to riparian of Kenden Kecil River, it is known that there's the vertifer grass and it maintained well.

**4.4.2**

Company has work instruction of Riparian River (IK-AGR-SHE-06-R02), 17 January 2019. Based on the document, the protection of water bodies is carried out by making signs, determining river boundaries, installing signs on river boundary lines, and determining activities related to river boundaries (weed control should not be done with agrochemicals, manually cleaned dishes, fertilization is carried out by planting, in the area of the riverbanks there should be planting of plants that cover the surface (cover crop) such as vertiver grass.

Based on field observation to Kenden Kecil River at Block G50, Afd 7, Puhus 2 Estate, it is known that there is banned sign of chemical spraying about 27 meter from riparian river and cover crop plants.

**4.4.3**

Company has permit of Land Application No 660/K.261/2017 set on 22 March 2017, valid for 3 years. Based on field observation to land application area in Block F39 Afd 6 Puhus 2 Estate, there is no overflow of wastewater outside the flatbed. Company also conduct the testing for waste water quality conducted by Sucofindo. The tested parameters are BOD, COD, pH, oil and fat, Pb, Cu, Cd, and Zn. Based on the result of testing, all parameters are in accordance with the threshold, for example the result for BOD of September 2018 is 381.00 mg/l and the threshold is 5,000 mg/l. The quality standard used is Environmental Minister Regulation No 28 and 29/2003.

**4.4.4**

The water use for mill process is monitoring in monthly by laboratory assistant. The monitoring showed water usage per month (m<sup>3</sup>). Company also has permit of water resource usage of Sungai Puhus No 265/KPTS/M/2017 21 April 2017. It states that maximum discharge of Puhus River water that can be used is 27.8 liters / second or 45,036 m<sup>3</sup>/month. Based on water use monitoring, water use is in accordance with the permit. For example, water use in October 2018 is 43,853 m<sup>3</sup>, November 2018 is 43,600 m<sup>3</sup> and in December 2018 is 44,934 m<sup>3</sup>.

**Status: Comply**

**4.5**

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

**4.5.1 & 4.5.2**

The IPM plan is listed in the Annual Work Plan which is then detailed into the Monthly Work Plan and Daily Work Plan. The focus of the plan is with EWS, which prioritizes pest detection and census methods. Based on the monthly reports of P & D assistants of PT DAN known that pests that have the potential to cause damage are rat, Tirathaba, Nettle Caterpillar, and Bag Worm. Control methods used to suppress potential pest populations by using all types of controls through the IPM concept.

Biological control methods are applied to control rat are using *Tyto alba* and do the beneficial plant planting of *Turnera Umlifolia* and *Cassia Tora* species as host plants of predatory and parasitoid insects for Palm Leaf Eating Caterpillar control. The application of IPM is basically expected to reduce the use of pesticides. For example brodifacoum to control rat and cypermethrin for controlling Palm Leaf Eating Caterpillar has not been used since 2016 because based on the results of detection and routine census the pest population has not exceeded the control threshold. Pesticides are not used prophylactically. Control with pesticides is only done if the pest population exceeds the control threshold value.

Based on pest observation reports made by P & D assistants for the 2018 period it is known the overall pest attack rate is still below the control threshold. The highest infested area by rat 0.51% is in Puhus – 2. While the highest Palm Leaf Eating Caterpillar rate attack is 0.43 Larva/ Oil Palm Frond. For Tirathaba attack average rate attack is 0.01%. As determined by the research team control threshold for rat is 5%; Palm Leaf Eating caterpillar 5 – 10 Larvae / Oil Palm Frond and Tirathaba 5%.

Biological control by using nest boxes and beneficial plants including the following :

**Nest Box :**

- Puhus – 1 : 98 ; occupation 0%
- Puhus – 2 : 68; occupation 7%
- Puhus – 3 : 70; occupation 0%

Based on periodic observations by P & D assistants state that there are 6 eggs in G43 Division 6 and 4 eggs in nest box division 4 block D 48. However for beneficial plants The types of plants propagated are Turnera Umlifolia and Turnera Subulata. Both types of plants are planted on the right and left side of the road CR and MR. Based on field visits to block E44 division 4 and the G43 Division 6 block found that the beneficial plant and nest box were in good condition. Nest box monitoring is carried out every once a month marked by the observation form of Nest Box Condition.

Records of IPM training carried out during 2018 are as follows :

- Puhus – 1 : December 8, 2018 attended by 20 participants
- Puhus – 2 : December 7, 2018 attended by 24 participants
- Puhus – 3 : Tanggal December 6, 2018 attended by 20 participants.

The training was about the introduction of oil palm pests and plant diseases, methods of observation, and how to control them. Based on the results of interviews with PT DAN P & D officers they have been able to explain the flow of pest detection and control thresholds for each potential pest and how to control it.

**Status: Comply**

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

**4.6.1 & 4.6.2**

The company's policy on safety in using chemicals is regulated in several procedures as follows:

- IK – AGR – OLP – 15 – R02; Weeding Control on Mature and Immature
- IK – AGR – OLP – 16 – R02; Dosage and Applicator of Pesticides
- IK – AGR – OLP – 17 – R01; Handling on Pesticide

The procedure includes explaining the dosage of pesticide application, storage, mixing, application method, target weeds, PPE completeness and handling of tools and materials after use. Information about target weed types has also been described such as glyphosate for Broad and Narrow Leaf Weed and Fluroxypyr for controlling Narrow Leaf Weed.

Steps taken to avoid the development of resistance include the application of pesticides that are right on target, on the right dosage, and on time. In addition, rotation of the use of different active ingredients is also expected to be able to reduce resistance. For example the use of Glyphosate is interspersed with the use of Fluroxypyr.

A list of all types of pesticides is listed in the pesticide usage report and pesticide application program for the period 2019. The types of pesticides used are Glyphosate, Fluroxypyr, and Methyl Metsulfuron. Based on verification to the pestisida.id site belongs to the Directorate General of Facilities and Infrastructure of the Ministry of Agriculture of Indonesia regarding the recapitulation of product licenses, it is known that all the pesticides used by the company are still valid.

Records of the use of PT DAN pesticides in 2018 according to the Plantation Head PT DAN annual report are as follows:

**Semester I (Puhus – 1, Puhus – 2, Puhus – 3)**

Active Ingredient	Application (ha)	Amount	Number of a.i	a.i/ha
Glyphosate	14,471 ha	3,400 liter	1,632	0.112 liter/ha
Methyl Metsulfuron	4,721 ha	124,000 gram	24,800	5.25 gram/ha
Fluroxypyr	6,895 ha	156 liter	74.88	0.010 liter/ha

**Semester II (Puhus – 1, Puhus – 2, Puhus – 3)**

Active Ingredient	Applocatio n(ha)	Amount	Number of a.i	a.i/ha
Glyphosate	15,730 ha	2,580 liter	1,238.4 liter	0.48 liter/ha
Methyl Metsulfuron	11,831 ha	188,000 gram	37,600 gram	3.17 gram/ha
Fluroxypyr	3,383 ha	89 liter	42.72 liter	0.012liter/ha

Information about the LD50 is listed on the MSDS of each product. Based on information from the Estate Head of Puhus – 2 and Puhus – 1 it is known that the application of pesticides is mainly for weed control, in one year it is attempted to get 2x rotation while for pest control based on the control threshold value

Based on field observation to block E44/45 Division 4 Puhus – 1 and block G43 Division 6 Puhus – 2 spray workers have been able to explain how the application of pesticides is exactly the right dosage and the target and how to work safely both for themselves and for the environment. For example circle and path spraying used glyphostae mixed with Methyl Metsulfuron with application dose 60<sup>cc</sup> / Knap Sack.

#### 4.6.3

IPM programme described on Annual and Monthly Estate Budget of PT DAN. The implementation of the plan includes the existence of a special P & D Assistant who makes routine reports every month regarding pest detection within the company's operational area. Potential pests identified from their observations routinely carried out every month are rat (Threshold Value 5%); Tirathaba (Threshold Value 5%); and Palm Leaf Eating Caterpillar (Threshold Value 10 larvae / Oil Palm Frond).

Based on the list of pesticide uses for the 2018 period, it is known that the use of pesticides for pest control has been minimized such as the absence of the use of rat baiting and Palm Leaf Eating caterpillar controlling pesticides. This is because in the current year the results of pest detection show that the pest population is still below the control threshold.

In addition, the implementation of biological control using owls and the beneficial plant is also expected to be one of the alternative controls that can suppress pest populations so that they do not always depend on chemical control.

#### 4.6.4

The Certificate Holder can show a complete list of WHO group 1A and 1B pesticides through the EHS team and control documents. There is a letter of Internal Correspondence no 0091 / OPS / XXI / 2012 from Region Kaltim Head 1 & 2 to all Plantation Head and Estate heads on November 30, 2012 regarding the use of Paraquat chemicals which were eliminated in 2013.

During period 2017 and 2018 there is no use of paraquat and 1a and 1b WHO pesticide. Based on field Visit to Puhus – 1, Puhus -2, and Puhus -3 chemical storage known Pesticide stock is in accordance with the warehouse card. The types of pesticides used are glyphosate, Methyl Metsulfuron, and Fluroxypry.

#### 4.6.5 & 4.6.7

The procedure for handling pesticides is explained to IK – AGR – OLP 17 – R01 concerning Handling Pesticides. The realization of the training on how to apply and handle pesticides includes the following:

- August 21, 2018 was attended by 9 Puhus – 1 spray workers.
- On August 21 2018, 10 Puhus – 2 spray workers participated
- August 20, 2018 followed by 8 Puhus – 3 spray workers

The speakers were representatives of PT DOW Agrosiences and PT DUPONT as pesticide suppliers. The material provided includes how to handle pesticides, application dosages, storage and calibration of spray equipment, and introduction of weeds. The spray team is a special person who has received regular training on how to apply and handle pesticides. The spray team is equipped with PPE according to the risk requirements such as a helmet with a face shield, a mask of a respirator, apron, boots, and must wear a long-sleeved shirt with a pair of pants.

Based on interview with the Puhus-1 and Puhus-2 spray team are known if the PPE damaged will immediately be replaced with the condition of bringing the damaged items to the leadership to be subsequently exchanged for new ones. Every morning the completeness of PPE is checked by the foreman. Mixing pesticides is done in a special place (rinse house) so that no pure pesticides are brought to the field. Pesticides are brought to the field using mixing tanks equipped with scattered container and clean water tanks.



Pesticide tank transport trucks are distinguished from trucks to transport workers so there is no risk of exposure to chemicals during the process of transportation both to workers and the provision of food brought.

**4.6.6**

Company has procedure for waste management of agrochemical packaging listed on Procedure of Hazardous Waste Management No IK-AGR-SHE-09-R02. It states that used agrochemical packaging is rinsed 3 times before being put in to the storage. Based on field observation to agrochemical storage, it is known that agrochemical is kept separated with other material. Based on field observation to hazardous waste storage in POM 2, Puhus 1, Puhus 2 Estate, worker housing complex afdeling 3 Puhus 1 estate, and landfill in Puhus 1 Estate, it is known that there were no use of used agrochemical packaging re use for another purposes such as garbage basket and plant pot.

**4.6.8**

Based on information and interviews with spray workers and accompanying staff it is known that there has never been an application of pesticides through the air. In addition, the results of field visits to warehousing equipment and pest control materials were also not found in facilities and infrastructure to apply airborne pesticides.

**4.6.9**

Information about handling pesticides can be seen in the MSDS of each product also discussed in IK – AGR – OLP – 17 – R02 about handling pesticides. The results of interviews with the Puhus – 1 spray team (2 people) and Puhus – 2 (7 people) workers have been able to explain well about handling pesticides, PPE used, and how to store.

Training on pesticides has been described in 4.6.5 and 4.8.1

**4.6.10**

Company has work instruction for Hazardous Waste Handling No IK-AGR-SHE-09-R02. Based on field observation to Hazardous waste storage in Puhus 1 Estate, it is known that used pesticides packaging is disposed in the storage. No use of used pesticide packaging for other purposes was found.

Based on interview with officer of chemical and hazardous waste storage, all used chemical packaging will be stored in hazardous waste storage after rinsed. The water used for rinsing can be reused as water mixing for chemist activity. The storage officer understand about management of used pesticides packaging. Company has work instruction for Hazardous Waste Handling No IK-AGR-SHE-09-R02. Based on field observation to Hazardous waste storage in Puhus 1 Estate, it is known that used pesticides packaging is disposed in the storage. No use of used pesticide packaging for other purposes was found.

Based on interview with officer of chemical and hazardous waste storage, all used chemical packaging will be stored in hazardous waste storage after rinsed. The water used for rinsing can be reused as water mixing for chemist activity. The storage officer understand about management of used pesticides packaging.

**4.6.11**

The company regularly have a medical examination for pesticide operator. Puhus 1,2 and 3 Estate has a list of the latest pesticide operator as many as 51 workers. All spraying workers has examined health through inspection types of cholinesterase and spirometri, to ascertain the condition of workers in good health. This semester examination was conducted in 22 November 2018 for all units. Examination results stating that all workers spray are in a healthy condition. Auditor conduct interviews with spraying workers and they admit that they have not been exposed to skin disease and itches because they always use PPE while working.



4.6.12

The company has a policy that prohibits pregnant and breast-feeding personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor breast-feeding female personnel who work with pesticide. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breast-feeding.

Status: Comply

4.7

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

4.7.1

The company has had a policy of occupational safety and health were written in Bahasa. The policy has been legalized on 01 December 2010 by CE AGRO. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (P2K3) every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the regular meetings to assess effectiveness.

Interviews were conducted to estate workers (harvester and pesticides applicator) and mill workers (boiler operator, engine room operator, etc). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

4.7.2

The company shown the document of hazard identification, risk assessment and risk control which issued on January 2019. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at boiler and engine room in POM-2, it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

The results of each employee's health examination have been properly stored. Last medical checkups conducted in November 2018. The result of medical test showed that workers were in good health and fit to work. The auditor has interviewed mill employees exposed to high noise such as boiler employees and engine rooms who have used a complete hearing protection device according to risk analysis, namely ear muff and ear plug. There is no complaints from employees exposed to high noise exposure.

**There are opportunity for improvement, which is of: OFI 2.**

- Re-ensure the monitoring regarding the use of PPE for contractor workers.
- Re-ensure the monitoring of the discipline of the use of PPE that has been provided by the company in accordance with risk identification.

4.7.3

Based on documents verification and interviews, it is known that all operators at POM-2 and Puhus Estate already have lisencc such as boiler operators, lift carrier operators, welders and electrical technician. The management unit has had the training plan for workers exposed to high noise levels such as training of procedure, socialization of HIRAC and safety briefing before work.

Based on field visits and interviews with workers, the company has provided PPE to workers. PPE for type of glove, ear plug, ear muff, helmet, apron, googles and safety shoes can be replaced immediately if damaged. This is evidenced by shown the recording of PPE distribution documents to the workers and the workers recognition from interviews also confirmed it.

**4.7.4**

The company already has persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (P2K3) established in each management unit. The P2K3 team has received approval from the Head of Manpower and Transmigration of the Province of Kalimantan Timur and the P2K3 secretary is a certified occupational health and safety expert.

The organization routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting were recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident analysis, report, fire simulation, checking of emergency response equipment, OHS sign board, safety patrol, etc.

**4.7.5**

The company has Emergency Management and Work Accident Management Procedures (SOP-AGR-037-R01). The procedure has explained the handling of accidents from reporting to up-ordination. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in the mill and the result of the experiment was concluded that the hydrant tool is ready for use.

POM-2 and Puhus Estate has already licensed first aid officers and there was first aid internal training conducted on 9 to 11 April 2018 by Labour Ministry . Management unit also has a first aid kit in each unit and based on observations, it's concluded that the contents in the first aid box are sufficient. There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers.

There were work accidents in POM-2 last previous license period is 2 work accident with 1 day lost work and the number of work accidents in PT DAN was 3 work accident with 44 day lost work. All work accidents have been reported to BPJS and the labor agency.

**4.7.6**

Based on the Company Regulation that workers have the right to receive medical care and be protected by the accident insurance company. The management unit show proof of payment of Health and Employment Workers Social Security Agency (BPJS). Payments are made every month by percentage according to the regulation.

Based on interviews with PU1, PU3 and POM-2 employees, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health BPJS card, if they went to a company clinic there was no fee at all. Based on interview with contractor representative, it is known that the accident insurance for contractor's workers is covered by the head of contractor itself.

**4.7.7**

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of non effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of SR and FR is reviewed regularly and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety.

	<b>Status: Comply</b>
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**4.8**

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

**4.8.1 & 4.8.2**

A list of staff and employees is managed by the PGS (Personal General Service) section. There is no scheme of plasma farmers in PT DAN. Certificate Holder shows Training Schedule of Staff and Employee Muara Wahau region DSN Group

SBU – Agro 1 including the following:

**Employee**

Training	Trainer	Plan	Attendance
ISO, RSPO, ISPO, ISCC	Agus S	Jan – Des	342
Pesticide	Vendor	February and July	43
SCCS	Yudistira	February and July	26
Fire Fighter	Yulianto	Jan – Des	322
DSN Value	Plantation Head	Feb, Apr, Sep, Nop	84

**Staff**

Training	Trainer	Plan	Attendance
Negotiation skill and CSR mediation	IGN	Jun, Sept, Des	42
Montesori	Vendor	Feb, Jun, Des	8
ISO, ISPO, ISCC, RSPO	AGB	March, April, Mei, July, November	143

**Contractor**

- SCCS; February and November 2018; attendance 5 people
- OHS & HSE; April and June 2018; attendance 5 people
- Awareness of RSPO, ISO, ISCC, and ISPO; August and September 2018

In addition to the training plan as mentioned above, there are also OHS and HSE training plans which include explaining occupational health and safety in the work environment. Training and socialization are programmed to be carried out every month and quarterly. examples of planned socialization such as working in noisy areas, inspection of PPE, and damaged PPE replacement

Training records are stored by the Learning Center department. The frequency of training varies from weekly, monthly, and annual.

Examples of training recordings that have been carried out are as follows:

- Puhus – 1 spray team;
  - Spray training and pesticide management: August 2016 (9 participant), August 2017 (9 participant), and August 2018 (9 participant)
  - K3L Training: 4 November 2017 (3 participant), 3 April 2018 (2 participant)
  - Basic First Aid: June 6, 2018 (2 participant)
- Puhus – 2
  - Introduction of ISPO, RSPO, and ISCC on 18 April 2018 (7 participant)
  - How to care for children for TPA officers on 11 January 2018 (3 participant)
- Contractor :
  - ISPO and RSPO socialization on 13 January 2018 attended by 7 people
  - SCCS socialization on 17 March 2018 attended by 5 people.
- OHS & HSE training :
  - OHS application in Palm Oil Mill. On March 21, 2018 attended by 15 participant
  - Socialization PPE in Palm Oil Mill (Ear plug, Ear Muff, Safety Shoes, Mask, and Safety Goggles) on May 2018 attended by 30 participants

**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 owned by the management unit is:

**POM 2**

Environmental Management Effort – Environmental Monitoring Effort (UKL – UPL) which endorsed by AMDAL Commission on 16 March 2009 No 332/660.1/2.1/LH/III/2009.

**PT. DAN**

Environment Impact Assessment which endorsed by AMDAL Commission on 23 October 2009 No 188.4.45/674/HK/X/2009. The assessment is covering ±10,000 Ha of PT DAN.

**5.1.2 & 5.1.3**

Environment management/monitoring plan for PT DAN and POM 2 is in accordance in Environment Management/Monitoring Plan and Environment Management/Monitoring Effort document. The plan is still relevant, there is no revision towards management and monitoring plan. The implementation of management and monitoring plan then reported to related agency every 6 months. The PIC for environment management is Environment and OHS assistant.

Based on monitoring result, there's some that exceed the standard determined. For example for noise test period September 2018, noise level in all monitoring point is exceed the standard. To handle this matter, company provided all worker who work in high noise level area with ear muff and ear plug.

**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.**

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

HCV area that identified and stated in HCV report is 128 Ha identified as HCV 1.2. However, there also HCV area such as river which identified as HCV 4.1 but the area is not stated in report as much as 368 Ha.

**5.2.2 & 5.2.4**

Company has HCV management plan for 2019 (January - December 2019) as follows:

- HCV monitoring
- Safeguarding high conservation value areas
- Enriching conservation plants in conservation areas
- Management of potentially high erosion areas
- Monitoring the river quality of high conservation value
- Socialization of conservation & forestry

The implementation of HCV management plan for PT DAN for period of 2018, for example:

- Protected animals monitoring period of December, identified animals such as honey birds, forest crows, and others.
- Monitoring the Fauna of Conservation Forest Areas Block VIII on 10 December 2018. It is monitored faunas in conservation areas and condition of the forest. based on the monitoring, the forest is still in good condition.

Based on monthly monitoring, spotted endangered species. Company also has management plan to protect this endangered species by monitoring and protecting the forest area. Input for management plan 2019 is from relevant

management plan in 2018 and recommendation from HCV report.

**5.2.3.**

Company has socialized the protection toward RTE species, for example wildlife mitigation training on 1 and 2 November 2018 by BKSDA, attended by 9 participant from PT DAN.

Based on interview with worker in Puhus 1 and 2 Estate, it is known that they understand about HCV and prohibition of capturing the protected animals. Based on field observation to housing complex in Puhus 1 and Puhus 3 estate, did not found RTE animals.

**5.2.5.**

Based on field visits and interviews with the local community (Dabeq and Benhes Village), 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**

Company has identified the source of waste and pollution for POM 2 and PT DAN, as follows:

PT DAN

- From generator room: used filter, used oil, contaminated rags
- From spraying activity: used herbicide packaging,
- Workshop: used oil, used filter, contaminated rags
- Herbicides storage: used herbicides packaging
- Clinic: used gloves, used needle, spuilt, ampule, & vial
- Manuring activity: used fertilizer packaging

POM 2

- Sterilizer station: condensate
- Clarification station: sludge
- Boiler: water
- Sludge pit: sludge
- Hazardous waste storage: hazardous waste

**5.3.2 & 5.3.3**

Company has hazardous waste storage in mill and estate. The permit of Hazardous Waste Storage in POM 2 is in accordance with Decree of Kutai Timur Regent No 660/K.521/2016 on 11 July 2016. This permit valid for 5 years. Based on field observation in hazardous waste storage in mill and estate, the waste is placed accordance with its kind. There also symbol and label for each characteristic of waste.

The waste is collected by the transporter of hazardous waste (PT Sumber Rezeki Abadi) with agreement letter No 007/DSN/JKT/2019 and valid until 31<sup>st</sup> December 2021. As for infectious waste, it is collected by PT Kaltim Medika Utama with agreement No 0009/OS-KP/SKE/VII/2018 and 048/KMU-KSU/PKS-LK/VII/2018. Document of hazardous waste transporting is in form of minutes of meeting of handover and manifest. All hazardous waste management is documented and reported to related agency regularly.

The latest despatch of hazardous waste of POM 2 is 15<sup>th</sup> January 2010, among others:

- Manifest No.KLH-8644000000681U for electronic waste as much as 2 kg
- Manifest No.KLH-8644000000679U for used filter as much as 4 kg
- Manifest No.KLH-8644000000677U for used chemical packaging (used paint) as much as 16 kg

- Manifest No.KLH-8644000000676U used chemical packaging (chemical packaging) as much as 294 kg
- Manifest No.KLH-8644000000678U for used hazardous waste packaging (used oil) as much as 96 kg
- Manifest No.KLH-8644000000680U for used lubricant as much as 182.5 kg

The latest despatch of hazardous waste of PT DAN is 5 November 2018, among others:

- Manifest No.KLH-8644000000536U for used filter as much as 43.8 kg
- Manifest No.KLH-8644000000537U for used rags as much as 10.4 kg
- Manifest No.KLH-8644000000535U for used hazardous waste packaging as much as 257.65 kg
- Manifest No. KLH-8644000000534U for used lubricants as much as 716.45 kg

As for domestic waste, it disposed separately between organic and anorganic waste. Based on field observation to Puhus 1 Estate, it is known that organic waste is used for composting and an organic waste is disposed to landfill. There is no waste burning in housing complex Afd 3. The secure landfill is monitored well by the officer. And there is no trace of waste burning is the area of secure landfill (for composting purpose). The officer for landfill has received training for environmental aspect.

**Status: Comply**

#### 5.4

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

Based on document review of efficiency use of fossil fuels for 2018, it is known that:

- Processed FFB is 259,257.621 ton
- Power used for generator is 614,312 KWh and for turbine is 6,221,880 KWh
- Fuel use for generator is 0.89 L/ton FFB
- Estimated fuel use for turbine is 59.62 L/ton FFB

The turbine using steam power coming from boiler and the boiler fuel derived from shell and fiber. So, based on data above, it is known that the efficiency of fossil fuel from renewable energy is as much as 59.62 Ltr/ton FFB.

**Status: Comply**

#### 5.5

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

##### 5.5.1 & 5.5.2

Based on field observation in Puhus 1 & 2 Estate, there is no burning activities in estate. Company has policy about prohibition of burning activities in estate listed in Sustainability Policy. Besides, there is no new land clearing activities based on document and field observation.

**Status: Comply**

#### 5.6

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

##### 5.6.1 & 5.6.2

Company has identify emission source of greenhouse gas, such as solar usage, vehicle exhaust, and emission from process activity in mill such as water process, lubricants, and chemical material. Mitigation plan for greenhouse gas as follows:

- Energy efficiency
- Planting trees in the POM environment
- Vehicle exhaust testing
- Preventive maintenance machines

The implementation for mitigation program, for example:

- The use of fiber and shell for boiler fuel. There is monitoring of fiber and shell usage every month. Total of fiber usage is 32,925,717 kg and shell is 14,259,169 kg.



- Noise level test at some station in mill. The last noise level test is conduct on September 2018, the result of noise levels showed that the level in nut plant, generator set, tippler, boiler, sterilizer, press, clarification, and loading ramp is exceed the standard. To handling this noise, company conduct audiometry test to worker who work in high noise area regularly and provided PPE (ear plug and ear muff) to all worker. Based on audiometry test, the hearing ability for all worker is still normal.

The company has been testing of smoke emission in the boiler machine and generator machine for semester I & II/2018 on accredited laboratory. The test result in accordance with government regulation (*Peraturan Menteri Lingkungan Hidup No 07/2007* (Boiler) and *Peraturan Menteri Lingkungan Hidup No 13/1995* (Generator)).

The smoke density is not available in parameter required in regulation, however the particulate and opacity of smoke emission is monitored. The opacity of Generator for the latest test was 9% and 7 % (threshold limit is 35% in accordance with *Peraturan Menteri Lingkungan Hidup No 13/1995*) and 18% & 16% for Boiler (threshold is 30% according to *Peraturan Menteri Lingkungan Hidup No 07/2007*). The particulate of Generator for the latest test was 42.13 mg/m<sup>3</sup> and 63.80 mg/m<sup>3</sup> (threshold limit is 350 mg/m<sup>3</sup> in accordance with *Peraturan Menteri Lingkungan Hidup No 13/1995*) and 93.15 mg/m<sup>3</sup> & 96.17 mg/m<sup>3</sup> for Boiler (threshold is 300 mg/m<sup>3</sup> according to *Peraturan Menteri Lingkungan Hidup No 07/2007*).

Mill does not have the Ringelman Smoke Observation Chart. The smoke emission monitoring conducted by periodical testing. The latest test was conducted on October 5 2018. Based on the test, all parameter is under threshold limit.

**5.6.3**

Company has monitored and calculate the significant emissions and pollutions annually using RSPO palmGHG calculator, for period of 1 Jan – 31 Dec 2018 describes as follow (calculator ver 3.1):

Summary of Net GHG Emissions

Emissions / product	tCO <sub>2</sub> e/t Product	Ext	%	Prod	ton/year
CPO	0.58	OER	23.93	FFB Processed	259314.86
PK	0.58	KER	3.86	CPO Produced	62042

244469.46

Land use

Land Use	ha
OP planted area	16706.96
OP Planted on peat	0
Conservation (forested)	128
Conservation (non-forested)	368

Notes : conservation areas area are included forested riparian on planted areas

Summary of Field Emissions and Sinks

	Own Crop			Group		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/ t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/ t FFB
Land conversion	33841.6	4.72	0.17	13391.2	9.83	0.33
*CO <sub>2</sub> emissions from fertilizer	13725.71	1.8	0.06	2236.82	1.6	0.05
**N <sub>2</sub> O emissions	9488.57	1.21	0.04	1261.95	0.9	0.03
Fuel consumption	1379.59	0.18	0.01	291.13	0.19	0.01
Peat Oxidation	0	0	0	0	0	0



Crop sequestration	-72386.62	-9.36	-0.33	-12693.14	-9.36	-0.31
Conservation Sequestration	-1153.53	-0.13	0	0	0	0
Total	-15104.5	-1.58	-0.06	4487.96	3.15	0.1

Summary of Mill Emissions and Credits

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	50830.1	0.2
Fuel consumption	1301.69	0.01
Grid Electricity Utilisation	0	0
<b>Credits</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	52131.79	0.2

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

POME Diverted to Anaerobic Digestion:

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

Based on document review for example production data, HCV identification, etc, the data use for GHG calculation is accurate.

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 and 6.1.2**

Social impact assessment was conducted in October 2011 by Daemeter Consulting involving local communities. Based on the SIA identification report, the impacts identified include population relocation, land clearing and acquisition, occupational safety and health, community perceptions of the company, community health, employment for the community, potential social conflicts, improved approaches, increased human resource capacity and smallholder development.

Social impact assessment conducted with participation from stakeholder, such as in Benhes Village on 14 October 2011 attended by 15 participants and in Dabeq village on 15 October 2011 attended by 28 participants.

**6.1.3, 6.1.4, and 6.1.5**

Company has social management and monitoring plan for 2019. The implementation of management and monitoring report:

- Recruitment announcements are open and socialized to Benhes and Dabeq village

- Priority for the village community in recruiting workers,
- Based on labor statistics from PT DAN's PGS (personal general service), up to December 2018 there were 948 local employees out of 1,093 people.

Company has reviewed the management and monitoring plan period 2017 – 2018 on January 2019. The review has include participation from stakeholder by distributing questionnaire to community of Benhes and Dabeq Village. Social impact assessment has include smallholder.

Based on interview with representative of Benhes and Dabeq Village, it is known that Company has involved villagers in their management social impact. There is no issue which is not identified in social management and monitoring plan. Relationship between company and villagers goes well.

**Status: Comply**

**6.2**

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

**6.2.1, 6.2.2, 6.2.3**

The company has procedure of communication and consultation that contained in SOP Communication and Consultation, document No. 0215B/SWA-CSR-WHU/VI 2012. The documents explains the procedures for the company and the surrounding community, NGOs and organizations / other local individuals to communicate and consult for the common interest, solving the existing problems, in order to achieve a good dialogue and deliberation, as well as acceptable by all parties. Management and company that manage the partnership have list of stakeholders. All the records of communication from stakeholders and records to respond stakeholders is kept in data base administration of CSR department and recorded in the external incoming mail book. The time period to respond information request is 4 working days. Based on verification document and interview with external stakeholders, management always responds the information request no longer than 4 working days. This is based on Employee Complaints Handling Procedure (No.SOP-AGR-054-R02, July 3, 2017) and External Complaints and Complaints Handling Procedure (Number: 044-R01, July 3, 2017). Delivery period of response no later than 4 days after letter received by CSR department.

Based on interview with villagers they have understood mechanism of communication and consultation. Normally, head of the village or communities will send a letter as a form of communication. For example, letter from Wehea village to request for accommodation, mail received by the company on the date 6th February 2018 and have responded by the company on 8<sup>th</sup> February 2018.

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

**Status: Comply**

**6.3**

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

**6.3.1**

The company has Procedure Handling of Employee Complaints (Number: SOP-AGR-054-R02, July 3, 2017) and External Complaints and Communication Procedures (Number: 044-R01, July 3, 2017). One of the revised matters in the SOP is the complaint response period which is 4 days. This procedure explain the process of delivering and handling complaints and grievances internally and externally. In the SOP also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external. Responses to the complaint and dissatisfaction is given as soon as possible and no later than 4 days after the issue received. Based on interviews with management, if there is no solution in the complaint mechanism, can be brought to the RSPO Complaint System.

Based on interviews with employees, village representatives, and union leaders, it is known that they have understood the mechanism to complaint. This is effectively implemented where every complaint can be submitted verbally / written through the chairman of the union to be discussed later in bipartite routine meetings. In addition, employees can also convey complaints through direct supervisors or through complaint boxes available throughout the division / estate office.

**6.3.2**

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

- Complaints related roads Diaklay to Dabeq village damaged, CH and has been responded by the company on April 16, 2018 there letter of road maintenance.
- Logbook of complaint contains fixes for power outage in housing complex and has been respond and also fixed by company on 19 April 2018.

**Status: Comply**

**6.4**

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

**6.4.1, 6.4.2, 6.4.3**

There are changes to procedures for identifying legal, customary or use rights, and procedures for identifying those entitled to compensation listed in the SOP of Land Acquisition No. SOP-AGR-071-R02 dated August 1, 2017 which explains the process of land transfer must follow FPIC guidelines, a survey and mapping should be carried out jointly, conduct socialization regarding land management plans till how to make land compensation by negotiation.

On HGU Decree No. 85-HGU-BPN RI-2008, dated December 31, 2008, explained that the results of B Committee dated July 5, 2007 with minutes meeting No. 06 / RPT-PAN.B / VI / 2007, explained that:

- The status of HGU area of PT Dharma Agrotama Nusantara is State land with convertible Forest status that has been released by the Ministry of Forestry to PT Dharma Agrotama Nusantara with Forest Area Release Permit No. SK.129 / MENHUT-II / 05, dated May 23, 2005, total areal: 10,867 Ha.
- The land is free from community ownership as referred to the Statement of the Head of the Benhes Village and Head of the Muara Wahau Village on June 29, 2007. The document explains that the area of the company does not owned by the community to cultivate or managed.

Based on interviews with representatives of the Benhes and Dabeq Villages, it was explained that there was no compensation for land in the company area, because the area was formerly the Forestry Company in the same group. In addition, there is no land dispute in the company's area.

**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**

The company has Letter from direction No.561/K.555/2018 about minimum wage of Kutai Timur District. It is said that minimum wage of all workers is based on Governor Decision about Minimum Wage of Kutai Timur District 2019. Company could present the payment receipt of minimum wage as indicated in personnel salary list.

Company can show employee salary list of PT DAN and PKS2 during assessment in accordance with the decision of the Governor of Kalimantan Timur Province of Minimum Wage 2018. Examples of salary documents in December, 2018.

PT DAN with employee code number 0008140 with 25 working days with total basic salary paid of Rp 2,768,052.- or Rp 107,150 per day.

Based on document review known the company have paid overtime in accordance with that specified in the Company Regulation. The results of interviews with workers in POM-2 for example at the security and harvester Puhus Estate known that the workers have earned wages and overtime has paid in accordance with the applicable regulation.

Based on the explanation of the harvesters and boiler operators on working hours, it is stated that workers work from Monday to Thursday and Saturday from 6 am to 2 pm with 1 hour break. While on Friday hours work from 6 am to 12 pm with 1 hour break. So the total working hours is 40 hours in 1 week according to Law No. 13 of 2003 Article 77. For Mill workers the shift system applies and if there is any excess of working hours than it should be, then the calculation of overtime pay refers to Decree of the Minister of Manpower No.102 of 2004 Article 11.

The auditor has verified payment of wages to contractors and is in accordance with applicable regulations.

### **6.5.2**

Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage.

Company Regulations are available for each company who describes about Recruitment, placement, transfer and promotion of workers, The rules of the company, Remuneration Social Security / workers welfare, holiday leave and permission to leave the job, Education and training of workers, work termination.

Company Regulations have been approved by the Directorate General of Industrial Relations and Labor Social Security in accordance with existing regulations and written in Bahasa. The company rule has been communicated to all employees which is prove by evidence from the results of interviews with POM workers who know about the provisions stipulated in the company regulations, that is one of them related to right of leave for workers.

In other that based on interviews with worker and document verifications obtained information if daily workers has had a direct work agreement with the company. The same thing is also demonstrated in contract employee. The employment contract is in a language under stable, written in Bahasa and the copies are available for both parties, (the workers and company). Based on the interview with employees is known that the employee has had a copy of the work agreement and has understood the agreement.

There is no significant obstacles related to employment or violations of Company Regulations. For example for the harvesters works daily based in 7 working hours. CH provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned more than the minimum wage.

### **6.5.3**

Company provides the facilities for worker welfare such as housing, polyclinic, clean water, sport yard, education facilities, worship venue, and access to electricity. Based on field observation in Puhus 3 Estate housing, it is known that the facilities and infrastructure are in good condition. The availability of electricity comes from the Generator. Beside education facilities, company also provide school bus to children transportation.

Based on the interview with employees and labor union representatives known that whole infrastructures provided by company has been adequate and well facilitated.

### **6.5.4**

The management unit has been able to demonstrate an effort to improve workers' access to food was decent, fairly and at affordable prices through the provision of cooperative activities in the provision of basic needs for employees. In addition

to the time payday there are incidentally market. And also base on interview with women workers in estate and mill, they were explain that traditional market are near from housing complex. Based on field observation and interview, it is known that worker buy the staple food to the market in near from the estate.

**Status: Comply**

**6.6**

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

**6.6.1 and 6.6.2**

The company policy that provides freedom of association contained in the Company Regulation of the Period of 2017-2019 states that workers' right to form a union, a member / leader of the union, a member or head of union workers under the terms of the applicable government regulations. The company regulations were drafted in the Bahasa that is easily understood by workers. Based on interview with Head of Labor Union PT DAN and PKS2, mentioned that company has facilitated the establishment of worker union and personnel understand the function of worker union.

Company consistently applies freedom of association with the formation of workers unions in each company (PT DAN). Each committee of union were listed in Labor and Transmigration Agency in Kutai Timur Regency in accordance with regulations.

The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the unions. Labor union conducts meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on December 31<sup>st</sup> 2018 about discussion of the counseling new employee on the use of PPE. These documentation is available for member and placed at each unit.

Based on interviews with DSN POM Group Workers Union representatives that some security members on the DSN group began to resign from union membership. Based on the explanation from security from POM-2, the security team had received training where one of the material in the professional training of security officers had to be neutral and not take sides with one of the interests. However, after it was confirmed to the management, it was explained that there was no company policy that prohibited security from associating / becoming a member of a union. The explanation above provides opportunities for improvement by companies to provide understanding to security employees regarding the right to freedom to become members of Worker Unions. **OFI.**

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1**

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

Based on field visit on harvesting activity block C31, Afdeling III (PU1 estate), there is no harvester accompanied by their child during their work.

**Status: Comply**

**6.8**

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

**6.8.1 and 6.8.2**

Policy regarding equal opportunity and treatment for work contained in the document which signed by Human Capital



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

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

**6.8.3**

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

Interview with HCD Department submitted that the selection process and recruitment of candidates is done in accordance with the applicable procedures in the company, starting from the signing of the agreements, the evaluation of the performance, until the appointment becomes permanent workers. There is a sample for employee performance evaluation such as evaluation of probation period for harvester in May, 2018.

**Status: Comply**

**6.9**

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

**6.9.1; 6.9.2 and 6.9.3**

The company have a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. The policy contained in Company Regulation clause 12. It explains that every worker is entitled to receive protection against sexual harassment in the workplace and Sexual harassment is an offense and if convicted of sexual abuse offenders will be penalized in accordance with applicable regulations. The committee gender has socialized to the employees, for example on January, 9 2019 and the representatives of the committee gender are available in each division.

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

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

The results of interviews workers for example spraying teams, warehouse officers, weighbridge are known to be aware of the grievance mechanism. Related complaints of sexual harassment (women's issues) can be submitted to the gender committee.

**Status: Comply**

**6.10**

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

**6.10.1 & 6.10.2**

Based on information from representatives of POM-2 staff, weight bridge officers, and FFB data entering for 2018 period known there is no FFB received from other source. FFB processed by POM -2 comes from main estate or other estate that are under DSN group (RSPO certified).

**6.10.3 & 6.10.4**

Certificate Holder does not have smallholder scheme or cooperate with other parties for procurement of FFB. The type of



cooperation carried out is in the case of transporting CPO and FFB. Examples of contracts and proof of payment shown are as follows:

- CPO Transport : Addendum I No 015/DSN/PKS2/2018 dated 04 June 2018 valid until December 31, 2018 between PT DSN and H.Mirwansyah. The agreement regulates the type of work and the value of the contract, the method of payment, the obligations of the parties, taxes, OHS, and the anti-bribery clause. There is evidence of CPO transport payments for the December 2018 period which is indicated by receipts of payment that have been signed by the contractor. The value paid has been in accordance with the billed value.
- FFB Transport : Addendum I No 013/DAN/PU1/2018 dated 04 June 2018 valid until 31 December 2018. The agreement regulates the type of work and the value of the contract, the method of payment, the obligations of the parties, taxes, OHS, and the anti-bribery clause. There is evidence of FFB payment in the period of December 2018 which is indicated by a payment receipt that has been signed by the contractor (Receipt number 0257 / DAN21 / 11/2018. The value paid is in accordance with the billed value.

Based on interviews with representatives of FFB transport contractors it is known that contracts are made based on the agreement of all parties without any coercion and are made in two copies to be kept by each party. In accordance with what is stated in the employment agreement, the payment is stated by Bank transfer. Transaction recording / documentation can be seen in the invoice document submitted by the contractor and then verified and approved by PT DSN and PT DAN. The results of interviews with representatives of FFB transport contractors are known that payments have been made in a timely manner and in accordance with the value of the agreement.

**Status: Comply**

**6.11**

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

**6.11.1**

Stakeholders meeting are conducted on 2018 (February and October) to identify the needs and priorities of local communities development. PT DAN and DSN group has contributed to local development throughout community development Corporate social responsible program. The contribution done by company as follows : comparative study, thematic workshop on local contractor development, assistance with heavy equipment (grading and compact), Village teacher honorarium assistance, assistance for village learning house management fees, kindergarten management assistance, Village school child transportation, procurement of books and Internal Learning Home equipment, community transportation, Erau's assistance, sorrow donations, Eid al-Adha sacrifice assistance, youth organization development, and sports facilities.

Generally PT DAN-DSN group shown local communities development by local contractor engagement, taxes payment for central/local government, local workers recruitment, and annual CSR programme by each estates.

Interview with representative of Benhes and Dabeq village leader obtained information that affected parties surrounding company are participated and involved based on consultation with local communities when company determined CSR priorities.

**6.11.2**

From the period of ASA-3 till Recertification, the Certificate Holder did not receive FFB from non certified sources. The POM 2 only processed FFB from the estates that have earned RSPO Certificate, consist of own estate (Puhus 1.2 & 3) and from Long Jenew 1, 2 (PT Swakarsa Sinarsentosa, RSPO Certified on 2015) is another plantation entity under the same Holding Company of PT Dharma Satya Nusantara.

**Status: Comply**

**6.12**

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

**6.12.1, 6.12.2, and 6.12.3**

The Certificate Holder have policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list, field observation and interview with workers, Labor Unions, and Manpower Agency known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific

<p>job description, there is no substitution of contract without prior consultation and agreement from the worker.</p> <p>Based on employee data and interview with workers, most of the workers came from local communities. They have the recruitment process in the company and is in accordance with applicable employee acceptance procedures.</p> <p>There is no significant obstacles related to employment or violations of company regulations. For example for the harvesters works daily based in 7 working hours. CH provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned more than the minimum wage.</p>	
<b>Status: Comply</b>	
<b>6.13</b>	
<b>Growers and millers respect human rights</b>	
<b>6.13.1</b>	
<p>The company that manage the partnership has a policy to respect human rights that contained in Quality Guidelines point 10.2. The company has socialized the policy through meeting with workers. For example : socialization on February 13, 2018.</p> <p>Interviews with workers such as warehouse workers, grading, boiler, engine room, and contractors known that they know about Corporate Policy such as Human Rights Policy. The human rights policy was also presented at the morning briefing and displayed at the estate and factory offices. There is no case of human rights violation.</p>	
<b>Status: Comply</b>	
<b>PRINCIPLE #7 Responsible development of new plantings</b>	
<b>7.1</b>	
<b>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.</b>	
<b>7.1.1, 7.1.2, &amp; 7.1.3</b>	
<p>Based on area statement and field observation to Puhus 1 &amp; 2 Estate, there is no expansion of operational area since ASA 4. The Social and Environmental Impact Assessment has been conducted on 2011 and 2009. Implementation of management and monitoring plan has explained in indicator 5.1.2, 5.1.3, and 6.1.3.</p>	
<b>Status: Comply</b>	
<b>7.2</b>	
<b>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.</b>	
<b>7.2.1</b>	
<p>PT Dharma Agrotama Nusantara (PT DAN) was able to shows soil map with scale 1:40,000 which derived from a detail soil survey report No. R&amp;E.SVY.0002-11-12 which conducted by Research Department of PT DSN in 2013. Report informed that based on USDA Sub-group classification, soils in PT DAN were consist of five mineral soil type, namely <i>Typic Kanhapludults</i>, <i>Typic Kandudults</i>, <i>Plinthic Kandudults</i>, <i>Aquic Udifluvents</i> and <i>Typic Fragiorthods</i>. Texture of soils identified were mostly sandy clay. In term of soil feasibility analysis for oil palm cultivation, about 91 % of PT DAN has classified as S2 (moderate) and the rest or about 9 % has classified as S3 (marginal). Limitation factor were identified due to soil low fertility.</p>	
<b>7.2.2</b>	
<p>According to elevation map, it could be concluded that about 98 % of PT DAN were ranged from 0-15 % or classified as flat to rolling (0-15%), while the rest was rolling to hilly (15-25 %). Furthermore, there were no presence of peat soil as well. Those information were conformed during field observation. Hence, no special drainage and/or irrigation system is needed to be installed in PT DAN operational areas.</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.**

7.3.1 & 7.3.2

Oil palm planting was carried out after 2005, while the HCV assessment was carried out in 2011, so, it must follow the RaCP procedure. Company has reported:

1. Liability disclosure to RSPO Secretariat on 23 April 2015
2. LUCA to RSPO on 26 January 2016
3. Concept note to RSPO on 7 February 2017
4. Compensation plan on 24 November 2017

Based on communication between PT DSN and RSPO, RaCP process is currently in approval compensation plan stage. Related to this, company could not show the evidence that RaCP compensation plan has accepted by RSPO. **Non Conformity No 2019. 03**

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.

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.

Major 7.3.1

Status: Non Conformity No 2019. 03 with Major category

7.4

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

7.4.1

According to PT DAN soil map (scale 1:40,000) which derived from a detail soil survey report No. R&E.SVY.0002-11-12 which conducted by Research Department of PT DSN in 2013. Report informed that based on USDA Sub-group classification, soils in PT DAN were consist of five mineral soil type, namely *Typic Kanhapludults*, *Typic Kandiodults*, *Plinthic Kandiodults*, *Aquic Udifluvents* and *Typic Fragiorthods*. Texture of soils identified were mostly sandy clay. In term of soil feasibility analysis for oil palm cultivation, about 91 % of PT DAN has classified as S2 (moderate) and the rest or about 9 % has classified as S3 (marginal). Limitation factor were identified mainly due to soil low fertility and rolling to hilly slope. Furthermore, according to elevation map, it could be concluded that about 98 % of PT DAN were ranged from 0-15 % or classified as flat to rolling (0-15%), while the rest was rolling to hilly (15-25 %). Furthermore, there were no presence of peat soil as well. Those information were conformed during field observation. Hence, it could be concluded that there are no presence of fragile soils within PT DAN operational areas.

7.4.2

As mentioned in Indicator 7.4.1, there were no presence of fragile and marginal soils within PT DAN operational areas. Limitation factor were identified mainly due to soil low fertility and rolling to hilly slope. To overcome those situation, several strategy which has implemented by the company is presented as follows:

- Undulating to hilly (slope 12-25°) area shall be adopt individual planting platform (estate term: *Tapak Kuda*) for rolling to hilly area and/or terraced planting platform for hilly area. Furthermore, slope above 25° (steep) is prohibited to be planted.
- To conduct U-shape frond stacking on flat to undulating and parallel to the contour line.

<ul style="list-style-type: none"> <li>To keep land cover crop such as Nephrolephis sp. By selective weeding.</li> </ul> <p>By product application, ex. Empty fruit bunch (EFB) application, which also mentioned in work instruction No. IK-AGR-OLP-11-R02. Dosage recommended were about 30-40 ton/ha/year.</p>	<b>Status: Comply</b>
<p><b>7.5</b>  <b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b></p>	
<p>7.5          Since the activities of ASA-4 to RC were known that the company did not expand the area or conduct the new planting.</p>	
<b>Status: Comply</b>	
<p><b>7.6</b>  <b>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.</b></p>	
<p>7.6          Since the activities of ASA-4 to RC were known that the company did not expand the area or conduct the new planting.</p>	
<b>Status: Comply</b>	
<p><b>7.7</b>  <b>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.</b></p>	
<p>7.7.1 &amp; 7.7.2          Based on area statement, it is known that the planting began in 2005 and there are no new planting activities since ASA 4. Based on work instruction No IK-AGR-OLP-01-R03, company used zero burning method in the preparation of new plantings. Based on interview with local community of Benhes and Dabeq Village, it is known that company use the zero burning method in the preparation of new plantings.</p>	
<b>Status: Comply</b>	
<p><b>7.8</b>  <b>New plantation developments are designed to minimise net greenhouse gas emissions.</b></p>	
<p>7.8.1 &amp; 7.8.2          Based on area statement, it is known that for the scope of POM 2 &amp; PT DAN there are no plantings starting January 1, 2015.</p>	
<b>Status: Comply</b>	
<p><b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b></p>	
<p><b>8.1</b>  <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b></p>	
<p>8.1.1  <b>Environmental aspect</b>          The company utilizing organic waste from households for composting.</p> <p><b>Social aspects</b>          Generally PT DAN – DSN Group shown local communities development by local contractor engagement, taxes payment for central/local government, local workers recruitment, and annual CSR programme by each estates.</p>	

**Internal Audit**

CH has conduct an internal audit on August 2018 with result there are 12 non-conformities. All non-conformities has been closed on December 2018.

	<b>Status: Comply</b>	
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**3.2. Summary of Assessment Report of Supply Chain Requirement**

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

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification. The mill take legal ownership for all FFB within its scope, as well all physically handling.
	<b>Status: Comply</b>
5.1.2	Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model. The mill does not use traders and distributors. All of selling certified product has been done by the mill.
	<b>Status: Comply</b>
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform. The POM 2 has been registered of certified products of RSPO (CSPO and CSPK) with Member ID: RSPO_PO1000000939.
	<b>Status: Comply</b>
5.1.4	Processing aids do not need to be included within an organization's scope of certification. There is no processing aids in the operational POM 2.
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance. Until RC, the POM 2 only received and processed FFB from certified plantation. The FFB supplied from own estate; consist of Puhus 1,2 & 3 Estate and also from Long Jenew 1 & Long Jenew 2 (PT Swakarsa Sinarsentosa, RSPO Certified on 2015) is another unit still under the same Holding Company, PT Dharma Satya Nusantara.
	<b>Status: Comply</b>
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB. The organization only use one module (Identity Preseved)
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.



POM 2 has the Work Instruction of Traceability of CPO & PK Product with IP & SG Model No. IK-AGR-MS-08-R08 dated January 18, 2019 which describes related FFB acceptance activities, production processing activities, product storage, product delivery, registration and transactions in Palmtrace, excess production reporting to CB, outsourcing activities, training, internal audit, communicating and claiming according to the RSPO standard until the record keeping. The procedure has accordance with all indicators of General Chain of Custody and Module D standards.

**Status: Comply**

**5.3.2**

**The site shall have a written procedure to conduct annual internal audit**

The Certificate Holder has the procedure to conduct annual internal audit listed on SOP of Management System Audit No. SOP-AGR-040-R03 on 01 October 2015 that explain the internal audit will conduct at least one time a year. On Work Instruction of Traceability of CPO and PK Product with IP & SG Model (No. IK-AGR-MS-08-R07 on 01 October 2018) also informed that internal audit conduct at least 1 time a year using SCC RSPO Standard and the rules of RSPO Communication and Claim.

Internal Audit has been done in August 14-15, 2018 and recorded on Checklist of Internal Audit RSPO SCCS. Based on the checklist document, it is known that there is no Non-conformity during internal audit.

**Status: Comply**

**5.4**

**Purchasing and goods in**

**5.4.1**

**The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier**

POM2 does not purchase RSPO certified oil palm products. POM2 is the producer of RSPO certified oil palm products

**Status: Comply**

**5.4.2**

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

POM2 does not purchase RSPO certified oil palm products. POM2 is the producer of RSPO certified oil palm products

**Status: Comply**

**5.5**

**Outsourcing activities**

**5.5.1**

In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

POM 2 doesn't outsource refining and crushing activity. The POM 2 uses third party contractors for CPO transportation activities from Transit Tank Miao to Bulking Labanan. Transporting from POM 2 to transit tank done by POM 2, although the CPO transport unit was rented from third parties and for PK transporting is responsibility of buyer (Kernel Crushing Plant of PKS 4)

**Status: Comply**

**5.5.2**

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

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that

independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance	
POM 2 has the Work Instruction of Traceability of CPO & PK Product with IP & SG Model No. IK-AGR-MS-08-R08 dated January 18, 2019 that informed the outsourcing activity must follow the SCCS standard. In addition, POM 2 has shown that all CPO transporter have been equipped with work agreement, for example the work agreement with CV Anugrah Mulia Abadi with No. 003 / DSN / DIS / 2018 dated January 2, 2018.	
	<b>Status: Comply</b>
<b>5.5.3</b> The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
CH has record the name and contact details of CPO transporter used for handling of RSPO certified oil palm products on document of "List Transportir Angkut CPO PKS 2" with total 18 transporter, for example: <ul style="list-style-type: none"> <li>- CV Anugrah Mulia Abadi is located at Kongbeng sub-district</li> <li>- CV Rifika Perdana is located at Muara Wahau Village</li> <li>- CV Three Putra is located at Miau Baru Village</li> </ul>	
	<b>Status: Comply</b>
<b>5.5.4</b> The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
Based on interview with list of transporter, there are 18 outsourcers which physical handling of RSPO certified oil palm products. It will be verified on next surveillance, if any new contractor.	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b> The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
The POM 2 shows shipping documentation in the Shipping Note and/or Expedition Evidence that informed sender's name, shipping destination, shipping volume, supply chain model information, unique number in the form of the Shipping Note and Expedition Evidence number. The POM 2 needs to re-ensure the complete information on the shipping documentation regarding the certificate number and the sender's name & address (original POM). <b>OFI</b>  All CSPK is sent to PT DSN Kernel crushing plant	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b> Supply chain actors who: <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries; and</li> <li>• take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>	
The POM 2 has been registered of certified products of RSPO (CSPO and CSPK) with Member ID: RSPO_PO1000000939.	
	<b>Status: Comply</b>
<b>5.7.2</b> The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> <li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement /</li> </ul>	

Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.

- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

The POM 2 has been take action at RSPO IT Platform with the data:

**Certified CPO sold to each buyer period of 25 March 2018 to 15 January 2019**

Month	Buyer	Volume (MT)	RSPO Credit (MT)
09/01/2019	PT DHARMA SATYA NUSANTARA Tbk - Labanan Storage Facility	1,825.27	
16/10/2018		1,486.31	
30/09/2018		1,426.12	
13/09/2018		1,483.84	
3/9/2018		589.36	
30/08/2018		1,672.41	
21/08/2018		1,219.83	
30-05-2018	Credit Allocation		9,000
09-07-2018			3,000
28-08-2018			3,900
19-11-2018			10,000
<b>Total</b>		<b>9,703.14</b>	<b>25,900</b>

• **Certified PK sold to each buyer period of 25 March 2018 to 15 January 2019**

Month	Buyer	Volume (MT)
31/10/2018	PT. DHARMA SATYA NUSANTARA, Tbk (Kernel Crushing Plant)	882.27
25/09/2018		707.46
8/9/2018		261.57
31/08/2018		730.54
6/8/2018		602.12
10/7/2018		694.51
20/06/2018		662.78
6/6/2018		510.45
13/05/2018		709.36
25/03/2018		596.23
<b>Total</b>		<b>6,357.29</b>

All transactions have been shown in shipping announcement, for example Shipping Announcement no. TR-08d00051-80a3 dated 28 November 2018 related to the sale of CPO of 1825.27 tons to PT DHARMA SATYA NUSANTARA Tbk - Labanan Storage Facility.

POM 2 need to ensure remove stock on PalmTrace for the sale of certified products that sold conventionally. **OFI**

**Status: Comply**

**5.8 Training**

5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff
	POM 2 has Training Program on 2018 that contain the training program of SCCS planned on April 2018.
	<b>Status: Comply</b>
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed
	Based on interviews with Weight Bridge Operator and Security, it is known that the personnel have been aware of the duties and responsibilities related to the implementation of supply chain, for example the weighbridge officer can explain that the mill cannot accept the FFB from non-certified source and all weighing tickets for FFB, CPO and Kernel must be given the RSPO stamp.
	The company showed proof of SCCS training to POM 2 employees conducted on December 7, 2018 with a total of 23 employees and socialization to CPO transporter on 19 March 2018 to 18 participants (contractor and worker of transit tank)
	POM 2 needs to ensure that all contractors have been provided with information regarding SCCS standards. <b>OFI</b>
	<b>Status: Comply</b>
5.9	<b>Record keeping</b>
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements
	Based on SOP of "Pengendalian Dokumen" No. SOP-AGR-036-R04 dated on 03 October 2016 which explains that record keeping all of documents about RSPO are minimum 5 years and Sustainability Document (Balancing Report, Management Review, Internal Audit, GHG document, Logistic, Sales Order, Contract and Expedition Evidence) must keep at least 10 years.
	<b>Status: Comply</b>
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock
	Based on SOP of "Pengendalian Dokumen" No. SOP-AGR-036-R04 dated on 03 October 2016 which explains that record keeping all of documents about RSPO are minimum 5 years and Sustainability Document (Balancing Report, Management Review, Internal Audit, GHG document, Logistic, Sales Order, Contract and Expedition Evidence) must keep at least 10 years. POM 2 can show document balancing on 2017, this shows that keeping document is more than 2 years.
	<b>Status: Comply</b>
5.9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.
	Estimates of CPO and PK produced by POM 2 obtained from the actual data of 12 months before the audit activities and have been described in this Re-certification report, consist of: FFB: 273,712 ton CPO: 65,690 ton (OER: 24%) PK: 10,948 ton (KER: 4%)
	The POM 2- PT Dharma Satya Nusantara has recorded the entire RSPO certified FFB which enter the mill and deliveries of RSPO certified product (CPO and PK). Here the record deliveries of RSPO certified product with the real-time basis.

Month	FFB Processed (Ton)	CPO Production (MT)		PK Production (MT)		Sold CPO (MT)			Sold PK PK (MT)		
		Certified	Non-Cert.	Certified	Non-Cert.	RSPO	Non-Cert.	ISCC	RSPO	Non-Cert.	ISCC
25 - 31 Mar 18	3,405.31	739.64		114.79			3,800		596.23	-	-
Apr 18	17,345.05	4,461.41		698.09			4,400		709.36	-	-
May 18	13,098.60	3,161.55		486.46			1,400		1,173.23	-	-
June 18	17,840.12	4,277.69		688.54			4,880		694.51	-	-
July 18	18,323.01	4,161.64		686.39			4,900		602.12	-	-
August 18	22,278.91	5,432.44		883.15		1,220	3,570		730.54	-	-
Sept 18	28,274.08	6,895.66		1,162.81		3,746	500		969.03	-	-
Oct 18	34,164.16	8,150.57		1,351.10		1,426	2,342		882.27	-	-
Nov 18	33,489.21	7,927.82		1,265.39		1,486	6,228		-	-	-
Dec 18	32,393.50	7,607.51		1,225.37		1,825	7,157		-	-	-
1 - 13 Jan 19	9,876.00	2,231.47		359.65			1,755		-	-	-
<b>Total</b>	<b>230,487.95</b>	<b>55,047.41</b>		<b>8,921.74</b>		<b>9,703</b>	<b>40,932</b>		<b>6,357.29</b>	-	-

**Status: Comply**

**5.10 Conversion factors**

**5.10.1**

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

POM 2 only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.

**Status: Comply**

**5.10.2**

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

POM 2 only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.

**Status: Comply**

**5.11 Claims**

**5.11.1**

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

Based on transaction report documents, all CSPO are claims as segregation and CSPK are claims as Mass Balance. The POM 2 does not use RSPO logo on product or off product.

**Status: Comply**

<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b>	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
The Certificate Holder has the External Complaints Communication and Handling Procedures (Number: 044-ROO, 15 February 2013). Based on document verification, there was no complaint to operational of mill.	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b>	
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
The POM2 has SOP of “Rapat Tinjauan Manajemen” No. SOP-AGR-041-R01 on 01 November 2016 which explains that management review activity is done every 3 months with agenda:	
<ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
	<b>Status: Comply</b>
<b>5.13.2</b>	
The input to management review shall include information on:	
<ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
The POM 2 shows the latest Management Review Minutes Quartal-3 of 2018 conducted on October 24-25, 2018 with a total participant is 70, discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.	
	<b>Status: Comply</b>
<b>5.13.3</b>	
The output from the management review shall include any decisions and actions related to:	
<ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
The POM 2 shows the latest Management Review Minutes Quartal-3 of 2018 conducted on October 24-25, 2018 with a total participant is 70, discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.	
	<b>Status: Comply</b>



3.2.2. Module D – CPO Mills: Identity Preserved Requirements

Clause	Requirement																																		
D1	Definition																																		
D.1.1	<p><b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme. 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. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</b></p> <p>Until RC, the POM 2 only received and processed FFB from certified plantation. The FFB supplied from own estate; consist of Puhus 1,2 &amp; 3 Estate and also from Long Jenew 1 &amp; 2 (PT Swakarsa Sinarsentosa, RSPO Certified on 2015) is another unit still under the same Holding Company, PT Dharma Satya Nusantara.</p> <p><b>Status: Comply</b></p>																																		
D.2	Explanation																																		
D.2.1	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report</b></p> <p>Estimates of CPO and PK produced by POM 2 obtained from the actual data of 12 months before the audit activities and have been described in this Re-certification report, consist of:            FFB: 273,712 ton            CPO: 65,690 ton (OER: 24%)            PK: 10,948 ton (KER: 4%)</p> <p><b>Status: Comply</b></p>																																		
D.2.2	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</b></p> <p>The POM 2 has been registered of certified products of RSPO (CSPO and CSPK) with Member ID: RSPO_ PO100000939.</p> <p><b>Certified CPO sold to each buyer period of 25 March 2018 to 15 January 2019</b></p> <table border="1"> <thead> <tr> <th>Month</th> <th>Buyer</th> <th>Volume (MT)</th> <th>RSPO Credit (MT)</th> </tr> </thead> <tbody> <tr> <td>09/01/2019</td> <td rowspan="7">PT DHARMA SATYA NUSANTARA Tbk - Labanan Storage Facility</td> <td>1,825.27</td> <td></td> </tr> <tr> <td>16/10/2018</td> <td>1,486.31</td> <td></td> </tr> <tr> <td>30/09/2018</td> <td>1,426.12</td> <td></td> </tr> <tr> <td>13/09/2018</td> <td>1,483.84</td> <td></td> </tr> <tr> <td>3/9/2018</td> <td>589.36</td> <td></td> </tr> <tr> <td>30/08/2018</td> <td>1,672.41</td> <td></td> </tr> <tr> <td>21/08/2018</td> <td>1,219.83</td> <td></td> </tr> <tr> <td>30-05-2018</td> <td>Credit Allocation</td> <td></td> <td>9,000</td> </tr> <tr> <td>09-07-2018</td> <td></td> <td></td> <td>3,000</td> </tr> </tbody> </table>	Month	Buyer	Volume (MT)	RSPO Credit (MT)	09/01/2019	PT DHARMA SATYA NUSANTARA Tbk - Labanan Storage Facility	1,825.27		16/10/2018	1,486.31		30/09/2018	1,426.12		13/09/2018	1,483.84		3/9/2018	589.36		30/08/2018	1,672.41		21/08/2018	1,219.83		30-05-2018	Credit Allocation		9,000	09-07-2018			3,000
Month	Buyer	Volume (MT)	RSPO Credit (MT)																																
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30-05-2018	Credit Allocation		9,000																																
09-07-2018			3,000																																

28-08-2018			3,900
19-11-2018			10,000
<b>Total</b>		<b>9,703.14</b>	<b>25,900</b>

- **Certified PK sold to each buyer period of 25 March 2018 to 15 January 2019**

Month	Buyer	Volume (MT)
31/10/2018	PT. DHARMA SATYA NUSANTARA, Tbk (Kernel Crushing Plant)	882.27
25/09/2018		707.46
8/9/2018		261.57
31/08/2018		730.54
6/8/2018		602.12
10/7/2018		694.51
20/06/2018		662.78
6/6/2018		510.45
13/05/2018		709.36
25/03/2018		596.23
<b>Total</b>		<b>6,357.29</b>

**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**

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

POM 2 has the Work Instruction of Traceability of CPO & PK Product with IP & SG Model No. IK-AGR-MS-08-R08 dated January 18, 2019 which describes related FFB acceptance activities, production processing activities, product storage, product delivery, registration and transactions in Palmtrace, excess production reporting to CB, outsourcing activities, training, internal audit, communicating and claiming according to the RSPO standard until the record keeping. The procedure has accordance with all indicators of General Chain of Custody and Module D standards.

**Status: Comply**

**D.3.2**

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

Procedures related to FFB acceptance activities and FFB processing activities are listed in the Work Instruction of Traceability of CPO & PK Product IP & SG Model No. IK-AGR-MS-08-R08 dated January 18, 2019, which explained that the Delivery Note for FFB from certified Estate must be given a "Certified" stamp and for POM with SCCS Model IP certified, it is prohibited to receive FFB from non-certified gardens. For the production process in POM must be in accordance with the procedures and production assistants must maintain the purity of CSPO and CSPK with IP Model.

**Status: Comply**

**D.4 Purchasing and goods in**

**D.4.1**

**The site shall verify and document the tonnage and sources of certified FFBs received.**

Until RC, the POM 2 only received and processed FFB from certified plantation. The FFB received in POM 2 from 25 March 2018 to 13<sup>th</sup> January 2019 described on table below:

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
25 - 31 Mar 18	3,405,310	-	3,405,310
Apr 18	17,345,050	-	17,345,050
May 18	13,098,600	-	13,098,600
June 18	17,840,120	-	17,840,120
July 18	18,323,010	-	18,323,010
August 18	22,278,910	-	22,278,910
September 18	28,274,080	-	28,274,080
Oct 18	34,164,160	-	34,164,160
November 18	33,489,210	-	33,489,210
December 18	32,393,500	-	32,393,500
1 – 13 Jan 19	9,876,000	-	9,876,000
<b>Total</b>	<b>230,487,950</b>	<b>-</b>	<b>230,487,950</b>

**Status: Comply**

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

In the previous certified (ASA-3) period March 25, 2017 until March 24, 2018, production of CSPO and CSPK are exceed the RSPO certificate issued.

- CPO: 58,794.03 Ton → Total estimate in certificate is 58,633 Ton
- PK: 9,038.45 Ton → Total estimate in certificate is 8,922 Ton

For this period (ASA-4) from March 25, 2018 until January 13, 2019, POM 2 production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 55,047.41 Ton → Total estimate in certificate is 57,398 Ton
- PK: 8,921.75 Ton → Total estimate in certificate is 9,487 Ton

CH need to re-ensure that exceed production must be reported to CB. **OFI**

**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 real-time basis.**

The POM 2– PT Dharma Satya Nusantara has recorded the entire RSPO certified FFB which enter the mill and deliveries of RSPO certified product (CPO and PK). Here the record deliveries of RSPO certified product with the real-time basis.

Month	FFB Processed (Ton)	CPO Production (MT)		PK Production (MT)		Sold CPO (MT)			Sold PK PK (MT)		
		Certified	Non-Cert.	Certified	Non-Cert.	RSPO	Non-Cert.	ISCC	RSPO	Non-Cert.	ISCC
25 - 31 Mar 18	3,405.31	739.64		114.79		3,800			596.23	-	-
Apr 18	17,345.05	4,461.41		698.09		4,400			709.36	-	-

May 18	13,098.60	3,161.55		486.46			1,400		1,173.23	-	-
June 18	17,840.12	4,277.69		688.54			4,880		694.51	-	-
July 18	18,323.01	4,161.64		686.39			4,900		602.12	-	-
August 18	22,278.91	5,432.44		883.15		1,220	3,570		730.54	-	-
Sept 18	28,274.08	6,895.66		1,162.81		3,746	500		969.03	-	-
Oct 18	34,164.16	8,150.57		1,351.10		1,426	2,342		882.27	-	-
Nov 18	33,489.21	7,927.82		1,265.39		1,486	6,228		-	-	-
Dec 18	32,393.50	7,607.51		1,225.37		1,825	7,157		-	-	-
1 – 13 Jan 19	9,876.00	2,231.47		359.65			1,755		-	-	-
<b>Total</b>	<b>230,487.95</b>	<b>55,047.41</b>		<b>8,921.74</b>		<b>9,703</b>	<b>40,932</b>		<b>6,357.29</b>	-	-

**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 separated from non-certified oil palm product including during transport and storage to strive for 100% separation.**

The entire accepted and processed product in POM 2 comes from RSPO certified own estate and from PT Swakarsa Sinar Sentosa (RSPO Certified). Until now, POM 2 does not accept and process FFB from not certified sources.

Based on interview weighbridge personnel and security personnel, the worker explained that the POM 2 just receive FFB from own Estate PT Swakarsa Sinar Sentosa (RSPO Certified). All Weighbridge Ticket of FFB form Puhus 1, Puhus 2, Puhus 3, Long Jenew 1 and Long Jenew 2 has been stamped with Certified Code. The stamp also given for CPO and Kernel weighbridge ticket that sent from the POM 2.

**Status: Comply**

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or ✓</b>
<b>RC</b>	PT Dharma Satya Nusantara - POM 2 do not use RSPO trademark and CB Logo.	✓
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or ✓</b>
<b>RC</b>	PT Dharma Satya Nusantara - POM 2 do not use RSPO trademark and CB Logo.	✓
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or ✓</b>
<b>RC</b>	PT Dharma Satya Nusantara - POM 2 do not use RSPO trademark and CB Logo.	✓
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or ✓</b>
<b>RC</b>	PT Dharma Satya Nusantara - POM 2 do not use RSPO trademark and CB Logo.	✓

**3.4 Summary of RSPO Partial Certification**

Compliance of the uncertified management units of PT Dharma Satya Nusantara against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

PT Dharma Satya Nusantara Time Bound Plan is explained in table 1.10. PT Dharma Satya Nusantara has thirteen (13) management units with six (6) mills. PT Dharma Satya Nusantara has informed the Time Bound Plan progress, MUTU has considered that PT Dharma Satya Nusantara is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by PT Dharma Satya Nusantara on 27 February 2017.

MUTU has verified partial certification for un-certified unit's subsidiary of PT Dharma Satya Nusantara based on their Time Bound Plan. There are two (2) uncertified mills and seventeen (17) uncertified units of PT Dharma Satya Nusantara. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>DSN had implemented an audit internal</p> <p><b>Auditor verification</b> Based on the document review, there is a company internal audit that was conducted on January 2017 and the positive assurance is at this table that is also been verified.</p>
2.1.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<ul style="list-style-type: none"> <li>• LUCA PT Dharma Intisawit Lestari and PT Karya Prima Agro Sejahtera was sent on February 4, 2016 to RSPO and is a review process. MS Dept. Head have got confirmation by email from the RSPO Executive Compensation that PT DIL has been completed under review and is being submitted for approval letter from the Compensation panel.</li> <li>• LUCA PT Agro Andalan, PT Dharma Persada Sejahtera, PT Kencana Alam Permai, and PT Prima Sawit Andalan was sent to RSPO and is a review process. Letter of approval of the Panel RSPO yet received.</li> <li>• LUCA PT Putra Utama Lestari and PT Pilar Wanapersada was sent on February 11, 2016 to RSPO and is a review process and clarification</li> </ul>



		<ul style="list-style-type: none"> <li>• POM 5 and POM 6 there is no new land clearing of new planting after November 2005.</li> <li>• Smallholders (KM5, KM8, KM9, KM10A, KM10B, KM10C), and clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing</li> </ul> <p><b>Auditor verification</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<ul style="list-style-type: none"> <li>• There are 8 plantations have conducting NPP process (under RSPO review)</li> <li>• Smallholders (KM5, KM9) planting year before 2010.</li> <li>• Smallholders (KM8, KM10A, KM10B, KM10C), no need NPP because no landbank in the area.</li> </ul> <p><b>Auditor verification</b></p> <ul style="list-style-type: none"> <li>• NPP Verification PT Dharma Intisawit Lestari and PT Karya Prima Agro Sejahtera has been performed by TUV from 21-24 March 2016 and waiting results of the review by RSPO</li> <li>• NPP Verification PT Putra Utama Lestari has been performed by Mutuagung Lestari from 2 – 5 June 2016 and waiting results of the review by RSPO</li> <li>• PT Agro Andalan, NPP verification from TUV &amp; PT MAL and NPP was a review process by RSPO per January 2017</li> <li>• PT Kencana Alam Permai, PT Prima Sawit Andalan and PT Dharma Persada Sejahtera, verification of the NPP has been carried out by PT MAL and refereed RSPO. There are questions regarding the report of the RSPO NPP. Currently the company is working on a response / confirmation to the RSPO</li> </ul>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>No any land conflicts.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>No any labour disputes.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>

<p>2.1.6</p>	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Legal non compliance, there is process for land legality PT Dharma Intisawit Lestari, PT Karya Prima Agro Sejahtera, PT Putra Utama Lestari, PT Prima Sawit Andalan and PT Dharma Persada Sejahtera.</p> <p><b>Auditor verification</b></p> <ul style="list-style-type: none"> <li>• PT Dharma Intisawit Lestari, Cadastral Map No. 023 year of 2014 for 7,288.84 Ha</li> <li>• PT Karya Prima Agro Sejahtera, Cadastral Map LTE No. 006-16.09-2015 date 26 January 2016 for 556,63 Ha and Location Permit SWE No 525.26/K.105/HK/2014 date 15 January 2014 for 2,563 Ha so that area PT KPS is 3,119.63</li> <li>• PT Putra Utama Lestari, Location Permit with endorsement from Regent No. 525.29/K.1049/2012 year of 30 November 2012 area 17,000 Ha</li> <li>• PT Agro Andalan, Land Use Title No. 35/HGU/BPN RI/2011 date 21 July 2011 area 6,993.2 Ha</li> <li>• PT Kencana Alam Permai, Land Use Title No. 46/HGU/KEM-ATR/BPN/2016 area 5,511.83 Ha</li> <li>• PT Prima Sawit Andalan, Location Permit No. 525 year of 2012 area 9,588 ha, Location Permit (added) No. 525/702/KEP-PERTANAHAN/2013 Keputusan Bupati Sintang dated 22 July 2013, area 1,030 ha</li> <li>• PT Dharma Persada Sejahtera, Location Permit No. 525/631/KEP-PERTANAHAN/2014 area 3,972 ha</li> <li>• Smallholders (KM5), MoU with Sawit Usaha Tani Sejahtera No. 104/DIR-ARF/DWT/JKT/III/08 dated March 31 2008</li> <li>• Smallholders (KM8), MoU with Sawit Wehea Tani Sejahtera No. 103/DIR-ARF/DWT/JKT/IV/12 dated April 25th 2012</li> <li>• Smallholders (KM9), MoU with Karya Sejahtera No. 01/SPK-KPAS/X/2010 dated October 22th 2010</li> <li>• Smallholders (KM10A, KM10B, KM10C), MoU with Jengea Bong Pet Kuq No. 321/DIR-ARF/DWT/JKT/XII/12 dated December 3rd 2012</li> </ul>
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**3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components**

**3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment**

<b>NCR No.</b>	<b>: 2018.01</b>	<b>Issued by</b>	<b>: Mohamad Amarullah</b>
<b>Date Issued</b>	<b>: 19 January 2018</b>	<b>Time Limit</b>	<b>: 19 March 2018</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 05 February 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.3  Record 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.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> Based on interview with Operators in Station Sortation, Loading Ramp, Sterilizer, Thresher, Clarification, Nut and Kernel, Engine Room and Boiler Station in POM-2, as well as review of PPE Safety Boot delivery, it could be concluded that Safety Boot were only provided/scheduled once a year by Mill Management, and information towards PPE replacement mechanism were not well known by the Operators. This is not in accordance with Memorandum of Operational Director No. 002/DIR/JKT/III/17 dated February 13 <sup>th</sup> 2017 which mentioned that broken PPE could be replaced by showing the broken PPE as evidence, as well as Company Regulation Period 2017-2019 Article 3 point 2c and Article 25 point 1 and 2, which mentioned that the company shall provide PPE to all workers			
<b>Root Cause Analysis (filled by organization audited):</b> The workers were not fully understood (confused) about mechanism of PPE replacement, wether to use the regulation before or after February 2017.			
<b>Correction (filled by organization audited):</b> To improve workers understading towards mechanism of PPE replacement through re-socialization.			
<b>Corrective Action (filled by organization audited):</b> To evaluate workers understanding towards socialization as mentioned in correction column, as well as to keep absense record			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>02 February 2018</b> Certificate holder has shows several correction evidence, as follows: <ul style="list-style-type: none"> <li>• Absence record and picture documentation of broken/unproper PPE replacement socialization, which conducted on January 30<sup>th</sup> 2018 at POM-2.</li> <li>• Problem Identification and Corrective Action (PICA) which conducted by Department of Sustainability through internal audit RSPO POM-2 and Supply Base team.</li> </ul> Based on description of root of cause and corretive action, as well as correction evidence given, it could be concluded that <b>non conformity No. 2018.01 is considered Closed.</b>			
<b>Verified by</b>	<b>: Mohamad Amarullah</b>		

**3.5.2 Identification of Findings, Corrective Actions and Observations at Re - Certification Assessment**

<b>NCR No.</b>	: 2019.01	<b>Issued by</b>	: Dwi Haryati
<b>Date Issued</b>	: 18 January 2019	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	<b>2.1.2</b> <b>A documented system, which includes written information on legal requirements, shall be maintained.</b>		
<b>Evidence observed</b> (filled by auditor): Based on results of the document review sighted a List of Legal Requirements owned by the company in the Compliance Evaluation Summary of Laws and Regulations (No. DK-MS-01A-R01, Revised January 2019), however the results of verification there are still some documents that have not been documented for example but not limited on: <ul style="list-style-type: none"> <li>- Regulation of Agriculture Ministry No. 5 of 2018 concerning Opening and / or processing of Plantation Land without Burning.</li> <li>- Regulation of Labour Ministry No. 38 of 2016 concerning Occupational Safety and Health License of power and production equipment.</li> <li>- Regulation of Labour Ministry No.5 of 2018 concerning Occupational Safety and Health at the Work Environment.</li> <li>- Regulations of the Environment and Forestry Ministry No.5 of 2018 concerning Standards and Certification of Competency of Responsible Operators for Wastewater Treatment and Responsible for Water Pollution Control.</li> <li>- Regulation of Labour Ministry No. 37 of 2016 concerning Occupational Safety and Health of Pressure Vessels and Stock Tanks.</li> </ul>			
<b>Non-Conformance Description</b> (filled by auditor): The legal register document does not yet contain all regulations / laws that support the company's operations.			
<b>Root Cause Analysis</b> (filled by organization audited):			
<b>Correction</b> (filled by organization audited):			
<b>Corrective Action</b> (filled by organization audited):			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2019.02	<b>Issued by</b>	: Muhammad Rinaldi									
<b>Date Issued</b>	: 18 January 2019	<b>Time Limit</b>	: ASA 1.1									
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:									
<b>Standard Ref. &amp; Requirement</b>	: 2.2.2 Legal boundaries are demonstrated clearly and maintained.											
<p><b>Evidence observed</b> (filled by auditor): Based on the results of the HGU boundary poles observation and study of coordinate list documents from the National Land Agency, it is known that the position of the HGU boundary poles does not match the specified coordinates, for examples:</p> <table border="1"> <thead> <tr> <th>Location</th> <th>Poles No.</th> <th>Differences</th> </tr> </thead> <tbody> <tr> <td>Puhus 3</td> <td>DIN 061</td> <td>± 4 trees toward to PT DAN</td> </tr> <tr> <td>Puhus 3</td> <td>DIN 062</td> <td>± 4 trees toward to PT DAN</td> </tr> </tbody> </table> <p>In addition, in the HGU Boundary Pole Monitoring document, it is known that monitoring activities only monitor the presence and maintenance of poles.</p> <p>In the Work Instruction of Boundary Installation and Maintenance (IK-AGR-OLP-33-R00 dated 28 September 2015), it stated that the poles was installed in accordance with the licenses set by government agency, the position of the pole was determined using a GPS measurement</p> <p><b>Non-Conformance Description</b> (filled by auditor): The company has not been able to show evidence that the boundary poles has been installed in accordance with the coordinates specified by relevant agency.</p>				Location	Poles No.	Differences	Puhus 3	DIN 061	± 4 trees toward to PT DAN	Puhus 3	DIN 062	± 4 trees toward to PT DAN
Location	Poles No.	Differences										
Puhus 3	DIN 061	± 4 trees toward to PT DAN										
Puhus 3	DIN 062	± 4 trees toward to PT DAN										
<b>Root Cause Analysis</b> (filled by organization audited):												
<b>Correction</b> (filled by organization audited):												
<b>Corrective Action</b> (filled by organization audited):												
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):												
<b>Verified by</b>	:											

<b>NCR No.</b>	: 2019.03	<b>Issued by</b>	: Asystasya Aishah Silalahi
<b>Date Issued</b>	: 18 January 2019	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	7.3.1 <b>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</b>		
<b>Evidence observed (filled by auditor):</b>  Oil palm planting was carried out after 2005, while the HCV assessment was carried out in 2011, so, it must follow the RaCP procedure. Company has reported: <ol style="list-style-type: none"> <li>1. Liability disclosure to RSPO Secretariat on 23 April 2015</li> <li>2. LUCA to RSPO on 26 January 2016</li> <li>3. Concept note to RSPO on 7 February 2017</li> <li>4. Compensation plan on 24 November 2017</li> </ol> Based on communication between PT DSN and RSPO, RaCP process is currently in approval compensation plan stage.			
<b>Non-Conformance Description (filled by auditor):</b>  Company could not show the evidence that RaCP compensation plan has accepted by RSPO.			
<b>Root Cause Analysis (filled by organization audited):</b> RaCP Compensation plan is still reviewed by RSPO			
<b>Correction (filled by organization audited):</b> RaCP Compensation plan of PT DAN has been approved by RSPO			
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Coordination with RILO &amp; RSPO for updating RaCP progress</li> <li>• Requesting recommendation about Compensation Plan of PT DAN from RSPO</li> <li>• Received approval of RaCP compensation plan from RSPO</li> </ul>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>29 April 2019</b> Based on email from RSPO Secretariat on 29 April 2019, that informing "PT DSN, specifically for the management units of PT DAN, PT DIL, PT DWT, the Compensation Panel has given conditional agreement that the certification can proceed (due to the delay incurred by the evaluator). However, the company will need to ensure that the compensation plan is approved by the next surveillance audit or the certificate will be suspended."			
Based on above explanation, this nonconformity is given the time limits into the next surveillance activity (ASA-1.1).			
<b>Verified by</b>	: Asystasya Aishah Silalahi & Muhammad Rinaldi		



**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description
1	Certification System 4.5.4	Encouraged to complete the self-assessment results, which are supplemented with supporting evidence for units under PT DSN, which were taken over in December 2018
2	4.7.2	<ul style="list-style-type: none"> <li>Re-ensure the monitoring regarding the use of PPE for contractor workers.</li> <li>Re-ensure the monitoring of the discipline of the use of PPE that has been provided by the company in accordance with risk identification</li> </ul>
3	6.6.1	Company encouraged to provide understanding to security employees regarding the right to freedom to become members of Worker Unions
4	COC 5.6.1	The POM 2 needs to re-ensure the complete information on the shipping documentation regarding the certificate number and the sender's name & address (original POM).
5	COC 5.7.2	POM 2 need to ensure remove stock on PalmTrace for the sale of certified products that sold conventionally
6	COC 5.8.2	POM 2 needs to ensure that all contractors have been provided with information regarding SCCS standards.
7	D.4.2	CH need to re-ensure that exceed production must be reported to CB.

**3.5.4 Noteworthy Positive Components**

No	Description
1	Commitment to sustainable palm oil management through RSPO certification
2	Contributions in the development of the local economy through the construction of smallholdings and partnerships
3	Commitment to conservation as indicated by the establishment and management of conservation areas within the HGU
4	RSPO Personal in Charge (PIC) competencies in their respective aspects
5	Implement mechanization in harvesting activities
6	Utilizing organic waste from households for composting
7	Has received an ISPO certificate







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

	<b>Public Issues (Institution/ NGO/Community)</b>	<b>Auditor Verification</b>
<b>1.</b>	<b>Department of Manpower and Transmigration District of Kutai Timur</b>	
	<ul style="list-style-type: none"> <li>The wage used refers to the District Minimum Wage (<i>UMK</i>); The <i>UMSK</i> has not been ratified by the Regent</li> <li>The Collective Labor Agreement used is still valid and is known by the Department of Manpower and Transmigration of <i>Kutai Timur</i> District</li> <li>There are no reports and issues regarding Industrial Relations disputes</li> <li>Has carried out mandatory employment reports such as <i>WLTK</i> and <i>P2K3</i> quarterly reports</li> <li>There are regular meetings every year between representatives of workers, companies and the Department of Manpower and Transmigration to discuss work relations and understanding employment</li> </ul>	There are no negative issues from Manpower Agency. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 2.1 ; 4.7; 4.8; 5.5; 6.3; 6.5 and 6.12.
<b>2.</b>	<b>Environmental Agency of Kutai Timur District</b>	
	<ul style="list-style-type: none"> <li>The first and second semester RKL-RPL reports in 2018 have been received</li> <li>Temporary Hazardous Waste Shelter is found in each estate and factory equipped with a valid permit</li> <li>Medical waste is stored at licensed Temporary Hazardous Waste Shelter</li> <li>Land Application license will expire in March 2019 POM Solid waste is used for fertilizer (EFB) and boiler fuel (Shell, Fiber)</li> </ul>	<p>Auditor has verified the compliance toward indicator 2.1.1, criteria 5.3 and 5.4.</p> <p>Land application license is expire in March 2020.</p>
<b>3.</b>	<b>Plantation Agency of Kutai Timur District</b>	
	<ul style="list-style-type: none"> <li><i>LPUP</i> has been regularly reported (quarterly)</li> <li><i>PUP</i> was last held in 2017 with category class II</li> <li>Have a good coordination</li> <li>Fire facilities and infrastructure are adequate, there is no history of land fires</li> </ul>	Auditor has checked the compliance with criteria 1.1, 2.1, 2.2 and 4.7
<b>4</b>	<b>National Land Agency Kutai Timur District</b>	
	<ul style="list-style-type: none"> <li>There has never been an issue or information regarding the existence of a land dispute</li> <li>Mandatory reports such as the utilization of <i>HGU</i> have been received through <i>LPUP</i></li> <li>There are no plans or information regarding the addition of the company's operational area</li> </ul>	Auditor has checked the compliance with criteria 2.2, 2.3 and 6.4
<b>5</b>	<b>Village of Community, local contractor and Smallholder Cooperative</b>	
	<b>Community leader of Dabeq Village/ smallholder member</b>	Auditor has checked the compliance with

	<ul style="list-style-type: none"> <li>• Before the plantation is established, the area was logging company's area. The company first requested permission to open an area for oil palm plantations</li> <li>• There is no land compensation to surrounded community because it was logging company's area.</li> <li>• Company has established smallholder.</li> <li>• There was CSR such as road repair, but there is reduction in the frequency of repair from 4 times a year to 1 – 2 times a year.</li> <li>• There is no environment pollution issue (fire or waste pollution).</li> <li>• There is no complaint about smallholder's FFB payment.</li> <li>• Calculations for payment of operational activities are carried out transparently</li> <li>• FFB price is adjusted to price from government.</li> <li>• Upkeep for smallholder estate is same as core estate.</li> <li>• Company give opportunity for villagers to work in PT DSN.</li> </ul>	environment aspect criteria 5.1 and 5.3
	<b>Village Head and Customary Head of Dayak, Dabeq Village</b> <ul style="list-style-type: none"> <li>• Company's area was logging area, so there is no land compensation to surrounded community</li> <li>• Company has provided assist to Dabeq village, such as road repair, scholarship, and traditional and traditional events.</li> <li>• The company also helps the community in developing smallholder plantations.</li> <li>• There are customary forest areas and traditional sites / tombs in the area around PKS 2.</li> <li>• Health assistance is carried out every week.</li> <li>• There is no issue about land dispute.</li> <li>• There is no issue about environment pollution and land fire</li> </ul>	Auditor has checked the compliance with environment aspect criteria 5.1 and 5.3
	<b>GAC (Gerdabang Agri Center) Cooperative (Secretary of Cooperative)</b> <ul style="list-style-type: none"> <li>• There is an MoU between GAC Cooperative and PT DAN. The cooperative also has the copy of MoU. FFB is supplied to POM 4.</li> <li>• The payment to cooperative is conducted every 3 month in accordance with MoU. The breakdown of payment is shown in the payment report.</li> <li>• All operational activity is carried out by PT DAN. There is traditional tomb in POM 2.</li> </ul>	Auditor has checked the compliance with HCV aspect criteria 5.2
	<b>Youth Leader of Benhes Village</b> <ul style="list-style-type: none"> <li>• Relationship between company and youth organization goes well.</li> <li>• The company provides assistance for youth activities, such as providing sports facilities, sports facilities maintenance, providing sports costumes, and so on Communication with company is through CSR department. It can be done verbally or through proposal.</li> </ul>	Auditor has checked the compliance with criteria 6.11
<b>6</b>	<b>Workers Union of PT DAN and PT DSN</b>	
	<ul style="list-style-type: none"> <li>• Communication between the company and workers' representatives goes well.</li> </ul>	There are no negative issues from worker unions. CH has shown the evidence of compliance to

<ul style="list-style-type: none"> <li>• Wages in accordance with the minimum wage of Kutai Timur Districts of 2019.</li> <li>• All workers (contract and permanent) have been registered in BPJS program.</li> <li>• The company does not discriminate against workers both from the reception to the promotion. Promotion is based on employee performance appraisals.</li> <li>• Facilities for workers consist of housing, electricity from genset, water tank, sports facilities, religious facilities, school transport.</li> <li>• During the period 2017 – 2018 there are no issues related to employment</li> <li>• Each worker has been complemented with working agreement that mutually agreed.</li> <li>• Worker Unions have existed since the year 2013. Evidence of registration of worker unions of PT DAN with the letter number 06/02 / SP-SB / Nakertrans-HIJ / I / 2013 dated 29 January 2013 from Social, Manpower and Transmigration Agency of East Kutai regency. Evidence of registration of worker unions of PT DSN with the letter number 07/02/SP-SB/Nakertrans-HIJ/I/2013 dated 30 June 2013 from Social, Manpower and Transmigration Agency of East Kutai regency.</li> <li>• Each member will be subject to regular contributions every month by deducting from a salary of IDR 2000, - (estate) and IDR 5,000 (factory) with the agreement of the worker / member itself.</li> <li>• Regular meeting of unions conducted every months in PT DAN and PT DSN.</li> <li>• There is no discrimination in the acceptance and promotions, all receive equal opportunities according to procedures.</li> <li>• The company has provided PPE for workers who are used while working and the PPE procedure will be damaged will be replaced with a record of damage due to work factors. Monitoring the use of PPE that still needs to be improved.</li> <li>• The Certification Unit also facilitated activities such as borrowing room and vehicles for Worker Unions. Beside that, the Worker Union have secretary office at housing block G10 at Puhus 2 Estate.</li> <li>• During this time there is no compulsion to become union members. Policy of association and assembly is delivered during the morning briefing and at the time of the meeting.</li> <li>• There are letters joint statement of the Workers Union PT DSN and PT DAN explaining that the company regulation is still relevant to accommodate the interests of employees as a whole and does not conflict with labor legislation.</li> <li>• Complaints can be channeled to the employee suggestion box located in each estate and workers unions protect the reporter's identity (anonymity).</li> <li>• Every worker is given freedom in association, for example by becoming a member of worker union.</li> <li>• There are no issues related to industrial relations and</li> </ul>	<p>RSPO standard criteria 2.1; 6.3; 6.5 and 6.6.</p> <p>However, after it was confirmed to the management, it was explained that there was no company policy that prohibited security from associating / becoming a member of a union. The explanation above provides opportunities for improvement by companies to provide understanding to security employees regarding the right to freedom to become members of Worker Unions. <b>OFI.</b></p>
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	<p>employment issues..</p> <ul style="list-style-type: none"> <li>• The Workers Union has member 1087 people at PT DAN and 90 people at DSN Mill 2.</li> <li>• Based on interviews with DSN POM Group Workers Union representatives that some security members on the DSN group began to resign from union membership. Based on the explanation from security from POM-2, the security team had received training where one of the material in the professional training of security officers had to be neutral and not take sides with one of the interests.</li> </ul>	
<b>7</b>	<b>Gender Committee of PT DAN</b>	
	<ul style="list-style-type: none"> <li>• In the last months of the 2018-2019 period there were no reports of sexual harassment or violation of women's reproductive rights.</li> <li>• There is no reporting of violations of discrimination against female workers by companies. Job opportunities and promotions apply to all workers who walk according to procedures.</li> <li>• The women worker received entitlement namely H1 (menstrual leave) and H2 (pregnant leave) in accordance with the provisions of applicable regulations.</li> <li>• The company has demonstrated an effort to facilitate access in obtaining adequate and adequate food ingredients, for example by the establishment of employee cooperatives that sell daily basic necessities</li> </ul>	<p>There are no negative issues from worker unions. CH has shown the evidence of compliance to RSPO standard criteria 2.1 and 6.9.</p>
<b>8</b>	<b>Local contractor (FFB/CPO Transport; construction)</b>	
	<p><b>Community Leader Benhes Village (Local Contractor – FFB Transport)</b></p> <ul style="list-style-type: none"> <li>• Company's area was logging area, so there is no land compensation to surrounded community</li> <li>• Protected animals and areas with high conservation value have been socialized</li> <li>• There is traditional sites / tombs in the area around PKS 2.</li> <li>• There is an indication of pollution from operational activities to the Telen River when rainy season</li> <li>• FFB transportation has completed with work agreement.</li> <li>• The pricing of the contract for transporting FFB is determined jointly</li> <li>• There is no problems related to the payment of contracts for the transportation of FFB</li> <li>• PPE for contractor worker is provided by contractor with help from PT DSN.</li> <li>• The worker has registered to social insurance.</li> <li>• Stakeholder knows the complaint mechanism.</li> </ul>	<p>Auditor has checked the compliance with environment and HCV aspect criteria 5.1, 5.2, 5.3. Auditor also verify the issue about water pollution by checked the result of water testing of Puhus River. There is no indication of water pollution in Puhus River. As for Telen River, PT DAN don't have mandatory for testing its water quality.</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table border="0" style="width: 100%;"><tr><td style="width: 50%; text-align: center;"><p>PT Dharma Satya Nusantara (POM 2) Management Representative</p><p><b><u>Agustinus Triwibowo</u></b> Wednesday, 06 February 2019</p></td><td style="width: 50%; text-align: center;"><p>Mutuagung Lestari Lead Auditor</p><p><b><u>Muhammad Rinaldi</u></b> Wednesday, 06 February 2019</p></td></tr></table>	<p>PT Dharma Satya Nusantara (POM 2) Management Representative</p>  <p><b><u>Agustinus Triwibowo</u></b> Wednesday, 06 February 2019</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Muhammad Rinaldi</u></b> Wednesday, 06 February 2019</p>
<p>PT Dharma Satya Nusantara (POM 2) Management Representative</p>  <p><b><u>Agustinus Triwibowo</u></b> Wednesday, 06 February 2019</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Muhammad Rinaldi</u></b> Wednesday, 06 February 2019</p>		



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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
2	Manpower Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
3	Plantation Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
4	National Land Agency	Sangata, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
5	Benhes Village	Muara Wahau Village, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
6	Village of Dabeq	Muara Wahau Village, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
7	GAC (Gerdabang Agri Center) Cooperative (Secretary of Cooperative)	Muara Wahau Village, District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
8	Workers Union of PT DSN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
9	Gender Committee of PT DAN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
10	Workers Union of PT DAN	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
11	Local Contractor (transport FFB)	District of Kutai Timur, Province of Kalimantan Timur.	-	Interview	15 January 2019	✓	
12	Sawit watch	Jakarta, Indonesia	info@sawitwath.or.id	Email	03 January 2019		✓
13	WWF	Jakarta, Indonesia	suhandri@WWF.or.id	Email	03 January 2019		✓
14	<ul style="list-style-type: none"> <li>• 1 Foreman, 1 FFB grading officer and 1 estate representative of grading officer.</li> <li>• 2 Loading Ramp St.</li> </ul>	POM-2 PT DSN.	-	Interview	15 January 2019	✓	

	<p>Operators.</p> <ul style="list-style-type: none"> <li>• 1 Assistant and 1 Sterilizer St. Operator.</li> <li>• 1 Thresher St. Operator.</li> <li>• 1 Clarification St. Operator.</li> <li>• 1 Nut and Kernel St. Operator.</li> <li>• 1 Engine Room Operator.</li> <li>• 2 Boiler St. Operators.</li> <li>• 2 Weighbridge officer</li> <li>• 3 security</li> <li>• 3 worker on hydrant simulation</li> <li>• 1 worker on workshop</li> <li>• 1 worker on oil storage</li> <li>• 1 WTP officer</li> <li>• 1 Schedule waste storage officer</li> <li>• 1 chemical storage officer</li> <li>• 1 WWTP Operator</li> </ul>						
15	<ul style="list-style-type: none"> <li>• 1 storage officer</li> <li>• 1 worker on workshop</li> <li>• 1 paramedic</li> <li>• 1 Crèche officer</li> <li>• 1 generator operator</li> <li>• 1 clean water pump operator</li> <li>• 3 Spraying worker</li> <li>• 2 P&amp;D officer</li> <li>• 3 Harvester</li> <li>• 1 transport clerk</li> </ul>	Puhus 1 Estate PT DAN	-	Interview	16 January 2019	✓	
16	<ul style="list-style-type: none"> <li>• 1 Foreman, 1 Transporter and 2 Female Fertilizer Applicators.</li> <li>• 1 Foreman and 1 Harvester.</li> <li>• 1 Foreman and 2 Female Pesticide Applicators.</li> </ul>	Puhus 2 Estate PT DAN	-	Interview	17 January 2019	✓	
17	<ul style="list-style-type: none"> <li>• 1 storage officer</li> <li>• 1 worker on workshop</li> <li>• 1 rinse house officer</li> <li>• 1 Crèche officer</li> <li>• 3 firefighter officer</li> </ul>	Puhus 3 Estate PT DAN	-	Interview	17 January 2019	✓	

Appendix 2. Assessment Program

DATE	14-19 January 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 14 January 2019</b>		
04.55 - 08.05	Jakarta → Balikpapan	MRD, AAS, DHT
08.50 – 09.45	Balikpapan → Berau	MRD, AAS, DHT
10.00 – 16.00	Berau → Site	MRD, AAS, DHT
06.25 – 10.05	Jakarta → Samarinda	HRK
10.30 – 17.00	Samarinda → Sangata	
<b>Tuesday, 15 January 2019</b>		
08.00 – 12.00	<p><b>Opening Meeting</b> (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)</p> <p><b>Document Review</b></p> <p>a. Review of Previous Visit Non-conformance b. Collect Basic Information (Mill and Estates) c. Time bound plan and partial certification</p> <p><b>Public Consultation:</b></p> <ul style="list-style-type: none"> <li>• Related Government Institution &amp; Local NGO (Kab. Kutai Timur)</li> <li>• Communities &amp; Land Previous Owner (Benhes Village and Dabeg Village)</li> <li>• Workers Cooperative, Labor Union, Gender Committee, local contractor (FFB &amp; CPO/PK transportir)</li> </ul>	<p>MRD, AAS, DHT</p> <ul style="list-style-type: none"> <li>• HRK</li> <li>• MRD &amp; AAS</li> <li>• DWH</li> </ul>
12.00 – 14.00	<b>LUNCH BREAK</b>	
14.00 – 17.00	<p><b>Field Observation POM 2</b></p> <ul style="list-style-type: none"> <li>• Supply Chain verification (FFB Receiving, Weighbridge,)</li> <li>• FFB Sorting, Processing Activity, Despatch CPO</li> <li>• Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond, Land Application)</li> </ul> <p><b>Document Review and Verification of field visit &amp; Interview</b></p>	MRD, AAS, DHT
<b>Wednesday, 16 January 2019</b>		
08.00 - 12.00	<p><b>Field Observation PUHUS 1 ESTATE</b></p> <ul style="list-style-type: none"> <li>• Legal Operational (Boundary stone, land use), Conservation (HCV Area)</li> <li>• Best Agricultural Practices (Spraying, Harvesting, Integrated Pest Management, Slope area, transporter)</li> <li>• Worker Facilities (housing, health facility, water, electrical, etc) and domestic waste management</li> </ul>	<ul style="list-style-type: none"> <li>• All Team</li> </ul>

<b>14-19 January 2019</b>		
<b>PLANNED TIME</b>	<b>PROCESSES / CLAUSES TO BE AUDITED</b>	<b>AUDITOR</b>
12.00 – 14.00	<ul style="list-style-type: none"> <li>Workshop, Chemical Storage, Hazardous Waste storage, Land Fire facility</li> </ul>	
14.00 – 17.00	<p><b>LUNCH BREAK</b></p> <p><b>Continue Field Observation and outstanding issue, Document Review and Verification of field visit &amp; Interview</b></p>	
<b>Thursday, 17 January 2019</b>		
08.00 - 12.00	<p><b>Field Observation <b>PUHUS 2 &amp; PUHUS 3 ESTATE</b></b></p> <ul style="list-style-type: none"> <li>Legal Operational (Boundary stone, land use), Conservation (HCV Area)</li> <li>Best Agricultural Practices (Spraying, Harvesting, Integrated Pest Management, Slope area, transporter)</li> <li>Worker Facilities (housing, health facility, water, electrical, etc) and domestic waste management</li> <li>Workshop, Chemical Storage, Hazardous Waste storage, Land Fire facility</li> </ul>	<ul style="list-style-type: none"> <li><b>All Team</b></li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<b>Continue Field Observation and outstanding issue, Document Review and Verification of field visit &amp; Interview</b>	<ul style="list-style-type: none"> <li><b>All Team</b></li> </ul>
<b>Friday, 18 January 2019</b>		
08.00-11.30	<b>Continue Outstanding Field Observation (if necessary) and RSPO Document Review</b>	<ul style="list-style-type: none"> <li><b>All Team</b></li> </ul>
12.00-16.00	<b>Interim Meeting Preparation for Closing Meeting</b>	
16.00-17.00	<b>Closing Meeting</b>	
<b>Saturday, 19 January 2019</b>		
03.00-09.00	<b>PT DSN → BERAU</b>	<ul style="list-style-type: none"> <li><b>All Team</b></li> </ul>
10.25-14.15	<b>BERAU → BALIKPAPAN → JAKARTA</b>	