

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

[✓] Surveillance-1.1

Name of Management : **Palm Oil Mill 2 subsidiary of PT Dharma Satya Nusantara, Tbk.**
 Organisation
 Plantation Name : **PT Dharma Agrotama Nusantara (DAN): Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Estate**
 Location : **Muara Wahau Village, Muara Wahau Sub-District, Kutai Timur District, Kalimantan Timur Province, Indonesia**
 Certificate Code : **MUTU-RSPO/056**
 Date of Initial Registration : 25 March 2014
 Date of Last Issued : 02 May 2019 Date of License Issue : 25 April 2020
 Date of Certificate Expiry : 24 March 2024 Date of License Expiry : 24 March 2021

Assessment	Assessment Date	PT Mutuagung Lestari Auditor	Reviewed By	Approved by
ASA-1.1	14 to 17 January 2020	Ardiansyah (Lead Auditor Witnesser) Mohamad Amarullah (Lead Auditor Witnessed), Arif Faisal Simatupang, Rindu Galih Rezza Rachmansyah and Bayu Yogatama	Leonada	Octo H.P.N. Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.1	14 February 2020

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

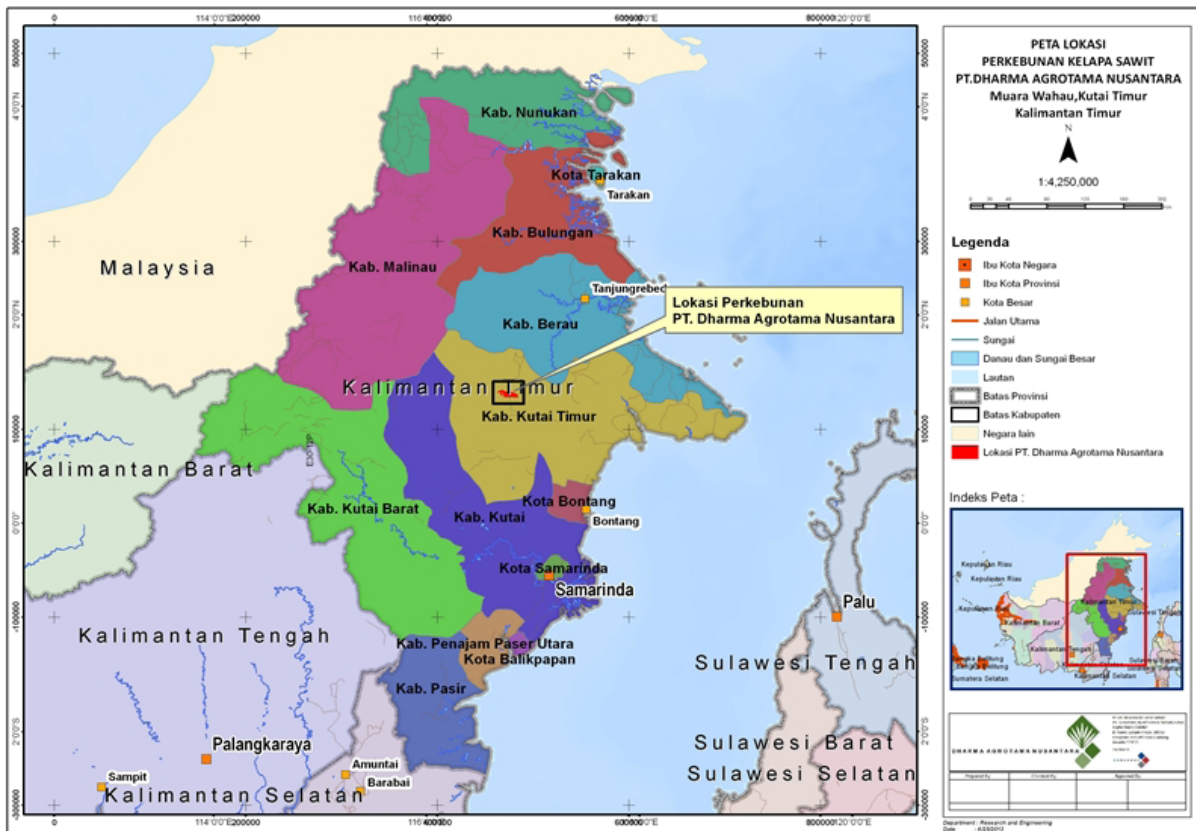
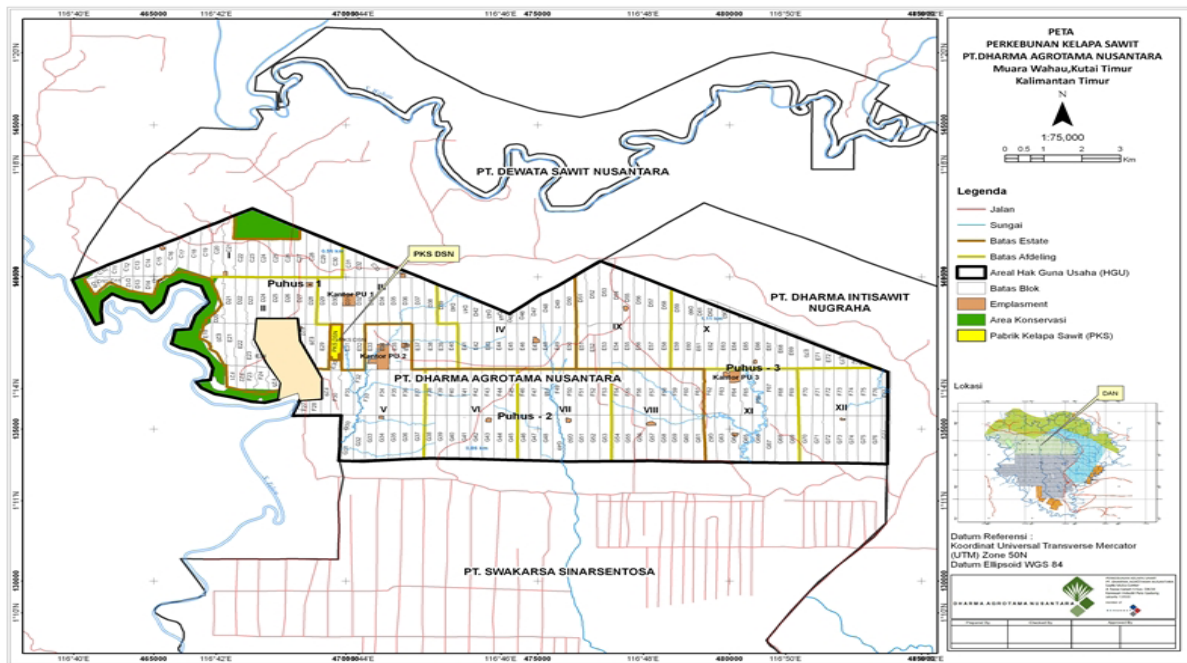


Figure 2. Operational Map of PT Dharma Agrotama Nusantara



Abbreviations Used

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)
BPN	:	<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
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 Sektorial Kabupaten</i> (District Sectoral Minimum Wages)
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant
WLTK	:	<i>Wajib Lapo Tenaga Kerja</i> (Mandatory Labour Report)
	:	

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018. RSPO Certification System for Principles and Criteria, 14 June 2017 	
1.2	Organisation Information		
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	RSPO registered company: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur, Indonesia	
1.2.4	Telephone	021-4618135	
1.2.5	Fax	021-46834865	
1.2.6	E-mail	agustinus.triwibowo@dsngroup.co.id	
1.2.7	Web page address	www.dsn.co.id	
1.2.8	Management Representative who completed the application for certification	Agustinus Triwibowo	
1.2.9	Registered as RSPO member	1-0135-12-000-00 (4 December 2012)	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: <ul style="list-style-type: none"> Palm Oil Mill 2 of PT DSN, 3 Estates of PT DAN: Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Jaya Estate 	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	POM 2	Muara Wahau Village, Muara Wahau Sub-District, Kutai Timur District, Kalimantan Timur Province, Indonesia	N 01° 15' 03" E 116° 43' 44"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Puhus 1 Estate (PT DAN)	Muara Wahau Village, Muara Wahau Sub-District, Kutai Timur District, Kalimantan Timur Province, Indonesia	N 01° 14' 23" E 116° 44' 21"
	Puhus 2 Estate (PT DAN)	Muara Wahau Village, Muara Wahau Sub-District, Kutai Timur District, Kalimantan Timur Province, Indonesia	N 01° 15' 40" E 116° 43' 51"

	Puhus 3 Estate (PT DAN)	Muara Wahau Village, Muara Wahau Sub-District, Kutai Timur District, Kalimantan Timur Province, Indonesia	N 01° 14' 18"	E 116° 49' 16"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		9,959.95 Ha	
	• Community		- Ha	
1.5.2	Area Statement			
	• Total area		9,959.95 Ha	
	• Mature area		9,000.00 Ha	
	• Mill		32.70 Ha	
	• Emplishment and infrastructure		281.25 Ha	
	• Conservation (HCV)		128.00 Ha	
	• Buffer zone (HCV)		518.00 Ha	
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Puhus 1 Estate	Puhus 2 Estate	Puhus 3 Estate
	2005	189.00	2,230.00	-
	2006	1,155.00	548.00	-
	2007	214.00	168.00	2,964.00
	2008	1,451.00	-	-
	2012	81.00	-	-
	TOTAL	3,090.00	2,946.00	2,964.00
1.6.2	New Planting area after January 2010		- Ha	
1.6.3	Planting Cycle		1 st Cycle	
1.7	Description of Mill and Supply Base			
1.7.1	Description of Mill			
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO
				Out put (tonnes)
				Extraction (%)
	POM-2	60	272,580.22	63,037.52
				23.13
				10,242.53
				3.76
	<i>*Production data source from January to December 2019</i>			
1.7.2	Description of Certification Scope of Supply Base			
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)
				Yield (tonnes/ha/year)
				Supplied to Mill
				FFB (tonnes/year)
				%
	Puhus 1	3,865.70	3,090.00	88,436.77
				28.62
				88,234.45
				99.77
	Puhus 2	3,043.25	2,946.00	90,789.10
				30.82
				90,789.10
				100.00

	Puhus 3	3,051.00	2,964.00	80,537.65	27.17	58,163.56	72.22	
	TOTAL	9,959.95	9,000.00	259,763.52	28.86	237,187.11	91.31	
*Production data source from January to December 2019								
1.7.3	FFB description from other source							
	Name of sources/Organisation	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tonnes/year)			
	Long Jenew 1 Estate (RSPO Certified)	PT Swakarsa Sinarsentosa, subsidiary of PT Dharma Satya Nusantara	-	4,327	35,393.11			
	TOTAL				35,393.11			
*Production data source from January to December 2019								
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (25 Mar 2019 to 24 Mar 2020) (mt)		Last Year Actual Certified Volume (Jan to Dec 2019) (mt)			
	FFB Processed		296,422		272,580.02			
	CPO Production		70,943		63,037.52			
	Palm Kernel (PK) Production		10,948		10,242.53			
1.8.2	Product selling							
	Type of selling product			Actual selling product for last year (January to December 2019) (mt)				
	CSPO sold as RSPO certified product			17,722.39				
	CSPK sold as RSPO certified product			10,101.51				
	CSPO sold under other scheme			0				
	CSPK sold under other scheme			0				
	CSPO sold as conventional			43,837.80				
	CSPK sold as conventional			0				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Puhus 1	3,865.70	3,090.00	96,400	30.05			
	Puhus 2	3,043.25	2,946.00	98,900	32.36			
	Puhus 3	3,051.00	2,964.00	87,800	28.53			
	TOTAL	9,959.95	9,000.00	283,100	30.31			
*Projected FFB production for 25 March 2020 to 24 March 2021								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	POM-2	60	283,100	67,950	24.00	11,450	4.00	IP
*Projected CSPO and CSPK production for 25 March 2020 to 24 March 2021								

1.9	Other Certifications					
	ISO 9001:2008	-				
	ISO 14001: 2004	-				
	OHSAS 18001:2007	-				
	ISCC	-				
	Others	-				
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	Mill	Time Bound Plan				
	POM 1 (PT SWA)	June 2012	Jabdan 2 (PT SWA)	2012	Kutai Timur District, Kalimantan Timur Province	Certified
			Smallholder (KM 5.9)	2015		Certified
			Smallholder (KM 3,6,11,12)	2017		Certified
	POM 2 (PT DSN)	June 2013	Puhus 1 (PT DIN)	2013	Kutai Timur District, Kalimantan Timur Province	Certified
			Puhus 2 (PT DIN)	2013		Certified
			Puhus 3 (PT DIN)	2013		Certified
	POM 3 (PT DSN)	August 2013	Long Kejiak 1 (PT DSN)	2013	Kutai Timur District, Kalimantan Timur Province	Certified
			Long Kejiak 2 (PT DSN)	2013		Certified
			Long Kejiak 3 (PT DSN)	2013		Certified
	POM 4 (PT DSN)	Nov 2014	Jabdan 1 (PT DSN)	2015	Kutai Timur District, Kalimantan Timur Province	Certified
			Long Jenew 1 (PT SWA)			Certified
			Long Jenew 2 (PT SWA)			Certified
			Smallholder	2019		Waiting RaCP
	POM 5 (PT DSN)	2020	Bukit Pandulangan 1 (PT Pilar Wanapersada)	2020	Lamandau District, Kalimantan Tengah Province	-
			Bukit Pandulangan 2 (PT Pilar Wanapersada)	2020		-
			Bukit Pandulangan 3 (PT Pilar Wanapersada)	2020		-
			Smallholder	2023		-
	POM 6 (PT DSN)	2019	Melenyu 1 (PT DWT)	2019	Kutai Timur District, Kalimantan Timur Province	Certified
			Melenyu 2 (PT DWT)	2019		Certified
			Melenyu 3 (PT DWT)	2019		Certified
			Smallholder	2022		-

POM 7 (PT DSN)	2019	Melenyu 4 (PT DWT)	2019	Kutai Timur District, Kalimantan Timur Province	Certified
		PT Karya Prima Agro Sejahtera	2020		NPP & RaCP Process RSPO
		Smallholder (KM 9)	2015		Certified
-	-	PT Dharma Intisawit Lestari	2020	Bulungan District, Kalimantan Timur Province	-
-	-	PT Karya Prima Agro Sejahtera	2020	Kutai Timur District, Kalimantan Timur Province	-
		Smallholder	2023		-
-	-	PT Putra Utama Lestari	2020	Kutai Barat District, Kalimantan Timur Province	-
		Smallholder	2023		-
-	-	PT Agro Andalan	2020	Sekadau District, Kalimantan Barat Province	-
		Smallholder	2023		-
-	-	PT Kencana Alam Permai	2020	Sintang District, Kalimantan Barat Province	-
		Smallholder	2023		-
-	-	PT Prima Sawit Andalan	2020	Sintang District, Kalimantan Barat Province	-
		Smallholder	2023		-
-	-	PT Dharma Persada Sejahtera	2020	Sintang District, Kalimantan Barat Province	-
		Smallholder	2023		-
PKS Tepian Langsat	2021	PT Bima Palma Nugraha	2021	Bengalon District, Kalimantan Timur Province	-
		Smallholder	2024		-
PKS Muara Bulan	2021	PT Bima Agri Sawit	2021	Karangan District, Kalimantan Timur Province	-
		Smallholder	2024		-
PT Dharma Satya Nusantara has committed to obtain RSPO Certificate to all management unit in accordance with TBP that has been set. 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 02 January 2020 and signed by Head of Sustainability.					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	PT DSN and PT DAN until now there is no cooperation with independent and/or scheme smallholders in term of FFB purchasing.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
	<p>1. Mohamad Amarullah (Lead Auditor Witnessed). Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry with major in Forest Product Technology. Has experiences as Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has attended several trainings such as Lead Auditor of ISPO, RSPO, RSPO Supply Chain, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, SA 8000, HCV, etc. very good in conducting RSPO, MSPO and ISPO audit scheme since 2014 on any aspect. Fluent in Malay and English. During this assessment has verified legality, land and business permit, and social aspect.</p> <p>2. Ardiansyah (Lead Auditor Witnesser). Indonesian citizen, Bachelor of Forest Resources Conservation, Department of Forestry. Had work experience in Environmental NGO for 6 month (2007) and consultant for making EIA Document and Strategic Environmental Assessment (SEA) for 3 years (2009 – 2012). Had attend training such as RSPO Lead Auditor course, Lead Auditor ISPO, OHSAS (18001 – 2007), land cover crop mapping and Management System Certification (ISO 9001-2008), Environmental Management System Certification (ISO 14001-2004), Social Auditing and Conflict Resolution, SA 8000 Awareness. Had many times following audit activities related to sustainable palm oil certification system which is ISPO as an auditor since 2012 for legal, environmental aspect, conservation and social. Fluent in Bahasa and Malay. At the time of audit, he witnessing the performance of Lead Auditor).</p> <p>3. Arif Faisal Simatupang (Auditor) Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm plantation company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit, he was assessing the aspects of best management practices of agronomy and processing. During this assessment has verified BMP, long term management plan, transparency aspect and supply chain aspect.</p> <p>4. Bayu Yogatama (Auditor) Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this assessment has verified environment, conservation and GHG aspect.</p> <p>5. Rindu Galih Rezza Rachmansyah (Trainee Auditor). Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, ISPO, RSPO, RaCP and NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017. During assessment, he assigned to supporting verification towards safety, worker welfare and social aspect.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
	<p>Number of auditors: 4 auditors and 1 auditor trainee Number of days for ASA-1.1 at site: 4 days Number of working days for ASA-1.1 at site: 16 Working days</p>
2.2.2	Assessment Process

	<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 Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-1.1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.2). Improvement of findings from main assessment findings were observed by auditors at this ASA-1.1 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.1.</p> <p>During closing meeting at 18 January 2020, there was identified one (1) NCR related to Indicator 7.8.2 Critical. The auditee sent objection towards the NCR which delivered through email on 21 January 2020. Mutu Certification Committee Panel meeting has conducted in 23 January 2020, resulting that the auditees objection is accepted and the NCR notes on the respective indicator has to be removed. Objection result officially informed to the auditee on 27 January 2020.</p> <p>The assessment program please find Appendix 2</p>
<p>2.2.3</p>	<p>Locations of Assessment</p>
	<p>Number of units in this certification activity is three estates namely Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Estate, which supply the raw material (FFB) to one palm oil mill, namely Palm Oil Mill 2 (POM-2).</p> <p>In conducting the assessment, since number of estates is less than four, thus, all estates are visited and assessed, i.e. Puhus 1 Estate, Puhus 2 Estate and Puhus 3 Estate. For POM, each audit activity must be assessed according to the Certification System.</p> <p>The locations visited are presented as follows: <u>POM 2 of PT DSN (14 January 2020)</u></p> <ol style="list-style-type: none"> 1. Grading Station. Observations and interviews related to FFB quality, handling of FFB that did not pass the criteria, OHS and employment. 2. FFB process stations (sterilizer, thresher, digester, press, clarification and kernel). Observations and interviews related to best practices, OHS, license, and employment. 3. Boiler. Observations and interviews related to OHS, understanding of emergency response, and operator licenses 4. Engine room. Observations and interviews related best practices, OHS, and employment. 5. CPO storage and dispatch. Observation related CPO storage and dispatch. 6. Security Post. Observation and Interview with 3 Security Officers and 1 FFB Queue Clark (all male), on their understanding towards technical, manpower, safety, environment and facilities provided by unit management. 7. Weighbridge Station. Observation and interview with 1 Operator (female), on her understanding towards technical (included SCCS implementation), bridges calibration (2 units), manpower, safety, environment and facilities provided by unit management. Operator is also a Chief of Gender Committee. 8. Laboratory. Observation on safety and environment implementation, as well as interview with 1 Sampling Operator (male), on his understanding towards technical, manpower, safety, environment and facilities provided by unit management. 9. Spare-part Warehouse. Field observations and interview related spare part management, OHS, and environmental aspect. 10. Workshop. Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect. 11. Hazardous Waste Temporary Store. Field observations and interview related hazardous waste management, OHS and environmental aspect.

12. **Chemical Warehouse.** Field observations and interview related chemical management, OHS, and environmental aspect
13. **Empty Bunch Area.** Field observations related to empty bunch management.
14. **Water Treatment Plant (WTP).** Observations and interviews related to water management, recording of water used, OHS, and waste management.
15. **Waste Water Treatment Plant (WWTP) or Effluent Plant.** Field observations and interview related POME management, recording, OHS and environmental.
16. **Mill Drainage.** Field observation and interview related mill drainage and potency of environmental contamination.
17. **Fuel Tank.** Field Observations related waste management, and emergency response facilities.
18. **Hydrant simulation.** Observation related emergency response, readiness of firefighting equipment.

Puhus-1 Estate of PT DAN (15 to 16 January 2020)

1. **FFB Harvesting, Block E29.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
2. **Manual Weeding, Block C33.** Observation and interviews with workers related manual weeding, OHS, and employment.
3. **Steep Area, Block E24.** Observations related soil and water conservation on with steep area, by not planting with oil palm and leaving the forest plant.
4. **EFB Mulching Application, Block E29.** Observations and interviews related EFB application as nutrient cycle on nutrient deficit area, dosage and method of applications, and soil condition.
5. **Fire Monitoring Tower, Block E24.** Observation fire monitoring tower, and the fire patrol.
6. **Spare part Warehouse.** Field observations and interview related spare part management, OHS, and environmental aspect.
7. **Afdeling 4 Block D45.** Observation to Boundary/BPN **Pole No. DAN 016** situated in coordinate 1° 15' 20" N and 116° 46' 07" E (UTM 138800.98 N and 474282.27 E), located in adjacent with Afdeling 8 Melenyu 2 Estate of PT Dewata Sawit Nusantara (PT DWT).
8. **Afdeling 1 Block C27.** Observation to Boundary/BPN Pole **No. DAN 004** situated in coordinate 1° 16' 49" N and 116° 43' 13" E (UTM 141540.87 N and 468933.23 E), located in adjacent with Afdeling 11 Melenyu 3 Estate of PT DWT.
9. **Afdeling 1 Block 8 HCV-1.** Observation to **HCV management** implementation. Total HCV area was 128 ha.
10. **Pos Security Emplacement.** Observation and interview with 2 **Security Officers**, on their understanding towards technical, manpower, safety, environment and facilities provided by unit management.
11. **Fertilizer Store.** Observation towards health, safety and environment aspect, as well as interview with 1 **Store Keeper**, on their understanding towards technical, manpower, safety, environment and facilities provided by unit management. Fertilizer stored are ERP, MOP, NPK and Borate.
12. **Agrochemical Store.** Observation towards health, safety and environment aspect, as well as interview with 1 **Store Keeper**, on their understanding towards technical, manpower, safety, environment and facilities provided by unit management. Agrochemical stored are Agristic, Meta Prima, Starane and Clean Up. There is special place for PPE Store, pesticide mixing and washing devices.
13. **Fuel Oil and Lubricant Store.** Observation towards health, safety and environment aspect.
14. **Diesel Tank.** Observation towards health, safety and environment aspect.
15. **Workshop.** Observation and interview with Traction Foreman and 1 Mechanic Welder, on their understanding towards technical, manpower, safety, environment and facilities provided by unit management.
16. **Generator Set House for PU-1 Emplacement.** Observation towards health, safety and environment aspect.
17. **Hazardous Waste Store.** Observation towards health, safety and environment aspect, as well as interview with 1 **Store Keeper**, on their understanding towards technical, manpower, safety, environment and facilities provided by unit management.
18. **Clinic.** Observation towards **infectious or medical waste management**, as well as interview with 2 **Paramedics** (Nurse), on their understanding towards technical, accident trend records, manpower, safety, environment and facilities provided by unit management.
19. **Emplacement Facilities.** Observation to emplacement facilities such as assembling points, fire extinguisher, Composting house of organic waste, in-organic waste store, sanitation system, housing quality, playground, mosque, and sport facilities.
20. **PU-1 Office.** Interview with 1 **contractor employee (School Bus Driver)** of PT Noh Bersaudara Jaya, on his understanding towards worker rights such as PPE, BPJS, wages and overtime time calculation.

Puhus-2 Estate of PT DAN (15 to 16 January 2020)

1. **EFB Application, Block F52.** Observations and interviews related to EFB application as nutrient cycle, dosage applications, how to work safely and employment.
2. **Spraying Circle & Path, Block F53.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra food, PPE, labor aspect and environment.
3. **FFB Harvesting, Block F33.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
4. **Manual Weeding, Block F52.** Observation and interviews with workers related manual weeding, OHS, and employment.
5. **Barn Owl Box, Block F46.** Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.
6. **Fertilizer Warehouse.** Observation related to management of fertilizer material and waste, MSDS, emergency response facilities and the types of pesticides used.
7. **Pesticide Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
8. **Material Warehouse.** Observation related to management of material and waste, MSDS, emergency response facilities and the types of pesticides used.
9. **Fuel Tank.** Field Observations related waste management, and emergency response facilities.
10. **Daycare.** Observation and interview with worker related labor aspect and OHS
11. **Hazardous Waste Temporary Store.** Field observations and interview related hazardous waste management, OHS and environmental aspect.
12. **Clinic.** Observations and interview related to health facilities and medical waste management
13. **PPE & Rinse House.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
14. **Generator (Electricity).** Observation for waste management, and interviews related to workers facility, electricity, domestic waste, sources of fresh water, socialization of company policy and complaint mechanism.
15. **Landfill Block G44 Afd.** Observations and interviews related to water management, recording of water used, OHS, and waste management.
16. **Fire Fighting Facilities.** Observation and simulation the emergencies response facilities.
17. **Kenden River Riparian Block F48.** Observation of river border management and woody tree enrichment.
18. **Afdeling 5 Block E33/F31.** Observation to riparian management implementation in *Sungai* (Stream) of Puhus Hilir and **Land Application** area.
19. **Afdeling 5 Block G31.** Observation to Boundary/BPN Pole **No. DAN 024** situated in coordinate 1° 13' 32" N and 116° 43' 45" E (UTM 135455.56 N and 469858.58 E), located in adjacent with Kemitraan 1 Estate of PT Swakarsa Sinarsentosa (PT SWA).

Puhus-3 Estate of PT DAN (15 January 2020)

1. **FFB Harvesting, Block E52.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
2. **FFB Transport, Block E59.** Observation and interviews with clerk related FFB transport, traveling time to mill, OHS, and employment.
3. **Barn Owl Box, Block E59.** Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.
4. **Beneficial Plant Maintenance, Block E62.** Observation and interviews with workers related beneficial plant to support development of natural enemy for suppressing palm leaf eating caterpillar, plant maintenance, OHS, and employment.
5. **Manual Weeding, Block E54 and Block E59.** Observation and interviews with workers related manual weeding, OHS, and employment.
6. **Fertilizer Warehouse** Observation related to management of fertilizer material and waste, MSDS, emergency response facilities and the types of pesticides used.
7. **Pesticide Warehouse** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
8. **Material Warehouse** Observation related to management of material and waste, MSDS, emergency response facilities and the types of pesticides used.
9. **Housing Complex Afd 11.** Observation and interview with residents about housing facilities, domestic waste

	<p>management, and complaint mechanism</p> <ol style="list-style-type: none"> 10. Fuel Tank. Field Observations related waste management, and emergency response facilities. 11. Daycare. Observation and interview with worker related labor aspect and OHS. 12. Hazardous Waste Temporary Warehouse. Field observations and interview related hazardous waste management, OHS and environmental aspect. 13. Clinic. Observations and interview related to health facilities and medical waste management. 14. PPE and Rinse House Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used. 15. Generator (Electricity). Observation for waste management, and interviews related to workers facility, electricity, domestic waste, sources of fresh water, socialization of company policy and complaint mechanism. 16. Workshop. Observations and interviews related to wages and overtime, waste management activities, OHS implementations and health inspections. 17. Domestic Waste Landfill, Block E65/10. Observation related domestic waste management. 18. WTP Afdeling 11. Observations and interviews related to water management, recording of water used, OHS, and waste management. 19. Kenden River Riparian Block F66. Observation of river border management and woody tree enrichment. 20. Afdeling 12 Block F77. Observation to Boundary/BPN Pole No. DIN 062 situated in coordinate UTM 135850.58 N and 484194.11 E), located in adjacent with Afdeling 7 Block G40 Long Kejak 2 (LK-2) Estate of PT Dharma Inti Sawit (PT DIN). 21. Afdeling 12 Block G77. Observation to Boundary/BPN Pole No. DIN 061 situated in coordinate UTM 134736.09 N and 484174.03 E), located in adjacent with Afdeling 7 Block G37 LK-2 Estate of PT DIN. <p>Stakeholder</p> <ol style="list-style-type: none"> 1. Environmental Agency District of Kutai Timur 2. Manpower & Tansmigration Agency District of Kutai Timur 3. Plantation Agency Kutai Timur District 4. National Land Agency Kutai Timur District 5. Gender Committee of PT DAN 6. Contractor of boiler reparation – PT Lampung Andalas Steel 7. Workers Union of PT DAN and PT DSN 8. Village Official/elderly of Muara Wahau 9. Village Council Head of Muara Wahau Village 10. Sub-village Head of Jabdan 11. Village Head of Muara Wahau 12. Village Official of Diak Lay 13. Local Contractor of FFB Transportation on Muara Wahau Village (on behalf of personal) 14. Village Official/elderly of Benhes 15. Local Contractor of FFB Transportation on Benhes Village (on behalf of personal) 16. Scheme smallholder member of Harapan Baru Cooperative 17. Scheme smallholder member of Jengea Bong Pet Kunq Cooperative
<p>2.3</p>	<p>Stakeholder Consultation and Stakeholders Contacted</p>
<p>2.3.1</p>	<p>Summary of stakeholder consultation process.</p>
	<p>Summary of stakeholder consultation process Consultation of stakeholders for PT Dharma Satya Nusantara and PT Dharma Agrotama Nusantara were held by:</p> <ul style="list-style-type: none"> • Public Notification on website Mutuagung Lestari at 12 December 2019 • Public consultation meeting with government institution at 14 January 2020 • Public consultation meeting with communities including previous land owner at 14 January 2020. • Public consultation meeting with internal stakeholders and contractor at 15 to 16 January 2020. • Public consultation to NGO (WWF & Sawit Watch) via email questionnaire at 06 January 2020. <p>Numbers of input from stakeholders were clarified by PT Dharma Satya Nusantara and PT Dharma Agrotama</p>

	Nusantara
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-1.2) will be conducted eight (8) month to twelve (12) month after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were three (3) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that POM-2 PT Dharma Satya Nusantara dan PT Dharma Ago Nusantara complied with the requirements of Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The 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 January 2020. 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 reports 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 14, 2020 obtained information that they never requested information about operational activities. However, if the village community submits requests for assistance, the company always responds quickly. Based on field interviews with head of villages, informed that information request could be addressed to the company.</p>	
1.1.2	<p>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</p>	

the company has been followed up these requests.

1.1.3, 1.1.4, 1.1.5

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 explain 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.

The company keeps a list of stakeholders under the management of the CSR department which is updated annually. Likewise, the recording of requests for information and complaints from stakeholders under the management of the CSR department. The latest evaluation update January 2020.

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 No. 013 / LAW-NLB / VII / 2019 related to the application for a CPO employment agreement from the Wehea Customary Institution, Nehas Liah Bing Village, Muara Wahau District on July 12, 2019. The letter was received by the company on July 15, 2019. Available evidence of a response letter from the company conducted on July 15, 2019 with No. 0018 / DAN-CSR-WHU / VII / 2019.
- Letter from Eva Norlina dated April 15, 2019 related to the application for SPK Opportunity for double cabin or extr cabin Strada Triton Unit and the FFB transport vehicle was received by the company on April 22, 2019, and was responded to by the company on April 23, 2019 with No. 0011 / DAN-CSR-WHU / IV / 2019.

The results of interviews with community leaders such as Jabdan Sub Village, Muara Wahau Village, and Diak Lay Village in 14 January 2020 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

1.2

The unit of certification commits to ethical conduct in all business operations and transactions.

1.2.1, 1.2.2

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 on September 22, 2019 to 100 stakeholders at the old director's office.
- Socialization on August 4, 2019 to contractors and villages in PT DAN Afdeling 1 to 12 people.
- Socialization Policy to Estate Contractor conducted at PT DAN on March 5, 2019 with 27 participants

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.

To monitor the implementation of compliance and implementation of company policies, both internally and externally, the company already has an SOP to respond to stakeholders properly contained in the SOP of communication and

consultation with no. document. 021B / SWA-CSR-WHU / VI / 2012. In addition, the company already has an External Complaints Communication & Handling procedure with No: SOP-AGR-044-R02. And procedures for Internal Communication & complaints handling No: SOP-AGR-045-R02.

This aims to provide space for all stakeholders to make complaints or reports if there are practices that are not in accordance with the ethical practices policy

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

The company shown compliance to applicable national and ratified international regulations, in aspects of legality, operational practices, OHS, employment, and environmental.

Compliance on BMP aspects

In term of best management practices, it was known that estate and mill management has implementing several pursuance with Indonesia laws and regulations, for example has conducting mechanical or zero burning method during land clearing, palms planted were derived from seeds (DxP) producers, recognized by the government of Indonesia. Furthermore, estate (each unit management) has implementing integrated pest management, biological control and only used pesticides listed on government website pesticide.id.

Compliance on Legal aspects

In term of legal aspect, the CH has shown evidence towards legal aspect, The Certificate Holder has complied with regulations in the field of plantation and land legality, such as HGU (land use title) and HGB (land use title for building/mill), IUP P (plantation business permit for mill) and IUP B (plantation business permit for estate), as well as mandatory reports on annual land use to BPN. Furthermore, related to compulsory report, unit of certification shows several report such as annual report of land title period 2019 as shows through Letter of Legal Department Head No. 0006/DAN-LGL-JKT/II/2020 dated 10 January 2020, *Penyampaian Laporan Kemajuan Kegiatan Perkebunan Besar Swasta (PBS)* as shows through Letter of Legal Department Head No. 0018/DAN-LGL-JKT/II/2020 dated 10 January 2020, and *Laporan Kegiatan Penanaman Modal Tahap Produksi/Operasi Komersial* of PT DAN for period 2019, with report No. 550821 dated 10 January 2020. PIC of report was Legal Staff of PT DAN.

Compliance on Manpower aspects

Certification unit in general has complied with manpower regulation, including:

- Reporting of Labor Report for PT Dharma Satya Nusantara and PT Dharma Agrotama Nusantara in 2019 to the Manpower and Transmigration Agency of Kalimantan Timur Province on December 6, 2019.
- The application of the minimum wage in 2019 is in accordance with the Minimum Wage Decree of the Kutai Timur District established by the Governor of Kalimantan Timur in November 2018.
- Payment of overtime wages to workers in accordance with Decree of the Minister of Manpower No. 102 of 2004.
- Application of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.
- In worker welfare aspect it's known that company has paid the employees wage in accordance with applicable regulation. In OHS Aspect the company has established the structure for guiding committee for occupational health and safety in each management unit and this committee has received an approval from Ministry of Manpower and Transmigration in Kutai Timur Regency, has provide emergency facilities and etc. Furthermore, in environmental aspect the company has had EIA document that approved by government, have hazardous and toxic waste storage issued by relevant agencies in each estate and etc.

Compliance on OHS Aspects

Certification unit in general has complied with OHS regulation, including:

- The establishment of the P2K3 (OHS Committee) for PT Dharma Satya Nusantara which were registered / approved

by the Manpower and Transmigration Agency of Kalimantan Timur Province in October 2018 (SK No. 566/0196 / P2K3 / PPK / DTKT / 2018 dated October 1, 2018).

- The establishment of the P2K3 (OHS Committee) for PT Dharma Agrotama Nusantara which was registered / approved by Manpower and Transmigration Agency of Kalimantan Timur Province in January 2019 (Decree No. 566/0193 / P2K3 / PPK / DTKT / 2019 dated January 23, 2019).
- Provision of PPE for free to all workers and arrange the use of PPE according to the type of work based on the free predetermined HIRAC
- Have permits for all factory operating machines such as boiler and sterilizer machines that have been tested for eligibility according to applicable regulations (the last feasibility test was in September 2019).
- Has a license / competency for some special jobs that require more expertise such as OHS experts, hyperkes, boiler operators, diesel engine operators, welder, wheel loader operators and others in accordance with the requirements contained in the legislation.
- Has carried out a general health check (Medical Check Up) every year for all workers and special checks (cholinesterase, spirometry and audiometry) according to the level of risk / danger for certain jobs.

Compliance on Environment aspects

- The estate management unit can show environmental documents in the form of an AMDAL for the development of oil palm plantations and mills on behalf of PT. Dharma Agrotama Nusantara is located in the villages of Benhes, Diak Lay, Dabeq, and Muara Wahau, Sub-district Muara Wahau, Kutai Timur Regency, Province of Kalimantan Timur. This document has been approved by the AMDAL Commission Kab. Kutim dated October 23, 2009 under the number 188.4.45 / 674 / HK / X / 2009. The team that compiled this environmental document was a team from Samarinda State Agricultural Polytechnic with the person in charge of Bp. Ir. Wartomo, MP.
- The mill management unit has environmental documents in the form of UKL / UPL for the construction of a palm oil mill with a capacity of 60 tons of FFB / Hour in Dabeq Village, Sub-district Muara Wahau, Kutai Timur Regency. This environmental document has been approved by the AMDAL Commission Kutai Timur Regency on March 16, 2009 under Number 332 / 660.1 / 2.1 / LH / III / 2009. The team that compiled this environmental document was a team from Samarinda State Agricultural Polytechnic with the person in charge of Bp. Ir. Wartomo, MP
- PT DAN and PT DSN already have a Temporary Storage permit, that is, a Hazardous Temporary Storage permit in accordance with the decision of the East Kutai Regent No. 660 / K.521 / 2016 dated July 11, 2016. The permit is valid for 5 years. Hazardous Temporary Storage are permitted in Puhus 1, 2, 3 Estate and partnership of PT Dharma Agrotama Nusantara (PT DAN). Hazardous Temporary Storage permit in accordance with the decision of the East Kutai Regent No. 660 / K.260 / 2017 dated March 22, 2017. The permit is valid for 5 years. Hazardous Temporary Storage which is permitted is in Puhus 1, 2, 3 Estate and partnership of PT Dharma Agrotama Nusantara (PT DSN-POM 2).
- The company has extended the permit for the use of wastewater on land to PT DSN's 2 oil palm plantations in Muara Wahau District, East Kutai Regency No: 660 / K.261 / 2017 dated March 22, 2017 which is valid for 3 years.
- POM 2 has a water resources concession permit to PT DSN for industrial business in Sungai Puhus No 265 / KPTS / M / 2017 April 21, 2017 which is valid for 5 years. Based on this permit, the maximum discharge of Puhus River water that can be used is a maximum of 27.8 liters / second or 45,036 m³ / month taken from the Puhus River.
- Reporting all mandatory reports to relevant agencies.

Based on interviews with relevant institutions in Kutai Timur District (Plantation Agency, Manpower and Transmigration Agency, Environment Agency and National Land Agency), it is noted that the management unit has complied with the regulations related to the estate, mill, land legality, employment and the environment.

2.1.2

The mechanism and system to ensure the legal compliance stipulated in Procedures and Other Legal Requirements (SOP-AGR-024-R01, dated 8th 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 issuing laws and regulations and summary documents of law and regulations. This procedure describes that 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, latest July 2019.

To ensure the legal compliance for third party/contractors, the company has had SOP of Contractual Arrangement (No. SOP-AGR-023-R01 dated 1 November 2016) that sets legal due diligence for contractor candidates, includes requirements for personal and legalized contractors. The legal requirements cover of Directors identity, identity card of company's tax (NPWP), trade permit (*izin perdagangan*), company deed of establishment (*akta pendirian perusahaan*), license of management signing the contract (deed of management, appointment letter). The Legal Department was responsible to assess the due diligence of appropriateness of contractors before take contractual agreements with the company. However, the procedure has not mentioned in detail towards safety, manpower and environment assessment control, eventhough those aspects had been satisfactory fulfilled by contractors, as confirmed through documents review, field observation, as well as interview with contractor workers (detail on this matter is explained in Criteria 2.2). regarding these matters, unit of certification has an opportunity to develop sytem that ensuring Indonesia regulation related to RSPO and sustainable palm oil production has been satisfactory carried out by thrid parties or contractors. **OFI.**

2.1.3

As informed from Re-Certification audit, it was informed that estate management is not be able to shows evidence that boundary poles has been installed in accordance with the coordinated specified by BPN, as arranged in work instruction No. IK-AGR-OLP-33-R00 dated 28 September 2015. Regarding this matter, estate management shows several correction evidences as follows:

- Revision on work instruction (WI) as presented in document No. IK-AGR-OLP-33-R01 (Rev. 01) dated 01 February 2019 about Installation and Maintenance of Boundary Poles. The WI stated that boundary poles shall be monitored every semester to ensure location of installation was in accordance with coordinate settled by BPN. Immediate correction of coordinate point shall be carried out when identified un-match.
- Monitoring of BPN Poles record in June 2019 at PU-1 (66 poles), PU-2 (22 poles) and PU-3 (19 poles) shows that all BPN boundary poles were available and in accordance with coordinate settled by BPN.

Based on observation to BPN Poles in Puhus 3 Estate (PU-3), PU-2 and PU-1, it was known that BPN poles were satisfactory maintained and easy to identified. Furthermore, coordinate marked by Auditor through application GPS-Map were match with coordinate settled by BPN. Based on field observation, it was known that PT DAN was surrounded by several companies that subsidiary of PT DSN and Kebun Kemitraan under PT DSN group. There are no issues related to boundary matters in PT DAN with surrounding companies.

	Status: Comply	
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2.2 All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.

2.2.1

Based on review towards production data of POM-2 of PT DSN and information from management unit, it was known that POM-2 has only received fresh fruit bunches (FFB) from PT DAN as main supply base and PT Swakarsa Sinar Sentosa (PT SWA), a subsidiary of PT Dharma Satya Nusantara, which had RSPO certified since 2015. Mill management shows list of 11 Contractors which mostly appointed for CPO and Staff transportation. The list informed document reference of work agreement, PIC of contractor, contact number, email address, identity card, etc. furthermore, PU-1, PU-2 and PU-3 Estate shows list of Contractors which consist of 9 contractors, 14 contractors and 10 contractors, respectively. Each list has informed name of contractors, reference of Agreement Letter, PIC of contractor, contact number, list of contractors employee, employees *Jamsostek* membership, identity card of employees, salary and status. Most of contractors were appointed for transportation activities.

In monitoring the use of contractors for plantation and factory activities, the certification unit has well documented the list of contractors, the number of workers they have, contact persons, work agreements, and ensuring other matters related

to compliance with laws and regulations in Indonesia. At present the certification unit has 44 contractors with 78 workers. These contractors collaborate in the activities of leasing operational vehicles, school buses, transport FFB, CPO and PK.

In managing the contractor, the certification unit has a copy of the cooperation agreement in each unit. For example, for agreement between two parties such as:

- Work Agreement No. 009 / DAN / PU2 / 2020 dated 12 December 2019 for the transportation of FFB from Puhus 2 Estate to POM 2, which is valid for one year.
- Work Agreement No. 029 / DAN / PU2 / 2019 dated 14 March 2019 for the construction of workers house in Puhus 2 Estate, which is until 31 December 2019.

The explanation above can be concluded that the certification unit has managed and documented the list of contractors along with supporting documents.

2.2.2.

Commitment of FFB supplier of PT DAN and PT SWA compliance towards applicable regulations in Indonesia, for example is presented in Article 10 of Work Agreement No. 012/DSN/JKT/2019 and No. 011/DSN/JKT/2019 dated 14 December 2018, respectively. Furthermore for other contractors for example FFB or CPO transporter, clause of regulations pursuance/compliance towards contractors, especially for their employees' rights is presented on several points work agreement, such as health facilities (Clinic) is mentioned in Article 4 Point 1c; food allowance is mentioned in Article 4 Point 1d; incentive to driver is mentioned in Article 4 Point 1e; providing accommodation and work devices is mentioned in Article 4 Point 2a; membership of employees on BPJS-Manpower and BPJS-Health scheme is mentioned in Article 4 Point 2c; minimum wages is mentioned in Article 4 Point 2d; providing of PPE is mentioned in Article 4 Point 2h; license of vehicle and safety devices (first aid, safety belt, spare tyre, etc., is mentioned in Article 4 Point 2j; driver license is mentioned in Article 4 Point 2n; tax is mentioned in Article 5; and anti-corruption, bribery and fraud is mentioned in Article 7.

Cross check mechanism by unit of certification towards regulation compliance is conducted through periodic update on contractors' employees' data which included ID number, BPJS Number, wages/salary. Furthermore, for PPE compliance, monitoring has conducted by Foreman or Assistant during muster morning and working hours. Based on interview with contractor employees for Boiler maintenance works in POM-2, it was stated that the contractor has provide minimum wages, BPJS-Manpower and Health and proper PPE, in accordance with applicable regulations.

In each work agreement between the certification unit and the contractor, there are several separate clauses related to fulfilling legal obligations in force in Indonesia as one of the obligations that must be fulfilled by the contractor. Some of these obligations are related to the registration of workers' BPJS (Government Insurance Scheme), the provision of minimum wages, the obligation to use PPE, other permits such as tax payment (NPWP), vehicle licenses (STNK), and others. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work.

The results of field visits and interviews with contractor workers (FFB transport & operational drivers) revealed that workers had received wages above the minimum wage, were registered in the BPJS program, have a vehicle license (STNK), driving license (SIM) and the worker understood about his status as a permanent worker. This result is in line with the results of the document review which proves that the wages of contractor workers are above the minimum wage, have vehicle / driver license, fulfilling tax payments, BPJS payments and other requirements.

The certification unit has proven that all contracts have their own clauses regarding the fulfillment of applicable legal obligations, and are shown by the relevant third party.

2.2.3

In each work agreement between the certification unit and the contractor, there are clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractor. Some of these obligations are related to disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work.

The results of the document review of the list of contractor workers revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. This is in line with the results of interviews stating that no child laborers have worked up until now, there are no forced laborers / workers resulting from trafficking because all workers have understood the work agreement at the start of work and payment for the work is always equal.

The certification unit has proven that all contracts have clauses disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection.

Status: Comply

2.3

All FFB supplies from outside the unit of certification are from legal sources.

2.3.1 and 2.3.2

Based on mill production record for period 2019 to second quarter of January 2020, it was known that unit of certification is still implementing Integrated Preserved (IP) Supply Chain module for RSPO certified palm oil and kernel productions. Source of FFB supplier is presented as follows:

- Owned Estates: Puhus 1, Puhus 2 and Puhus 3 Estate with total area 9,959.95 ha.
- Outgrower: Long Jenew 1 Estate of PT Swakarsa Sinar Sentosa (PT SWA), a subsidiary of PT Dharma Satya Nusantara, which had RSPO certified since 2015.

Status: Comply

PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE

3.1

There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.

3.1.1 and 3.1.2

The company 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. The evaluation of the plan conducted annually. 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 company has no peat area and scheme smallholders. Based on the Area Statement was known that the planting years was between 2005 and 2012. Therefore, the replanting will not be implemented for the next five years. In accordance with owned procedures, replanting will be carried out when the oil palm are 25-30 years old.

3.1.3

The management review conducted in several review, consist of Weekly and Monthly Management Review in Estate level, and quarterly management review in company level. The latest Company Management Review was for 3rd quarter on 24-25 October 2019. The aspects that has been reviewed covers products quality, plantation and processing management, and budget achievement.

Status: Comply

3.2

The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.

3.2.1

Unit of certification has conduct internal audit. Internal audit in PU-1 is conducted in 29-31 January 2019 resulting 2 non-conformities which all stated closed in 27 May 2019. Meanwhile, internal audit in PU-2 is conducted in 10-12 January 2019 resulting 8 non-conformities which all stated closed in 22 March 2019. Furthermore, internal audit in PU-3 is conducted in 07-09 January 2019 resulting 5 non-conformities which all stated closed in 28 May 2019. Moreover, internal audit in POM-2 is conducted in 23-24 August 2019 resulting 1 non-conformities which stated closed in 31 December 2019.

The company regularly conducted monitoring of continuous improvements, covers aspects of economic/best practices, social, as well as environmental for every unit (Mill and Estates). For best practices and economic aspect, one of the monitoring and strategy conducted through annual Quality Control Circle (QCC), a kind of internal mechanism to

encourage every unit to deliver ideas of continuous improvement in certain aspects. For instance, the QCC proposal of POM 2 deliver the idea to minimize the breakdown of engine that uses chains. The result has been approved by Plantation Head and implemented in the field, that can reduce time of service and cost up to 75 %. Other than that improvement from Puhus 2 Estate, deliver the idea of 'nailness wood culvert', to avoid dependence of nails stock in the warehouse.

In social aspect, the company has established scheme smallholder that the FFB's supplied to POM 1. Other than that, all of operational vehicle (truck, staff vehicle) were rented from surrounded community. Has been verified to the community (based on interview) that those company policies were unique in Muara Wahau Area, that significantly improved the positive perception of surrounding community towards the company.

In Environment aspect, the company carries out waste segregation into 3 types of waste, namely organic, inorganic and economic-value waste, organic waste is managed into compost that is used for greening in residential areas, while inorganic waste is disposed of in landfills. As for economic value waste collected which is then sold at any given time period.

3.2.2

Since the RSPO metric template for continuous improvement has not been established yet, the company only send the progress of continuous improvement on the ACOP report. The latest ACOP was period of 2018 has been submitted on 17 May 2019.

The company reported GHG for 2019 on the GHPO RSPO Website on 10 January 2020, reported LUCA to RSPO on January 26, 2016. And was approved on February 12, 2016. As for the RaCP process, the company reported on November 24, 2017 and was approved on 7 November 2019.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The company has shown that operating procedures, stipulated in Work Instructions (WI), were appropriately documented, consistently implemented, and monitored. The Work Instructions have covered all Estate operations starting from land clearing, maintenance, pest handling, harvesting, transportation of FFB, replanting, delivery to POM. Meanwhile the WI of Mill covering the aspects of FFB receiving, grading, processing, refinery, dispatch, supply chain, and quality/laboratory. In each WI has been covered the OHS and environmental aspect. However, there were also specific document set about OHS and environmental in the WI of Safety and Environmental Management, as well as Hazard Identification Risk Assessment and Control (HIRAC).

3.3.2

The mechanism to monitor implementation of the WI consist of operational and RSPO internal audit, managerial supervisory, documented report, and management review. Daily internal supervision was carried out by the level of supervision starting from the Foreman, Division Assistant, Head Assistant, to the Estate Manager. Monthly and semesterly assessments carried out by the Internal Audit Department. Operational internal audit evaluate the implementation of operational and administration of estates and mill. Whereas RSPO internal audit evaluate the implementation of sustainability procedures in estates and mill. Furthermore, the management representative (Assistant, Manager, and related Superiors) routinely conduct inspectorate visit to control the implementation of the procedures.

3.3.3

Based on the Non-Conformity Form and Internal Audit Observation, it was known that the unit given a maximum corrective action up to three months before the next internal audit period. Records of monitoring and corrective actions has been observed, covers operational and RSPO Internal Audit, Monthly Report, etc. For instance, RSPO Internal Audit of POM 2 was carried out on 23-24 August 2019, Puhus 1 on 29-31 January 2019, Puhus 2 on 10-12 January 2019, and Puhus 3 on 7-9 January 2019. Operational audit has been conducted monthly covers aspects of harvesting quality, manuring quality, circle and path quality, as well as harvesting losses. All nonconformity has been followed up and fulfilled by each management unit. The audits have covered several aspects of contractors such as minimum payment and payment of employment insurance.

Based on observations and interviews with workers in Mill and Estates, it was known that these procedures were well implemented in the field, workers can explain and demonstrate their work in accordance with the procedure, refers to the best practices of operational, safety, and environmental.

Status: Comply

3.4

A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.

3.4.1

The company already has SEIA Documents contained in two documents, for Environmental documents the company can show 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. (POM 2) and 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.

As for the Social document contained in the document SIA, 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. Until the ASA-1.1 audit activity did not add scope and new activities, the SEIA document still covered all impacts.

3.4.2

the company already has a social and environmental management plan for 2019-2020. Environmental management plans for PT DAN and PT DSN (POM 2) include management of erosion, air quality, improvement of industrial wastewater, improvement of solid waste, increased pollution, community attitudes and perceptions, cooperative schemes, occupational health and safety, community income, aquatic biota, and others. As for social management plans such as land clearing and acquisition, marginalization of minor groups, social conflicts, capacity building for human resources, development of plasma plantations and others. In the plan, a PIC has been set for each plan and monitoring frequency. The PICs included CSR, operational all estate, SHE, KBB clinic, security. In determining the management plan and monitoring the company, the company has done it together with stakeholders or affected communities. This was done in January 2019 by involving representatives from related villages such as the community and the village head of the Diak Lay village, the community and the Customary Head of Bean Haes, community representatives and Deabeq figures.

3.4.3

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 threshold determined. For example, for noise test period September 2019, noise level in all monitoring point is exceed threshold. To handle this matter, company provided all worker who work in high noise level area with ear muff and ear plug.

The company can demonstrate the realization of environmental impact management and monitoring for 2019. The impact of employment, the programs carried out include announcements of open and socialized recruitment, priorities for company-assisted rural communities in the recruitment of workers, and encouraging a chain of business opportunities that can be utilized by the surrounding community. Based on labor statistics from PGS PT DAN, as of December 2019 there were 889 local employees out of 1,025 registered employees.

The company has conducted regular reviews for social management plans which are conducted every 2 years, the last

review was carried out in January 2019 and planned to be carried out again in 2021. Review activities are carried out with relevant stakeholders. the company can show documentation of the SIA management plan review activities such as attendance lists and activity photos. Based on the results of interviews with stakeholder representatives from Benhes Village, Baebaq and Diahlay it was found out that they had been involved in the review of the SIA management plan. Until now the management plan carried out has not changed too much, this is because the input obtained from the results of the SIA review that has been done is considered quite effective.

Based on interview with representative of Jabdan Sub Village, Muara Wahau Village, and Diak Lay Village in 14 January 2020 it is known, it is known that Company has involved villagers in their management social impact. There is no issue which is not identified in SEIA management and monitoring plan. Relationship between company and villagers goes well.

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Company Regulations period 2017-2019 written in Bahasa and still valid until the new Company Regulation has been ratified by Manpower Ministry. In general, these procedures describe:

- Recruitment of workers is based on needs and adjusted to the ability of the company.
- The age of the prospective worker is a minimum of 18 years at the time of recruitment of workers.
- Recruitment of workers is based on the ability, expertise and assessment of prospective workers.
- The company is authorized to carry out the placement, transfer and promotion of workers in accordance with applicable regulations.
- Termination of employment can occur when a worker retires, dies, resigns, and terminates an employment agreement due to a serious violation and others.

In addition to being publicly listed in Company Regulations, the certification unit has other procedures in the form of Policies, SOPs, Internal Memorandums and others related to recruitment, transfer, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives. One of the socializations given to workers was related to Company Policies and Regulations on 13 November 2019 which was attended by 102 participants. For example, some procedures that are owned by the company include:

- Procedure No. SOP-AGR-012-R02 concerning Recruitment
- Procedure No. SOP-AGR-013-R00 concerning Worker Placement & Orientation
- Procedure No. SOP-AGR-014-R00 regarding Employee Ratings
- Procedure No. SOP-AGR-015-R02 concerning Discharge Employees
- Procedure No. SOP-AGR-017-R01 concerning Application for Transfer Promotion

The results of interviews with workers (harvesting, manuring, spraying and mill operators) in Puhus 1-3 Estate and POM 2 note that workers have a sufficient understanding of the procedures related to recruitment, promotion, retirement and factors causing termination of employment. Workers explain that in the acceptance process carried out in accordance with the terms / conditions according to ability / expertise, promotion is based on an assessment of the performance of each employee each year, and one of the causes of termination of employment can occur if the worker has committed a serious violation. Based on this explanation, certification unit has explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process

The certification unit did not have workers with contract status (PKWT / BHL), the current employee status is permanent workers who have Probation Worker status (three or twelve months probation period), Daily Rate Worker (SKU), Regular Workers (below worker class 3) and Staff (above worker class 3). All the rights for each employment status has been distinguished.

From this explanation it can be concluded that the certification unit have procedures for recruitment, selection, employment, promotion, retirement and termination of employment must be documented / available to workers and their representatives.

3.5.2

The certification unit always documented all labor procedures that have been carried out properly such as recruitment, promotion, performance assessment and others. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- Compound worker at POM 2 who have work agreement document No. 0021 / DSN / SPK / PKS2 / WHU / VII / 2019 dated 02 July 2019 along with the complete recruitment requirements such as employee identity (KTP), family card (KK), job application letter, and other supporting documents. The worker has received a performance evaluation in the orientation period of 3 months by getting a value of "B" and is eligible to be appointed as permanent workers. After obtaining an assessment, the worker is appointed as permanent worker in accordance with Company Decree No. 044 / DSN / PKS2 / SK / WHU / X / 2019 dated October 2, 2019.
- Harvesting Worker at Puhus 2 Estate who have work agreement document No. 0061 / SPK / DAN-PU2 / IV / 2017 dated 16 April 2017 along with the complete recruitment requirements such as employee identity (KTP), family card (KK), job application letter, and other supporting documents. The worker has received a performance evaluation in the orientation period for one year by getting a value of "B" and is eligible to be appointed as permanent workers. After obtaining an assessment, the worker is appointed as permanent worker in accordance with Company Decree No. 041 / DAN / PU2 / SK / WHU / IV / 2018 dated April 16, 2018.

The explanation above proves that the certification unit has implemented labor procedures properly and is documented for each employee.

Status: Comply

3.6

An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.

3.6.1

The certification unit has had a policy of occupational safety and health were written in Bahasa. The policy has been legalized on 01 December 2010. 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.

Certification unit have document of hazard identification, risk assessment and risk control (HIRAC) which issued on December 2019. It will be reviewed if any occupational accident happens. 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 reducing the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

Interviews with estate workers (manuring, harvester and sprayer) and mill workers (mill operators). 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. For example, 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 are no complaints from employees exposed to high noise exposure. To ensure that every worker is in good health then certification unit do the medical checkup. The results of each employee's health examination have been properly stored. Last medical checkups conducted in May and September 2019. The result of medical test showed that workers were in good health and fit to work.

3.6.2

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. The following are examples of the realization by the certification unit in 2019, including:

- OHS inspection of PPE compliance of workers and other equipment on 20 & 30 December 2019 conducted inspection sampling for 12 work locations found that there were 4 workers whose evidence was incomplete using PPE in the

- form of boots and other workers had used the appropriate PPE.
- Environmental & health inspection on 06 January 2020 for employee housing at with the results, there are a number of records, namely grass is recommended to be chopped in order to be well organized, and always maintain environmental hygiene to be even better for the future.
 - Dissemination of the dangers of drugs to workers and residents of housing by installing warnings of the dangers of drugs in every employee's housing, office and other areas.
 - Identification of areas with potential emergency hazards such as areas prone to fire, explosion, land / water pollution, and workplace accidents and the results of monitoring conducted every 3 months. The last examination was in December 2019.
 - Inspection of the availability and condition of first aid boxes in for the 4th quarter of 2019 conducted in December 2019 with the results of all first aid boxes carried by each field foreman, first aid kit in the office and in the warehousing area are still in good condition and available in 21 types of items in accordance with applicable laws and regulations.
 - P2K3 Meeting in 30 December 2019 on which discussed the evaluation of the implementation of OHS in December, the annual evaluation of OSH implementation, preparation of the OSH work program in 2020, discussion of urine test results, and others attended by 11 participants.
 - Based on interview & Observed with pesticide applicator in Estate and process operators at Mill, certification unit has been provide adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations. For example, Sterilizer Operators that has been provide PPE such as safety shoes, helmet, ear plug, & gloves.
 - Safety induction on 08 August 2019 to 10 contractor workers

Status: Comply

3.7

All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.

3.7.1, 3.7.2

Companies can demonstrate the 2019 and 2020 distribution plans for POM 2, PT DAN and the contactors included in the scope of certification. The type of training is adjusted to the employee group (class 4 up and 3 down). the training plan can be seen in the FM-HCD-19-R00 Annual Training Schedule document.

Examples of training plans for 2020 for level 3 down are Warehouse Administration, Personnel Administration, ISO, RSPO, ISPO, and SCCS, HSE, Mill Maintenance, operation of weighbridge, general first aid, general training, security training, sampling and laboratory analysis, etc. while for the level 4 up are, Workflow and Solving, Assistant role Mill, ISO, RSPO, ISPO, and SCCS, Negotiation Skills & Mediation for CSR, First Aid and HSE, Taxation Training and others. As for who is responsible for identifying training needs, recording training data and making training schedules is the management training center.

Training data has been recorded in the system from which data can be seen what types of training have been carried out from each year, who has attended the training and what types of training have been carried out by each individual. The examples of the realization of training conducted for 2019 at PT DAN and POM 2 are as follows:

Type of Training	Representative POM 2	Implementation date
First Aid, HSE & emergency response	3 participants	24/01/19
HSE	6 participants	19/09/19, 14/10/19, 11/09/19
ISO, RSPO, ISPO, SCCS & ISCC	7 participants	29/10/19, 23/07/19, 25/07/19
General First Aid	9 participants	10/01/19, 26/01/19, 12/02/19, 03/07/19
Training on Production Machines & Equipment Operators at Mill	4 participants	21/08/19

Type of Training	Representative PT DAN	Implementation date
Warehouse Administration	4 participants	22/11/19, 13/08/19, 28/03/19
Harvest Foreman Supervision	26 participants	13/02/19, 23/04/19, 24/07/19

Water treatment	13 participants	18/06/19,
Harvest Training	36 participants	07/05/19 – 08/05/19
Fertilization Training	90 participants	24/09/19, 23/09/19
Pests & Disease Training	19 participants	10/08/19, 24/09/19, 16/11/19.

Training and Outreach for contractor employees was carried out on March 5, 2019 attended by 27 contractor employees. The training material provided is:

- Understanding of traffic signs for contractor drivers
- Waste Management

The company has conducted training for contractors and smallholders, but it has not been made in a planned plan like PT DAN & POM 2 employees. (OFI)

3.7.3

POM-2 management is able to shows SCCS training progress of all related employees. For example, training during 2019 for Production Assistant, Logistic Assistant and Human Resources Clark had conducted in 23 July 2019, 30 September 2019 and 30 November 2019, respectively. Based on interview with Weighbridge Operator of POM-2 PT DSN, it was known that mill has only receive FFB from RSPO certified sources, i.e. PT DAN and PT SWA. Record of FFB accepted is recorded through application namely DSN Weight Bridge Version 2.0. FFB Delivery Ticket using barcode system named *Nota Penerimaan Barang* (NPB) which marked "Certified". Furthermore, RSPO Certified CPO and PK delivery ticket to the "Bulking of Labanan" has marked by "Certified RSPO IP" and sealed by Security Officer. Operator also mentioned that it was prohibited to receive FFB from non RSPO-certified sources. According to personal training record, it was known that training of SCCS has been delivered to the respective Operator on 06 July 2017.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 and 3.8.2

Based on POM-2 production data for period 2019 review, as well as interview with Security Officers and Weighbridge Operator, it was known that POM-2 has only received FFB from RSPO certified sources, i.e. from PT Dharma Agrotama Nusantara (PT DAN) as main supplier and outgrower namely Long Jenew 1 Estate of PT Swakarsa Sinar Sentosa (PT SWA), a subsidiary of PT Dharma Satya Nusantara, Tbk., which already RSPO certified since 2015. Thus, it could be concluded that POM-2 of PT DSN has claim its RSPO certified products (CPO and PK) from processing of the certified FFB as Identity Preserved (IP).

3.8.3

Estimation volume of RSPO certified crude palm oil (CPO) and palm kernel (PK) that produced by POM-2 of PT DSN for 2019/2020 license period is presented in the Certificate Appendix and could be accessed through RSPO Palm-trace and this ASA-1.1 report. Record of RSPO certified productions presented in the following Table:

Certified Product	Last Year Projection (mt)	Actual Production (mt)	Estimation 2020/2021 (mt)
FFB	296,422	272,586.02	283,100
CPO	70,943	63,037.52	67,950
PK	10,948	10,242.53	11,450

Up to ASA-1.1, it was known that there is no certified products volume extension since the credit was available in positive stock.

3.8.4

RSPO IT Platform member registration number for POM-2 of PT DSN: RSPO_PO100000939.

As checked through RSPO Palm-trace in 13 January 2020, it was known there are number of Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel (CSPK) volume beeing sold for period January to December 2019 which were 17,722.39 mt and 10,101.51 mt, respectively.

All transactions have been shown in shipping announcement, for example as follows:

- Shipping Announcement for CSPO No. TR-68cba160-e952 dated 15 November 2019 related to the sale of CSPO of 1,373.99 mt to PT Dharma Satya Nusantara Tbk. - Labanan Storage Facility.
- Shipping Announcement for SCPK No. TR-f1027172-d089 dated 31 December 2019 related to the sale of CSPK of 1,161.73 mt to PT Dharma Satya Nusantara Tbk. – Kernel Crushing Plant.

3.8.5

Procedure of supply chain for IP and SG models is presented in work instruction No. IK-AGR-MS-08-R09 (Rev. 09) dated 27 May 2019 that covers several technical matters on FFB acceptance, production or processing activities, storage of CPO and PK management, products dispatch, commercial bulking Labanan, registration and transaction in RSPO Palm-trace, excess production handling and reporting to CB, outsourcing activities, training, external buying, internal audit, market communication and claim and record keeping. Based on interview with Weighbridge Operator of POM-2 PT DSN, it was known that mill has only receive FFB from RSPO certified sources, i.e. PT DAN and PT SWA. Record of FFB accepted is recorded through application namely DSN Weight Bridge Version 2.0. FFB Delivery Ticket using barcode system named *Nota Penerimaan Barang* (NPB) which marked “Certified”. Furthermore, RSPO Certified CPO and PK delivery ticket to the “Bulking of Labanan” has marked by “Certified RSPO IP” and sealed by Security Officer. Operator also mentioned that it was prohibited to receive FFB from non RSPO-certified sources. According to personal training record, it was known that training of SCCS has been delivered to the respective Operator on 06 July 2017.

3.8.6

Procedure of annual RSPO-SCCS internal audit is presented in document No. IK-AGR-MS-08-R09 (Rev. 09) dated 27 May 2019 that in Section X mentioned that internal audit shall be conducted minimum once a year that method of audit is refers to procedure No. SOP-AGR-040-R03 dated 01 October 2015 about management system; RSPO SCCS standard; RSPO market communication and claim; as well as another related applicable regulations. Unit of certification shows record of SCCS internal audit for the first and second semester 2019 that carried out in 10-12 January 2019 and 23-24 August 2019, respectively. The former audit resulting zero SCCS finding while the later resulting 1 (one) non-conformity which closed in 31 December 2019. Management review and analysis towards root of cause and corrective action is available.

3.8.7

In order to avoid double claim, Section VI Point C-6 of procedure No. IK-AGR-MS-08-R09 (Rev. 09) dated 27 May 2019 in mentioned that Commercial Department Head should make a data consolidation towards certified product sold in quarterly basis. Monthly record of FFB received in the last 12 months is presented in the following Table:

Month	Volume of FFB (mt)	
	RSPO Certified	RSPO Non-Certified
January 2018	26,006.63	-
February 2018	19,480.15	-
March 2018	23,384.41	-
April 2018	24,708.69	-
May 2018	20,249.80	-
June 2018	17,833.60	-
July 2018	18,575.11	-
August 2018	23,815.21	-
September 2018	20,011.29	-
October 2018	27,698.95	-
November 2018	23,550.56	-
December 2018	27,271.62	-
Total	272,580.02	-

Based on the Table above, it was known that unit of certification has satisfactory records FFB production and there is no FFB overproduction of against credit given during one-year certificate, which was 273,712 mt.

3.8.8

Unit of certification shows shipping document which presented in Form No. FM-PRO-16-00. For example, information

presented in Shipping Document No. 0497730 as follows:

Date 30 December 2019

Product: CPO POM-2 (stamped with "Certified RSPO Identity Preserved).

Nett Weight: 10,750 kg

Customer: Transit Tank 30 in POM-3.

Time in 14:28:24; time out 14:56:16

Ship (Police No.): KT 8675 YH

Expedition No. DS41/XII/2019 dated 30 December 2019 (stamped with "Certified RSPO Identity Preserved).

Shipping Announcement CSPO

Seller: PT DSN (RSPO Member ID No. RSPO_PO100000939)

Buyer: PT DSN, Tbk. Labanan Storage Facility (RSPO Member ID No. RSPO_PO1000002605)

Shipping Date: 15 November 2019; Confirmation date: 21 November 2019

Product: CSPO 1,373.99 mt

Program: Segregation

Transaction ID: TR-68cba160-e952.

Shipping Announcement CSPK

Seller: PT DSN (RSPO Member ID No. RSPO_PO100000939)

Buyer: PT DSN, Tbk. Kernel Crushing Plant (RSPO Member ID No. RSPO_PO1000002087)

Shipping Date: 30 November 2019; Confirmation date: 16 December 2019

Product: CSPK 1,002.85 mt

Program: Mass balance

Transaction ID: TR-9fb1c20d-2964.

All CSPK is sent to PT DSN Kernel crushing plant

3.8.9

POM-2 of PT DSN do not outsource refining and kernel crushing activities. CSPO transport from POM-2 Storage Tank to Transit Tank 30 Miau Baru has conducted by six transporters, as shows through several *Surat Perjanjian Kerjasama* (SPK) or Work Agreement (WA), as follows:

- WA No. 009/DSN/PKS2/2019 for 1 unit of CPO Truck with capacity 10 mt.
- WA No. 014/DSN/PKS2/2019 for 2 unit of CPO Truck with capacity 7 mt and 6 mt.
- WA No. 030/DSN/PKS2/2019 for 2 unit of CPO Truck with both capacity 10 mt.
- WA No. 010/DSN/PKS2/2019 for 1 unit of CPO Truck with capacity 10 mt.
- WA No. 026/DSN/PKS2/2019 for 1 unit of CPO Truck with capacity 10 mt.
- WA No. 012/DSN/PKS2/2019 for 1 unit of CPO Truck with capacity 7 mt.

Furthermore, there is another third-party contractor that sent CSPO from Transit Storage Tank 30 Miau Baru to the Bulking of Labanan. For example, during 2019 there were totaling 18 contractors which also informed PIC, Letter of Agreement Number, address, email, contact number, contract period and information. For example, list of contractors is presented as follows:

- Name: CV Sumber Energi
- Work Agreement No. 016/DSN/DIS/2019 for time of cooperation from 02 Jan. to 31 Dec. 2019.
- Address: Kel. Temindung Permai, Samarinda.

Moreover, CSPK transportation is conducted by PT DSN Kernel Crushing Plant of POM-4.

POM-2 has the Work Instruction of Traceability of CPO & PK Product with IP and SG Model that presented in document No. IK-AGR-MS-08-R08 dated 18 January 2019, which 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 Sumber Energi is presented in document No. 016/DSN/DIS/2019 dated 02 January 2019.

3.8.10 and 3.8.11

Unit of certification has list of contractors for CPO transporter for handling RSPO CSPO from POM-2 to the Transit and Labanan Bulking. For example, during 2019 there were totaling 18 contractors which also informed PIC, Letter of Agreement Number, address, email, contact number, contract period and information. For example, list of contractors is presented as follows:

- Name: CV Sumber Energi
- Work Agreement No. 016/DSN/DIS/2019 for time of cooperation from 02 Jan. to 31 Dec. 2019.
- Address: Kel. Temindung Permai, Samarinda.

3.8.12

Unit of certification has record and balance all RSPO CSPO and CSPK, as well as its dispatch on a monthly basis. For example, summary of balance for period January to December 2019 for CSPO and CSPK is presented in the following Table:

CSPO Production and Dispatch

Product	CPO Production (mt)			CPO Dispatch (mt)			
	Cert	Non-Cert	Total	RSPO	ISCC	Conv.	Total
CSPO	63,037.52	-	63,037.52	17,722.39	-	43,837.80	61,560.19
CSPK	10,242.53	-	10,242.53	10,101.51	-	-	10,101.51

Based on the Tables above, it could be concluded that delivery of RSPO certified product (CSPO and CSPK) has only derived from a positive stock.

3.8.13 and 3.8.14

POM-2 has perform FFB processing to produce CPO and PK only. Conversion factors are based on actual extraction.

3.8.15

FFB processed were from RSPO certified estates. According to transaction documents in 2019, it was known that all CSPO and CSPK from POM-2 are claims as segregation and mass balance, respectively, notwithstanding all CPO and PK were RSPO IP. During shipping the truck is sealing by Security, to ensure that the RSPO certified product does not mixed with other sources.

3.8.16

The POM-2 has been registered of certified products of RSPO (CSPO and CSPK) with Member ID: RSPO_PO100000939. Shipping nouncement carried ut has in accordance with internal SPO requirement, and there were confirmation from the buyer in the RSPO IT Platform. The tracing has conducted annually. Moreover, it was known that volume sold under conventional is being removed from the certified product volume.

3.8.17

According to transaction documents in 2019, it was known that all CSPO and CSPK from POM-2 are claims as segregation and mass balance, respectively. The POM-2 does not use RSPO logo on product or off product. Furthermore, the claims has following the RSPO Rules on maret Communications and Claims.

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.

4.1.1

The certification unit has a commitment to respecting human rights and describe in the Quality Guide Document No. PDM-AGR-R05 dated 01 January 2017 using Bahasa. The commitment of the certification unit in respecting human rights has been quite well implemented in the absence of issues and incidents of human rights violations that occurred in the operational area of plantations and factories. This is evidenced by statements from plantation workers (harvesters, fertilizers, sprayers and maintenance), factories (mill operators and warehouse workers) as well as contract workers who

state that so far there have been no incidents or issues of human rights violations occurring in the operational area of the certification unit.

In addition to the written commitment of the certification unit related to respecting human rights, there is also a Declaration on the Recognition of Human Rights represented by company management on 02 January 2020. In the declaration, the parties have a commitment not to discriminate, give freedom in religion, thought, opinion, respect and uphold human rights. The policy / declaration has been well documented and has been socialized to the workers at the time of the morning ceremony and by using warnings placed in several locations to make it easier for workers to find out.

Based on the explanation above, during the past year there were no issues / incidents of human rights violations that occurred in the vicinity or the operational area of the certification unit so that there were no acts of intimidation / violence carried out by the certification unit including contracted services such as security services that were contracted and others.

4.1.2

During the past year, the certification unit did not have records related to the use of violence / mercenaries or paramilitaries in resolving conflicts / problems that existed between the certification unit and related stakeholders (surrounding communities, workers, or others). This has been stated in Memorandum No. 0030 / MS / XI / 2016 dated 01 November 2016 concerning the Prohibition of the Use of Violence / Intimidation Actions and / or using Mercenaries / Paramilitaries which explains that DSN Group always maintains peace and order of plantation and factory operational activities by not using violence / paramilitary use in resolve existing conflicts / problems.

The results of interviews with the surrounding community and company workers revealed that up to now if there was a conflict / problem with the company, the resolution action taken was deliberation without resorting to violence. Resolution of conflicts / problems using these deliberations has been quite effective and during the past year there have never been any conflicts / problems with the company.

Status: Comply

4.2

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

4.2.1, 4.2.2, 4.2.3 & 4.2.4

Unit certification can demonstrate the existence of standard communication and consultation procedures as indicated by SOP No. 0215B / SWA-CSR-WHU / VI / 2012 regarding Communication and Consultation. The deadline for responses to requests for information or conflicts is 3 days. The SOP contains an explanation of communication procedures in terms of requests for information, submission of complaints or dissatisfaction, conflict resolution mechanisms, complaints / demands, land identification mechanisms, calculation and compensation, delivery of violence, giving advice and consultation. In general, the implementation of communication and consultation is carried out by:

- Submission orally or in writing to the contact person (CSR Department) of the company that has been socialized
- Responses will be given a maximum of 3 working days.
- To resolve the problem, a meeting will be held between the two parties.
- Except for government agencies, third party involvement must go through an agreement.
- The company protects anonymity from whistleblowers when there are reports of violations of laws and regulations.

If there is any complaints/grievances that the resolution that has not found mutually, the complainants can brought that compliance to RSPO Complaints System.

The development of the mechanism above was carried out jointly with the affected communities on 07 June 2012. Each village was represented by two (2) peoples consisting of the Village Head and the Customary Head. The villages that agreed on the communication procedures / procedures were Ben Haes Village, Diak Lay Village, Deabeq Village, Nehas Liah Bing Village, Muara Wahau Village and Miau Baru Village. In addition, the certification unit has conducted policy socialization, code of ethics, complaints handling procedures, consultation with FPIC principles and providing information to relevant stakeholders (sub-district / village / village officials, community leaders, partners, contractors and others) on 26 September 2017 which was attended by 160 participants.

The results of interviews with representatives of surrounding communities, the village community has known about the

communication procedures and to people who served as communicators between the company and the community so that people who cannot read / write can be informed by the related communicators. In addition, during the past year there were no complaints or conflicts that occurred between the company and the surrounding community.

Status: Comply

4.3

The unit of certification contributes to local sustainable development as agreed by local communities.

4.3.1

Local development need has identified through social visit that conducted annually by estate management, for example as shows through minutes of social visit to the village of Deabeq and Village of Jak Luay when carried out in 05 October 2018 and 17 October 2018, respectively. Notes from social visit later on to be considered in annual CSR plan. For example, study tour as aspiration from Serba Usaha Cooperative of Jak Luay Village has been realize through family gathering to Jogja in 28 October to 02 November 2019. Furthermore, road maintenance by Compactor and Grader for about 15 hm as aspiration from Deabeq Village Secretary has been realized in 02 May 2019. Unit of certification CSR has covers education, socio-cultural and economic aspect.

Status: Comply

4.4

Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their FPIC.

4.4.1

Unit of certification has covers area for about 9,959.95 ha. Up to ASA-1.1, there is no land expansion or additional operational areas in PT DAN and POM-2 PT DSN. Legal ownerships are still remaining the same as shows through several documents, as follows:

- Plantation Business Permit for Processing (IUP-P) of POM-2 PT DSN through Decree of District Head of Kutai No. 500/171/Eko.2-V/2009 dated 01 May 2009, with processing capacity for about 60 ton FFB/hour.
- Building Use Title (HGB) No. 02 dated 14 January 2008 as approved through Decree of BPN of Kaltim No. 167-550.2-44-2007 dated 27 December 2007 for area covers 47,040 m² or about **4.7 ha**, with Letter of Measurement No. 01/Benhes/2008 dated 14 January 2008. HGB situated in Village of Dabeg, Sub-District of Muara Wahau, District of Kutai Timur.
- Plantation Business Permit (IUP) of PT DAN through Decree of Minister of Forestry and Plantation No. 1510/Menhutbun-II/99 dated 30 May 2005 for area covers 10,000 ha, located in Village of Muara Wahau, Sub-District of Muara Wahau, District of Kutai. The permit got extension from District Head (*Bupati*) of Kutai Through Decree No. 500/149/EK-V/2005 dated 30 May 2005 and Decree No. 432/02.188.45/HK/IX/2007 dated 24 August 2007. Object of IUP has no change.
- Permit of Forest Extrinsic Status through Decree of Minister of Forestry No. SK.129/MENHUT-II/05 dated 23 May 2005 for area covers 10,867 ha.
- Land Title (HGU) with total area **9,955.25 ha** that consist of two certificates of HGU, i.e. Certificate No. 42 and Certificate No. 43 dated 27 January 2009, which covers areas for about 413.69 ha and 9,541.565 ha, respectively. Both certificates are valid until 30 December 2038. Certificates has approved through Decree of Head of BPN No. 85-HGU-BPN RI-2008 dated 31 December 2008, with Letter of Measurement No. 05/Kutai Timur/2009 and No. 07/Kutai Timur/2009 dated 20 January 2009. Land title were located at Village of Benhes and Muara Wahau, Sub-District of Muara Wahau, District of Kutai Timur.

Decree of HGU No. 85-HGU-BPN RI-2008 dated 31 December 2008 informed that as mentioned in *Risalah Panitia B* or Treatise of B Committee No. 06/RPT-PAN.B/VI/2007 dated 05 July 2007, it was known that land status of PT DAN was formerly a Conversion Forest Production (HPK) for about 10,867 ha which had extricate its status through Decree of Minister of Forestry No. SK.129/MENHUT-II/05 dated 23 May 2005. Furthermore, it also informed that the area has free from community's mastery as mentioned in Statement Letter of Head of Benhes Village and Muara Wahau Village dated 29 June 2007. This is in line with information form representative of both villages as informed in the previous audit assessment. Thus, there is no previous land owner but government and land customary rights within POM-2 PT DSN and PT DAN operational areas.

4.4.2; 4.4.3; 4.4.4; 4.4.5 and 4.4.6

As mentioned in Indicator 4.4.1, it was known that there is no previous land owner nor land customary rights within POM-

2 PT DSN and PT DAN operational areas. Thus, map of legal customary right is not applicable. Formerly the particular areas were an ex Forest Concession Right (HPH) company which has extricate its HPK status through Decree of Minister of Forestry No. SK.129/MENHUT-II/05 dated 23 May 2005. Assessment of previous land owner and presence of customary rights is firstly conducted by Risalah *Panitia B* or Treatise of B Committee meeting in 05 July 2007 that supported by Statement Letter of Head of Benhes Village and Muara Wahau Village dated 29 June 2007, which mentioned that the area has free from communities mastery and customary rights. Hence, land compensation agreement with surrounding communities is not applicable in POM-2 PT DSN and PT DAN operational areas.

Status: Comply

4.5

No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

4.5.1 and 4.5.8

Based on year of planting data review and information from Estates management, it was known that palms in all estates were planted in between 2005 to 2012. Up to ASA-1.1 there is no new planting and/or land expansion after 15 November 2018. Document which informed identification and assessment towards legal, customary and user rights, in relation with FPIC process, are presented in several documents, as follows:

- *Risalah Panitia B* or Treatise of B Committee No. 06/RPT-PAN.B/VI/2007 dated 05 July 2007 which informed that land status of PT DAN was formerly a Conversion Forest Production (HPK) for about 10,867 ha which had extricate its status through Decree of Minister of Forestry No. SK.129/MENHUT-II/05 dated 23 May 2005. Furthermore, it also informed that the area has free from communities mastery as mentioned in Statement Letter of Head of Benhes Village and Muara Wahau Village dated 29 June 2007.
- Environment Impact Analysis (AMDAL) report which approved by AMDAL Commission through Decree No. 188.4.45/674/HK/X/2009 dated 23 October 2009 and No. 332/660.1/2.1/LH/III/2009 dated 16 March 2009 for PT DAN and POM-2 PT DSN, respectively.
- Social Impact Assessment (SIA) report that carried out by carried out by Daemeter Consultant in 11 to 22 October 2011 (reported in December 2011), in response of planting activities for about 81.00 ha that will be conducted in 2014 at Puhus 1 Estate. Focus discussion group has conducted to seven villages, i.e. Diak Lay, Beanheas, Muara Wahau, Jak Luay, Long Wahea, Karya Bakti and Miau Baru. Exception for Village of Miau which located on Sud-District of Kombeng, the rest villages were Located in Sub-District of Muara Wahau. Method of survey was interview through questionnaire and focus discussion group.
- High Conservation Value (HCV) Assessment report that carried out by Daemeter Consultant in 01 to 07 November 2011 (reported in January 2012). HCV assessors team consist of ten members which two of it were RSPO HCV approved Assessor and seven of it were competent in socio cultural aspect.

Based on review of the above documents, it could be concluded that there is no previous land owner (personal) but government, as well as no land customary rights within POM-2 PT DSN and PT DAN operational areas.

4.5.2; 4.5.4 and 4.5.5

As mentioned in Indicator 4.5.1, it was known that there is no new planting in unit of certification operational areas. Formerly before planting, FPIC has conducted through Treatise of B Committee as consideration of Land Title approval and several assessments conducted by competent parties such as AMDAL, SIA and HCV. Those documents informed that there is no previous land owner (personal) but government, as well as no land customary rights within unit of certification operational areas. Thus, there is no issues related to land ownership and customary rights, as well as access to food and water for surrounding communities.

4.5.3 and 4.5.6

As mentioned in Indicator 4.5.1, it was known that there is no new planting in unit of certification operational areas. However, PT DAN and POM-2 PT DSN were formerly a Conversion Forest Production (HPK) for about 10,867 ha which had extricate its status through Decree of Minister of Forestry No. SK.129/MENHUT-II/05 dated 23 May 2005. Furthermore, it also informed that the area has free from communities mastery as mentioned in Statement Letter of Head of Benhes Village and Muara Wahau Village dated 29 June 2007. Unit of certification has FPIC procedure towards land acquisition which presented in document No. SOP-AGR-071-R02 dated 01 August 2017. Socialization on this procedure

has been conducted during 2017 to 2018. Based on interview with representatives from Village of Muara Wahau, Diak Lay and Bean Haes, it was known that there is no rejection and resistance from surround communities towards company presence in Sub District of Muara Wahau. Furthermore, interviewee stated that socialization on land acquisition procedure and complaint mechanism has been conducted by unit of certification in 2017.

Status: Comply

4.6 Any negotiations concerning compensation for loss of legal, customary or user 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.

4.6.1
 Procedure of legal rights identification, customary or user rights is presented in document No. SOP-AGR-071-R02 dated 01 August 2017. This procedure covers land acquisition process chart, survey of social economic condition, environment, carbon stock, soil properties, topography, planted area (if any) and overlapped areas, socialization, environment and social impact assessment, forming village committee members, negotiation of compensation, mapping and FPIC process. Furthermore, procedure of compensation calculation is presented in document No. SOP-AGR-058-R02 dated 02 June 2018. Calculation shall be based on negotiation process towards land ownership and plantation above the compensated land (*tanam tumbuh*). However, there is no new land acquisition during 2018/2019 to 2019/January 2020. PT DAN and POM-2 PT DSN were formerly a Conversion Forest Production (HPK) for about 10,867 ha which had extricate its status through Decree of Minister of Forestry No. SK.129/MENHUT-II/05 dated 23 May 2005. Furthermore, it also informed that the area has free from communities mastery as mentioned in Statement Letter of Head of Bean Haes Village and Muara Wahau Village dated 29 June 2007. This fact has confirmed through consultation with representative from the Village of Muara Wahau, Diak Lay and Bean Haes.

4.6.2; 4.6.3 and 4.6.4.
 As mentioned in Indicator 4.6.1, it was known that the unit of certification operational areas has free from communities mastery and customary rights. No land compensation needed.

Status: Comply

4.7 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 FPIC and negotiated agreements.

4.7.1
 Up to ASA-1.1, it was known that there is no new land acquisition during 2018/2019 to 2019/January 2020. PT DAN and POM-2 PT DSN were formerly a Conversion Forest Production (HPK) for about 10,867 ha which had extricate its status through Decree of Minister of Forestry No. SK.129/MENHUT-II/05 dated 23 May 2005. Furthermore, it also informed that the area has free from communities' mastery as mentioned in Statement Letter of Head of Bean Haes Village and Muara Wahau Village dated 29 June 2007. This fact has confirmed through consultation with representative from the Village of Muara Wahau, Diak Lay and Bean Haes.

4.7.2 and 4.7.3
 As explained in Indicator 4.7.1, it was known that the unit of certification operational areas has free from communities mastery and customary rights. No land compensation needed.

Status: Comply

4.8 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.

4.8.1
 Up to ASA-1.1, it was known that there is no new land acquisition during 2018/2019 to 2019/January 2020, as well as no land dispute in the unit of certification operational areas. PT DAN and POM-2 PT DSN were formerly a Conversion Forest Production (HPK) for about 10,867 ha which had extricate its status through Decree of Minister of Forestry No. SK.129/MENHUT-II/05 dated 23 May 2005. Furthermore, it al informed that the area has free from communities mastery as mentioned in Statement Letter of Head of Benhes Village and Muara Wahau Village dated 29 June 2007. This fact has confirmed through consultation with representative from the Village of Muara Wahau, Diak Lay and Bean Haes.

4.8.2; 4.8.3 and 4.8.4	
As explained in Indicator 4.8.1, it was known that the unit of certification operational areas has free from communities mastery and customary rights. Thus, no land compensation needed. Furthermore, it known that during 2018/2019 to 2019/January 2020, there is no land dispute within the unit of certification operational areas. This fact has confirmed through consultation with representative from the Village of Muara Wahau, Diak Lay and Bean Haes.	
Status: Comply	
PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION	
5.1	
The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.	
5.1.1	
Based on mill production record for period 2019 to second quarter of January 2020, it was known that unit of certification is still implementing Integrated Preserved (IP) Supply Chain module for RSPO certified palm oil and kernel productions. Source of FFB supplier is only from PT DAN and one outgrower namely PT Swakarsa Sinar Sentosa (PT SWA), a subsidiary of PT Dharma Satya Nusantara, which had RSPO certified since 2015. Thus, there is no purchasing of FFB from independent and/or plasma smallholders.	
5.1.2; 5.1.3; 5.1.4; 5.1.5 and 5.1.6	
As mentioned in Indicator 5.1.1, it was known that there is no purchasing of FFB from independent and/or plasma smallholders.	
5.1.7	
As observed to Weighbridge in POM-2 PT DSN, it was known that the mill has two units of bridge with capacity 40 ton. Device calibration is conducted annually by UPTD Metrologi of <i>Dinas Perdagangan</i> (Trade Agency) of Kalimantan Timur Province, as shows through Certificate No. 510.93/.../925/100.12.001 and No. 510.93/.../926/100.12.001 dated 19 November 2018. Both certificate valid until 08 November 2019. Furthermore, calibration process for period 2019 is conducted by PT MUGI as shows through Official Letter No. BA11/9162/JKTII and No. BA12/9162/JKTII dated 01 December 2019. The latest documents signed by representative of PT DAN, UPTD Metrologi and PT MUGI.	
5.1.8	
As mentioned in Indicator 5.1.1, it was known that there is no cooperation with independent and/or plasma smallholders in term of FFB purchasing. However, PT DAN has smallholder "Kemitraan" program which has fully managed but has deliver its FFB to POM-1 of PT DSN. Agreement with smallholder is shows through Memorandum of Understanding (MoU) as follows:	
<ul style="list-style-type: none"> • MoU with Cooperative of Serba Usaha "Usaha Baru" from Village of Nehas Liah Bing, Sub District of Muara Wahau No. 318/DIR-ARF/DAN/JKT/XI/12 dated 08 November 2012. Total area managed is 468 ha. • MoU with Cooperative of Serba Usaha Sawit Surya from Village of Jak Luay, Sub District of Muara Wahau No. 319/DIR-ARF/DAN/JKT/XI/12 dated 08 November 2012. Total area managed is 455 ha. • MoU with Cooperative of Jengea Bong Pet Kuq from Village of Benhes, Diak Lay and Dabeq, Sub District of Muara Wahau No. 320/DIR-ARF/DAN/JKT/XII/12 dated 03 December 2012. Total area managed is 548 ha. 	
5.1.9	
Procedure of grievance and complaint mechanism for external stakeholder (included smallholders) is presented in document No. 044-R01 dated 03 July 2017. Time of response in 3 days since accepted. Since there is no cooperation with smallholders, there is no grievance related to that matters.	
Status: Comply	
5.2	
The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.	
5.2.1	
Even though there is no cooperation with smallholders in term of FFB supply, PT DAN management has smallholder scheme named "Kemitraan", as shows in Memorandum of Understanding (MoU) as follows:	
<ul style="list-style-type: none"> • MoU with Cooperative of Serba Usaha "Usaha Baru" from Village of Nehas Liah Bing, Sub District of Muara Wahau 	

<p>No. 318/DIR-ARF/DAN/JKT/XI/12 dated 08 November 2012. Total area managed is 468 ha.</p> <ul style="list-style-type: none"> • MoU with Cooperative of Serba Usaha Sawit Surya from Village of Jak Luay, Sub District of Muara Wahau No. 319/DIR-ARF/DAN/JKT/XI/12 dated 08 November 2012. Total area managed is 455 ha. • MoU with Cooperative of Jengea Bong Pet Kuq from Village of Benhes, Diak Lay and Dabeq, Sub District of Muara Wahau No. 320/DIR-ARF/DAN/JKT/XII/12 dated 03 December 2012. Total area managed is 548 ha. <p>Estate from Kemitraan has not supply FFB to POM-2, but to POM-1 of PT DSN. Two estate of PT DSN Kemitraan, i.e. Kemitraan 11 and Kemitraan 12 has certified by RSPO.</p> <p>5.2.2; 5.2.3; 5.2.4 and 5.2.5.</p> <p>As explained in Indicator 5.2.1, it was known that PT DAN has support smallholders to be involved in producing RSPO certified products. Kemitraan is fully managed by PT DAN. Two of PT DAN Kemitraan has certified by RSPO.</p>	
<p>Status: Comply</p>	
<p>PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS</p>	
<p>6.1 Any form of discrimination is prohibited.</p>	
<p>6.1.1, 6.1.2 & 6.1.3</p> <p>Unit certification have Dharma Satya Nusantara Group Quality Guidelines Document No. PDM-AGR-R04 dated 01 May 2015 endorsed by the Executive Director. In clause 10.2 it is stated that DSN Group does not condone discrimination against all employees whether religious, ethnic, gender and regional origin. All workers are treated equally and have the same opportunities. In addition to these documents, there is also an Internal Memorandum No. 017 / HCO / IM / III / 2016 concerning the Declaration of Recognition of Human Rights dated 14 March 2016 from the Human Capital Group Head which states that:</p> <ul style="list-style-type: none"> • In employing all employees, we will treat according to the principle of equality and will not discriminate or restrict, harassment or exclusion directly or indirectly based on human distinctions or the basis of religion, ethnicity, race, ethnicity, group, class, status social, economic status, gender, language, political beliefs, so that harmony and mutually beneficial relationships will be created between the company and all employees • We also will not discriminate in recruiting prospective employees, will give jobs to all employees, will give jobs to all employees / prospective employees in accordance with their fields of expertise, so there is no forced labor system that can lead to human rights violations and inconvenience of employees / prospective employees in work or recruitment process • Every employee who works in our company is recognized as a person who has the freedom to have religion, thought, opinion and respect to use his conscience in accordance with his human dignity in accordance with company regulations and applicable laws. <p>Based on the employee registration document, unit certification has provided equal opportunities and treatment in employment opportunities. This is evidenced by the diversity of ethnic accepted to work. The results of interviews with workers during field visits and interviews with labor unions and representatives of the Gender Committee also obtained information that there was no indication of acts of discrimination based on religion, ethnicity, gender and regional origin in the process of accepting work.</p> <p>The results of the employment document review prove that certification unit does not discriminate and treat all workers equally, the following is evidence that can be shown by the company:</p> <ul style="list-style-type: none"> • The composition of workers consisting of various ethnic groups, religions, gender and workers' origins. • Recruitment of workers based on the results of selection, performance appraisal, ability and expertise of workers. For example, compound workers who have contract No. 0021 / DSN / SPK / PKS2 / WHU / VII / 2019 dated 02 July 2019 received based on the results of the selection of job application files, results of health checks and results of interviews. The worker also passed the orientation period of 3 and then was re-assessed and declared eligible to be appointed as permanent workers. • Worker placement and training are carried out in accordance with their expertise / type of work, such as prospective harvest workers are placed as harvest workers and receive regular harvest training. 	

- Women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several maintenance foremen who are female workers.

These explanations can conclude that the company has treated all workers equally without discrimination based on gender, ethnicity, religion, health conditions or others.

6.1.4

A pregnancy test for workers is carried out every month just to ensure that pregnant workers are not allowed to do work with chemicals, not as a basis for discriminating against these workers. If declared pregnant, the worker will be transferred to a safer job but still equal in terms of wages and other benefits, so that there is no discriminatory action. This is made clear by the results of interviews with women workers in the Puhus 1-3 Estate maintenance activities stating that female workers are required to have monthly pregnancy testing at the clinic to ensure that no female workers working with chemicals are pregnant / breastfeeding and testing the pregnancy is not a discriminatory measure given by the certification unit.

6.1.5

Gender committees have been formed and are still active today in the certification unit which is chaired by the committee chairperson along with coordinators in several sections and there are representatives in each unit. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations / complaints of workers (especially women), as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender committee always collaborates with the labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender. The workers also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the gender committee and the activity was carried out on 13 November 2019 which was attended by 106 participants.

The results of interviews with women workers and representatives of the gender committee revealed that until now there were no reports / issues / complaints related to gender reported by the workers and at the moment the activities carried out were gender meetings during children healthcare (*posyandu*), women recitation weekly and others.

6.1.6

Equal payment of wages has been made by certification unit properly, taking into account the ability, performance, expertise, length of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the burden / duties / types of work respectively. For example, care workers with initials SBS (male with 5 years of work) and STH (women with 10 years of work) who get wages in December 2019 whose value is above the minimum wage, but with different amounts based on years of service, ability, attendance and job performance.

Status: Comply

6.2

Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).

6.2.1

The certification unit has Company Regulations for 2017-2019 in accordance with Decree No. 796 / PHJSK-PK / PP / VII / 2017 dated 04 July 2017 from the Indonesian Minister of Manpower and is valid until 03 July 2019. The Company Regulations are made in a Bahasa that explains the working conditions and rights / obligations of workers such as, recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. The company regulation has been routinely disseminated by the certification unit to all employees, one example of the socialization that was carried out was on 13 November 2019 which was attended by 102 participants.

The company regulation has expired and the company has submitted approval for the 2020-2022 period to the Ministry of Manpower on June 26, 2019. Until the audit takes place, the Company Regulation has not been approved by the minister and is still in the process of approval. This is proven by a certificate from the Ministry of Manpower No. 08 / PK / PP / 2020 dated 06 January 2020 which states that the draft Company Regulation is in the process of ratification in accordance with the applicable laws and regulations. Then this becomes an **Opportunity of Improvement (OFI)** and the

certification unit has the opportunity to ensure the ratification of the Company Regulations in 2020.

Certification unit does not yet have a Collective Labor Agreement because the labor unions are still working together to draft a Collective Work Agreement. For now, the union has agreed on the draft Company Regulation period of 2020-2022 submitted by the certification unit. This is evidenced by the existence of a statement from all labor union representatives of all units on 05 August 2019 containing the following:

- The union agreed and agreed to the draft 2020-2022 period for approval by the Minister of Manpower.
- The union is coordinating the preparation of the Collective Labor Agreement draft which will be carried out jointly with the management and bipartite committee.
- If the Collective Labor Agreement has been compiled later, then what will become a reference for employment in the company is the Collective Labor Agreement Not Company Regulation and this has been mutually agreed upon.

During the last year the certification unit did not have workers with contract status (PKWT / BHL), the current employee status is permanent workers who have Orientation Worker status (three or twelve months orientation period), Daily Rate Worker (SKU), Regular Workers (below worker class 3) and Staff (above worker class 3). The number of workers currently owned by the certification unit is 1,137, with 32 staff members, 207 Orientation Workers and the rest are Daily Rate Workers / Regular Workers.

The results of interviews with workers (harvesters, sprayers, fertilizers and mill operators) and union representatives know that workers have a sufficient understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the Company Regulations and in accordance with routine socialization provided by the certification unit. Workers' wages in 2019 have been above the minimum wage set by the government and there are no late payments every month.

A review of the December 2019 wage document for harvest workers, pesticides, sprayers and mill operators proves that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2019. For example, workers wages with the initial DMY (class 1A) earned IDR 3,997,662 and MRS (class 2A) earned IDR 4,483,841.

Based on the above explanation it can be concluded that the workers have understood the work requirements that have been socialized by the certification unit in an understandable language.

6.2.2 & 6.2.3

The certification unit has Company Regulations are made in a Language that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. In addition to being generally stated in Company Regulations, the certification unit also has a decree, policy, memorandum and work contract for workers in orientation period that specifically explain these matters. An example is:

- Decree of the Board of Directors No. 0842 / DIR / XII / 2018 concerning 2020 Minimum Wage Determination is Rp. 3,140,100 / month or Rp. 104,670 - / day determined based on Kutai Timur Minimum Wage Determination in 2020.
- Decree of the Board of Directors No. 083 / DIR / XII / 2018 concerning 2019 Minimum Wage Determination is Rp. 2,893,850 / month or Rp. 96,462 - / day determined based on Kutai Timur Minimum Wage Determination in 2019.
- Employment contract No. 0021 / DSN / SPK / PKS2 / WHU / VII / 2019, which explains the hours of work, wages, BPJS, leave, overtime, and others.
- December 2019 salary slips for workers with the initials MRS who have a breakdown of wages in the form of basic wages, benefits, overtime, incentives, fines, and others.
- Overtime payment in December 2019 that has been accordance with applicable laws for workers with initial SHM (boiler operator) & TSR (security).
- List of women workers that has been given maternity leave and pregnant workers in 2019.
- Etc.

The results of interviews with workers (harvesters, sprayers, fertilizers and mill operators) and union representatives know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Company Regulations and in accordance with routine socialization provided by the certification unit. Workers' wages

in 2019 have been above the minimum wage set by the government and there are no late payments every month, working hours is seven (7) hour a day with 6 days in a week and for the overtime has been paid in accordance with applicable regulations.

A review of the December 2019 wage document for harvest workers, pesticides, sprayers and mill operators proves that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2019. For example workers wages with the initial DMY (class 1A) earned IDR 3,997,662 and MRS (class 2A) earned IDR 4,483,841.

Based on these explanations, it can be concluded that the certification unit has carried out work requirements in accordance with applicable laws and regulations in Indonesia.

6.2.4

The certification unit has provided welfare facilities to occupants in the form of housing, clinics, water supply, electricity, education, transportation and other facilities. The results of the field visit in the housing area revealed that workers were provided with adequate housing facilities with 2 bedrooms, 1 bathroom and there were daycare for children. The house is inhabited by 1 family and specifically for workers who are not married then 1 house will be filled by 2 workers. This is in line with the results of interviews with housing residents stating that the facilities provided by the certification unit are houses, electricity, availability of clean water, transportation of school, elementary & middle school (for high schools located in Wahau - 20 minute travel), child daycare, places of worship (mosque & church), sport facilities and others. In general, the facilities provided by the company are good / suitable for use by workers and their families.

6.2.5

Certification unit has made it easier for workers and their families to obtain food sources by providing employee cooperatives that sell the daily needs of workers and provide access to vegetable traders to sell in the workers' housing area. In addition, there are also workers who open small business stalls to sell daily necessities in each housing.

Based on interviews with workers (harvesters, sprayers, maintenance and mill operators), housing residents, labor unions and gender committees, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities and the existence of vegetable sellers given access to sell at home. In addition, workers can buy these needs into markets around the area of the company with less difficult access.

6.2.6

In Indonesia no living wage standard is established, so certification unit still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing a Decent Living Wage. The certification unit has the determination of assessment prevailing wage and all kind of benefits for DLW simulation in 2020 has been included in the calculation of food costs, housing facility costs, non food costs, non housing costs, living basket, and other costs. The results of these calculations are known that the standard of DLW currently given / simulated by the certification unit is above the stipulation of the minimum wage (IDR 3,140,098) of IDR 3,530,100. Implementation of the simulation will be carried out in stages in 2020 while awaiting the adoption of the RSPO DLW benchmark for Indonesia.

6.2.7

During the last year the certification unit did not have workers with contract status (PKWT / BHL), the current employee status is permanent workers who have Orientation Worker status (three or twelve months orientation period), Daily Rate Worker (SKU), Regular Workers (below worker class 3) and Staff (above worker class 3). The number of workers currently owned by the certification unit is 1,137, with 32 staff members, 207 Orientation Workers and the rest are Daily Rate Workers / Regular Workers.

For workers with Orientation Worker status planned to obtain the status as Daily Rate Workers (SKU), they must undergo an orientation period of 1 year until the results of the assessment over and are declared eligible to become permanent workers. Whereas the Orientation Workers who are planned to get status as Regular Workers (below worker class 3) must undergo an orientation period of 3 months until the results of the assessment over and are declared eligible to

become permanent workers. At present the Orientation Worker planned for Regular Workers is 1 person and the Daily Rate Worker is 206 persons.

The results of interviews with spray workers, fertilizer, harvester and mill operators' found that workers understood the recruitment system, the status of workers and the orientation period that had to be passed before the worker was appointed as a permanent worker. These processes are stated to be fair enough and provide equal opportunities to work according to the abilities, expertise and achievements of the workers during the orientation period.

Status: Comply

6.3

The unit of certification respects the rights 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.

6.3.1

In the 2017-2019 Company Regulation there is a statement of recognition of freedom of association. The document is published in Bahasa which can be understood by all employees. The statement stated in article 4 point (g), states that employees have the right to establish trade unions and become members / leaders of trade unions in accordance with applicable regulations. The information on freedom of association listed in the Company Regulations was carried out regularly and the last socialization was held on November 13, 2019.

Based on interviews with labor union representatives who explained that the company had given freedom of association and at present 2 labor unions have been formed, each with PT DSN and PT DAN. The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Office. For the union, PT DSN was registered on July 10, 2018 with registration No. 560/747 / HIJ and PT DAN on March 19, 2019 with registration No. 560/287 / HIJ. The union management consists of the chairman, deputy chairman, secretary, treasurer and other fields.

6.3.2

The certification unit has a list of workers who have joined the union and the last update was carried out in December 2019, totaling 1,025 workers for PT DAN and 97 workers for PT DSN. In addition to properly documenting the list of members, the certification unit also has records of meetings between trade unions and management representatives as well as with internal unions. The following are examples of records of meetings conducted by trade unions in 2019, namely:

- The meeting between the union and company management (PT DAN) on 03-04 January 2020 discussion about draft Company Regulation for the period of 2020-2022 attended by 75 participants.
- The meeting between the union and company management (PT DSN) on 04 January 2020 to discuss the plan to procure a drinking water cafeteria at POM 2, drinking water machine in the housing and other discussions attended by 18 participants.

6.3.3

The absence of company interference in the selection or operation of labor union activities, this is evidenced by the results of interviews with workers and union representatives stating that in the process of selecting / making decisions and planning activities, members provide input / aspirations to their representatives each to make an election / decision-making and no management has a position as staff / managerial (assistant and above). The employee who currently serves as the Chairman of the PT DAN Union is Warehouse Foreman at Puhus 2 Estate while the Chairman of the PT DSN Union is Effluent Treatment Plant (ETP) Operator at POM 2. The explanation has reinforced the fact that management did not interfere directly / indirectly with the taking decisions and activities carried out by labor unions.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1, 6.4.2, 6.4.3 & 6.4.4

Certification unit has policy regarding the age requirements of workers is contained in company regulations Article 5 point 1.b states that the requirement for accepting workers is at least 18 years old. Policies regarding the age of workers are also available in Memorandum No. 0013 / HCO / M / 2016 dated 12 May 2016 concerning Management of Human

Resources and Employment Opportunities for Local Communities which states that it is forbidden to employ child labor and under the age of 18 (eighteen) years, this is evidenced by the Identity Card (KTP) at the time of employee recruitment. The results of the verification of documents revealed that there were no workers under the age of 18. In addition to having a policy governing the minimum age for workers for workers, the certification unit also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement with the contractor. The policy was socialized to workers on 13 November 2019 and to the contractor when signing the work agreement.

Based on field visits and interviews with workers in the fields of Puhus 1-3 Estate and POM-2, it is known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of company and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 20 years when entering work.

Status: Comply

6.5

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

6.5.1 & 6.5.2

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 13 November 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 and in the last year period, that hasn't any issue/incident related to sexual harassment, violence at work/reproductive rights.

6.5.3

The certification unit has Memorandum No. 001 / HCO / M / III / 2016 dated March 14, 2016 concerning Pregnant and Breastfeeding Women Workers. The memo explains about giving mothers special time to breastfeed their children, prohibiting pregnant / breastfeeding women workers from working with chemicals, providing light work / which does not endanger the mother / obstetric / child, and providing a special room for breastfeeding her child.

For now, the certification unit has recorded employees who have experienced pregnancy conditions in each unit by recapitulating the total number of female workers who were pregnant in 2019 as many as 24 workers and all of them were confirmed not to work in chemical-related work.

Based on interviews with women workers and gender committee representatives, it is known that the certification unit has provided a special place for breastfeeding at daycare / office and has given 30 minutes of special time to breastfeed. There is no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered / picked up by the foreman at these times.

The certification unit has specifically provided the need for new mother or breastfeeding workers to breastfeed by setting a special time for breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities.

6.5.4

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, and 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. In the last year period, that hasn't any complaint related to sexual harassment, violence at work/reproductive rights.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1 & 6.6.2

The certification unit 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 in 2019 and observation in field known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

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.

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. Certification unit 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 above the minimum wage.

Status: Comply

6.7

The unit of certification ensures that the working environment under its control is safe and without undue risk to health.

6.7.1

The certification unit have 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.

OHS committee routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting was 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. The last meeting has been held in 30 December 2019.

6.7.2

Emergency Management and Work Accident Management Procedures (SOP-AGR-037-R01) has been ratified by certification unit. In that procedure has explained the handling of accidents from reporting to coordination. Simulation was performed regularly to ensure the preparedness of emergency response equipment in the certification unit. The simulation was performed on hydrants located in the mill and water pump in Puhus Estate, the result of the simulation was concluded that the emergency tool that certification unit have is ready for use. The routinely emergency simulation that has been conducted by certification unit in 04 October 2019 and have 33 participants.

The las first aid training has been conducted in 03-04 October 2019 and certification unit has licensed first aid officers. Certification unit also has a first aid box in each unit and based on observations, it's concluded that the contents in the first aid box are sufficient (21 items). 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 4 work accident with 3 day lost work and the number of work accidents in PT DAN was 14 work accident with zero day lost work. All work accidents have been reported to *BPJS* and the labor agency.

6.7.3

Based on documents verification and interviews, it is known that all operators at Puhus 1-3 Estate and POM-2 already have license/certificate for boiler operators, lift carrier operators, welders and electrical technician. The management unit has had the training plan for every worker that has been exposed high danger level work such as all mill process operators. For example, engine room operators that has been exposed to high noise levels such as training of procedure,

socialization of HIRAC and safety briefing before work.

Based on observation and interviews with workers, the certification unit has provided PPE to every worker. 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. For examples provided PPE for pesticide operators such as apron, boots, googles, glove, respirator and others.

6.7.4

Certification unit have Company Regulation that describe about workers have the right to receive medical care and be protected by the accident insurance company. The management unit show proof of payment of BPJS. Payments are made every month by percentage according to the regulation. The last payment that has been paid by certification unit is on 27 December 2019 for BPJS periode of December 2019.

Based on the interview with Puhus Estate and POM-2 workers, 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.

6.7.5

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 Severity Rate and Frequency Rate is reviewed regularly and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety. For examples in period of 2019 certification unit have 18 incidents, 3 lost time, Severity Rate is 8.1 and Frequency Rate is 10.8.

Status: Comply

PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT

7.1

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

7.1.1

The company has shown evidences that pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) method. The plan of integrated pest management was arranged in several procedures, such as procedure of detection and early warning system, procedure of integrated pest management, procedure of weed management, as well as procedure of pesticide handling. The procedures set the early warning system by monthly detection of potential pest and diseases (leaf eater caterpillar, rats), emphasizing the mechanical and biological control such are by planting of beneficial plants (*Turnera subulata* and *Antigonon leptosus*), as well as installing and monitoring barn owl boxes to suppress rat infestation. The procedure also set the economical threshold for each pest and disease, that the chemical control will be conducted only if the infestation has been exceed the economical threshold. For instance, leaf eater caterpillar 10 larva/frond, rats > 5 % of infestation. In the weed management procedure, stated the company's policy to conduct selective weeding, to maintain the biological diversity in order to suppress pest and disease infestation.

The company has shown documentation of monthly potential pest and disease detection that conducted by trained worker. Based on census summary of January – December 2019, known that there was no pest and disease infestation exceed the economical threshold, therefore no usage of pesticide to pest and disease control, except for routine weed control. Field observations in each Estate also verified that visually neither symptoms of leaf eater caterpillar infestation on the canopy, nor the rats infestation on the FFB collected in the FFB platform. Beneficial plants such as *Turnera subulata* and *Antigonons leptosus* have been planted in main and collection road. The barn owl boxes were in good condition and well monitored in ratio 1 box for 25 ha area, as well as indicates the occupation of barn owl.

7.1.2

Based on document review and field observation, the company implement some biological control practices to suppress pest and diseases infestation such as white buttercup flower (*Turnera subulata*) and barn owl (*Tyto alba*). Verification result on website of cabi.org known that those species stated as not invasive in Indonesia.

7.1.3

Based on document review, field observation, as well as interview with the workers and external stakeholders, known that the company did not use fire for pest control.

Status: Comply

7.2

Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.

7.2.1

The company shown evidences that the pesticides used justified selective product, that have specific to the target (narrow spectrum), and has minimum negative impact on non target species, as well as legally registered in Pesticide Commission, Ministry of Agriculture, through verification in official Pesticide Commission's website pestisida.id. There was identification and assessment of the pesticides, stated in document of Pesticides Recommendation, covers the pesticides trademark, active ingredients, type (systemic/contact), LD50, target species, and WHO class. The pesticides used were Metaprima 20 WG™ (a.i Methilmetsulfuron), Kleen Up 480 SL™ (a.i Isopropilamina gyphosate), and Starane 480 EC™ (a.i Fluroksipir).

7.2.2

The routine pesticides application was for weed control in circle and path every four months if necessary. The usage documentation was in documents of Pesticide Toxicity for each Estate, that record products name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, hectare application and active ingredients per ha application. For instance, in period of 2019, Metaprima 20 WG™ toxicity amount of 0,005 kg/ha in Puhus 1 Estate, Kleen Up 480 SL™ toxicity amount of 0,078 l/ha in Puhus 2 Estate, and Starane 480 EC™ toxicity amount of 0,005 kg/ha in Puhus 3 Estate.

7.2.3, 7.2.4

In line with the explanation of Criteria 7.1 that IPM has been carried out quite effectively, therefore there was no chemical use for pest control, except for routine weed control. Pesticides were used regularly for weed control in the circle and harvesting path with interval every 4 months if necessary. The usage of pesticides has been monitored in monthly and yearly basis. If the conditions of circle and harvesting path are still quite standard, the weed control will be postponed. Based on observation of spraying activities, the application method was not a preventive application, but rather selective for weedy locations that considered exceed the economic threshold.

7.2.5

Based on field observation in chemical warehouse and spraying activity, as well as interview to the workers, known that the pesticides categorized in WHO 1A and 1B class, listed in Stockholm and Rotterdam Conventions, and paraquat are not used. In the list of pesticides used, it was known that the pesticides used were categorized in WHO Class III and uncategorized.

7.2.6, 7.2.9

The annual internal training related general best practice of pesticide handling and spraying technique has been given to the workers. Based on field observation and interview with the workers, known that the pesticides application has been conducted by methods that has minimum risk and negative impacts to workers or environmental. The workers can demonstrate safe working practices in accordance with the existing procedures, such as spraying in the direction of the wind, or prohibition of spraying on riparian, and understanding emergency response in the event of an accident. Based on document review, field observation, as well as stakeholder consultation, also known that the company never been applied pesticides aially.

Knapsack sprayers are in good condition, personal protective equipment has been used according to MSDS and HIRAC such as boots, apron, rubber gloves, mask and safety goggles. Pesticide solutions are mixed in pesticide warehouses and transported by special vehicles. Work equipment and PPE were stored in special warehouses, including for mixing pesticides, and washing after work. The rinse solution is stored in a special place and used again as a mixing agent in the

next day's activities. Pesticide solution is brought to the field by special vehicles. The spraying activity conducted in selective manner by knapsack sprayer that the nozzle regularly calibrated. After work, knapsack sprayer and PPE are stored in a special storehouse at the Estate.

7.2.7

The storage of all pesticide has been in accordance with Indonesian recognized best practices, that was stipulated in Labor Minister Regulation No. 3 of 1986 regarding OHS requirements in pesticides management. Based on field observation of agrochemical storage in every Estate, it was known that agrochemical was stored in specific agrochemical storage that was in accordance with the regulation, such as build in concrete walls and separated from other activities, has OHS sign and MSDS that understood by operator, has PPE, exhaust fan, fire extinguisher, and in clean condition with no spills.

7.2.8

All pesticide containers were properly disposed and handled responsibly in accordance with Indonesian recognized best practices, that was stipulated in Government Law No. 101 of 2014 regarding management of hazardous waste, then arranged in company's SOP of Hazardous Waste Management (No. IK-AGR-SHE-09-R02 dated 19th October 2015). Based on field observation in hazardous waste storage and housing, as well as interview to the operator in each Estate, it was known that pesticide containers rinsed and stored in temporary hazardous waste storage that build in considering OHS and environmental aspects. The water used for rinsing will be reused as water mixing for chemist activity. The pesticides containers periodically collected by licensed and registered hazardous waste transporting company and delivered to licensed and registered hazardous waste management company as well.

7.2.10

The certification unit regularly have a medical examination for pesticide operator. Puhus 1-3 Estate has a list of the latest pesticide operator as many as 123 workers. All spraying workers has examined health through inspection types of medical checkup, cholinesterase and spirometri, to ascertain the condition of workers in good health. This semester examination was conducted in 25-28 November 2019 for all units. Examination results stating that all workers spray is in a healthy condition. Auditor conduct interviews with spraying workers in Puhus 1-3 Estate and they admit that they have not been exposed to skin disease and itches because they always use PPE while working.

7.2.11

During the audit, the pesticide application only conducted in Puhus 2 Estate to control weeds in the circle and path. However, the auditor also interviewed the pesticide operator in Puhus 1 and Puhus 3 Estate that transferred to manual upkeep activities, as well as Official of Gender Committee and Labor Union. Based on field observation and interview, known that there was no worker age under 18 years old that worked in chemical activity. The pregnant and breastfeeding women prohibited to work in chemical. The monitoring conducted through monthly pregnancy test. If founded expectant mother, she will be transferred to light non chemical activity. Also known that there were workers in chemical that had certain disease condition such as asthma.

Status: Comply

7.3

Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.

7.3.1, 7.3.2

Based on the Waste Management SOP (SOP-AGR-035-R02), it explains the flow of handling waste. The document has identified the type of waste / waste produced. Based on the SOP, domestic waste is disposed of separately between organic and inorganic. Waste will be disposed of at the Final Disposal Site and place the coordinate point on the landfill cover. Hazardous waste both liquid and solid will be placed in Temporary hazardous warehouse licensed. Recording of waste types and amounts recorded in the logbook and sending waste to authorized collectors and recorded in manifest.

Company has hazardous waste storage in mill and estate. The permit of Hazardous Waste Storage in POM 2 is in accordance with the Decree of East Kutai Regent No 660 / K.521 / 2016 on 11 July 2016 and The permit of Hazardous Waste Storage in PT DAN is in accordance with the Decree of East Kutai Regent No 660 / K.260 / 2017 on March 22, 2017, time period for stored the hazardous is 180 days, This permit is valid for 5 years. Based on field observation in hazardous waste storage in mill and estate, the waste is placed in accordance with its kind. There is also a symbol and label for each characteristic of waste and waste storage does not exceed the permissible storage period.

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 31st 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. The document of hazardous waste transporting is in the form of minutes of meetings of handover and manifest. All hazardous waste management is documented and reported to related agencies regularly.

The latest dispatch of hazardous waste from POM 2 on 16th December 2019, among others:

- Used oil with No manifest KLH-86440000001472UF as much as 265.1 kg
- Used filter with no manifest KLH-86440000001465UF as much as 35 kg
- Used Majun cloth with No manifest KLH-86440000001466UF as much as 94 kg
- Used chemical packaging with No manifest KLH-86440000001464UF as much as 112 kg
- Used paint cans with No manifest KLH-86440000001468UF as much as 38 kg
- Used Packaging Oil packaging with No manifest KLH-86440000001467UF as much as 2 kg
- Electronic waste with manifest No. KLH-86440000001469UF as much as 6 kg
- Contaminated hazardous Waste with No manifest KLH-86440000001473UF as much as 153 kg
- Grease used packaging with No manifest KLH-86440000001470UF as much as 2.5 kg
- Clean up used packaging with no manifest KLH-86440000001471UF as much as 0.7 kg

The latest dispatch of hazardous waste from PT DAN on 16th December 2019 among others:

- Used oil with No manifest KLH-86440000001498UF as much as 0.6906 tons
- Former packaging hazardous waste with No manifest KLH-86440000001495UF as much as 0.2292 tons
- Used Majun with no manifest KLH-86440000001496UF as much as 0.0352 tons
- Used filters with no manifest KLH-86440000001497UF as much as 0.0252

Use of Liquid Waste to Land Applications

The company can show data on the utilization of Mill liquid waste to the Land Application area during the January 2019-December 2019 period with a total of 257,002 m³. Based on the results of the field visit to the application area at Puhus 2 Estate, block E33 / F31, Afdeling 5 Puhus 2 Estate, it is known that the factory liquid waste has been applied in accordance with applicable procedures and regulations, no indication of overflow or spilled liquid effluent was found.

Use of EFB for fertilizer

The company uses all EFB for field application activities, the total application of the EFB during October-December 2019 is 12500 ton. Based on the results of the field visit to F52 Puhus 2 block, it is known that the company has used the EFB in the plantation area of PT DAN.

The use of fiber and shells.

The company shows data on the use of fiber and shells during the January-December 2019 period with a total shell usage of 14,388.68 tons and Fiber of 33,751.45 tons, from this data known that all shell and fiber used for processing. Based on the results of field visits to the POM-2 area, it was found that the company had used POM solid waste to be used as boiler fuel.

Domestic Waste Housing

The company carries out domestic waste management by sorting out the types of waste before it is sent to landfill, for the types of organic waste it is collected and managed into compost, while inorganic waste is collected to landfill. As for the valuable garbage collected for later sale. Based on the results of a field visit at Afdeling 10 housing estate, it is known that domestic waste has been managed into compost, and waste such as cardboard or scrap metal is collected in special areas. For inorganic waste collected and disposed of in landfill block E65 Puhus 3 Afdeling 10.

7.3.3

The company has a waste management procedure also presented in the following documents:

- SOP-AGR-035-R02 dated May 1, 2015 concerning waste management, which includes organic, inorganic and hazardous waste. In the SOP it is explained that the resulting waste must not be burned.

- Work Instruction No. IK-AGR-SHE-09-R02 dated 19 October 2015 concerning the handling of hazardous waste.

Based on the results of field visits to residential areas and other facilities, it is known that the Company carries out waste segregation into 3 types of waste namely organic, inorganic and economic-value waste, organic waste is managed into compost which is used for greening in residential areas, while inorganic waste is disposed of in Landfill . As for economic value waste that is collected which is then sold at any given time period.

Status: Comply

7.4

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

7.4.1 and 7.4.2

The company has had best practices mechanism in maintain and improve long term soil fertility, set in SOP of Manuring (No. IK-AGR-OLP-09-R03), SOP of POME Land Application (No. IK-AGR-OLP-10-R02), SOP of EFB Application (No. IK-AGR-OLP-11-R02). Those procedures set bunch of strategy to maintain and improve long term fertility, by combining efficient and measurable in-organic fertilization, take into account the oil palm age and soil nutrient properties by conducting leaf and soil sampling. The efficient and non excessive in-organic fertilization are critical to maintain soil structure and texture, combined with manuring by POME land application and EFB mulching application. The manuring conducted especially in land with low nutrient properties, to improve soil structure and texture, microbiological properties, as well as to minimize in-organic fertilization if possible.

The is no replanting activity yet, however the procedure set that the biomass in replanting will have returned to the soil for nutrient cycling strategy. The SSU conducted every six years. The last SSU conducted based on report on 14 September 2018, meanwhile the last LSU conducted based on report on 14 May 2019.

7.4.3

The efficient and non excessive in-organic fertilization are critical to maintain soil structure and texture, combined with manuring by POME land application and EFB mulching application. The manuring conducted especially in land with low nutrient properties, to improve soil structure and texture, as well as to minimize in-organic fertilization if possible. The is no replanting activity yet, however the procedure set that the biomass in replanting will have returned to the soil for nutrient cycling strategy.

7.4.4

Based on document review and field observation, it was known that EFB mulching application has been implemented in all Estate, especially on sandy area in dose 60 tons/ha/round, expected two round per year if possible. Whereas POME land application was only conducted in Puhus 2 Estate covers 1,530 ha, in expected dose 250 ton/ha/round, three round a year. The records of in-organic fertilization and manuring has been well conducted. Overall during 2019, the fertilizer used were Hikay™ (NPK) amount of 7.63 kg/tree, considered sufficient based on common best practices. Anyhow, the fertilization and manuring strategies conducted has been proven increase and maintain sustain oil palm productivity. For instance, recorded the overall yield of 2019 reach 28.86 tons/ha/year.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1; 7.5.2 and 7.5.3

The Company has a detailed soil survey document year of 2013 created by the Agro DSN Group R & E Department. Soil and land suitability classes are listed in the document and mapped in scale 1: 70,000. In the conclusion section stated that there is no peat area in the operational area.

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 informed that 98% area categorized as flat to undulating (0 – 15% slope) and the rest is categorized as undulating to hilly (15 – 25% slope).

The oil palm in operational area were first cycle, neither replanting nor new planting activity.	
Status: Comply	
7.6	
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	
7.6.1; 7.6.2 and 7.6.3 The Company has a Detailed Soil Survey document year of 2013 created by the Agro DSN Group R & E Department. Soil and land suitability classes are listed in the document and mapped in scale 1: 70,000. 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 limiting factor of marginal suitable soil related low fertility. The slope map informed that 98% area categorized as flat to undulating (0 – 15% slope) and the rest is categorized as undulating to hilly (15 – 25% slope). The specific best practices to maintain and improve the limitation, especially in marginal suitable soil has been observed by implementing EFB mulching application dose 60 tons/ha/round, to improve soil nutrition. For undulating or hilly area, the company implementing individual terrace/platform. The soil survey mentioned, such as topography maps, used by the company to arrange the block, roads, drainage, bridge, etc. It has been verified through field observations, such as building fire monitoring tower in the highest area in Block E24 - Puhus 1 Estate.	
Status: Comply	
7.7	
No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.	
7.7.1 to 7.7.7 Based on company's Soil Map on Detailed Soil Survey document, and field observation, known that there is no peat land in operational area.	
Status: Comply	
7.8	
Practices maintain the quality and availability of surface and groundwater	
7.8.1 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. 7.8.2 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 vetiver grass. Based on the results of a field visit to the Kenden River in block F48 Puhus 2 Estate and Kenden River block F66 Afd 11 Puhus 3 Estate, it is known: - The company has marked chemical boundaries using red paint on the palm oil, - Enriching by planting woody plants in the river border area. - Conduct periodic tests on surface water in the upper and lower reaches of the Puhus River each semester by an accredited laboratory. The last test was carried out on September 18, 2019. 7.8.3 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 Accredited laboratory. The tested parameters are BOD, COD, pH, oil and fat, Pb, Cu, Cd, and Zn. Based on the result of testing, all parameters in accordance with the threshold, for example the result for BOD of December 2019 is 2029.4 mg/l and the threshold is 5,000 mg/l. The quality standard used is Environmental Minister Regulation No 28 and 29/2003.

7.8.4

The water use for mill process is monitoring in monthly by laboratory assistant. The monitoring showed water usage per month (m³). 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 m³/month. Based on water use monitoring, water use is in accordance with the permit. For example, water use in, October 2019 is 33,396 m³, November 2019 is 25,517 m³ and in December 2019 is 25,396 m³. in addition, the company has set a budget for water use, the 2019 budget is 1.2 m³ / ton FFB. during 2019 the use of water does not exceed the stipulated budget, the average use of water during 2019 is 1.03 m³ / ton FFB.

Status: Comply

7.9

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

7.9.1

PT DSN PKS-2 has the 2019 Energy use efficiency document for the use of fossil fuels or the use of renewable fuels. The use of fossil fuels during 2019 is concluded as follows:

- FFB processing in 2019 was 272,573.78 tons with the use of total fossil fuels as much as 280,564 liters or equivalent to 1.03 liters of fuel / ton FFB or equivalent to 4.45 liters of fuel/ton CPO.
- The use of renewable fuels is 34,616.87 tons of Fiber and 14,757.62 tons of Shells. With the energy generated from the use of shells and fiber amounting to 149,265,384,810 Kcal is equivalent to 6,572,520 kcal/ton FFB or equivalent to 28,555,299 kcal/ton CPO.
- With the use of shells and fiber the company has made cost savings for the use of diesel fuel with a total of Rp 21,165,997,839, equivalent to Rp 77,652.36 / ton FFB.

Status: Comply

7.10

Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.

7.10.1, 7.10.2

There are no new developments since 2014 in the area of PT DAN & POM-2, CH also has conducted GHG emission calculations period 2019 use of Calculator Palm GHG version 4.0. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 4.0) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

Summary of Net GHG Emissions

Emissions per product	tCO2e/tProduct
CPO	0.36
PK	0.36

Production	t/year
FFB processed	272.586
CPO produced	63037.5
PK produced	10242.7

Extraction	%
OER	23.13
KER	3.76

Land use	Ha
Planted area	13323.99
Planted on peat	0
Conservation Area (Forested)	128
Conservation Area (Non-Forested)	368

Summary of field emission and Sinks

Description	Own crop		Group		Total
Emissions Sources	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	
Land conversion	41027.36	0.17	872.00	0.02	41899.36
CO2 emissions from fertilizer	12298.37	0.05	1422.37	0.04	13720.74
NO2 emissions from peat	0.00	0.00	0.00	0.00	0.00
NOO2 from Fertilizer	8405.05	0.04	966.81	0.03	9371.86
Fuel consumption	1564.63	0.01	239.13	0.01	1803.76
Peat oxidation	0.00	0.00	0.00	0.00	0.00
Sinks					
Crop sequestration	-84227.42	-0.36	-10551.59	-2.44	-94779.01
Sequestration in Conservation area	0.00	0.00	0.00	0.00	0.00
Total	-20932.01	-0.09	-7051.28	-0.20	-27983.30

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	53431.47	0.20
Fuel consumption	1071.93	0.00
Grid electricity	0.00	0.00
Credits		
Export of grid electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	54503.41	0.20

Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

POME Divert to Anaerobic Digestion

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

7.10.3

Company has identified 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

	<ul style="list-style-type: none"> - Planting trees in the POM area - Vehicle exhaust testing - Preventive maintenance machines <p>GHG emission mitigation programs include:</p> <ul style="list-style-type: none"> - Energy efficiency - Planting trees in the POM area: planting <i>trembesi</i> trees, soursop, <i>angsana</i>, etc. - Testing of vehicle exhaust gases - Preventive maintenance of tools and machinery - POME application - Application of fertilizer in accordance with recommendations - Control by calculating GHGs using Palm GHG-4 <p>The company has demonstrated the following reductions and pollutants:</p> <ul style="list-style-type: none"> - Conducting liquid waste applications during 2019 with a total of 257,002 M3 - Reducing the use of fossil fuels by substituting renewable fuel materials such as fiber and shells. The use of fiber and shells during 2019 were 34,616.87 tons of fiber and 14,757.62 tons of Shells. With the energy generated from the use of shells and fiber of 149,265,384,810 kcal. - Perform periodic maintenance for factory machinery and motor vehicles - Planting in the POM area or in the Estate area as an example of planting conducted in January, April, June and July 2019. On 30 July 2019, planting of 40 woody planted seedlings were planted in the Puhus 2 Estate area. - The company has been fertilizing in accordance with fertilizer recommendations. - Shows the GHG calculation results. 	
	Status: Comply	
7.11		
Fire is not used for preparing land and is prevented in the managed area.		
7.11.1, 7.11.2 Based on field observation in Puhus 1, 2 & 3 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	
7.12		
Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.		
7.12.1, 7.12.3 There was no new land clearing from the previous audit, the last land clearing was conducted in 2012. For new clearing after 2005 - 2012 the company has gone through the LUCA and RaCP reporting process. The compensation plan was approved by the RSPO with the Satisfactory system on 7 November 2019. As for the HFCL area, East Kalimantan is not included in the HFCL area.		
7.12.2 CH has conducted the identification of HCV in the operational area of PT. DSN and PT. DAN in 2012 in collaboration with <i>Daemeter Consulting</i> . 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.		
7.12.4, 7.12.5, 7.12.7 Company has HCV management plan for 2020 (January - December 2020) 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 2019, for example:

- Biodiversity monitoring: found 9 species of mammals, 2 herpetofauna and 73 types of aves.
- Safeguarding Conservation Values: monitoring conservation areas is carried out together with animal conservation activities, during 2019 no encroachment was found in the conservation area.
- Enrichment of woody plants in the Conservation Area: enrichment activities carried out by planting woody plants on the border of the Puhus river on April 15, 2019 with 25 seedlings, border of Kenden river on June 21, 2019 with 40 seedlings, Stitching in Puhus river border with 40 seedlings on July 17, 2019, and Kenden river border on July 30, 2019, there were 40 seedlings.
- Management of Erosion Potential Areas: management of erosion-potential areas is carried out by planting woody plants in the river border area.
- Socialization of Conservation & forest fires: the company conducts socialization to the surrounding community, socialization is conducted in April - June, the socialization process is completed with a pretest and posttest. The sample socialization was held on June 25, 2019 and was attended by 57 participants consisting of the surrounding community and employees. With the posttest results 92% of employees understand the material related to the management of conservation areas and forest and land fire alert.
- Controlling Wild Animal Conflict: during 2019 no wildlife conflict was found

Based on field visits and interviews with the local community (Benhes Village, Muara Wahau, Diaklay), there is no area of local communities who used as the HCV area.

7.12.6

The company's policy on wildlife management is contained in procedure No. SOP-AGR-052-R00 dated 1 December 2009 concerning wildlife protection procedures. Based on the results of visits to the Puhus 1, 2 and Puhus 3 housing complexes, there are no employees who have injured, captured or killed rare species and forest encroachment. Based on interviews with workers in Puhus 1,2 and 3 Estate, it is known that they understand about HCV and the prohibition of capturing the protected animals.

The program to educate workers on RTE species has been included in the 2019 HCV management plan and 2020 HCV. The realization of the socialization that has been carried out to employees includes:

- Puhus 1 on April 23, 2019 was attended by 59 employees, 18 June 2019 was attended by 60 employees.
- Puhus 2 on 19 June 2019 was attended by 44 employees, 18 June 2019 was attended by 44 employees.
- Puhus 3 on 19 June 2019 was attended by 44 employees, 25 June 2019 was attended by 42 employees.

7.12.8

There was no new land clearing from the previous audit, the last land clearing was conducted in 2012. For new clearing after 2005 - 2012 the company has gone through the LUCA and RaCP reporting process. The compensation plan was approved by the RSPO with the Satisfactory system on 7 November 2019 according to an email from Khing Suli.

Firstly, I must extend my utmost gratitude to you for your patience as we have approached the project issues with various considerations Including with the Compensation Panel to evaluate the process based on the considerations of the RaCP and the liability extent. I am delighted to inform you that the Compensation Plan has been passed as "Satisfactory"

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-1.1	PT Dharma Satya Nusantara - POM 2 do not use RSPO trademark and CB Logo.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or√
ASA-1.1	PT Dharma Satya Nusantara - POM 2 do not use RSPO trademark and CB Logo.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
ASA-1.1	PT Dharma Satya Nusantara - POM 2 do not use RSPO trademark and CB Logo.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or√
ASA-1.1	PT Dharma Satya Nusantara - POM 2 do not use RSPO trademark and CB Logo.	√
	Status: Comply	

3.3 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 thirteenth (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 02 January 2020

MUTU has verified partial certification for un-certified unit's subsidiary of PT Dharma Satya Nusantara based on their Time Bound Plan. 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>Auditor verification Based on the document review, there is a company internal audit for uncertified unit that was conducted on 2019 and the positive assurance is at this table that is also been verified.</p>
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<ul style="list-style-type: none"> • 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. • 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. • LUCA PT Putra Utama Lestari and PT Pilar Wanapersada was sent on February 11, 2016 to RSPO and is a review process and clarification

		<ul style="list-style-type: none"> • POM 5 and POM 6 there is no new land clearing of new planting after November 2005. • Smallholders (KM5, KM8, KM9, KM10A, KM10B, KM10C), and clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing. • LUCA PT Bima Palma Nugraha on process to statement by Aksenta will be conduct on November 2019. • LUCA PT Bima Agri Sawit, on process to statement by Aksenta will be conduct on October 2019. <p>Auditor Verification: 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 st 2010 must comply with the RSPO New Plantings Procedure.	<ul style="list-style-type: none"> • There are 8 plantations have conducting NPP process (under RSPO review) • Smallholders (KM5, KM9) planting year before 2010. • Smallholders (KM8, KM10A, KM10B, KM10C), no need NPP because no landbank in the area. <p>Auditor Verification: Based on auditor verification, not all uncertified unit conduct new clearing after January 2010 but for all uncertified unit with land clearing after January 2010 has follow NPP. Detail information of uncertified unit are:</p> <ul style="list-style-type: none"> • 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 • 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 • PT Agro Andalan, NPP has been approved on 26 June 2018. • 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

<p>2.1.4</p>	<p>Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).</p>	<p>No any land conflicts.</p> <p>Auditor verification There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p>
<p>2.1.5</p>	<p>Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).</p>	<p>No any labour disputes.</p> <p>Auditor verification 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>Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).</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>Auditor verification</p> <ul style="list-style-type: none"> • PT Pilar Wanapersada, HGU No. 2/HGU/BPN/99, 06 January 1999 with area 15,153 Ha. • PT Karya Prima Agro Sejahtera, Cadastral BPN Map No. 006-16.09-2016 (504.5 Ha), Land Permit No. 525.26/K.105/HK/2014 (2,563 Ha) • PT Dharma Intisawit Lestari, HGU No. 73/HGU/KEM-ATR/BPN/VIII/2019 area 3,366 Ha • PT Putra Utama Lestari, Cadastral BPN Map No. 8/2018 luas 1272 Ha, Location Permit with endorsement from Regent No. 525.29/K.1049/2012 year of 30 November 2012 area 17,000 Ha • PT Agro Andalan, Land Use Title No. 35/HGU/BPN RI/2011 date 21 July 2011 area 6,993.2 Ha • PT Kencana Alam Permai, Land Use Title No. 46/HGU/KEM-ATR/BPN/2016 area 5,511.83 Ha. Land Permit No. 525/1065/KEP-DPRP.C/2019 (851 Ha) • 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 • PT Dharma Persada Sejahtera, Location Permit No. 525/631/KEP-PERTANAHAN/2014 area 3,972 ha

		<ul style="list-style-type: none"> • Smallholders (KM5), MoU with Sawit Usaha Tani Sejahtera No. 104/DIR-ARF/DWT/JKT/III/08 dated March 31 2008 • Smallholders (KM8), MoU with Sawit Wehea Tani Sejahtera No. 103/DIR-ARF/DWT/JKT/IV/12 dated April 25th 2012 • Smallholders (KM9), MoU with Karya Sejahtera No. 01/SPK-KPAS/X/2010 dated October 22th 2010 • Smallholders (KM10A, KM10B, KM10C), MoU with Jengea Bong Pet Kuq No. 321/DIR-ARF/DWT/JKT/XII/12 dated December 3rd 2012 • PT Bima Palma Nugraha, (SK HGU PT.BPN) SK HGU PT.BPN : SK Kepala BPN No.29-HGU-BPNRI-2007, area : 11,661.9 Ha • PT Bima Agri Sawit, SK HGU PT.BAS : SK Kepala BPN No.14-HGU-BPNRI-2008, area : 5,222 Ha
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3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.4.1. Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment

NCR No.	: 2019.01	Issued by	: Dwi Haryati
Date Issued	: 18 January 2019	Time Limit	: ASA-1.1
NC Grade	: Minor	Date of Closing	: 17 January 2020
Standard Ref. & Requirement	2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.		
Evidence observed (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"> - 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. 			
Non-Conformance Description (filled by auditor): The legal register document does not yet contain all regulations / laws that support the company's operations.			
Root Cause Analysis (filled by organization audited): The not effectiveness of updated regulations identification that conducted by sustainability team.			
Correction (filled by organization audited): Identify the new regulations and conducting update, as well as assessment of the company's compliance.			
Corrective Action (filled by organization audited): Improve the effectiveness of regulations identification in relevan Agencies website, and from direct communication to the relevant Agencies.			
Assessor Evaluation and Conclusion (filled by auditor): Verification 17 January 2020 The company has had update of Compliance Evaluation Summary of Laws and Regulations that covers those regulations mentioned in NC description, as well as six latest regulations that issued in 2019, such as President Decree No. 7 of 2019 related occupational disease. The management unit able to demonstrate the mechanism of regulation identification clearly. Based on root cause analysis, correction and corrective action delivered, the nonconformity stated as complied.			
Verified by	: Arif Faisal Simatupang		

NCR No.	: 2019.02	Issued by	: Muhammad Rinaldi									
Date Issued	: 18 January 2019	Time Limit	: ASA 1.1									
NC Grade	: Minor	Date of Closing	: 17 January 2020									
Standard Ref. & Requirement	: 2.2.2 Legal boundaries are demonstrated clearly and maintained.											
<p>Evidence observed (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" data-bbox="516 705 1105 810"> <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>Non-Conformance Description (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> <p>Root Cause Analysis (filled by organization audited): Boundary poles were installed refers to coordinate settled by BPN.</p> <p>Correction (filled by organization audited): Procedure on boundary poles shall included coordinate checking and monitoring.</p> <p>Corrective Action (filled by organization audited):</p> <ul style="list-style-type: none"> • Revision of work instruction No. IK-AGR-OLP-33-R00 which included correction coordinate based on internal monitoring. • To conduct poles identification of PT DAN regularly. <p>Assessor Evaluation and Conclusion (filled by auditor): Verification 17 January 2020 Unit of certification shows several evidence as follows:</p> <ul style="list-style-type: none"> • Revision on work instruction (WI) as presented in document No. IK-AGR-OLP-33-R01 (Rev. 01) dated 01 February 2019 about Installation and Maintenance of Boundary Poles. The WI stated that boundar poles shall be monitored every semester to ensure location of installation was in accordance with coordinate settled by BPN. Immediate correction of coordinate point shall be carried out when identified un-match. • Monitoring of BPN Poles record in June 2019 at PU-1 (66 poles), PU-2 (22 poles) and PU-3 (19 poles) shows that all BPN boundary poles were available and in accrodance with coordinate settled by BPN. <p>Based on observation to BPN Poles in Puhus 3 Estate (PU-3), PU-2 and PU-1, it was known that BPN poles were satisfactory maintained and easy to identified. PT DAN was surrounded by several companies that subsidiary of PT</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										

DSN and Kebun Kemitraan under PT DSN group. There is no issues related to boundary matters in PT DAN with surrounding companies. Furthermore, coordinate marked by Auditor through application GPS-Map were match with coordinate settled by BPN, summarized as follows:

Poles No.	Location	Coordinate (UTM)	
		X (E)	Y (N)
No. DAN 004	Afd. 1 Block C27 PU-1	468933.23	141540.87
No. DAN 016	Afd. 4 Block D45 PU-1	474282.27	138800.98
No. DAN 024	Afd. 5 Block G31 PU-2	469858.58	135455.56
No. DIN 061	Afd. 12 Block G77 PU-3	484174.03	134736.09
No. DIN 062	Afd. 12 Block G77 PU-3	484194.11	135850.58

Based on root cause analysis and corrective action review, as well as correction evidence given, NCR No. 2019.02 is considered **closed**.

Verified by : **Mohamad Amarullah**

NCR No.	: 2019.03	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 18 January 2019	Time Limit	: 18 April 2019
NC Grade	: Major	Date of Closing	: 18 April 2018
Standard Ref. & Requirement	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
Evidence observed (filled by auditor): 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"> 1. Liability disclosure to RSPO Secretariat on 23 April 2015 2. LUCA to RSPO on 26 January 2016 3. Concept note tp RSPO on 7 February 2017 4. Compensation plan on 24 November 2017 <p>Based on communication between PT DSN and RSPO, RaCP process is currently in approval compensation plan stage.</p>			
Non-Conformance Description (filled by auditor): Company could not show the evidence that RaCP compensation plan has accepted by RSPO.			
Root Cause Analysis (filled by organization audited): RaCP Compensation plan is still reviewed by RSPO.			
Correction (filled by organization audited): RaCP Compensation plan of PT DAN has been approve by RSPO.			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> • Coordination with RILO & RSPO for updating RaCP progress • Requesting recommendation about Compensation Plan of PT DAN from RSPO 			

- Received approval of RaCP compensation plan from RSPO

Assessor Evaluation and Conclusion (filled by auditor):**Verification 29 April 2019**

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).

Verification 17 January 2020

The company shows an Email from RSPO (Khing Su Li) on 7 November 2019 to DSN Group. The e-mail stated "*I am delighted to inform you that the Compensation Plan has been passed as Satisfactory*". Based on root cause analysis and corrective action review, as well as correction evidence given, NCR No. 2019.03 is considered **closed**.

Verified by : **Asystasya Aishah Silalahi, Muhammad Rinaldi and Bayu Yogatama**

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1.1

NCR No. :	-	Issued by :	-
Date Issued :	-	Time Limit :	-
NC Grade :	-	Date of Closing :	-
Standard Ref. & Requirement :	-		
Evidence observed (filled by auditor):			
-			
Non-Conformance Description (filled by auditor):			
-			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by :			

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.2	The unit of certification has mechanism for assessing and ensuring legal/law/regulation pursuance of third parties (included contractors), that presented in document No. SOP-AGR-023-R01 dated 1 November 2016 about contract agreement arrangement procedure. However, the procedure has not mentioned in detail towards safety, manpower and environment assessment control, eventhough those aspects had been satisfactory fulfilled by contractors, as confirmed through documents review.field observation, as well as interview with contractor workers (detail on this matter is explained in Criteria 2.2). regarding these matters, unit of certification has an opportunity to develop sytem that ensuring Indonesia regulation related to RSPO and sustainable palm oil production has been satisfactory carried out by thrid parties or contractors.
2	3.7.1 (C)	Unit of certification has an opportunity to ensure that training program 2020 has accomodate contractors and smallholders management.
3	6.2.1(C)	Ensure endorsment of " <i>Peraturan Perusahaan</i> " or Company Regulation could be finelised in 2020.

3.4.4. Noteworthy Positive Components

No	Ref. Std.	Description
1		Consistency in implementing sustainable palm oil production through RSPO and ISPO.
2		Has certified Green PROPER in 2019.







3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Environmental Agency of Kutai Timur Regency</p> <p>Certification unit has been complied with applicable regulations, among others has had license of hazardous temporary warehouse, license of POME Land Application, environment permit, and etc. Every mandatory reports related environmental has been reported to agency. There is no complaints from stakeholder related environmental issue.</p>	<p>There is no negative issue that need further verification. Based on document review and field observations, the certification unit has demonstrated legal compliance related environmental, and no indications of environmental pollution.</p>
<p>National Land Agency of Kutai Timur Regency</p> <p>Certification unit has been complied with applicable regulations related land legality, among others has had location permit, plantation business permit (IUP), land title (HGU), and has routinely sent land use reports. There is no complaints from stakeholder related land disputes.</p>	<p>There is no negative issue that need further verification. Based on document review and field observations, the certification unit has demonstrated legal compliance related land legality, and no indications of land disputes.</p>
<p>Plantation Agency of Kutai Timur Regency</p> <p>Certification unit has a good relationship with the agency, besides that the company has also complied with applicable regulations, among others: already has a location permit, plantation business permit (IUP), and has routinely sent plantation business reports. Further explained that until now there has never been a land dispute involving the agency or fire incident in certification unit operational area.</p>	<p>There was no negative issue that need further verification. Based on document review and field observations, the company has demonstrated legal compliance regarding plantation legality, and no indications of land disputes or fire incident.</p>
<p>Manpower and Transmigration Agency of Kutai Timur Regency</p> <p>There are no negative issues related to labor, industrial relations and child labor. The labor reports for contract workers has been reported periodically. Certification unit has been implemented minimum wage, overtime and others labor standard in accordance with government regulation. Every labor union has been verified by agency and still active in certification unit.</p>	<p>There are no negative issues that need further verification. The company has paid minimum wages, overtime and others labor standard in accordance with the government regulations.</p>
<p>Gender Committee</p> <p>The Gender Committee still active in every unit. Gender Committee activities include socialization of sexual harassment, complaints, general health and so on. There are no issues related to sexual harassment.</p> <p>Female workers have the right to get menstruation leave (H1), maternity leave (H2) and has been given freedom to breastfeed their child while working for half an hour.</p>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Contractor of boiler reparation – PT Lampung Andalas Steel</p> <p>In the contractual agreement has been stated prohibition of child labor, as well as clauses to pay the workers with the minimum wage, health and accident insurance.</p> <p>The payment of work was conducted on time in accordance the provisions in the agreement. The contractor workers have been given PPE by the contractor in accordance with the risk analysis that has been identified.</p>	<p>There are no negative issues that need further verification. The company has ensure the contractor meet the applicable regulation. Described in more detail in Criteria 2.1 and 2.2.</p>
<ul style="list-style-type: none"> - Village Official/elderly of Muara Wahau - Village Council Head of Muara Wahau Village - Sub-village Head of Jabdan - Village Head of Muara Wahau - Local Contractor of FFB Transportation (on behalf of personal) <p>There is no negative issues in aspects of land tenure, social, employment, and environmental. Good communication and relationship between the company and communities. The unit of certification land did not sourced from individual or customary rights</p> <p>The unit of certification has made efforts to develop the surrounding community through CSR programs in participatory manner, the usage of local labor and local contractor, as well as developed smallholders.</p> <p>When carrying out its work, the contractor always has a work contract as the basis for starting work in the operational scope of the company. In the employment contract, it is explained about the period of work, type of work, work costs, obligations and rights, and other information. The contractor provides facilities in the form of PPE for all workers while working in the company's operational scope. Payment for completion of work is done on time by the company in accordance with what is written in the employment agreement.</p>	<p>There was no negative issue that need further verification. Based on document review and field observations, there was no disputes related land legality, environmental, and social, as well as has shown land compensation documentary evidence carried out referring to the concept of FPIC.</p> <p>The documentation has been shown that the payment of the contractor's results has been paid according to the agreement and on time.</p>
<p>Village Official of Diak Lay</p> <p>There is no negative issues in aspects of land tenure, social, employment, and environmental. Good communication and relationship between the company and communities. The unit of certification land did not sourced from individual or customary rights</p> <p>The unit of certification has made efforts to develop the surrounding community through CSR programs in participatory manner, the usage of local labor and local contractor, as well as developed smallholders.</p>	<p>There was no negative issue that need further verification. Based on document review and field observations, there was no disputes related land legality, environmental, and social, as well as has shown land compensation documentary evidence carried out referring to the concept of FPIC.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> - Village Official / elderly of Bean Haes - Local Contractor of Transportation in Bean Haes Village (on behalf of personal) <p>There is no negative issues in aspects of land tenure, social, employment, and environmental. Good communication and relationship between the company and communities. The unit of certification land did not sourced from individual or customary rights</p> <p>The unit of certification has made efforts to develop the surrounding community through CSR programs in participatory manner, the usage of local labor and local contractor, as well as developed smallholders.</p> <p>When carrying out its work, the contractor always has a work contract as the basis for starting work in the operational scope of the company. In the employment contract, it is explained about the period of work, type of work, work costs, obligations and rights, and other information. The contractor provides facilities in the form of PPE for all workers while working in the company's operational scope. Payment for completion of work is done on time by the company in accordance with what is written in the employment agreement.</p>	<p>There was no negative issue that need further verification. Based on document review and field observations, there was no disputes related land legality, environmental, and social, as well as has shown land compensation documentary evidence carried out referring to the concept of FPIC.</p> <p>The documentation has been shown that the payment of the contractor's results has been paid according to the agreement and on time.</p>
<p>Scheme smallholder member of Harapan Baru Cooperative</p> <p>There is no negative issue. The FFB payment has been made on time in accordance with the provisions in the agreement, based on pricing mechanism from Plantation Agency. No obstacles related to cooperation with the unit of certification, because the UOC is open to consulting related work issues such as transparency in payments, loan and any cost.</p>	<p>There was no negative issue that need further verification. The documentation has been shown that the payment of FFB from smallholders has been paid according to the agreement and on time.</p>
<p>Scheme smallholder member of Jengea Bong Pet Kunq Cooperative</p> <p>There is no negative issue. The FFB payment has been made on time in accordance with the provisions in the agreement, based on pricing mechanism from Plantation Agency. No obstacles related to cooperation with the unit of certification, because the UOC is open to consulting related work issues such as transparency in payments, loan and any cost.</p>	<p>There was no negative issue that need further verification. The documentation has been shown that the payment of FFB from smallholders has been paid according to the agreement and on time.</p>
<p>Workers Union of PT DAN and PT DSN</p> <p>The relationship between the company and the union is well established, the company supports the existence of the union and gives freedom to unionized employees and facilitates the union by giving room as an office.</p> <p>In the past one year period there were no work relationship</p>	<p>There are no negative issues that need further verification. The company has ensure that the employee's rights have been fulfilled in accordance with the regulations. Described in more detil in Criteria 6.1, 6.2, 6.3, 6.4, 6.5 and 6.6.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>disputes found, all employee rights were fulfilled by the company in accordance with applicable regulations.</p> <p>Union meetings are held routinely once a month. and a routine bipartite meeting is held every 3 months. as for now the reference used is the company regulations for the 2018/2019 period.</p>	
<p>Gender Committee of POM-2 of PT DSN Date of interview: 14 January 2020 Interviewee: Head of Committee</p> <ul style="list-style-type: none"> • Gender Committee for POM-2 has established in 2018. • POM-2 management unit has support existence of committee through facilitating meeting place. • Among committee program during 2019 are weekly Qur'an recitation, participation in religious celebration, management of dengue, socialization on healthy life and clean environment. • During 2018 to 2019, there is no negative issues related to women discrimination towards manpower rights, sexual harassment and violence. Working environment is considered safe, condusive and satisfactory for female workers. • Unit management has accomodate reproductive rights such paid leave due to periodic menstruation (H1) and pregnant and/or breastfeeding period (H2). Leave has given when recommended after paramedic check up. 	<p>Based on interview, it could be concluded that unit of certification has support gender committee and in general, its presence is contribute a positive impact to workers, especially women.</p>
<p>Employee of Contractor PT Noh Bersaudara Jaya Date of interview: 16 January 2020 Interviewee: School Bus Driver</p> <ul style="list-style-type: none"> • PT DAN has provide contractor employees several company facilities, such as free housing, clinic, water and electricity. • Salary has been paid by contractor in accordance with minimum wages of Kutai Timur District. • PT DAN has support contractor employees on BPJS-Manpower register, as well as its monthly payment. Support on BPJS-Health is expected to be realized within this year (2020). • PPE is provided by contractor but monitoring is carried out by estate management. 	<p>Based on interview, it could be concluded that unit of certification has support contractor worker rights towards health, safety and manpower aspects.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY						
4.1	Formal Sign-off of Assessment Findings						
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table><tr><td>PT Dharma Satya Nusantara Management Representative</td><td>Mutuagung Lestari Lead Auditor</td></tr><tr><td></td><td></td></tr><tr><td><u>Agustinus Triwibowo</u> Friday, 24 January 2020</td><td><u>Ardiansyah</u> Friday, 24 January 2020</td></tr></table>	PT Dharma Satya Nusantara Management Representative	Mutuagung Lestari Lead Auditor			<u>Agustinus Triwibowo</u> Friday, 24 January 2020	<u>Ardiansyah</u> Friday, 24 January 2020
PT Dharma Satya Nusantara Management Representative	Mutuagung Lestari Lead Auditor						
							
<u>Agustinus Triwibowo</u> Friday, 24 January 2020	<u>Ardiansyah</u> Friday, 24 January 2020						

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	District of Kutai Timur, Province of Kalimantan Timur.	-	Direct Interview	14 January 2020	✓	
2	Manpower & Tansmigration Agency	District of Kutai Timur, Province of Kalimantan Timur.	-	Direct Interview	14 January 2020	✓	
3	Plantation Agency	District of Kutai Timur, Province of Kalimantan Timur.	-	Direct Interview	14 January 2020	✓	
4	National Land Agency	District of Kutai Timur, Province of Kalimantan Timur.	-	Direct Interview	14 January 2020	✓	
5	Gender Committee of PT DAN	District of Kutai Timur, Province of Kalimantan Timur.	-	Direct Interview	15 January 2020	✓	
6	Contractor of boiler reparation – PT Lampung Andalas Steel	Bandar Lampung, Lampung Province	-	Direct Interview	14 January 2020	✓	
7	Workers Union of PT DAN and PT DSN	District of Kutai Timur, Province of Kalimantan Timur.	-	Direct Interview	15-16 January 2020	✓	
8	Village Official/elderly of Muara Wahau	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
9	Village Council Head of Muara Wahau Village	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
10	Sub-village Head of Jabdan	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
11	Village Head of Muara Wahau	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
12	Village Official of Diak Lay	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
13	Local Contractor of FFB Transportation on Muara Wahau Village (on behalf of personal)	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
14	Village Official/elderly of Benhes	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
15	Local Contractor of FFB Transportation on Benhes Village (on behalf of personal)	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
16	Scheme smallholder member of Harapan Baru Cooperative	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
17	Scheme smallholder member of Jengea Bong Pet Kunq Cooperative	Sub-District of Muara Wahau, Kutai Timur Regency	-	Direct Interview	14 January 2020	✓	
18	WWF	Jakarta	supporter-	Via Email	6 January		✓

			service@wwf.or.id		2020		
19	Sawit Watch	Jakarta	info@sawitwatch.or.id	Via Email	6 January 2020		✓
20	POM 2 <ul style="list-style-type: none"> • 3 grading operators • 8 processing workers • 3 boiler operators • 1 engine room operators • 3 contractor workers • 1 warehouse worker • 1 workshop mechanic • 1 WTP operator • 1 Chemical warehouse worker • 2 Security for hydrant simulation. • 3 Security Officers and 1 FFB Queue Clark (all male) • 1 Weighbridge operator (female) which also a Chief of Gender committee. • 1 sampling Operator (male) 	PT Dharma Satya Nusantara	-	Field observation and direct interview	14 January 2020	✓	
21	Puhus 1 Estate <ul style="list-style-type: none"> • 3 harvesters • 5 manual weeding workers • 1 FFB application foreman • 2 Security Officers in emplasment. • 1 Store keepers for fertilizer, agrochemicals (pesticides) and Hazardous Waste Store. • 2 Nurses in Clinic. • School Bus Driver (contractor employees) 	PT Dharma Agrotama Nusantara	-	Field observation and direct interview	16 January 2020	✓	
22	Puhus 2 Estate <ul style="list-style-type: none"> • 1 harvester foreman • 3 harvester • 1 spraying foreman • 10 spraying workers • 1 EFB application foreman • 3 EFB application workers • 1 maintenance foreman • 4 maintenance workers • 3 warehouse workers • 2 daycare workers • 2 paramedic • 1 generator operator • 1 PPE and rinse house 	PT Dharma Agrotama Nusantara	-	Field observation and direct interview	16 January 2020	✓	

	worker						
23	Puhus 3 Estate <ul style="list-style-type: none"> • 1 harvester foreman • 4 harvester • 2 maintenance foreman • 9 maintenance workers • 1 contractor worker • 1 PPE and rinse house worker • 1 Generator operator • 2 warehouse workers • 2 daycare workers • 2 paramedic 	PT Dharma Agrotama Nusantara	-	Field observation and interview	direct	15 January 2020	✓

Appendix 2. Assessment Program

DATE	13 to 18 January 2020	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 13 January 2020		
04.55 - 08.05 08.50 - 09.45 10.00 - 16.00	Jakarta → Balikpapan Balikpapan → Berau Berau → Site	MAH, AFS, ARD
06.55 - 10.20	Jakarta → Samarinda (menginap untuk keesokan hari Konsultasi publik ke Dinas)	RGR, BYG
Tuesday, 14 January 2020		
08.00 - 09.00	Opening meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit). Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification). 	MAH, ARD, AFS
08.00 - 16.00	Public consultation with Government Agencies of Kutai Timur District. Dinas → Location of Audit (PT DSN) <i>Note:</i> <ul style="list-style-type: none"> Public consultation to the affected communities from surrounding company operational areas, as well as with previous land owner. Public consultation with Local Contractor is simultaneously conducted with local communities interview. 	RGR, BYG
09.00 - 12.00	Field Observation POM-2 <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting and Despatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) Implementation of processing activities, safety and manpower aspect. 	AFS AFS MAH, ARD
12.00 - 14.00	Break	Team Auditor
14.00 - 17.00	<ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist.. Verification of Basic Information Mill and Estate. Confirmation of Time Bound Plan. Review of Partial Certification 	Team Auditor
Wednesday, 15 January 2020		
08.00 - 12.00	Field Observation to Puhus 3 Estate <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Environmental and Conservation/HCV management. 	MAH / ARD
	<ul style="list-style-type: none"> Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management). Observation of Workers Facilities (Housing, School, Worship Place). 	BYG

	<ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Occupational Health & Safety Aspect <p>Note: Interview with internal stakeholders (ex. Bipartite or Labour Union, Gender Committee and Cooperative committee members), is carried out simultaneously with field visit.</p>	RGR, AFS
12.00 – 14.00	Break	Team Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. 	Team Auditor
Thursday, 16 January 2020		
	Field Observation to Puhus 2 Estate and Puhus 1 Estate	
08.00 – 12.00	<ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Environmental and Conservation/HCV management. 	MAH / ARD
	<ul style="list-style-type: none"> Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management). Observation of Workers Facilities (Housing, School, Worship Place). 	BYG
	<ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Occupational Health & Safety Aspect 	RGR, AFS
12.00 – 14.00	Break	Team Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. 	Team Auditor
Friday, 17 January 2020		
08.00 – 11.30	<ul style="list-style-type: none"> Continue Field Observation to Estate (if needed) Completion of document checklist. 	Team Auditor
12.00 – 16.00	Internal discussion by auditor team preparing for Closing Meeting	Team Auditor
16.00 – 17.00	Closing Meeting: <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeliness of CAR's, Conclusion)/ Comments, Responses and Questions 	Team Auditor
Saturday, 18 January 2020		
03.00-09.00	PT DSN → Berau	Team Auditor
10.25-14.15	Berau → Balikpapan → Jakarta	