

*Roundtable on Sustainable Palm Oil Certification  
RSPO*

**[ ✓ ] Surveillance-1.1**

Name of Management Organisation : **POM 3 – PT Dharma Satya Nusantara**  
 Plantation Name : **PT Dharma Intisawit Nugraha (Long Kejiak 1 Estate, Long Kejiak 2 Estate, Long Kejiak 3 Estate)**  
 Location : **Muara Wahau Village, Muara Wahau Sub District, Kutai Timur District, Kalimantan Timur Province, Indonesia**  
 Certificate Code : **MUTU-RSPO/055**  
 Date of Certificate Issue : 25 March 2020                      Date of License Issue : 25 April 2020  
 Date of Certificate Expiry : 24 March 2021                      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	Rizliani Aprianita Hasibuan (Lead Auditor Witnessed), Moh Arif Yusni (Lead Auditor Witnesser), Radytio Puspanjana, Haikal Ramadhan Kharismansyah	Ardiansyah	Octo HPN Nainggolan

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

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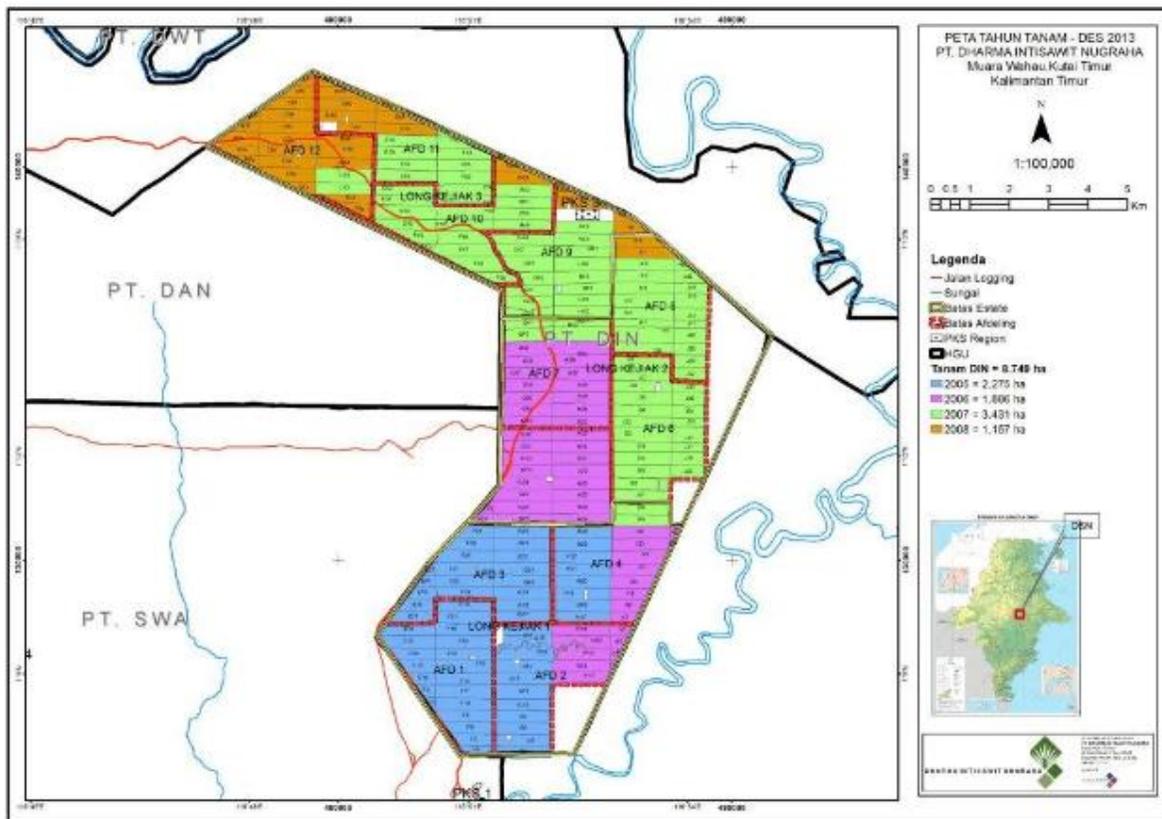
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Figure 2. Operational Map of PT Dharma Intisawit Nugraha



Abbreviations Used

ACOP	:	Annual Communication of Progress
ASA	:	Annual Surveillance Assessment
BPD	:	<i>Badan Pembangunan Daerah</i> (Regional Development Agency)
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Administrator)
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
CH	:	Certificate Holder
CHE	:	Cholinestrase
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
DAN	:	Dharma Agrotama Nusantara
DIN	:	Dharma Intisawit Nugraha
DLW	:	Decent Living Wage
DSN	:	Dharma Satya Nusantara
EFB	:	Empty Fruit Bunch
EHS	:	Environmental Health Safety
EIA	:	Environment Impact Assessment
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
GHG	:	Green House Gas
HCO	:	Human Capital Office
HCS	:	High Carbon Stock
HCV	:	High Conservation Value
HGB	:	Hak Guna Bangunan ( <i>Land Use Tittle for building</i> )
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIRAC	:	Hazard Identification Risk Assesment and Control
HPH	:	<i>Hak Pengusahaan Hutan</i> (forest concessions)
IMK	:	<i>Insentif Masa Kerja</i> (Tenure Incentives)
IKK	:	<i>Insentif Kehadiran Kerja</i> (Work Attendance Incentives)
IUP B	:	<i>Izin Usaha Perkebunan untuk Kegiatan Budidaya</i> (plantation business permit for estate)
IUP P	:	<i>Izin Usaha Perkebunan untuk Kegiatan Pengolahan</i> (plantation business permit for mill)
IPM	:	Integrated Pest Management
KCP	:	Kernel Crushing Plant
KER	:	Kernel Extraction Rate
LD50	:	Lethal Dose 50
LK	:	Long Kejjak
LK 1	:	Long Kejjak 1
LK 2	:	Long Kejjak 2
LK 3	:	Long Kejjak 3
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MB	:	Mass Balance
MCU	:	Medical Check Up
MSDS	:	Material Safety Data Sheet
MTQ	:	<i>Musabaqo Tilawatil Quran</i>
NGO	:	Non Government Organization
NPK	:	<i>Nomor Pokok Karyawan</i> (Employee Identification Number)

NPWP	:	<i>Nomor Pokok Wajib Pajak</i> (identity card of company's tax)
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
PJK3	:	<i>Perusahaan Jasa Keselamatan dan Kesehatan Kerja</i> (occupational health and safety services company)
PK	:	Palm Kernel
PKB	:	<i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	<i>Peraturan Perusahaan</i> (Company Regulations)
PPE	:	Personal Protective Equipment
P2K3	:	<i>Panitia Pembina Kesehatan dan Keselamatan Kerja</i> (OHS Committee)
PT DIN	:	<i>Dharma Intisawit Nugraha</i>
QCC	:	Quality Control Circle
RKL RPL	:	<i>Rencana pengelolaan dan pemantauan lingkungan</i> (environmental monitoring and management plan)
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification Standard
SEIA	:	Social and Environmental Impact Assessment
SG	:	Segregation
SHM	:	<i>Sertifikat Hak Milik</i> (freehold title)
SIA	:	Social Impact Assessment
SKU	:	Syarat Kerja Umum (Permanent worker)
SOP	:	Standard Operational Procedure
SP	:	<i>Serikat Pekerja</i> (Worker Union)
SR	:	Severity Rates
SSS	:	Swakarsa Sinar Sentosa
UKL UPL	:	<i>Usaha Pengelolaan dan Pemantauan Lingkungan</i> (environmental monitoring and management effort)
UOC	:	Unit Of certification
WI	:	Work Instruction
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018.</li> <li>RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	Palm Oil Mill 3 – PT. Dharma Satya Nusantara	
1.2.2	Contact person	Agustinus Triwibowo	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>RSPO registered company: Jl. Rawa Gelam V, Kav. OR/3B, Kawasan Industri Pulo Gadung, Jakarta Timur</li> <li>Liaison Office: Village of Muara Wahau, Sub District of Muara Wahau, Kutai Timur Regency, Kalimantan Timur Province, Indonesia</li> </ul>	
1.2.4	Telephone	021-4618135	
1.2.5	Fax	021-4606942	
1.2.6	E-mail	agustinus.triwibowo@dsngroup.co.id	
1.2.7	Web page address	<a href="http://www.dsn.co.id">www.dsn.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Agustinus Triwibowo	
1.2.9	Registered as RSPO member	1-0135-12-000-00 (4 December 2012)	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill 3 PT. Dharma Satya Nusantara and supply base PT. Dharma Intisawit Nugraha (Long Kejiak 1 Estate, Long Kejiak 2 Estate & Long Kejiak 3 Estate)	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	POM 3	Village of Muara Wahau, Sub District of Muara Wahau, Regency of Kutai Timur, Prov. Kalimantan Timur, Indonesia	N 01° 15' 22"      E 116° 52' 29"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Long Kejiak 1 Estate - PT DIN	Village of Muara Wahau, Sub District of Muara Wahau, Regency of Kutai Timur, Prov. Kalimantan Timur, Indonesia	N 01° 09' 30"      E 116° 51' 27"
	Long Kejiak 2 Estate - PT DIN	Village of Muara Wahau, Sub District of Muara Wahau, Regency of Kutai Timur,	N 01° 13' 04"      E 116° 53' 13"

	Prov. Kalimantan Timur, Indonesia			
Long Kejiak 3 Estate - PT DIN	Village of Muara Wahau, Sub District of Muara Wahau, Regency of Kutai Timur, Prov. Kalimantan Timur, Indonesia	N 01° 16' 30"	E 116° 48' 58"	
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State	HGU HGB Total	9,797.149 14.700 9,811.849 Ha Ha Ha	
	• Community		N.A Ha	
1.5.2	<b>Area Statement</b>			
		<b>LK 1 (Ha)</b>	<b>LK 2 (Ha)</b>	
		<b>LK 3 (Ha)</b>	<b>Total (Ha)</b>	
	• Total area	3,225.00	3,498.00	
	• Mature area	2,930.00	2,917.00	
	• Mill	-	14.7	
	• Emplacement	55	48	
	• Road, Bridge	63	94	
	• Others area / land reserve for Mill	-	30	
	• HCV	177	469	
			-	
			646.00	
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>		
		<b>LK1 Estate</b>	<b>LK 2 Estate</b>	<b>LK 3 Estate</b>
		<b>Total</b>		
	2005	2,275.00	-	-
	2006	567.00	1,319.00	-
	2007	88.00	1,512.00	1,831.00
	2008	-	86.00	1,071.00
	<b>TOTAL</b>	2,930.00	2,917.00	2,902.00
1.6.2	New Planting area after January 2010	-		Ha
1.6.3	Planting Cycle	1 <sup>st</sup> Cycle		
<b>1.7</b>	<b>Description of Mill and Supply Base</b>			
1.7.1	Description of Mill			
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>
				<b>Out put (tonnes)</b>
				<b>Extraction (%)</b>
				<b>Palm Kernel</b>
				<b>Out put (tonnes)</b>
				<b>Extraction (%)</b>
	POM 3	60	290,730.01	68,644.51
				23.61
				10,708.02
				3.68
	<i>*Production data source from January to December 2019</i>			
1.7.2	Description of Certification Scope of Supply Base			
	<b>Name of Estate</b>	<b>Total Area</b>	<b>Planted Area</b>	<b>FFB</b>
				<b>Yield</b>
				<b>Supplied to Mill</b>

	(Ha)	(Ha)	(tonnes/year)	(tonnes/h a/year)	FFB (tonnes/year)	%
Long Kejiak 1 Estate	3,225.00	2,930	95,742.62	32.68	78,911.14	82.42
Long Kejiak 2 Estate	3,498.00	2,917	95,688.05	32.80	95,660.17	99.97
Long Kejiak 3 Estate	3,088.70	2,902	95,983.57	33.07	49,948.54	52.04
<b>TOTAL</b>	<b>9,811.70</b>	<b>8,749</b>	<b>287,414.24</b>	<b>32.85</b>	<b>224,519.85</b>	<b>78.12</b>
<i>*Production data source from January to December 2019</i>						
1.7.3	FFB description from other source					
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tonnes/year)	
	Jabdan 1 Estate RSPO Certified <sup>1</sup>	PT Swakarsa Sinar Sentosa	-	-	17,361.48	
	Puhus 3 Estate RSPO Certified <sup>2</sup>	PT. Dharma Agrotama Nusantara	-	-	15,155.22	
	Kemitraan 3 (smallholder) of PT DIN RSPO Certified <sup>3</sup>	Scheme Smallholder	515 farmers	2,148	30,951.88	
	Kemitraan 6 (smallholder) of PT DIN RSPO Certified <sup>4</sup>	Scheme Smallholder	73 farmers	150	2,741.58	
	<b>TOTAL</b>				<b>66,210.16</b>	
<i>*Source Production Data on January to December 2019</i>						
<i>1. RSPO Certificate No. MUTU-RSPO/060 by Mutuagung</i>						
<i>2. RSPO Certificate No. MUTU-RSPO/056 by Mutuagung</i>						
<i>3. RSPO Certificate No. 824 502 17068 by TUV Rheinland</i>						
1.7.4	Product categories			FFB, CPO, PK		
<b>1.8</b>	<b>Tonnage of Product</b>					
1.8.1	Past Annual Claim Certified Product		<b>Last Year Projection 25 March 2019 – 24 March 2020 + Ext volume (MT)</b>		<b>Actual Production 1 January – 31 December 2019 (MT)</b>	
	FFB Processed		301,588		290,730.01	
	CPO Production		72,334		68,644.51	
	Palm Kernel (PK) Production		12,286		10,708.02	
1.8.2	Product selling					
	Type of selling product		Actual selling product for last year (01 January 2019 to 31 December 2019) (MT)			
	CSPO sold as RSPO certified product		14,363.51			
	CSPK sold as RSPO certified product		10,354.72			
	CSPO sold under other scheme		0			
	CSPK sold under other scheme		0			
	CSPO sold as conventional		51,954.46			
	CSPK sold as conventional		0			

1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Long Kejiak 1 Estate	3,225.00	2,930	99,600	33.98			
	Long Kejiak 2 Estate	3,498.00	2,917	99,500	34.12			
	Long Kejiak 3 Estate	3,088.70	2,902	99,800	34.40			
	<b>TOTAL</b>	<b>9,811.70</b>	<b>8,749</b>	<b>298,900</b>	<b>34.17</b>			
	<i>*Projected FFB production for 25 March 2020 to 24 March 2021</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	POM 3	60	298,900	72,500	24	12,500	4	IP
	<i>*Projected CSPO and CSPK production for 25 March 2020 to 24 March 2021</i>							
1.9	<b>Other Certifications</b>							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others							
1.10	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management units</b>							
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>		
	<b>Mill</b>	<b>Time Bound Plan</b>						
	POM 1 (PT SWA)	June 2012	Jabdan 2 (PT SWA)	2012	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	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-1.1</b>	<p>1. <b>Rizliani Aprianita Hasibuan (Lead Auditor Witnessed)</b>. Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as lead Auditor ISO 9001:2008, ISO 14001:2004, OHSAS 18001, ISPO Auditor training, RSPO lead Auditor training, RSPO SCCS training, SA 8000 and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During this audit, she conducted an assessment on legal, land conflict, social and SCCS.</p> <p>2. <b>Moh Arif Yusni (Lead Auditor Witnesser)</b>. Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. At the time of audit, he witnessing the performance of Lead Auditor).</p> <p>3. <b>Haikal Ramadhan Kharismansyah (Auditor)</b>. Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Lead Auditor ISPO, Lead Auditor RSPO, ISO 22000 awareness, SA 8000, ISO 14000. During this audit, he verify Best Management Practices, longterm management plan, transparency, worker welfare and safety aspect.</p> <p>4. <b>Radytio Puspanjana (Auditor)</b>. Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMTI, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. In this audit he is responsible for assessing the aspects of Environmental, HCV and GHG.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1.1</b>	<p>Number of auditors : 4 auditor          Number of days for <b>ASA 1.1</b> at site : 4 days          Number of working days for <b>ASA 1.1</b> at site : 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1.1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Dharma Satya Nusantara and PT. Dharma Intisawit Nugraha (supply base) – POM 3 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 15<sup>th</sup> 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) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</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.</p>

Improvement of findings from Re-certification 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.

The opening meeting and closing meeting were held attends by company's MR, mill and estates managers, staff, field assistant, and document control of each units. During the closing meeting, there was an interrupted/disagreed from MR of PT DSN against the NCRs issued.

The assessment program please find Appendix 2.

<p><b>2.2.3</b></p>	<p><b>Locations of Assessment</b></p>
<p><b>ASA-1.1</b></p>	<p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>POM 3</b></p> <ul style="list-style-type: none"> <li>- <b>Mill Drainage.</b> Observations mill effluent lines, sanitation mill and flow of leaching mill.</li> <li>- <b>WWTP.</b> Observation on WWTP, indication of waste overflow, OHS implementation, and interview with worker about worker welfare, OHS, and company's policies.</li> <li>- <b>Solid Waste.</b> Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill.</li> <li>- <b>WTP.</b> Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.</li> <li>- <b>Empty bunch area.</b> Field observations related to empty bunch management.</li> <li>- <b>Hazardous Waste Temporary Warehouse.</b> Field observations and interview related hazardous waste management, OHS and environmental aspect.</li> <li>- <b>Sparepart Warehouse.</b> Field observations and interview related sparepart management, OHS, and environmental aspect.</li> <li>- <b>Chemical and Fuel warehouse.</b> Field observations and interview related chemical management, OHS, and environmental aspect.</li> <li>- <b>Workshop.</b> Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect.</li> <li>- <b>Reservoir.</b> Field observation of management of water source.</li> <li>- <b>Sterilizer.</b> Observation and interview regarding work procedures and understanding of safe working method</li> <li>- <b>Press.</b> Observation and interview regarding work procedures, work accident history, and understanding of safe working methods.</li> <li>- <b>Engine Room.</b> Observations and interviews regarding OHS training, operator licenses, medical checkup and work procedures</li> <li>- <b>Boiler.</b> Observations and interviews regarding OHS training, operator licenses, medical checkup and work procedures</li> <li>- <b>Hydrant Simulation.</b> Observation regarding the readiness of fire control facilities and infrastructure</li> <li>- <b>Security.</b> Observation and interview related SCCS implementation and employment.</li> <li>- <b>Weigh bridge.</b> Observation and interview related SCCS implementation and employment.</li> <li>- <b>Grading.</b> Interview related to FFB grading and quality, OHS and worker welfare implementation.</li> <li>- <b>Despatch CPO.</b> Interview related to work instruction/procedures and employment</li> </ul> <p><b>Long Kejiak 1</b></p> <ul style="list-style-type: none"> <li>- <b>Block F22 Afdeling 3. Harvesting.</b> Interviews and observations regarding the application of harvesting procedures and wage systems.</li> <li>- <b>Block G20 Afdeling 3. EFB application.</b> Interviews and observations regarding work procedures and OHS awareness</li> <li>- <b>Block G10 Afdeling 2. Circle and Path Spraying.</b> Interviews and Observation on how to work safely both for</li> </ul>

- worker and for the environment
- HGU stakes and land demarcation Number 048 **Block G 06 afdeling 2** and Number 044 **Block H12 afdeling 2**. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV Kenden Besar River Riparian Area, Block H-12 afdeling 2**. Observation the implementation of management in HCV of riparian area.
- **HCV Forest Area, Block H48 afdeling 2**. Observation the implementation of management in HCV of forest area.
- **Housing, afdeling 3**. Observation and interview regarding to feasibility of facilities, complain mechanism, waste management, clean water and access to basic needs.
- **Daycare facility**. Interview related to worker welfare, complain mechanism, and feasibility of facilities.
- **Chemical storage**. Observations and interview related to condition of the storage and management of hazardous and toxic materials and OHS implementation.
- **Fertilizer warehouse**. Observations and interview related to the condition of fertilizer warehouse
- **Clinic**. Observation related to medical facility.
- **Hazardous Waste Storage**. Field observations related to the management of hazardous and toxic materials
- **Pesticides applicator Washing/rinse house division 3**. Observation for pesticides applicator OHS
- **Pesticides applicator PPE store division 3**. Observation for pesticides applicator OHS
- **Engine room emplacement**. Observation for OHS and worker welfare
- **Landfill block F14 afdeling 3**. Observation and interview related to waste management.
- **Composting block F14 afdeling 3**. Observation and interview related to waste management.
- **Water treatment plant afdeling 3**. Observation related to clean water.

**Long Kejiak 2**

- HGU stakes and land demarcation Number 061 **Block G37 afdeling 7**. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV Blew River Riparian Area, Block J29 afdeling 6**. Observation the implementation of management in HCV of riparian area.
- **HCV Sung River Riparian Area, Block H31 afdeling 5**. Observation the implementation of management in HCV of riparian area.
- **HCV Forest Area, Block 3 afdeling 6**. Observation the implementation of management in HCV of forest area.
- **Firefighter facilities**. Observation related emergency response, readiness of fire fighting equipment
- **Diesel Tank**. Observation of OHS, environment aspect, emergency response and fire facilities.
- **Fuel, Oil and Lubricants Warehouse** Field observations and interview related fuel, Oil and lubricants, OHS and environmental aspect.
- **Agrochemicals Warehouse**. Observation related to management store of agrochemical, MSDS, emergency response facilities and the types of pesticides used.
- **Hazardous Waste Warehouse (Temporary)**. Field observations and interview related Hazardous Waste Warehouse (Temporary) activity, OHS, environmental and worker welfare aspect.
- **Workshop**. Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect.
- **Fertilizer warehouse**. Field observations and interview related chemical management, OHS, and environmental aspect.
- **Pesticide mixing area**, Field observations and interview related pesticide mixing activity, OHS, and environmental aspect.
- **Manual wedding activity Block J35 Division 6**. Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
- **Harvesting activity, Block I30 Division 6**. Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
- HGU stakes and land demarcation Number 061 **Block G37 afdeling 7**, Number 003 **Block G34 afdeling 7**, Number 060 **Block G30 afdeling 7** and Number 004 **Block G28 afdeling 7**. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.

**Long Kejiak 3**

- HGU stakes and land demarcation Number 062 **Block G40 afdeling 7**. Observation of aspect of land demarcation

- and maintenance of HGU pole, and land dispute potency.
- **HCV Sungai Blew River Riparian Area, Block H43 afdeling 7.** Observation the implementation of management in HCV of riparian area
- **Block F56. Afdeling 11. Harvesting.** Interviews and observations regarding the application of harvesting procedures and wage systems.
- **Block D61. Afdeling 11. Manual weeding (Pesticide and Fertilizer Applicator).** Interviews and Observations with pesticide and fertilizer applicators about how to work safely for themselves and the environment
- **Block G49 Afdeling 9. Land Application.** Observation and interview regarding the application system for POME (Palm Oil Mill Effluent)
- **Block F46. Afdeling 9. Harvesting.** Interviews and observations regarding the application of harvesting procedures and wage systems.
- **Block G54. Afdeling 10. Nest Box.** Observation regarding the application of biological control
- **Housing, afdeling 9.** Observation and interview regarding to feasibility of facilities, complain mechanism, waste management, clean water and access to basic needs.
- **Daycare facility.** Interview related to worker welfare, complain mechanism, and feasibility of facilities.
- **Chemical storage.** Observations and interview related to condition of the storage and management of hazardous and toxic materials and OHS implementation.
- **Fertilizer warehouse.** Observations and interview related to the condition of fertilizer warehouse
- **Clinic.** Observation related to medical facility.
- **Hazardous Waste Storage.** Field observations related to the management of hazardous and toxic materials
- **Pesticides applicator Washing/rinse house division 11.** Observation for pesticides applicator OHS
- **Pesticides applicator PPE store division 11.** Observation for pesticides applicator OHS
- **Engine room emplacement.** Observation for OHS and worker welfare
- **Landfill block H44 afdeling 9.** Observation and interview related to waste management.
- **Composting blok H3 afdeling 9.** Observation and interview related to waste management.
- **Water treatment plant afdeling 9.** Observation related to clean water.

**Consulted Stakeholder**

- Village Official / elderly of Muara Wahau
- Head of village council, Muara Wahau Village
- Head of Subvillage Jabdan, Muara Wahau Village
- Local Contractor of Transportation (on behalf of personal)
- Village Official of Diak Lay
- Village Official / elderly of Bean Haes
- Local Contractor of Transportation (on behalf of personal)
- Member smallholder of Harapan Baru Cooperative
- Member smallholder of Jengea Bong Pet Kug.

2.3	<b>Stakeholder Consultation and Stakeholders Contacted</b>
2.3.1	<b>Summary of stakeholder consultation process.</b>
ASA-1.1	<p>Summary of stakeholder consultation process            Consultation of stakeholders for PT. Dharma Satya Nusantara was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website PT Mutuagung Lestari on 12 Desember 2019 (<a href="https://mutucertification.com/notification-of-rspo-asa-1-1-pom-3-pt-dharma-satya-nusantara/">https://mutucertification.com/notification-of-rspo-asa-1-1-pom-3-pt-dharma-satya-nusantara/</a>)</li> <li>• Public consultation meeting with government institution on 14 January 2020</li> <li>• Public consultation meeting with community including previous land owner on 14 January 2020.</li> <li>• Public consultation meeting with internal stakeholders and contractor 14 January 2020.</li> <li>• Public consultation with email to NGO on 06 January 2020.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Dharma Satya Nusantara.</p>
2.3.2	<b>Stakeholder contacted</b>

	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA1.2</b> ) will be determined eight to twelve months after this <b>ASA 1.1</b>

**3.0 ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of POM 3 – PT Dharma Satya Nusantara operation consisting of one (1) mill and PT Dharma Intisawit Nugraha as supply base with three (3) oil palm estate.

During the assessment, unit management of POM 3 and its supply base already comply with RSPO P&C and SCCS requirements. There were five (5) opportunities for improvement were identified. Further explanation of assessment result are provided in section 3.5.

MUTUAGUNG LESTARI found that POM 3 – PT Dharma Satya 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 15<sup>th</sup> 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 **continue**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>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.</b>	
<b>1.1.1 &amp; 1.1.2</b>	The CH has a list of information that can be accessed by stakeholders is explained in the Communication and Consultation Procedure (Document No.: SOP-AGR-044-R01). The information such as: HGU documents, SEIA, UKL / UPL, RKL / RPL Reports, Company Policy, HCV, SIA, etc. The Information provide on <i>Bahasa Indonesia</i> , how to submit an application can be oral, email, fax, telephone and a direct visit to the office.	
<b>1.1.3, 1.1.4 and 1.1.5</b>	From document review of the Logbook Documents of 2019, there was no request for information from the stakeholders, so there was no response. Based on interview with representatives of stakeholders, it was known that they had not requested information from the company. It is known that letters from external parties only contain letters related to requests for funding assistance and transportation units during 2019, such as: <ul style="list-style-type: none"> <li>Request for MTQ Fund Assistance from Karangas District (Letter No. 001 / LPTQ-KEC / MW / III / 2019). Received by the company on February 21, 2019 and responded on February 23, 2019.</li> <li>Request for assistance from the education officer Muara Wahau village on 20 April 2019 related request medical equipment and responded on April 23, 2019.</li> </ul> <p>The company also routinely to submit mandatory reports to the relevant agencies, for example:</p> <ul style="list-style-type: none"> <li>Report of POME management and Hazardous waste management, quarterly III 2019 to Environmental agency, Kutai Timur Regency on 25 October 2019.</li> <li>Report of implementation Environmental document (<i>RKL-RPL</i>), semester I 2019 to Environmental agency, Kutai Timur Regency and Kalimantan Timur Province.</li> </ul> <p>The Company has procedure and has appointed person in charge in the requests for information from stakeholders is CSR Operation Department. The Company responded to information requests with maximum time of 3 days since mail received. Based on verification document and interview with external stakeholders, management always responds the information request no longer than 3 working days.</p>	
	<b>Status: Comply</b>	

**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 commitment related to integrity and ethical conduct in all operational activities. The commitment is listed in “*Pedoman Mutu*” document (PDM-AGR-R06) dated 1<sup>st</sup> January 2020 by Executive Director SBU Agro I. In clause 7.5 about ethical conduct in all operational business activities, stated that:

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

This policy has been socialized to the contractor and stakeholders on September 16, 2019 to all workers and stakeholders. This policy is available in *Indonesian*. Based on interview with worker in estate and mill including local contractors, it is known that they understand about the ethical conduct of the company. Interview with worker in estate and mill informed that there is no issue about integrity and ethical conduct.

Dissemination of code of integrity and ethical behavior also disseminated by specific socialization or morning briefing to all level of workers. Based on interview with workers, labor union, representatives of gender committees know about code of integrity and ethical behavior.

The system to monitoring compliance and the implementation of the policy and ethical business practice explained on grievance document year 2019, based on that document during year 2019 no infraction to policy and ethical business practice.

**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 list of laws or regulations is explained in the regulatory list document (law register) which already update in July 2019. Law registers are available in soft and hard copy. The unit of certification can demonstrate compliance with these laws and regulations, for example: have land title (HGU), have environmental documents, conduct factory wastewater testing, conduct river water quality testing, conduct groundwater quality testing, conduct air quality testing, perform noise and noise testing, pay employee wages, pay employee overtime, etc.

In term of best management practices, it was known that estate and mill management has implemented several pursuance with Indonesia laws and regulations, for example has to conduct 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.\

In term of legal aspect, the unit of certification has shown evidence towards legal aspect, The unit if certification 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.

In the worker welfare aspect, it was known the unit of certification have been paid the employees wage in accordance with the applicable regulation. In OHS Aspect the unit of certification has established the structure for guiding committee for occupational health and safety in each management unit and this committee has received approval from the Ministry of Manpower and Transmigration in Kutai Timur Regency, which has provided 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.

**Periodical Inspection and Machine Permits**

There is a Minutes of Examination and Testing Completion by *PJK3* (occupational health and safety services company) of PT Perdau Karya Utama for the inspection and testing of 30 instrument and machine of POM 3 in the framework of certification and issuance of certificates and usage from the manpower agency of East Kalimantan province on 10 October 2019

Tools and machines that were inspected included steam turbines, sterilizers, and diesel motors. The results of the inspection stated that the condition of the machine in good condition. Based on the Minutes of 12 October 2019, it is known that the examination and testing results report and Certificate of Use from the Department of Manpower and Transmigration of East Kalimantan Province are in the process of arranging / publishing.

Based on interviews with relevant institutions in Kutai Timur Regency (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 8<sup>th</sup> September 2014). The procedure contains a flowchart of application for consideration of the legality and licensing, as well as flow charts of identifying and updating of laws and regulations. Also in the document are the forms of legality and licensing application, a summary of laws and regulations, evaluation summary of compliance to regulation, the address list of agency/department 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 July 2019. The document is an inventory of national and local regulations related to aspects of legal, labour, health and safety, and environmental. To ensure compliance with law or regulations, the company conducts an internal RSPO audit. 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 covers 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 appropriates of contractors before take contractual agreements with the company. However, the SOP was not detailed explained the mechanism to ensure the fulfillment related to aspects of OHS, employment, and environment to the contractor, although based on document review, field observations, and interviews those aspects have been fulfilled by the contractor (detailed explanation in Criteria 2.2). Based on that's explaining, the unit of certification has an opportunity for improvement by ensuring that legal compliance assessment procedures for third parties cover those aspects. **OFI No 01**

**2.1.3**

The company has a letter from the Regional Office of the Province of East Kalimantan No. 229 / 4-64.200 / IX / 2012 dated 25 September 2012 describing the coordinates of the PT DIN boundary pole. There are 88 HGU boundary poles in the PT DIN area. The company has also monitored HGU boundary pole in 2019 by showing the results of monitoring completed with coordinates, in accordance with the IK-AGR-OLP-OLP-33-R01 regarding Boundary Benchmark Installation and Maintenance Work Instructions on February 1, 2019.

The results of field observations on the boundary pole No. DIN 061 block G37 afdeling 7 (LK2) and No. DIN 062 block G40 afdeling 7 (LK 3) are known that the condition of the boundary poles are well maintained and in accordance with the coordinates from the National Land Agency.

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

Unit certification has a list of contractors with information about the name of the contractor, occupation, No. work agreement, address, and labor, as follows:

- POM 3: 7 contractors
- LK 3: 17 contractors
- LK 1: 15 contractors
- LK 2: 5 contractors

The contractors which work with unit certification for activities such as: transportation (CPO, kernel, FFB, transport of school children), car rental and others. The unit of certifications can present all agreement with the contractor.

**2.2.2 & 2.2.3**

Based on document verification and field observation known that all FFB supplier are from PT DIN and other sources from DSN group (certified product). The company showed several examples of work agreements with third parties (contractors) which have explained / contained clauses regarding fulfilling legal obligations, such as in Agreement No. 009 / DIN / LK3 / 2019 dated January 2, 2019 for the FFB transportation activities. In the article 4, explained the obligation of applicable regulations fulfillment such as but not limited to:

- Minimum Wages
- Participate in the BPJS program
- PPE provision
- Anti-corruption, bribery and fraud
- Etc

The company has several mechanisms to ensure compliance with regulations carried out by third parties, such as:

- Monitoring PPE usage during morning briefings
- Monitoring the list of contractor workers (completed with information on the names of contractor workers, wage workers, BPJS ID, ID card of workers and others)
- Monitoring the minutes of job payments to ensure contractor workers' wages
- Etc.

The company has a mechanism to assess and ensure legal compliance for third parties / contractors, in the SOP for Making Contracts (No. SOP-AGR-023-R01 dated November 1, 2016). However, the SOP has not yet explained in detail the assessment in the aspects of OHS, employment, and environment, although these aspects have been fulfilled by the contractor based on document review, field observations, and interviews. In this regard, the company has an opportunity for improvement by ensuring that legal compliance assessment procedures for third parties cover these aspects. (OFI)

The results of interviews with contractor workers revealed that workers had been included in the BPJS employment program, wages were in accordance with applicable Minimum Wages, and contractor workers had been provided with PPE. Results of the field visit such as in the harvesting activity, spraying activity, mill activity were not found underage workers.

**Status: Comply**

**2.3**

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

**2.3.1 and 2.3.3**

All FFB sources supplied to POM 3 are RSPO certified and their ownership is clear. The FFB sources supplied to POM 3 consist of PT DIN (Long Kejiak 1 Estate, Long Kejiak 2 Estate, Long Kejiak 3 Estate), and other sources that are still under the DSN group, namely *kemitraan 3 & kemitraan 6* (Under PT DIN), Jabdan 1 Estate (PT SWA), and Puhus 3 Estate (PT DAN).

**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; 3.1.2**

The unit of certification has presented the work plan and budget projection for 2020 -2024. Information in the document consists of general routine operational activities such as target projections for operational estate (land clearing, planting, upkeep, and harvesting) and mill (FFB Process, OER, KER, CPO & PK Produced, and FFA); CSR program, environmental program; expenses projections including budget plan for operational mill and estate, supporting department (Social and community, environmental & conservation and others and GAE; income projections (FFB selling, CPO & PK Celling)

The unit of certification has also developed a yearly plan as seen for the year 2020 containing information on the budget for each activity (including activities for environmental management programs and all CSR related expenses, legal compliance and RSPO P & C compliance) and revenue from company's products including all company's liabilities. Budget and target achievement evaluations are carried out quarterly, and the evaluation of achievement for management plan year 2019 was sighted.

There is no replanting program for next 5 years. The oldest palm oil tree are planted on 2008. Meanwhile based on soil map (scale 1:70000) there is no peat soil.

**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 3<sup>rd</sup> quarter on October 2019. Based on summary the management revise discussed about performance review, Budget and cost review, FFB production and yield statement, Manuring progress, CPO and PK production, Supply chain issue related CPO and PK sales , Result of internal and external audit, Corrective action plan, Effectivity of procedure, and etc. Result of managements meeting includes decisions about improvement of the effectiveness of the management system and its processes and Resources required.

**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**

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 aspects, 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 Estate delivers the strategy the installing of light trap to controlling of moth (moth of fire caterpillar or bugworms) related time efficiency and increased safety during installation

In social aspect, the unit of certification 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 company policy was unique in Muara Wahau Area, that significantly improved the positive perception of surrounding community towards the company.

In the sustainability aspect, the unit of certification develops audit certification from external parties using a virtual data room starting from audit preparation, document presentation, and audit process, with the goal the audit process will effective and efficient.

**Employment and OHS**

- The certification unit has identified needs and conducted training for workers who are required to have special competencies as regulated in regulations such as steam aircraft operators, lift transport operators, chemical OHS Expert, and diesel motor operators

- The certification unit no longer uses labor on a daily basis (daily worker). The overall employee composition is permanent employees

**Environmental aspect**

- Utilizing organic waste from housing complex for composting.
- Contribution in local economic is development plasma plantations.

**Internal Audit**

The company has routinely carried out internal audits conducted by trained internal auditors, most recently carried out on July 2019 (Estate) and on August 2019 (Mill), as many as 8 NCs were identified, and has been followed-up by the unit.

**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.

<b>Status: Comply</b>	
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**3.3**

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

**3.3.1**

There was no change over the procedure for cultivation and processing since Recertification until ASA-1.1. The unit of certification has documents procedure of Palm Cultivation and mill processing. in the estate the procedure documents among others about the planning of new area planting, nurseries, land clearing, planting, replanting, pest and disease control, weed control, fertilization, maintenance of immature plant, preparation ahead of harvest, harvesting, loading, and transportation of FFB. The Oil Mill has procedures covering all mill operations such as FFB Grading, Sterilization Station, Press Station, Threshing Station, Oil Room, Kernel Plant, Laboratory, CPO & PK Despatch, Engine Room, Boiler Room, Electrical, Workshop as well as Raw and Boiler Water Treatment Plant and also supply chain.

In each procedure has been covered the OHS and environmental aspect. However there were also specific document set about OHS and environmental in the procedure of Safety and Environmental Management, as well as Hazard Identification Risk Assessment and Control (HIRAC).

The procedure are available on audit site (Estate and mill office) and are written in a language (Bahasa) that is easily understandable for workers. Based on field observation in mill and estate during an audit, it was known if the procedure has been implemented and the workers can explain and demonstrate their work in accordance with the procedure, refers to the best practices of operational, safety, and environmental.

**3.3.2**

The unit of certification conducted several methods to monitor the implementation of procedures. Among others conducted annually operational and RSPO internal audit in order to monitor the implementation of the procedures. 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. Daily internal supervision was carried out by the level of supervision starting from the Foreman, Division Assistant, Head Assistant, to the Estate Manager. Monitoring of the procedure implementation that conducted by unit of certification also included activity that carry out by third party or contractors. Furthermore the unit of certification conduct evaluation for local contractors annually. Last evaluation conducted on 29 June 2019 with aspect that discussed about OHS, company procedure and policy, minimum wages, insurance and etc.

**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 3 was carried out on 05 – 07 August 2019, Long Kejiak 1 on 25 – 27 July 2019, Long Kejiak 2 on 22- 24 July 2019 and Long Kejiak 3 on 17 – 20 July 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 has covered several aspect of contractors such as minimum payment and payment of employment insurance.

The result of field visits and interviews with the harvesting supervisor indicated that they also record all operational activities in the Supervisor's Daily Report (LHM) and submit such reports on a daily basis. The daily report describes types of work, numbers of workers, usage of materials, and employee's individual achievement. Hereinafter all of the company's operational activities are recorded in the form of Monthly Reports for both the estate and the palm oil mill (POM). Said operational activity report is a recap from the daily activities. The company also discusses each item of the activities. The evaluation mechanism for the entire operational activities, both the estate and the mill, is performed by the manager. The report is a regular report prepared by the unit manager of the estate and the mill and submitted to top management.

**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 has conduct Environmental impact assessment for mill and estate, listed on following details:

- PT. Dharma Satya Nusantara (POM 3): Recommendation Letter from Environment Agency of Kutai Timur Regency No. 660/649/3-BLH / VIII / 2010 dated August 6, 2010 for 60 mt FFB/hour mill capacity.
- PT. DIN: Approval Letter of EIA documents, Environmental Management and Environmental Monitoring Plan of plantation and Palm Oil Processing Mill PT. DIN in East Kalimantan from the Minister of Forestry and Plantation No.136 /Menhut-II / 2000 dated December 22, 2000. The scope of this document is the oil palm estates covering an area of + 10,000 hectares and a capacity of 60 ton FFB / hour.

And also company has conducted SIA assessment in 2011 by Daemeter Consulting, compiled based on the aspirations of the community through in depth interviews and Focus Discussion Group, villages sampled namely Deabeq Village, Village of Nehas Liang Bing, Village of Beanheas, Village of Diak lay, Village of Miao Bau and Muara Wahau Village. Records of participatory in the form of attendance list, has been involve the community around, for example: Muara Wahau SP2 as many as 18 people.

**3.4.2**

The Implementation of environmental monitoring and management plan are documented on periodical report of environmental monitoring and management implementation report (UKL-UPL) for POM 3 and environmental monitoring and management plan (RKL-RPL) report for PT DIN. Company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per semester regularly.

The company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per sixth month regularly. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL. Public consultation with Environmental agency of Kutai Timur indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

**3.4.3**

Evaluation for environmental monitoring / management plans have been developed on January 2019 and as the feedback of review, company has included land fires monitoring, land applications, and toxic/hazardous waste monitoring parameters since 2<sup>nd</sup> semester 2019 monitoring report. Based on results of environmental monitoring, there were parameters that exceed the threshold i.e. surface water testing on upstream and downstream of Wahau river for DO and BOD parameter (governor's regulations Kalimantan Timur Number 2 year 2011), because parameter values of upstream of the Wahau River have exceeded the environmental standard of 6 mg / l, the company has been evaluating with consistently maintains riparian of Wahau river on HCV management activities, for example, application of pesticide ban on riparian with a distance of 50 m from the right and left of Wahau river. Evaluation for implementation environmental monitoring and management has been developed and as feedback of review every 6 months for the next program.

The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management plan on January 2018, which conducted in a participatory manner. In the SIA Management and Monitoring Plan, there are 14 social impacts to be monitored during 2018/2019 including the impacts to smallholder's scheme.

Based on interview with Village Official / elderly of Muara Wahau, Head of village council, Muara Wahau Village, Village Official of Diak Lay, Village Official / elderly of Bean Haes known that SIA, as well as management and monitoring plan has been conducted in participatory manner with all affected Village with questioner method. All social impacts and issue had been identified and managed, among others in aspects of livelihood, health, land tenure, employment, education, economy, social, cultural and religious.

No negative issues raised during interviews with communities surround the plantation such as interviews with community leaders, women's communities, local contractors, and Village Official of Muara Wahau and Village Official of Bean Haes.

**Status: Comply**

**3.5**

**A system for managing human resources is in place.**

**3.5.1 & 3.5.2**

The process of selecting and recruiting employees is explained in the SOP for the recruitment of Document No. SOP-AGR-012-R02 dated January 1, 2015. In addition, in the 2017-2019 CHAPTER II company regulations also stipulate the Basis for Acceptance, Placement, Transfer and Promotion of workers. In the general conditions of acceptance, among others, state that workers must be in good health, at least 18 years old, and willing to be placed anywhere. The validity period of *PP* has expired, but as has been agreed by worker union representatives and company representatives, the old document is considered valid until the latest draft (*PP* period 2020-2022) has been approved by the relevant ministry. Ratification of *PP* 2020-2022 draft is still in the process of ratifying the Director General of *PHI* and social security c.q as explained in the certificate No. 01 / PK / PP / I / 2020 dated January 6, 2020 from the Head of the Indonesian Ministry of Manpower Ministry Regulation.

Manpower documentation is maintained and managed by the HC (Human Capital) team. For example, in the recruitment process of PT DIN upkeep foreman with NPK 0065761 (Employee Identification Number) the company can show the recruitment process starting from information about the needs of employees, relevant employee application letters, interview evaluation forms and selection assessments, to employment agreements. In the employment agreement number 0021 / DIN / SPK / LK2 / WHU / 2019 dated October 19, 2019 it was stated that the probation period was from October 19, 2019 to January 20, 2020. After that there would be a performance evaluation and could be appointed as permanent employees according to the results of the assessment

Policy related indiscriminatory contained in Internal memorandum number 0017 / HCO / IM / III / 2016 concerning the declaration of recognition of human rights. In the memo stated that the company upholds human rights, does not discriminate in the recruitment of prospective employees, there is no forced labor system that can lead to human rights violations and inconvenience of employees / prospective employees, free to religion, and freedom of opinion. This memo is set for March 14, 2016.

**Status: Comply**

**3.6**

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

**3.6.1 & 3.6.2**

Policy on occupational health and safety (OSH) was issued in December 2010 by Chief Executive AGRO in Jakarta which describes company commitment to create a safe and health working environment through:

- Company operational activity shall in accordance with the respective Laws and Regulations.
- Actively monitoring and improve system management implementation and OSH application.
- Continuous improvement as a part of corporate culture.

Procedure of OHS was presented in document No. SOP-AGR-037-R01 dated November 1<sup>st</sup> 2013, issued by the Executive Director SBU Agro 1. The procedure has describe plan of OHS and environment program for estates and mill, risk identification and management control, work permit application, handling and reporting of accident, evaluation and follow

up, monitoring and environment measurement, emergency handling, OHS and environment communication, participation and consultation.

### **HIRAC**

The company has carried out hazard identification risk assessment (HIRAC) for all activities in the estates and mill, which documented in HIRAC document No. FM-SHE-29-R01. HIRAC for PT DAN issued by Secretary of P2K3 and Plantation Head in December 02<sup>nd</sup> 2019. HIRAC document has describes any product activity, danger/aspect, risk/impact, condition (normal, abnormal and emergency), risk evaluation (impact, opportunity, risk level), operational control, risk impact control (elimination, substitution, engineering, administration and PPE), remarks, remnant risk evaluation (result/consequences, opportunity, risk level), action (important, not important and environment) and person in charge. HIRAC has covers all agronomy activities. Furthermore, HIRAC for PT DSN issued by P2K3 Secretary and Mill Head in January 2<sup>nd</sup> 2019. HIRAC has covers all activities in all stations.

HIRAC scoop for mill has covers loading ramp, sterilizer, tippler, screw press, clarification, kernel plant, boiler, WTP, engine room, maintenance, laboratory, compound, material/goods flows, cleanliness of hazardous waste warehouse, road traffic to the mill, general, office, EFB storage, WWTP, staff and employees housing, organic and non-organic domestic waste management, operators and non-routine activity. Meanwhile HIRAC scoop for estates has cover land clearing, immature palm upkeep, pest and diseases management, harvesting and transportation, manuring, chemist, manual upkeep, by product application (EFB and Land Application), emplacement afdeling, workshop, unit, warehouse, office, road and infrastructure, estate clinic, domestic activities in emplacement and building infrastructure

### **OHS Plan**

Compiled by the OHS Committee at the beginning of the current year. The 2020 OHS plan is still in the process of preparation while the occupational health and safety plan in 2019 includes the inventory of OHS issues and sources of operational hazards, Safety Patrol, Provision of occupational health and safety equipment and PPE, training, environmental monitoring and medical checkup

### **OHS Plan Realization**

- Provision of PPE

Conducted periodically in accordance with the identification of PPE needs. For example for estate workers boots are given twice in a year. While safety shoes for mill workers are given once a year. Based on the field observation to the estate central warehouse and mill, it is known that there are PPE stock provided by companies such as helmets, gloves, masks, aprons, boots, and face shields.

- Work accident monitoring

During 2019 there was 1 work accident with 1 work day lost at POM. In the estate there is also 1 work accident with 1 work day lost

- Periodic Medical Checkup

The company has conducted regular health checks for mill and estate workers. In the OHS plan matrix it states that regular health checks for employees include MCU, Audiometry, and Spirometry once a year and CHE checks twice a year.

Estate :

Has conducted spirometry examinations for 107 LK1 upkeep worker, 97 LK2 upkeep worker and 163 LK3 upkeep worker. In addition, there were also CHE examinations for 11 LK1 pesticide applicator, 17 LK2 pesticide applicator and 44 LK3 pesticide applicator. It also carried out audiometric examinations for 20 generator sets and heavy equipment operators.

Mill

Has conducted audiometry medical examinations for 81 workers and CHE for 16 workers

Based on the results of the health examination of mill and estate employees, it was found that there were several abnormal conditions in the employees such as deafness in the left ear for employees with the initials YP and abnormal spirometry for LK2 upkeep employees with the initials SRN. A follow-up plan for the medical examination for the two employees has been conducted. For workers with the initial YP, a follow-up plan is issued 2 months after the results of the inspection are issued. Whereas for workers with the initials SRN a follow-up plan is given after 2 weeks. Thus the company has the opportunity to evaluate and ensure clear timeframes for following up on the results of employee health checks. **OFI**

### **Quarter III OHS Report**

October 25, 2019 is evidenced by the receipt stamp from the Department of Manpower and Transmigration of East Kalimantan Province. The results of the evaluation of the OHS report for the third quarter of 2019 include the time period for the inspection of the completeness of PPE employees because in each OHS inspection there are still employees who have not been disciplined in using PPE. In addition, routine outreach programs on OHS are also planned to be held routinely at least twice a month

**PPE**

Every worker has been given PPE according to the HIRAC prepared, for example for the spraying team, face shields, rubber gloves, aprons, masks, and boots are given. While the process operators at mill are given ear protectors, masks, helmets, and safety shoes.

**Status: Comply**

**3.7**

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

**3.7.1 & 3.7.2**

The certification unit has shown the training schedule for the 2020 period. The planned training includes an understanding of certification, agronomy training, process training, and DSN Values. Based on interviews with mill and estate employees, for example the engine room operator, harvesters in the block F22 LK1, and the spraying team in block G10 afdeling 2, it was known that socialization and training had been carried out routinely at least during the morning briefing. Health and Safety Materials such as compliance with PPE, health checks, and emergency response are also routinely delivered to employees.

Based on the interviews with two FFB transport drivers (contractor workers) informed that OHS socialization and inspection was routinely carried out. In addition, a brief introduction to the RSPO was also provided to each contractor's representative. In 2019 the company has arranged and realized socialization and training for contractor workers. But for the 2020 period the training program has not shown any training plans for contractors. Thus the Company has the opportunity to ensure that the training program prepared for the 2020 period accommodates contractors and smallholder.

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

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

- LK1 spraying team;
  - Spray training and pesticide management: August 2016 (9 people), August 2017 (9 people) August 2018 (9 people), and August 2019 (11 people)
  - OHS training: 4 November 2017 (3 people), 3 April 2018 (2 people), and 5 May 2019 (11 people)
  - Basic First Aid: 6 June 2018 (2 people), 15 December 2019 (4 people)
- LK2
  - Introduction of ISPO, RSPO and ISCC on 18 June 2019 (17 people)- How to care for children for TPA officers on January 11, 2018 (3 people), Clean and Healthy Behavior on November 16, 2019 (3 people)
- Contractor
  - Introduction of ISPO, RSPO and ISCC on 18 October 2019 (7 people)- OHS & Environment on April 16, 2019 (15 people)

The responsible person to development program, scheduling, and conduct the training is HLC (Human & Learning Centre) team.

**3.7.3**

The company showed training records for officers / personnel related to SCCS in the form of attendance lists, training materials, along with the actual monitoring of training implementation. For example:

- Training records on July 23, 2019 attended by 20 participants
- Training records on October 29, 2019 attended by 37 participants
- ISPO, RSPO, & SCCS Work Instruction socialization records on 15 June 2019 attended by 10 participants

The results of interviews with the weighbridge operators and security (FFB reception) revealed that the PIC had known

the sources of FFB received by POM 3, that sourced from nucleus estates and kemitraan that were RSPO certified. Interview results revealed that FFB entered POM 3 in the last 1 year came from PT DIN, kemitraan 3 and 6, PT DAN (Puhus 3) and PT SSS (Jabdan 1 Estate).

**Status: Comply**

**3.8**

**Supply Chain Requirements for Mills**

**3.8.1; 3.8.2; 3.8.15**

The FFB sources supplied to POM 3 consist of PT DIN (Long Kejiak 1 Estate, Long Kejiak 2 Estate, Long Kejiak 3 Estate), and other sources that are still under the DSN group, namely *kemitraan 3 & kemitraan 6* (Under PT DIN), Jabdan 1 Estate (PT SWA), and Puhus 3 Estate (PT DAN).

All FFB supplied are RSPO certified, as indicated by:

- Jabdan 1 Estate, Certification Scope of POM 4, RSPO Certificate No. MUTU-RSPO / 060 by Mutuagung
- Puhus 3 Estate, Certification Scope of POM 2, RSPO Certificate No. MUTU-RSPO / 056 by Mutuagung
- Smallholder of PT DIN (*Kemitraan 3 & 6*), Certification Scope of POM 1, RSPO Certificate No. 824 502 17068 by Tuv Rheinland

**3.8.3**

Has been set the estimated certified products that will be produced by PT DSN – POM 3, for one year license period are:

<b>Certified Products</b>	<b>Last Year Projection 25 March 2019 – 24 March 2020 + Ext volume (MT)</b>	<b>Actual Production 1 January 2019 – 31 Desember 2019 (MT)</b>	<b>Estimation of Certified 25 March 2020 – 24 March 2021 (MT)</b>
FFB Process	301,588	290,730.01	298,900
CPO Production	72,334	68,644.51	72,500
PK Production	12,286	10,708.02	12,500

**3.8.4**

The Mill has been registered as member of RSPO under PT Dharma Satya Nusantara and registered on RSPO IT Platform under PT Dharma Satya Nusantara (POM 3) :

**License**

Sub License ID	CB82399
Member Name	PT Dharma Satya Nusantara (PKS3)
Member ID	RSPO_PO1000000950
RSPO Membership Number	1-0135-12-000-00 (PT DHARMA SATYA NUSANTARA)
Issued On	15 Maret 2019
Issued By	PT Mutuagung Lestari
Start Date	25-06-2019
End Date	24-03-2020
Certificate Holder Type	Multi-Site
Number of Sites	3
Total Certified Area (Ha)	9.811,7

The company has maintain accurate and complete data for the FFB receives, process and CPO & PK production, and also CPO and PK that were sold. In the last 1 year (1 January - 31 December 2019), 14,363.51 MT CSPO sold as RSPO certified and 10,354.72 MT CSPK sold as RSPO certified. Sample of transaction there were record :

Shipping date	Transaction ID	Product	Model	Volume	Buyers
31-12-2019	TR-dc5c1592-ce09	PK	MB	1,127.31	PT. DSN, Tbk (Kernel Crushing Plant)
30-11-2019	TR-a64156d5-9c2b	PK	MB	995.05	PT. DSN, Tbk (Kernel Crushing Plant)
15-11-2019	TR-56c9106d-2406	CPO	SG	1,626.01	PT DSN Tbk - Labanan Storage Facility
28-10-2019	TR-6e03320e-f7db	PK	MB	1,110.81	PT. DSN, Tbk (Kernel Crushing Plant)
30-09-2019	TR-d2c9bae0-a5ab	PK	MB	847.8	PT. DSN, Tbk (Kernel Crushing Plant)
06-09-2019	TR-5a96dd29-cc97	PK	MB	572.81	PT. DSN, Tbk (Kernel Crushing Plant)
21-08-2019	TR-cc8eb8f9-0d54	PK	MB	720.81	PT. DSN, Tbk (Kernel Crushing Plant)

**3.8.5**

The company has Work Instructions on CPO and PK Product Trackbacks for IP & SG models with no. IK-AGR-MS-08-R09 effective date May 27, 2019 which was approved by the Sustainable Head. The procedure explains the acceptance of FFB in Mill, the production process in mill, CPO and PK storage, CPO and PK delivery, Commercial - Bulking Labanan (CPO Reception and Storage, CSPO sales, registers and transactions in the RSPO IT system), outsourcing, external purchases, training, internal audit, communication & claims, and document storage.

The results of interviews with the weighbridge operators and security (FFB reception) revealed that the PIC had known the sources of FFB received by POM 3, that sourced from nucleus estates and kemitraan that were RSPO certified. Interview results revealed that FFB entered POM 3 in the last 1 year came from PT DIN, kemitraan 3 and 6, PT DAN (Puhus 3) and PT SSS (Jabdan 1 Estate).

**3.8.6**

The Procedure to conduct annual internal audit are describe at Work Instructions on CPO and PK Product traceability for IP & SG models with no. IK-AGR-MS-08-R09 effective date May 27, 2019 which was approved by the Sustainable Head. The company has routinely carried out internal audits conducted by trained internal auditors, most recently carried out on July 2019 (Estate) and on August 2019 (Mill), as many as 8 NCs were identified (including 1 NC SCCS), and has been followed-up by the unit.

**3.8.7**

The mill has a record amount of FFB tonnage (all POM 3 supply bases are RSPO certified), as follows:

Month	FFB (MT)		
	PT DIN	Other sources ( <i>kemitraan</i> 3 & 6, Jabdan 1, Puhus 3)	Total
Jan-19	14,371.48	11,429.98	25,801.46
Feb-19	13,874.56	6,900.77	20,775.33
Mar-19	19,61.66	3,401.26	22,762.92
Apr-19	17,939.15	4,805.43	22,744.58
May-19	19,046.87	8,482.87	27,529.74
Jun-19	17,160.51	5,239.17	22,399.68
Jul-19	15,543.22	5,108.84	20,652.06
Aug-19	21,377.32	5,022.05	26,399.37
Sept-19	19,045.97	3,756.37	22,802.34
Oct-19	22,976.54	4,699.03	27,675.57

Nov-19	20,933.93	3,492.82	24,426.75
Des-19	22,888.64	3,871.57	26,760.21
<b>Total</b>	<b>224,519.85</b>	<b>66,210.16</b>	<b>290,730.01</b>

The company shows data of FFB processed, CSPO production, and CSPK production In the last 1 year period, as follows :

<b>Certified Products</b>	<b>Last Year Projection 25 March 2019 – 24 March 2020 + Ext volume (MT)</b>	<b>Actual Production 1 January 2019 – 31 Desember 2019 (MT)</b>
FFB Process	301,588	290,730.01
CPO Production	72,334	68,644.51
PK Production	12,286	10,708.02

The Procedure/mechanism of handling non-conforming products are described in Work Instructions on CPO and PK Product traceability for IP & SG models with no. IK-AGR-MS-08-R09 effective date May 27, 2019.

**3.8.8**

The company showed documentation of certified products, such as Shipping Announcements and Delivery Orders. These documents describe the names and contact person of the buyer and seller, the delivery date, product description, quantity, member ID, and others.

**3.8.9; 3.8.10; 3.8.11**

CPO from POM 3 is sent to the Transit Tank (TT 300) in Miao Baru, and then distributed to Bulking Labanan (Bulking Labanan as a buyer). The distribution of CPO from POM 3 to transit tank and bulking labanan is done by third party. The details of the CPO transport contractor, as follows:

- POM 3 to Transit Tank (TT 300): 2 contractors
- Transit Tank to Bulking Labanan: 18 contractors

The list of contractors / transporters has informed the name of the contractor, agreement number, address, contact details, and contract period.

Whereas for PK, it is sent directly to the KCP and there is 1 contractor / transporter who has also informed the contractor's name, agreement number, address, contact details, and contract period.

Example of contract with a third party for CPO transport activities No. contract: 011 / DSN / DIS / 2019 dated January 2, 2019 from Transit Tank (Miao Baru) to Bulking Labanan. To ensure compliance with supply chain requirements, the agreement also explains the technical provisions for transporting CPO. The results of interviews with weighbridge officers and despatch officers explained that before shipping certified products both CPO and PK must ensure that the transport trucks have been sealed in advance.

**3.8.12**

POM 3 has recorded the entire RSPO Certified FFB which enter the mill and deliveries of RSPO certified product (CPO and PK) as follows:

**FFBs received**

<b>Month (2019)</b>	<b>FFB (MT)</b>		
	<b>RSPO Certified</b>	<b>Non Certified</b>	<b>Total</b>
January	25,801.46	-	25,801.46
February	20,775.33	-	20,775.33
March	22,762.92	-	22,762.92
April	22,744.58	-	22,744.58

May	27,529.74	-	27,529.74
June	22,399.68	-	22,399.68
July	20,652.06	-	20,652.06
August	26,399.37	-	26,399.37
September	22,802.34	-	22,802.34
October	27,675.57	-	27,675.57
November	24,426.75	-	24,426.75
December	26,760.21	-	26,760.21
<b>Total</b>	<b>290,730.01</b>	<b>-</b>	<b>290,730.01</b>

**CSPO produce and sales**

Month (2019)	CPO Produce	CSPO (MT)		
		CSPO Produce	Sold as RSPO certified	Sold as Conventional
January	5,493.13	5,493.13	2,612.35	1,394.88
February	4,566.20	4,566.20	1,460.85	1,508.11
March	5,436.01	5,436.01	3,643.81	3,805.81
April	5,451.03	5,451.03	1,363.36	1,000
May	6,523.09	6,523.09	1,908.31	5,900
June	5,180.86	5,180.86	1,748.82	4,490
July	4,657.79	4,657.79	-	4,120
August	6,658.37	6,658.37	-	6,080
September	5,618.05	5,618.05	-	5,790
October	6,692.14	6,692.14	-	6,250
November	5,904.81	5,904.81	1,626.01	4,973.99
December	6,463.03	6,463.03	-	6,641.67
<b>Total</b>	<b>68,644.51</b>	<b>68,644.51</b>	<b>14,363.51</b>	<b>51,954.46</b>

**CSPK produce and sales**

Month (2019)	PK Produce	CSPK (MT)		
		CSPK Produce	Sold as RSPO certified	Sold as Conventional
January	799.24	799.24	1,413.34	-
February	515.44	515.44	-	-
March	604.31	604.31	-	-
April	740.66	740.66	611.79	-
May	940.04	940.04	1,269	-
June	866.99	866.99	1,686	-
July	778.23	778.23	-	-
August	1,207.31	1,207.31	720.81	-

September	985.89	985.89	1,420.61	-
October	1,174.32	1,174.32	1,110.81	-
November	1,013.10	1,013.10	995.05	-
December	1,082.49	1,082.49	1,127.31	-
<b>Total</b>	<b>10,708.024</b>	<b>10,708.024</b>	<b>10,354.72</b>	<b>-</b>

Company has Work Instructions on CPO and PK Product traceability for IP & SG models with no. IK-AGR-MS-08-R09 effective date May 27, 2019 which explains that all action reports related to the RSPO SCCS must be kept for a minimum of 2 years.

**3.8.13; 3.8.14;**

Facility did not use conversion rate.

**3.8.16**

The mill has been followed all the required action mentioned through RSPO IT Platform such as:

- All product shipping has been announced. Announcement sample showed in the table below:

Shipping date	Transaction ID	Product	Model	Volume	Buyers
31-12-2019	TR-dc5c1592-ce09	PK	MB	1,127.31	PT. DSN, Tbk (Kernel Crushing Plant)
30-11-2019	TR-a64156d5-9c2b	PK	MB	995.05	PT. DSN, Tbk (Kernel Crushing Plant)
15-11-2019	TR-56c9106d-2406	CPO	SG	1,626.01	PT DSN Tbk - Labanan Storage Facility
28-10-2019	TR-6e03320e-f7db	PK	MB	1,110.81	PT. DSN, Tbk (Kernel Crushing Plant)
30-09-2019	TR-d2c9bae0-a5ab	PK	MB	847.8	PT. DSN, Tbk (Kernel Crushing Plant)
06-09-2019	TR-5a96dd29-cc97	PK	MB	572.81	PT. DSN, Tbk (Kernel Crushing Plant)
21-08-2019	TR-cc8eb8f9-0d54	PK	MB	720.81	PT. DSN, Tbk (Kernel Crushing Plant)

- The mill has confirm all transactions conducted.

Based on data in Palmtrace, it was known that the company allocates credit of 34,300 MT, while based on POM 3 sales data for conventional CSPO for the period July - December 2019 amounting to 33,855.66 MT.

**3.8.17**

The site make claims regarding the sell of RSPO certified oil palm products only and has followed the RSPO Rules on Market Communications and Claims. Based on transaction report documents, all CSPO are claims as segregation and CSPK are claims as Mass Balance. The POM 3 did not use RSPO logo on product or off product.

**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 company has policies related to non-discrimination and equal opportunities in the Internal Memorandum (No.:0017/HCO/IM/III/2016) concerning the Declaration of Human Rights Recognition established by Human Capital Group Head on March 14, 2016. The results of interviews with workers such as harvesters, spray workers and contractors were conveyed that the company had provided information on human rights policies. The results of interviews with the management of the Labor Unions and the Management of the Gender Committee revealed that there were no cases of violations of workers' human rights.

**4.1.2**

Company has an Operation Director Memorandum (No. 0030/MS/XI/2016 dated 1 November 2016) related to the policy of not using violence, intimidation, or the use of paramilitaries in resolving disputes/conflicts, as well as SOP for Conflict Handling (No. SOP-AGR-007-R00 dated 15 February 2012), state that the stages of conflict resolution are conducted by deliberation or by legal means.

Results of interviews with stakeholders (Government Agency, representatives of village, and Local Contractors) were found that the company had never used violence or intimidation in resolving disputes, but was deliberated first.

**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**

Based on the interviews with representatives of worker unions, gender committees, and representatives of surrounding village communities such as Diak Lay Village, Benhes Village and Wahau Village, it was discovered that up to the time of the surveillance 1.1, there were no complaints or disputes issuance. As stated by company representatives, specific mechanisms agreed by the parties will be developed if there are significant disputes or complaints. The company can also show the Employee Complaint Handling Procedure (Number: SOP-AGR-054-R02, July 3, 2017) and the External Complaint Communication and Handling Procedure (Number: 044-R01, July 3, 2017) that has been completed with the Complaint Form. The procedure states that the response period for complaints received is 4 days. Not specifically written in the SOP, but based on interviews with HCO staff, stated that any grievance / complaints related to RSPO implementation may also be submitted through the RSPO complain mechanism.

The officer responsible for handling Employee complaints (Internal) is the Human Capital Operating (HCO) Department Head. Complaints can be made via SMS (24 hours) and telephone (during working hours and weekdays), the complaint phone number has also been included in the procedure. Whereas requests for information or External Complaints are submitted in writing and documented by the Legal Department / CSR Operation Dept. Head

Based on the document review in the company complaints monitoring book found that during 2019 there were no complaints from external parties. Complaints are more from internal parties and are dominated by housing facilities. Every complaint has been recorded and documented, for example, such as clogged toilets, leaky roofs, and damage to the electricity network. Every complaint has been responded to and acted upon by the authorities. For example a complaint dated January 2, 2020 from a POM 3 residential generator operator regarding damage to the lighting network in a residential area. The complaint was responded to by the direct supervisor on January 3, 2020 and given recommendations for immediate improvement. Follow-up to the settlement was carried out on January 6, 2020.

**Status: Comply**

**4.3**

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

**4.3.1**

The results of interviews with management, conveyed that the CSR program was prepared based on the participation of the surrounding community. The company shows examples of Social Visit recordings, such as:

- Records on September 8, 2018 in the village of Muara Wahau.
- Records on September 6, 2018 in the village of Muara Wahau (BPD Muara Wahau)

From the results of meetings with the community, a CSR program was prepared in 2019. For the CSR program in 2019, the company arranged a CSR program in the fields of Economy, Environment, Education, and social culture. The company has also shown the CSR realization record to the communities. For example:

- Honorary teacher assistance is realized on July 2019
- Assistance with Islamic activities on May 2019
- Heavy equipment assistance on September 2019
- Etc.

The results of interviews with representative of Muara Wahau Village and Diaklay Village revealed that the company

regularly visits the surrounding community. From the interview results, it was conveyed that the company had provided CSR assistance to the surrounding community in accordance with the identification needs.

**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**

The Unit Certification did not conduct any new development until surveillance 1.1. The Unit Certification has land use rights for Estate (HGU) and land use rights for Mill/building (HGB) covers an area of **9,811.849 ha**. As for the area managed by the certification unit is **9,811.7 ha**. Plantation business permit for Estate (IUP-B) for an area of **± 10,000 ha**, and plantation business permit for mill (IUP-P) with capacity of **60 tons FFB/hour**. The details are as follows :

**POM 3 - PT Dharma Satya Nusantara**

- Decree of HGB No. 20/HGB/BPN-64/2011 dated 2 February 2011, covers 14.70 ha.
- Certificate of HGB No. 04 dated 23 March 2011, covers 14.70 ha, valid until 2031.
- IUP-P based on Decree of Kutai Timur Regent No. 188.4.45/057/Eko.1-V/2011 dated 10 May 2011 covers 60 tons FFB/hour of Mill capacity.

**Long Kejiak 1 Estate, Long Kejiak 2 Estate, Long Kejiak 3 Estate - PT Dharma Intisawit Nugraha:**

- Decree of HGU No. 66-HGU-BPN RI-2007 dated 19 December 2007, covers 9,811.85 ha.
- Certificate of HGU No. 22 dated 15 January 2008, covers 9,811.894 ha then revised to **9,797.149 ha** (reduced by 14.7 ha for Mill's HGB), valid until 2038.
- IUP-B based on Decree of Kutai Timur Regent No. 431/ 01.188.45/HK/IX/2007 dated 24 August 2007, covers + 10,000 Ha area of oil palm plantation.

**4.4.2; 4.4.3; 4.4.4; 4.4.5; 4.4.6**

There is no change / new development in the area of PT DSN-POM 3. Verification results of the document area statement, Decree Letter of HGU, stakeholder interviews (National Land Agency, Village representatives of Muara Wahau and Diak Lay), and field observations are known that the area of PT DSN-POM 3 is not from communities' land, but comes from a forest area that has been released. In the HGU decree it was explained that the entire area of PT DIN originated from a forest area (ex HPH) which was released through the Decree No. 130 / Menhut-II / 2005 dated May 23, 2005 for an area of 10,125 Ha, so there is no compensation process with the community.

However, the company has procedures related to land identification and compensation if at any time will expand or compensate, namely:

- SOP for Land Acquisition No. SOP-AGR-071-R02 dated 1 August 2017.
- SOP for Land compensation No. SOP-AGR-058-R02 dated 2 June 2018.

The procedure explains land identification, surveying, compliance with legality / regulations, negotiation, consultation (FPIC), verification of documents, etc.

**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; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8**

There is no change / new development in the area of PT DSN-POM 3 until surveillance 1.1. Verification results of the document area statement, Decree Letter of HGU, stakeholder interviews (National Land Agency, Village representatives of Muara Wahau and Diak Lay), and field observations are known that the area of PT DSN-POM 3 is not from communities' land, but comes from a forest area that has been released. In the HGU decree it was explained that the entire area of PT DIN originated from a forest area (ex HPH) which was released through the Decree No. 130 / Menhut-II / 2005 dated May 23, 2005 for an area of 10,125 Ha, so there is no compensation process with the community.

	<b>Status: Comply</b>	
<b>4.6</b>		
<b>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.</b>		
<p><b>4.6.1; 4.6.2; 4.6.4</b></p> <p>Unit Certification has procedures related to land identification and compensation if at any time will expand or compensate, namely:</p> <ul style="list-style-type: none"> <li>• SOP for Land Acquisition No. SOP-AGR-071-R02 dated 1 August 2017.</li> <li>• SOP for Land compensation No. SOP-AGR-058-R02 dated 2 June 2018.</li> </ul> <p>The procedure explains land identification, surveying, compliance with legality / regulations, negotiation, consultation (FPIC), verification of documents, etc.</p> <p>Verification results of the document area statement, Decree Letter of HGU, stakeholder interviews (National Land Agency, Village representatives of Muara Wahau and Diak Lay), and field observations are known that the area of PT DSN-POM 3 is not from communities' land, but comes from a forest area that has been released. In the HGU decree it was explained that the entire area of PT DIN originated from a forest area (ex HPH) which was released through the Decree No. 130 / Menhut-II / 2005 dated May 23, 2005 for an area of 10,125 Ha, so there is no compensation process with the community.</p>		
<p><b>4.6.3</b></p> <p>The unit certification (PT DSN-POM 3) has a plasma partnership which is managed in full management by PT DIN (Darma Intisawit Nugraha) which is a POM 3 supply base. The company has also provided equal opportunities for men and women to own plasma land. For example for <i>kemitraan</i> 6 consisting of 73 farmers, ± 19 farmers are women.</p>		
	<b>Status: Comply</b>	
<b>4.7</b>		
<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</b>		
<p><b>4.7.1; 4.7.2;</b></p> <p>Unit Certification has procedures related to land identification and compensation if at any time will expand or compensate, namely:</p> <ul style="list-style-type: none"> <li>• SOP for Land Acquisition No. SOP-AGR-071-R02 dated 1 August 2017.</li> <li>• SOP for Land compensation No. SOP-AGR-058-R02 dated 2 June 2018.</li> </ul> <p>The procedure explains land identification, surveying, compliance with legality / regulations, negotiation, consultation (FPIC), verification of documents, etc.</p> <p>Verification results of the document area statement, Decree Letter of HGU, stakeholder interviews (National Land Agency, Village representatives of Muara Wahau and Diak Lay), and field observations are known that the area of PT DSN-POM 3 is not from communities' land, but comes from a forest area that has been released. In the HGU decree it was explained that the entire area of PT DIN originated from a forest area (ex HPH) which was released through the Decree No. 130 / Menhut-II / 2005 dated May 23, 2005 for an area of 10,125 Ha, so there is no compensation process with the community.</p>		
<p><b>4.7.3</b></p> <p>The company has a partnership with a local community managed by PT DIN, namely <i>kemitraan</i> 3 consist of 515 farmers and <i>kemitraan</i> 6 consist of 73 farmers. Management is carried out in full management by PT DIN. from the interview with the members of the plasma cooperative it was stated that the members had benefited from the formation of the partnership pattern and there were no complaints to the company.</p>		
	<b>Status: Comply</b>	
<b>4.8</b>		
<b>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.</b>		
<p><b>4.8.1; 4.8.2; 4.8.3; 4.8.4</b></p> <p>verification results of the area statement document, Decree Letter of HGU, stakeholder interviews (National Land Agency, village representatives of Diak Lay &amp; Muara Wahau), and field observations are known that no land disputes or conflict</p>		

with the surrounding communities. The interview revealed that PT DSN - POM 3 area is not from communities' land, but comes from a forest area that has been released. In the HGU decree it was explained that the entire area of PT DIN originated from a forest area (ex HPH) which was released through the Decree No. 130 / Menhut-II / 2005 dated May 23, 2005 for an area of 10,125 Ha, so there is no compensation process with the community

**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; 5.1.2; 5.1.3; 5.1.4; 5.1.5 & 5.1.6**

Besides receiving FFB from the own estate, the unit certification also receives FFB from *Kemitraan* 3 and 6 which are managed in full management by the company, as indicated by the agreement as follows:

- *Kemitraan* 3: Based on agreement No 193 / DIR-ARF / DWT / JKT / VIII / 2008 dated August 29, 2008, concerning the Development of Oil Palm Plantation for the community.
- *Kemitraan* 6 : Based on agreement No. 083 / DIR-ND / DIN / JKT / IV / 10 dated 10 April 2010 concerning the Development of Oil Palm Plantation for cooperative members.

The agreement has been known and signed by representatives of both parties and is known by the Regional Government. The results of interviews with cooperative members revealed that the price of FFB from *Kemitraan* was in accordance with prices set by the Plantation Agency and in accordance with the agreement of both parties and there are no complaints regarding the payment of FFB. From the results of the interview it was also conveyed that every payment as well as in the activity / meeting for revenue sharing was always attached with a price list that issued by Plantation Agency. For example, the company shows a record of FFB payments of *Kemitraan* 3 consisting of minutes of purchases and transportation of FFB, recap of voucher, invoice No. 0017 / DI31 / 09/2019 dated 30 September 2019, minutes of the profit sharing and also records of transfers to Harapan Mandiri Cooperative.

**5.1.7**

The results of observations and interviews with the weigh bridge operators obtained information that the certification unit has routinely calibrated the weighing equipment carried out by a third party. The certification unit has also shown documents on the weighbridge calibration carried out in 2019.

**5.1.8**

The company does not accept FFB from independent smallholders.

**5.1.9**

The unit certification has a procedure of communication and external complaints handling document No.SOP-AGR-044-R00 issued date 15 Feb 2013 (mechanism refers to document No. 0215B / SWA-CSR-WHU / VI 2012). The document presents a flow diagram of communication and handling of external complaints at the Jakarta head office, a flow diagram of handling external complaints at the site and attaching forms (requesting information, handling complaints, monitoring requests for information and monitoring external complaints).

The results of interviews with members of the cooperative/kemitraan as well as representatives of the villages of Muara Wahau and Diak Lay conveyed that stakeholders have understood the mechanism if there are complaints to the company. From the results of interviews with stakeholders, it was found that there were no complaints in the last 2-3 years.

**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, 5.2.2 5.2.3 5.2.4 & 5.2.5**

The certification unit supports the improvement of interested smallholders' level of livelihood and participation in the sustainable palm oil explained by Cooperation Agreement for the development of smallholder plantations in form agricultural equipment credit Number MoU No.080 / DIR-ND / DIN / JKT / IV / 10 April 10 2010. Described on MoU the

company will carry out agronomic guidance and technical guidance for BMP (not full manage) for cooperative *Usaha Harapan Baru, Muara Wahau Village, Muara Wahau Sub District, Regency Kutai Timur.*

The company shows programs to improve the level of livelihoods, including at least an increase in the ability to increase productivity, quality, organizational and managerial skills that are explained in the work program of smallholder for period 2019, for example:

- Training related Traceability.
- Training related pesticides and fertilizing application.
- Training related IPM.

The support for legality FFB production for independent smallholder collaborated with government is National Land Agency program for freehold title (SHM) to cooperative *Usaha Harapan Baru*. On 2019 there will be recapitulation data from 294 landowners, already 200 freehold title by government.

There is a work program of scheme smallholder period 2019, explains pesticides management to cooperative *Usaha Harapan Baru* September 3, 2019 related to anticipation of fire caterpillar pests using fogging tools.

The unit of certification regularly review and publicly report on progress of the smallholder support programmed until 2019, based on partnership department review management report in 2020, for example of 294 landowners (cooperative *Usaha Harapan Baru*) 200 farmers has freehold title by government, remaining 94 become work programs on 2020.

**Status: Comply**

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**

**6.1**

**Any form of discrimination is prohibited.**

**6.1.1; 6.1.2; & 6.1.3**

The certification unit has a policy related to non-discrimination and equal opportunities in the Internal Memorandum (No: 0017 / HCO / IM / III / 2016) concerning the Declaration of the Recognition of Human Rights set by the Human Capital Group Head on March 14, 2016. In the memo including stating the commitment to treat each employee according to the principle of equality and without discrimination against differences in religion, language, ethnicity, gender, ethnicity, race, ethnicity, and socioeconomic status. This also applies to the employee recruitment process

This policy can be easily accessed by the public because it is included in information that can be freely accessed. The implementation of the policy can be seen from the composition of employees, which is a combination of migrants and surrounding communities with ethnic and religious diversity.

Based on the interviews with union representatives and manual upkeep workers in block D61 LK3, it is known that the company has given the same treatment to every employee. There has never been a difference based on the similarity of origin and similarity of religion

Recruitment of employees as stated by the assistant and written in the procedure is based on the needs and availability of positions in the company. The company has been able to show examples of assessments and promotions as follows:

- Promotion and Appointment of Employees
  - Employee Decree No.0054 / OSHC / IX / 2019 dated September 26, 2019 states harvest employees with *NPK* (Employee Identification Number) 0052704 from those who were previously contract employees have been appointed as permanent employees as of September 26, 2019
  - Decree on Appointment of Employees No.0061 / OSHC / IX / 2019 dated October 18, 2019 states that the foreman cared for with *NPK* (Employee Identification Number) 0063646 from the previous status of probation employee has been appointed as permanent employee starting from September 26, 2019
- Employee assessment
  - Trial employee evaluation form for *NPK* 0063646, Date of entry to work July 18, 2019. Date of assessment on October 18, 2019 by direct supervisors with an average rating of Good so it is recommended to be appointed as permanent employees (3 down)
  - Trial employee evaluation form for *NPK* 0063646, Date of entry to work July 18, 2019. Date of assessment on

October 18, 2019 by direct supervisors with an average rating of Good so it is recommended to be appointed as permanent employees (3 down)

**6.1.4**

A pregnancy test conducted by the company is not discriminatory but is a form of protection of the reproductive rights of women workers, for example in the case of taking H-1 and H-2 leave. Pregnancy test is carried out once a month by means of urine testing. In addition, H-1 monitoring is always carried out. If a female worker is found to be pregnant, it will be transferred to light work such as child care and general cleaners. Pregnant and lactating women are not allowed to do work that is in direct contact with pesticides and fertilizers.

**6.1.5**

The certification unit has a Women Committee established on January 6, 2017. The purpose of the establishment of the women's committee is to facilitate women workers so they understand more about female issues. The composition of the management of the Gender Committee consists of the chairman, secretary, and one coordinator from each of the afdeling and each emplacement.

In addition to the women committee, attention is paid to the development and empowerment of women by trade unions. The focus of this sector of work is to accommodate the aspirations of women workers related to female issues, the socialization of women's rights, and to provide assistance and protection if there are cases of harassment or violence against women.

Based on the interviews with women workers, for example in block D61 Afdeling 11 LK3 and block G10 Afdeling 2 LK 1 it is known that routine activities carried out by the women committee and the empowerment of women unions include the socialization of women workers reproductive rights, labor day checks, day care checks routine children, and socialization about reproductive health.

**6.1.6**

Based on the interviews with both male and female workers, for example in the G10 Afdeling 2 LK1 block, it was found that there were no cases of wage differentials based on gender. The results of verification of employee payroll for the December 2019 period found the following information:

SKU Wage Slip  
 NPK: 0034886 (Harvesters)  
 Basic Wage: Rp. 2,990,322  
 IKK and IMK: IDR 210,000

NPK: 0040055 (upkeep workers with female gender)  
 Basic wage: Rp. 2,990,322  
 IKK and IMK: 210,000

NPK: 0034886 (Care Workers with female gender)  
 Basic wage: Rp. 2,990,322  
 IKK and IMK: 210,000

Thus it can be concluded that the wages received by each worker are equivalent to their position, years of service and expertise.

**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 shows a joint statement dated August 5, 2019 signed by 6 union chairman under the DSN group such as *SP* PT Swakarsa Sinar Sentosa, *SP* Dharma Intisawit Nugraha, *SP* PT Dharma Agrotama Nusantara, *SP* PT

Dewata Sawit Nusantara, SP PT Karya Prima Agro Sejahtera, and PT Dharma Satya Nusantara. The agreement in question is as long as it does not use *PKB*, then what is used as a reference in labor relations is company regulations. Company regulations which expire in 2019 agree to continue to be used and extend the validity period until the union is ready to submit a Collective Labor Agreement.

The company regulation used is the period 2017 - 2019 which has been approved by the Director General of the Director of Work Requirements of the Ministry of Manpower Republic of Indonesia Number Kep.798 / PHIJSK-PK / PP / VII 2017 dated July 4, 2017. The validity period of *PP* has expired, but as has been agreed by worker union representatives and company representatives, the old document is considered valid until the latest draft (*PP* period 2020-2022) has been approved by the relevant ministry. Ratification of PP 2020-2022 draft itself is still in the process of ratifying the Director General of *PHI* and social security c.q as explained in the certificate No. 01 / PK / PP / I / 2020 dated January 6, 2020 from the Head of the Indonesian Ministry of Manpower Ministry Regulation.

**6.2.2**

The rules of the labor force that are used and agreed upon are in the form of company regulations. The contents of the company regulations themselves include the following:

- CHAPTER I: General
- CHAPTER II: Reception, Placement, Transfer and Promotion of Work
- CHAPTER III: Rules of Procedure
- CHAPTER IV: Wages: Wages and Wage Systems, Wage and Rank Review, Overtime Wages, Wages During Suspension, Wages During Pain
- CHAPTER V: Social Security
- CHAPTER VI: Holidays, Leave and Permission to Leave Work
- CHAPTER VII: Education and Training
- CHAPTER VIII: Chapter of work
- CHAPTER IX: Termination of Employment Relations
- CHAPTER X: Miscellaneous

The basis for remuneration used by the company is based on the government decree namely the Decree of the Governor of East Kalimantan regarding the stipulation of the Minimum Wage in Kutai Timur Regency.

- Year 2019: In accordance with the Decree of the Governor of East Kalimantan Number 561 / K.555 / 2018 dated November 14, 2018 the UMK stipulated was Rp 2,893,333
- Year 2020: In accordance with the Decree of the Governor of East Kalimantan Number 561 / K.609 / 2019 dated 18 November 2019 the stipulated UMK is Rp 3,140,098

In accordance with the Decree of the Board of Directors on Changes to the Minimum Wage No. 083 / DIR / XII / 2018 and No 845 / DIR / XII / 2019 wage determination by the company has referred to the relevant government wage provisions namely :

Year	Group	Minimum Wage	Rice Supply
2019	SKU	Rp 2.893.850	0,5Kg/present day
	Harian Lepas	Rp 115.754/hari	-
2020	SKU	Rp 3.140.100	0,5Kg/present day
	Harian Lepas	Rp 125.064/hari	-

Besides that, HCO Dept. Head also always set wage scale according to the group that will be re-set every year for example for the 2019 period wages in group 1 A the lowest is Rp 2,893,850 and the highest is 3,623,850 idr Whereas for the 2020 period the lowest wage in class 1A is 3,140,100 idr while the lowest IF group in wages is 3,552,760 idr. The difference is influenced by years of service and class of employees.

There is a structure and scale of wages and stipulation of wages by the company as directed by the Decree of the Board of Directors No: 040 / DIR / IX / 2013 dated September 1, 2013 concerning the structure of wages (payroll) for the DSN group as follows:

Group	Location	Wage Component
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		BS	OT	Premi	Job Incentives	IMK	IKK
3 down	Jakarta	√	√				
	Estate (Office)	√	√		√		
	Foreman	√		√	√		
	Mill	√	√				
SKU	Estate	√		√		√	√

\*BS = Basic Salary

\*OT = Overtime

\*IMK = *Insentif Masa Kerja* (Tenure Incentives)

\*IKK = *Insentif Kehadiran Kerja* (Work Attendance Incentives)

The company also shows examples of specific time work agreements, for example with NPK 0066790 workers as harvesters. The agreement is valid from January 11, 2020 until January 10, 2021. The clauses in the employment agreement regulate the rights and obligations of workers such as work time, wage system, *BPJS* program, termination of employment and facilities obtained.

**6.2.4**

The welfare facilities and infrastructure provided by the company to its workers include residential houses, worship, sports facilities and other welfare facilities such as day care facilities, clean water facilities, and availability of electricity. In addition there are also kinetic facilities as health facilities. Based on the interviews and field visits to afdeling 9 LK3 housing and LK1 housing it is known that the housing conditions are good. Waste is managed and will be disposed of in landfills. Sanitary conditions are good and there are no blocked waterways.

**6.2.5**

Based on the interviews with occupants housing employees in LK1, LK2, and LK3 as well as representatives of gender committees and trade unions, it is known that access to food is easily accessible. The drive distance from the unit to the regency city is around 1 hour. The company also provides bus vehicles every two weeks for employee shopping needs. Periodically there are sellers of foodstuffs especially for vegetables and side dishes that enter the plantation area at the most every two weeks. In addition there is also the Mandiri Sejahtera Cooperative, which one of the fields of business is in terms of supplying basic goods (basic needs). Based on this it can be concluded that the certification unit has made efforts to improve workers' access to getting decent, adequate and affordable food

**6.2.6**

The wage eligibility standard referred to by the certification unit is the District Minimum Wage. A detailed explanation of District Minimum Wage is shown in indicator 6.2.2. The DLW Benchmark for Indonesia has not been established yet, however, the company has conducted a calculation of Prevailing Wage calculations. The components included in the calculation of decent living wages include the following:

- District Minimum Wage year 2020: 3,140,000.00 IDR
- Rice: 390,000 IDR
- Housing, electricity, clean water needs are provided free of charge by the company. If estimated in rupiah, the value is around Rp1,460,000.00

**6.2.7**

Based on a review of documents and interviews with representatives of trade unions and the human capital division, it is known that the composition of employees in the certification unit is 3Down and *SKU*. 3Down itself is a term for a trial employee (3 months) and is declared successful in qualifying to become a permanent employee. Which is classified into the 3down is the foreman above. *SKU* are also permanent employees but are intended for implementing employees. Thus it can be concluded that all core work has been carried out by permanent / full time workers.

**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;6.3.2 & 6.3.2**

The company has Memo Number 0014 / HCO / M / V / 2016 dated May 12, 2016 concerning the Implementation of Industrial Relations and Association which is approved by the Human Capital Group Head of DSN. The memo included mentioning the freedom of employees to be independent, open, accountable and democratic to establish Worker Unions as stipulated in government regulations.

The implementation of the policy is the formation of an employee union and has been registered with the Kutai Timur Regency Manpower and Transmigration Office with evidence of recording: 08/02 / SP-SB / Disnakertrans-HIJ / III / 2017 dated March 7, 2017. For *PKB* as stated explained in indicator 6.2.1 it has not been compiled yet. So it still uses company regulations

- Records of internal meetings of worker unions or between unions and companies representatives include the following:
- Meeting on preparation for the May Day 2019 Commemoration Plan on April 2, 2019 which was attended by 9 union members. In its conclusion, the May Day commemoration will be carried out by conducting competitions so as to create a positive competitive spirit
  - Regular meeting between the union and the employer on July 20, 2019 which was attended by 8 representatives from the union and the entrepreneur. In its minutes it was stated that in principle the company supported the formation of a Collective Labor Agreement and recommended that the PT DSN group unions especially the estuary area be able to coordinate in the preparation of the Collective Labor Agreement.

Based on the interviews with the majority of workers such as engine room operators, boiler operators, and maintenance foreman in mill as well as harvest workers in block F56, EFB workers in block G20, and spraying teams in block G10 and block D61 it is known that the process of selecting workers leaders is based on deliberation (voting) from all union members. There is no interference let alone direct appointment from the company.

	<b>Status: Comply</b>	
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**6.4  
Children are not employed or exploited.**

**6.4.1; 6.4.2; 6.4.3; & 6.4.4**

The policy regarding the age limit of workers is contained in company regulations for the period 2017 - 2019 article 5 which states that one of the conditions in the recruitment process is that of an adult and at least 18 years of age at the time of admission. In addition, employment contracts with clause contractors without child labor have also been included. To reinforce and socialize the policy, the company makes warnings at strategic places such as security post, housing area, and block area regarding the prohibition of employing workers under the age of 18 years.

Based on interviews with representatives of contractor workers in 9 LK3 afdeling housing, it is known that socialization regarding the age limit of workers is always conveyed. In addition there is regular supervision from staff to ensure compliance with these policies. The results of a review of the employee registration document and interviews with the harvest foreman and care foreman revealed that there were no workers under the age of 18

	<b>Status: Comply</b>	
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**6.5  
There is no harassment or abuse in the workplace, and reproductive rights are protected.**

**6.5.1**

The certification unit can show the SOP on Prevention of Sexual Violence Against Women (No. : SOP-AGR-049-R01) which was ratified on November 1, 2013. The procedure, among others, has explained the stages of handling in case of cases of violence or sexual harassment and who is responsible for escorting and resolving the problem.

Based on the interviews with women workers in block D61 and block G10 it is known that during the 2019 period there were no issues regarding sexual harassment and violence. Women workers also knew about the existence and function of the women committee and the worker union women empowerment division. The form of policy socialization can be seen from the warnings that are installed in strategic areas such as main office, division offices, and housing areas.

**6.5.2**

The reproductive rights policy is regulated in a Memorandum (No. : 0011 / HCO / M / III / 2016) concerning Pregnant and Breastfeeding Women Workers which was established on March 14, 2016. The policy includes a prohibition for pregnant and breastfeeding workers to work with chemicals and rules regarding H-1 and H-2 leave

Based on the interviews with women workers in blocks D61 and G10 the policy has been implemented for example the mutation of pregnant and breastfeeding workers to lighter jobs and not in direct contact with chemicals. In addition, the granting of H-1 and H-2 has also been given to workers in accordance with the actual conditions and targeted by the medical team

**6.5.3**

Based on the field observation to afdeling 9 LK3 emplacement and LK2 housing, it was found that in order to accommodate the needs of young mothers, especially in terms of privacy, giving breastmilk to children, the company has provided Breastmilk Corner (Nursery Room). In addition, information obtained from female worker, mothers is given a special time for 1 hour to provide breast milk for their children. May be done at Breast milk Corner and their respective homes.

**6.5.4**

The company has a communication and consultation document system number 0215B / SWA-CSR-WHU / VI 2012. This document explains and regulates the procedures for the company and the community, local NGOs and other local organizations / individuals to communicate and consult with each other about mutual interests as well as existing problems so that good dialogue, discussion, discussion and deliberation can be achieved and can be accepted by all parties.

In point 3 the mechanism for reporting violations that would be kept confidential (whistle blowing and anonymity) states that any violations and other unethical actions can be reported confidentially in good faith for the benefit of the company or stakeholders. There is a communication procedure and external complaints handling document number SOP-AGR-044-R01 dated 3 July 2017 (referring mechanism to document Number 0215B / SWA-CSR-WHU / VI 2012).

The company also has an Employee Complaints Handling mechanism, namely Procedure Number SOP-AGR-054-ROO. The purpose of this SOP is to ensure that employees receive proper treatment in accordance with company regulations and applicable laws and regulations and minimize dissatisfaction or injustice felt by employees.

**Complaint Records**

Internal POM 3: More about housing facilities such as clogged toilets, leaky roofs, and damage to the electricity network. Every complaint has been responded to and acted upon by the authorities. For example a complaint dated January 2, 2020 from a POM 3 residential generator operator regarding damage to the lighting network in a residential area. The complaint was responded by the direct supervisor on January 3, 2020 and given recommendations to immediately make improvements. Follow-up to the settlement was carried out on January 6, 2020.

	<b>Status: Comply</b>	
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**6.6**  
**No forms of forced or trafficked labour are used.**

**6.6.1 & 6.6.2**

There are no migrant workers working in the company operational area. All workers come from within one country (although from various regions). In addition, each worker has been equipped with a clear employment contract. Workers' rights and obligations are also clearly stated in company regulations

	<b>Status: Comply</b>	
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**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 management unit has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. Guiding Committee of Occupational Safety & Health Board has drafted an OHS working program and evaluates the implementation of OHS program in the field. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The interview result with Manpower and Transmigration Agency in Kutai Timur

Regency revealed that the management unit has submitted the guiding committee for occupational health and safety's periodic report every 3 months. The guiding committee for occupational health and safety report covers the entire occupational health and safety activity within company's operation activity.

OHS committee has been authorized by the authorized service in accordance with the Decree of the Head of the Manpower and Transmigration Office of East Kalimantan Province No: KEP.566 / 1960 / P2K3 / PPK / DTKT / 2018 concerning the Ratification of OHS Committee of PT Dharma Satya Nusantara – PKS 3 dated 01 October 2018 and the Decree Head of the Manpower and Transmigration Office of East Kalimantan Province No: KEP.566 / 3059 / P2K3 / PPK / DTKT / 2019 concerning the Ratification of OHS committee of PT Dharma Inti Sawit Nugraha on November 1, 2019

The OHS committee holds regular meetings every month to formulate a *P2K3* quarterly report that is routinely sent to the relevant agencies. The contents of the discussion include discussing the OHS work program, evaluating if there are work accidents, OHS Inspection, recording routine meetings, the results of periodic health checks, and a list of company employees as a basis for monitoring OHS plans

### 6.7.2

Unit of certification has a procedure for emergency response, for example Procedure of First Aid, Procedure of Handling Accidents and Work Diseases and Procedure of Emergency Preparedness. Based on field observation to POM 3, it was found that Hydrant, fire extinguisher, first aid box were properly monitored and maintained. Moreover, hydrant was satisfactory works during simulation. Based on field visit, company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*. At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field, supervisors was carrying first aid kits during his work in the field, and mill was also equipped with first aid kits. Based on interview with supervisor, it is known that he understood the first aid mechanism in case of emergency.

The company can show the records of first aid training as follows

- First aid training on 8 June 2019 with number of participants are 8 persons including mill and estate
- Fire extinguisher on 26 October 2019 with number of participants are 14 persons
- Safety training on 30 July 2019 with number of participants are 25 persons

### 6.7.3

Based on the field observation on estate and mill operational activities, it is known that PPE has been provided free of charge for each worker. PPE given is adapted to the location and type of work provided, for example:

- Sterilizer: Safety shoes, masks, and helmets
- Spraying: Face shield, gloves, boots, apron, and mask- Harvest: Helmets, shoes and glasses

However, during field observation to mill and estate activities, a few workers did not use PPE given for example masks at the sterilizer station (1 from two operator), and 2 from eight spraying worker use their own rubber boots during the circle and path spraying (workers said they were actually given, but kept and stored using your own boots). Furthermore, the results of interviews with factory workers at 4 relevant stations stated that they did not understand how to apply for PPE replacement if damaged and the replacement had not yet arrived.

An OHS compliance inspection has been conducted every month by the EHS team. In addition, the company has also actually provided a reserve PPE stock for both estate and mill workers such as helmets, masks, boots, safety shoes, etc.

Therefore :

- The company has the opportunity to be able to evaluate the period of PPE inspection and re-ensure that all PPE given has been used in an orderly manner by workers. **OFI**
- The company has the opportunity to be able to ensure an understanding of the mechanism for replacing damaged PPE and the replacement has not yet been conveyed to all employees. **OFI**

**6.7.4**

The form of health protection and work accident insurance provided by the company is in the form of the inclusion of all employees in the *BPJS TK* (Work Insurance) and *BPJS Kesehatan* (Health Insurance). There is evidence of participation in the form of payment of the following contributions:

*BPJS Ketenagakerjaan* (Work Insurance)

## - POM 3

Payment on January 6, 2020 for the December 2019 period through a BRI bank with transaction number 000005227025 for 106 employees

## - LK1

Payment on January 6, 2020 for the December 2019 period through a BRI bank with transaction number 000005226553 for 331 employees

## - LK2

Payment on January 6, 2020 for the December 2019 period through a BRI bank with transaction number 000005226699 for 318 employees

## - LK3

Payment on January 6, 2020 for the December 2019 period through a BRI bank with transaction number 000005226619 for 393 employees

*BPJS Kesehatan* (Health Insurance)

## - POM 3

Proof of transfer number 61868527 through BRI bank for the payment of *BPJS Kesehatan* for the period of December 2019 for 106 employees and 90 dependents

## - LK1

Proof of transfer number 61868073 through BRI bank for the payment of *BPJS Kesehatan* for the December 2019 period for 106 employees and 90 dependents

## - LK2

Proof of transfer number 61868112 through BRI bank for the payment of *BPJS Kesehatan* for December 2019 for 318 employees and 245 dependents

## - LK3

Proof of transfer number 61868145 through BRI bank for the payment of *BPJS Kesehatan* for the period of December 2019 for 393 employees and 254 dependents

**6.7.5**

The recording of work accidents has been done regularly and is always recorded in the *P2K3* report which is reported regularly every quarter to the relevant Agency. In addition, the company also has an annual LTA calculation table for each unit (factory and plantation). The person in charge of LTA calculation is the *P2K3* team with the main PIC being the *P2K3* secretary who has attended OHS expert training.

The LTA records for the 2019 period shown by the company are as follows:

## ● POM 3

FR: 0.65

SR: 0.65

Number of work accidents causing lost days: 1

Lost Work Days: 1

Total Working Hours of Employees: 1,454,336

## ● PT DIN (LK1, LK2, LK3)

3down Office and Field Employees: Zero

SKU: FR 1.86 SR: 1.86

Number of work accidents causing lost days: 1

Lost Work Days: 1

Total Working Hours of Employees: 537,329

Based on the LTA known during the 2019 period for POM 3 the value of frequency rate and severity rate is 0.65. While for PT DIN the value of frequency rate and severity rate is 1.86. The calculation of FR and SR itself is obtained from the following calculation:

- FR: Victims of working day accidents missing / number of hours worked x 1,000,000 (constant)
- SR: Number of days lost due to work accident / number of hours worked x 1,000,000 (constant)

**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 had an IPM procedure as follows:

- Work instruction of Early detection pest and diseases (IK-AGR-OLP-13-R00) who described if early detection conducted every month in all blocks and observe leaf eater caterpillar
- Work instruction Pest and Diseases Control (IK-AGR-OLP-14-R00) who described the activity of pest and diseases control and the critical threshold for all pest that's observed, for instance:
  1. Critical threshold for leaf eater caterpillar are between 10 – 40 depends on the type of caterpillar
  2. Critical threshold for rats is 5 % from the sample that's observed
  3. Critical threshold for a termite is 5 % from the sample that's observed

The company maintains records of conducting pest and disease detections once a month at each estate, which is done for nettle caterpillars, bagworms, rats and spike moths (*Tiratabha* sp.). Whereas for detection of diseases symptom conducted every three months inherence with pest detection.

The integrated pest management program was implemented by the company and is monitored and evaluated every month. The evaluation is in the form of a Matrix of pest infestation and disease symptoms that describes the type of pest; attack average; analysis of the attack, level to the threshold; conclusion to determine control techniques if needed. Based on data and summary of the census of 2019 in LK1, LK 2 and LK 3, it is known that there are no pest infestation and disease symptoms that exceed the economic threshold. So there is no usage of pesticides for pest and disease control. This is verified by field observation in LK1, LK 2 and LK 3, visually there are no symptoms the presence of leaf eater caterpillar infestation on the canopy, or the rat's infestation on the FFB collected in the FFB platform.

The unit of certification also implements biological pest management methods such as planting beneficial plants such as *turnera* sp. that attract natural predators of leaf-eating insects. Plantings of *turnera* species are planted along most of the estate main roads. Meanwhile to prevent rats' infestation the company also installed BOB in ratio 1 box for 25 ha area. Documents verifications it's known if there is 117 BOB in LK1, 124 BOB in LK2 and 115 BOB in LK3.

Training for IPM workers has been conducted by the unit of certifications. The training was held by the human capital development department, the last training held on 10 August 2019 and 16 November 2019, with a training theme about pest and disease control. Based on the interview with the workers it was known if the workers have understood the IPM procedures and technique as well as the type of pest and diseases

**7.1.2; 7.1.3**

Documents verifications in LK1, LK2 and LK3 and interview with management as well as field observation in estate it was known there were no species referenced in the global database and CABI.org that used by the unit of certification. Furthermore, 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; 7.2.5**

The unit of certification has had work Instruction *Penentuan Jenis Dosis dan Aplikator Pestisida* (IK-AGR-OLP-16-R01) that's described agrochemical that's in accordance with weed that found. Documents verifications the pesticide that's used are specific characteristics for certain targets, for example, Gyphosat for narrow and wide leaf weeds and metyl metsulfuron for woody growth. Since 2013 the company no longer use "direct Pesticide like paraquat that can eradicate all of the weeds. Furthermore the results of document review and field observation in the chemical storage obtained information if the unit of certification does not use pesticide in categories WHO 1A and 1B. In the list of pesticides used, it was known that the pesticides used were categorized in WHO Class III and uncategorized. The pesticides used were Metaprima 20 WG™ (a.i Methylmetsulfuron), Kleen Up 480 SL™ (a.i Isopropilamina gyphosate), and Starane 480 EC™ (a.i Fluroksipir).

The unit of certification used the chemicals that registered and allowed by the Government as [www.pesticide.id](http://www.pesticide.id) and also reported their chemical usage to the Head of Labour and Transmigration of Kutai Timur Regency through the letter-number 021/P2K3-DIN/VII/2019 and there is evidence of receipt in the form of stamp from the institution. Based on documents verifications, field visit to pesticide storage and interview with management and pesticide applicator obtained information if the company didn't use the pesticide that prohibited by the government as mentioned in Annex II Regulation of Ministry of Agriculture No 39 the year of 2015 about Pesticide Registration, for example, aldrin, formaldehida, monokrotofos, etc.

### 7.2.2

The routine pesticides application were 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, for Isopropilamina Glifosat toxicity amount of 0.086 Ltr /ha and Fluroksipir metil heptil ester 295 g/L toxicity amount of 0.003 Ltr/Ha

### 7.2.3; 7.2.4; 7.2.9

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. The unit of certification does not use pesticides prophylactically. If the conditions of the circle and harvesting path are still quite standard, the weed control will be postponed. Based on the observation on spraying activities, the application method is not a preventive application, but rather selective for locations that have weeds. Circle and path spraying conducted by the unit of certification three times a year using the selective pesticide. Field observation in Block G24 LK1 it's known if the workers already know the method of selective spraying for instance only spray the circle or path that there is a weed and if there are no weeds are not be spraying, furthermore Based on document review, field observation, as well as stakeholder consultation, known that the CH did not apply pesticides from the air.

### 7.2.6

Based on field observation, interview with workers in Block G24 LK1 as well as interview with management, the unit of certification can be presented that pesticide application carried out by trained persons and in accordance with applicable guidelines in product label and storage, as evidenced with:

- The workers equipped with PPE like shoes, helmets that equipped with face-protection glass, apron, shirts and trousers, masks and nitrile gloves. The type of PPE has been in accordance with the recommendation of MSDS for Glyphosate and methyl metsulfuron.
- The workers were able to explain and demonstrate the job in accordance with the procedure, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV area and riparian zone)
- Pesticide solutions are mixed in pesticide warehouses and transported by special vehicles for safety aspect and to reduce environmental pollutions.
- related the food that brought to the field, the management unit has been provided a special box to minimize risk of negative impacts
- 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 in pesticide storage in LK1, LK2, and LK3 it was known the pesticide has been stored properly in accordance with the procedure. Pesticides are stored in a special place separate from others and placed in accordance with the characteristics. chemical storage has been equipped with signboards and hazardous symbols for the chemical by category, complete series Material Safety Data Sheet, chemical logbook, emergency response manual, first aid kit and personal protective equipment for storage office

**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 19<sup>th</sup> October 2015).. Inventory for all chemicals used and its containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers kept on temporary hazardous storage at each estate.

Based on an interview with the sprayer team found that workers recognized how to properly dispose of waste materials and workers have been trained by the company about waste and hazardous materials handling. Field visits during the audit on LK1, LK2 and LK3 housing found there are no indications that ex agrochemical containers are used for other household purposes (for example flower pots and potable water containers).

**7.2.10**

- Periodic Medical Checkup

The company has conducted regular health checks for mill and estate workers. In the OHS plan matrix it states that regular health checks for employees include MCU, Audiometry, and Spirometry once a year and CHE checks twice a year.

Estate :

Has conducted spirometry examinations for 107 LK1 upkeep worker, 97 LK2 upkeep worker and 163 LK3 upkeep worker. In addition, there were also CHE examinations for 11 LK1 pesticide applicator, 17 LK2 pesticide applicator and 44 LK3 pesticide applicator. It also carried out audiometric examinations for 20 generator sets and heavy equipment operators.

**Status: Comply**

**7.3**

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

**7.3.1**

The registry for waste (included toxic and hazardous waste) products produced from mill and estates are identified and listed on 2019 identification and evaluation of pollution source document for example mill waste water are managed at waste water treatment plant before it distributed as land applications, hazardous waste were kept at temporary hazardous waste storage.

Ex chemicals and their containers including hazardous waste are disposed responsibly based on procedure IK-AGR-SHE-09-R02. Inventory for all chemicals usage and it containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers kept on temporary hazardous storage at LK1, LK2, LK3 estate and POM 3 mill and the company has a permit for hazardous and toxic waste storage issued by decree of Kutai Timur regent No 660/K.544/2016 for estate and decree No 660/K.135/2018 for POM 3, until audit ASA 1.1 the permit still valid.

Document review shown that company has sent all toxic and hazardous waste to PT Sumber Rezeki Abadi Jaya (licensed collector by decree of national environmental minister) on 9 December 2019 (manifest are available and checked by auditors). Observation during audits at temporary hazardous & toxic waste storage shown that all of hazardous waste are compliant with the periods in permit (< 180 days).

**7.3.2 & 7.3.3**

The company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. The effort taken by the company are:

- Domestic waste: based on field observation, the company has collected domestic waste periodically and dump it to the landfill and its known that location of landfill is far away from waterways and the housing area.
- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on field visit EFB

application is well managed.

- Shell and fiber are reused for engine fuel of boiler. It reduce the carbon emission from the combustion of fossil fuel.
- POME use for fertilizer, based on field visit the condition of flatbed has been maintenance well and no environmental pollution potential.
- The managing for clinical waste, the company also has cooperation with licensed parties such as PT Kaltim Medika Utama.

Based on document review and field observation found that Company shown proper management ways for Ex chemical containers, medical waste, and other hazardous / non hazardous waste disposal, based on procedures and based on waste management plan 2019. Field observation on LK1, LK2 and LK3 housing for example found that companies managed settlements/housing domestic waste by provide landfill on each afdeling and sort the organic/an-organic waste, no open fire for waste disposal.

**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**

The unit of certification 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.

**7.4.2**

The management unit routinely been conducting of soil and leaf analysis periodically conducted as follows (1) (Soil Analysis, which is done regularly every 6 years measuring the following parameters; texture, acidity (pH), contents of C, N, P, K, Mg, Ca, Na, BS, CEC, Al and H. (2) Leaf Analysis, which is done every year as a guide to determine the fertilizing recommendation, by monitoring the following parameters; Indicator Major elements namely N, P, K, Mg and Ca and Indicator Minor elements namely B, Cu, Zn and F and (3) Visual Analysis, which is done as part of the points in determining the fertilizing recommendation, identifying nutrient deficiency symptoms, and analyzing the disease attacks that are potential in becoming an endemic of certain disease. The last soil analysis conducted on 2017 and the leaf analysis conducted in 2019 for fertilizer recommendation in 2020, both analysis carried out by PT Nusa Pusaka Kencana Analytical & QC Laboratory

**7.4.3; 7.4.4**

Nutrient recycling strategy as a part of increasing soil fertility has been conducted, such as EFB mulching application and POME land application. The result from the field visit indicated that such activity has been correctly done in accordance with the provided recommendation with a dosage of 40 Tonnes/Ha. Field observation in LK1 Block G20, it is known that the EFB mulching application has been implemented especially in a sandy area with a dosage of 40 tonnes/ha/year. Whereas in LK 3 Block G 49, POME land application with a dose of 750 tonnes/ha/year in three rotation (250 tonnes/ha/rotation) has been implemented.

Records of fertilization have been shown in the document of records fertilizer progress of 2019, which includes the program and realization of fertilization. Based on document review in each Estate, it shows that the manuring activity (time, location, dose, and amount) has been in accordance with the recommendation. The an-organic fertilizer used by the unit of certification is Hikay, with average fertilizer input for each palm tree is 9.5 kg.

Overall, the unit of certification has made efforts to maintain and improve soil fertility. Visually, there is no symptom of nutrient deficiency at the blocks that have been visited. Based on production data from 12 months before assessment

(January – December 2019), showing reasonable productivity, that is average 32.58 ton/ha/year with average planting age is for PT DIN is 11 years.

**Status: Comply**

**7.5 Practices minimise and control erosion and degradation of soils.**

**7.5.1, 7.5.2, 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 8,249 hectares or 94.29 % of the total area and the category S3 (Marginal Suitable) covering an area of 500 ha or 5.71% of the total area. The slope map informed that 94.51% area categorized as flat to undulating (0 – 15% slope) and the rest is categorized as undulating to hilly (15 – 25% slope).

Based on field observation in LK1, LK2 and LK3, it is known that the area is relatively flat and there is no contour terrace, but individual terrace in certain area. Management of certain slopes include the EFB application found, front stacking using U shape system, and selective weeding by not spraying soft fern (*Neprolepis bisserata*) in interrow. 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, 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. 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 8,249 hectares or 94.29 % of the total area and the category S3 (Marginal Suitable) covering an area of 500 ha or 5.71% of the total area. The slope map informed that 94.51% 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 40 tons/ha/round, to improve soil nutrition. For undulating or hilly area, the company implementing individual terrace/platform

The existence of soil map containing information on soil classification, texture, drainage, limiting factors, rocks, and suitability information for the development of oil palm plantation has helped the company used by the company to arrange the block, roads, drainage, bridge, etc. The company also has a Road Maintenance Program equipped with the proper infrastructure and facilities to do such work. According to the result of field visit, the roads are in good condition and the FFB harvested are smoothly transported to the mill. The oil palm in operational area were first cycle, neither replanting nor new planting activity

**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; 7.7.2; 7.7.3; 7.7.4; 7.7.5; 7.7.6; 7.7.7**

Based on the company's Soil Map on Detailed Soil Survey document, and field observation, known that there is no peatland in the operational area. Soil types which are generally of types *Kanhapludults*, *Kandiudults* and *Udifulvents*.

**Status: Comply**

**7.8 Practices maintain the quality and availability of surface and groundwater**

**7.8.1**

The company has a water management plan that take account of the efficiency of use and renewability of sources. The management plan has described in EIA implementation report 2<sup>nd</sup> of 2019. The plan described the objectives such as water sources including catchment pond, rainfall records, water requirement, current, water quality and contingency plan.

Company also conducted regularly water quality testing every semester for Wahau river based on RKL/RPL matrix. Document review shown that 2<sup>nd</sup> semester 2019 testing result for Wahau river quality (upstream and downstream) are still compliant with standard quality (governor's regulations Kalimantan timur Number 2 year 2011). Based on workers interview on estate housing shown that drinking water for them originated from refill water and PKS 3 Mill also provides clean water access for all workers.

**7.8.2**

The company has identified rivers and wetlands inside plantation area. Analysis of HCV containing distribution maps of the river in the area of PT DSN - POM 3. The HCV identification conducted by using HCV identification guides in Indonesia on June 2008.

Company provided procedures for riparian areas protection/conservations listed on IK-AGR-SHE-06-R02 dated 17 January 2019 document. Field visit during audit, for examples on Kenden Besar river block H-12 afdeling 2 (LK1), Sung River, block H31 afdeling 5 (LK2), Blew River block H43 afdeling 7 (LK3), acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border. Company has identified and shown the maps for catchment areas (including riparian) with 1:50000 scale. HCV identification document shown there is some river flow on estate such as Bleu river, Kenden besar river, and Sung river.

**7.8.3**

Mill effluent produced by PKS 3 processed at waste water treatment plant (WWTP) based on POME management procedures, until it complying with standards before it discharged to LK3 estate as land applications based on decree of Kutai Timur regent No 660/K.308/2017 valid until 2020.

Waste water quality testing document review shown for September to November 2019, all of POME testing parameters are compliant to the standards quality, and all of waste water management and monitoring has been reported to related institutions per 3 month regularly. Base on observation on POM 3 POME treatment plant during audit found there is no leakage indications and these area are managed well.

**7.8.4**

Base observations on POM 3 water treatment plant found monitoring for raw and process water usage was done by WTP officer periodically, and flowmeters at inlet/outlet serves normally. Procedure for Mill water usage and monitoring are provided and has been listed on procedure no IK-AGR-PRO-17-R01 (Water Treatment). Standards of water usage for FFB process has defined on 2019 budget projected 1.4 m<sup>3</sup>/mt FFB processed. Water usage monitoring was done recorded and summarized every month. The CH recorded its actual water use. The average water use per tonne FFB for period of January – December 2019 is 1.3 m<sup>3</sup>/ton FFB, while budget for water consumption for period 2019 is 1.4 m<sup>3</sup>/ton FFB.

**Status: Comply**

**7.9**

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

The company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells and fiber period January to December 2019 has produces 1,419,140 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 29.3 kwh / ton FFB. Result Direct fossil fuel used is 0.90 kWh/ 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**

Based on auditor verification result during audit known data pesticides usages monitoring, data diesel fuel monitoring, HCV identification, data POME, total planted area and etc. found that accurate data has been put into the RSPO palm GHG Calculator. Meanwhile this GHG calculation using options No 1 (apply full version).

GHG calculation on 2018 shown net emission of GHG are decreasing compared to 2019 net GHG is 0.91 tCO<sub>2</sub>e/t Product vs 1 tCO<sub>2</sub>e/t Product for year 2018 period while period year 2019 decreased 0.72 tCO<sub>2</sub>e/t Product and this indicates

company has implemented well plan to reduce emission.

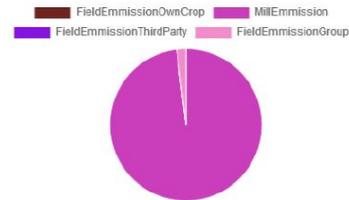
Calculation of GHG and its monitoring has conducted by EHS department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for PKS 3 and its supply base are listed as follows :  
PT DSN Mill 3 - 2019 Summary

**Summary Emission**

Product	tCOe2 / tProduct	Action
CPO	0.72	
PK	0.72	
PKO	0.00	
PKE	0.00	

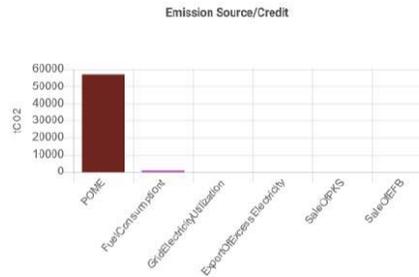
  

Description	Unit	Value	Action
Oil palm planted on mineral soil	Ha	15362.76	<input type="checkbox"/>
Oil palm planted area on peat	Ha	0.00	<input type="checkbox"/>
Total oil palm planted area	Ha	15362.76	<input type="checkbox"/>
Conservation area (Forested)	Ha	0.00	<input type="checkbox"/>
Conservation area (Non-Forested)	Ha	971.00	<input type="checkbox"/>
FFB Production per hectare	t/ha	11.73	<input type="checkbox"/>
OER	%	23.61	<input type="checkbox"/>
KER	%	3.68	<input type="checkbox"/>



**Mill Emissions and Credits**

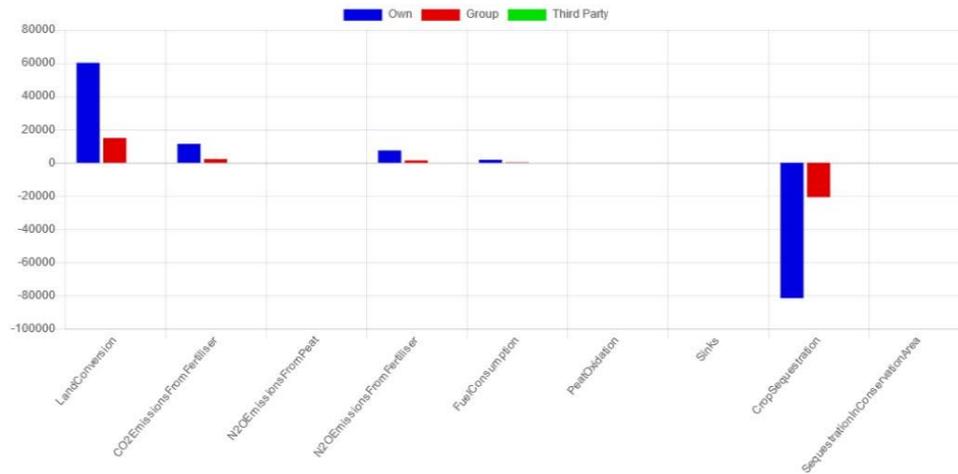
Description	tCO2	tCO2e/t FFB	Action
<b>Emission Sources</b>			
POME	56968.00	0.20	
Fuel Consumption	1259.25	0.00	
Grid Electricity Utilisation	0.00	0.00	
<b>Credits</b>			
Export of Excess Electricity to Housing & Grid	0.00	0.00	
Sale of PKS	0.00	0.00	
Sale of FFB	0.00	0.00	
<b>Total</b>	<b>58247.25</b>	<b>0.20</b>	



**Estate/Plantation field emissions and sinks**

Description	Own			Group			3rd Party			Total
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	
<b>Emission Source</b>										
Land Conversion	60524.23	6.92	0.27	15201.77	2.00	0.23	0.00	0.00	0.00	75725.99
CO2 Emissions from Fertiliser	11659.72	1.33	0.05	2487.79	0.33	0.04	0.00	0.00	0.00	14147.51
N2O Emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N2O Emissions from Fertiliser	7690.43	0.88	0.03	1672.59	0.22	0.03	0.00	0.00	0.00	9363.02
Fuel Consumption	2050.80	0.23	0.01	490.35	0.06	0.01	0.00	0.00	0.00	2541.15
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sinks</b>										
Crop Sequestration	-81914.05	-9.36	-0.36	-20988.37	-2.76	-0.32	0.00	0.00	0.00	-102902.42
Sequestration in Conservation Area	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>11.13</b>	<b>0.00</b>	<b>0.00</b>	<b>-1135.87</b>	<b>-0.15</b>	<b>-0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1124.75</b>

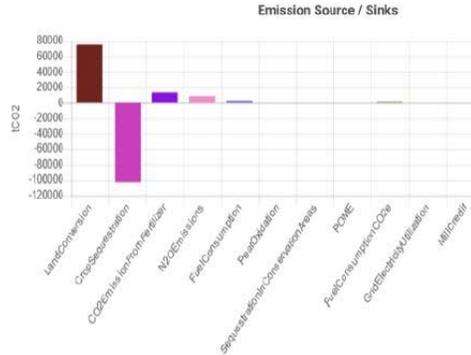
Field Emission and Sinks



Emissions from Palm Kernel Crusher

Emission Source	tCO2e
PK from own mill	0.00
PK from other sources	0.00
Fuel Consumption	0.00
Total Crusher Emissions	0.00

This mill has no kernel crusher operation



**7.10.2 & 7.10.3**

Based on planting year data, known the company planted from 2005 to 2008. Until surveillance 1.1 no new planting activities above 15 November 2018.

The company has identified pollutions and emissions sources of POM 3, such as CO<sub>2</sub> (boiler, generator, transportation), CH<sub>4</sub> (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for estate are listed on the identification documents and management plans for pollution sources for the period 2019, such as: emissions (CO<sub>2</sub>, CO), noise, chemical waste, organic and inorganic waste and infectious waste. Plans to reduce or minimize has been implemented and monitored as explained on RKL-RPL semester II year 2019.

Fossil fuel reducing on POM 3 palm oil mill have been implemented by fiber/shell usage for boiler. POME has been monitored every months and monitoring periods September to November 2019, shown that all of POME testing parameters is compliant to the standards quality.

**Status: Comply**

**7.11 Fire is not used for preparing land and is prevented in the managed area.**

**7.11.1, 7.11.2 & 7.11.3**

During ASA-1.1 audit, company do not conduct any new development and replanting activities. Zero burning policy has been developed and listed on DSN Group Sustainability policy and also listed on procedures land clearing IK-AGR-OLP-01-R02. No evidence of burning of land in the operational area visited by the auditor.

The company has involved stakeholders on locations border operational areas as an effort to prevent and control fires through socialization and simulation of land fires on 30 August 2019 involving Muara Wahau and Jabdan villages.

	<b>Status: Comply</b>	
<p><b>7.12</b>  <b>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.</b></p>		
<p><b>7.12. 1, 7.12. 2 &amp; 7.12.3</b>            Based on area statement, known the company planted 2005 to 2008. Until surveillance 1.1 conducted, no new planting activities above 15 November 2018.</p> <p>The Company has been conducted HCV assessment for the entire area of operations which done by the RSPO Approve Assessor on 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia on June 2008 and involving local stakeholders by stakeholder consultation on 2011.</p> <p>These identifications indicates there is HCV 1.2, 1.3, 3, 4.1, 5 presence on PT DIN covered for <b>646 ha</b> areas. All of indicates HCV areas was mapped by 1:50000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species presence.</p> <p>Base on document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover country, Consultancy report on definitions and recommendations to the RSPO June 2018 as known not set HFCL for Indonesia.</p> <p><b>7.12.4, 7.12.5, 7.12.6</b>            Company established HCV management plan to maintain the HCV areas in operation area of PT DIN, listed on Management plan HCV 2019 documents. HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian.</p> <p>Field visits on Bleu riparian Kenden Besar River Block H-12 afdeling 2 (LK-1), and Sung River Riparian Area (LK-2), Block H31 afdeling 5 (LK-2) found that companies have marked buffer zone, perform revegetation with vetivergrass, and HCV signboard placement. During field visit also found riparian condition were managed well and there is no chemical activity indications on those riparian that become sampling audit.</p> <p>Policy related to HCV and RTE species also develop by company and listed on SOP-AGR-052-R00 related Species protections and Memorandum No 0028/SHE/XII/2011 related RTE protections. Based on field visit on worker housing on LK1, LK2 and LK3 found there is no RTE species reared by workers, and RTE/HCV socialization for workers have been conducted on July 2018.</p> <p>Results of the verification documents, field visits and interviews with villagers obtained information that there are no areas of HCV-related and affect the local community.</p> <p>The company have established HCV management plan, and implemented it well. Regularly patrols record shown company has been monitored illegal hunting, and other illegal activities. All of records for daily patrols on each estate are available and verified by auditors.</p> <p>For example patrols summary results on 19 July 2019 for Conservation area 5 LK1 such as babi rusa (<i>sus scrofa</i>), kijang (<i>muntiacus muntjak</i>), burung madu sepah raja (<i>aethopyga siparaja</i>), elang alap jambul (<i>accipiter trivirgatus</i>), rangkong badak (<i>buceros rhinoceros</i>) meanwhile wild species trap is not presence. The result of monitoring also reported to government institution every six month.</p> <p>As the results of 2019 HCV management and monitoring output, company has plan feed back into the management plan 2020 i.e conduct water quality testing for Kenden besar, Sung, and Bleu river every year for maintain surface water quality.</p> <p><b>7.12.8</b>            There is land clearing after the Nov 2005 conducted without prior identification of HCV and the company has reported</p>		

Liability disclosure to the RSPO Secretariat on April 23, 2015 for RaCP process.

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

Based on an email from RSPO compensation panel on February 12 2016 found that LUCA of PT DIN have been reviewed and passed / approved and organization has no need to process RaCP due to zero liability.

<b>Status: Comply</b>
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**3.2 Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-1.1</b>	PT Dharma Intisawit Nugraha (DSN Group) did not use the logo or symbol of the RSPO Certified in trading activities.	
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or√</b>
<b>ASA-1.1</b>	PT Dharma Intisawit Nugraha (DSN Group) did not use the logo or symbol of the RSPO Certified in trading activities.	
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or√</b>
<b>ASA-1.1</b>	PT Dharma Intisawit Nugraha (DSN Group) did not use the logo or symbol of the RSPO Certified in trading activities.	
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or√</b>
<b>ASA-1.1</b>	PT Dharma Intisawit Nugraha (DSN Group) did not use the logo or symbol of the RSPO Certified in trading activities.	
	<b>Status: Comply</b>	

**3.3 Summary of RSPO Partial Certification.**

**Summary of Partial Certification**

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

PT Dharma Satya Nusantara Time Bound Plan is explained in table 1.10. PT Dharma Satya Nusantara has thirteen (13) management units with six (6) mills. PT Dharma Satya Nusantara has informed the Time Bound Plan progress, MUTU has considered that PT Dharma Satya Nusantara is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by PT Dharma Satya Nusantara on 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><i>Auditor verification</i></p> <p>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"> <li>• LUCA PT Dharma Intisawit Lestari and PT Karya Prima Agro Sejahtera was sent on February 4, 2016 to RSPO and is a review process. MS Dept. Head have got confirmation by email from the RSPO Executive Compensation that PT DIL has been completed under review and is being submitted for approval letter from the Compensation panel.</li> <li>• LUCA PT Agro Andalan, PT Dharma Persada Sejahtera, PT Kencana Alam Permai, and PT Prima Sawit Andalan was sent to RSPO and is a review process. Letter of approval of the Panel RSPO yet received.</li> </ul>

		<ul style="list-style-type: none"> <li>• LUCA PT Putra Utama Lestari and PT Pilar Wanapersada was sent on February 11, 2016 to RSPO and is a review process and clarification</li> <li>• POM 5 and POM 6 there is no new land clearing of new planting after November 2005.</li> <li>• Smallholders (KM5, KM8, KM9, KM10A, KM10B, KM10C), and clearing was conducted after November 2005 but has been first conducted HCV identification before land clearing.</li> <li>• LUCA PT Bima Palma Nugraha on process to statement by Aksenta will be conduct on November 2019.</li> <li>• LUCA PT Bima Agri Sawit, on process to statement by Aksenta will be conduct on October 2019.</li> </ul> <p><i>Auditor Verification:</i> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<ul style="list-style-type: none"> <li>• There are 8 plantations have conducting NPP process (under RSPO review)</li> <li>• Smallholders (KM5, KM9) planting year before 2010.</li> <li>• Smallholders (KM8, KM10A, KM10B, KM10C), no need NPP because no landbank in the area.</li> </ul> <p><i>Auditor Verification:</i> 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"> <li>• NPP Verification PT Dharma Intisawit Lestari and PT Karya Prima Agro Sejahtera has been performed by TUV from 21-24 March 2016 and waiting results of the review by RSPO</li> <li>• NPP Verification PT Putra Utama Lestari has been performed by Mutuagung Lestari from 2 – 5 June 2016 and waiting results of the review by RSPO</li> <li>• PT Agro Andalan, NPP has been approved on 26 June 2018.</li> <li>• PT Kencana Alam Permai, PT Prima Sawit Andalan and PT Dharma Persada Sejahtera, verification of the NPP has been carried out by PT MAL and refereed RSPO.</li> </ul>

		There are questions regarding the report of the RSPO NPP. Currently the company is working on a response / confirmation to the RSPO
2.1.4	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>No any land conflicts.</p> <p><i>Auditor verification</i></p> <p>There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p>
2.1.5	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>No any labour disputes.</p> <p><i>Auditor verification</i></p> <p>There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
2.1.6	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>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><i>Auditor verification</i></p> <ul style="list-style-type: none"> <li>• PT Pilar Wanapersada, HGU No. 2/HGU/BPN/99, 06 January 1999 with area 15,153 Ha.</li> <li>• 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)</li> <li>• PT Dharma Intisawit Lestari, HGU No. 73/HGU/KEM-ATR/BPN/VIII/2019 area 3,366 Ha</li> <li>• 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</li> <li>• PT Agro Andalan, Land Use Title No. 35/HGU/BPN RI/2011 date 21 July 2011 area 6,993.2 Ha</li> <li>• PT Kencana Alam Permai, Land Use Title No. 46/HGU/KEM-ATR/BPN/2016 area 5,511.83 Ha. Land Permit No. 525/1065/KEP-DPRP.C/2019 (851 Ha)</li> <li>• PT Prima Sawit Andalan, Location Permit No. 525 year of 2012 area 9,588 ha, Location Permit (added) No. 525/702/KEP-PERTANAHAN/2013 Keputusan Bupati Sintang dated 22 July 2013, area 1,030 ha</li> </ul>

		<ul style="list-style-type: none"> <li>• PT Dharma Persada Sejahtera, Location Permit No. 525/631/KEP-PERTANAHAN/2014 area 3,972 ha</li> <li>• Smallholders (KM5), MoU with Sawit Usaha Tani Sejahtera No. 104/DIR-ARF/DWT/JKT/III/08 dated March 31 2008</li> <li>• Smallholders (KM8), MoU with Sawit Wehea Tani Sejahtera No. 103/DIR-ARF/DWT/JKT/IV/12 dated April 25th 2012</li> <li>• Smallholders (KM9), MoU with Karya Sejahtera No. 01/SPK-KPAS/X/2010 dated October 22th 2010</li> <li>• Smallholders (KM10A, KM10B, KM10C), MoU with Jengea Bong Pet Kuq No. 321/DIR-ARF/DWT/JKT/XII/12 dated December 3rd 2012</li> <li>• 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</li> <li>• PT Bima Agri Sawit, SK HGU PT.BAS : SK Kepala BPN No.14-HGU-BPNRI-2008, area : 5,222 Ha</li> </ul>
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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	: Moh Arif Yusni
Date Issued	: 18 January 2019	Time Limit	: ASA-1.1
NC Grade	: Minor	Date of Closing	: 17 January 2020
Standard Ref. & Requirement	: 2.1.3 A mechanism for ensuring compliance shall be implemented.		
<p><b>Evidence observed (filled by auditor):</b> Based on Law Register Document review on <i>Summary of Law Register Evaluation</i> (No.: DK-MS-01A-R01, Revisi Januari 2019), there are some law or regulation that have not been listed in the law registers, such as:</p> <ul style="list-style-type: none"> <li>• Ministry of Manpower Regulation No. 5 / 2018 related to Occupational Safety and Health for Worker Area</li> <li>• Ministry of Agriculture Regulation No. 5 / 2018 related to land clearing without burning</li> <li>• Ministry of Forestry and Environment Regulation No. 5 / 2018 related to Standards and Certification of Competencies of Responsible Operators for Wastewater Treatment Operations and Person in Charge of Water Pollution Control.</li> <li>• Ministry of Manpower Regulation No. 38 / 2016 related to OHS for Power and Production Vehicle</li> </ul>			
<p><b>Non-Conformance Description (filled by auditor):</b> Company Law register document not include all regulations that provide company operational.</p>			
<p><b>Root Cause Analysis (filled by organization audited):</b> The not effectiveness of updated regulations identification that conducted by sustainability team.</p>			
<p><b>Correction (filled by organization audited):</b> Identify the new regulations and conducting update, as well as assessment of the company's compliance</p>			
<p><b>Corrective Action (filled by organization audited):</b> Improve the effectiveness of regulations identification in relevan Agencies website, and from direct communication to the relevant Agencies</p>			
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on 17 January 2020 :</b> 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. 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.</p>			
<p><b>Based on root cause analysis, correction and corrective action delivered, the nonconformity stated as complied</b></p>			
Verified by	: Moh Arif Yusni		

<b>NCR No.</b>	: 2019.02.	<b>Issued by</b>	: Arif Faisal Simatupang																								
<b>Date Issued</b>	: 18 January 2019	<b>Time Limit</b>	: ASA 1.1																								
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 16 January 2020																								
<b>Standard Ref. &amp; Requirement</b>	: 2.2.2 Legal boundaries are demonstrated clearly and maintained.																										
<p><b>Evidence observed (filled by auditor):</b> Based on field observation and HGU monitoring document, it was found that the HGU Poles position was not in accordance with the coordinates determined by the National Land Agency, namely:</p> <table border="1" data-bbox="467 604 1133 865"> <thead> <tr> <th>Location</th> <th>No. Of HGU Pole</th> <th>Distance Difference</th> </tr> </thead> <tbody> <tr> <td>LK 1</td> <td>DIN 044</td> <td>± 25 m</td> </tr> <tr> <td>LK 1</td> <td>DIN 045</td> <td>± 22 m</td> </tr> <tr> <td>LK 1</td> <td>DIN 048</td> <td>± 25 m</td> </tr> <tr> <td>LK 1</td> <td>DIN 049</td> <td>± 24 m</td> </tr> <tr> <td>LK 3</td> <td>DIN 019</td> <td>± 24 m</td> </tr> <tr> <td>LK 3</td> <td>DIN 067</td> <td>± 50 m</td> </tr> <tr> <td>LK 3</td> <td>DIN 068</td> <td>± 75 m</td> </tr> </tbody> </table> <p>In addition, in the document of HGU monitoring, it is known that most of the HGU poles positions do not match the specified coordinates.</p> <p>In the WI of Boundary Installation and Maintenance (No. IK-AGR-OLP-33-R00 dated 28 September 2015), stated that the poles was installed in accordance with the licenses set by government officials, the position of the poles was determined using a GPS device.</p> <p><b>Non-Conformance Description (filled by auditor):</b> Related to this, the Certificate Holder has not been able to show evidence that the HGU poles has been installed in accordance with the coordinates specified in the predetermined list.</p> <p><b>Root Cause Analysis (filled by organization audited):</b> Boundaries pole installed in the field are not based on the coordinates of National Land Agency</p> <p><b>Correction (filled by organization audited):</b> The procedure for boundary markers must regulate the coordinates of the results of internal monitoring</p> <p><b>Corrective Action (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>• Revise IK-AGR-OLP-33-R00 by entering the coordinate correction on the results of internal monitoring</li> <li>• Identifying the PT DIN HGU coordinates by entering coordinate corrections from internal monitoring / according to the coordinates of the National Land Agency</li> </ul> <p><b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on January 16, 2020</b> The company showed the Work Instructions on the Installation and Maintenance of Boundary Pole No. IK-AGR-OLP-33-R01 date effective February 1, 2019 and has been approved by management. In the WI explained that the location of the boundary markers adjusted to applicable regulations and by authorized officials and monitoring of the coordinates of each boundary markers checked according to the list of coordinates of the boundary markers from the National Land Agency. The company also showed the results of monitoring of all HGU pole at PT DIN which were equipped with coordinate points.</p> <p>The field observation results of HGU DIN 061 block G37, DIN 062 block G40, DIN 048 block G06, DIN 044 block H12, it is known that the position of the boundaries pole are in accordance with the coordinates of the National Land</p>				Location	No. Of HGU Pole	Distance Difference	LK 1	DIN 044	± 25 m	LK 1	DIN 045	± 22 m	LK 1	DIN 048	± 25 m	LK 1	DIN 049	± 24 m	LK 3	DIN 019	± 24 m	LK 3	DIN 067	± 50 m	LK 3	DIN 068	± 75 m
Location	No. Of HGU Pole	Distance Difference																									
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LK 3	DIN 019	± 24 m																									
LK 3	DIN 067	± 50 m																									
LK 3	DIN 068	± 75 m																									

Agency.	
Based on the explanation above, the discrepancy is stated to be fulfilled.	
Verified by	: Rizliani Aprianita Hsb

NCR No.	: 2019.03	Issued by	: Steve Mualim
Date Issued	: 18 January 2019	Time Limit	: ASA1.1
NC Grade	: Minor	Date of Closing	: 17 January 2020
Standard Ref. & Requirement	: 4.6.10 Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated		
<p><i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i> Field observation on LK1 and LK2 chemical store found insecticides with trade name Termiban and Lentrek that actually expired since 2016. IK-AGR-OLP-17-R01 related pesticides handling on February 2012 on point 3 stated that noticed pesticides expiration date.</p> <p>During audit, organization has shown correction regarding this expired pesticides handling and management based on IK-AGR-SHE-09-R02.</p> <p><b>Non-Conformance Description (filled by auditor):</b> Company are not able to shown monitoring evidence for all chemical/pesticides expiration date, that stored in chemical storage. <b>NC 2019.03</b></p>			
<p><b>Root Cause Analysis (filled by organization audited):</b> Monitoring related to the validity period of chemicals has not been described in the procedure</p>			
<p><b>Correction (filled by organization audited):</b> Implement monitoring the validity period of chemicals</p>			
<p><b>Corrective Action (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>- Revised procedure no IK-AGR-OLP-17-R01 about pesticide handling with adding an explanation about monitoring the validity period of chemicals</li> <li>- Implement monitoring the validity period of chemicals</li> </ul>			
<p><i>Assessor Evaluation and Conclusion (filled by auditor):</i> <b>Verification on 17 January 2020 :</b> The company has been presented correction in the form of:</p> <ul style="list-style-type: none"> <li>- Revised procedure no IK-AGR-OLP-17-R01 about pesticide handling with adding an explanation about monitoring the validity period of chemicals on clausal 3 point v</li> <li>- Conducted monitoring the validity period of chemicals every semester. Last monitoring conducted on January 2019</li> </ul> <p><b>Based on root cause analysis, correction and corrective action delivered, the nonconformity stated as complied</b></p>			
Verified by	: Moh Arif Yusni		

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

<i>NCR No.</i>	: -	<i>Issued by</i>	: -
<i>Date Issued</i>	: -	<i>Time Limit</i>	: -
<i>NC Grade</i>	: -	<i>Date of Closing</i>	: -
<i>Standard Ref. &amp; Requirement</i>	-		
<i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i> There is no Non Conformity During ASA 1.1 Assessment			
<i>Root Cause Analysis (filled by organization audited):</i> -			
<i>Correction (filled by organization audited):</i> -			
<i>Corrective Action (filled by organization audited):</i> -			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i> -			
<i>Verified by</i>	:		

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.2	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. However, the SOP was not detailed explained the mechanism to ensure the fulfillment related to aspects of OHS, employment and environment to the contractor, although based on document review, field observations and interviews those aspects have been fulfilled by the contractor (detailed explanation in Criteria 2.2). Based on that's explaining, the unit of certification has an opportunity for improvement by ensuring that legal compliance assessment procedures for third parties cover those aspects.
2	3.6.1	Based on the results of the health examination of mill and estate employees, it was found that there were several abnormal conditions in the employees such as deafness in the left ear for employees with the initials YP and abnormal spirometry for LK2 upkeep employees with the initials SRN. A follow-up plan for the medical examination for the two employees has been conducted. For workers with the initial YP, a follow-up plan is issued 2 months after the results of the inspection are issued. Whereas for workers with the initials SRN a follow-up plan is given after 2 weeks. Thus the company has the opportunity to evaluate and ensure clear timeframes for following up on the results of employee health checks.

3	3.7.1	The Company has the opportunity to ensure that the training program prepared for the 2020 period accommodates contractors and smallholder.
4	6.2.1	The company has the opportunity to ensure the progress of the ratification of the Company Regulations
5	6.7.3	<ul style="list-style-type: none"> <li>The company has the opportunity to be able to evaluate the period of PPE inspection and re-ensure that all PPE given has been used in an orderly manner by workers.</li> <li>The company has the opportunity to be able to ensure an understanding of the mechanism for replacing damaged PPE and the replacement has not yet been conveyed to all employees.</li> </ul>

**3.4.4. Noteworthy Positive Components**

No	Ref. Std.	Description
1	-	Commitment to sustainable management of palm oil through RSPO certification
2	-	Contribution in local economic development through the development of plasma plantations and partnerships.
3	-	Utilize organic waste for composting.
4	-	Award from the Ministry of Environment and Forestry (Rating Program for Company Performance in Environmental Management - Green PROPER, period 2018 - 2019).

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Environmental Agency of Kutai Timur Regency</b></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><b>National Land Agency of Kutai Timur Regency</b></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><b>Plantation Agency of Kutai Timur Regency</b></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><b>Manpower &amp; Transmigration Agency of Kutai Timur Regency</b></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><b>Village Official / elderly of Muara Wahau Head of village council, Muara Wahau Village Head of Subvillage Jabdan, Muara Wahau Village Local Contractor of Transportation (on behalf of personal)</b></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</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>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>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><b>Village Official of Diak Lay</b>            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 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><b>Village Official / elderly of Bean Haes            Local Contractor of Transportation (on behalf of personal)</b></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>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 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>No negative issue to response. The Certification Unit shows compliance related these aspects.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Member smallholder of Harapan Baru Cooperative</b></p> <p>There is no negative issue. <b>The FFB</b> 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>No negative issue to response. The Certification Unit shows compliance related these aspects.</p>
<p><b>Member smallholder of Jengea Bong Pet Kung</b></p> <p>There is no negative issue. <b>The FFB</b> 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>No negative issue to response. The Certification Unit shows compliance related these aspects.</p>
<p><b>Head of the PT DIN Workers Union</b></p> <ul style="list-style-type: none"> <li>• The company supports and facilitates association activities and freedom of opinion</li> <li>• The employment reference used is a Company Regulation</li> <li>• PT DIN union members and management are a combination of staff and employees</li> <li>• So far the company has always been open for communication</li> <li>• there were no industrial relations issues during the 2019 period</li> </ul>	<ul style="list-style-type: none"> <li>• The form of support includes giving permission to use the room when the union wants to hold a meeting</li> <li>• In accordance with the mutual agreement for now the company regulations are still considered relevant and accommodate workers' rights and obligations</li> <li>• Election of the worker union management is carried out by consensus and there is no interference from the company</li> <li>• The form of communication includes holding regular meetings at least every month to discuss employee issues</li> </ul>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table><tr><td><p><b>PKS 3 PT Dharma Satya Nusantara</b> Management Representative</p><p><b><u>Agustinus Triwibowo</u></b> Friday, 17 January 2020</p></td><td><p>Mutuagung Lestari Lead Auditor</p><p><b><u>Moh. Arif Yusni</u></b> Friday, 17 January 2020</p></td></tr></table>	<p><b>PKS 3 PT Dharma Satya Nusantara</b> Management Representative</p>  <p><b><u>Agustinus Triwibowo</u></b> Friday, 17 January 2020</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Moh. Arif Yusni</u></b> Friday, 17 January 2020</p>
<p><b>PKS 3 PT Dharma Satya Nusantara</b> Management Representative</p>  <p><b><u>Agustinus Triwibowo</u></b> Friday, 17 January 2020</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Moh. Arif Yusni</u></b> Friday, 17 January 2020</p>		

**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.	Village Official / elderly of Muara Wahau	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
2.	Head of village council, Muara Wahau Village	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
3.	Head of Subvillage Jabdan, Muara Wahau Village	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
4.	Local Contractor of Transportation (on behalf of personal)	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
5.	Village Official of Diak Lay	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
6.	Village Official / elderly of Bean Haes	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
7.	Local Contractor of Transportation (on behalf of personal)	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
8.	Member smallholder of Harapan Baru Cooperative	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
9.	Member smallholder of Jengea Bong Pet Kuq	Kutai Timur Regency, Province of Kalimantan Timur		direct interview	14 January 2020	✓	
10.	Environmental Agency	Kutai Timur Regency, Province of Kalimantan Timur	-	Direct Interview	14 January 2020	✓	
11.	Manpower & Tansmigration Agency	Kutai Timur Regency, Province of Kalimantan Timur	-	Direct Interview	14 January 2020	✓	
12.	Plantation Agency	Kutai Timur Regency, Province of Kalimantan Timur	-	Direct Interview	14 January 2020	✓	
13.	National Land Agency	Kutai Timur Regency, Province of Kalimantan Timur	-	Direct Interview	14 January 2020	✓	
14.	<b>POM-3</b> - 2 warehouse officer - 1 hazardous waste warehouse officer - 1 WTP operator - 1 ETP operators - 2 security - 2 dispatch operator	Kutai Timur Regency, Province of Kalimantan Timur		Field observation and direct interview	14 January 2020	✓	

	- 2 Grading Workers -						
15.	<b>Long Kejiak 01</b> - Storage : 2 workers - Paramedic : 2 persons - Daycare : 2 persons - Generator room: 1 operator	PT Dharma Intisawit Nugraha	-	Field observation and direct interview	16 January 2020	✓	
16.	<b>Long Kejiak 2 Estate</b> - Manual Upkeep 3 workers and 1 supervisor - Harvesting 3 workers and 1 supervisor - Workshop 4 workers - Storage : 2 workers - Harvesting: 2 workers - EFB application 4 workers - Circle and path spraying . 4 workers	PT Dharma Intisawit Nugraha	-	Field observation and direct interview	16 January 2020	✓	
17.	<b>Long Kejiak 3 Estate</b> - Manual Upkeep 8 workers and 2 supervisor - Harvesting 5 workers and 2 supervisor - Land Application 2 workers and 1 supervisors - Storage : 2 workers - Paramedic : 1 persons - Daycare : 1 persons - Generator room: 1 operator	PT Dharma Intisawit Nugraha	-	Field observation and direct interview	15 January 2020	✓	
18.	Green Peace	Jakarta - Indonesia	<a href="mailto:Info.id@greenpeace.org">Info.id@greenpeace.org</a>	Email	06 January 2020		✓
19.	Walhi ( <i>Wahana Lingkungan Hidup Indonesia</i> )	Jakarta - Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Email	06 January 2020		✓
20.	AMAN ( <i>Aliansi Masyarakat Adat Nusantara</i> )	Jakarta - Indonesia	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Email	06 January 2020		✓
21.	Sawit Watch	Jakarta - Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Email	06 January 2020		✓

**Appendix 2. Assessment Program**

DATE	13 – 18 January 2020	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 13 January 2020</b>		
04.55 - 08.05 08.50 – 09.45 10.00 – 16.00	<b>Jakarta → Balikpapan</b> <b>Balikpapan → Berau</b> <b>Berau → Site</b>	<b>All Auditor</b>
<b>Tuesday, 14 January 2020</b>		
08.00 – 09.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>• Auditee Speech (Introduction of PIC, Profile of Certified Management Unit).</li> <li>• Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification).</li> </ul>	<b>All Auditor</b>
09.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations and previous land owner.  Note: <ul style="list-style-type: none"> <li>• Public consultation with Local Contractor &amp; Supplier is simultaneously conducted with local communities interview.</li> <li>• Public consultation to Government Agencies of Kutai Timur District is conducted by Team PT DSN POM-2.</li> </ul>	<b>RPJ</b>
09.00 – 12.00	<b>Field Observation POM-3</b> <ul style="list-style-type: none"> <li>• Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Despatch CPO)</li> <li>• Inspection to Chemical Storage, Hazardous Waste Storage, Workshop, Fire Control Simulation, POME Pond</li> <li>• Implementation of Employment &amp; Occupational Health &amp; Safety Aspect, Processing Activity.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result and field visit.</li> <li>• Document review and completing audit checklist..</li> <li>• Verification of Basic Information Mill and Estate.</li> <li>• Confirmation of Time Bound Plan.</li> <li>• Review of Partial Certification</li> </ul>	<b>All Auditor</b>
<b>Wednesday, 15 January 2020</b>		
08.00 – 12.00	<b>Field Observation to Long Kejiak 3 Estate</b> Aspect to be verified	

	<ul style="list-style-type: none"> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>• Implementation of Environmental and Conservation/HCV management.</li> <li>• Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> </ul> <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>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result and field visit.</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Thursday, 16 January 2020</b>		
08.00 – 12.00	<p><b>Field Observation to Long Kejiak 1 Estate and Long Kejiak 2 Estate</b> Aspect to be verified:</p> <ul style="list-style-type: none"> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>• Implementation of Environmental and Conservation/HCV management.</li> <li>• Implementation of Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Clinic and Waste Management).</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Verification of stakeholder consultation result and field visit.</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Friday, 17 January 2020</b>		
08.00 – 11.30	<ul style="list-style-type: none"> <li>• Continue Field Observation to Estate (if needed)</li> <li>• Completion of document checklist.</li> </ul>	<b>All Auditor</b>
12.00 – 16.00	Internal discussion by auditor team preparing for Closing Meeting	<b>All Auditor</b>
16.00 – 17.00	<p><b>Closing Meeting:</b></p> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/</li> <li>• Comments, Responses and Questions</li> </ul>	<b>All Auditor</b>
<b>Saturday, 18 January 2020</b>		
03.00-09.00	<b>PT DSN → Berau</b>	<b>All Auditor</b>
10.25-14.15	<b>Berau → Balikpapan → Jakarta</b>	<b>All Auditor</b>