

**Roundtable on Sustainable Palm Oil Certification  
RSPO**

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : Libo Palm Oil Mill subsidiary of PT. Ivo Mas Tunggal

Plantation Name : Libo Estate, Sungai Rokan Estate, Nenggala Estate and Sungai Tapung Plasma Estate.

Location : Village of Jambai Makmur, Sub District of Kandis, District of Siak, Province of Riau, Indonesia

Certificate Code : **MUTU-RSPO/032**

Date of Certificate Issue : 30 October 2013

Date of License Issue : 30 October 2015

Date of Certificate Expiry : 29 October 2018

Date of License Expiry : 29 October 2016

| Assessment | Assessment Date                    | PT. Mutuagung Lestari Auditor   | Reviewed by         | Approved by        |
|------------|------------------------------------|---|---------------------|--------------------|
| ASA-2      | 18, 19, 24, 25, 26, 27 August 2015 | Trismadi Nurbayuto (Lead Auditor), Rudi Ramdani, Brigitta Prita (Auditor Trainee), Dwi Haryati (Auditor Trainee), Sahat Simarmat, Steve Muallim | Octo HPN Nainggolan | Tony Arifiarachman |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ASA-2      | 28 September 2015                 |

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Figure 1. Location Map of PT. Ivo Mas Tunggal

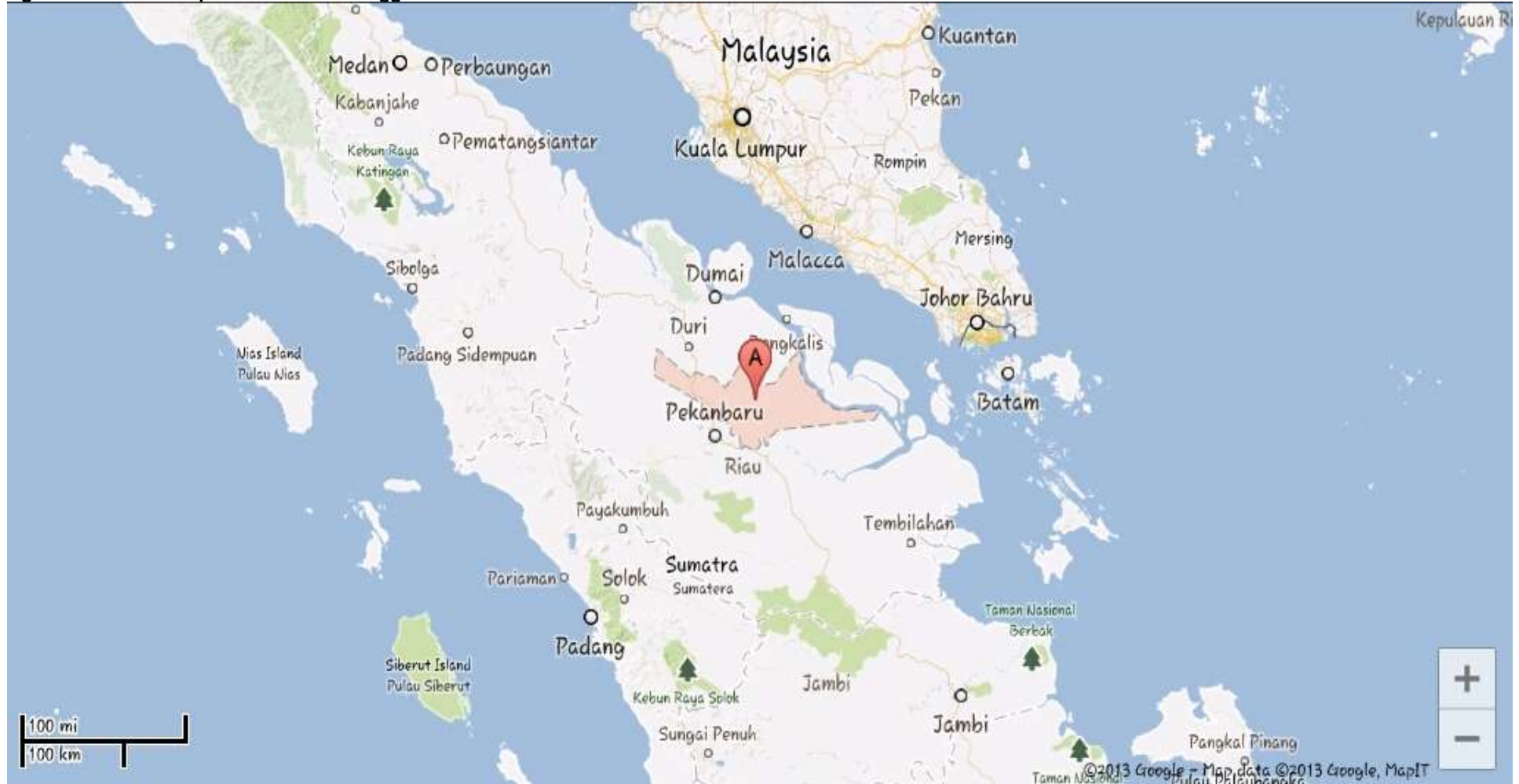
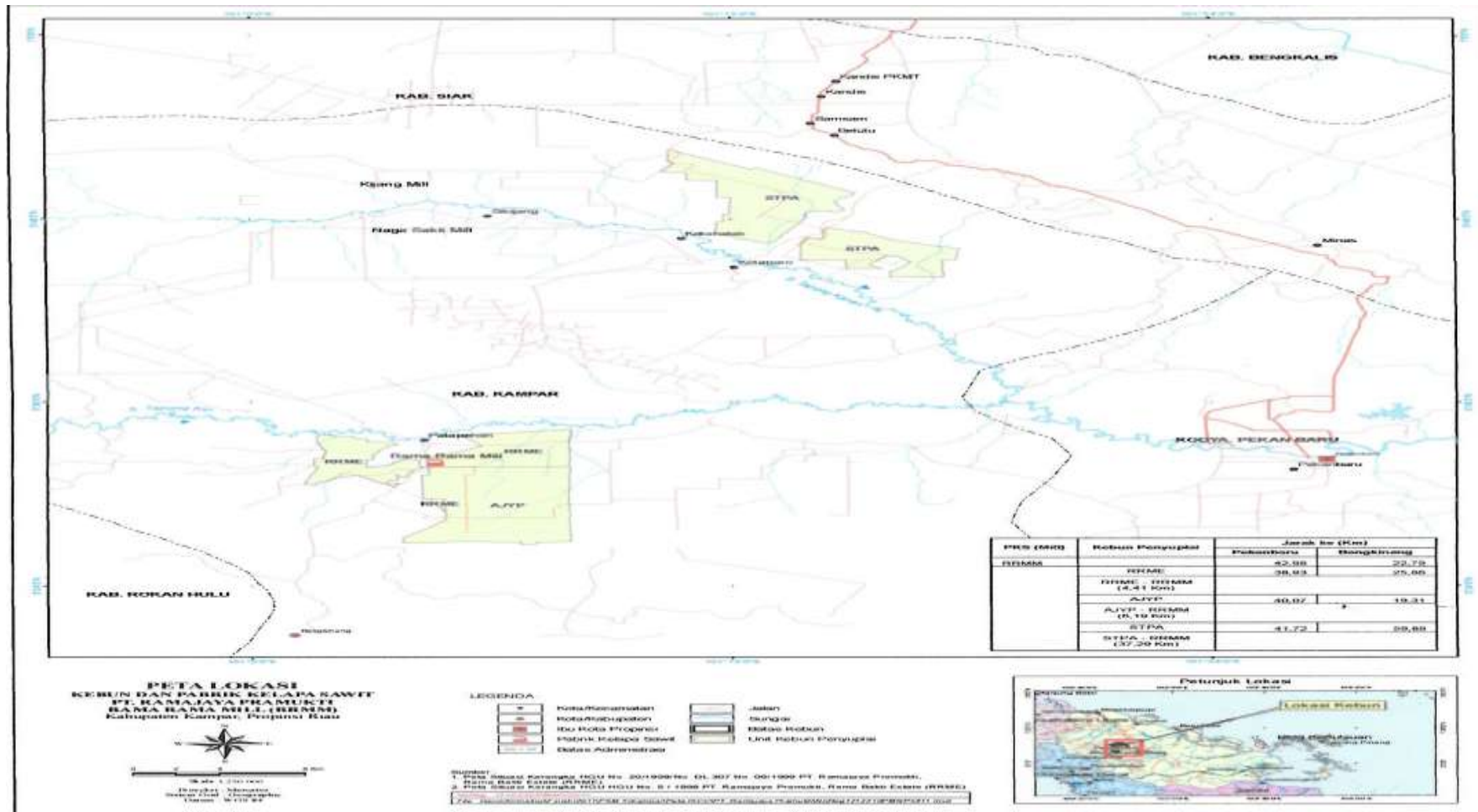


Figure 2. Operational Map of PT. Ivo Mas Tunggal



Figure 3. Operational Map of Sungai Tapung Plasma Estate



**Abbreviations Used**

|        |   |  |
|--------|---|--|
| BLH    | : | Environmental Agency                                   |
| BOD    | : | Biological oxygen demand                               |
| BPJS   | : | Social Insurance Agency                                |
| CPO    | : | Crude palm oil   |
| CSR    | : | Company Social Responsibility                          |
| FFA    | : | Free Fatty Acid  |
| FFB    | : | Fresh Fruit Bunch                                      |
| FR     | : | Frequency Rate   |
| HCV    | : | High Conservation Value                                |
| HGU    | : | Land Use Title   |
| HIRARC | : | Hazard Identification Risk Assessment and Risk Control |
| IPM    | : | Integrated Pest Management                             |
| ISCC   | : | International Sustainability Carbon Certification      |
| ISPO   | : | Indonesia Sustainable Palm Oil                         |
| OHS    | : | Occupational Health and Safety                         |
| KCP    | : | Kernel Crushing Plant                                  |
| LC     | : | Least Concern  |
| LCC    | : | Legume Cover Crop                                      |
| LIBE   | : | Libo Estate  |
| MCAR   | : | Management Committee Agronomy and Research             |
| NGLE   | : | Nenggala Estate  |
| OIA    | : | Operational Internal Audit                             |
| PK     | : | Palm Kernel  |
| PPE    | : | Personal Protective Equipment                          |
| PKB    | : | Work Agreement   |
| RJP    | : | Ramajaya Pramukti                                      |
| RKL    | : | Environment Management Plan                            |
| RPL    | : | Environment Monitoring Plan                            |
| SCCS   | : | Supply Chain Certification Standard                    |
| SEIA   | : | Social Environmental Impact Assessment                 |
| SEL    | : | Environmental Evaluation Study                         |
| SPSI   | : | Indonesian Worker Union                                |
| SOP    | : | Standar Operations Procedure                           |
| SR     | : | Severity Rate  |
| SRKE   | : | Sungai Rokan Estate                                    |
| 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>• RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</li> <li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</li> </ul> |   |
| <b>1.2</b> | <b>Organisation Information</b>   |  |   |
| 1.2.1      | Organisation name listed in the certificate                               | PT Ivo Mas Tunggal   |   |
| 1.2.2      | Contact person  | Ismu Zulfikar  |   |
| 1.2.3      | Organisation address and site address                                     | RSPO Registered Company:<br>Sinmas Land Plaza, 30th Floor<br>JL. MH Thamrin No 51 Kav 22<br>Jakarta 10350 Indonesia  |   |
| 1.2.4      | Telephone   | +6221 50338899 ext 1184  |   |
| 1.2.5      | Fax   | +6221 50389999   |   |
| 1.2.6      | E-mail  | ismu.zulfikar@sinarmas-agri.com  |   |
| 1.2.7      | Web page address  | <a href="http://www.smart-tbk.com">www.smart-tbk.com</a>   |   |
| 1.2.8      | Management Representative who completed the application for certification | Ismu Zulfikar ( <i>Head of Environmental Department</i> )  |   |
| 1.2.9      | Registered as RSPO member   | Registration Number: 1- 0056 - 08 - 000 - 00<br>17 June 2008   |   |
| <b>1.3</b> | <b>Type of Assessment</b>   |  |   |
| 1.3.1      | Scope of Assessment and Number of Management Unit                         | Palm Oil Mill and supply bases <ul style="list-style-type: none"> <li>• Libo Palm Oil Mill, Libo Estate, Nenggala Estate, Sungai Rokan Estate and Sungai Tapung Plasma Estate (PT. RJP)</li> </ul>   |   |
| 1.3.2      | Type of certificate   | Single   |   |
| <b>1.4</b> | <b>Locations of Mill and Plantation</b>                                   |  |   |
| 1.4.1      | Location of Mill  |  |   |
|            | <b>Name of Mill</b>   | <b>Location</b>  | <b>Coordinate</b>                                       |
|            |   |  | <b>Latitude</b> <b>Longitude</b>                        |
|            | Libo  | Village of Samsam, Sub District of Kandis, District of Siak, Riau Province   | N<br>00° 55' 34"                      E<br>101° 12' 22" |
| 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>                        |
|            | Libo  | Village of Samsam, Sub District of Kandis, District of Siak, Riau Province   | N<br>0° 56' 11"                      N<br>101° 18' 00"  |
|            | Nenggala  | Village of Samsam, Sub District of Kandis, District of Siak, Riau Province   | N<br>0° 56' 40"                      N<br>101° 16' 51"  |

|  |   |  |                             |                      |                      |                  |                |
|--|---|--|-----------------------------|----------------------|----------------------|------------------|----------------|
|  | Sungai Rokan                                  | Village of Samsam, Sub District of Kandis, District of Siak, Riau Province           | N<br>0° 55' 38"             | N<br>101° 21' 05"    |                      |                  |                |
|  | Sungai Tapung Plasma                          | Village of Sukamaju, Sub District of Tapung Hilir, District of Kampar, Riau Province | N<br>0° 45' 03.49"          | E<br>101° 14' 44.94" |                      |                  |                |
| <b>1.5</b>   | <b>Description of Area Statement</b>          |  |                             |                      |                      |                  |                |
| 1.5.1  | Tenure  |  |                             |                      |                      |                  |                |
|  | • State                                       |  | 11,619.20                   | Ha                   |                      |                  |                |
|  | • Community                                   |  | 5,585.00                    | Ha                   |                      |                  |                |
| 1.5.2  | <b>Area Statement</b>                         |  |                             |                      |                      |                  |                |
|  | • Total area                                  |  | 17,204.20                   | Ha                   |                      |                  |                |
|  | • Mature area                                 |  | 13,916.96                   | Ha                   |                      |                  |                |
|  | • Immature area                               |  | 2,750.95                    | Ha                   |                      |                  |                |
|  | • Mill  |  | 7.66                        | Ha                   |                      |                  |                |
|  | • Infrastructure (Housing, Street and Bridge) |  | 507.43                      | Ha                   |                      |                  |                |
|  | • HCV (HCV Areas include to planted area)     |  | 366.63**                    | Ha                   |                      |                  |                |
| ** HCV Area Libo : 291.63 Ha and HCV Area Sungai Tapung Plasma: 75 Ha            |   |  |                             |                      |                      |                  |                |
| <b>1.6</b>   | <b>Planting Year and Cycles</b>               |  |                             |                      |                      |                  |                |
| 1.6.1  | Age profile of planting year                  |  |                             |                      |                      |                  |                |
|  | Planting Year                                 | Hectarage (Ha)   |                             |                      |                      |                  |                |
|  |   | Libo   | Nenggala                    | Sei Rokan            | Sungai Tapung Plasma | Total            |                |
|  | 1986  | 2,090.81   | -                           | 241,27               |                      | 2,332.08         |                |
|  | 1987  | 161,12   | 236,47                      | 1,309.20             |                      | 1,706.79         |                |
|  | 1989  | 409,52   | 502,65                      | 409,52               |                      | 2,323.83         |                |
|  | 1990  | -  | 266,36                      | -                    |                      | 266.36           |                |
|  | 1993  | -  | -                           | 959,36               |                      | 959.36           |                |
|  | 1996  |  |                             |                      | 5,585.00             | 5,585.00         |                |
|  | 2012  | 513,34   | 230,20                      | -                    |                      | 743.54           |                |
|  | 2013  | 834,03   | 457,47                      | -                    |                      | 1,291.50         |                |
|  | 2014  | 347,67   | 1,111.78                    | -                    |                      | 1,459.45         |                |
|  | <b>TOTAL</b>                                  | <b>4,356.49</b>  | <b>2,804.93</b>             | <b>3,921.49</b>      | <b>5,585.00</b>      | <b>16,667.91</b> |                |
| 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                           |  |                             |                      |                      |                  |                |
|  | Name of Mill                                  | Capacity (tonnes/ hour)  | FFB Processed (tonnes/year) | CPO                  |                      | Palm Kernel      |                |
|  |   |  |                             | Out put (tonnes)     | Extraction (%)       | Out put (tonnes) | Extraction (%) |
|  | Libo  | 60   | 362,493.92                  | 73,819.83            | 20.36                | 19,032.42        | 5.25           |
| *Production data source from 12 months before assessment (August 14 – July 2015) |   |  |                             |                      |                      |                  |                |



| 1.7.2             | Description of Certification Scope of Supply Base  |                                       |                                |   |                        |  |              |
|-------------------|--|---------------------------------------|--------------------------------|---|------------------------|--|--------------|
|                   | Name of Estate   | Total Area (Ha)                       | Planted Area (Ha)              | FFB (tonnes/year)   | Yield (tonnes/ha/year) | Supplied to Mill   |              |
| FFB (tonnes/year) |  |                                       |                                |   |                        | %  |              |
|                   | Libo   | 4,529.80                              | 4,356.49                       | 53,648.76   | 12.31                  | 49,075.02  | 91.47        |
|                   | Nenggala   | 2,959.92                              | 2,804.93                       | 18,105.20   | 6.45                   | 14,691.71  | 81.15        |
|                   | Sei Rokan  | 4,129.48                              | 3,921.49                       | 88,522.41   | 22.57                  | 74,545.43  | 84.21        |
|                   | Sungai Tapung Plasma (2768 smallholders)   | 5,585.00                              | 5,585.00                       | 171,066.64  | 30.63                  | 171,066.64   | 100          |
|                   | <b>TOTAL</b>   | <b>17,204.20</b>                      | <b>16,667.91</b>               | <b>331,343.01</b>   | <b>19.88</b>           | <b>138,312.16</b>  | <b>89.21</b> |
|                   | <i>*Production data source from 12 months before assessment (August 14 to July 2015)</i>                     |                                       |                                |   |                        |  |              |
| 1.7.3             | FFB description from other source  |                                       |                                |   |                        |  |              |
|                   | Name of sources  | Organisation                          | Location                       |   | Supplied to Mill       |  |              |
|                   |  |                                       |                                |   | FFB (tonnes/year)      |  |              |
|                   | Ramabakti Estate (**)  | PT Ramajaya Pramukti (RSPO Certified) | Kec. Tapung Hilir, Kab. Kampar |   | 53,115.12              |  |              |
|                   | <b>GRAND TOTAL</b>   |                                       |                                |   |                        | <b>362,493.92</b>  |              |
|                   | <i>*Production data source from 12 months before assessment (August 14 to July 2015)</i>                     |                                       |                                |   |                        |  |              |
| 1.7.4             | Product categories   |                                       |                                | <b>FFB, CPO, PK</b>   |                        |  |              |
| <b>1.8</b>        | <b>Estimate Tonnage of Certified Product</b>   |                                       |                                |   |                        |  |              |
| 1.8.1             | Past Annual Claim Certified Product  |                                       |                                | Previous Certificate Claim<br>13 September 2014 to 12 September 2015<br>(tonnes/year) |                        | Actual certified product<br>13 September 2014 to 20 August 2015<br>(tonnes/year) |              |
|                   | • FFB Production   |                                       |                                | 171,850.00  |                        | 293,413.75   |              |
|                   | • CPO Production   |                                       |                                | 36,088.50   |                        | 59,616.19*   |              |
|                   | • Palm Kernel (PK) Production  |                                       |                                | 8,936.20  |                        | 15,779.50*   |              |
|                   | <i>* Unit Management has reported over production of CPO&amp;PK to CBs on 23 April 2015</i>                  |                                       |                                |   |                        |  |              |
| 1.8.2             | Estimate of Certified FFB Claim  |                                       |                                |   |                        |  |              |
|                   | Name of Estate(s)  | Total Area (Ha)                       | Planted Area (Ha)              | FFB (tonnes/year)   | Yield (tonnes/ha/year) |  |              |
|                   | Libo   | 4,529.80                              | 4,356.49                       | 56,036  | 12.86                  |  |              |
|                   | Nenggala   | 2,959.92                              | 2,804.93                       | 18,151  | 6.47                   |  |              |
|                   | Sei Rokan  | 4,129.48                              | 3,921.49                       | 90,043  | 22.96                  |  |              |
|                   | Sungai Tapung Plasma (2768 smallholders)   | 5,585.00                              | 5,585.00                       | 177,932   | 31.86                  |  |              |
|                   | <b>TOTAL</b>   | <b>17,204.20</b>                      | <b>16,667.91</b>               | <b>342,162</b>  | <b>20.53</b>           |  |              |
|                   | <i>*Projected CSPO and CSPK production for 12 months of certificate (30 October 2015 to 29 October 2016)</i> |                                       |                                |   |                        |  |              |
| 1.8.3             | Estimate of Certified Palm Product Claim   |                                       |                                |   |                        |  |              |
|                   | Name of Mill   | Capacity (tonnes/ hour)               | FFB Processed (tonnes/year)    | CPO   |                        | Palm Kernel  |              |
| Out put (tonnes)  |  |                                       |                                | Extraction (%)  | Out put (tonnes)       | Extraction (%)   |              |
|                   | Libo   | 60                                    | 342,162                        | 73,565  | 21.50                  | 17,964   | 5.25         |
|                   | <i>*Projected CSPO and CSPK production for 12 months of certificate (30 October 2015 to 29 October 2016)</i> |                                       |                                |   |                        |  |              |

|               |   |   |                             |                                   |                             |  |
|---------------|---|---|-----------------------------|-----------------------------------|-----------------------------|--|
| <b>1.9</b>    | <b>Other Certifications</b>                       |   |                             |                                   |                             |  |
|               | ISO 9001:2008                                     | -   |                             |                                   |                             |  |
|               | ISO 14001: 2004                                   | -   |                             |                                   |                             |  |
|               | OHSAS 18001:2007                                  | -   |                             |                                   |                             |  |
|               | ISCC  | EU-ISCC-DE104-07781511 valid date from 1 February 2015 to 31 January 2016 |                             |                                   |                             |  |
|               | Others  | ISPO with Certificate Number: MUTU/013 valid to 15 January 2019           |                             |                                   |                             |  |
| <b>1.10</b>   | <b>Time Bound Plan</b>                            |   |                             |                                   |                             |  |
| <b>1.10.1</b> | <b>Time Bound Plan for Other Management Units</b> |   |                             |                                   |                             |  |
|               | <b>Unit Manajemen of Mill</b>                     |   | <b>Estate (Supply Base)</b> | <b>Planned Assesment Schedule</b> | <b>Location</b>             | <b>Status</b>                                |
|               |   | <b>Actual Assesment Time</b>  |                             |                                   |                             |  |
|               | Samsam Mill                                       | 2013  | Samsam Estate               | 2009                              | SIAK-RIAU                   | Certified                                    |
|               |   |   | Kandista Estate             | 2009                              | SIAK-RIAU                   | Certified                                    |
|               |   |   | Palapa Estate               | 2009                              | SIAK-RIAU                   | Certified                                    |
|               | Libo Mill   | 2013  | Libo Estate                 | 2009                              | SIAK-RIAU                   | Certified                                    |
|               |   |   | Nenggala Estate             | 2009                              | SIAK-RIAU                   | Certified                                    |
|               |   |   | Sungai Rokan Estate         | 2009                              | SIAK-RIAU                   | Certified                                    |
|               | Ujung Tanjung Mill                                | 2013  | Ujung Tanjung Estate        | 2009                              | SIAK-RIAU                   | Certified                                    |
|               | Naga Sakti Mill                                   | 2012  | Naga Mas Estate             | 2010                              | KAMPAR-RIAU                 | Certified                                    |
|               |   |   | Naga Sakti Estate           | 2010                              | KAMPAR-RIAU                 | Certified                                    |
|               |   |   | Rama Bakti Inti Estate      | 2010                              | KAMPAR-RIAU                 | Certified                                    |
|               | Kijang Mill                                       | 2012  | Kijang Mas Inti Estate      | 2010                              | KAMPAR-RIAU                 | Certified                                    |
|               |   |   | Kijang Kencana Plasma       | 2010                              | KAMPAR-RIAU                 | Certified                                    |
|               | Ramarama Mill                                     | 2012  | Ramarama Estate             | 2010                              | KAMPAR-RIAU                 | Certified                                    |
|               |   |   | Amartajaya Plasma           | 2010                              | KAMPAR-RIAU                 | Certified                                    |
|               |   | 2012  | Sungai Tapung Plasma        | 2011                              | KAMPAR-RIAU                 | Certified                                    |
|               |   | -   | Ramarama KKPA               | 2015                              | KAMPAR-RIAU                 | Un Certified                                 |
|               | Indra Sakti Mill                                  | 2011  | Indra Lestari Estate        | 2011                              | INDRAGIRI-RIAU              | Certified                                    |
|               |   |   | Indra Sakti Estate          | 2011                              | INDRAGIRI-RIAU              | Certified                                    |
|               |   |   | Indragiri Plasma            | 2011                              | INDRAGIRI-RIAU              | Certified                                    |
|               |   |   | Indrasakti Plasma           | 2011                              | INDRAGIRI-RIAU              | Certified                                    |
|               | Bumipalma Mill                                    | 2012  | Bumi Lestari Estate         | 2012                              | INDRAGIRI-RIAU              | Certified                                    |
|               |   |   | Bumi Palma Estate           | 2012                              | INDRAGIRI-RIAU              | Certified                                    |
|               |   |   | Bumi Sentosa Estate         | 2012                              | INDRAGIRI-RIAU              | Certified                                    |
|               | Sawita Mill                                       | -   | Sawita Estate               | 2015                              | KOTABARU-KALIMANTAN SELATAN | It has been ST-1 Audit on 24 – 25 March 2015 |
|               |   | -   | Sawita KKPA                 | 2015                              | KOTABARU-KALIMANTAN SELATAN | It has been ST-1 Audit on 24 – 25 March 2015 |

|        |  |   |                |      |                             |  |
|--------|--|---|----------------|------|-----------------------------|--|
|        |  | - | Pamukan Estate | 2015 | KOTABARU-KALIMANTAN SELATAN | It has been ST-1 Audit on 24 – 25 March 2015 |
| 1.10.2 | <b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b> |   |                |      |                             |  |
|        | Sungai Tapung Plasma was RSP0 Certified on 2013                                    |   |                |      |                             |  |
|        |  |   |                |      |                             |  |

|               |   |
|---------------|---|
| <b>2.0</b>    | <b>ASSESSMENT PROCESS</b>   |
| <b>2.1</b>    | <b>Assessment Team</b>  |
| <b>ASA-02</b> | <ol style="list-style-type: none"> <li><b>Trismadi Nurbayuto (Lead Auditor).</b> Associate Forestry from the Forestry Faculty of IPB and Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, IPB. Specialists in the Environmental Social Impact Assessment (SEIA) and the High Conservation Value (HCV). He participated in HCV Management Training, Indonesian Sustainable Palm Oil (ISPO) Auditor, In House Training RSPO; training of ISO 9001:2008 Quality Management System, ISO 22000:2005 Food Safety Management System, and ISO 14001:2004 Environmental Management System. Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the activities of SEIA and Identification of HCV in Palm Plantation. Currently has been several times following audit activities related to sustainable palm oil certification system as an auditor. During the assessment the auditor assessing SCCS and Social aspect.</li> <li><b>Rudi Ramdani (Auditor).</b> Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agriculture Institute. He has working experienced. He has working experience more than two years as an operational staff in a private oil palm plantation company in Indonesia. Several training he has followed namely: Indonesian Sustainable Palm Oil auditor, Awareness RSPO, Management System Certification (ISO 9001-2008) training. During the assessment the auditor assessing legality of company.</li> <li><b>Sahat Simarmata (Auditor).</b> Hold a bachelor degree on Agriculture Protection, from Agriculture Faculty of University of North Sumatera Medan and Master of Science (Environmental Biology) School of Environmental Science and Management, University of the Philippines Los Banos, Filipina. He had been worked in Ministry of Agriculture at Directorate of Plantation Ministry for 32 years and has followed the trial/ pra-pilot of RSPO P&amp;C, drafting and experimenting ISPO P&amp;C as well as socializing ISPO. During the assessment the auditor assessing the best agricultural practices, integrated pest management.</li> <li><b>Steve Mualim (Auditor).</b> Master in Environmental and natural resources management, Bogor Agricultural University. He has worked as a freelance in several consultant in the Environmental Impact Assessment. He has followed training of Lead Auditor training ISPO, RSPO awareness, Ecological Risk Assessment, Asian Network Update and Carbon, and Climate Change Mitigation and Adaptation for Agricultural Productivity. During the assessment the auditor assessing the environment aspect.</li> <li><b>Brigitta Prita (Trainee Auditor).</b> Bachelor of Forestry, Department Forest Resources Conservation and Ecotourism, Bogor Agricultural University. The training which have been followed ISPO Auditor training and certification of Quality management system ISO 9001:2008, 19011 QMS training, IHT awareness of RSPO, IHT of 17021&amp;17065; and training Management of HCV. During the assessment the auditor assessing the conservation aspect under the lead auditor supervision.</li> <li><b>Dwi Haryati (Trainee Auditor).</b> Bachelor of Agriculture, Department of Agriculture and Agronomy. She have experience of working in the private oil palm plantations in West Kalimantan as Sustainability staff. The training which have been followed: ISPO Auditor Training, Workshop calculations Mitigation Greenhouse Gas from ISPO Commision; IHT awareness of RSPO, Ahli K3 Umum (Health and Safety Training). During the assessment the auditor assessing the OHSAS aspect under the lead auditor supervision.</li> </ol> |
| <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-02</b> | <p>Number of auditors : 4 auditor<br/>         Number of days for ASA-02 at site : 6 days<br/>         Number of working days for ASA-02 at site : 24 Working days</p>  |
| <b>2.2.2</b>  | <b>Assessment Process</b>   |
| <b>ASA-02</b> | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Ivo Mas Tunggal (Libo Mill) to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production Generic 2013 and Supply Chain Requirement for CPO Mill November 2014.</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</p>  |

information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results **ASA-02** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-03**)

Improvement of findings from main assesment findings were observed by auditors at this **ASA-02** assessment. All information obtained was recorded in Check List of PT. Mutuagung Lestari (MUTU) and part of **ASA-03**.

The assessment program please find Appendix 2

**2.2.3 Locations of Assessment**

**ASA-02**

Number of units in this certification activity is four estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the  $0.8\sqrt{y}$  formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (Libo POM) and three estates (Libo estate, Nenggala estae and Sungai Tapung Plasma estate)

**Libo Estate**

1. **Main Pole BM No. 0.** Boundary pole painted in red bordering with Kandis Village. There are two trenches separating PT Ivomas Tunggal area with the community's land belong to Kandis Community. The pole is well maintained.
2. **Main Pole BM No. 01.** Boundary pole painted in red bordering with Kandis Village. There are two trenches separating PT Ivomas Tunggal area with the community's land belong to Kandis Community. The pole is well maintained..
3. **Main Pole BM No. 22.** Boundary pole painted in red bordering with Kandis Village. There are two trenches separating PT Ivomas Tunggal area with the community's land belong to Kandis Community. The pole is well maintained.
4. **Main Pole BM No. 23.** Boundary pole painted in red bordering with Kandis Village. There are two trenches separating PT Ivomas Tunggal area with the community's land belong to Kandis Community. The pole is well maintained.
5. **Supporting Pole IMT No. 177.** Boundary pole painted in red bordering with Kandis Village. There are two trenches separating PT Ivomas Tunggal area with the community's land belong to Kandis Community. The pole is well maintained.
6. **Supporting Pole IMT No. 03.** Boundary pole painted in red bordering with Kandis Village. There are two trenches separating PT Ivomas Tunggal area with the community's land belong to Kandis Community. The pole is well maintained..
7. **Block B12 of Division II of Libo Estate, Tantaro Riparian Area.** Riparian area management such as HCV identification signboard, zero-hunting signboard, woody tree planting, spraying boundary on right and left off the riparian area.
8. **Settlement of Division 1 & 2 of Libo Estate.**
9. **Fertilizer mixing station and spraying equipments.**
10. **Spraying equipments storage.**
11. **Replanting on Division 2, Block D15.** Observation and interview with estate manager in term of the replanting program on block D15 for 29 ha. The program was started on August 2015 (cutting the tree down to chipping), October 2015 (Terracing and Legume Cover Crop *Mucuna* sp planting)
12. **Harvesting. Division 1, Block B9 (Year of Planting on 1986 for 30 Ha).** Observation and interview with the foreman and harvesters in term of harvest technique, PPE, OHS, BPJS membership, obligation and rights of employees.
13. **Division 1 Block C8 (30 Ha). EFB Application.** Observation and interview with assistant of division in term of EFB application as the replacement for MOP fertilizer as well as the prohibition to burn EFB. EFB application

was started on early of January 2015 (once every two years).

14. **Barn Owl Box Monitoring (Tyto alba) on Division 1, Block C8.** Observation on the barn owl box is conducted weekly to know the existence of barn owl based on the rat bones under the barn owl box as well as the existence of mature owl and owlet and eggs. The result of monitoring is written on the formulir put on the barn owl box pole.
15. **Oryctes sp control on Replanting area. Division 6, Block F19 and Block F20.** Installation of phero trap on the immature plant estate (replanting program on 2014) for 29 - 30 Ha per Block. The big beetles are trapped and killed in every morning. In average there are 60 trapped and killed beetles in a day. Replanting program was conducted on 2014.
16. **Spraying (Herbicide Application). There was no spraying program, there was only interview with sprayer's foreman at Estate Office).** Interview for the spraying technique, PPE, pesticide containers washing technique, pesticide container specific storage, restricted pesticide use training, aspects of OHS and manpower.
17. **Spraying (Herbicide Application). (There was no spraying program, there was only interview with sprayer's foreman at Estate Office).** Interview in term of the manuring technique, PPE, fertilizer containers washing technique, pesticide container specific storage, aspects of OHS and manpower.

#### **Nenggala Estate.**

18. **Harvesting Program. Division 4, Block D17 (Age of Planting on 1989 for 29 Ha).** Observation and interview with foreman and harvesters in term of harvesting technique, PPE, OHS, BPJS (labour insurance) membership, rights and obligation as employees.
19. **Barn Owl Box Monitoring (Tyto alba). Division 4, Block D17 (Mature Plant Area) and Division 3, Block C12 (Immature Plant Area).** According to the Estate Manager information, the barn owl box installed on the immature plant area is suspected inactive (no settling barn owl). However, the barn owl box is still active. It means that there are adequate food for the barn owl (Tyto alba) which is rat.
20. **Manuring (Manurer Foreman and Manurer). Nenggala Estate Office. (There was no manuring program, only interview with foreman and manurers).** Interview in term of the manuring technique, fertilizer sack washing technique, Several record of first aid kit content was not complete (no scissor and clean cotton), PPE and bucket are washed on maintained on the house. It has been corrected by the management unit on the NC sheet for corrective action.
21. **Spraying (Herbicide Application), Sprayer's Foreman and Sprayers, (There was no spraying program, only interview with foreman and sprayers on Estate Office).** Interview in term of spraying technique, PPE, technique for washing the pesticide containers, specific place to store pesticide containers, restricted pesticide use training, aspect of OHS and manpower. Several record of first aid kit content was not complete (no scissor and clean cotton). It has been corrected by giving guidance to foreman to check the first aid kit and if the first aid kit is not complete yet, it shall be proposed to SPO Officer to have it completed.
22. **Chemicals Storage.** There have been MSDS, oil trap and symbols of hazardous waste.
23. **Fertilizer Storage.** There have been MSDS, symbols of hazardous waste, handy fire extinguisher, etc.
24. **Cap Washing Station and Herbicide Mixing Station.** According to the result of field visit, there have been eye shower, body shower, etc.
25. **Nenggala Estate Hazardous Waste.** According to the result of the field visit, the Officer have aware of the hazardous waste management, there have been symbols of hazardous waste, MSDS oil trap, handy fire extinguishers and placement for hazardous waste based on its type and characteristic.
26. **PPE Storage.**
27. **Oil Storage.**
28. **Fire Team.** According to the observation, there are ready use water tank to deal with fire, well functioned pump machine, hose, nozzle. Based on the interview with emergency response team. There have been monitoring over fire extinguishing equipments.

29. **Nenggala Estate Clinic.** Interview with the nurse in term of procedure to get medical service, facilities of clinic and medical waste management.
30. **Settlement on Division 3 of Nenggala Estate.** Interview with the housewives on settlement in term of domestic waste management, settlement's facilities, educational facilities, sport facilities, employee's complaint, etc.
31. **Landfill on Block C15 of Division 3 of Nenggala Estate.** Observation on the domestic waste management.
32. **Block 17, Division 1, NGLE.** Observation on the Land Use Title (HGU) main pole No. BM 10 which bordering with community's estate of Telaga Hitam, pole No. BM 09 which is bordering with Simpang Gelombang Road and pole No. IMT 66 on block 17 of Division 1 which is bordering with Simpang Gelombang Road and pole No. IMT 71 on block 15 of Division 1 which is bordering with community's estate. The poles are well maintained.
33. **Block 09, Division 1 NGLE.** Observation on the fire monitoring tower.
34. **Block D15, Division 2 LIBE.** Observation on the estate block where the cutting and chipping plants has just been recently conducted on Tantaro Riparian for 50 meter off the riverbank.
35. **Block B9, Division 1 LIBE.** Observation and interview with foreman and harvesters along with loosen fruit picker in term of the safety work procedure, PPE use, rights of workers and freedom to unite.

#### Libo Palm Oil Mill

36. **Hazardous Waste Storage.** Observation on the hazardous waste management at POM. According to the result of observation, there are procedure of emergency response, hazardous waste symbols at storage, hazardous waste balance sheet and eyewash outside storage.
37. **Grading.** Observation and interview with grading Officer. The Officers are equipped with PPE and are able to describe the grading criteria on Libo POM perfectly.
38. **Flowmeter.** According to the result of observation, the effluent debit recording is daily conducted by the well-trained Officer and the flowmeter condition is normal.
39. **Chemicals Storage.** Good storage sanitation, the chemicals are well structured and there are availability of emergency response, MSDS of each chemicals.
40. **Workshop.** The Officer at workshop has been equipped with proper PPE such as glasses, gloves, safety boots. There is a handy fire equipments at workshop and the Officer have aware of the emergency response procedure.
41. **WWTP Pond.** There is no indication of WWTP pond leakage on Libo POM. The company also has realized the reforestation program at the edge of WWTP pond as well as to strengthen the embankment.
42. **Grading.** According to the interview with the Officer, they have aware of the SOP of FFB receipt. Based on the observation, the company has supported it with signboard which inform OHS and managed waste by referring the SOP.
43. **Processing Stage Area.** According to the result of interview with the workers at processing stage area, the workers have aware of the SOP based on each station. Based on the observation, the company has supported it with signboard which inform OHS.
44. **Despatch.** According to the result of observation, the company has supported it with signboard which inform OHS and managed waste by referring the SOP.
45. **Monitoring well No. 2 on block D13.** The monitoring well is not stinky, oily and is clean.
46. **Land application on block D13 of LIBE.** Effluent application is conducted on the permitted block based on the effluent use permit. There is a flatbed buffer at estate to prevent the effluent overflow.

#### Sungai Tapung Scheme Smallholder.

##### Cinta Damai Cooperative Unit

47. **Block F24-25 of Cinta Damai Cooperative Unit.** The smallholders know the technique for managing agrochemical containers by having it washed for 3 times and having it dried. It shall be then dispatched to the storage.

48. **Agrochemical Mixing Station.** Ex agrochemicals washing management by referring the applied law. There are symbols of hazardous waste and trap for the used water to wash the agrochemicals.
49. **Storage for Cap, Apron and Spraying PPE.**
- Bangun Desa Cooperative Unit**
50. **Washing station for Sprayer Cap and fertilizer containers on Division 04 of Bangun Desa Cooperative Unit.** According to the result of field visit, there have been symbols of hazardous waste, well functioned Body Shower and eye shower.
51. **Storage for Cap, Apron and Spraying PPE.**
52. **Storage for fire control equipments such as sprayer cap, sickles, machete, bucket and hoe.** When fire occurred, Bangun Desa Cooperative Unit (STPA) shall cooperate with Rama Bakti Estate (PT RJP) to provide the fire control equipments.
53. **Interview with the member of cooperative unit including the harvester on Block I 18-19 Division 4 of Bangun Desa Cooperative Unit.** The smallholders have aware of the type of endanger species within Bangun Desa Cooperative Unit such as cobra, dragon lizzard and the socialization in term of the prohibition to hunt has also been held.
54. **Plambayan River on block I23 of Bangun Desa Cooperative Unit.** There have been spraying boundary painted in red (5 plants), Guatemala planting, bamboo planting, waru tree, etc.

|               |  |
|---------------|--|
| <b>2.3</b>    | <b>Stakeholder Consultation and Stakeholders Contacted</b>   |
| <b>2.3.1</b>  | <b>Summary of stakeholder consultation process.</b>  |
| <b>ASA-02</b> | Summary of stakeholder consultation process<br>Consultation of stakeholders for PT. Ivo Mas Tunggal was held by:<br>Public Notification (14 Days before ASA-02 at 4 August 2015)<br>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples at 19 August 2015.<br>Numbers of input from stakeholders were clarified by PT. Ivo Mas Tunggal |
| <b>2.3.2</b>  | <b>Stakeholder contacted</b>   |
|               | <i>Please find appendix 1</i>  |
| <b>2.4</b>    | <b>Determining Next Assessment</b>   |
|               | The next visit (ASA-03) will be determined one year after this ASA-02 (August to October 2016).  |

**3.0. ASSESSMENT FINDINGS**



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

MUTUAGUNG LESTARI has conducted an assessment of Libo POM – PT. Ivo Mas Tunggal operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there was no nonconformity assigned against major and minor compliance indicator and two (2) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Libo POM – PT. Ivo Mas Tunggal has met the requirements of RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production Generic, April 2013 and RSPO Supply Chain Certification Standard November 2014 for CPO Mill.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

| Ref Std.   | VERIFICATION RESULT of MUTU-Certification |
|--|---|
| <b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>   |   |
| <b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>  |   |
| <p>In line with the previous assessment, the company has the procedure of information provision written on the SOP of communication and consultation (SOP/SMART/UMUM/SADV//004). According to the procedure, the response over the information was 1 month since the letter was received. All records of information requests were recorded on the register of book of information response and record of PT Ivomas Tunggal (internal and external communication).</p> <p>There was no information request for issues of environment, social and or legal from the stakeholders during period of 2015. According to the result of interview with the management, there was no information request letter since the latest assessment till the recent assessment. However, there was only several collection of outgoing letter such as OHS Guiding Committee mandatory report for 1st and 2nd quarter.</p> <p>All the information request in form of the assistance request from several parties have been recorded. For example, request for assistance for borrowing bus from the principal of Belutu 6 Elementary School on March 18th 2015. It has been responded by the company by lending bus on March 20th 2015.</p> <p>Stakeholders already know about the kind of information that can be obtained from company, it's in consultation with the Department of labor and Transmigration District of Siak who said that any requests for information responded in less than 1 month.</p> <p>The officer in charge of responding if there is a request for information from stakeholders is KTU, which is then submitted to the Unit Manager. And the unit manager can consult with related units if needed. (Based on Communications and Consultation SOP No. SOP/SMART/GENERA//SADV//004.</p> |   |
|  | <b>Status: Comply</b>                     |
| <b>1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>   |   |
| <p>The company has attempted to collect type of the needed information for each stakeholders. Those are:</p> <ol style="list-style-type: none"> <li>1. Number of Employees and List of Employee's Main Wage.</li> <li>2. Taxpayer ID Number and Property Tax.</li> </ol>   |   |

3. Regional Tax/Retribution Payment.
4. Environment Document.
5. Official Paper of Establishment and Change, data of area and production and data of application.
6. Evidence of Land Ownership.
7. Report of High Conservation Value (HCV) Identification.
8. Report of Social Impact Assessment (SIA) Identification.
9. Report of Community Empowerment Program.
10. Report of OHS Guiding Committee (P2K3).
11. Document of Sustainable Corrective Action Program.
12. Document of RSPO Audit Report.
13. Document of Human Right Policy.

The document list of information to stakeholders is an annex of the SOP Communication and consultation, which is a change of SOP General. This document was placed in the Department of Sustainability Division (SADV) SOP/SMART/GENERAL/SADV/II/004.

**Status: Comply**

**1.3**

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

PT SMART Tbk as one of the palm oil estate and processing company committed to implement responsible business ethic by referring the Shared Values of the company such as Integrity, Positive Attitude, Commitment, Sustainable Corrective Action, Innovation and Loyalty based on law, principle and criteria of sustainable palm oil. The company shall implement and socialize the Shared Values to all employees on each business activity. The company does not tolerate for all type of corruption on the business practice conducted by employees. The employees who do corrupt action shall be punished and sanction will be put on them based on the applied law. It was legalized by RC and PC of PT Ivomas Tunggal on January 3rd 2015.

Socialization for code of integrity was held on May 4th 2014. It was attended by 26 employees of all management level (attendance list and documentation were available).

**Status:  
Comply**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1**

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

The company has shown some evidence of compliance with applicable legal requirements among others:

**Land Use Title**

There are no changes to licensing legality of land; among others: Areal Based Backup Permits Decree of the Governor of the Province of Riau No. Kpts.532 / XII / 1984 dated December 7, 1984 on Backup Land Covering an area of 41,870 ha; Location Permit In accordance with the Decree of the Governor of the Province of Riau No. Kpts.543 / X / 1986 dated October 8, 1986 on Location Permits and Acquisition Rights / Purchasing land area of approximately 45,870 hectares in the district and sub-district Mandau Kubu, Bengkalis; Approval in principle for oil palm plantations 23,477 ha of the Minister of Agriculture No. HK.350 / E5.790 / 12.94 December 2, 1994; Plantation Director General approval letter No. HK.350 / E4.516 / 10.88 dated October 11, 1988; Approval in Principle: Letter of the Minister of Agriculture No. HK.350 / E5.790 / 12.94, dated December 2, 1994; Plantation Business Registration Document No. 756 / Menhutbun-VII / 2000 dated June 29, 2000.

**Environment Legality**

The company has permit to utilize effluent based on the decree of Siak District Environment Agency Head No. 02/BLH-S/KPTS/2015 dated January 5th 2015 for 5 years. The management got permit for hazardous waste storage. For

example: Decree of Siak District Environment Agency No. 09/BLH-S/KPTS/2014 dated July 9th 2014 in term of hazardous waste storage permit for PT. Ivo Mas Tunggal, Libo POM. The permit is valid for 5 years since its approval. And then Decree of Siak District Environment Agency No. 15/BLH-S/Kpts/2011 dated December 20th 2011 in term of the hazardous waste storage permit. The permit is valid for 5 years.

**Manpower:**

The company has shown several evidence of law compliance follow: There was an evidence of payment for employee's BPJS (permanent employee) for July 2015. It was in line with statute No. 13 Year 2003 in term of Manpower. The company has circular of CEO 5 No. 004/HR Ops 1/09/2014 in term of the work accident and death insurance for temporary daily labour and the implementation of statute No. 24 Year 2011 about BPJS per July 1st 2015 for the BPJS payment for temporary daily labour. According to the circular, the daily labour union whom are not yet registered to BPJS but has experienced work accident shall be compensated with the same value based on the applied law. (legalized by RC and PC of Region of Siak).

There was a collective labour agreement for period of 2013 in decree No. 191/PHIJSK-PKKAD/PKB/XII/2012 between Sumatera Estate Company Cooperative Forum and Indonesia Agriculture Labour Union. The agreement was sealed in Jakarta on December 17th 2012. The agreement was valid for 2 years. The collective labour agreement was still valid during the audit program. The new collective labour agreement (2015 – 2017) was being composed. There was a document of certificate and operator license list for Libo Mill. It consisted of 2 operator licenses (thresher machine operator license, boiler operator license, security Officer license, wheel loader operator license, engine room operator license, workshop operator license, staff operator license).

**Good Manufacturing Practices :**

The company showed the document of the list of maintenance and test for machine and work equipments for Libo Mill per June 4th 2015 for 26 equipments. For example, the electric motor steam turbine with license No. A52/TB/W4/VI/1996 with maintenance period for 1 year. The latest maintenance was held on April 30th 2015.

The company has work program to evaluate the compliance over law to government agency in term of PT IMT of Siak Region which is planned for twice a year or each semester. The program on 2015 is scheduled followed:

| Compliance Evaluation | Plan      | Realization         | Plan          |
|-----------------------|-----------|---------------------|---------------|
| <b>Manpower</b>       | June 2015 | July 2015           | December 2015 |
| <b>OHS</b>            | June 2015 | April and July 2015 | December 2015 |
| <b>Permit</b>         | June 2015 | May and July 2015   | December 2015 |
| <b>Environment</b>    | June 2015 | June 11th 2015      | December 2015 |
| <b>HCV</b>            | June 2015 | June 2015           | December 2015 |

**OFI:** the law and manpower bureau of the company is encouraged to evaluate and to communicate the Government Regulation No. 45 and No. 46 Year 2015 with the government over the regulation for temporary daily worker's workdays running on the company.

|                     |  |
|---------------------|--|
| <b>Minor 2.1.4.</b> | <b>Status:<br/>Opportunity For<br/>Improvement</b> |
|---------------------|--|

**2.2  
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.**

Unit management did not make changes to the area. The entire area of corporate management units have been included in the owned concession.  
There are no changes to the area of governance, operational licenses and other legal documents that have, among other:

Based on the Decree of the Governor of the Province of Riau No. Kpts.532 / XII / 1984 dated December 7, 1984 on Backup Land Covering an area of 41 870 ha; Location Permit In accordance with the Decree of the Governor of the Province of Riau No. Kpts.543 / X / 1986 dated October 8, 1986 on Location Permits and Acquisition Rights / Purchasing land area of approximately 45 879 hectares in the district and sub-district Mandau Kubu, Bengkalis; Letter No. HK.350 / E4.516 / 10.88 dated October 11, 1988 regarding the approval of Oil Palm Plantation Development Company in Riau Province; Approval in Principle: Letter of the Minister of Agriculture No. HK.350 / E5.790 / 12.94, dated December 2, 1994; The company has been awarded the Certificate of leasehold No. 1 of 1994 dated August 18th, 1994 covering an area of 13 432, 087 Ha is valid up to December 31, 2028 and received the extension and renewal of the concession under the Head of National Land Agency No. 150 / HGU / BPN / 2004. There has also been awarded the Certificate of HGU No.02 dated August 12, 1997 covering an area of 11621.2 hectares which is valid until August 12, 2032 (35 years old) with the operating areas is Libo Estate, Rokan River Estate, Nenggala Estate and Libo Mill.

LIBE-PT. Ivo Mas Tunggal has had installation procedures and maintenance of garden stakes (SOP-RSPO / IMT / PPK July 01, 2011, the contents of which include the preparation, implementation, inspection and maintenance of boundary markers.

HGU boundary markers in Libo Estate consists of 10 main poles and four poles auxiliary (LIBE) and four major peg HGU / stakes BM and 10 auxiliary stakes (ngle) in a state maintained. Based on monitoring data last month of July 2015 around the boundary markers in preserved condition.

Based on field visits to ngle: peg BM10 bordering community garden Ponds Black and BM 09 bordering the lands of citizens the village of Simpang wave, stakes aids BMI 66 in block 17, Division 1, which borders the road Simpang waves and stakes BMI 71 bordering community gardens, the stakes in well-maintained condition.

Based on the results of the public consultation conducted on August 19, 2015 by the National Land Agency Kab. Siak, community leaders and the gardens around the village board and the company's management is also known there are no land-related disputes in the area of operations.

**Status: Comply**

**2.3**

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

PT Ivomas Tunggal management has informed that there was no any traditional rights within the operational area. According to the information from the stakeholders on the FGD, there was no traditional, customary nor ancestry rights within PT. Ivomas Tunggal estate area. The FGD was attended by the community figures, government, chief of villge, head of Riau customary community, Sakai customary figures. The FGD was held on Ujung Tanjung Training Zentre on May 30th 2013.

According to the result of public consultation with Siak District National Land Agency and Plantation Agency as well as public consultation with several villages like Jambai Makmur, Telaga Samsam, Kandis Kota and Simpang Belutu on August 19th 2015, there was no traditional nor customary land within PT. Ivomas Tunggal estate area. It was supported by the result of HCV identification (there was no customary community). The locals identified themselves as Sakai Tribes whom are now acculturated with the newcomers.

**Status: Comply**

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

**3.1**

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

The company has plan to conduct replanting program for smallholders for 3 years (2015 to 2017) for 1,500 Ha (750 Family Heads). Cost of replanting is adjusted to the decree of Director General of Plantation No. 256/Kpts/RC.110/10/14 dated October 30th 2014 for IDR 75,490,000.-per Ha. According to the document of Pilot Project for Innovative Financing for Region of Siak, the map of the replanting program location for smallholders can be shown. The survey for identification and inventory for estate and smallholder was conducted on 2015. At the end of July 2015, 124.43 Ha (33 family heads) in 3 villages were inventorized.

The company has composed work plan as written on the document of **Profitability & Main Projection** for 5 years (2015 to 2019). It described the information in term of the POM cost estimation, CPO price, replanting plan, FFB, CPO, PKO and PKM production and profitability.

The company has had replanting program for 5 years (2016 to 2020) for 15,628.74 Ha on 7 estates as shown below:

| No. | Estate        | Plan of Replanting (Ha) Year |          |          |          |          |          | Total     |
|-----|---------------|------------------------------|----------|----------|----------|----------|----------|-----------|
|     |               | 2015                         | 2016     | 2017     | 2018     | 2019     | 2020     |           |
| 1.  | Libo          | -                            | 396.00   | 477.00   | 517.00   | 801.00   | -        | 2,191.00  |
| 2.  | Nenggala      | 457.82                       | 548.00   | -        | -        | -        | -        | 1,005.82  |
| 3.  | Sei rokan     | -                            | 444.00   | 856.00   | 519.00   | 841.00   | 694.06   | 3,354.06  |
| 4.  | Samsam        | 734.10                       | 444.00   | 224.00   | 490.00   | -        | -        | 1,862.10  |
| 5.  | Palapa        | -                            | 473.00   | 506.00   | 559.00   | 525.00   | 479.40   | 2,542.40  |
| 6.  | Kandista Sari | -                            | -        | 693.00   | 576.00   | 524.00   | 672.19   | 2,465.19  |
| 7.  | Ujung Tanjung | -                            | 466.00   | 514.00   | 282.00   | 694.00   | 222.17   | 2,178.17  |
|     | Total         | 1,191.92                     | 2,771.00 | 3,270.00 | 2,943.00 | 3,385.00 | 2,067.82 | 15,628.74 |

Annual review over the replanting plan. For example, Manager of Nenggala Estate. The Manager described that replanting plan for period of 2016 in Nenggala Estate shall be started much earlier on 2015 due to the fact that the age of plant is 28 years old and the productivity is decreasing (<23 ton of FFB/Ha/Year).

**Status: Comply**

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

**4.1**

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

There is no change on the procedure for cultivation and processing until ASA-2.

The evidence that the SOP has been well implemented through field visit and interview are as follow:

- Interview with the foreman and sprayers and foreman of manurer and manurers on Nenggala Estate Officer. The workers were able to describe the safety work procedure including the environment and worker's health management.
- Interview with foreman and harvester on block B9 of division 1. Both of them have aware of procedure of harvesting and fruit maturity standard.
- Observation on Tantara Riparian in block D15 of division 2 where the area is determined as riparian area for 50 meter off the riverbank.
- Block of replanting program at block D15 of Division 2. The estate unit has implemented zero burning land clearing by pushing it to fell, chipping it and stacking it.

Procedure to check the consistency of procedure implementation on scope of estate and POM is conducted on OIA program. There are documents of:

- Record of NGLE internal audit follow up in 1st semester of 2015 dated August 23rd 2015 including the response of management. For example, the work quality of chipping contractor which was not complying the standard. It has been followed up by sending warning letter from EM of NGLE to contractor on letter No.

01/MGR NGLE/04/2015 dated April 11th 2015.

- Executive summary of operation internal audit report No.07/V-LIBM & LIOK/14 for the date of internal audit on October 12<sup>th</sup> – 20th 2014. The scope of audit were the bank cash and memorial administration, goods stock, permanent activa non-plant, crops processing stage. The document was supported by response and follow up of auditee. For example, the existence of oil gutter first press kcp hole which risk for accident occurred. It has been installed with chute press on October 1st 2014.

Libo POM receive FFB from PT IMT owned estate such as Ujung Tanjung Estate, Nenggala Estate, Libo Estate, Sei Rokan Estate and 2 estates within 1 group which are Ramabakti Estate & Sungai Tapung Scheme Smallholder Estate.

**Status: Comply**

**4.2**

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

Fertilization is done by the management unit lasts until the ASA-02 has reached 80% of which is owned planning. Fertilizers used in maintaining fertility is also diverse and according to the needs of the analysis results leaves as fertilizer such as Meroke Mag-S (Epsomsalt), Meroke Kaliphos (MKP), Urea, TSP, Rock Phosphate (RP), Muriate of Potash (MOP/KCl), FeSO<sub>4</sub>\*7H<sub>2</sub>O, Borate Mahkota, Super Dolomite

Based on interviews with foreman Officer Fertilizers and fertilizer. Plant manuring for period of 2015 (till July). For example, Urea fertilizer application (11,313 kg for 89.25 Ha area), TSP (3,450 Kg for 53.11 Ha area) and RP (77,250 Kg for 407.36 ha area)

The company has routinely monitored the changes on the nutrient status based on the regular soil and leaf analysis. The leaf analysis is conducted annually while soil analysis is conducted every 5 years. The leaf sampling is conducted on Leaf Sampling Unit (LSU) and soil sampling is conducted on Soil Sampling Unit (SSU). The sampling spot has been determined in each division and block routinely by SMART Research Institute (SMARTRI) and it is supported by well-trained census Officer in each estate. There were 87 leaf samples from LSU of 5 Division (86 Blocks) and 36 soil samples taken from 6 SSU of block D31 during period of 2015. The result of leaf sample analysis has been received. Meanwhile, the soil sample is being analyzed.

**Status: Comply**

**4.3**

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

The company also has semi-detail map in scale of 1: 50,000 which describes the unit of soil map, land suitability, boundary factors and hectarage which was composed by Plantation Monitoring and Planning Division on February 2002. According to the map, the distribution of land is visible and there was no distribution of fragile soil on **Nenggala and LiboEstate**.

The company has implemented palm oil plants planting technique on the high erosion area by creating:

- Contour terrace on the hilly area with slope between 9 – 22° (width 4.5 m to 3 m), each 30 m there will be a stop bund (width and height for 60 – 70 cm and length for ± 2 m off the cliff).
- Individual terrace on the specific planted area but impossible for the contour terrace to be created (width 2.5 m following contour)

The company has the document of environment evaluation study which was approved by EIA Commission of agriculture department No. RC.220/1052/B/VI/93 dated June 22nd 1993. According to the document, there is no managed peatland within **Libo Estate** and **Nenggala Estate**.

The company also has semi-detail map in scale of 1: 50,000 which describes the unit of soil map, land suitability, boundary factors and hectarage which was composed by Plantation Monitoring and Planning Division on October 2006. According to that map, there is no marginal soil and other problematic soil within Libo Estate (LIBE) and Nenggala

|  |                       |
|--|-----------------------|
| Estate (NGLE).   | <b>Status: Comply</b> |
| <p><b>4.4 Practices maintain the quality and availability of surface and ground water.</b></p> <p>Commitment to preserve riparian area and wetland bufferzone including maintaining and preserving the riparian area pre and post replanting program were implemented by:</p> <ul style="list-style-type: none"> <li>• Separating the waste trench and non waste trench;</li> <li>• Improving housekeeping program;</li> <li>• Manuring based on SOP;</li> <li>• Creating storage and washing station for pesticide;</li> </ul> <p>The water quality management is monitored every semester. For example, the result of surface water quality test in 1st semester of 2015 at the Tantaro River upstream and downstream. According to the result of water quality monitoring, there were several parameters which exceed the quality threshold. For example, pH, BOD, COD, Total Phospor, and oil and fat. According to the result of evaluation of environmental management and monitoring document, the water quality has been exceeding the regulated threshold before entering Libo Estate. However, the water quality is getting better on the downstream. It is well described on the result of surface water quality analysis.</p> <p>Furthermore, the management unit also monitor effluent from Libo POM routinely (monthly). According to the result of effluent quality test during period of April – June 2015, there was no effluent parameter which exceed the quality threshold. The optimization for the water consumption for Libo POM has been routinely monitored. The average ratio of water consumption per ton of FFB based on the last 3 months data (April – June 2015) was 1.43 m<sup>3</sup>/ton of FFB was still below the determined water consumption budget for 1.50 m<sup>3</sup>/ton of FFB.</p> <p>Furthermore, the management unit also monitor the effluent quality from Libo POM monthly. According to the result of effluent quality test on period of April to June 2015, there was no parameter which exceed the quality threshold.</p> <p>The optimization of water consumption for processing stage for Libo POM is conducted by the management on the routine monitoring. The ratio of water consumption per ton of FFB in last 3 months (April – June 2015) was 1.43 m<sup>3</sup>/ton of FFB (below the water consumption budget for 1.50 m<sup>3</sup>/ton of FFB .</p> |                       |
|  | <b>Status: Comply</b> |
| <p><b>4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</b></p> <p>The company has implemented pest and disease action on 2015 (January – July) as follows:</p> <p><b>1. NGLE</b></p> <p><i>Oryctes</i> sp pest census for every 10 days. According to the result of census on 2015 (January – July) on immature plant area According to the result of monitoring, 812 palm oil plants (1.3%) of 61,220 monitored palm oil plants were attacked. The attack level was a light attack. <i>Oryctes</i> sp control was conducted by using wingkling (attaching sharpened steel on the beetle on the gerek hole).</p> <p>Rat census on immature plant area (year of planting on 2014) for 1,814.88 Ha (238,254 pohon). The percentage of attack was still below the economy threshold (5%). For example, January 2015 (0.85%), April (0.86 %) and July (0.94 %).Rat are controlled by installing barn owl box (<i>Tyto alba</i>). Palm oil frond leaf eating caterpillar census for every 2 months in Division 1 and 2 (506.16 Ha). According to the result of monitoring on January, March, May and July 2015, 76 palm oil plants (0.32%) of 23,536 monitored palm oil plants were attacked. The attack was a light attack. Palm oil frond leaf eater are controlled by planting and maintaining <i>Turnera subulata</i> and <i>Antigonon leptosus</i> at the edge of main road in all divisions</p>  |                       |

**2. LIBE**

Rat census every quarter by monitoring the sample tree. According to the result of census on January, April and July) in 57,683 palm oil plants sample on 6 divisions (4,377.69 Ha). According to the result of monitoring on January 2015, there was 1,291 palm oil plants (2.24%), April 1,303 palm oil plants (2.26%) and July 1,325 palm oil plants (2.3%) that have been attacked. The attack percentage was still below the economic threshold (5%). Rat control by installing barn owl box (barn owl). There have been 204 barn owl boxes (1 unit for 15 Ha). All barn owl boxes are still active, there have been 102 couple of mature owls.

Palm oil frond leaf eater caterpillar census for every 2 months. According to the result of monitoring on January, March, May and July 2015 in 6 divisions (4,377.69 Ha), there was no any attack on the plants of 52,782 monitored palm oil plants. Palm oil frond leaf eater are controlled by planting and maintaining *Turnera subulata* and *Antigonon leptosus* at the edge of main road in all divisions.

The restricted pesticide euse training which was held at Ujung Tanjung Training Center (UTTZ) on March 28th 2015. It was taught by Pesticide and Fertilizer Commission, Manpower Agency, Health Agency and Environment Agency of Riau Province. The training was attended by 104 participants consisted of 70 sprayers of 7 estates in Siak Region. The company has sent 62 workers involved on the IPM implementation on the *In House Training* of "IPM training" on June 4th 2015 in Ujung Tanjung Training Centre (UTTZ)

According to the result of interview with the sprayers of NGL and LIBEE, they were participating on the restricted pesticide training. Furthermoe, based on the interview with pest census Officer of NGL and LIBE, they were participating on the training trained by SMARTRI.

**Status: Comply**

**4.6**

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

The company has type of herbicide used during period of 2015 to control the weed (approved by Indonesia Pesticide Commission) and it is registered on the book of pesticide for agriculture and forestry issued by R.I Agriculture Ministry. The list of herbicide contains the trademark, active ingredient, type, weed target, registration number and date of permit period. The list of herbicides use that are re-used covered name of product, active ingredient, LD50, % of active ingredient, amount of application (liter o kg), total of active ingredient, FFB production (ton) and pesticide unit. For example, the herbicide used for period of July 2015 were Rolixone, Roll Up dan Erkafuron.

The company has the record of herbicide use for the last 5 years (2011 to 2015) such as Rolixone 276 SL (Paraquat), Roll Up 480 SL (Glifosat), Erkafuron 20WDG (Metil metsulfuron) and Garlon 670 EC (Trichlopir) with the trend of reduction for use. Furthermore, the company has the record of paraquat active ingredient herbicide for the last 5 years (2011 to 2015) with the trend of reduction for its use. For example, 2011 (**820.29 liter**) it becomes **60.54 liter on July 2015** and in **Nenggala Estate from 2,611.15 liter (2013) to 611.50 on July 2015**. According to the information from Manager of Libo Estate and Nenggala Estate based on the company's policy, there will be a zero paraquat use on 2016 (**zero paraquat**).

The pesticide are handled by the well trained Officer. The company has held restricted pesticide use training on March 28th 2015 in Ujung Tanjung Training Centre (UTTZ). It was trained by the Riau Province Pesticide Commission and was attended by 70 participants of 7 estates of Siak Region.

The company describes that the chemicals pest and disease control (pesticide application) is conducted by using method which could reduce the negative impacts like:

- Herbicide potion application on circle path, harvesting path, FFB collecting point and interrow by using knapsack sprayer and/or Micron Herbi Sprayer (MHS).
- Insecticide application by injecting the palm oil plant rod to control palm oil frond leaf eater catterpillar on mature plant area.
- Granulare insecticide application is conducted by having it spreadt on specific plant part such as Marshall Granular for



- palm oil plant's frond armpit to control *Oryctes* sp on immature plants area;
- Sex pheromon application by hang the feromon sachet on the bucket to trap *Oyctes* sp

The pesticide mixing and pesticide spraying equipments washing (spraying tank) and PPE are conducted on the provided place on division office. The water used to wash it shall be poured to the tank to be reused for making pesticide potion.

The medical check up for sprayers by providing the equipments for cholinestrase check up. The management unit showed the recapitulation of specific medical check up for **Libo Estate** sprayers and fertilizer. According to the result of document review, there were 2 employees (sprayers and manurer) who experienced light restriction. Based on the recommendation of docter, there should be physical check up on the central clinic. Post the medical check up, both workers are considered healthy based on the supporting health paper from doctor with the recommendation to keep lungs health, routine workout and use of proper PPE.

According to the result of interview with sprayers of Libo Estate, there is no pregnant nor breastfeeding sprayers. The company also monitor and examine the workers to ensure that there is no pregnant nor breastfeeding women workers.

The company has had SOP to manage pesticide waste No. SOP/SMART/LEMS-EHSD/SADV/I/002. The SOP set the method to manage agrochemicals containers waste. Agrochemicals containers waste and another solid waste are described on the procedure by having it collected, having it washed, having it recorded on the formulir of agrochemicals containers Log book and then it should be maintained on the provided place →the washed agrochemicals waste can be used for the same program or can be hoarded and or returned to supplier or depends on the agrochemicals MSDS. According to the field visit, the pesticide containers were stored on the particular location (marked for the used containers) and reused for the similar intention.

**Status: Comply**

**4.7**

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

The company has evidence that they have consistently implemented OHS policy based on the applied procedure and law. For example, compliance over OHS equipments such as PPE for workers in accordance with on the hazard level on station, provision of first aid kits for estate and POM, ready use condition of fire equipments.

The OHS Guiding Committee in charge of OHS program on PT Ivomas Tunggal of Unit of Libo, Nenggala Estate and Libo Mill has been running their job and functions routinely by holding monthly meeting to discuss OHS dispute. Furthermore, OHS Guiding Committee has reported the program to Siak District Manpower Agency every quarter.

1. **LIBM:** Decree of Siak District Manpower Agency No. 566/SKP-P2K3/DSTKT/2013/23 dated November 29th 2013 in detail: Head (Fun Guolin), Deputy (Sutan Arso), Secretary (Lilik Kusuma with certificate in Reg. No. 3506/PK3/AJ/14/2012/PO), General ADC (Amir Hamzah) with member on division of monitoring, RnD, evaluation, consultation and medical service.
2. **LIBE:** Decree of Siak District Manpower Agency No. 566/SKP-P2K3/DSTKT/2015/19 dated July 27th 2015 in term of the legalization for the OHS Guiding Committee organization structure of Libo Estate. It consisted of Head (Agus S), Deputy (Bamban W), Secretary (Irfan Fachrul M is the OHS expert with decree of appointment No. KEP.P161/M/DJPPK/IV/2014 dated April 23rd 2014 for 3 years), assisted by members on divisions of monitoring, RnD, evaluation, consultation and medical service.
3. **NGLE:** Decree of Siak District Manpower Agency No. 566/SKP-P2K3/DSTKT/2014/26 in term of the legalization for the OHS Guiding Committee organization structure of NGLE dated July 8th 2014 in detail of Head (Suprayitno), Deputy (H. Ali), Secretary (Ferhan is the OHS expert with decree of appointment No. KEP.P.159/M/DJPPK/IV/2014 dated April 23rd 2014 for 3 years) assisted by members on divisions of monitoring, RnD, evaluation, consultation and medical service.

The company has consistently registered all permanent employees to BPJS program. There are 3 programs for

permanent employees (work accident insurance, death insurance and retirement assurance). Referring to the circular of CEO 5 No. 004/HR Ops 1/09/2014 and the applied statute No. 24 Year 2011 in term of the BPJS per July 1st 2015. The temporary daily workers who experience work accident but not yet registered to BPJS program shall be given fair compensation based on the applied law (legalized by RC & PC of Region of Siak on August 26th 2015). According to the discussion with the management unit, referring the circular, the work accident compensation to temporary daily labour shall be adjusted with the applied law.

The company has composed risk analysis document in form of HIRAC for each routine and non routine operational at POM and Estate work unit. The document was compiled by referring flowchart follows: all operational and process at POM and Estate were identified for the hazard potential based on the source/event and impacts caused by, the risk level analysis was then conducted and the risk control was then determined such as elimination, substitution, engineering, administrative or PPE use. According to the recapitulation of specific medical check up for **NGLE**, there has been medical check up for 29 workers on August 4th 2015. The medical check up were cholinesterase and spirometri. According to the recapitulation of specific medical check up for **LIBE**, there has been medical check up for 34 workers at early 2015 (there were 4 sprayers, 2 sprayer foremen, 21 manurers, 2 manurer foremen).

PT Ivomas Tunggal of Libo unit is consistently implementing readiness over the emergency response by forming emergency response team. The structure is as follow:

- Emergency response team structure of **NGLE**: Head, daily head, secretary, assisted by fire team (division of hydrant/water tank, handy fire extinguisher, machete/axe and division of sickle) medic team, securing team, destroyer team, connecting team and evacuation team (the data is based on the decree No. 566/SKP-P2K3/DSTKT/2014/26 ).
- **LIBM**: Head, Deputy, Secretary, ADC. They are supported by fire team, fire isolator, sand team, wet knapsack team, sickle, medic team, secure team, destroyer, liaison team and evacuation team.
- **LIBE**: Head, Daily Head, Secretary, ADC. They are supported by fire team, fire isolator, sand team, wet knapsack team, sickle, medic team, secure team, destroyer, liaison team and evacuation team.

Provision of facilities to deal with fire. The facilities/equipments were well maintained and ready use. According to the result of field observation to Libo Mill, handy fire extinguisher and hydrant were ready use. The monitoring over the equipments is conducted by safety Officer monthly. According to the field observation to Libo Estate, the fire extinguishing equipments were well maintained as well.

The management unit showed the formulir of first aid kit content monitoring in Libo Mill on July 2015. The first aid kit content monitoring on main office (good), laboratory (good), processing stage office (broken), warehouse (good), hazardous waste storage (good), POM workshop, processing stage office and final effluent office (broken but it has been replaced with the good one). The harvester foreman of block B9 of division 1 of Libo Estate has been equipped with first aid kit action to deal with work accident. The foreman has gotten first aid kit training taught by the company's doctor.

Consistently, the company has documented the record of work accident in form of the annual recapitulation report of FR and SR. There was a monitoring of work accident on Libo Mill during period of January – July 2015. The result was zero. Meanwhile, there was no work accident on Libo Estate during period of 1st quarter of 2015.

**Status: Comply**

**4.8**

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

The company has had training programs for employee for period of 2015 in document No. SOP/SMART/LC-PR/HRDV/02. For example, conveyor and forklift training on December 2015, RSPO awareness on March 2015, socialization in term of emergency response procedure on March 2015, hazardous waste and material control on March,

sexual harrashment training on June, prevention and control over drugs abuse on November 2015, awareness over aspect and impact of environment on March 2015, socialization of FFB processing on June 2015 and socialization of heavy equipments and vehicle maintenance on June 2015.

Furthermore, there are training programs for Libo and Nenggala Estate employees for period of 2015 in document No. F/SMART/LC-PR/HRDV/02. For example, land and settlement fire control simulation on March 2015, earthquake and riot simulation on March 2015, first aid kit training on May 2015, hazardous waste and material control training on March 2015 and restricted pesticide use training on July 2015. Furthermore, there are training programs for local contractor (FFB & Civil) such as contractor control SOP training, HIRAC training, Material Safety Data Sheet (MSDS) training, emergency response training, PPE use training, first aid training and OHS requirements training for contractor.

The company also has the record of evaluation result for each employee's training programs on 2015. For example, result of training evaluation of first aid kit training on June 6th 2015 which was trained by the company's doctor (Dr. Yossi A.P). The result of evaluation showed that the employee's satisfaction level was 77,5 % - 80,9 % (Remarkable).

Therefore, the company has had well documented and maintained training programs for employees as well as its training records for employees on 2015.

**Status: Comply**

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

**5.1**

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

There was no change on the operational scope of PT IVOMAS TUNGGAL until ASA-2.

The management unit has had environment document as the commitment and responsibility over the environment management and monitoring. For example:

- The approved Environment Evaluation Study by EIA Commission of Agriculture Department in letter No. RC.220/1052/B/VI/93 dated June 22<sup>nd</sup> 1993.
- PT Ivomas Tunggal environmental management plan and palm oil processing approved by EIA Commission of Agriculture Department in letter No 129/RKL-RPL/BA/XII/94 dated December 8<sup>th</sup> 1994.
- PT Ivomas Tunggal environmental monitoring plan and palm oil processing approved by EIA Commission of Agriculture Department in letter No 129/RKL-RPL/BA/XII/94 dated December 8<sup>th</sup> 1994.

The scope of Environment Evaluation Study was 46,000 Ha (including PT Salim Ivo Mas) with 4 POM (3 POM with capacity of 30 Ton of FFB/Hour (upgradeable to 50 Ton of FFB/Hour) and 1 POM with capacity of 30 Ton of FFB/Hour). There was a revised environment document which was environmental management and monitoring plan based on the recommendation of of environmental management and monitoring plan from Riau Province Environment Impact Control Agency No. 660.1/Bapedal Prop.AM/232 dated May 3<sup>rd</sup> 2006 within 2 Land Use Title (HGU) for 25,053.287 ha and 3 POM with capacity of 60 Ton FFB/Hour.

According to the result of public consultation with the Siak District Environment Agency and document review, the environment management and monitoring program has been reported to the environment agency on the report of environmental management and monitoring plan such as report of environmental management and monitoring plan in 1<sup>st</sup> semester of 2015 which was reported to Siak District Environment Agency and to Siak District Plantation Agency on July 29<sup>th</sup> 2015, to Riau Province Environment Agency on July 28<sup>th</sup> 2015, to Environment Ministry on July 31<sup>st</sup> 2015.

**Status: Comply**

**5.2**

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

PT Ivo Mas Tunggal has assessed HCV. It was internally conducted by Environment Department of PT. SMART Tbk on 2009. It was led by Norman Faried M (Team Leader of HCV assessment) who has been approved by RSPO. The result of HCV identification on 2009 follows:

| NKT                                  | ESTATE (Ha) |        |       | Total (Ha) |
|--------------------------------------|-------------|--------|-------|------------|
|                                      | NGLE        | SRKE   | LIBE  |            |
| 1.1 dan 4.1 (sempadan Sungai Tantar) | -           | -      | 64,4  | 64,4       |
| NKT 4.1 dan 4.3 (rawa air tawar)     | -           | 26,429 | 186,2 | 212,629    |
| NKT 6                                | -           | -      | 0,68  | 0,68       |
| Total (Ha)                           |             |        |       | 277,709    |

According to the report of wildlife monitoring on PT Ivo Mas Tunggal on 2015, there are several wildlives. For example:

| No. | Nama Lokal      | Nama Ilmiah                   | Status konservasi |             |      |
|-----|-----------------|-------------------------------|-------------------|-------------|------|
|     |                 |                               | PP.07/1999        | CITES       | IUCN |
| 1.  | Cekakak Belukar | <i>Halcyon smyrnensis</i>     | -                 | -           | LC   |
| 2.  | Elang Hitam     | <i>Ictinaetus malayaensis</i> | D                 | Appendix II | LC   |
| 3.  | Biawak          | <i>Varanus Salvator</i>       | -                 | Appendix II | LC   |
| 4.  | Macan Akar      | <i>Felis bengalensis</i>      | D                 | Appendix I  | LC   |
| 5.  | Ular Kobra      | <i>Ophiophagus hannah</i>     | -                 | Appendix II | VU   |

According to the data, the found wildlives are *cekakak belukar* and *biawak* which are not considered as list of RTE (Rare, Threatened or endangered). Meanwhile, there is no endanger flora species.

There has been a signboard which inform the prohibition to catch, keep, grow, destroy and treat endanger animals. The sanction is based on Act No. 5 Year 1990 clause 21 verse 2 in form of the jail punishment for 5 years and fine for IDR 100,000,000,-. According to the interview with the management and interview, there is no employees who are harming, catching and killing the endanger species. Furthermore, there has been a socialization for the awareness of endanger species existence on March 28<sup>th</sup> 2015.

According to the observation on Kandis Riparian on block M16 of division 6 of SSME & block J3 of division 1 of PLPE where it has been determined as conservation area for 50 m off the river (left and right side), the palm oil plants were not cutted down. There was a signboard which inform the endanger species and prohibition to use chemicals/poison fish. The riparian area was dominated by natural bushes and *vetiver grass*.

Furthermore, PT Ivo Mas Tunggal has had HCV management plan for period of 2015. For example, riparian area management, endanger species management, HCV monitoring. The implemented management plan were the painting of HCV boundary mark, HCV boundary poles repairment, HCV patrol, monthly endanger species monitoring

The company has HCV training program for HCV Officer. It was held on February 26<sup>th</sup> 2015. The taught materials of training

were the introduction and management for the endanger species within PT IMT estate area.

According to the result of interview with the locals (Headman of Belutu Village), there was no community's cultivated area considered as HCV area by the company. Therefore, the negotiation to preserve HCV area and local community rights was not needed.

**Status: Comply**

**5.3**

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

The company has the record of the waste sources identification written on the formulir of identification and evaluation of the environment aspect No. F/SMART/LEMS-EHSD/SADV/001/001 on May 2015. It has been approved by Mill Manager and Manager of each estate.

**Hazardous Waste Management**

**LIBO POM**

Decree of Siak District Environment Agency No. 07/BLH-S/KPTS/2014 in term of LIBO POM hazardous waste storage permit dated July 9<sup>th</sup> 2014 for 5 years. The dimension of the building is 5.90 m x 2.83 m x 2.8 m with coordinate N 00°93'01" and E 101°20'67".

**LIBO ESTATE**

Decree of Siak District Environment Agency No.18/BLH-S/KPTS/2011 in term of LIBO Estate hazardous waste storage permit dated December 20<sup>th</sup> 2011. The dimension of the building is 13 m x 68 m x 3,5 m with coordinate N = 00°12'20,5" and E = 101°53'37,1".

All hazardous waste are sent to hazardous waste storage every quarter. It is collected by PT Primanru Jaya which has had permit from Environment Ministry for 5 years. There are official records for each hazardous waste dispatch for each estate and mill. For example, official record of hazardous waste dispatch for Ujung Tanjung Estate (UTNE) to PT Primanru Jaya dated June 18<sup>th</sup> 2015. Type and volume of the dispatched hazardous waste were used oil, used battery, contaminated rag, used filter and chemicals container.

The company has reported hazardous waste report in 2nd quarter of 2015 (April – June 2015) to:

- Head of Siak District Environment Agency with receipt No. 030/EHSD-LIBZ/VII/2015 dated July 29<sup>th</sup> 2015.
- Head of Riau Province Environment Agency with receipt No. 032/EHSD-LIBZ/VII/2015 dated July 28<sup>th</sup> 2015.
- Environment Ministry (Assistant of Deputy of hazardous waste and material management) with report receipt No. 033/EHSD-LIBZ/VII/2015 dated July 31<sup>st</sup> 2015.

**Medical Waste Management**

Medical waste dispatch was conducted on July 8<sup>th</sup> 2015 from the Libo Central Polyclinic to Ramarama Estate. Type and volume of the dispatched medical waste were 6 kg of needle, 32 kg of infuse bottle, 5 kg of vial bottle and drugs gauze for 5 kg. Total of medical waste was 48 kg. Rama-rama polyclinic cooperated with Bangkinang Hospital to incinerate the medical waste. The cooperation is valid for 1 years from December 30<sup>th</sup> 2014 to December 30<sup>th</sup> 2015.

**Domestic Waste Management**

The domestic waste is managed by separating the organic and anorganic one. The domestic waste is transported twice a week and it is disposed to the landfill (more than 1 km away from settlement).

**Effluent Management**

The effluent is used as liquid organic waste post its process on the WWTP pond to comply the quality threshold.

**Solid Waste Management**

The generated solid waste in form of shell, fiber, EFB and boiler ash. Shell and fiber are used as boiler fuel and EFB is used as organic fertilizer.

**Status: Comply**

**5.4**

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

The management unit optimize the renewable energy resource consumption for replacing petroleum fuel. The management unit used shell and fiber as alternative energy to substitute diesel fuel. The management unit monitored the renewable energy consumption routinely. There was a document of the conversion of shell and fiber over petroleum fuel for Libo POM for period of July 2015 as follow:

| Description   | Unit                    | Till July 2015 | 2014             |
|---|-------------------------|----------------|------------------|
| Diesel Fuel Consumption   | liter                   | 2,595,405      | <b>5,305,211</b> |
| FFB   | Ton                     | 174,204        | 356,088          |
| Total of the Actual Generated Power   | KWh                     | 7,657,528      | 11,155,959       |
| Actual Power Generated by Generator   | KWh                     | 904,558        | 2,127,196        |
| Difference between the actual generated power and actual power generated by generator | liter                   | 1,929,420      | 2,579,646        |
| <b>Efficiency of Renewable Energy</b>   | <b>KWh / Ton of FFB</b> | 43.96          | 31.33            |

Libo POM has efficiency of renewable energy in form of shell and fiber for 43.96 KWH/ton of FFB with retrenchment potential for diesel fuel consumption for period of January – July 2015 for 192,420 liter till July 2015.

**Status: Comply**

**5.5**

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

The company has the SOP of new land clearing (Document No. SOP/SMART/MCAR/IV/TA-PLB dated September 1st 2012). The SOP was purposed to prepare the new land clearing for manual/mechanical palm oil plants planting (**zero burning**) based on agronomy technical.

There is a land clearing conducted by the company on 2015 for the replanting program by implementing zero burning land clearing. For example:

**NGLE** – Land clearing plan for 989.30 Ha. It has been realized for 669.1 Ha (67.63%) till July 2015.

**LIBE** – Land clearing plan for 396 Ha. has been realized for 55,53 Ha (13.27 Ha) till July 2015.

**Status: Comply**

**5.6**

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

Identification of all programs which have potential to generate pollution and emission have been held and monitored by the company for example like the emission and ambient air, odour and noise and effluent quality for Libo POM and Estate.

**Emission and Ambient Air**

According to the result of emission and ambient air quality on Libo POM in 1st semester of 2015, all parameters are complying the quality threshold. For example, boiler 3 opacity for 27% (<QT), CO at settlement of employee 1,140 µg/Nm<sup>3</sup> (<QT). According to the result of observation on engine room of Libo POM, all employees stationed there are

equipped with ear muff/plug.

**POM Effluent**

The company has permit to use effluent based on the decree of Head of Siak District Environment Agency No. 01/BLH-S/KPTS/2015 dated January 5th 2015 for 5 years. The land application is conducted on Libo Estate for 418 Ha in block C6, C7, D7, D8, D9, D11, D12, D13, D14, D15, E11, E12, E13, E14, and E15. According to the result of laboratory test, during period of April – June 2015, there was no parameter which exceeding the quality threshold such as BOD for period of June 2015 for 3,307 mg/l (<QT), and pH 7.55 (<QT). All programs of effluent use have been reported through effluent use like on period of April – June 2015. It has been reported to the agency on July 31st 2015.

According to the result of field observation to block G26 of Palapa Estate, the land application program was conducted on the permitted block. Therefore, there was no indication of contamination caused by the overflow of effluent on the effluent bed.

**GHG Emission**

The plan and implementation to reduce GHG was attached on the SOP of GHG mitigation (SOP/SMART/CERS-EHSD/SADV/II/2015). The actions taken by the company to reduce emission and pollution were:

- Substituting petroleum fuel consumption with the renewable fuel.
- Using fertilizer based on the recommendation of SMARTRI and improving soil fertility by planting LCC plants.

The company has conducted GHG emission calculation reporting to RSPO work group on August 18th 2015 through letter No. 176/EL/IMT-RSPO/VIII/2015. The method used by the company is by using palm GHG calculator version 2.1.1 with basis data on period of July – June 2014. According to the result of GHG total emission, total emission for period of July 2013 – June 2014 was 1.11 tCO<sub>2</sub>e/t CPO.

**Status: Comply**

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

**6.1**

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

There was no scheme smallholder system within Libo POM scope until ASA-2 assessment.

There was a document of PT Ivomas Tunggal estate social impact identification study report which was conducted by the internal staff on August 2012. It was purposed to reduce the negative impacts and increase positive impacts.

The company has involved participation of the amicus curiae from the nearby company area. The evidence shown by the company were the questionnaire of interview with the Chief of Village, Headman and the locals. For example, Telaga Sam-Sam Village, Simpang Belutu Village, Sakai Libu Jaya Village, Sam-Sam Village, Kandis Village, Belutu Village, Jambai Makmur Village. There was evidence of attendance list of the socialization within estate area on February 27th 2015. It was attended by 54 participants.

According to the result of social impact monitoring and management review on 2015. For instance in term of the local workforce absorption, the company has announced information for the selection requirements to the local government. The recruitment for workers recently has reached 1,158 workers. According to the result of evaluation, the recruitment shall be increased with the formal and informal communication to get workers from all class for the next period.

**Status: Comply**

**6.2**

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

The management unit has SOP of communication and consultation from Sustainability Division on 2014 (SOP/SMART/UMUM/SADV/II/004 issued on July 1st 2014). It becomes the reference to plan, implement, handle the communication and consultation among the stakeholders. The SOP was supported by the method of implementation,

response for communication, information to the stakeholders and flowchart of each program. The document has been distributed to 17 internal parties like Head upstream, MD Ops, to SPO of Region Officer and SPO of Unit Officer.

The management unit showed the documentation of the attendance list of socialization of the impacts caused by the company to the village. For example, socialization to UTJE has been held on Jambai Makmur Village Government Office on February 26th 2015. The socialization materials were the socialization of communication and consultation and socialization for complaint and disgruntle.

According to the result of public consultation with the stakeholders nearby estate which was held on August 19th 2015, the stakeholders have known the procedure of communication and consultation with the management unit.

The management unit appointed the POM and Estate Manager as PIC on socio-cultural aspect. There were decrees for PIC from Siak RC. For example:

- NGLE: Decree No. 010/RC-SIAK/III/2014 dated March 3rd 2014 on behalf of Suprayitno (EM NGLE).
- LIBM: Decree No. 003/PC/XII/2013 dated November 18th 2013 on behalf of Fun Guolin (FM LIBM/KCP).
- LIBE: Agus Suharto (EM LIBE), decree dated July 1st 2015.

According to the result of interview with Mill and Estate Manager, the apointee have known the tasks as PIC who should deal with the locals.

The management unit also has the document of contract person for those who are responsible to update the law and other requirements. It contains 60 stakeholders (agency information, name of PIC, address, telephone number, fax of the government agency, community figures, local NGO (Melayu Customary Board), spiritual figures, industrialist/local contractor). The data was updated on June 29th 2015 including the document of list of contact person and the issuing agency consisted of 9 stakeholders.

Communication and consultation with the stakeholders are recorded on the book of communication and consultation. There is a book oc communication and consultation for Estate of Libo, Nenggala, Sei Rokan & Libo POM. Most of the incoming letters were the assistance request and all have been responded.

**Status: Comply**

**6.3**

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

There was an SOP of complaint and disgruntle management (SOP/SMART/SIGS-CSR/SADV/II/003). It describes the guidance to report the complaint and disgruntle along with the resolution step. The SOP become the reference to manage and solve the complaint and disgruntle (internal and external). It contained the resolution, PIC for each process, procedure of complaint delivery and flowchart of reporting and follow up.

The confidentiality of whistleblower was described on point 2.2.1 of the complaint and disgruntle receipt.

Documentation of the socialization of SOP of complaint and disgruntle management at Ujung Tanjung Training Center on February 25th 2015. It was led by CSR Deperatment and was attended by 23 internal participants and 10 stakeholders (Chief of Libo Jaya and Simpang Belutu Village, Kandis, Head of Melayu Cutomary Body, Sakai NGO, Chief of Telaga Samsam Village, Sakai and Kandis Village Community Figure).

According to the result of public consultation on August 19th 2015, the stakeholders nearby the company's area have aware of the procedure to express complaint and disgruntle whether written, through advise box or directly to the social PIC of each unit.

According to the review over the formulir of record of internal disgruntle and complaint on July 2015 for Libo Estate,



Nenggala Estate, Sei Rokan Estate and Libo POM, there was 1 incoming complaint on June 24th 2015 in term of Health BPJS (labour insurance). It has been followed up by the company through socialization of Health BPJS of Siak Region at SRTZ dated August 14th 2015 by inviting BPJS party from Duri representative Office. It was attended by 61 workers from estate and POM. According to the formulir of external complaint and disgruntle on August 2015, there was no complaint.

**Status: Comply**

**6.4**

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

The company has SOP of social conflict management No. SOP/SMART/SENS-CSR/SADV/II/002. The SOP was valid since July 2014. It describes the systematic and planned programs on the pre, during and post conflict.

- If the unit Head received the information of conflict occurred within the operational area, the unit Head shall coordinate with the associated D&L.
- D&L mapped the conflict occurred within the operational area.
- According to the conflict mapping, the D&L shall then rank the conflict by using assessment criteria and level of conflict.
- The result of conflict analysis shall be used as reference to compose the conflict management plan.
- The method of conflict management can be implemented flexibly by using more than one method like negotiation, mediation or litigation by keep considering conflict characteristic.

Furthermore, the company also has SOP of implementation of approval based on the early information data (Free Prior Informed Consent) No. SOP/SMART/SENS-CSR/SADV/II/003 dated July 1st 2014 and SOP No. SOP/SMART/TS-SKT/U1FCPD/1/001 in term of the checking of high carbon stock vegetation condition prior the land preparation. According to the SOP, the method to calculate and distribute participative fair compensation was described.

According to the result of interview with the management, there was no new area expansion for PT. Ivomas Tunggal. It was supported by the result of interview with the stakeholders (government and the locals). Recently, there was no new development for estate and mill. Therefore, there was no demand for compensation nor negotiation between the company and the locals.

**Status: Comply**

**6.5**

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

The wage payment for employees was based on the Riau Governor Regulation No. Kpts.244/III/2015 in term of the palm oil and rubber estate sub-sector minimum wage standard for period of 2015. It was legalized in Pekanbaru on March 31st 2015 for IDR 2,125,500/month (USD 168). According to the record of wage voucher, the wage of permanent employee was IDR 2,002,750 (USD 160) and temporary daily employee was IDR 85,020,-/day (USD 6).

There was a collective labour agreement between the cooperative institution of Sumatera estate company and the labour union. The collective labour agreement has been registered based on the decree of the Director General of Industrial Relation Guidance and Social Labour Agreement No. 191/PHIJSK-PKKAD/PKB/XII/2012. The decree was valid for period of November 14th 2012 to November 13th 2014. According to the collective labour agreement, the rights and obligations of employees, overtime calculation, labour social assurance and other rights and obligations were described. During the audit program, the collective labour agreement was still valid and was waiting for the legalization for the new collective labour agreement.

The company has the list of the recorded facilities on the document of facility data for the employees and map of public facility like:

**Libo Mill.** Settlement (204 units), daycare, mosque, church, baby and maternal clinic, clinic, tennis court, soccer field, volley court, table tennis, badminton court, ambulance and school bus (1 unit for each).

**Libo Estate.** Settlement (256 units), daycare, mosque, church, baby and maternal clinic, clinic, tennis court, soccer field, volley court, table tennis, badminton court, ambulance and school bus (1 unit for each).  
According to the result of field visit, the provided facilities were in line with the shown data. The properness of the facilities were supported by the result of interview with the workers.

According to the result of interview with SPO of Regional Officer, there was a weekly market and sudden market after the payday in front of the division office (near plain) at strategic spot. Furthermore, the big market was not too far only 1 – 2 km away (accessible with motorbike). It shall ease the workers to access the affordable, healthy and proper food.

**Status: Comply**

**6.6**

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

According to statute No. 2 Year 2004 in term of the freedom to unite and statute No. 21 Year 2000 in term of the labour union, the company freed the the workers to form labour union based on the circular No. 045/CEO5-SE/11/2010 dated November 16<sup>th</sup> 2010 in term of the freedom to unite on the labour union.

- Recording at Agency (Mill): Record No. 568/DSTK/IV/2010/14. The number of member till July 2015 was 171 workers.
- Recording at Agency (Estate): Record No. 568/DSTK/V/2010/16. The number of member till July 2015 was 447 workers.

The recorded minute of meeting between the company and labour union or internal meeting of labour union. For example:

- Record of minute of meeting between the company and the labour union: response over the bipartit negotiation in term of collective labour agreement compilation that PT IMT is the member of Cooperative Forum of Sumatera Estate Company and the labour union.

Labour union internal meeting. 30 members of labour union (September 18th 2014) were proposing letter to company in term of the negotiation of Bipartit for composing the company level collective labour agreement. The labour union thought that there were many rights and obligations of the workers and the industrialist which was not yet written on the collective labour agreement and it created similar-occured disputes due to the different interpretation.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

According to the policy for age written on collective labour agreement based on the circular on March 31st 2009 No. 002/SE-HRDV/03/09 from HR Director, regarding the implementation of statute No. 13 Year 2003 in term of Manpower clause 68 about the prohibition to employ underage workers, the company applied the minimum age requirements on 18 years old.

According to the list of employee on August 2015, the youngest employee is 18 years old (harvester). The employee was born on March 31st 1996 and started join the company on July 26th 2014. Furthermore, according to the result of interview with estate and mill employee, the future employee must give their ID card as one of the administration requirements.

According to the result of observation, the company employed the above age workers. There was no underage worker.

**Status: Comply**

**6.8**

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

The company has commitment to prohibit entire type of discrimination regarding race, caste, religion, disability, gender, sexual orientation, organizational membership, political affiliation or age. The commitment was written on the circular No. 035/HR OPS/01/11 dated January 3rd 2011 composed by CEO 6 in term of the industrial relation implementation. In order to implement the harmonic, dynamic and fair industrial relation, all operational unit should implement fair industrial relation regardless tribe, religion, race on all stations.

According to the result of interview with the employee of Libo and Nenggala Estate, there is no discrimination occurred. Each employee get the rights and obligations based on competence regardless race, caste, religion, disability, gender, sexual orientation, organizational membership, political affiliation or age.

Furthermore, the selection, recruitment and promotion process are based on the competence, skills, quality and medical check up result. It was written on the procedure of recruitment for workers.

**Status: Comply**

**6.9**

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

The company showed the policy in form of the socialization of sexual harassment prevention at workplace and over the children at Ujung Tanjung Training Center Classroom on June 11th 2015. It was attended by 84 participants (representatives of PIRSI madams of each estate and mill; representative of rumping and guiding Officer, representatives of teacher, representatives of field and office women workers and SPO Officer of estate and mill). The training materials were the definition of the women reproduction, awareness for menstruation, period of childbirth and women reproduction rights).

SOP to deal with complaint is written on the SOP of complaint and disgruntle management No. SOP/SMART/SIGS-CSR/SADV/II/003 dated July 1st 2014. The SOP describes the receipt for complaint and disgruntle.

“Head of administration receive the incoming letter (complaint and disgruntle) from the labour union. If there is no labour union yet, the letter can be sent by the employee directly. The company assure the confidentiality of the complainant and *whistleblower*. The data of incoming aspirations are recorded on the formulir of complaint and disgruntle (F/SMART/SIGS-CSR/SADV/003/001).

According to the result of interview with employees in Libo and Nenggala Estate settlement, they have known and have been able to describe the procedure to deal with complaint and disgruntle. Each complaint is recorded on the formulir of complaint and disgruntle recording.

Furthermore, there is a policy to protect reproduction rights (especially for women) on the policy of sexual harassment prevention signed by top management on August 1<sup>st</sup> 2011.

The company has circular No. 068/HR OPS/01/11 dated January 3rd 2011 composed by CEO 6. According to the circular, in order to maintain sprayer’s OHS, hence:

- Pregnant and breastfeeding women workers are not allowed to work as sprayers.
- The sprayers who use agrochemicals must participate on the regular (each semester) medical check up conducted by doctor or nurse

The company has socialized the policy of women’s reproduction right protection on June 11th 2015 at Ujung Tanjung Training Center (UTT) classroom. It was attended by 84 participants consisted of Pe(representatives of PIRSI madams of each estate and mill; representative of rumping and guiding Officer, representatives of teacher, representatives of field and office women workers and SPO Officer of estate and mill). The training materials were the definition of the women reproduction, awareness for menstruation, period of childbirth and women reproduction rights).

**Status: Comply**

**6.10**

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

LIBO Mill receive FFB only from Sungai Tapung Scheme Smallholder of PT. Ramajaya Pramukti (Grup Smart). The price applied for purchasing FFB is by using the price determined by Riau Province FFB pricing team. The meeting to determine the price is involving all estates and scheme smallholder on Riaru Province. Therefore, it could be accessed by public.

The management unit has contribution over the local business. For example, the cooperation in several unit follows:

**Libo Estate**

- No. LIBE/JKTO/03/150/04-Road hardening with CV. Karya Anugrah Perdana (Pekanbaru), road hardening program. Period of contract for service 23/03/2015-22/06/2015. The program's payment official record is also attached.
- No. 057/LKL/LIBE/03/2015 with Agus Wandana (Siak), loosen fruit picking program. Period of contract for service 26/03/2015-25/09/2015. The program's payment official record is also attached.
- No. 018/LIBE/01/2015 with Lismaida (Kandis), grass cutting service for period of January – June 2015. The program's payment official record is also attached.

**Nenggala Estate**

- No. 008/NGLE/III/2015/KBN with Mr. Supardi (Villages of Nenggala and Kandis), installation for pole on hole, palm oil plant seed. Period of contract for service on March 10<sup>th</sup> – December 31<sup>st</sup> 2015. The program's payment official record is also attached.
- No. 05/NGLE/II/2015/Lokal with Mr. Supardi (Villages of Nenggala and Kandis), contract of harvesting program. Period of contract for service on July 1<sup>st</sup> – December 31<sup>st</sup> 2015. The program's payment official record is also attached.

**Status: Comply**

**6.11**

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

Plantation business permit for PT. IVOMAS TUNGGAL was gotten before the issuance of Agriculture Ministry No 25 Year 2007 through:

Principle Approval: Agriculture Ministry Letter No. HK.350/E5.790/12.94 dated December 2nd 1994 in term of the approval for estate business principle for palm oil in Mandau Sub-District, Bengkalis District, Riau Province for 23,477 Ha and POM capacity for 120 Ton of FFB/Hour.

It was based on the result of public consultation with the stakeholder (Siak District Plantation and Forestry Agency) and there was an information that PT. Ivo Mas Tunggal did not have obligation to establish scheme smallholder for up to 20% for the locals.

The management unit has contribution over the local business. For example, the cooperation in several unit follows:

**Libo Estate**

- No. LIBE/JKTO/03/150/04-Road hardening with CV. Karya Anugrah Perdana (Pekanbaru), road hardening program. Period of contract for service 23/03/2015-22/06/2015. The program's payment official record is also attached.
- No. 057/LKL/LIBE/03/2015 with Agus Wandana (Siak), loosen fruit picking program. Period of contract for service 26/03/2015-25/09/2015. The program's payment official record is also attached.
- No. 018/LIBE/01/2015 with Lismaida (Kandis), grass cutting service for period of January – June 2015. The program's payment official record is also attached.

|   |                       |
|---|-----------------------|
| <b>Nenggala Estate</b>  |                       |
| <p>- No. 008/NGLE/III/2015/KBN with Mr. Supardi (Villages of Nenggala and Kandis), installation for pole on hole, palm oil plant seed. Period of contract for service on March 10<sup>th</sup> – December 31<sup>st</sup> 2015. The program's payment official record is also attached.</p> <p>No. 05/NGLE/II/2015/Lokal with Mr. Supardi (Villages of Nenggala and Kandis), contract of harvesting program. Period of contract for service on July 1<sup>st</sup> – December 31<sup>st</sup> 2015. The program's payment official record is also attached.</p> |                       |
|   | <b>Status: Comply</b> |
| <b>6.12</b>   |                       |
| <b>No forms of forced or trafficked labour are used.</b>  |                       |
| According to the document review in form of the list of employee on August 2015 and interview with the company, the estate and mill management unit did not employ foreign workers as field workers.  |                       |
|   | <b>Status: Comply</b> |
| <b>6.13</b>   |                       |
| <b>Growers and millers respect human rights</b>   |                       |
| The company has had commitment to respect human right as written on the circular No. 035/HR OPS/01/11 dated January 3rd 2011 from CEO 6 in term of the implementation of industrial relation on the unit. In order to create harmonic, dynamic and fair industrial relation, each operational unit must not discriminate on all type of job.  |                       |
|   | <b>Status: Comply</b> |
| <b>PRINCIPLE #7 Responsible development of new plantings</b>  |                       |
| <b>7.1</b>  |                       |
| <b>A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b>  |                       |
| The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.   |                       |
|   | <b>Status: Comply</b> |
| <b>7.2</b>  |                       |
| <b>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</b>   |                       |
| The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.   |                       |
|   | <b>Status: Comply</b> |
| <b>7.3</b>  |                       |
| <b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>  |                       |
| The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.   |                       |
|   | <b>Status: Comply</b> |
| <b>7.4</b>  |                       |
| <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>   |                       |
| The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.   |                       |
|   | <b>Status: Comply</b> |
| <b>7.5</b>  |                       |
| <b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>   |                       |
| The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.   |                       |

|   |   |  |
|---|---|--|
|   | <b>Status: Comply</b>   |  |
| <b>7.6</b>  | <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>   |  |
|   | The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.   |  |
|   | <b>Status: Comply</b>   |  |
| <b>7.7</b>  | <b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>   |  |
|   | The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.   |  |
|   | <b>Status: Comply</b>   |  |
| <b>7.8</b>  | <b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>   |  |
|   | The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.   |  |
|   | <b>Status: Comply</b>   |  |
| <b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b> |   |  |
| <b>8.1</b>  | <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>   |  |
|   | The company has had several sustainable corrective action. For example:   |  |
|   | <b>Libo Mill:</b>   |  |
|   | <ul style="list-style-type: none"> <li>- Aspect of best practices: installation of continuous condensate chamber to ease the control of condensate disposal, method of thermal overload relay test.</li> <li>- Aspect of environment: GHG emission calculation.</li> <li>- Aspect of social: increase of local business on the local economy development.</li> <li>- Aspect of OHS: purchase of specific medical check up for employees (spirometri, audiometri and cholinesterase).</li> </ul>     |  |
|   | <b>Libo Estate:</b>   |  |
|   | <ul style="list-style-type: none"> <li>- Aspect of best practices: hopper emdek hatch, additional of barn owl box, efficiency and effectiveness of herbicide spraying by using motor-propelled pedicab.</li> <li>- Aspect of environment: GHG emission calculation.</li> <li>- Aspect of social: increase of local business on the local economy development.</li> <li>- Aspect of OHS: purchase of specific medical check up for employees (spirometri, audiometri and cholinesterase).</li> </ul> |  |
|   | <b>Status: Comply</b>   |  |

**3.2. Summary of Assessment Report of RSPO ASA-2 Sungai Tapung Plasma Estate**

| Ref Std.   | VERIFICATION RESULT of MUTU-Certification |  |
|--|---|--|
| <b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>   |   |  |
| <b>1.1</b>   |   |  |
| <b>Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.</b>   |   |  |
| <p>The request for information, aspiration, assistance and mail and emailing shall be recorded on the book of communication by the secretary of cooperative unit under his acknowledgement. The PIC shall respond the information request immediately, when the PIC decide to not respond the letter, it shall be coordinated with the associated agency such as cooperative unit supervisor agency, related government agencies, partner company and/or other agency. The decision over the response request shall be informed through official letter from cooperative unit and recorded on the book of communication and book of outgoing letter of cooperative unit. The document retention period is 5 years. The retention period is monitored by the company through the appointed management. The example of the incoming letter follows:</p> <p><b>Cinta Damai Cooperative Unit</b></p> <ul style="list-style-type: none"> <li>- Letter No. 34/STPA/KUD/12/2014 dated December 5th 2014 in term of the request for fertilizer in 1st semester of 2015 from EM of Sungai Tapung Scheme Smallholder.</li> <li>- Letter No. KOP/STPA/KUD/06/2015 dated June 5<sup>th</sup> 2015 in term of the restructurization for harvest and FFB dispatch (from estate) administration.</li> <li>- Letter No. KOP/STPA/KUD/06/2015 dated June 25th 2015 in term of the announcement for the regular medical check up in 2nd stage from EM of Sungai Tapung Scheme Smallholder.</li> </ul> <p><b>Bangun Desa Cooperative Unit</b></p> <ul style="list-style-type: none"> <li>- Letter No. 017/KUD-CD/X/2014 dated October 21st 2014 in term of the invitation of RKO sent by EM of Sungai Tapung Scheme Smallholder</li> <li>- Letter No. 080/KUD-CD/III/2015 dated August 8th 2015 in term of the provision for fertilizer (KCL) sample from EM of Sungai Tapung Scheme Smallholder.</li> <li>- Letter No. 128/KUD-CD/III/15 dated May 22nd 2015 in term of the RKO meeting on 1st quarter of 2015 from EM of Sungai Tapung Scheme Smallholder.</li> </ul> |   |  |
|  | <b>Status: Comply</b>                     |  |
| <b>1.2</b>   |   |  |
| <b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>   |   |  |
| <p>Type of information and response given by cooperative unit covered the national law (applied). For example:</p> <ul style="list-style-type: none"> <li>• Legal: abstract of title in form of certificate, official record of cooperative unit establishment, business permit paper and agency registration stamp (TDP), decree of cooperative unit Ministry, forest area lease permit, book of list of smallholders, document of cooperation of smallholder groups and the company, etc.</li> <li>• Environment: Environment document on the smallholder group are EIA, environmental management and monitoring plan, report of implementation of environmental management and monitoring plan, list of the endanger species protected by related law, data of environment and conservation area monitoring.</li> <li>• Social: smallholder groups has document of organization activity in form of smallholder groups organizational structure, number of smallholder groups and PIC, book of annual meeting of member and record of social programs.</li> </ul>   |   |  |
|  | <b>Status: Comply</b>                     |  |
| <b>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>  |   |  |

**2.1****There is compliance with all applicable local, national and ratified international laws and regulations.****Bangun Desa Cooperative Unit****Legal Document.**

Cooperative unit was established on March 4th 1999 and was registered to District Cooperative Unit Supervisor Agency in No. 119/BH/KDK 4/II/III/1999 dated March 15th 1999. Micro Trade Business Permit (SIUP) based on the decree of Head of Industrial and Trade Agency of Kampar District No. 503/KPT-SIUP/978 dated April 28th 2011 which is valid till February 3rd 2016. Stamp of Company List (TDP) No. 04 0826500055 dated April 28th 2011 to February 3rd 2016. Operation permit/Permit for Business based on the decree of Kampar Regent No. 503/KPT-OP/984 dated April 28th 2011 for 5 years. Permit to use land issued by the Headman of Tapung Hilir Sub-District No. 062/SKT/KBN/01/2012 dated January 2nd 2012. Taxpayer ID Number (NPWP) 02.557.807.1-216.000 dated March 22nd 2006. All the lang belong to smallholder has gotten abstract of title issued by National Land Agency of Kampar District. For example, abstract of title No. 221/2000 (SK. 54/520.1.05/PIR-KR/2000-1330 Urut : 219 ) dated January 22nd 2000 on behalf of Suryadi, Kota Bangun Village for 20,000 M2; Abstract of title No. 479/2000 (SK. 54/520.1.05/PIR-KR/2000-1330 Urut 477 ) dated January 22nd 2000 on behalf of Sarial, Kota Bangun Village for 20,000 M2; Abstract of title No. 31/2000 (SK. 54/520.1.05/PIR-KR/2000-1330 Urut 29 ) dated January 22nd 2000 on behalf of Sumin, Kota Bangun Village for 20,000 M2. Annual Member Meeting on December 31st 2014 on April 4th 2015. The report of responsibility of the board was attended by all cooperative unit member. The report of finance balance sheet has been composed by the finance auditor of independent public accountant Drs Hardi (KEP.251/KM.6/2001) No: 01/KAP-H&R/GA/II/2015 dated February 3rd 2015. According to the result of public accountant, the Bangun Desa Finance Report was considered normal in term of material and finance position dated December 31st 2014. All document was keeping in Cooperative Office.

Bangun Desa Cooperative Unit Structure (Based on the Annual Member Meeting):

Caretaker: Chief of Bangun Desa Village & Head of STPA Estate. Head; Secretary; and Treasurer; Supervising Board

Employees: Transport Clerk, Production Clerk, Grading Witness. Number of Smallholder Group: 41 SG with total of smallholders: 828 smallholders, hectarage: 1,671 Ha.

**Cinta Damai Cooperative Unit****Legal Document**

Official letter of Cinta Damai Cooperative Unit Establishment from Cooperative Unit Supervisor and Micro Business Ministry No. 07/PAD/KWK.4/5.1/VII/1997 dated July 23rd 1997. **Official Record of Donation** No. 045/SK-CD/XII/96 dated December 25th 1996. According to the content of official record, Chief of Cinta Damai Village, Tapung Sub-District, Kampar District give the land to the Head, Secretary and Treasurer of Cinta Damai Cooperative Unit for 50 m x 100 m and 2 buildings on it. Micro Trade Business Permit (SIUP) based on the decree of Head of Industrial and Trade Agency of Kampar District No. 503/KPT-SIUP/2564 dated December 20th 2011 on behalf of Cinta Damai Cooperative Unit up to November 24th 2016. Stamp of Company List No. TDP 04082600123 signed by the Head of Integrated Service Agency of Kampar District on December 20th 2011 on behalf of Cinta Damai Cooperative Unit up to November 24th 2016. Operation permit/Permit for Business based on the decree of Head of Kampar District Integrated Service Agency No. 563/KPT-OP/2562 dated December 20th 2011 on behalf of Cinta Damai Cooperative Unit up to November 24th 2016. Permit for land use from the Head of Kampar District Integrated Service Agency No. 503/KPT-PPT/2562 dated December 20th 2011 on behalf of Cinta Damai Cooperative Unit up to the existence of company. Taxpayer ID Number. **01.847.672.1-221.000** on behalf of Cinta Damai Cooperative Unit dated October 9th 1998. The lang belong to smallholder has gotten abstract of title issued by National Land Agency of Kampar District. For example, abstract of title No. 228/2000 on behalf of Tuladi for 20,000 m2; abstract of title No. 287/2000 on behalf of Marjoko for 20,000 m2; and abstract of title No 123/2000 on behalf of Basir for 20,000 m2. All certificates are located on Riau Province, Kampar District, Tapung Sub-District, Cinta Damai Village. All have been signed by Head of Kampar District National Land Agency on January 22nd 2000. Annual Member Meeting for period of 2014 was held on March 7th 2015. The report of responsibility of the board was attended by all



cooperative unit member. The report of finance balance sheet has been conducted. Furthermore, the new cooperative unit organization structure has been composed. All document was keeping in Cooperative Office.

Cinta Damai Cooperative Unit Structure (Based on the Annual Member Meeting):

Caretaker: Chief of Cinta Damai Village & Head of STPA Estate.

Head; Secretary; Treasurer; Supervising Board; Employees: Transport Clerk, Production Clerk, Grading Witness. Number of Smallholder Group: 29 SG with total of smallholders: 614 smallholders, hectarage: 1,257.5 Ha.

**Status: Comply**

**2.2**

**The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights**

There are documentation of abstract of title for all scheme smallholder area. For example:

**Cinta Damai Cooperative Unit:**

Document of abstract of title follows:

- Abstract of Title Certificate No.228/2000 from Kampar National Land Agency, list of content 208 No. 17//KPR/XX//2000 and list of content 305 No. 101/XX/2000, on behalf of Tuladi, NIB 00228/2000, origin of right granting, legal standing of registration decree No. 54/520.1.05/PIR-KR/2000-1330 sequence 748, land measurement letter dated January 22nd 2000, No. 228/18.19/TR/KT/2000 for 20,000 m2, persil No. 594 from the Head of Kampar District National Land Agency dated January 22nd 2000.
- Abstract of Title Certificate No.287/2000 from Kampar National Land Agency, list of content 208 No. 17//KPR/XX//2000 and list of content 305 No. 101/XX/2000, on behalf of Tuladi, NIB 00228/2000, origin of right granting, legal standing of registration decree No. 54/520.1.05/PIR-KR/2000-1330 sequence 807, land measurement letter dated January 22nd 2000, No. 287/18.19/TR/KT/2000 for 20,000 m2, persil No. 809 from the Head of Kampar District National Land Agency dated January 22nd 2000.
- Abstract of Title Certificate No.123/2000 from Kampar National Land Agency, list of content 208 No. 17//KPR/XX//2000 and list of content 305 No. 101/XX/2000, on behalf of Basir, NIB 00123/2000, origin of right granting, legal standing of registration decree No. 54/520.1.05/PIR-KR/2000-1330 sequence 643, land measurement letter dated January 22nd 2000, No. 228/18.19/TR/KT/2000 for 20,000 m2, persil No. 1507 from the Head of Kampar District National Land Agency dated January 22nd 2000.
- Abstract of Title Certificate No. 203/2000 from Kampar National Land Agency, list of content 208 No. 17//KPR/XX//2000 and list of content 305 No. 101/XX/2000, on behalf of Sutoto, NIB 00203/2000, origin of right granting, legal standing of registration decree No. 54/520.1.05/PIR-KR/2000-1330 sequence 723, measurement letter dated January 22nd 2000, No. 228/18.19/TR/KT/2000 seluas 20,000 m2, persil No. 975 from the Head of Kampar District National Land Agency dated January 22nd 2000.

**Bangun Desa Cooperative Unit:**

Document of abstract of title follows:

- Letter No. 062/SKT/KBN/OI/2012 on behalf of Eko Susanto, with land location on Kota Bangun Village, Tapung Hilir Sub-District, Kota Bangun Village, RT.03, RW.01, dated January 2nd 2012, No. Reg 24/PEM/SKT/THR/2012,. It was signed by Headman of Tapung Hilir Sub-District and Chief of Kota Bangun District. The document is supported by paper which inform that there is no dipute, information paper of location review and Scheet Kaart / blueprint of image of topography situation from Kampar District National Land Agency and signed by Chief of Village, RT01 and RW03 of Kota Bangun Village.
- Abstract of Title Certificate No. 221/2000 from Kampar National Land Agency, list of content 208 No. 17//KPR/XX//2000 and list of content 305 No. 101/XX/2000, on behalf of Suryadi, NIB 00219/2000, origin of right granting, legal standing of registration decree No. 54/520.1.05/PIR-KR/2000-1330 sequence 219, measurement letter dated January 22nd 2000 No. 219/18.18/TR/KT/2000 for 20,000 m2, persil No. 1748 from the Head of

|   |  |
|---|--|
| <p>Kampar District National Land Agency dated January 22nd 2000.</p> <ul style="list-style-type: none"> <li>• Abstract of Title Certificate No. 225/2000 from Kampar National Land Agency, list of content 208 No. 17/II/KPR/XX//2000 and list of content 305 No. 101/XX/2000, on behalf of Sarengi, NIB 00223/2000, origin of right granting, legal standing of registration decree No. 54/520.1.05/PIR-KR/2000-1330 sequence 223, measurement letter dated January 22nd 2000 No. 223/18.18/TR/KT/2000 for 20,000 m2, persil No. 1752 from the Head of Kampar District National Land Agency dated January 22nd 2000.</li> <li>• Abstract of Title Certificate No. 369/2000 from Kampar National Land Agency, list of content 208 No. 17/II/KPR/XX//2000 and list of content 305 No. 101/XX/2000, on behalf of Kuswani, NIB 00367/2000, origin of right granting, legal standing of registration decree No. 54/520.1.05/PIR-KR/2000-1330 sequence 367, measurement letter dated January 22nd 2000 No. 367/18.18/TR/KT/2000 for 20,000 m2, persil No. 724 from the Head of Kampar District National Land Agency dated January 22nd 2000.</li> </ul>  |  |
| <p><b>Status: Comply</b></p>  |  |
| <p><b>2.3</b><br/> <b>Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</b></p>   |  |
| <p>According to the document observation and interview with the board of cooperative Unit (Cinta Damai and Bangun Desa Cooperative Unit) and the smallholder groups incorporated into 2 cooperative unit, there is no traditional right taken by the smallholders nor smallholder groups. All scheme smallholder area have had abstract of title issued by kempat District National Land Agency.</p>  |  |
| <p><b>Status: Comply</b></p>  |  |
| <p><b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b></p>   |  |
| <p><b>3.1</b><br/> <b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b></p>  |  |
| <p>According to the document review on the replanting plan for Kampar Scheme Smallholder Estate and interview with the company RC staff, there were several facts. For example:</p> <ul style="list-style-type: none"> <li>• Cinta Damai Cooperative Unit (STPA3): Year of Planting on 1996, annual productivity 36 ton/ha, average of production per Ha is 32 ton/ha. According to the production budget for period of 2014 – 2023, the actual production for period of 2012 was 29 ton, based on the new production projection, it shall reach only 21 ton/Ha on 2020. Meanwhile, according to MCAR, replanting program shall just been conducted if the productivity only under 14 ton/ha.</li> <li>• Bangun Desa Cooperative Unit (STPA4): Year of Planting on 1996, annual productivity 36 ton/ha, average of production per Ha is 30 ton/ha. According to the production budget for period of 2014 – 2023, the actual production was 30 ton/ha, based on the new production projection, it shall reach only 20 ton/Ha on 2022. Meanwhile, according to MCAR, replanting program shall just been conducted if the productivity only under 14 ton/ha.</li> <li>• Scheme Smallholder Cooperative Unit has also started to save fund for replanting program as fund needed for replanting.</li> </ul> |  |
| <p><b>Status: Comply</b></p>  |  |
| <p><b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b></p>   |  |
| <p><b>4.1</b><br/> <b>Operating procedures are appropriately documented and consistently implemented and monitored.</b></p>   |  |
| <p><b>Bangun Desa Cooperative Unit</b><br/>         Important activities in 2015 related to the application of GAP them: IPM Training (PHT) for 4 members of smallholder groups on May 6th – 7th 2015 in PT. Ramajaya Pramukti with the trainer from SMARTRI. Palm oil leaf eating caterillar census. The attack level during period of January to July 2015 was light (below the economy threshold). Rat census. Light attack percentage (below the economy threshold for 5%, January 2015 (3.76 %), April 2015 (2.48%) and July 2015 (2.51%). Rat control by installing 41 barn owl boxes (<i>Tyto alba</i>) in all blocks (1 unit for 40 Ha). Palm oil leaf eating caterpillar by conserving the natural predator (<i>Antigonon leptosus</i>) 13 types on 835 Ha area (1 type for 60 Ha).MOP/KCI,</p>  |  |

Urea, Super Dolomite and Kieserite analysis in SMARTRI. Leaf analysis to recognize the substance of 6 soil nutrient (N, P, K, Mg, Ca dan B) in SMARTRI. The leaf sample was taken from **5 Blocks**. The result of analysis was received on February 25th 2015.

**Cinta Damai Cooperative Unit**

Important activities in 2015 related to the application of GAP them: IPM Training (PHT) for 4 members of smallholder groups on May 6th – 7th 2015 in PT. Ramajaya Pramukti with the trainer from SMARTRI. Palm oil leaf eating caterpillar census. The attack level during period of January to July 2015 was light (below the economy threshold). Rat census. Light attack percentage (below the economy threshold for 5%, January 2015 (3.39%), April (3.12%) and July 2015 (2.86%). Rat control by installing 29 barn owl boxes (*Tyto alba*) in all blocks (1 unit for 30 Ha). Palm oil leaf eating caterpillar by conserving the natural predator (*Antigonon leptosus*), 18 types on 1,080 Ha area (1 type for 60 Ha). MOP/KCI, Urea, Super Dolomite and Kieserite analysis in SMARTRI. The result of fertilizer sample analysis was received on April 28th 2015. Leaf analysis to recognize the substance of 6 soil nutrient (N, P, K, Mg, Ca dan B) in SMARTRI. The leaf sample was taken from **11 Blocks**. The result of analysis was received on February 25th 2015.

**The cooperative unit also follows the manuring program based on the composed recommendation and schedule. There are recapitulations of the fertilizer used by the cooperative unit. For example:**

**Cinta Damai Cooperative Unit:**

Recapitulation of fertilizer use untill August 2015 in detail follows:

| Type of Fertilizer | Recommendation (Kg) | Realization (Kg) |
|--------------------|---------------------|------------------|
| Urea               | 326.350             | 326.350          |
| MOP                | 270.150             | 270.150          |
| RP                 | 125.400             | 125.400          |
| TSP                | 19.450              | 19.450           |
| Kieserite powder   | 5.100               | 5.100            |
| Kieserite granul   | 25.600              | 25.600           |
| Super dolomite     | 134.450             | 134.450          |
| Borate             | 11.560              | 11.560           |

**Bangun Desa Cooperative Unit:**

Recapitulation of herbicide use of Bangun Desa Cooperative Unit for period of 2015 :

Recapitulation of fertilizer use untill August 2015 in detail follows:

| Type of Fertilizer | Recommendation (Kg) | Realization (Kg) |
|--------------------|---------------------|------------------|
| Urea               | 372.300             | 372.300          |
| MOP                | 297.800             | 639.900          |
| MOP Granular       | 44.300              | 44.300           |
| TSP                | 77.950              | 77.950           |
| RP                 | 14.550              | 29.100           |
| Kieserite granul   | 24.900              | 24.900           |
| Super dolomite     | 162.750             | 252.850          |
| Borate             | 9.286               | 9.286            |

There is a document of production data of Cinta Damai and Bangun Desa Cooperative Unit follows:

| Cooperaaive | Kg   |      |      |      |      |      |
|-------------|------|------|------|------|------|------|
|             | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|             |      |      |      |      |      |      |

|             |            |            |            |            |            |            |
|-------------|------------|------------|------------|------------|------------|------------|
| Unit        |            |            |            |            |            |            |
| Cinta Damai | 37,426.670 | 40,927.470 | 39,816.160 | 37,009.860 | 36,656.530 | 20,889.400 |
| Bangun Desa | 48,373.060 | 55,436.580 | 52,693.740 | 48,503.880 | 49,137.220 | 29,095.960 |

**Status: Full compliance**

**4.2**

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

**Cinta Damai Cooperative Unit:**

Recapitulation of fertilizer use until August 2015 in detail follows:

| Type of Fertilizer | Recommendation (Kg) | Realization (Kg) |
|--------------------|---------------------|------------------|
| Urea               | 326.350             | 326.350          |
| MOP                | 270.150             | 270.150          |
| RP                 | 125.400             | 125.400          |
| TSP                | 19.450              | 19.450           |
| Kieserite powder   | 5.100               | 5.100            |
| Kieserite granul   | 25.600              | 25.600           |
| Super dolomite     | 134.450             | 134.450          |
| Borate             | 11.560              | 11.560           |

**Bangun Desa Cooperative Unit:**

Recapitulation of herbicide use of Bangun Desa Cooperative Unit for period of 2015 :

Recapitulation of fertilizer use until August 2015 in detail follows:

| Type of Fertilizer | Recommendation (Kg) | Realization (Kg) |
|--------------------|---------------------|------------------|
| Urea               | 372.300             | 372.300          |
| MOP                | 297.800             | 639.900          |
| MOP Granular       | 44.300              | 44.300           |
| TSP                | 77.950              | 77.950           |
| RP                 | 14.550              | 29.100           |
| Kieserite granul   | 24.900              | 24.900           |
| Super dolomite     | 162.750             | 252.850          |
| Borate             | 9.286               | 9.286            |

There is a document of production data of Cinta Damai and Bangun Desa Cooperative Unit follows:

| Cooperaaive Unit | Kg         |            |            |            |            |            |
|------------------|------------|------------|------------|------------|------------|------------|
|                  | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       |
| Cinta Damai      | 37,426.670 | 40,927.470 | 39,816.160 | 37,009.860 | 36,656.530 | 20,889.400 |
| Bangun Desa      | 48,373.060 | 55,436.580 | 52,693.740 | 48,503.880 | 49,137.220 | 29,095.960 |

**Status: Comply**

**4.3**

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

**Bangun Desan and Cinta Damai Cooperative Unit:**

On 2015, there is no immature plant area due to the fact that there is no replanting program (age of plant is 19 years old (planted on 1995/1996). The smallholder group maintain *Nephrolepis biserrata* grow on the interrow to keep the soil humidity and prevent the soil run-off.

The replanting program is planned to be conducted on 2022 and the LCC plants planting shall be conducted based on the SOP of planting (Doc. No. SOP/SMART/ MCAR/V/TA-TNM, dated September 1st 2012). It describes the LCC plants such as *Mucuna bracteata*, *Pueraria javanica* and *Calopogonium mucunoides*.

**Bangun Desa and Cinta Damai Cooperative Unit:**

On 2015, there is no immature plant area due to the fact that there is no replanting program (age of plant is 19 years old (planted on 1995/1996). The smallholder group maintain *Nephrolepis biserrata* grow on the interrow to keep the soil humidity and prevent the soil run-off.

replanting program is planned to be conducted on 2022 and the LCC plants planting shall be conducted based on the SOP of planting (Doc. No. SOP/SMART/ MCAR/V/TA-TNM, dated September 1st 2012). It describes the LCC plants such as *Mucuna bracteata*, *Pueraria javanica* and *Calopogonium mucunoides*.

Smallholder group of Bangun Desa and Cinta Damai Cooperative Unit dig drainage on the lowland area such as collection trench, main trench and silt pit (to keep the waterflow and to accomodate serasah). One of the member of Mekar Mulya Smallholder Group –Bangun Desa Cooperative Unit, during the field visit on August 26th 2015 describes that each smallholder group member conserve the slope area by:

- Arranging “L-Shape” frond at the interrow and making silt pit;
- Letting the fern (*Nephrolepis* sp.) which growth naturally on the interrow as cover crop to reduce the surface soil waterflow and to keep the soil humidity;

Creating drainage waterflow on each block and drainage on the lowland such as collection trench and main trench around the block.

**Status: Comply**

**4.4**

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

The company has attempted to protect waterway and wetland including riparian area through the management’s policy on the SOP of riparian area preservation and SOP of riparian area management. According to the observation, the implementation conducted by the company are:

- Planting vertiver grass and guatemala grass in riparian area to prevent erosion.
- Manual maintenance (no chemicals) on the plants at riparian area.
- Not conducting manuring program on the palm oil plants at riparian area.

There are documentations of socialization of manuring on circle to prevent the waste of manuring program on the river and waterway.

Socialization was held on July 2nd 2012 at Bangun Desa Cooperative Unit (for all cooperative units). It was attended by 41 smallholders.

- Circular No: 01/KTM-SE/11/2011 dated November 28<sup>th</sup> 2011 in term of the riparian area preservation.
- Circular No: 17/KTM-SE/07/2011 dated July 10<sup>th</sup> 2011 in term of the hilly area management. The actions taken are by creating contour terrace, arranging frond, creating individual terrace and other conservation actions.

Which was attended by 20 participants. With training materials ;

- Spraying should be no more than 25% of the total area to maintain soil layer and to prevent erosion.
- Arranging frond on the slope area crossing the slope area.
- Preserving the flora variety and spraying boundary for 50 meter off the riverbank and drainagebank and planting the area with bamboo and guatemala grass.

Status: Comply

**4.5**

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

Record of pesticide and fertilizer use on 2015:

**Cinta Damai Cooperative Unit:**

- Recapitulation of pesticide use during period of 2015 (till July 2015):

| Bulan    | Gramoxone (L) | Ally (Kg) | Ha    | Round Up (L) | Starane (L) | Ha    |
|----------|---------------|-----------|-------|--------------|-------------|-------|
| Januari  | -             | -         | -     | -            | -           | -     |
| Februari | 120.9         | 6.05      | 403   | -            | -           | -     |
| Maret    | 132.44        | 6.57      | 443.5 | -            | -           | -     |
| April    | 120           | 6         | 411   | -            | -           | -     |
| Mei      | -             | -         | -     | 120.93       | 30.23       | 403   |
| Juni     | -             | -         | -     | 133.05       | 33.26       | 443.5 |
| Juli     | -             | -         | -     | 123.05       | 30.76       | 411   |

- Recapitulation of fertilizer use till August 2015 in detail follows:

| Type of Fertilizer | Recommendation (Kg) | Realization (Kg) |
|--------------------|---------------------|------------------|
| Urea               | 326.350             | 326.350          |
| MOP                | 270.150             | 270.150          |
| RP                 | 125.400             | 125.400          |
| TSP                | 19.450              | 19.450           |
| Kieserite powder   | 5.100               | 5.100            |
| Kieserite granul   | 25.600              | 25.600           |
| Super dolomite     | 134.450             | 134.450          |
| Borate             | 11.560              | 11.560           |

**Bangun Desa Cooperative Unit:**

Recapitulation of herbicide used by Bangun Desa Cooperative Unit during period of 2015 :

| Bulan    | Gramoxone (L) | Ally (Kg) | Ha  | Round Up (L) | Starane (L) | Ha  |
|----------|---------------|-----------|-----|--------------|-------------|-----|
| Januari  | -             | -         | -   | -            | -           | -   |
| Februari | 140.28        | 7.01      | 501 | -            | -           | -   |
| Maret    | 148.12        | 7.41      | 529 | -            | -           | -   |
| April    | 153.44        | 7.67      | 548 | -            | -           | -   |
| Mei      | -             | -         | -   | -            | -           | -   |
| Juni     | -             | -         | -   | 125.25       | 31.31       | 501 |
| Juli     | -             | -         | -   | 132.25       | 33.06       | 529 |
| Agustus  | -             | -         | -   | 137          | 34.25       | 548 |

- Recapitulation of fertilizer use till August 2015 in detail follows:

| Type of Fertilizer | Recommendation (Kg) | Realization (Kg) |
|--------------------|---------------------|------------------|
| Urea               | 372.300             | 372.300          |

|                  |         |         |
|------------------|---------|---------|
| MOP              | 297.800 | 639.900 |
| MOP Granular     | 44.300  | 44.300  |
| TSP              | 77.950  | 77.950  |
| RP               | 14.550  | 29.100  |
| Kieserite granul | 24.900  | 24.900  |
| Super dolomite   | 162.750 | 252.850 |
| Borate           | 9.286   | 9.286   |

According to the result of interview with the smallholder who owns land in persil No. 1748 in Bangun Desa Cooperative Unit, the smallholder was able to describe the method to control rat population by using barn owl box, how to control palm oil leaf eating caterpillar by using beneficial plants and prohibition to hunt down the rat predators such as cobra briefly.

**Status: Comply**

**4.6**

**Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.**

Bangun Desa and Cinta Damai Cooperative Unit has the list of herbicide used by the smallholder group covering the trademark, active ingredient, active ingredient property, herbicide property, weed target, dose and expire date and license number. For example, herbicide (Round-up 486 SL), active ingredient (Isopropil amina glifosat), active ingredient substance (486 g/l), property (systemic), weed target (bushes and wide leaf weed), dose (0,25 l/ha) license number (RI.01030120001156) expire date (March 18th 2016).

The herbicide used by the cooperative unit has gotten permit from Indonesia Pesticide Commission and has been listed on the book of pesticide for agriculture and forestry issued by RI Agriculture Ministry.

The member of smallholder groups are still using active ingredient paraquat. The scheme smallholder manager and Head of Bangun Desa Cooperative unit described that (during field visit on August 26th 2015) paraquat active ingredient herbicide shall not be used for any longer on 2016 (**zero paraquat**).

Bangun Desa and Cinta Damai Cooperative Unit has the document of **herbicide use** covering the trademark, active ingredient, active ingredient property, herbicide property, weed target, dose and expire date and license number. All have been proper. For example, the herbicide use during period of January – July 2015 in mature plant area follows:

- **Bangun Desa Cooperative Unit:**  
Round-up 486 SL, active ingredient (Isopropil amina glifosat, 486 g/l), amount of usage (393.50 Lt), dose (0.25 lt/ha), hectarage of application (1,578 ha) and target (bushes and wide leaf weed)'
- **Cinta Damai Cooperative Unit:**  
Starane 480 EC, active ingredient (Fluoksifir meptil heptil ester 479,8 g/l), amount of usage (94.25 Lt), dose (0.07 lt/ha), hectarage of application (1,257.5 Ha) and target (bushes and wide leaf weed).

Bangun Desa and Cinta Damai Cooperative Unit has the **list of type and volume of herbicide distributed to smallholders during period of January – July 2015 follows:**

- **Bangun Desa Cooperative Unit:**  
Herbisida Ally 20 WG (Methyl metsulfuron 20%) 22.09 Kg, Gramoxone 276 SL (Paraquat dichloride, 276 g/l) 441.86 Ltr, Round-up 486 SL(Isopropil amina glifosat, 486 g/l) 393.50 Ltr dan Starane 480 EC (Fluoksifir meptil heptil ester 479.8 g/l) 98.62 Ltr.
- **Cinta Damai Cooperative Unit:**  
Herbisida Ally 20 WG (Methyl metsulfuron 20%) 18.62 Kg, Gramoxone 276 SL (Paraquat dichloride, 276 g/l) 373.34 Ltr, Round-up 486 SL(Isopropil amina glifosat, 486 g/l) 377 Ltr dan Starane 480 EC (Fluoksifir meptil heptil ester

479.8 g/l) 94.25 Ltr.

Record of pesticide and manuring action on 2015:

**Cinta Damai Cooperative Unit:**

There is a document of recapitulation of pesticide use on 2015 (till July 2015):

| Bulan    | Gramoxone (L) | Ally (Kg) | Ha    | Round Up (L) | Starane (L) | Ha    |
|----------|---------------|-----------|-------|--------------|-------------|-------|
| Januari  | -             | -         | -     | -            | -           | -     |
| Februari | 120,9         | 6.05      | 403   | -            | -           | -     |
| Maret    | 132.44        | 6.57      | 443.5 | -            | -           | -     |
| April    | 120           | 6         | 411   | -            | -           | -     |
| Mei      | -             | -         | -     | 120.93       | 30.23       | 403   |
| Juni     | -             | -         | -     | 133.05       | 33.26       | 443.5 |
| Juli     | -             | -         | -     | 123.05       | 30.76       | 411   |

Dosage per Ha :

1. Gramoxone : 0,28 l/Ha.
2. Ally : 0.014 kg/Ha.
3. Round Up : 0.25 l/Ha.
4. Starane : 0.0625 l/Ha.

**Bangun Desa Cooperative Unit:**

Recapitulation of herbicide used by Bangun Desa Cooperative Unit on 2015 :

| Bulan    | Gramoxone (L) | Ally (Kg) | Ha  | Round Up (L) | Starane (L) | Ha  |
|----------|---------------|-----------|-----|--------------|-------------|-----|
| Januari  | -             | -         | -   | -            | -           | -   |
| Februari | 140.28        | 7.01      | 501 | -            | -           | -   |
| Maret    | 148.12        | 7.41      | 529 | -            | -           | -   |
| April    | 153.44        | 7.67      | 548 | -            | -           | -   |
| Mei      | -             | -         | -   | -            | -           | -   |
| Juni     | -             | -         | -   | 125.25       | 31.31       | 501 |
| Juli     | -             | -         | -   | 132.25       | 33.06       | 529 |
| Agustus  | -             | -         | -   | 137          | 34.25       | 548 |

Dosage per Ha :

5. Gramoxone :0.28 l/Ha.
6. Ally : 0.014 kg/Ha.
7. Round Up : 0.25 l/Ha.
8. Starane : 0.0625 l/Ha.

The smallholders have plan for managing agrochemicals waste. For example, the plan of Cinta Damai Cooperative Unit is written on the stage of pesticide containers and fertilizer sack washing and cleaning stage in document No. TK/KUD-CD/TM/07 and flowchart of pesticide container and fertilizer sack which shows how to manage pesticide container and fertilizer sack.

According to the interview with Sungai Tapung Scheme Smallholder Manager, the agrochemicals containers are managed by having it collected on the prepared storage at Sungai Tapung Scheme Smallholder office and it shall be then transported by the supplier.

According to the observation on the Bangun Desa Cooperative Unit Office, the pesticide containers have complied the



applied terms and have been well recorded. The smallholders also have official record for agrochemicals containers transport conducted by the supplier.

The medical check up for the pesticide sprayers are held routinely (each semester). They are examined by the company's doctor. At the beginning of 2015, the medical check up was conducted by using medical tools/equipments/device (spirometri, cholinesterase and audiometri) provided by the company (Sinarmas Group). The management unit showed the result of medical check up (spirometri and cholinestraxe) held for sprayers of Cinta Damai and Bangun Desa Cooperative Unit (Tapung Kanan Scheme Smallholder) on July 2015. According to the result of medical check up, 33 sprayers of 34 sprayers from division 1 – 5 were healthy and considered as healthy.

The restricted pesticide use training for sprayer team of Kampar Region (nucleus and scheme smallholder estate) was held on February 11th 2014. It was trained by Pesticide Commission Team of Pekanbaru (cooperating with PT Rolimex). It was attended by 110 participants, 9 participants of 110 participants were from Sungai Tapung Scheme Smallholder (Cinta Damai and Bangun Desa Cooperative Unit).

The PPE are given by the cooperative unit for free. For example:

- Cinta Damai Cooperative Unit (Division III)  
Provision of PPE to 29 smallholder groups (represented by the Head of smallholder groups). The PPE for sprayers such as boots (135 pairs), gloves (345 pairs) and PPE for harvesters such as safety helmet (216 pieces), safety glasses (297 pieces) and boots (315 pieces).
- Bangun Desa Cooperative Unit (Division IV)
- Provision of PPE to 15 smallholder groups (represented by the Head of smallholder groups). The PPE for sprayers such as boots (127 pairs), gloves (231 pairs) and PPE for harvesters such as safety helmet (35 pieces), safety glasses (13 pieces) and boots (129 pairs).

**Status: Comply**

**4.7**

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

**SUNGAI TAPUNG Scheme Smallholder (Cinta Damai and Bangun Desa Cooperative Unit):**

The OHS program on the scheme smallholder cooperative unit has been composed by the company in form of the procedure, policy and flowchart of safety work procedure for each risky station. Furthermore, the safety work practice training has been held by the company to all scheme smallholder cooperative unit. The PIC for the OHS stuff is the staff of company as scheme smallholder estate agronomy assistant. The PIC has had license as OHS expert till May 7th 2016.

According to the field visit to the smallholder sample and interview with the workers and the landowner smallholder, they have aware of the safety work procedure, emergency action and procedure to deal with work accident. They supported the information that the company is regularly hold socialization and routine meeting to discuss OHS aspect.

**Status: Comply**

**4.8**

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

The company has training program for each smallholder groups. The program is recorded on the matrix of training program need on 2015. For example, earthquake simulation, settlement and land fire training simulation, first aid action, HIRAC training, work accident control, PPE use, MSDS (*Material safety Data Sheet*), spraying training, restricted pesticide training, road maintenance training, FFB quality improvement training, plant upkeep, leaf sampling, manuring program training, harvest and IPM training.

Furthermore, the company has the record of training program for each smallholder group on 2015. For example: Socialization for manuring on March 11th 2015, socialization of IPM program on March 5th 2015, HIRAC simulation on

February 10th 2015, MSDS socialization on April 8th 2015, socialization of OHS, PPE, RSPO and ISCC to FFB contractor on February 10th 2015, first aid action simulation on March 9th 2015, etc.

The company has had the programs and records of training for smallholder groups on 2015 based on their need.

**Status: Comply**

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

**5.1**

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

The document which describes the environment impact assessment and body over the existence of PIR – TRANS PT. Ramajaya Pramukti is integrated on the document of EIA of nucleus estate of PT. Ramajaya Pramukti Year 1993. There is also a document of environment evaluation study juga (DELH) of PT. Ramajaya Pramukti Year 2011. According to the decree of Head of Kampar District Environment Agency No. Kpts/BLH/Dok/2011/139 dated September 29<sup>th</sup> 2011 which have integrated operation of PIR Trans Plasma Sungai Tapung Scheme Smallholder (STPA); with total area for 8,488.79 Ha (Nucleus for 2,903.79 Ha and Scheme Smallholder for 5,585 Ha). Realization of environment management and monitoring for smallholder is written on the routine report of environmental management and monitoring plan for each semester. It has been routinely reported to the environment agency.

According to the social and environment impact assessment over the scheme smallholder operation, the company was able to show the evidence of impacts caused by the company's operational. For example, official record along with attendance list of environment and social review such as socialization for Cinta Damai and Bangun Desa Cooperative Unit which was held on May 23<sup>rd</sup> 2015 and was attended by 16 participants.

**Status: Comply**

**5.2**

**The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.**

The smallholder groups have had HCV identification report on 2011. It was composed by Dr. Kunkun J.Gurmaya (Approved RSPO HCV Assessor). The HCV identification on scheme smallholder area such as HCV 1.1 and 4.1 (Block I23 of Pelambaian River, Block D10 Sepaat River, Block F 20 Bangso River, HCV 1.2 (*Halcyon smyrnensis* and *Felis bengalinsis*) and HCV 6 (Cemetery).

Hectarage of the HCV area within Sungai Tapung Scheme Smallholder unit are as follow:

1. Division 1 for 24 Ha.
2. Division 2 for 22 Ha.
3. Division 3 for 29 Ha

Total of sungai tapung scheme smallholder hectarage is 75 Ha. According to the landsat image, the land layer on Sungai Tapung Scheme smallholder is mostly dominated by palm oil plants and there is no forest area.

According to the result of interview with the member of Cinta Damai and Bangun Desa Cooperative Unit (Harvester), the smallholders have aware of the endanger species such as cobra, lizzard dragon, etc. The socialization of hunting prohibition within estate area has also been held.

The smallholder groups have had HCV Officer on behalf of Misgan (Scheme Smallholder Foreman of Bangun Desa Cooperative Unit) with decree No. 002/KUD-BD/I/2015. It has been legalized on January 2<sup>nd</sup> 2015. HCV Officer for Sungai Tapung Scheme Smallholder Estate on behalf of Roy Abdi Siagian (Agronomy Assistant of STPA) in decree No. 003/EM-STPA/11/2014. The decree is valid since November 1<sup>st</sup> 2014. The Officer in charge is ensuring the HCV management and monitoring program.

**Status: Comply**

**5.3**

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

According to the interview with the board of cooperative unit and based on the field visit, there is no complaint expressed by the locals for the issue of environment contamination on the environment nearby community's estate.

The plan of Cinta Damai Cooperative Unit is written on the stage of pesticide containers and fertilizer sack washing and cleaning stage in document No. TK/KUD-CD/TM/07 and flowchart of pesticide container and fertilizer sack which shows how to manage pesticide container and fertilizer sack

According to the result of interview and observation on block I18-I19 of Bangun Desa Cooperative Unit, smallholders have aware of the agrochemicals container control technique by having it washed for 3 times before taking it to the storage.

**Status: Comply**

**5.4**

**Efficiency of energy use and use of renewable energy is maximized.**

According to the result of interview with the harvesters and observation on block F24-25 of Cinta damai Cooperative Unit and block I18-19 of Bangun Desa Cooperative Unit, all smallholders use only man-based power to maintain plant, to harvest and to transport FFB from estate block to FFB collecting point.

**Status: Comply**

**5.5**

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

According to the document review on the replanting plan for Kampar Scheme Smallholder Estate and interview with the company RC staff, there were several facts. For example:

- Cinta Damai Cooperative Unit (STPA3): Year of Planting on 1996, annual productivity 36 ton/ha, average of production per Ha is 32 ton/ha. According to the production budget for period of 2014 – 2023, the actual production for period of 2012 was 29 ton, based on the new production projection, it shall reach only 21 ton/Ha on 2020. Meanwhile, according to MCAR, replanting program shall just been conducted if the productivity only under 14 ton/ha.
- Bangun Desa Cooperative Unit (STPA4): Year of Planting on 1996, annual productivity 36 ton/ha, average of production per Ha is 30 ton/ha. According to the production budget for period of 2014 – 2023, the actual production was 30 ton/ha, based on the new production projection, it shall reach only 20 ton/Ha on 2022. Meanwhile, according to MCAR, replanting program shall just been conducted if the productivity only under 14 ton/ha.

The technical replanting program shall be conducted by PT Ramajaya Pramukti based on the technical guideline of palm oil cultivation of Sinar Mas (Management Committee Agronomi and Research). According to Point 5 in term of land clearing and planting in Document No. SMA/MCAR/05/05-07, the land clearing should be conducted by implementing zero burning principle.

The land fire control has been socialized with the simulation of land fire, settlement fire, earthquake and riot on May 30th 2015 in Pondok 3 of Rama Bakti. It was attended by 38 participants from PT RBKE and Cooperative Unit including the representatives from Cinta Damai and Bangun Desa Cooperative Unit.

According to the result of interview, the smallholder of smallholder groups and harvester's foreman have aware of the procedure of land fire emergency response started from the small scale land fire control to important actions that need coordination with nucleus estate management. The temporary PIC are the workers and foreman who shall coordinating with each smallholder groups from the level of cooperative unit to level of nucleus estate.

Cooperative unit has had small scale land fire control equipments prepared on each cooperative unit office. For example,

Cinta Damai Cooperative Unit:

- There is formulir of handy fire extinguisher with size of 6 kg for Cinta Damai Cooperative Unit for 1 unit of handy fire extinguisher. The latest monitoring was held on July 6th 2015.
- Monitoring over the emergency response equipments of Cinta Damai Cooperative Unit untill July 2015 with equipments follow: 2 fire clubs, 2 caps, 2 axes, 2 hoes, 2 buckets, 1 handy fire extinguishers.

According to the result of field visit to the board, scheme smallholder landowner and member of smallholder groups under Cinta Damai and Bangun Desa Cooperative Unit, they were able to describe the zero fire land clearing technique on NGLE. There is a document of attendance list of scheme smallholder meeting on March 5th 2012 in NGLE in term of socialization of replanting program by using chipping system. It was attended by 47 representatives from cooperative units within coverage of AJYP and STPA.

**Status: Comply**

**5.6**

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

The identification for the pollution sources on Sungai Tapung Scheme Smallholder is written on the document of list of identification of environment aspect year 2015. The document has been legalized by the Sungai Tapung Scheme Smallholder Manager. According to the document review, the result of identification is divided into several operations such as mature plant upkeep, spraying equipments washing, water and electricity consumption, harvesting, building renovation and landfill.

According to the result of field visit to Cinta Damai and Bangun Desa Cooperative Unit, the smallholders have managed the pollution based on the management plan. For example, there is a specific storage to mix agrochemicals and the agrochemicals containers shall be sent to Sungai Tapung Scheme Smallholder to be transported by the supplier.

**Status: Comply**

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

**6.1**

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

The social impact identification has been conducted by the company for scheme smallholder program. The document is in form of survey of condition of social, economy, culture and perception of the locals nearby estate/mill of PT Ramajaya Pramukti year 2010. The program is conducted by the company's internal who has competence of social aspect. Therefore, the identification for impact and planning for scheme smallholder estate including the impact on replanting program can be done.

Several impacts caused by the estate operational over the aspect of environment, social, economy, culture and community's health are as follow:

Positive Impact: the job opportunity on nucleus estate and scheme smallholder estate, improvement on education facilities, partnership with the locals, harmonization of community's groups on village, increase of the community's welfare and regional development.

Negative Impact: road damage on the rain season, waste and air pollution and bad distribution of job recruitment.

The implementation of social and environment impact assessment for smallholder is conducted based on EIA recommendation in form of report of environmental management and monitoring plan. It is reported to the associated agency in each semester. All aspects have been monitored and managed. For example, aspect of job and business opportunity, air quality and community's perception.

**Status: Comply**

**6.2**

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

Record of community's aspiration is written on the book of incoming and outgoing letter; fund assistance proposal from Kota bangun Village, Tapung Hilir Sub-District, Kampar District. For example, the company was giving IDR 500,000 to the Kota bangun Village on August 10th 2015 for celebrating the Independence Day.

Furthermore, there is a record of regular meeting between the smallholder groups and its member annually. For example, meeting which discuss the report of responsibility of the Bangun Desa Cooperative Unit Board on March 29th 2015 and 27th Annual Member Meeting on the year book of 27.

There is a PIC for the social aspect for Cinta Damai Cooperative Unit on behalf of Legiman (Treasurer) in appointment letter No. 12/KCD/05/2015 on May 1st 2015. Meanwhile, Bangun Desa Cooperative Unit on behalf of Sofyan (Treasurer) in appointment letter No. 12/KBD/05/2015 on May 21st 2015. The tasks and responsibility are to maintain good relation between the cooperative unit and the locals, spiritual leaders, social organization and government apparatus.

**Status: Comply**

**6.3**

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

The smallholder groups have the flowchart of internal and external complaint and disgruntle management. It has been legalized by the Head of Cooperative Unit on January 2nd 2015. For example:

**Internal Complaint**

Internal complain management flowchart that has been legalized by the Head of Cooperative Unit on January 2nd 2015 as follows:

1. Oral and written complaint.
2. Communication medica in form of advise and incoming letter box.
3. The oral complaint shall be discussed on the meeting (minute of meeting) and accompanied by labour union, worker's representative.
4. The control shall be conducted by the unit head on forum.
5. When it is not yet solved, it shall be followed up to RC/PC via forum.
6. When it is not yet solved anymore, it shall be followed up to court.

**External Complaint**

External complain management flowchart that has been legalized by the Head of Cooperative Unit on January 2nd 2015 as follows:

1. Oral and written complaint.
2. Communication medica in form of advise and incoming letter box.
3. The oral complaint shall be discussed on the meeting (minute of meeting).
4. The control shall be conducted by the unit head on forum.
5. When it is not yet solved, it shall be followed up to RC/PC via forum.
6. When it is not yet solved anymore, it shall be followed up to court.

There is a book of complaint year 2015. It informs the name of complainant, address, content, people who receive it, datea, status and person in charge. For example, complaint in term of the wavy road that has been responded by the company by repairing the road by using heavy equipments on July 20th 2015.

**Status: Comply**

**6.4**

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

|  |                       |
|--|-----------------------|
| <p>According to the result of interview with member and the board of cooperative unit (Cinta Damai &amp; Bangun Desa), there is no compensation over the loss of legal and traditional right. However, the company has had Officer to solve the conflict as negotiator when conflict occurred.</p>   |                       |
|  | <b>Status: Comply</b> |
| <p><b>6.5</b><br/> <b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b></p>  |                       |
| <p><b>SUNGAI TAPUNG SCHEME SMALLHOLDER (Cinta Damai and Bangun Desa Cooperative Unit):</b><br/>         The wage and work requirements have complied the minimum standard and complied the proper live. The employee of cooperative unit is not smallholders (member). They work on cooperative unit based on the contract. The wage and work requirements for employees have complied the applied minimum wage standard (plantation sector minimum wage standard) of Kampar District. All the contract with employees and evidence of wage payment are well documented on each cooperative unit office.</p>   |                       |
|  | <b>Status: Comply</b> |
| <p><b>6.6</b><br/> <b>The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b></p>   |                       |
| <p>The smallholder groups has had policy of freedom to gather, unit and express the opinion in letter No. 04/KUDCD-SE/05/2015 dated May 2nd 2015. The circular has been socialized to the head of smallholder groups under Cinta Damai Cooperative Unit, all members of Cinta Damai Cooperative Unit, employees of cooperative unit and the related contractor. According to the result of interview with the member of Bangun Desa Cooperative Unit (harvesters) in block 118-19 of Division 4, the member of cooperative unit are allowed to form and become the member of labour union and no force to join it from other.</p>  |                       |
|  | <b>Status: Comply</b> |
| <p><b>6.7</b><br/> <b>Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.</b></p>  |                       |
| <p>There is a circular in term of the minimum age standard on each cooperative unit. For example, letter No. 03/KUDCD-SE/05/2015 dated May 2nd 2015. It was legalized by Head of Cinta Damai Cooperative Unit (Maruf S). the circular informs the prohibition to hire underage workers (&lt;18 years old) based on Statute No. 13 Year 2003 in term of Manpower.</p> <p>There is also a circular for Bangun Desa Cooperative Unit in term of the minimum age standard which have been informed to the Head of smallholder groups under Bangun Desa Cooperative Unit, Member of Bangun Desa Cooperative Unit, Employees of cooperative unit and related contractors.</p>  |                       |
|  | <b>Status: Comply</b> |
| <p><b>6.8</b><br/> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b></p>  |                       |
| <p>There is a circular in term of the equal and fair treatment for each cooperative unit. For example, circular No. 02/KUDCD-SE/05/2015 which was composed by the Head of Cinta Damai Cooperative Unit (Maruf S.) on May 2nd 2015. The circular informs;</p> <ol style="list-style-type: none"> <li>1. In order to creat harmonic, dynamic and fair environment, there should be equal and fair treatment regardless tribe, religion, race and gender in all stations.</li> <li>2. Fair and volunteer treatment in any stuff within Cinta Dama Cooperative Unit.</li> </ol> <p>There is also a circular for Bangun Desa Cooperative Unit in term of the minimum age standard which have been informed to the Head of smallholder groups under Bangun Desa Cooperative Unit, Member of Bangun Desa Cooperative Unit, Employees of cooperative unit and related contractors.</p> |                       |
|  | <b>Status: Comply</b> |

**6.9**

**Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.**

There is a circular which describes the policy of sexual harassment prevention and several domestic violence over women and to protect women reproduction rights in each cooperative unit. For example, circular No. 05/KCD-SE/05/2015 dated May 2nd 2015 which was legalised by the Head of Cinta Damai Cooperative Unit.

There is also a circular for Bangun Desa Cooperative Unit in term of the minimum age standard which have been informed to the Head of smallholder groups under Bangun Desa Cooperative Unit, Member of Bangun Desa Cooperative Unit, Employees of cooperative unit and related contractors.

**Status: Comply**

**6.10**

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

The procedure of FFB pricing is based on the FFB price determined by Team of FFB Pricing of Riau Province. For example, FFB price on August 5th – 11th 2015 based on the official record of meeting of FFB Pricing Team No. 30/TPH TBS-VIII/2015.

| No | Age (Year) | Price (IDR/Kg) |
|----|------------|----------------|
| 1  | 3          | 1,004.84       |
| 2  | 4          | 1,167.08       |
| 3  | 5          | 1,249.00       |
| 4  | 6          | 1,285.45       |
| 5  | 7          | 1,334.60       |
| 6  | 8          | 1,379.19       |
| 7  | 9          | 1,420.20       |
| 8  | > 10       | 1,459.95       |

The official record is then informed to all cooperative unit board (Karya Tani, Tunas Makmur, Cinta Damai, Bangun Desa and Berkat Lestari) on letter No. Kop-/STPA/KUD/08/15 dated August 6th 2015.

**FFB Payment Evidence**

Cinta Damai Cooperative Unit proposed the FFB fund request on May 24th 2014 to the Estate Manager of Sungai Tapung Scheme Smallholder. The receipt of FFB fund payment for scheme smallholder for period of May 2015 (period of April 21st to May 20th 2015) dated June 1st 2015 for IDR 4,648,479,544.

Bangun Desa Cooperative Unit proposed the FFB fund request on May 25th 2015 to the Estate Manager of Sungai Tapung Scheme Smallholder. The receipt of FFB fund payment for scheme smallholder for period of May 2015 (period of April 21st to May 20th 2015) dated June 1st 2015 for IDR 6,523,962,514.

The cooperative unit also has business cooperation with several local community such as:

**Cinta Damai Cooperative Unit**

FFB Transport Contract for Service No. 01/KUDCD/SPK/II/2015 dated January 2nd 2015 between Cinta Damai Cooperative Unit with Mr. Tarmino (Cinta Damai Village) for the FFB transport from the FFB collecting point of scheme smallholder to POM. There are 13 transport vehicles with vehicle license plate No. BM 9068 FJ, BM 8041 RD, BM 8054 FQ, BM 8050 FN, BM 9767 FM, BM 8766 FZ, BM 8663 FO, BM 8919 FO, BM 9010 FT, BM 9930 FM, BM 9975 FJ, BM 8891 FO, BM 8244 SU; with cost for IDR 66.8/Kg which is paid per date 20th each month. The contract period from January 2nd 2015 to December 31st 2015.

Example of FFB transport payment official record for period of June 21st 2015 to July 20th 2015 to Mr. Tarmino; dated August 5th 2015 for 2,577,910 Kg of FFB.

**Bangun Desa Cooperative Unit**

FFB Transport Contract for Service No. 01/KUDBD/SPK/I/2015 dated January 2nd 2015 between Bangun Desa Cooperative Unit with Mr. Suparman (Kota Bangun Village) for the FFB transport from the FFB collecting point of scheme smallholder to POM. There are 16 transport vehicles with vehicle license plate No. BM 8223 FO, BM 8051 FQ, BM 8636 FQN BM 9914 FK, BM 9244 FT, BM 8507 FO, BM 8955 OU, BM 8604 FT, BM 8397 FO, BM 8053 FQ, BM 9577 LF, BM 9632 FM, BM 9045 FN, BM 8387 FQ, BM 8213 FO, BM 9030 FK; with cost for IDR 67.5/Kg which is paid per date 20th each month. The contract period from January 2nd 2015 to December 31st 2015.

Example of FFB transport payment official record for period of June 21st 2015 to July 20th 2015 to Mr. Suparman; dated August 4th 2015 for 3,628,980 Kg of FFB.

According to the recapitulation of FFB purchase payment from smallholder for period of April 21st – May 20th 2015, there were deductions for fertilizer on 1st semester of Karya Tani Cooperative Unit (IDR 425,612,500). Furthermore, there is an example of replanting fund deduction for period of March 2015 for Cinta Damai Cooperative Unit (IDR 121,200,000); Bangun Desa Cooperative Unit (IDR 164,200,000). Furthermore, there is a deduction for the mechanical road maintenance for all cooperative units for IDR 265.000.

There are evidence of dues for road maintenance follows:

- Cinta Damai Cooperative Unit: document of dues for heavy equipments dated March 6th – 20th 2015 for the program on March 20th 2015 for installing sewer system. There were 27 units with total of cost the smallholders must pay for IDR 6,210,000.
- Bangun Desa Cooperative Unit: According to the result of interview with the Head of Cooperative Unit, the road maintenance program or any program requires materials shall be paid by the dues or deduction from smallholders.

According to the document review on the replanting plan for Kampar Scheme Smallholder Estate and interview with the company RC staff, there were several facts. For example:

- Cinta Damai Cooperative Unit (STPA3): Year of Planting on 1996, annual productivity 36 ton/ha, average of production per Ha is 32 ton/ha. According to the production budget for period of 2014 – 2023, the actual production for period of 2012 was 29 ton, based on the new production projection, it shall reach only 21 ton/Ha on 2020. Meanwhile, according to MCAR, replanting program shall just been conducted if the productivity only under 14 ton/ha.
- Bangun Desa Cooperative Unit (STPA4): Year of Planting on 1996, annual productivity 36 ton/ha, average of production per Ha is 30 ton/ha. According to the production budget for period of 2014 – 2023, the actual production was 30 ton/ha, based on the new production projection, it shall reach only 20 ton/Ha on 2022. Meanwhile, according to MCAR, replanting program shall just been conducted if the productivity only under 14 ton/ha.

The technical replanting program shall be conducted by PT Ramajaya Pramukti based on the technical guideline of palm oil cultivation of Sinar Mas (Management Committee Agronomi and Research). According to Point 5 in term of land clearing and planting in Document No. SMA/MCAR/05/05-07, the land clearing should be conducted by implementing zero burning principle.

The smallholder groups have the flowchart of internal and external complaint and disgruntle management. It has been legalized by the Head of Cooperative Unit on January 2nd 2015. For example:

1. Oral and written complaint.
2. Communication medica in form of advise and incoming letter box.
3. The oral complaint shall be discussed on the meeting (minute of meeting).
4. The control shall be conducted by the unit head on forum.



|   |  |
|---|--|
| 5. When it is not yet solved, it shall be followed up to RC/PC via forum.   |  |
| 6. When it is not yet solved anymore, it shall be followed up to court.   |  |
| <b>Status: Comply</b>   |  |
| <b>6.11</b>   |  |
| <b>Growers and millers contribute to local sustainable development wherever appropriate.</b>  |  |
| The contribution over the local development is conducted by the company through CSR program. Each cooperative unit has their own local development programs such as payment for obligation to the government and donation for community's program. For example:                                       |  |
| <b>Cinta Damai Cooperative Unit</b>   |  |
| Proposal for 70th RI independence day dated August 10th 2015. It has been realized on August 16th 2015.   |  |
| <b>Bangun Desa Cooperative Unit</b>   |  |
| Proposal for Nurul Iman Mushola on Suka Maju Village, Tapung Sub-District dated May 25th 2015. It has been realized on June 1st 2015.   |  |
| <b>Status: Comply</b>   |  |
| <b>PRINCIPLE #7 Responsible development of new plantings</b>  |  |
| <b>7.1</b>  |  |
| <b>A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b>  |  |
| There is no estate expansion nor replanting program on Sungai Tapung Scheme Smallholder. The last land clearing was conducted on 1991.  |  |
| <b>Status: Comply</b>   |  |
| <b>7.2</b>  |  |
| <b>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</b>   |  |
| There is no estate expansion nor replanting program on Sungai Tapung Scheme Smallholder. The last land clearing was conducted on 1991.  |  |
| <b>Status: Comply</b>   |  |
| <b>7.3</b>  |  |
| <b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>  |  |
| There is no estate expansion nor replanting program on Sungai Tapung Scheme Smallholder. The last land clearing was conducted on 1991.  |  |
| <b>Status: Comply</b>   |  |
| <b>7.4</b>  |  |
| <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>   |  |
| There is no estate expansion nor replanting program on Sungai Tapung Scheme Smallholder. The last land clearing was conducted on 1991.  |  |
| <b>Status: Comply</b>   |  |
| <b>7.5</b>  |  |
| <b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b> |  |
| There is no estate expansion nor replanting program on Sungai Tapung Scheme Smallholder. The last land clearing was conducted on 1991.  |  |
| <b>Status: Comply</b>   |  |

**7.6**

**Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

There is no estate expansion nor replanting program on Sungai Tapung Scheme Smallholder. The last land clearing was conducted on 1991.

**Status: Comply**

**7.7**

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

There is no estate expansion nor replanting program on Sungai Tapung Scheme Smallholder. The last land clearing was conducted on 1991.

**Status: Comply**

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

**8.1**

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

Cinta Damai and Bangun Desa Cooperative Unit has had the record of sustainable corrective action. For example:

- Best Practice: Making of barn owl box from the plastic drum, nursery and antigonon planting.
- Aspect of Environment: GHG emission reduction
- According to the field visit to Bangun Desa Cooperative Unit, the cooperative unit is now conducting nursery for *Turnera subulata*.

According to the field visit to division IV (Bangun Desa Cooperative Unit) on August 26th 2015, there was a sustainable corrective action for PT. Ivo Mas Tunggal operational with smallholder groups. For example:

- Riparian area conservation by planting 1,000 polybag guatemala grass and small bamboo on the Plambayan Riverbank and letting Aru tree grows at the riverbank.
- Not applying agrochemicals on the 5 last plant lines at the edge of riverbank (marked with red paint on the palm oil plants).
- Conserving the *Antigonon leptosus* as the beneficial plant for predator of palm oil leaf eating caterpillar as the replacement for *Turnera subulata* which cannot grow because the cattle eat it.
- Scheme Smallholder Manager said that EFB application (organic fertilizer) shall be conducted to improve the soil fertility and to reduce chemicals fertilizer use (anorganic). However, the member of smallholder groups do not want to pay for the transport cost.
- Bangun Desa Scheme Smallholder Manager describes that socialization of replanting technique such as continual terrace making mechanically.

Paraquat active ingredient shall be no longer used on 2016 (**zero paraquat**).

**Status: Comply**

**3.3. Summary of Assessment Report of Supply Chain Requirement**

| Clause | (Module D) CPO Mills – Identity Preserved Requirements   |
|--------|--|
| D1     | Definition   |
|        | <p><b>D.1.1</b><br/> <b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</b></p>  |
|        | <p>According to the letter sent by PT. Ivomas Tunggal management No. /PC-Siak/04/2015 dated April 23rd 2015, Libo Mill received FFB from nucleus estates (Libo Estate, Nenggala Estate and Sei Rokan Estate), Rama Bakti Estate of PT. Ramajaya Pramukti (RSPO Certified) and Sungai Tapung Scheme Smallholder (RSPO Certified).</p> <p>Libo Mill unit was able to describe and demonstrate the FFB receipt from the certified suppliers on August 19th 2015. For example:</p> <ul style="list-style-type: none"> <li>- Weightbridge Ticket No. A030338 with vehicle license plate No. BA8202T and total of certified product: 9,230 Kg from Sungai Tapung Scheme Smallholder (Berkat Lestari Cooperative Unit).</li> <li>- Weightbridge Ticket No. A030330 with vehicle license plate No. BM 9632 FM and total of certified product: 10,540 Kg from Sungai Tapung Scheme Smallholder (Bangun Desa Cooperative Unit).</li> <li>- Weightbridge Ticket No. A030334 with vehicle license plate No. BM 8766 FZ and total of certified product: 10,890 Kg from Sungai Tapung Scheme Smallholder (Cinta Damai Cooperative Unit).</li> <li>- Weightbridge Ticket No. A030329 with vehicle license plate No. BM 8863 FZ and total of certified product: 7,990 Kg from Sungai Tapung Scheme Smallholder (Tunas Makmur Cooperative Unit).</li> <li>- Weightbridge Ticket No. A030331 with vehicle license plate No. BM 8682 FN and total of certified product: 10,010 Kg from Sungai Tapung Scheme Smallholder (Karya Tani Cooperative Unit).</li> <li>- Weightbridge Ticket No. A030536 with vehicle license plate No. BM 9051 SA and total of certified product: 4,500 Kg from Nenggala Estate (1922).</li> </ul> <p>Weightbridge Ticket No. A030538 with vehicle license plate No. BM 9052 SA and total of certified product: 3,690 Kg from Libo Estate (1920).</p> |
|        | <b>Status: Comply</b>  |
| D.2    | Explanation  |
|        | <p><b>D.2.1</b><br/> <b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p>   |
|        | <p>LIBM determined the estimation of CPO and PK production tonnage that could be produced during period of October 30th 2014 – October 29th 2015 as follow:</p> <p>Libo Estate: 54,350 ton; Nenggala Estate: 26,650 ton; Sei Rokan Estate: 90,850 ton. Therefore, total of the certified FFB are 171,850 ton; meanwhile the projection for CPO: 36,088.50 ton and PK: 8,936.20 ton.</p> <p>The actual production since October 30th 2014 to August 22nd 2015 was FFB: 293,413.75 ton; producing CPO: 59,616.19 ton and PK: 15,779.50 ton. According to the data of actual production, there was an overproduction compared to the previous year projection. However, the management unit has sent letter No. /PC-Siak/04/2015 dated April 23rd 2015. It was</p>  |

signed by PC Region of Siak and Dept. Head of EHSD to PT. MAL (Certification Body). The projection of total production till October 13th 2015 are FFB: 368,047,788 Kg; CPO: 77,985,051 Kg and PK: 19,395,631 Kg.

**Status: Comply**

**D.2.2**

**The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).**

The company has conducted registration and complied the requirements for proper SCCS reporting via RSPO IT Platform (E-Trace) with Licence ID: RSPO\_PO1000001057. Furthermore, Libo Mill is also able to show the recapitulation of CPO sales and list of the vendee based on the period of certificate (see table). Meanwhile, the Palm Kernel is processed on Libo KCP.

- **Certified CPO sold to each buyer period of October 2014 to August 2015 (non certified)**

| Date          | Buyer                               | Volume (ton)     |
|---------------|-------------------------------------|------------------|
| October 2014  | PT. Buana Wiralestari Abadi – Dumai | 6,491.24         |
| November 2014 | PT. Buana Wiralestari Abadi – Dumai | 6,539.24         |
| December 2014 | PT. Buana Wiralestari Abadi – Dumai | 6,403.41         |
| January 2015  | PT. Buana Wiralestari Abadi – Dumai | 5,850.92         |
| February 2015 | PT. Buana Wiralestari Abadi – Dumai | 2,732.87         |
| March 2015    | PT. Buana Wiralestari Abadi – Dumai | 8,564.72         |
| April 2015    | PT. Leidong West Indonesia – Dumai  | 5,840.10         |
| May 2015      | PT. Leidong West Indonesia – Dumai  | 6,261.58         |
| June 2015     | PT. Leidong West Indonesia – Dumai  | 6,387.42         |
| July 2015     | PT. Leidong West Indonesia – Dumai  | 4,809.26         |
| <b>Total</b>  |                                     | <b>59,880.76</b> |

**Status: Comply**

**D.3**

**Documented procedures**

**D.3.1**

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

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

The company was able to show the SOP of RSPO Supply Chain of IP Model No. PT IMT-SSMM/SOP/26. It was signed by the Document Controller, Mill Manager and Production Controller on April 1st 2015. The procedure covers:

Raw material receipt process consisted of the processed FFB to CPO and PK sent to bulking/warehouse or the next processing unit. The implemented supply chain for the product traceability is based on the Identity Preserve principle for the certified raw material sources (estate).

**Task and responsibility of employee over the Critical Control Point:**

- Security
  - Ensuring that the the FFB covering letter is originally from the certified supplier or transporter.
  - Checking the inside of CPO tank truck before the dispatch to ensure the truck condition with zero contamination.
  - Ensuring that the seals are provided on CPO and PK transport truck and the hatch should be properly

installed.

According to the result of interview with the security Officer at the security post, Libo Mill only receive FFB from their own estates like Libo Estate (LIBE), Nenggala Estate (NGLE), Sei Rokan Estate (SRKE), Sungai Tapung Plasma Estate (STPA) and Rama Bakti Estate (RBKE).

According to the security Officer, in order to ensure that the FFB has been certified (RSPO) the FFB covering letter from each certified supplier must be shown. However, the FFB from the non-nucleus estate (not supported with stamp), shall not be allowed to enter POM. There was a socialization for RSPO SCCS on March 2015 as well according to security Officer's information.

- Weightbridge Operator.
  - Ensuring the weightbridge equipments and **Weightbridge** are well functioned for the weighing program.
  - Checking the completeness of all documents of the future-weighted vehicle including to ensure the vehicle license place to be in line with the future-weighted vehicle.
  - Ensuring the properness of position of the future-weighted vehicle, the vehicle should have been turned off and all crew and driver have left the vehicle.
  - Ensuring that the raw material comes from the certified estate.
  - Ensuring the attribute of document of certified raw material receipt and certified product dispatch by attaching the attribute of traceability based on the RSPO SCCS law.

According to the result of interview with the weightbridge operator, the FFB receipt recording has been conducted by using computer operation system named WB. The incoming FFB from the non-certified estate shall be automatically expelled from the system. The Operator also said that there was a socialization in term of the latest version of RSPO SCCS (November 2014) on March 2015.

- Grading Foreman (Grading Operator).
  - Ensuring the implementation of FFB grading to be in line with criteria.
- Dispatch and Kernel Storage Bin Operator (KSB)
  - Monitoring the process of product load to truck/tank.
  - Recording the production and the incoming and well stored product stock data at the storage tank or KSB
- Laboratory Analyst
  - Analyzing the product mutu during the production process or its storing process.
  - Analyzing the number of *Losses product* over the processed *raw material*.
  - Implementing *Sounding / testing product stock* daily.
  - Testing the CPO temperature on the storage tank.
  - Recycling.
  - Taking the sample of CPO/PK to figure out the quality of the future dispatched CPO/PK.
- Production Clerk (Product administration officer)
  - Collecting the data of *raw material receipt*, *production data*, stock, product dispatch and final stock whether daily, monthly or annually.
  - Providing the data needed by the Head of Administration to compose the RSPO certified product report.
- Assistant of Estate/Mill/KCP
  - Ensuring that the traceability attributes are attached on the FFB covering letter.
  - Monitoring the received FFB based on the applied grading standard.
  - Monitoring the FFB processing stage.
  - Monitoring the processing stage output quality analysis process.
  - Ensuring the employees that have to do with CCP know and implement their job based on their responsibility.
- Head of Administration
  - Recording and reporting the routine processing stage output for the quality and quantity of product.
  - Monitoring the administration process of FFB receipt and dispatch of processing stage output product.

- Monitoring the crucial equipments on the *Supply Chain* to be always accurate, permitted and well maintained.
- Calculating the *Mass Balance* based on the amount of product that is claimable as *Certified Product*
- Manager
  - Responsible over the standard implementation on each running-well claimed certification.
  - Responsible to maintain the well running process on supply chain process.
  - Ensuring that the quarter-based calculation has been properly conducted to determine the number of certified product.
  - Informing the stakeholders the amount of *Certified Product*.
- Production Controller
  - Ensuring and assuring that the produced products are able to be traced back for its sources and the dispatched products are in line with the quantity and quality.
- Support Department
  - Assisting the control over the sales of Certified product and communicating with the parties that have to do with the sales of certified product. The supporting departments are Sales Department, Trading Department and Certification Section (CERS) EHS Department.

According to the result of document review, there was a socialization of SCCS to 17 participants consisted of PC Siak, Manager Mill, KTU, Coordinator of SPO, SPO Officer for Region, Head of Administration of Libo Transport, Head of Assistant of LIOK KCP, SPO Officer of LIBM, Assistant of KCP processing stage, Security Officer of LIBM/LIOK, Production Clerk, Foreman of Processing Stage, Foreman of Workshop on March 11<sup>th</sup> 2015.

Furthermore, there was a socialization for RSPO SCCS standard 2014 to LIBM staff and employees. It was attended by 18 participants including transporter.

**Status: Comply**

**D.3.2**

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

The company was able to show the SOP of RSPO Product Supply Chain for IP Model No. PT IMT-SSMM/SOP/26. It was signed by Document Controller, Mill Manager and Production Controller on April 1st 2015. The raw material receipt is described on point 6.1 and the processing stage is described on point 6.4 as follow:

6.1. Raw Material Receipt

6.1.1. FFB Receipt

Origin or supplier for FFB received by mill could be classified into two categories (nucleus estate and scheme smallholder). All FFB suppliers are recorded and the latest status is maintained. The certified FFB supplier as sustainable raw material could be identified or noted with information that differentiate the certified supplier with the non-certified supplier. Therefore, it could be ensured that all the received FFB have been certified (RSPO). It was written on the formulir of FFB supplier data follow:

a. Nucleus Estate

The received FFB from the supplier shall be checked for the origin based on the FFB covering letter signed by associated estate state. The FFB contains the origin of estate/division/block, destination, distance from division to POM, vehicle license plate, type of vehicle, amount of FFB, weight, data/time of FFB receipt and FFB covering letter No. there are 4 estate code No of the estate listed on the mill computerized system as FFB supplier.

b. Scheme Smallholder

The received FFB from the supplier shall be checked for the origin based on the FFB covering letter signed by scheme smallholder estate staff. The FFB covering letter contains name of smallholder group/cooperative unit, destination, distance from division to POM, vehicle license plate, type of vehicle, amount of FFB, weight, data/time of

FFB receipt and FFB covering letter No. there are 4 estate code No of the estate listed on the mill computerized system as FFB supplier.

The FFB covering letter checking is conducted by the security Officer including the checking of license plate paper and driving license of driver. If the procedure of raw material receipt is not in line with the applied standard on RSPO SCCS, the Head of Administration shall contact the associated supplier. The raw material shall not be unloaded until all documents for dispatch are in line with the applied RSPO SCCS standard.

6.2.1. Weighing at Weighbridge (WB)

Post the FFB covering letter checking conducted by security Officer, the raw material shall be then weighted based on the SOP of FFB receipt.

6.2.2. Weighbridge Ticket Printing

All the data of raw material weighing from several suppliers are maintained on the WB computer system and are printed on the weighbridge ticket. The FFB weighbridge ticket contains data like origin of estate (estate/division/block)/smallholder groups or cooperative unit, vehicle license plate, type of vehicle, amount of FFB, weight, date/time of FFB receipt, FFB covering letter including the Total Certified Product.

6.2.3. Raw Material Quality Checking

FFB quality checking is conducted by using grading method. The received FFB shall enter the grading area to be sorted based on the FFB quality criteria based on the SOP of grading, the unfit criteria shall be rejected.

6.4. Processing

The received raw material shall enter the processing stage station. The FFB shall be processed based on the SOP of processing stage. In order to comply the IP Model RSPO supply chain requirements, the mill must ensure that 100% of the product are excluded to prevent contamination. The increase of supply chain model quality from MB to IP is can be done in condition that there is no physical stock at that time.

**Status: Comply**

**D.4 Purchasing and goods in**

**D.4.1**

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

The management unit has the record of RSPO-certified FFB volume written on the MB report in line with the certification period (October 14th to August 19th 2015) as follow:

| Month                     | FFB Certified from PT. IMT (Kg) | FFB Certified from PT. RJPL (Kg) | Total FFB Certified (Kg) |
|---------------------------|---------------------------------|----------------------------------|--------------------------|
| October 14th – 31st '2014 | 13,683,830                      | 56,240                           | 13,740,070               |
| November'14               | 19,149,380                      | -                                | 19,149,380               |
| December'14               | 20,563,360                      | 19,700                           | 20,583,060               |
| January'15                | 18,318,430                      | 77,640                           | 18,396,070               |
| February'15               | 15,703,460                      | -                                | 15,703,460               |
| March'15                  | 22,651,580                      | 134,300                          | 22,785,880               |
| April'15                  | 23,358,410                      | 802,540                          | 24,160,960               |
| May'15                    | 26,450,600                      | 169,470                          | 24,160,950               |

|                  |             |           |             |
|------------------|-------------|-----------|-------------|
| June'15          | 23,429,170  | 159,160   | 23,588,330  |
| July'15          | 25,265,820  | 944,610   | 26,210,430  |
| 1 – 19 August'15 | 18,966,390  | 713,660   | 19,680,050  |
| Total            | 227,540,430 | 3,077,320 | 228,158,640 |

**Status: Comply**

**D.4.2**

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

According to the procedure of RSPO SG Model and Product Supply Chain No. IMT-SSMM/SOP/26 clausul (6.6), the overproduction over the certificate projection should be responded by:

- Informing the Certification Body (CB) RSPO over the IT System/E-trace. The communication is supported by Certification Section, EHS Department once they get the information from Mill Unit Head and Sales Department
- Re-analyzing the production data and the composed quarter-based report.
- Calibrating and re-checking the weightbridge equipments and its supporting tools.
- Determining the latest certified product projection by considering the level of conversion ratio determined by RSPO in line with the determined Supply Chain model.

The actual production since October 14th 2014 to August 19th 2014 was 229,549.81 ton of FFB. It produced 40,491.86 ton of CPO and 10,494.46 ton o PK. According to the actual production, there was an overproduction than the previous year projection.

The management unit has sent letter No. 001/PC-Siak/08/2015 dated August 19th 2015. It was signed by the PC of Region Siak and Certification Section to the top management of PT. MAL CB. According to that, the total production projection till October 13th 2015 are 299,777,107 Kg for FBB; 56,116,625 Kg for CPO and 14,755,650 Kg for PK.

The company's management unit should inform the overproduction of FFB, CPO and PK to certification body.  
**(Observation)**

**Status: Comply**

**D.5**

**Record keeping**

**D.5.1**

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

Libo Mill unit was able to describe and demonstrate the FFB receipt from the certified suppliers on August 19th 2015. For example:

- Weightbridge Ticket No. A030338 with vehicle license plate No. BA8202T and total of certified product: 9,230 Kg from Sungai Tapung Scheme Smallholder (Berkat Lestari Cooperative Unit).
- Weightbridge Ticket No. A030330 with vehicle license plate No. BM 9632 FM and total of certified product: 10,540 Kg from Sungai Tapung Scheme Smallholder (Bangun Desa Cooperative Unit).
- Weightbridge Ticket No. A030334 with vehicle license plate No. BM 8766 FZ and total of certified product: 10,890 Kg from Sungai Tapung Scheme Smallholder (Cinta Damai Cooperative Unit).
- Weightbridge Ticket No. A030329 with vehicle license plate No. BM 8863 FZ and total of certified product: 7,990 Kg from Sungai Tapung Scheme Smallholder (Tunas Makmur Cooperative Unit).
- Weightbridge Ticket No. A030331 with vehicle license plate No. BM 8682 FN and total of certified product: 10,010 Kg from Sungai Tapung Scheme Smallholder (Karya Tani Cooperative Unit).
- Weightbridge Ticket No. A030536 with vehicle license plate No. BM 9051 SA and total of certified product: 4,500 Kg



from Nenggala Estate (1922).

- Weightbridge Ticket No. A030538 with vehicle license plate No. BM 9052 SA and total of certified product: 3,690 Kg from Libo Estate (1920).

Libo Mill Unit has their own KCP. Therefore, there is only a CPO dispatch to PT. BWL-Dumai and PT. LWI-Dumai. For example:

- Delivery Note No. 1950/CPO/TT/15/08/1197 dated August 19th 2015 to PT. Leidong West Indonesia –DMAB (Dumai) with nett: 24,470 Kg; FFA: 5.142%; impurities: 0.018%; Moisture: 0.016%. Vehicle license plate No. BM 9348 FJ

CPO Weightbridge Ticket No. B001698 with nett: 24,470 Kg to PT. Leidong West Indonesia – Dumai Bulking. Vehicle license plate No. BM 9348 FJ.

**Status: Comply**

**D.6 Processing**

**D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage**

According to the SOP of RSPO Product Supply Chain of IP Model No. PT IMT-SSMM/SOP/26. The procedure of exclusive storing and transport from the non-certified materials are described. For example:

6.1.1. FFB Receipt

Origin or supplier for FFB received by mill could be classified into two categories (nucleus estate and scheme smallholder). All FFB suppliers are recorded and the latest status is maintained. The certified FFB supplier as sustainable raw material could be identified or noted with information that differentiate the certified supplier with the non-certified supplier. Therefore, it could be ensured that all the received FFB have been certified (RSPO). It was written on the formulir of FFB supplier data follow:

a. Nucleus Estate

The received FFB from the supplier shall be checked for the origin based on the FFB covering letter signed by associated estate state. The FFB contains the origin of estate/division/block, destination, distance from division to POM, vehicle license plate, type of vehicle, amount of FFB, weight, data/time of FFB receipt and FFB covering letter No. there are 4 estate code No of the estate listed on the mill computerized system as FFB supplier.

b. Scheme Smallholder

The received FFB from the supplier shall be checked for the origin based on the FFB covering letter signed by scheme smallholder estate staff. The FFB covering letter contains name of smallholder group/cooperative unit, destination, distance from division to POM, vehicle license plate, type of vehicle, amount of FFB, weight, data/time of FFB receipt and FFB covering letter No. there are 4 estate code No of the estate listed on the mill computerized system as FFB supplier.

The FFB covering letter checking is conducted by the security Officer including the checking of license plate paper and driving license of driver. If the procedure of raw material receipt is not in line with the applied standard on RSPO SCCS, the Head of Administration shall contact the associated supplier. The raw material shall not be unloaded until all documents for dispatch are in line with the applied RSPO SCCS standard.

Furthermore, according to point 6.4.5, the storage tank and transport truck tank are labelled with IP to differentiate it with other product facility. The allocated truck shall be then registered to WB program.

**Status: Comply**

**D.6.2**

**The objective is for 100 % segregated material to be reached**

According to the SOP of RSPO Product Supply Chain of IP Model No. PT IMT-SSMM/SOP/26, the 100% target of the

exclusive materials are described as follow:

#### 6.4. Processing

The received raw material shall enter the processing stage station. The FFB shall be processed based on the SOP of processing stage. In order to comply the IP Model RSPO supply chain requirements, the mill must ensure that 100% of the product are excluded to prevent contamination. The increase of supply chain model quality from MB to IP is can be done in condition that there is no physical stock at that time.

**Status: Comply**

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

|              |   |               |
|--------------|---|---------------|
| <b>1.</b>    |   | <b>X or √</b> |
| <b>ASA-2</b> | PT Ivo Mas Tunggal did not use certificate and logo | √             |
|              | <b>Status: NA</b>                                   |               |
| <b>2.</b>    |   | <b>X or √</b> |
| <b>ASA-2</b> | PT Ivo Mas Tunggal did not use certificate and logo | √             |
|              | <b>Status: NA</b>                                   |               |
| <b>3.</b>    |   | <b>X or √</b> |
| <b>ASA-2</b> | PT Ivo Mas Tunggal did not use certificate and logo | √             |
|              | <b>Status: NA</b>                                   |               |
| <b>4.</b>    |   | <b>X or √</b> |
| <b>ASA-2</b> | PT Ivo Mas Tunggal did not use certificate and logo | √             |
|              | <b>Status: NA</b>                                   |               |

**3.5. Summary of RSPO Partial Certification.**

|   |   |              |
|---|---|--------------|
| <b>Management unit(s) observed:<br/>Sawita Mill (South Kalimantan Province) has Stage-1 audited by other CB's</b> |   |              |
| <b>2.1</b>  | <b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>   | <b>X or√</b> |
|   | According to the result of audit in Sawita Mill Unit, there is no issue over the applied law compliance.  |              |
|   | <b>Status: Full Compliance</b>  |              |
| <b>2.2</b>  | <b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>  | <b>X or√</b> |
|   | According to the result of audit, Sawita Mill Unit got Land Use Title (HGU) for 8,724 ha. However, there are 155.87 ha of land where the Land Use Title (HGU) is being processed on the Committee B Meeting.  |              |
|   | <b>Status: Full Compliance</b>  |              |
| <b>6.3</b>  | <b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>   | <b>X or√</b> |
|   | The company has provided facilities and transparent procedure to receive complaint and dispute on SOP/SMART/SIGS-CSR/SADV//003 in term of guideline for reporting complaint and disgruntle from internal and external party. There is no major issue based on the audit result.                       |              |
|   | <b>Status: Full Compliance</b>  |              |
| <b>6.4</b>  | <b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>                      | <b>X or√</b> |
|   | According to the result of audit in Sawita Mill Unit, there is no issue in term of the community whom lost the legal nor traditional right.   |              |
|   | <b>Status: Full Compliance</b>  |              |
| <b>7.3</b>  | <b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>  | <b>X or√</b> |
|   | According to the result of audit, Pamukan and Sawita Estate has conducted planting post November 2005. HCV assessment program has been conducted. However, HCV report is still being processed (resolution).  |              |
|   | <b>Status: Full Compliance</b>  |              |
| <b>7.5</b>  | <b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b> | <b>X or√</b> |
|   | According to the result of audit, there is no issue in term of new planting (post January 2010) on the community's land without FPIC.   |              |
|   | <b>Status: Full Compliance</b>  |              |
| <b>7.6</b>  | <b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>   | <b>X or√</b> |
|   | According to the result of audit, there is no issue in term of new planting (post January 2010) on the community's land without FPIC.   |              |
|   | <b>Status: Full Compliance</b>  |              |

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

**3.6.1 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment**

| CAR No | Ref Std | Finding  | Area | Grade | Time Limits | Corrective Action | Observation | Status | Closing Date |
|--------|---------|--|------|-------|-------------|-------------------|-------------|--------|--------------|
|        |         | During the first surveillance assessment there was no non conformance identified |      |       |             |                   |             |        |              |

**3.6.2 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment**

| CAR No | Ref Std | Finding  | Area | Grade | Time Limits | Corrective Action | Observation | Status | Closing Date |
|--------|---------|--|------|-------|-------------|-------------------|-------------|--------|--------------|
|        |         | During the first surveillance assessment there was no non conformance identified |      |       |             |                   |             |        |              |

**3.6.3 Opportunity for Improvement at ASA-2 Assessment**

| No  | Ref Std                | Descriptions   |
|-----|------------------------|--|
| 1.  | -                      | The company has opportunity to re-evaluate the procedure of structurization and maintenance for documentation of all the held programs/socializations/guidance to the workers and stakeholders.  |
| 2.. | <b>Minor<br/>2.1.4</b> | <b>The system which record each change on law must be implemented.</b><br>The company's law and manpower division is encouraged to evaluate and comunicate with the regulator in term of the Government Regulation No. 45 and No. 46 Year 2015 over the system of workdays for temporary daily workers applied on the company. |

**3.6.4 Noteworthy Positive Components at ASA-2 Assessment**

| No | Ref.Std | Description ( <i>Penjelasan</i> )  |
|----|---------|--|
| 1. | -       | The company's commitment to implement RSPO certification system.   |
| 2. | -       | Good PIC cooperation so the audit program ran well.  |
| 3. | -       | The company's commitment to maintain Land Use Title (HGU) and supporting poles.  |
| 4. | -       | The company has regularly updated any operational permits within estate and POM.   |
| 5. | -       | The company's polyclinic has had specific medical check up equipments (spirometri, audiometri & cholinesterase check up equipments). |

**3.7 Summary of Arising Issues from Public, Management and Auditor Response**

| Issue from Public<br>(Agency/ NGO / Community)   | Management Response   | Auditor Response   |
|--|---|--|
| <b>Agricultural Sector Labour Union – Indonesia Labour Union (SPPP - SPSI)<br/>(Mr. Alexander Hasiholan Samosir – Head of Siak Region)</b>   |   |  |
| <ul style="list-style-type: none"> <li>● Forming and Programs of Labour Union               <ul style="list-style-type: none"> <li>- The labour union has been formed for about 20 years ago (at the beginning of estate establishment). Mr. Alexander H. Samosir is the Head of Labour Union for period of 2014 to 2019. There was a decree of its forming</li> <li>- All company’s employees are the member of labour union and are given member card. The dues per month is IDR 10,000/month.</li> </ul> </li> <li>● Meeting Program               <ul style="list-style-type: none"> <li>- The member hold routine meeting (monthly).</li> <li>- There is a routine meeting between labour union and the company (minute of meeting is available). The discussed topic are BPJS, complaint (if exist).</li> </ul> </li> <li>● Facility Provided by the Company<br/>The company facilitated the member of labour union by providing:               <ul style="list-style-type: none"> <li>- Operational Facility: Office, desk, chair, white board.</li> <li>- Employee Settlement Facility: concrete house for family of employees with 3 rooms, supported by water tank (for bathing, washing, pooping), artesian well (10 unit, the water has been tested on the laboratory and drinkable), electricity grid installed.</li> </ul> </li> <li>● Medical Facility               <ul style="list-style-type: none"> <li>- The company provided clinic with doctor and nurse.</li> <li>- Holding medical check up every 4 months. The specific medical check up (blood and urine) is conducted twice in Thamrin Clinic laboratory, Pekanbaru. The result of medical check up shall be</li> </ul> </li> </ul> | <p>The company has given freedom for its employees to unite and join labour union as their crucial right. It has been written on statute No. 21 Year 2000 and the company has supported it by issuing circular No. 045/CEO5-SE/11/2010 dated November 16<sup>th</sup> 2010 in term of freedom to unite and join labour union.</p> <p>The company provided facilities to labour union office with desk, chair and white board</p> <p>The company gave several facilities for employees follow:</p> <ol style="list-style-type: none"> <li>1. Settlement with electric grid and clean water.</li> <li>2. Medical facility on each estate unit.</li> <li>3. Place of worship such as mosque and church.</li> <li>4. Sport facility such as soccer field and volley court.</li> <li>5. Educational facility such as pre school, kindergarten, elementary</li> </ol> | <ul style="list-style-type: none"> <li>- The company has had registered labour union on Siak District Manpower Agency based on the result of auditor team verification.</li> <li>- Labour union has held routine meeting based on the result of auditor team verification.</li> <li>- The company has facilitated the workers based on the result of auditor team field visit.</li> <li>- The company has provided medical facility in form of polyclinic on estate based on the result of auditor team field visit.</li> <li>- The company has implemented minimum wage standard for all employees based on the result of auditor team verification.</li> <li>- The company has socialized the procedure of information request and complaint delivery to stakeholders based on the result of auditor team verification.</li> </ul> |

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| <p>known and informed to employees within 2 days.</p> <ul style="list-style-type: none"> <li>- Work Safety: PPE and First Aid</li> <li>- Educational Facility: School (Pre School, Kindergarten, Elementary School, Secondary School). The company paid the wage of the teacher based on the agriculture sector minimum wage standard of Riau Province.</li> <li>• Compliance over Regulation <ul style="list-style-type: none"> <li>- There has been a collective labour agreement for period of 2015 – 2017 between labour union and the company.</li> <li>- The agricultural sector minimum wage standard for province is IDR 2,125,500 per month plus rice allowance for workers (15 kg), wife (9 kg), 1 child (7.5 kg) (maximum 3 children) which is given twice a month.</li> <li>- The promotion for employee is running well based on the assessment on achievement by the company.</li> <li>- The company give dispensation for the pregnant and breastfeeding women workers to work on the light job such as babysitter on daycare.</li> <li>- The labour union of agriculture sector gives annual report to province labour union (document is exist).</li> </ul> </li> <li>• Socialization Program <ul style="list-style-type: none"> <li>- Socialization from the sectoral police in term of the hazard of drugs and HIV AIDS to labour union member.</li> <li>- Socialization to employees in term of the endanger species and prohibiton to hunt them on signboard.</li> </ul> </li> <li>• Company's Response over the Input/Request <ul style="list-style-type: none"> <li>- The company respond all input/request from labour union within 1 week.</li> </ul> </li> <li>• Environment Issue <ul style="list-style-type: none"> <li>- There was no land fire within company's estate area yet.</li> </ul> </li> </ul> | <p>school, secondary school.</p> <ol style="list-style-type: none"> <li>6. Proper wage standard based on Riau Province Agricultural Sector minimum wage standard plus rice allowance for wife and children, religious feast allowance and bonus.</li> <li>7. Proper work equipments and PPE based on job type.</li> </ol> <p>The company has given a forum to communicate and consult in order to maintain harmonic relation to worker and labour union.</p> |  |
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| <ul style="list-style-type: none"> <li>- The medical waste is separated (organic and anorganic). It is transported to central clinic. There are 3 central clinic units. Those are located in Samsam, Libo and Ujung Tanjung, each of clinic has 1 doctor (hyperkes).</li> <li>- Dispensation for the pregnant/breastfeeding women workers (placed on light job station like daycare as babysitter). Annual report to province labour union (document is exist).</li> <li>• Positive Impacts             <ul style="list-style-type: none"> <li>- Member of labour union have known the rights and obligations on the company.</li> <li>- Labour union respect the certification due to the corrective action. Good communication with the company shall be maintained or improved.</li> </ul> </li> <li>• Negative Impact<br/>There is no any negative impact so far such as production robbery or any manpower cases.</li> <li>• Expectation and Response: Respect the certification due to the corrective action. Good communication with the company shall be maintained or improved.</li> </ul> |  |  |
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**Bangun Desa Cooperative Unit (Scheme Smallholder)  
Mr Sofyan (Treasurer)**

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| <ul style="list-style-type: none"> <li>• Cooperative Unit Forming             <ul style="list-style-type: none"> <li>- Bangun Desa Cooperative Unit was established on 1999 (official letter of establishment). The active members are 845 members consisted of 830 smallholders and 15 scheme smallholder employees. There is an agreement between cooperative unit and</li> </ul> </li> </ul> | <p>The company has sustainable maintained good relation with cooperative unit with several methods follow:</p> <ol style="list-style-type: none"> <li>1. Providing personel from level of</li> </ol> | <ul style="list-style-type: none"> <li>- The company has guided the locals including the scheme smallholder cooperative unit.</li> <li>- According to the result of auditor verification, the</li> </ul> |
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| <p>its member and each member is given member card.</p> <ul style="list-style-type: none"> <li>- Main programs: Loan and save, shop, FFB production, FFB transport and electric bill payment.</li> <li>- The loan and save program is running well. The maximum loan is IDR 60 million with collateral (scheme smallholder land certificate).</li> <li>- FFB production – the revenue of FFB sales is transferred to village cooperative unit account in form of giro and it is transferred again to the smallholder groups (cash) to be distributed to smallholders. The money distribution is on time. There is no dues deduction but for the Operational Plan Cost for about IDR 300/kg of FFB. The price of FFB is based on the policy of government (Plantation Agency)</li> <li>- FFB Transport: the cooperative unit has 16 unit of dump trucks. There is a contract for service agreement with the company, annual contract. All contracts are running well. Monthly contract payment.</li> <li>• Compliance over Regulation             <ul style="list-style-type: none"> <li>- Cooperative unit has supervisor board consisted of its member.</li> <li>- The monitoring is conducted by Siak District Cooperative Business Agency.</li> <li>- Scheme Smallholder: estate management – Independent (there is an agreement and the company place the Officer in scheme smallholder). Year of Planting on 1995/1996 (nearly 20 years ago). In order to conduct replanting plan (2020), there has been replanting cost (monthly deducted on cooperative unit).</li> <li>- Annual Member Meeting (RAT): the annual member meeting is conducted annually. The annual member meeting on 2014 was held on April 2015. It was attended by Siak District, Sub-District, Village Cooperative Business Agency and Sectoral Police.</li> </ul> </li> </ul> | <p>foreman, assistant, head of assistant, manager and Regional Controller to give technical guidance over the estate cultivation for the smallholders, smallholder group and cooperative unit.</p> <ol style="list-style-type: none"> <li>2. Initiating replanting saving account.</li> <li>3. Attending Annual Member Meeting (RAT)</li> <li>4. Guiding the environment impact technical.</li> <li>5. Socializing the importance of OHS on work.</li> <li>6. Etc.</li> </ol> | <p>cooperative unit has had legal status and operating based on code of conduct.</p> |
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| <ul style="list-style-type: none"> <li>- The fertilizer sack is washed on the cooperative unit specific area and it is then returned to the smallholders for loosen fruit bucket. The pesticide bottle/jerry can is given by foreman to cooperative unit to be washed and to be reutrned to the company.</li> <li>- Socialization from Siak District Cooperative Business Agency in term of business expansion.</li> <li>- Smallholders work on estate wear PPE bought by themselves from cooperative unit (cash or credit).</li> <li>• Achievement             <ul style="list-style-type: none"> <li>- The achievement as the best province cooperative unit on 2010 and best district cooperative unit on 2013.</li> </ul> </li> <li>• Positive Aspect:             <ul style="list-style-type: none"> <li>- Easily accomodating the request from smallholders. All need of smallholders are provided.</li> </ul> </li> <li>• Negative Aspect:             <p>There will always be several issues on cooperative member. However, it could be discussed.</p> </li> </ul> | <p>The company is volunteerly facilitate cooperative unit occured between the members (unsolved dispute).</p>  |   |
| <p><b>Kandis Kota Village (Chief of Village: Dedi Sasanto) and Telaga Samsam Village ( Chief of Village: Adi Zulyanto)</b></p>  |  |   |
| <ul style="list-style-type: none"> <li>• CSR             <p>Kandis Kota (KK): Assistance for place of worship (building materials, church), road construction on new location (heavy equipments assistance).</p> <p>Telaga Samsam (TS): Multi Purpose building assistance (2004/2005), Melayu Customary Board Building Construction (LAM) was handed over by the manager of Sinarmas Jakarta as well as the official announcement. It was then managed by the Melayu Customary Board. Meeting in</p> </li> </ul>  | <p>In general, the company maintained good relation with the locals as form of concern with:</p> <ol style="list-style-type: none"> <li>1. Giving assistance to place of worship (Mosque and Church)</li> <li>2. Giving assistance for multi purpose building and Melayu Customary Board building to the locals.</li> <li>3. Holding socialization of fire control to</li> </ol> | <ul style="list-style-type: none"> <li>- According to the result of auditor team verification, the company has realized several CSR program for period of 2014 – 2015. For example, education, infrastructure, health, socio-culture and economy.</li> <li>- According to the result of auditor team verification, the company has had facilities to deal with fire.</li> <li>- According to the result of auditor team verification, the company has improved job opportunity for the locals and business opportunity as contractor and</li> </ul> |

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| <p>scale of sub-district, teacher, the locals, badminton sport. The cost of maintenance has been handed over by Sinarmas to sub-district government. Road maintenance assistance (heavy equipments), Cemetery, Al- Muhajirin Mosque Construction (total rehabilitation) at the end of 2012.</p> <ul style="list-style-type: none"> <li>• Socialization of Fire Prevention<br/>           KK : Socialization is done jointly with the government, held in the Hall Kandis Sub-District. There is help the company, which pumps water to the District (Fire Department). The company asked the village to print posters or creating banners and billboards on anticipation of fire ("Do not Burn Forest and Land") for distribution to the public)<br/>           TS: Post a Fire (built Siak district government) but benefited the help of machines. The company asked the village to print posters or create banners and billboards on anticipation of fire ("Do not Burn Forest and Land") for distribution to the public.</li> <li>• Response of company over the Proposal<br/>           TS: Proposal is responded. Especially the religious feast and national celebration.<br/>           KK: Proposal is proposed to estate based on the guidance of the company (nearest estate with Village/Hamlet).</li> <li>• Job Opportunity<br/>           KK: the temporary daily employees from the locals (for replanting program) and some of them are working as security Officer.<br/>           TS : According to the information from the school (no written report), there are permanent employees recruited from the locals (recruited from school) and are then educated on the college. Once they finish their school, they shall work for the company.</li> </ul> | <p>the locals.</p> <ol style="list-style-type: none"> <li>4. Providing job opportunity (temporary daily labour) to the locals during replanting program.</li> <li>5. Holding free medical service program on Tzuchi program.</li> <li>6. Giving assistance for the religious feast based on the received proposal.</li> <li>7. Lending heavy equipments for maintaining the road access to the nearby villages.</li> <li>8. Etc.</li> </ol> | <p>supplier.</p> |
|---|---|------------------|

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| <p>There are external security paid by the company (attendance list is available). There are local contractors who are cooperating with the company such as FFB transport, road maintenance, settlement construction, harvest equipments provision and uniform tailor provider.</p> <ul style="list-style-type: none"> <li>• Conflict with the locals<br/>KK : No conflict<br/>TS : No conflict</li> <li>• Criminality<br/>KK: The locals used to be a thief due to the lack of money. Post the recruitment for temporary daily labour, they stop stealing loosen fruit.<br/>TS: The locals used to be a thief due to the lack of money. Post the recruitment for temporary daily labour, they stop stealing loosen fruit.</li> <li>• Positive Impact :<br/>TS: Developing economy, open apangan jobs for local workers (reducing unemployment), there is help the environment, religious facilities and other buildings, assist in the implementation of government activities .<br/>KK : Just like in TS</li> <li>• Negative Impact<br/>KK : The company invites the arrival of new communities (population increased three-fold: in 2005 the total population was 25,000, in 2015 had increased to 83,000 people, so the crime is also increasing.<br/>TS : No scheme smallholder yet</li> <li>• Harapan :<br/>KK and TS: Companies can better foster local communities, such as women's empowerment (PKK), mentoring farming, animal husbandry /</li> </ul> | <p>The company has cooperated with cops to socialize the public order, traffic order,</p> |  |
|---|---|--|

|  |  |   |
|--|--|---|
| <p>fisheries, and oil palm breeding techniques .</p>   | <p>gambling and drugs to reduce criminality.</p> <p>PT Ivomas Tunggal was built before the scheme smallholder establishment program as written on the applied government law.</p> <p>The company has composed community empowerment program on CSR program. Especially women's empowerment program (PKK), mentoring farming, animal husbandry / fisheries, and oil palm breeding techniques and the company has inventorized the community's land within PT IMT area for replanting program for the locals palm oil plants outside the area.</p> |   |
| <p><b>Jambai Makmur Village (Edison Sitepu – Ayu Hamlet) and Simpang Belutu Village (Chief of Village: Madam – Nurfah Octolita)</b></p>  |  |   |
| <ul style="list-style-type: none"> <li>• CSR</li> </ul> <p>Jambai Makmur (JM): Commodities Assitance (cooking oil, sugar, milk) for 15 package (before Idul Fitri 2015), religious feast (cash, donation for the orphans, building materials for mosque (brick, cement, fan), heavy equipment (grader) for rehabilitating the road (leveling) and Tractor of Loader Buldozer (TLB), national celebrations (cash, children games for celebrating independence day).</p> <p>Simpang Belutu (SB): rain house for cemetery (1 unit), heavy equipments for leveling road (2014 and 2015), medical service for eye and</p> | <p>In general, the company maintained good relation with the locals as form of concern with:</p> <ol style="list-style-type: none"> <li>1. Giving assistance to place of worship (Mosque and Church).</li> <li>2. Giving assistance for multi purpose building and Melayu Customary Board building to the locals.</li> <li>3. Providing job opportunity (temporary daily labour) to the locals during replanting program.</li> <li>4. Holding free medical service program</li> </ol>  | <ul style="list-style-type: none"> <li>- According to the result of auditor team verification, the company has realized several CSR program for period of 2014 – 2015. For example, education, infrastructure, health, socio-culture and economy.</li> <li>- According to the result of auditor team verification, the company has had facilities to deal with fire.</li> <li>- According to the result of auditor team verification, the company has improved job opportunity for the locals and business opportunity as contractor and supplier.</li> </ul> |

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| <p>distribution for glasses (free), religious feast assistance (transportation and cash to transport kafilah of MTQ from Simpang Belutu Village to Bekalar Village), construction of security post (community assisted by the company) and installation for 6 electrical grid poles.</p> <ul style="list-style-type: none"> <li>• Socialization to Deal with Fire<br/>SB: Cooperation with the village administration government (announcement to the locals for not making fire) by installing banner.<br/>JB: assistance in form of equipments (fire truck with fire team) on 2013 when fire occurred on the border of Bengkalis District (extinguished), pump machine (generator) to distribute and spray the water (January 2015), socialization by installing banner (“no land fire and cigar littering are allowed”).</li> <li>• Response over the Proposal<br/>SB: the response over the proposal is within 7 days (still positive). All proposals are responded.<br/>JB: proposals have been responded within 3 – 7 days. All proposals have been responded.</li> <li>• Worker’s<br/>SB: the locals are employed as temporary daily labour, staff. There is a scholarship for the high school students who want to continue their education to college (there is a realization). The locals are also recruited as security Officer.<br/>JM: the locals have gotten scholarship (3 people) to be educated on engineering and agronomy school (Estate Assistant). No discrimination on the company.</li> <li>• Positive Impacts</li> </ul> | <p>on Tzuchi program.</p> <ol style="list-style-type: none"> <li>5. Giving assistance for the religious feast based on the received proposal.</li> <li>6. Lending heavy equipments for maintaining the road access to the nearby villages.</li> <li>7. Etc</li> </ol> |  |
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| <p>SB: the job opportunity for the locals, helping the programs of the village administrative government. Increase of community's economy caused by existence of company.</p> <p>JB: transparent information announced by the company for job opportunity (Assistant, Engineering), the announcement is tapped in front of the village government office.</p> <p>There is no battle or ware between the locals and the newcomer.</p> <ul style="list-style-type: none"> <li>Negative Impacts</li> </ul> <p>SB: there is an FFB theft (FFB), potential of criminal theft)</p> <p>JM : loosen fruit theft, roberr for motorbike (2013)</p> | <p>The company has cooperated with police department to socialize the public order, traffic order, gambling and drugs to reduce criminality.</p>   |  |
| <p><b>Employee Cooperative Unit</b><br/> <b>Mr Andrianto (Head of Samsam Mill Cooperative Unit for period of 2015-2016)</b></p>  |  |  |
| <ul style="list-style-type: none"> <li>The cooperative units on PT Ivomas Tunggal are located on each unit of estate and mill (different official paper and name).</li> <li>At the beginning of membership, the member should pay IDR 50,000 and same amount of routine dues.</li> <li>The members paid only the main dues.</li> <li>Maximum amount of loan is based on the work period (&lt; 10 years = maximum loan is IDR 10 million, &gt; 10 years = maximum loan is IDR</li> </ul>  | <p>The company committed to encourage the existence of employee cooperative unit and has helped the legality process of cooperative unit so the cooperative unit shall be expected to be more helpful.</p> | <ul style="list-style-type: none"> <li>- According to the result of auditor team verification, the company has facilitated the employee cooperative unit forming. Furthermore, the employee cooperative unit is still active.</li> </ul> |



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| <p>20 million).</p> <ul style="list-style-type: none"> <li>• Maximum instalment is 2 years with interest for 0.8% / month.</li> <li>• There are 259 members till July 2015.</li> <li>• Membership principle = volunteerily.</li> <li>• Member's due is IDR 50,000/month (wage deduction).</li> <li>• There have been :             <ul style="list-style-type: none"> <li>✓ Cooperative Unit Official Paper</li> <li>✓ Code of Conduct</li> <li>✓ Annual Member Meeting</li> </ul> </li> <li>• Annual Member Meeting on 2014 was held on January 25th 2015</li> <li>• Facilities provided by the company:             <ul style="list-style-type: none"> <li>✓ Construction for the secretariat of cooperative unit (independently-built cooperative unit secretariat). However</li> <li>✓ Electricity cost shall be paid by the company.</li> <li>✓ The accomodation cost for the guidance is paid by the company.</li> </ul> </li> <li>• Cooperative unit programs: loan and save, goods credit and fund subsidy (replacement for multi purpose shop based on the request of the member).</li> <li>• Information in term of cooperative unit programs :             <ul style="list-style-type: none"> <li>✓ Monthly shopping money: maximum subsidy of each member per month is IDR 1 million (in form of money) with 2% of interest.</li> <li>✓ Goods credit: cooperative unit is cooperating with several shops. The member of cooperative unit who wants to buy goods in credit could shop on the shops which are cooperating with the cooperative unit. The cooperative unit of employee shall pay the price to the shop and the bill is kept by the cooperative unit. The member of cooperative unit</li> </ul> </li> </ul> |  |  |
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| <p>could pay the bought goods to the cooperative unit with 1% of interest.</p>  |  |  |
| <p><b>NGO: Environmentalist Group “Sakai Lestari”<br/>(Mr Mawardi – Head of NGO)</b></p>  |  |  |
| <ul style="list-style-type: none"> <li>• Anticipation over the fire potential           <ul style="list-style-type: none"> <li>- The proposal for masker provision to the company for the locals has been planned due to forest fire on Siak District. However, the plan was then suspended due to the rainfall.</li> <li>- There is a cooperation with the sectoral police to socialize the fire potential and to catch those who burn the land. It is socialized for not burning garbage on the drum, there is a banner installation in front of 17 shops. However, due to the high cost for rent, the banner is then moved to the front of NGO’s Head. Principle: proposal only if cannot afford totally.</li> </ul> </li> <li>• Garbage Management Service (commercial)<br/>Installing 5 garbage bins in front of the community’s houe at county (Belutu Village), the garbage is collected and transported by cooperating with the government. The locals voluntarily pay IDR 20,000 per month/family head.</li> <li>• Conservation<br/>Attempting to conserve the area such as guiding the lost deer as well as crab-eating macaque and birds on estate. Sakai Lestari NGO request the company for not killing the animals due to their function as the earthquak indicator. The herbal plants such as garu and bani woods which the leaf could be used as herbal medicine. The plants are still exist on Libo Estate. Sakai Lestari NGO requested the company for not killing it (placed with signboard).</li> <li>• Sub-Contract</li> </ul> | <p>The company shall concern the NGO’s program nearby estate for doing positive program over environment, social, spirituals and education for the locals.</p> | <ul style="list-style-type: none"> <li>- According to the result of auditor team verification, the company has maintained good relation with the Sakai Lestari Custom by giving training to the youth, scholarship to the students, giving teacher’s phone number and involving the Sakai Custom community for providing goods as local supplier.</li> </ul> |

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| <p>PT. Ivomas Tunggal cooperated to level the road. The NGO members are educated by the company to level the road and plant palm oil. Therefore, they are able to finish the contract project (2014).</p> <ul style="list-style-type: none"> <li>• Job Opportunity<br/>The locals are employed as temporary daily labour for cleaning the estate circle, manuring program, weed cleaning on the harvest circle but they are not superman (resistence to heat). They finally left the job.</li> <li>• Education<br/>Sakai Tribe youth are educated to High School (100 boys, half of them are accomodated by PT. Ivomas Tunggal, Chevron, etc).</li> <li>• Positive<br/>Existence of the company is good for the locals and the government due to the fast responded proposal as long as the proposal for the intended purpose.</li> <li>• Negative Impact<br/>There is no negative impact only the change of animal population such as tiger, elephant, eccentric bird, etc. Those animals are no longer exist (move to Minas conservation forest in Siak District).</li> </ul> | <p>The company committed to protect the endanger species based on the applied terms and law and has held socialization to the locals (within or outside estate are).</p> |  |
| <p><b>Contractor (CV. Aido, Jl. Pekanbaru - Duri KM 78, Director – Mansyur Slamet Simbolon)</b></p>   |  |  |

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| <ul style="list-style-type: none"> <li>• Work Contract           <ul style="list-style-type: none"> <li>- FFB transport since 2013 – now. There are fully understood and clear content of contract for service the worker’s achievement is monitored by Estate Assistant.</li> <li>- Well FFB transport. Enough truck fleet (3 units of dump truck and 4 unit of steel bucket truck). Good estate road, the company provides tractor to deal with rain season.</li> <li>- <b>Transport cost written on the contract for service is not proper yet due to the increase of fuel price but not the increase of contract value. The company should adjust it.</b></li> <li>- Contract payment is conducted monthly, running well and on time via bank BNI 46 of Kandis.</li> <li>- Extension of contract for service for each semester (for 3 years in row).</li> <li>- <b>There are plan for other projects such as EFB transport, AC maintenance and settlement construction. However, the projects are still executed by contractor from Pekanbaru (not local contractor).</b></li> </ul> </li> <li>• Positive Impact           <ul style="list-style-type: none"> <li>- Business opportunity such as contractual project as well as field work for employees of contractor.</li> <li>- Increase of community’s welfare.</li> </ul> </li> <li>• Negative Impact           <p>The company is lack of concern over the youth organization such as Pancasila Youth Organization, Ikatan Pemuda Karya, and other community organization such as Batak Family Organization of Riau and Minang Family Organization.</p> </li> <li>• Work Safety           <ul style="list-style-type: none"> <li>- The work safety, PPE provision by contractor and work accident becomes the responsibility of contractor are written on the</li> </ul> </li> </ul> | <p>The company shall give opportunity to the local contractor as an attempt of empowerment and to improve the skills and income of the locals.</p> <p>The company shall calculate the proper payment for contractor cost and it shall be negotiated to reach the project value.</p> <p>The opportunity is given to the local contractor or other local resources based on the need and skills.</p> | <ul style="list-style-type: none"> <li>- According to the result of auditor team verification, the contract for service is composed transparently. All rights and obligations of both parties have been recorded on the contract for service.</li> <li>- The company has paid the project based on the composed agreement with the contractor in line with the result of verification of auditor team.</li> <li>- According to the result of auditor team verification, there are articles which describes the obligations of the contractor to comply manpower and OHS laws.</li> </ul> |
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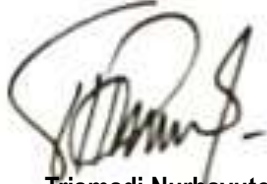
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| <p>contract for service.</p> <ul style="list-style-type: none"> <li>- The frequent work accident (zero victims) are the trucks plunge to cliff.</li> </ul> <ul style="list-style-type: none"> <li>• Expectation             <ul style="list-style-type: none"> <li>- Cost of transport is expected to be increased (per Kg of FFB) and the recruitment for workers is based on the competence but prioritize the locals.</li> </ul> </li> </ul> <p>The local contractor is expected to be involved on the project on estate.</p>   |  |   |
| <p><b>Siak Environment Agency<br/>(Head of Wasdal Division)</b></p>  |  |   |
| <ul style="list-style-type: none"> <li>• PT Ivo Mas tunggal has reported the environment management and monitoring plan and hazardous waste consistently.</li> <li>• The effluent application permit has been extended till January 5th 2015.</li> <li>• There was no land fire issue within PT Ivomas Tunggal area. The company has had facilities to deal with fire and small reservoir.</li> <li>• There was no complaint in term of environment contamination caused by company's operational from the external parties. replanting program is now being conducted.</li> <li>• In term of replanting program, EIA document revision is not needed.</li> <li>• PT Ivomas Tunggal has informed the existence of conservation area and existence of flora and fauna within estate on the report of environmental management and monitoring plan.</li> <li>• The river passing through estate area is small river.</li> <li>• The achievement of management and monitoring for environment of PT Ivomas Tunggal is 7.5.</li> </ul> | <ol style="list-style-type: none"> <li>1. The company committed to comply all mandatory over regular report which cover reporting of environmental management and monitoring plan on each semester, report of effluent management each quarter and hazardous waste report each quarter. According to the result of the test, all quality threshold have been complied.</li> <li>2. The company also has reported the existence of conservation area and flora and fauna on report of environmental management and monitoring plan.</li> <li>3. The company committed to prevent environment contamination and respond the complaint expressed by the locals in term of contamination.</li> <li>4. The company committed to maintain</li> </ol> | <ul style="list-style-type: none"> <li>- According to the result of field observatio, there was no environment contamination. For example, WWTP leakage, land fire. Furthermore, there was no indication of wildlife within estate area.</li> <li>- The company has reported all report mandatories like effluent quality test per quarter, hazardous waste management per quarter and report of environmental management and monitoring plan for each semester. Based on the result of auditor team verification.</li> </ul> |

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|   | <p>and monitor the land fire potential which shall impact the environment. The company has had fire truck full with fire team to extinct fire on estate or nearby estate area.</p>   |  |
| <p><b>Siak District National Land Agency<br/>(Head of SKP &amp; Administration Division)</b></p>  |  |  |
| <ul style="list-style-type: none"> <li>• There was no customary land nor legacy land within PT Ivomas Tunggal operational area.</li> <li>• There was no enclave within PT Ivomas Tunggal operational area. The enclave must be based on the specific decree from National Land Agency.</li> <li>• There was no incoming letter that have to do with land dispute within PT PT Ivomas Tunggal operational area.</li> <li>• National Land Agency ask government of regional to inform the plantation business progress.</li> <li>• Boundary pole maintenance is the company's obligation so the borken poles could be replaced by themselves. However, the missing poles must be known by National land Agency.</li> <li>• Maintenance for boundary pole and land utilization is expected to be informed to National Land Agency at least annually.</li> <li>• Managed area boundary with Chevron is clear enough.</li> <li>• The area of POM and settlement on the Land Use Title (HGU) is expected to be expelled and updated to building use title (HGU) so there will be additional value. National Land Agency was sending letter to PT Ivomas Tunggal on May 2015 and it has been responded. National Land Agency shall then take POM coordinate area.</li> </ul> | <ol style="list-style-type: none"> <li>1. The company shall keep coordinating with National Land Agency to prevent conflict with the locals and other parties and to ensure that there is no customary land within company's operational area.</li> <li>2. The company has utilized land optimally so there will be no indication of enclave within estate area. The area for conservation is not categorized as enclave.</li> <li>3. The company has reported plantation business progress to the associated agency (Direktorat General of Plantation and Direktorat General of Tax) annually).</li> <li>4. The company has maintained and monitored estate poles continously and has cooperated with National Land Agency.</li> <li>5. The boundary of the managed area bordering with chevron has been agreed by the compilation of MoU.</li> </ol> | <ul style="list-style-type: none"> <li>- According to the result of field observation, the condition of Land Use Title (HGU) poles and supporting poles were well maintained. Furthermore, the company has built boundary trench to prevent land dispute.</li> </ul> |

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|   | <p>6. The company has cooperated with National land Agency to process building use title for POM and settlement within land use title (HGU) in term of the letter from National Land Agency to PT Ivomas Tunggal management.</p>   |  |
| <p><b>Siak District Manpower Agency<br/>(Siak District Manpower Supervisor)</b></p>   |  |  |
| <ul style="list-style-type: none"> <li>• The company has sent routine reports to the agency whether workforce report mandatory, OHS Guiding Committee, manpower, work accident report and BPJS report.</li> <li>• The company has implemented minimum wage standard based on the minimum wage standard on Siak District (estate sector minimum wage standard). Issued by Riau Province.</li> <li>• Manpower Agency has permitted paraquat usage to PT Ivo Mas Tunggal.</li> <li>• OHS implementation is good enough.</li> <li>• POM machine and equipments check is conducted regularly.</li> <li>• Collective Labour Agreement still using version 2012 (1 year extension).</li> <li>• There was no industrial relation dispute in last 1 year. Good industrial relation between the company and the workers.</li> <li>• Information requests are responded within 1 month.</li> <li>• All workers must be registered to Manpower and Health BPJS based on BPJS statute No. 24 Year 2011.</li> </ul> | <p>The company has committed to comply laws and regulations that have to do with manpower. For example:</p> <ol style="list-style-type: none"> <li>1. Giving routine report to associated agency in term of workforce report mandatory, OHS Guiding Committee, manpower, work accident report and BPJS report.</li> <li>2. Paraquat use permit processing.</li> <li>3. Routine POM and estate machine and equipments permit processing.</li> <li>4. Registering the workers to BPJS program.</li> <li>5. Composing collective labour agreement</li> <li>6. Giving relevant information in term of manpower.</li> </ol> | <ul style="list-style-type: none"> <li>- According to the result of interview with estate and POM employees, they have received above minimum wage standard.</li> <li>- According to the result of auditor team verification, the company has given all report mandatory to manpower agency.</li> <li>- According to the result of auditor team verification, the company has registered all staff, permanent employees and temporary employees to BPJS. Meanwhile, the temporary daily workers are not registered. BPJS is now does not want to accept half package payment.</li> </ul> |

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| <p><b>Siak District Plantation Agency<br/>(Secretary of Forestry and Plantation Agency)</b></p>  |   |   |
| <ul style="list-style-type: none"> <li>• The company has routinely informed the plantation business progress.</li> <li>• The plantation business assessment for period of 2015 for PT Ivomas Tunggal has been conducted. However, the result was still being processed. The authority of plantation business permit belongs to Siak District.</li> <li>• There was no complaint in term of land dispute in last 2 years</li> <li>• Procedure of FFB pricing for scheme smallholder is determined in level of Riau Province. It was attended by th staff of Siak District Plantation Agency and smallholders and industrilist.</li> <li>• The company has enough commitment to comply obligation of plantation business.</li> <li>• According to decree of forestry ministry No. 878 Year 2014 of revision 2, PT Ivomas Tunggal operational area is considered as specific purpose land.</li> </ul> | <p>The company has committed to comply the regulation and laws that have to do with plantation business. For example:</p> <ol style="list-style-type: none"> <li>1. Giving plantation business program report.</li> <li>2. Coordinating the FFB pricing.</li> <li>3. Coordinating for the land conflict resolution (if exist).</li> </ol> | <ul style="list-style-type: none"> <li>- The company has given all mandatory report to agency based on the result of auditor team verification.</li> <li>- According to the result of interview with scheme smallholder, the FFB pricing follows the price determined by Riau Province Government.</li> </ul> |



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| 4.0 | <b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>   |
| 4.1 | <b>Formal Sign-off of Assessment Findings</b>  |
|     | <p>Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>PT. Ivo Mas Tunggal<br/>Management Representative (Head of Environmental<br/>Department)</p>  <p><b><u>Ismu Zulfikar</u></b><br/>Friday, 11 September 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari<br/>Lead Auditor</p>  <p><b><u>Trismadi Nurbayuto</u></b><br/>Friday, 11 September 2015</p> </div> </div> |

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

| No | Institution/NGO/Community  | Address       | Phone/Email  | Form of Communication | Date of Contact | Response |    |
|----|--|---------------|--|-----------------------|-----------------|----------|----|
|    |  |               |  |                       |                 | Yes      | No |
| 1  | Environmental Board, District Siak   | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 2  | Plantation Agency, District Siak   | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 3  | Board of Land Use, District Siak   | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 4  | Manpower and Transmigration Agency, District Siak  | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 5  | Head of Village Jambai Makmur  | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 6  | Head of Village Kandis Kota  | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 7  | CV. Aido (FFB Transport/Local Contractor)  | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 8  | NGO – Kelompok Pecinta Alam “Sakai Lestari”  | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 9  | Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia (SPPP – SPSI) / Union Labor | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 10 | Karang Taruna (Youth Organization)   | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 11 | Head of Village Telaga Samsam  | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 12 | Head of Village Simpang Belutu   | District Siak | -  | Interview             | 19 August 2015  | √        |    |
| 13 | WWF  | District Siak | <a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a> | Queisoner             | 6 August 2015   |          | √  |
| 14 | Sawit Watch  | District Siak | <a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>     | Queisoner             | 6 August 2015   |          | √  |
| 15 | WALHI  | District Siak | <a href="mailto:info@walhi.or.id">info@walhi.or.id</a> ;             | Queisoner             | 6 August 2015   |          | √  |

**Appendix 2. Assessment Program**

| DATE TANGGAL                     | <b>18, 19, 24, 25, 26, 27, 28 August 2015</b>   |  |
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| ACTUAL DURATION DURASI AKTUAL    | PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT   | AUDITOR  |
| <b>Tuesday, 18 August 2015</b>   |   |  |
| 06.00 - 08.00                    | <b>Jakarta - Pekanbaru</b>  | • TN/RR/SM/BP/DH/SS  |
| 08.30 - 11.30                    | <b>Pekanbaru – PT IVOMAS TUNGGAL</b>  | • TN/RR/SM/BP/DH/SS  |
| 11.30 – 12.00                    | <b>Opening Meeting</b>  | • TN/RR/SM/BP/DH/SS  |
| 14.00 - 17.30                    | <b>Document Review and Review of Previous Visit Non-conformance (Surveillance-1)</b>  | • TN/RR/SM/BP/DH/SS  |
| <b>Wednesday, 19 August 2015</b> |   |  |
| 08.00 - 12.00                    | <b>Public Consultation</b> <ul style="list-style-type: none"> <li>• Stakeholders consultation to Related Government Institution (Siak)</li> <li>• Stakeholders consultation to Nearest village and community leader</li> </ul>  | <ul style="list-style-type: none"> <li>• RR</li> <li>• SS/DH</li> </ul>  |
| <b>Monday, 24 August 2015</b>    |   |  |
| 08.00 - 12.00                    | <b>Field Observation:</b><br><b>Libo POM:</b> WWTP (IPAL), Operational, K3 (OHS), waste management and Supply Chain   | • TN/SM  |
| 08.00 - 12.00                    | <b>Field Observation Libo Estate</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)\</li> <li>• Hazardous Waste Material (B3) management</li> <li>• Legal operational and Conservation Area</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Land Fire facilities, Storage, ect.</li> </ul> | <ul style="list-style-type: none"> <li>• SS/DH</li> <li>• SS/DH</li> <li>• BP</li> <li>• RR</li> <li>• BP</li> <li>• BP</li> </ul> |
| 14.00 – 17.30                    | <b>Continue Field observation clarification and Document Review</b>   | • TN/RR/SM/BP/DH/SS  |
| <b>Tuesday, 25 August 2015</b>   |   |  |

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| <p>08.00 - 12.00</p>                    | <p><b>Field Observation Nenggala Estate</b></p> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)\</li> <li>• Hazardous Waste Material (B3) management</li> <li>• Legal operational and Conservation Area</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Land Fire facilities, Storage, ect..</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>SS/DH</b></li> <li>• <b>SS/DH</b></li> <li>• <b>BP/SM</b></li> <li>• <b>RR/TN</b></li> <li>• <b>BP/SM</b></li> <li>• <b>BP/SM</b></li> </ul>   |
| <p>14.00 – 17.30</p>                    | <p><b>Continue Field observation clarification and Document Review</b></p>  | <ul style="list-style-type: none"> <li>• <b>TN/RR/SM/BP/DH/SS</b></li> </ul>   |
| <p><b>Wednesday, 26 August 2015</b></p> |   |  |
| <p>08.00 - 12.00</p>                    | <p><b>Fiel Observation Sungai Tapung Plasma:<br/>Field Observation KUD Cinta Damai</b></p> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material (B3) management</li> <li>• Legal boundary and Conservation Area</li> <li>• Land Fire facilities, Storage, ect..</li> </ul> <p><b>Field Observation KUD Bangun Desa</b></p> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)\</li> <li>• Hazardous Waste Material (B3) management</li> <li>• Legal boundary and Conservation Area</li> <li>• Land Fire facilities, Storage, ect..</li> </ul> | <ul style="list-style-type: none"> <li>• <b>TN/SM/DH</b></li> <li>• <b>TN/SM/DH</b></li> <li>• <b>TN/SM/DH</b></li> <li>• <b>TN/SM/DH</b></li> </ul><br><ul style="list-style-type: none"> <li>• <b>RR/SS/BP</b></li> <li>• <b>RR/SS/BP</b></li> <li>• <b>RR/SS/BP</b></li> <li>• <b>RR/SS/BP</b></li> </ul> |
| <p>14.00 – 17.30</p>                    | <p><b>Continue Field observation clarification and Document Review</b></p>  | <ul style="list-style-type: none"> <li>• <b>TN/RR/SM/BP/DH/SS</b></li> </ul>   |
| <p><b>Thursday, 27 August 2015</b></p>  |   |  |
| <p>08.00 – 12.00</p>                    | <p><b>Continue Field observation clarification and Document Review</b></p>  | <ul style="list-style-type: none"> <li>• <b>TN/RR/SM/BP/DH/SS</b></li> </ul>   |
| <p>15.00 – 16.00</p>                    | <p><b>Closing Meeting</b></p>   | <ul style="list-style-type: none"> <li>• <b>TN/RR/SM/BP/DH/SS</b></li> </ul>   |
| <p><b>Friday, 28 August 2015</b></p>    |   |  |
| <p>14.40 – 16.40</p>                    | <p><b>Pekanbaru - Jakarta</b></p>   | <ul style="list-style-type: none"> <li>• <b>TN/RR/SM/BP/DH/SS</b></li> </ul>   |