

**Roundtable on Sustainable Palm Oil Certification  
RSPO**

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : Samsam Palm Oil Mill – PT. Ivo Mas Tunggal  
 Plantation Name : PT. Ivo Mas Tunggal, Samsam Estates, Palapa Estate, dan Kandista Estate  
 Location : Village of Belakar, Sub District of Kandis, District of Siak, Province of Riau, Indonesia  
 Certificate Code : **MUTU-RSPO/031**  
 Date of Certificate Issue : 14 October 2013                      Date of License Issue : 14 October 2015  
 Date of Certificate Expiry : 13 October 2018                      Date of License Expiry : 13 October 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	18, 19, 20, 21, 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	17 September 2015

**TABLE OF CONTENT**

**FIGURE**

Figure 1. Location Map of PT. Ivo Mas Tunggal	1
Figure 2. Operational Map of PT. Ivo Mas Tunggal	2
Abbreviations Used	3

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

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

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team	9
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	9
2.3 Stakeholder Consultation and Stakeholders Contacted	13
2.4 Determining Next Assessment	13

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	14
3.2 Summary of Assessment Report of Supply Chain Requirement	38
3.3 Conformity Checklist of Certificate and Logo Use	46
3.4 Summary of RSPO Partial Certification	47
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	48
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	51

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

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

1. List of Stakeholders Contacted in the RSPO Certification Process	70
2. Assessment Program	71

Figure 1. Location Map of PT. Ivo Mas Tunggal

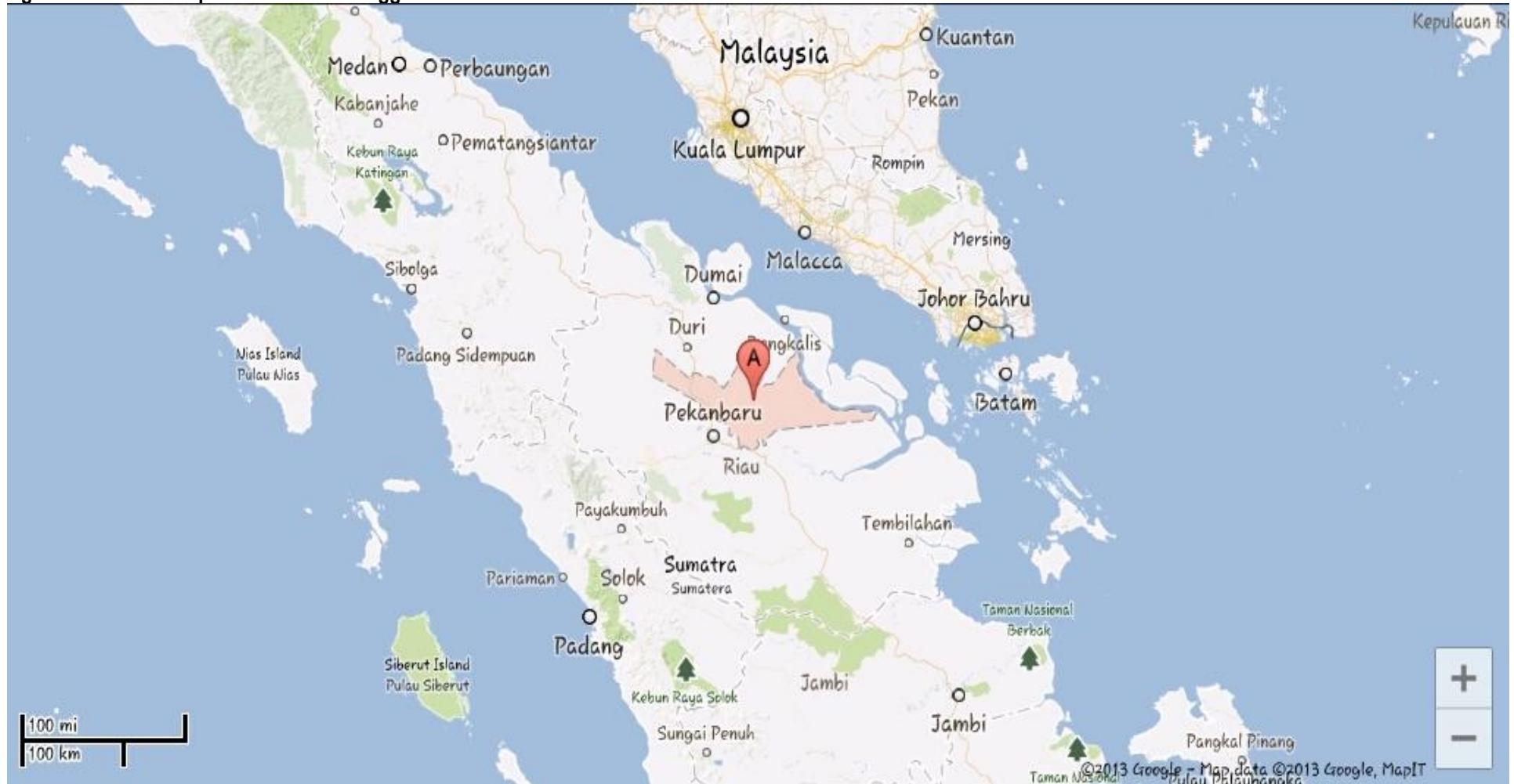
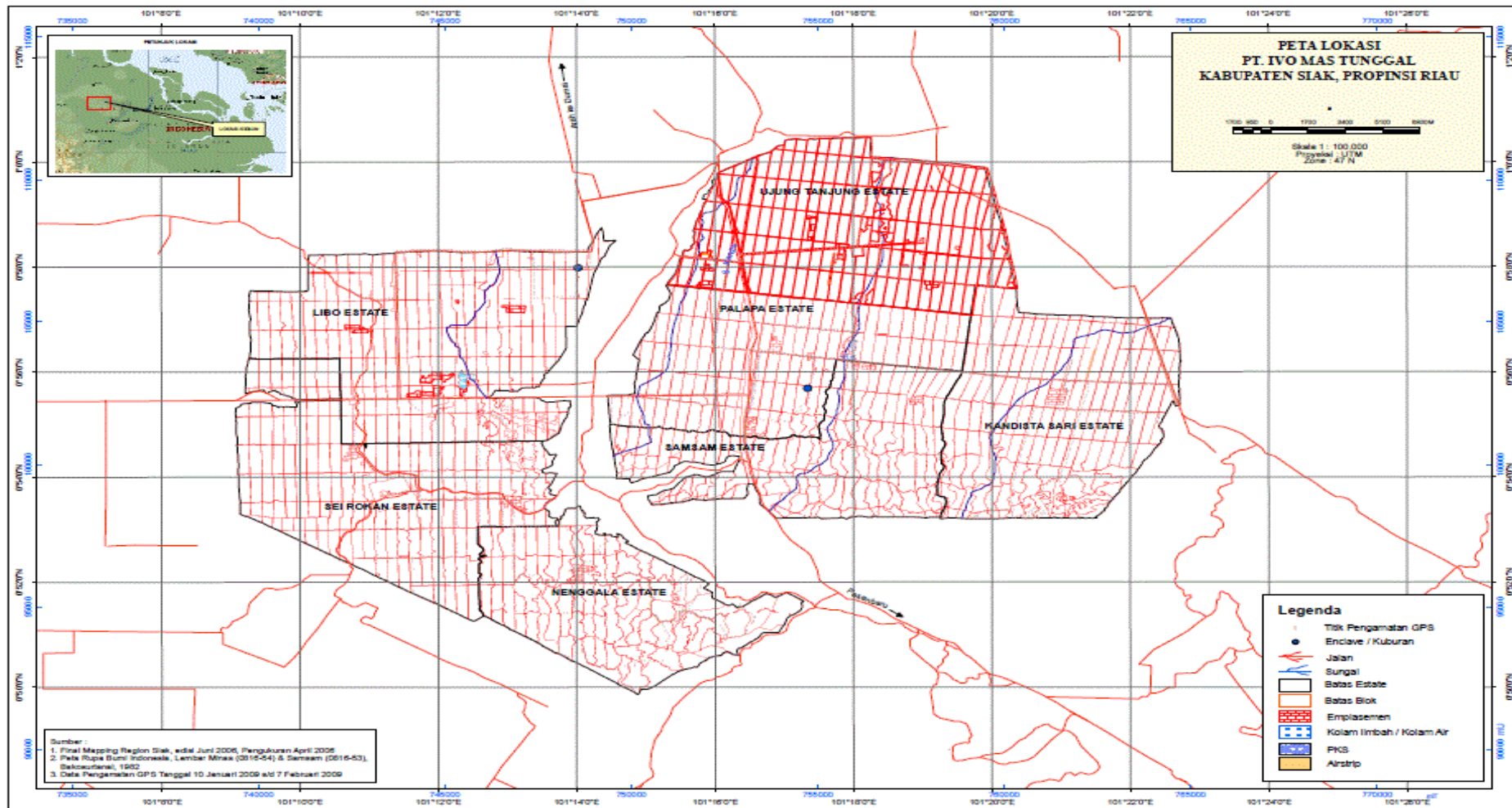


Figure 2. Operational Map of PT. Ivo Mas Tunggal



**Abbreviations Used**

BLH	:	Environmental Agency
BOD	:	Biological oxygen demand
BPJS	:	Social Insurance Agency
BPN	:	National Land Agency
CPO	:	Crude palm oil
CSR	:	Company Social Responsibility
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
HCV	:	High Conservation Value
HGB	:	Building Title
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
MCAR	:	Management Committee Agronomy and Research
OIA	:	Operational Internal Audit
PK	:	Palm Kernel
PLPE	:	Palapa Estate
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
SSME	:	Samsam Estate
SSMM	:	Samsam Mill
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>• <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></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: Sinan Mas Land Plaza, 30th Floor JL. MH Thamrin No 51 Kav 22 Jakarta 10350 Indonesia	
1.2.4	Telephone	+6221 50338899 ext 1184	
1.2.5	Fax	+6221 50389999	
1.2.6	E-mail	<a href="mailto:ismu_zulfikar@yahoo.co.id">ismu_zulfikar@yahoo.co.id</a>	
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	No. Registrasi: 1– 0056 – 08 – 000 – 00 Tanggal : 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 base <ul style="list-style-type: none"> <li>• Samsam Palm Oil Mill, Samsam Estate, Palapa Estate, and Kandista Estate</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Samsam	Village of Bekalar, Sub District of Kandis, District of Siak, Riau Province	N 0° 56' 14"                      E 101° 18' 00"
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>
	Samsam	Village of Bekalar, Sub District of Kandis, District of Siak, Riau Province	N 0° 56' 11"                      N 101° 18' 00"
	Palapa	Village of Bekalar, Sub District of Kandis, District of Siak, Riau Province	N 0° 56' 40"                      N 101° 16' 51"

	Kandista	Village of Bekalar, Sub District of Kandis, District of Siak, Riau Province	N 0° 55' 38"	N 101° 21' 05"			
<b>1.5</b>	<b>Description of Area Statement</b>						
1.5.1	Tenure						
	• State		9,805.86	Ha			
	• Community		-	Ha			
1.5.2	<b>Area Statement</b>						
	• Total area		9,805.85	Ha			
	• Mature area		8,261.09	Ha			
	• Immature area		1,425.78	Ha			
	• Mill		3.13	Ha			
	• Infrastructure (Housing, Street and Bridge)		70.69	Ha			
	• HCV (HCV Areas include to planted area)		(261.71)	Ha			
<b>1.6</b>	<b>Planting Year and Cycles</b>						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Samsam	Palapa	Kandista	Total		
	1987	218.35	1,785.13	-	2,003.48		
	1988	1,644.13	756.59	856.95	3,257.67		
	1992	-	-	1,866.97	1,866.97		
	1993	-	-	1,132.97	1,132.97		
	2013	504.83	-	-	504.83		
	2014	423.47	497.48	-	920.95		
	<b>TOTAL</b>	<b>2,790.78</b>	<b>3,039.20</b>	<b>3,856.89</b>	<b>9,686.87</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 (%)
	Samsam	60	278,964.05	58,674.73	21.03	17,481.95	6.27
	<i>*Production data source from 12 months before assessment (August 14 – July 2015)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Samsam	2,846.08	2,790.78	31,432.88	11.26	31,432.88	100.00
	Kandista	3,884.89	2,856.89	92,283.00	23.93	49,282.63	100.00

	Palapa	3,074.89	3,039.20	49,282.63	16.22	92,283.00	100.00
	<b>TOTAL</b>	<b>9,805.86</b>	<b>9,686.87</b>	<b>172,998.51</b>	<b>17.86</b>	<b>172,998.51</b>	<b>100.00</b>
<i>*Production data source from 12 months before assessment (August 14 – July 2015)</i>							
1.7.3	FFB description from other source						
	<b>Name of sources</b>	<b>Organisation</b>	<b>Location</b>	<b>Supplied to Mill</b>			
				<b>FFB</b>			
				<b>(tonnes/year)</b>			
	Ujung Tanjung Estate (**)	PT. Ivo Mas Tunggal	Sub District of Kandis, District of Siak	82,713.54			
	Libo Estate (**)	PT. Ivo Mas Tunggal	Sub District of Kandis, District of Siak	4,125.52			
	Sei Rokan Estate (**)	PT. Ivo Mas Tunggal	Sub District of Kandis, District of Siak	13,041.04			
	Nenggala Estate (**)	PT. Ivo Mas Tunggal	Sub District of Kandis, District of Siak	2,848.65			
	Rama Bakti Estate (**)	PT. Ramajaya Pramukti	Sub District of Kandis, District of Siak	3,236.79			
	<b>TOTAL</b>						<b>278,964.05</b>
<i>*Source Production Data on 12 months before assessment (August 14 – 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 14 October 2014 to 13 October 2015 (tonnes/year)			Actual certified product 13 September 2014 to 19 August 2015 (tonnes/year)		
	• FFB Production	171,850.00			229,549.81		
	• CPO Production	36,088.50			40,491.86*		
	• Palm Kernel (PK) Production	8,936.20			10,494.46*		
	<i>* Unit Management has reported over production of CPO&amp;PK to CBs on 19 August 2015</i>						
1.8.2	Estimate of Certified FFB Claim						
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	Samsam	2,846.08	2,790.78	30,453	10.91		
	Kandista	3,884.89	3,856.89	95,027	24.64		
	Palapa	3,074.89	3,039.20	52,975	17.43		
	<b>TOTAL</b>	<b>9,805.86</b>	<b>9,686.87</b>	<b>178,455</b>	<b>18.42</b>		
<i>*Projected FFB production for 12 months of certificate</i>							
1.8.3	Estimate of Certified Palm Product Claim						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Samsam	60	178,455	39,849	22.23	10,707	6.00
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
<b>1.9</b>	<b>Other Certifications</b>						
	ISO 9001:2008	-					
	ISO 14001: 2004	-					
	OHSAS 18001:2007	-					
	ISCC	EU-ISCC-DE104-07781514 valid date from 1 February 2015 to 31 January 2016					



Others

ISPO with Certificate Number: MUTU/005 valid to 4 December 2017

<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 Managemen of Mill</b>		<b>Estate (Supply Base)</b>	<b>Planned Assessment Schedule</b>	<b>Location</b>	<b>Status</b>
		<b>Actual Assessment 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
<b>1.10.2</b>	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Samsam Mill don't received FFB from outsiders (smallholders or independent supplier)					

<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>1. <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>2. <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>3. <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>4. <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>5. <b>Brigitta Prita (Auditor Trainee)</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>6. <b>Dwi Haryati (Auditor Trainee)</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          Number of days for <b>ASA-02</b> at site : 3 days          Number of working days for <b>ASA-02</b> at site : 12 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 (Samsam 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** Audit team chose sample locations that represent each operation area by using 0.8√y formulation. Samsam Mill has 2 supplier estate, which is Samsam Estate and Palapa Estate.

**Samsam Mill:**

- Location 1. Hazardous Waste Storage.** Observation on the hazardous waste management at POM. According to the result of observation, there were emergency situation procedure, hazardous waste symbol at storage, hazardous waste balance sheet and eyewash outside storage.
- Location 2. Grading.** Observation and interview with the grading Officer. The Officer was equipped with PPE and was able to describe the grading criteria at Samsam POM correctly.
- Location 3. WWTP Flowmeter.** According to the result of observation, the effluent debit recording is routinely conducted by the well-trained Officer and flowmeter condition is well function.
- Location 4. Water treatment plant.** Well-function flowmeter condition at intake and outlet. The monitoring of water consumption is conducted by the Officer daily.
- Location 5. Chemicals Storage.** Good storage sanitation, the chemicals are well-structured and there are emergency response procedure and MSDS of each chemicals.
- Location 6. Workshop.** The Officer at workshop has been equipped with proper PPE such as glasses, safety boot, gloves. There is a handy fire extinguisher on workshop and Officer at storage have known emergency response procedure.
- Location 7. WWTP Pond.** There was no indication of WWTP pond leakage at Samsam POM. The company has also realized the reforestation program at the edge of WWTP pond as well as to strengthen the embankment.
- Location 8. 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.
- Location 9. 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.
- Location 10. Despatch.** According to the result of observation, the company has supported it with signboard which inform OHS and managed waste by referring the SOP.

**Samsam Estate:**

- Location 1. Block J3, Division 1, PLPE & Block M16, Division 6, SSME.** Observation on the Kandis Riparian which have been determined as conservation area for 50 m off the river (left and right side), the palm oil plants are not cutted down. There are signboards which inform the endanger species and prohibition to use chemicals and poison fish. Riparian area has been growth with bushes and vetiver grass.
- Location 2. Harvest (Division 3, Block H21).** Observation on harvest program. Observing and interviewing workers in term of the implementation of aspects of manpower and OHS, harvest technique, PPE

- and awareness over complaint delivery procedure.
- Location 3. EFB Application (Division 3, Block H21).** Observation and interview with the workers in term of the EFB application as replacement for MOP fertilizer.
- Location 4. Monitoring on Barn Owl Box (Tyto Alba), Division 3, Block H21.** According to the field observation, the barn owl box was still active based on the existence of rat bones under the barn owl box. The monitoring on barn owl box is conducted weekly.
- Location 5. Pest and Disease Census/Detection (Palm Oil Frond Leaf Eater Caterpillar and Rat).** According to the observation and interview with census Officer in term of the detection on palm oil frond leaf eater caterpillar *Oryctes*, *Apogonia* and rat, the Officer was able to describe the census technique systematically and briefly. So far, the attack was not reaching the economy threshold. However, once the flyblow reach ecoomy threshold, the chemicals control by using insecticide named Decis shall be conducted. The palm oil frond leaf eater caterpillar is faced by planting and maintaining *Turnera subulata* as the natural predator.
- Location 6. Division 1, Block H20.** Observation to replanting area for 143 Ha. Replanting program used Damimas seed. Good riparian area management by leaving 9 lines of plants off the Ange Tapuak Riverbank that should not be cutted down, making of drainage trench on the lowland area with size 2 x 2 m and making of terrace contour that could be passed by tractor and LCC (*Mucuna bracteata*) planting. The planting was suspended due to the drought season. It was planned on October on the cleared area.
- Location 7. Interview with the Sprayers of Division 3.** Interview with sprayers in term of the spraying technique, PPE, OHS aspect and manpower, membership of BPJS and medical check up.
- Location 8. Herbicide Mixing Station.** According to the field observation on the herbicide mixing storage, the storage was clean and maintained. There are Body Shower, eye shower and tank to be filled with water used to wash pesticide.
- Location 9. Chemicals Storage.** Field observation in term of the chemicals storage, there have been hazardous aste symbols, handy fire extinguisher and MSDS.
- Location 10. Oil Storage.** Field observation in term of the oil storage, there have been hazardous aste symbols, handy fire extinguisher and MSDS.
- Location 11. Fertilizer Storage.** Field observation in term of the fertilizer storage, there have been hazardous aste symbols, handy fire extinguisher and MSDS.
- Location 12. Diesel Fuel Storage.** Field observation in term of the diesel fuel storage, there have been hazardous aste symbols, handy fire extinguisher and MSDS.
- Location 13. SSME Central Clinic.** According to the result of observation, the medical waste are managed based on the applied law.
- Location 14. Damkar SSME.** According to the field observation, there were well functioned fire extinguishing equipments like *Fire extinguisher*, water tank, nozzle, etc.
- Location 15. SSME Workshop.** According to the field observation on the workshop condition, the workshop was clean and maintained. There were signboard which inform OHS, OHS equipments. Based on the interview with workshop foreman, they have aware of the OHS procedure perfectly and the hazardous waste facilities were remarkably great.
- Location 16. Hazardous Waste Storage.** According to the field observation in term of the hazardous waste condition, the hazardous waste was clean and maintained. There were hazardous waste symbolas, oil trap, MSDS, Body Shower, Eye Shower and handy fire extinguisher as well. Based on the interview with the Officer, the have been able to show the hazardous waste management procedure.
- Location 17. Settlement of Division 3 & 4.** Observation on the condition of settlement and domestic waste management. According to the interview with the wives of employees, the waste is separated for the

- organic and anorganic type. The domestic anorganic waste is transported twice a week to landfill.
- Location 18. Landfill of Block H26, SSME.** Observation on the domestic waste management.
- Palapa Estate:**
- Location 1. Block C1, Division 1, PLPE.** Observation on the main pole of Land Use Title No. BM 1 which is bordering with Simpang Belutu Village and pole No. IMT 235 which is bordering with Bambu Kuning Village. The poles were well maintained.
- Location 2. Block L12, Division 5, supporting pole No. IMT 36** which is bordering with Bambu Kuning Village, supporting pole No. IMT 56 which is bordering with Belutu Village and main pole No. BM12 which is bordering with the community's estate and pole No. BM14 which is bordering with the community's cemetery. All the observed poles were well maintained.
- Location 3. Block G8, Divisi 3.** Interview with the sprayer foreman, the foreman could describe their jobs properly. They are also registered as BPJS (labour's insurance) member.
- Location 4. Harvest (Division 3, Block F14).** Observation on harvest program, observation and interview with the workers in term of the implementation of manpower and OHS aspect as well as harvest technique and PPE.
- Location 5. Monitoring on Barn Owl Box (Tyto Alba) Division 4, Block G22.** According to the field observation, the barn owl box was still active based on the existence of rat bones under the barn owl box. The monitoring on barn owl box is conducted weekly.
- Location 6. Pest and Disease Census/Detection (IPM for Oryctes) on replanting area at division 2 block J15.** Observation and interview with the census Officer in term of the Oryctes (palm oil frond leaf eater caterpillar). The Officer was able to describe the census technique systematically for every 10 days. However, once the flyblow population reach the economy threshold, there will be a control by using chemicals (insecticide named Marshall Granular). The IPM to deal with the palm oil frond leaf eater caterpillar is to pick up a small bite.
- Location 7. Interview with sprayers on division 3, block G8 (no spraying program).** Interview with the sprayers in term of the spraying technique, PPE, OHS aspect and manpower, membership on BPJS (labour insurance) and medical check up.
- Location 8. IPM Implementation (Division 4 block G21).** Interview with the foreman and pest and disease census. There was no pest and disease census during the interview. The foreman and workers in charge of census have been trained (participating on IPM training) and they have been able to describe the implemented IPM system.
- Location 9. Land Application on block G26, PLPE.** Effluent application was conducted on the permitted block based on the effluent utilization permit. There was a flat bed buffer to prevent the effluent overflow.
- Location 10. Hazardous Waste Storage.** According to the result of field observation in term of the hazardous waste storage, the storage was well maintained and clean. There have been symbols of hazardous waste, Oil trap, MSDS, Body Shower, Eye Shower and handy fire extinguisher. According to the result of interview with the Officer, they have aware of the good hazardous waste management procedure.
- Location 11. Herbicide Mixing Station.** According to the field observation on the herbicide mixing storage, the storage was clean and maintained. There are Body Shower, eye shower and tank to be filled with water used to wash pesticide.
- Location 12. Fertilizer Storage.** Field observation in term of the fertilizer storage, there have been hazardous aste symbols, handy fire extinguisher and MSDS.
- Location 13. Diesel Fuel Storage.** Field observation in term of the diesel fuel storage, there have been hazardous aste symbols, handy fire extinguisher and MSDS.
- Location 14. Fire Extinguisher of Palapa Estate.** According to the result of field observation, there have been



	<p>fire extinguishing equipments such as <i>Fire extinguisher</i>, water tank, nozzle, etc.</p> <p><b>Location 15. Settlement of Palapa Estate.</b> Observation on the condition of settlement and domestic waste management. According to the interview with the wives of employees, the waste is separated for the organic and anorganic type. The domestic anorganic waste is transported twice a week to landfill.</p> <p><b>Location 16. Daycare of (TPA) Pondok II, PLPE.</b> Interview with the daycare workers in term of the facilities on daycare.</p> <p><b>Location 17. Landfill of Block H9 Pondok I &amp; 2 of PLPE.</b> Observation on the domestic waste management.</p>
<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>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT. Ivo Mas Tunggal was held by:</p> <p>Public Notification (14 Days before ASA-02 at 4 August 2015)</p> <p>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.</p> <p>Numbers of input from stakeholders were clarified by PT. Ivo Mas Tunggal</p>
<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 ( <b>ASA-03</b> ) will be determined one year after this <b>ASA-02</b> ( <i>August to October 2016</i> ).



**3.0. ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of Samsam POM – PT. Ivo Mas Tunggal operation consisting of one (1) mill and one (3) oil palm estates.

MUTUAGUNG LESTARI found that Ujung Tanjung 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</b>	<p><b>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> <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/II/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). 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/II/SADV/II/004.</p>	
	<b>Status: Full Compliance</b>	
<b>1.2</b>	<p><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> <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> <li>3. Regional Tax/Retribution Payment.</li> <li>4. Environment Document.</li> <li>5. Official Paper of Establishment and Change, data of area and production and data of application.</li> <li>6. Evidence of Land Ownership.</li> </ol>	

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: Full Compliance**

**1.3**

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

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: Full Compliance**

**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, Ujung Tanjung 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 Ujung Tanjung 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 Ujung Tanjung 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.

**Minor 2.1.4. | Status: Opportunity For Improvement**

**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.**

PT. Ivo Mas Tunggal Acquired land for estate and POM establishment based on the permits follow:  
 On 1984, the company got the permit for the reserve area based on th the decree of Riau Governor No. 532/XII/1984 dated December 7th 1984 in term of the land reserve program for 41,870 Ha in Bagan Sinembah Village, Kubu Sub-District and Simpang Libo Village, Mandau Sub-District, Bengkalis District. The area on Simpang Libo Village is now Samsam Estate (2,846.076 Ha), Kandista Estate (3,884.89 Ha) anf Palapa Estate 3,074.89 Ha).  
 On 1986, the company got location permit based on the decree of Riau Governor No. 543/X/1986 dated October 8th 1986 in term of location permit and land lease right for 45.879 Ha in Mandau and Kubu Sub-District, Bengkalis District for estate establishment managed by the company. Samsam Estate, Kandisa Estate and Palapa Estate are located on location 1 on Mandau Sub-District (Libo I/12,370 Ha and Libo II/14,000 Ha). The decree was supported by map of location permit in scale 1:100,000.  
 Approval of Direktorat General of Plantation through letter No. HK.350/E4.516/10.88 dated October 11th 1988 in term of the approval for estate establishmentt in Riau Province.

Land Use Title (HGU) certificate No. 1 Year 1994 dated August 18th 1994 for 13,432.087 Ha which is valid till December 31st 2028. It get the extension and update for Land Use Title (HGU) based on the decree of the Head of National land Agency No. 150/HGU/BPN/2004 in term of the granting for Land Use Title (HGU) extension period and update over land on Siak District, Riau Province for 13,432.087 Ha for 25 years since December 31st 2028 and update period for 35 years post the last extension period based on the decree of Head of National Land Agency No. 150/HGU/BPN/2004. According to the decree of Land Use Title (HGU) No. 1 Year 1994.

UTJE – PT Ivo Mas Tunggal has had procedure of estate poles installation and maintenance (SOP-RSPO/IMT/PPK dated July 1st 2011). It informed the preparation, implementation, inspection and maintenance of boundary poles.

Land Use Title (HGU) poles in **Ujung Tanjung Estate** is consisted of 3 main poles (**BM 01, 02, 03**) and 5 supporting poles (**IMT 10, 11, 12, 13, 14**). According to the data of the latest monitoring on August 2015, all poles were well maintained.

According to the field visit to Land Use Title (HGU) boundary poles (BM 03, IMT 121, 128, 156 & 189), the poles were well maintained.

According to the result of public consultation with Siak District National Land Agency, community figures and village government apparatus as well as with the company's management on August 19th 2015, there was no land dispute within company operational area. The company did not expand the managed area.

**Status: Full Compliance**

**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: Full Compliance**

**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 programs plan to conduct replanting for the smallholders for the next 3 years (2015 to 2017) for 1,500 Ha with number of smallholder reach 750 family head. The cost of replanting based on the decree of Direktorat General of Plantation No. 256/Kpts/RC.110/10/14 dated October 30th 2014 in term of the maximum unit cost per Ha of participant's estate on 2014 for replanting program with financing inovation for IDR 75,490,000.-per Ha.

According to the document of Pilot Project for Innovative Financing Siak owned by the company, the map of smallholder's estate location on the program can be seen. There has been a survey on 2015 for identifying and inventorizing smallholder and estate. Realization till July 2015 was as follow:

Year	Luas (Ha)		Participants (KK)		Location
	Target	Realization	Target	Realization	
2015	500	124.43	250	33	Sei Rokan Village for 19.04 Ha (10 KK) Libo Jaya Village for 71.50 Ha (13 KK) Kandis Kota Village for 33.89 Ha (10 KK)
2016	500	-	250	-	
2017	500	-	250	-	
	1.500	124.43	750	33	

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

The company has replanting program for the palm oil plants which were planted on 1987. The replanting program shall be conducted for 5 years (2016 to 2020) for 15,628.74 Ha on 7 estates, as written on the table :

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
<b>4.</b>	<b>Samsam</b>	<b>734.10</b>	<b>444.00</b>	<b>224.00</b>	<b>490.00</b>	-	-	<b>1,862.10</b>
<b>5.</b>	<b>Palapa</b>	-	<b>473.00</b>	<b>506.00</b>	<b>559.00</b>	<b>525.00</b>	<b>479.40</b>	<b>2,542.40</b>
<b>6.</b>	<b>Kandista</b>	-	-	<b>693.00</b>	<b>576.00</b>	<b>524.00</b>	<b>672.19</b>	<b>2,465.19</b>
7.	Ujung Tanjung	-	466.00	514.00	282.00	694.00	222.17	2,178.17
		1,191.92	2,771.00	3,270.00	2,943.00	3,385.00	2,067.82	15,628.74

The annual review over the replanting program has been conducted. Land Clearing Plan in SSME is 734.10 Ha. Until the July 2015, there are has been realized an area of 156.08 ha (21.00%).

**Status: Full Compliance**

**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 foreman and sprayers on Palapa Estate Office. All workers were able to describe the safety work procedure including the prohibition in term of environment management and worker's health.
- Field visit to the riparian area determined as conservation area and there was no replanting program on Kandis Riparian, block J3, division 1 of Palapa Estate and block M16, Division 1 of Samsam Estate.

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

- Executive summary report of OIA No. 49/V-SSMM/14 dated October 30th – November 7th 2014 with the scope of audit program on cash bank administration and memorial, goods stock, permanent activa non plant, harvest output processing. The document has been equipped with response and follow up from auditee. For example, the insufficient and extra bill cut for employee's electricity.
- Report Result of OIA of SSME in 1st semester of June 7th 2015 including the response and followup from auditee. For example, the method to manure on the improper hole, follow up of socialization in term of manuring on the hole conducted by assistant of replanting and head of assistant.



- Executive summary report of OIA No. 55/V-PLPE/2014 dated November 21st – 28th 2014 including the response and follow up from auditee. For example, bushy land condition on immature plant area in complex 14G01 and 14G06 where the MB layer is 20% and 80.3%. Response from the replanting assistant that the cause of the matter was due to the lack of precipitation on October for average of 18 mm/day. Therefore, the replanting program shall be temporary suspended.

Samsam POM received FFB from the nucleus estate of PT Ivomas Tunggal such as Samsam Estate, Kandista Estate, Palapa Estate, Ujung Tanjung Estate, Nenggala Estate, Libo Estate, Sei Rokan Estate and 1 estate within 1 group such as Ramabakti Estate of PT. Ramajaya Pramukti.

**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.**

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 MOP / KCl, Kieserite, Rock Phosphate (RP), Borate Mahkota, and Super Dolomite. However, at the time of the audit, there is no fertilization. Based on interviews with foreman Officer Fertilizers and fertilizer. Obtained information that the latter fertilization carried out in July 2015 in Division 3, SSME use fertilizer kieserite (11,800 Kg to 85.59 Ha). As well as in Division 2, PLPE use fertilizer Muriate of Potash (MOP / KCl) (52,800 Kg to 217.48 ha).

Application empty bunch as a substitute for MOP and Urea, using the tool Empty Bunch Spreader (EBS) capacity of 7 tons. Husks empty retailed at gawangan die then leveled (1 layer) manually. As for the empty jangangan applications until July 2015 has been realized in SSME area of 182.06 hectares (10 895 tons). In addition, the company also conducts wastewater utilization of MCC as an organic fertilizer and soil flow into the applications. Liquid waste application data available in 2015 for which the planned application PLPE 924.84 Ha (3 rotations in 3 years, 1 rotation area of 308.38 ha) with the realization of s / d in July 2015 924.84 Ha; based on the results of a visit to the G26 block PLPE known that the application of liquid waste in accordance with the permission and available flat bed buffers to prevent sewage overflow during the rainy season.

**Status: Full Compliance**

**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 **Samsam Estate and Palapa Estate.**

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)

On the replanting area of Samsam Estate, the palm oil plants are planted on the continuous terrace which is mechanically made and passable by mini tractor. Therefore, the harvesters do not need to put the FFB on the FFB collecting point, merely collect it with mini tractor. According to the Manager of Palapa Estate, the same way shall be implemented on the replanting program on 2016.

The company has road maintenance program on 2015. For example:

1. **PLPE:** on 2015 the road hardenning by using sand and gravel on the replanting area with material for 3,371m<sup>3</sup> is planned. Until July 28th 2015, the gravel has been distributed for 432.12 m<sup>3</sup> in Block H18, CR F12, CRF19, CRF22, CRF26 and CRF27. According to field observation to Main Road in Blok C1, Division 1. The road conditons is well



maintained.

2. **SSME:** on 2015 the road hardenning by using sand and gravel on the replanting area with material for 13.046 m<sup>3</sup> is planned. Untill August 12th 2015 has been distributed for 1,969.66m<sup>3</sup> in Division 6 Block L13, Block L17, Block L18, Block L19 and Block L20. Another road maintenance program are CPO road grading. Untill July 27th 2015, it has been realized for 27,711 m. According to field observation to Main Road in Blok M16, Division 6. The road conditons is well maintained.

**Status: Full Compliance**

**4.4**

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

Commitment to preserve riparian area and wetland bufferzone including maintaining and preserving the riparian area pre and post replanting program were implemented by:

- Separating the waste trench and non waste trench;
- Improving housekeeping program;
- Manuring based on SOP;
- Creating storage and washing station for pesticide;

According to the field visit to pesticide mixing station on Samsam Estate, the ex pesticide wash have been managed in line with the procedure. There was a secondary trap of the tank for the used water to wash chemicals so it will not contaminate the environment. According to the field visit to Angek Tapuak River on block C22 of division II of Samsam Estate, the riparian area has been growth with woody tree and bushes. There were boundary poles for the chemicals application and signboard to hunt and apply chemicals on riparian area.

The monitoring of water quality management is conducted routinely (each semester). For example, the result of surface water quality test on 1st semester of 2015:

- Surface water quality monitoring on bekalar and Angek Tapuak River Upstream and Downstream. According to the result of monitoring, there were several parameters which were not complying the quality threhsold such as pH, BOD, COD, Total of Phospor and fat and oil. According to the result of evaluation of environmental management and monitoring plan docment, the water parameters have already been exceeding the quality threshold before passing through the company area. However, getting nearer to the downstream, the surface water was better. It was well described on the result of surface water analysis.

Furthermore, the management unit also monitor the effluent quality from Samsam 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.

The optimization of water consumption for processing stage for Samsam 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 1.32 m<sup>3</sup>/ton of FFB (below the water consumption budget for 1.50 m<sup>3</sup>/ton of FFB .

**Status: Full Compliance**

**4.5**

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

The company has implemented pest and disease action on 2015 (January – July) as follows:

**1. PLPE**

*Oryctes* sp pest census for every 10 days. According to the result of census on 2015 (January – July) on immature plant area (506.16 Ha), 1,045 plants (1.6%) of 65,183 of the monitored plants were attacked. The percentage of attack was still below the economy threshold (5%). *Oryctes* sp control was conducted by using wingkling (attaching sharpened steel on the beetle on the gerek hole). For example, wingkling on replanting area on year of planting 2014 at division 2, block J15 for 30 Ha on

**2015 (Result of interview with the division assistant and census officer during field visit on August 20th 2015).**

Rat census on immature plant area (year of planting on 2014) for 506.16 Ha in Division 1 and 2 is conducted in every quarter by monitoring all palm oil plants. According to the result of monitoring on July 2015, 142 palm oil plants (0.22%) of 66,005 palm oil plants were attacked. Rat are controlled by installing barn owl box (*Tyto alba*). There have been 86 unit of barn owl boxes installed on division 1 to division 4 till July 2015. All barn owl boxes are still active. Palm oil frond leaf eater 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, 6,600 palm oil plants as sample were attacked by palm oil frond leaf eater caterpillar (*Setora nitens*) consisted of 9 small larvas, 7 mid-size larvas and zero big larva. 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

**2. SSME**

Rat census every quarter by monitoring the sample tree. According to the result of census on January, April and July) in Division 3, 4, 5 and 6 for 953.60 Ha. 416 (0.34%) palm oil plants of 122,645 palm oil plants were attacked. The attack was still below the economy threshold (5%). Rat are controlled by installing barn owl box (*Tyto alba*). 1 barn owl box for 15 Ha Palm oil frond leaf eater caterpillar census for every 2 months. According to the result of census on January, March, May and July in Division 5 and 6 (438.78 Ha), from 56.013 palm oil plants, there were palm oil frond leaf eater caterpillar attack (*Metisa plana*, *Setora nitens*) with 39 small larvas, 21 mid-size larvas and 6 big size larvas. 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.

*Oryctes* sp census for every 10 days. According to the result of census on July 2015 in immature plant area (replanting 2013 and 2014) for 953.60 Ha, 3,664 (0,03%).palm oil plants of 122,645 palm oil plants were attacked. *Oryctes* sp within immature plant area (replanting 2013 and 2014) is controlled by using wingkling (thorning the huge beetle to the gerek hole with a sharp steel) and installing sex pheromon trap (hang on bucket on the pole) there have been a wingkling for 953.60 Ha are (122.645 palm oil plants).

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 PLPE and SSME, they were participating on the restricted pesticide training. Furthermoe, based on the interview with pest census Officer of PLPE and SSME, they were participating on the training trained by SMARTRI.

**Status: Full Compliance**

**4.6**

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

The company has the list of pesticide (trademark, active ingredient, pest and disease target, number and date of permit) for period till July 2015 in Samsam Estate and Palapa Estate. The pesticide have gotten permit from Indonesia Pesticide Commission and have been listed on the book of pesticide for agriculture and forestry which was issued by Agriculture Ministry as follow:

**1. SSME**

- Type of the used pesticide were Erkafuran 20 WSG (Metil metsulfuron 20%), Rolixone 276 SL (Praqat dichloride 276 g/l), Roll Up 480 SL (Isopropil amina glifosat 480 g/l), Klerat RM 0,005 B (Brodifakum), Marshall 200 EC (Karbosulfan) and Decis 25 EC (Deltametrin).
- The use of herbicide during period of January to July 2015 were Roll Up 480 SL (357 liter for 1,460.75 Ha) and Erkafuran 20 WSG (18.30 Liter for 1,185.64 Ha).

**2. PLPE**

- Type of the used pesticide were Erkafuran Roll Up 480 SL (Isopropil amina glifosat 480 g/l), Rolixone 276 SL (Praqat diklorida 276 g/l) and Erkafuran 20 WSG (Metil metsulfuron 20%).
- The use of insecticide during period of January to July 2015 were Decis 25 EC (3,12 liter) and Marshall 5 G

(179,28Liter) to control rats.

The company has the record of type and use of pesticide for the last 5 years (2011 to 2015). For example, PLPE unit such as Rolixone 276 SL (Paraquat diklorida 276 g/l), Roll Up 480 SL (Glifosat), Erkafuron 20WDG (Metil metsulfuron), Garlon 670 EC (Triklorpir), Decis 25 EC (Deltametrin) dan Marshall 200 EC (Karbosulfan). According to the result of analysis, the pesticide use is tend to decrease. For example, herbicide Rolixone 276 SL (Paraquat diklorida 276 g/l) on mature plant area on 2012 for 1,210.48 Liter, 2013 (918.38 Liter), 2014 (249.63 Liter), and 2015 (24.68 Liter). Meanwhile, the use of pesticide on SSME during period of 2011 to 2014 were Rolixone 276 SL (Paraquat diklorida 276 g/l), Roll Up 480 SL (Glifosat), Erkafuron 20WDG (Metil metsulfuron), Garlon 670 EC (Triklorpir), Decis 25 EC (Deltametrin) and Marshall 200 EC (Karbosulfan). The trend of pesticide use reduction on herbicide Rolixone 276 SL (Paraquat diklorida 276 g/l) at mature plant area on 2011 for 806.15 Liter, 2012 (802.10 Liter), 2013 (736.04 Liter), and 2014 (260.03 Liter).

According to the information from Manager of Palapa Estate and Samsam Estate, by referring the company's policy there should be no 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 (UTTJ). 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). (*interview with sprayer foreman on August 21st 2015 in Samsam Estate*).
- Insecticide application by injecting the palm oil plant rod to control palm oil frond leaf eater caterpillar 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

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 named cholinestrace check up was held on August 4th 2014 (Samsam Estate) to 33 workers. All employees were healthy, the record of medical check up was also available. All workers are healthy.

According to the interview with sprayer team of Samsam and Palapa Estate, all sprayers are men and there is no pregnant nor breastfeeding women workers. The company shall monitor and inspect it to ensure that there is no pregnant nor breastfeeding women workers working as sprayers.

The company has had SOP to manage pesticide waste No. SOP/SMART/LEMS-EHSD/SADV/II/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: Full Compliance**

**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.

OHS Guiding Committee is responsible for OHS program executed on PT Ivomas Tunggal, unit of Samsam Estate and Samsam Mill. The OHS Guiding Committee has conducted the job and function properly and has held routine monthly meeting to discuss OHS problem. Furthermore, OHS Guiding Committee has reported the program to Siak District Manpower Agency routinely (each quarter).

- Decree of Siak District Manpower Agency No. 566/SKP-P2K3/DSTKT/2014/23 dated April 21st 2014 in term of the legalization of OHS Guiding Committee structure of **SSME** which is consisted of Caretaker, Head, Deputy, Secretary the OHS expert with decree of appointment No. KEP.P.2258/M/DJPPK/XI/2014 dated November 17th 2014 for 3 years). It is supported by the members on division of monitoring, research, evaluation, consultation and medical service.
- Decree Manpower Agency No. 566/SKP-P2K3/DSTKT/2013/25 dated November 29th 2013 in term of the legalization of OHS Guiding Committee structure of **Samsam Mill** which is consisted of Head, Deputy, Secretary the OHS expert with decree of appointment No. KEP.3601/M/DJPPK/X/2013 dated October 24th 2013 for 3 years). It is supported by the members on division of monitoring, research, evaluation, consultation and medical service (6 member for each division).
- Decree Manpower Agency No. 566/SKP-P2K3/DSTKT/2014/36 in term of the legalization of OHS Guiding Committee structure of **Palapa Estate** which is consisted of Head, Deputy, Secretary the OHS expert with decree of appointment No. KEP.P.2258/M/DJPPK/XI/2014 dated November 17th 2014 for 3 years). It is supported by the members on division of monitoring, research, evaluation, consultation and medical service.

The company has consistently registered all permanent employees to BPJS (labour insurance) 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 (labour insurance) per July 1st 2015. The non-permanent daily workers who experience work accident but not yet registered to BPJS (labour insurance) 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 non-permanent daily labour shall be adjusted with the applied law.

The regular medical check up for the high risk workers in form of cholinestrase check up for workers who deal with chemicals. The medical check up is held twice a year by the company. The medical check up for period of 2015 was held on August 4th 2015 (Samsam Estate) to 33 workers). Type of medical check up were cholinesterase and spirometri. According to the document review, the result of medical check up is still under its limit. The result of cholinestrase medical check up also showed that the cholinesterase content in blood for workers exposed with chemical is under its limit. (result of medical check up between 75 – 100 = normal).

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. The company has held socialization on Monday, February 9th 2015 for harvesters and plant maintenance workers. It was attended by 20 employees. Photographs and attendance list are available.

PT Ivomas Tunggal on Samsam Unit has implemented the emergency response over emergency situation consistently by forming emergency response team on estate and mill. The structure of emergency response team are:

- Structure of **SSME** emergency response team is consisted of Head; daily Head (Kanitpam); Secretary. They are supported by fire team, rescue team, evacuation team, medic team, liaison team.

- Structure of **Samsam Mill** emergency response team is consisted of Head, daily Head, Secretary. They are supported by fire team, fire extinguisher, sand team, wet knapsack team, sickle, medical team, secure team, destroyer, liaison team and evacuation team.
- Structure of **PLPE** emergency response team is consisted of Head, daily Head, Secretary. 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 Ujung Tanjung 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 Samsam Estate, the fire extinguishing equipments were well maintained as well.

According to the field observation, the company has provided first aid kits on each work unit. For example there was first aid kit on POM office, Laboratory, warehouse, processing stage office, workshop and final effluent. The harvester foreman of block H21 of division 3 of Samsam Estate has also been equipped with first aid kit to deal with work accident. The foreman has also been trained by the company's doctor to make first aid action.

The company has documented the record of work accident in form of report of annual FR and SR recapitulation routinely. There was a work accident monitoring at Samsam POM during period of January – July 2015 with zero accident. Meanwhile, there were 6 work accidents during the same period on Samsam Estate with 1 day of LTA.

**Status: Full Compliance**

**4.8**

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

The company has had training program for employees for period of 2015. For example, crane and load operator training on December, RSPO awareness on March 2015, emergency response procedure socialization on August 2015, socialization of FPIC concept on the compensation and conflict resolution process on March 2015, etc.

Furthermore, there were several training programs for employees of Samsam and Palapa Estate for period of 2015 such as land and settlement fire simulation on March 2015, earthquake and riot simulation on March 2015, first aid, PPE and OHS requirement training on June 2015. Hazardous waste and material control training on March 2015, etc. Furthermore, there was a training for the local contractor (FFB and construction) such as training of contractor management, HIRAC training, MSDS training, emergency response training, PPE use, first aid and OHS requirement training on May and June 2015.

The company also has the record of evaluation result for all training programs for employees for period of 2015. For example, the result of IPM training on June 4th 2015. It was trained by Crop Protection of Smatri Team. The result of evaluation showed that the employee's satisfaction level was 74.95% - 76.20% (Remarkable).

Therefore, it is concluded that the company has had well documented and maintained training programs for employees as well as its training records.

**Status: Full Compliance**

**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 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.

The company has conducted management review every 2 years. According to the result of review, there was no expansion for the scope. Therefore, the positive and negative impacts of estate and POM operational are relatively same. The method of management and monitoring is also same.

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: Full Compliance**

**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	PLPE		KNDE		SSME		Total (Ha)
	Hectarage	Location	Hectarage	Location	Hectarage	Location	
HCV 1.1 and HCV 4.1 (Riparian)	76.424		105.173	L03, L04, K04, K05, J05, I05, I06, H06, H07, H08, G09, G10, F10 – F 18	79.956		261,553
HCV 6	0.156		-		-		0.156
<b>Total (Ha)</b>							<b>261.709</b>



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

No.	Local Name	Scientific Name	Conservation Status		
			PP.07/1999	CITES	IUCN
1.	Cekakak Belukar	<i>Halcyon smyrnensis</i>	-	-	LC
2.	Biawak	<i>Varanus salvator</i>	-	Appendix II	LC

\*Note: Least Concern

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 Telaga Samsam Village & Headman of Kandis 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: Full Compliance**

**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**

**SAM-SAM POM**

Decree of Siak District Environment Agency No. 08/BLH-S/KPTS/2014 in term of hazardous waste storage for PT. IVO MAS TUNGGAL Samsam POM dated July 9<sup>th</sup> 2014. Coordinate: N 00°93'08" and E 101°29'86". The permit for hazardous waste storage is valid for 5 years since it issuance.

**SAM-SAM ESTATE**

Decree of Siak District Environment Agency No. 19/BLH-S/Kpts/2011 dated December 20<sup>th</sup> 2011 in term of permitted hazardous waste storage for PT. IVO MAS TUNGGAL Samsam Estate dated December 11<sup>th</sup> 2011 for 5 years since its

issuance. The building dimension is 3.5 m x 3.6 m x 3.5 m and 8 x 2.3 x 2.6. It is located on coordinate N: 00 56' 09.3" E; 101° 18' 05.1" and N ; 00° 56' 10.2" E ; 101° 18' 02.5".

All the hazardous waste are sent to hazardous waste storage. Each quarter, the waste are transported by PT Primanru Jaya (get the permit from Environment Ministry for 5 years). There was an official record of hazardous waste dispatch for estate and mill. For example, the official record of hazardous waste handover from Ujung Tanjung Estate (UTNE) to PT Primanru Jaya on June 18th 2015. Type and volume of the dispatched hazardous waste were the used oil, used battery, contaminated rag and used filter.

**PALAPA ESTATE**

Decree of Siak District Environment Agency No. 17/BLH-S/Kpts/2011 dated December 20th 2011 in term of hazardous waste storage for PT. IVO MAS TUNGGAL Palapa Estate dated December 20th 2011 for 5 years since its issuance. The building dimension is 5,9 m x 3,1 m x 3 m with coordinate of location N: 00° 56' 41.4" E; 101° 16' 54.1".

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

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

**Medical Waste Management**

The medical waste dispatch was conducted on August 11th 2015 from Samsam central polyclinic to Libo Central Polyclinic. The type and volume of the dispatched medical waste were 1.5 kg of ampoule; 2 kg of plastic spluit; 9 kg of infuse set, infuse bottle, abocat; 3.5 kg of cotton, plaster, gauze; 0.5 kg of drugs bottle and total of medical waste were 16.5 kg. Rama-rama polyclinic cooperated with Bangkinang Hospital to incinerate the medical waste. The cooperation is valid for 1 years from December 30th 2014 to December 30th 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 as stated in its regulation.

**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: Full Compliance**

**5.4**

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

The management unit maximizes the renewable energy resource consumption for replacing fossil 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 Ujung Tanjung POM for period of July 2015 as follow:

Description	Unit	Till July 2015	2014
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Diesel Fuel Consumption	liter	1,956	<b>4,102,251</b>
FFB	Ton	131,254	275,345
Total of the Actual Generated Power	KWh	2,187,035	4,918,848
Actual Power Generated by Generator	KWh	130,715	323,540
Difference between the actual generated power and actual power generated by generator	liter	587,520	1,312,945
<b>Efficiency of Renewable Energy</b>	<b>KWh / Ton of FFB</b>	16.66	17.86

Samsam POM has renewable energy efficiency in form of shell and fiber for 16.66 Kwh/ton of FFB with the diesel fuel retrenchment potential for period of January – July 2014 up to 587,520 liter.

**Status: Full Compliance**

**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.**

There was no scheme smallholder system within Samsam 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.

The management review over the result of management over the operational (replanting) has been conducted on February 2015 by involving the stakeholders.

According to the report of environmental management and monitoring plant implementation on 1st semester of 2015, the company has managed and monitored environment on the ongoing replanting program such as the parameter of surface water quality reduction, pest and disease of plant, job and business opportunity.

**Status: Full Compliance**

**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 Samsam POM and Estate.

**Emission and Ambient Air**

According to the result of emission and ambient air quality on Samsam Mill on period of 1st semester of 2015, all the tested parameters are below the applied quality threshold such as NO<sub>2</sub> at the locals settlement for 101 µg/Nm<sup>3</sup> (<QT), and boiler 1 opacity for 27 % (<QT), noise of POM office for 61 dBA (<QT). According to the result of observation to Samsam POM engine room, all employees stationed on the high noise area have been equipped with PPE like ear muff and ear plug.

**POM Effluent**

The company has permit to use effluent based on the decree of the Head of Siak District Environment Agency No. 01/BLH-S/KPTS/2015 dated January 5th 2015 for 5 years. The land application was conducted on 309 Ha of Palapa Estate on block F21, F22, F23, F24, F25, F26, G21, G22, G23, G24, G25 and G26.

According to the result of laboratory, there was no effluent that was exceeding the quality threshold during period of April – June 2015. For example, the BOD on period of June 2015 was 2,104 mg/l (<QT) and pH 7.62 (<QT). All programs of effluent utilization have been routinely reported to the Environment Agency such as the effluent utilization during period of April – June 2015 was 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 fossil fuel consumption with the renewable energy.
- Using fertilizer based on the recommendation of SMARTRI and improving soil fertility by planting LCC planting.

The company has reported the GHG calculation to RSPO on August 18th 2015 through letter No. 176/EL/IMT-RSPO/VIII/2015. The method used by the company was by using palm GHG calculator version 2.1.1 with database for period of July – June 2014. According to the result of GHG emission total, the generated emission during period of July 2013 – June 2014 was 1.03 tCO<sub>2</sub>e/t CPO.

**Status: Full Compliance**

**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 Samsam 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 impacted party 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 management and monitoring on 2015, there are absorption over local workers and the company has informed the selection on the regional government. Number of recruitment for workers realization until now is 1,158 workers. According to the result of evaluation, the management considers that the recruitment for the locals should be improved by using formal and informal communication to get the workers from all groups for next year. The management review over the result of management related to the operational change (replanting program) has

been conducted on February 2015 by involving stakeholders.

According to the report of environmental management and monitoring plan implementation, the company has monitored and managed environment which cover the ongoing replanting program in term of the quality reduction of surface water, plant pest and disease, job and business opportunity.

**Status: Full Compliance**

**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 are decrees for PIC from Siak RC. For example:

- SSME: Decree No. 002/RS-SIAK/III/2014 dated March 3rd 2014 on behalf of Agung Tri Purwantoro (EM SSME).
- PLPE: Decree No. 001/RC-SIAK/SPO/PLPE/08/2014 dated August 10th 2014 on behalf of Dwi Nugroho Ady (EM PLPE).
- Samsam POM: Decree No. 001/PC/ISCC/XII/2013 dated November 18th 2013 on behalf of Repelita Ginting (EM SSMM).

According to the result of interview with Mill and Estate Manager, the appointee has known the tasks as social community PIC.

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 of communication and consultation for Estate of Samsam, Palapa, Kandista & Samsam POM. Most of the incoming letters were the assistance request and all have been responded.

**Status: Full Compliance**

**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 is 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 contains the resolution, PIC for each process, procedure of complaint delivery and flowchart of reporting and follow up. The confidentiality of whistleblower is 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 adivse box or directly to the social PIC of each unit.

According to the result of interview with the workers and representatives of labour union, there was no other complaint till July 2015, despite of the explanation over Health BPJS (labour insurance) and its medical facility. It has been responded by the company by inviting BPJS representatives from Duri Office (representation) on August 14th 2015 to Sei Rokan Training Center.

**Status: Full Compliance**

**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 occured within the operational area, the unit Head shall coordinate with the associated D&L.
- D&L mapped the conflict occured 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: Full Compliance**

**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. According to the record of wage voucher, the wage of permanent employee was IDR 2,002,750 and non-permanent daily employee was IDR 85,020,-/day.

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:

**Samsam Mill.** Settlement (160 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).

**Samsam Estate.** Settlement (91 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 Regional Officer and estate workers, the access to market is passable, the distance is not too far (only 1 – 2 km for approximately 30 minutes). It eases the workers to get proper, adequate and affordable food.

**Status: Full Compliance**

**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/2010/11. The number of member till July 2015 was 107 workers.
- Recording at Agency (Estate): Record No. 568/DSTK/IV/2010/15. The number of member till July 2015 was 139 workers.
- 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: Full Compliance**

**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: Full Compliance**

**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 Samsam and Palapa 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: Full Compliance**

**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 harrashment 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//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 Samsam and Palapa 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 3<sup>rd</sup> 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 11<sup>th</sup> 2015 at Ujung Tanjung Training Center (UTTJ) 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: Full Compliance**

**6.10**

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

According to the result of interview with management and document review, Samsam Mill did no receive FFB from the external party.

The management unit has cooperation with several local contractors. For example:

**Samsam Estate**

- No. 001/SSME/01/2015/KBN – FFB transport (Kandis Village), FFB transport program. The official payment for the project was also attached.
- No. 013/SSME/01/2015/Lokal – Harvest Contract (Bekalar and Kandis Village), contract for harvest program. The official payment for the project was also attached.
- No. 009/SSME/IV/2015/KBN – FFB seed transport (Bekalar and Kandis Village), FFB seed transport program. The official payment for the project was also attached.
- No. SSME/JKTO/03/15/017 – Road Hardening (Pekanbaru), road hardening program. The official payment for the project was also attached.

**Palapa Estate**

- No. 004/PLPE/05/2015/KBN - EFB Transport (Bekalar Village) for transporting EFB from Samsam Mill to Palapa Estate. The official payment for the project was also attached.
- No. PLPE/KBN/01/2015/002-Pruning (Bekalar Vilage) for the pruning job and stacking for palm oil frond. The official payment for the project was also attached.

**Status: Full Compliance**

**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 2<sup>nd</sup> 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 cooperation with several local contractors. For example:

**Samsam Estate**

- No. 001/SSME/01/2015/KBN – FFB transport (Kandis Village), FFB transport program. The official payment for the project was also attached.
- No. 013/SSME/01/2015/Lokal – Harvest Contract (Bekalar and Kandis Village), contract for harvest program. The official payment for the project was also attached.
- No. 009/SSME/IV/2015/KBN – FFB seed transport (Bekalar and Kandis Village), FFB seed transport program. The official payment for the project was also attached.
- No. SSME/JKTO/03/15/017 – Road Hardening (Pekanbaru), road hardening program. The official payment for the project was also attached.

**Palapa Estate**

- No. 004/PLPE/05/2015/KBN - EFB Transport (Bekalar Village) for transporting EFB from Samsam Mill to Palapa Estate. The official payment for the project was also attached.

No. PLPE/KBN/01/2015/002-Pruning (Bekalar Vilage) for the pruning job and stacking for palm oil frond. The official payment for the project was also attached.

**Status: Full Compliance**

**6.12**

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

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.

**Status: Full Compliance**

**6.13**

**Growers and millers respect human rights**

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.

**Status: Full Compliance**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.

**Status: Full Compliance**

**7.2**

**Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.

**Status: Full Compliance**

**7.3**

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

The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.

**Status: Full Compliance**

**7.4**

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



The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.

**Status: Full Compliance**

**7.5**

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

The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.

**Status: Full Compliance**

**7.6**

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

The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.

**Status: Full Compliance**

**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.**

The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.

**Status: Full Compliance**

**7.8**

**New plantation developments are designed to minimise net greenhouse gas emissions.**

The planting have been conducted since 1986 and shall enter replanting stage. Therefore, there was no new planting nor expansion post January 2010.

**Status: Full Compliance**

**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.**

The company has several sustainable corrective actions such as:

**Samsam Mill:**

- Aspect of best practices: external aspplication for automative water treatment by using piston actuator; reducing the damage on the seal kit cylinder hydraulic on the gate of loading ramp.
- Aspect of environment: GHG emission calculation.
- Social: increase of local business and local economy.
- OHS: purchase for specific medical check up equipments (spirometri, audiometri and cholinesterase).

**Palapa Estate:**

- Aspect of best practices: making of steel barn owl box, herbicide effectiveness and efficiency by using motor-propelled pedicab.
- Aspect of environment: GHG emission calculation.
- Aspect of social: increase of local business and local economy.
- Aspect of OHS: purchase for specific medical check up equipments (spirometri, audiometri and cholinesterase).

**Sam Sam Estate:**

- Aspect of best practices: nursave of valve control protective device on grader, use of safety plate on blad roadgrader, steel barn owl box, effectiveness and efficiency by using motor-propelled pedicab.
  - Aspect of environment: GHG emission calculation.
  - Aspect of social: increase of local business and local economy.
- Aspect of OHS: purchase for specific medical check up equipments (spirometri, audiometri and cholinesterase).

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

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	<b>Definition</b>
	<p><b>D.1.1</b>  <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>Samsam Mill only receive and process FFB from nucleus estate like Samsam Estate, Palapa Estate, Kandistasari Estate and Ujung Tanjung Estate. Furthermore, on particular condition (mass harvest, damage Libo POM), Samsam Mill also receive the certified FFB from Nenggala Estate, Libo Estate and Sei Rokan Estate.</p> <p>Samsam Mill unit was able to describe and demonstrate the FFB receipt from the certified estate. For example, the weighbridge ticket on August 18th 2015:</p> <ul style="list-style-type: none"> <li>- Weightbridge Ticket No. 11838; Vehicle License Plate: BM 9038 SA; total certified product: 7,040 Kg from Nenggala Estate (Code:1922).</li> <li>- Weightbridge Ticket No. 12025; Vehicle License Plate: BM 9043; SA total certified product: 8,250 Kg from Ujung Tanjung Estate (Code:1926).</li> <li>- Weightbridge Ticket No. 11956; Vehicle License Plate: BM 9465 SA; total certified product: 7,890 Kg from Sam-Sam Estate (Code:1924).</li> <li>- Weightbridge Ticket No. 12027; Vehicle License Plate: BM 9463 SF; total certified product: 10,720 Kg from Kandista Estate (Code:1921).</li> <li>- Weightbridge Ticket No. 11942; Vehicle License Plate: BM 9063 SA; total certified product: 9,680 Kg from Palapa Estate (Code:1923).</li> </ul>
	<b>Status: Full Compliance</b>
D.2	<b>Explanation</b>
	<p><b>D.2.1</b>  <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>SSMM determined the CPO and PK production tonnage estimation that shall be produced during period of October 14th 2014 – October 13th 2015 as follow:  Samsam Estate: 36,000 ton; Palapa Estate: 51,810 ton; Kandista Estate: 98,750 ton. Therefore, total of the certified FFB is 186,560 ton; meanwhile, the CPO projection is 40,426.56 ton with PK estimation for 10,855.28 ton.</p> <p>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.</p> <p>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.</p>
	<b>Status: Full Compliance</b>

**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).**

Samsam Mill has registered and complied the requirement for the proper supply chain via RSPO IT Platform (E-Trace) with Licence ID: RSPO\_PO1000001058. Furthermore, Samsam Mill was able to show the recapitulation of CPO and PK sales including the list of vendee's name based on the certificate period on October 14th 2014 to August 18th 2015 as well. Total of CPO sales during that period was 40,491,860 Kg, the vendee was PT. Ivo Mas Tunggal Dumai Bulking Station. Meanwhile, total of PK sales was 10,494,460 Kg. The vendee was Libo Kernel Crushing Plant.

**Status: Full Compliance**

**D.3**

**Documented procedures**

**D.3.1**

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

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

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, Samsam Mill only receive FFB from their own estates like Samsam Estate (SSME), Kandistasari Estate (KNDE), Palapa Estate (PLPE) and Ujung Tanjung Estate (UTNE).

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 weighbridge 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 in term of RSPO SCCS to CCP for 7 participants such as security Officer, WB clerk, contractor. It was taught by SPO Officer on March 14th 2015.

**Status: Full Compliance**

**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: Full Compliance**

**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
<b>Total</b>	<b>227,540,430</b>	<b>3,077,320</b>	<b>228,158,640</b>

**Status: Full Compliance**

**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: Full Compliance**

**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.**

The company has had the SOP of RSPO Certified Product Reporting No. PT IMT-SSMM/SOP/25. It was signed by Document Controller, Mill Manager and Production Controller on April 1st 2015.

The procedure is purposed as guideline to compose the RSPO product reporting at POM, KCP and bulking station for the monthly MB reporting or quarter-based IP/SG reporting based on the requirements of the applied RSPO system. The quantity of the claimable product as certified product written on the letter of product dispatch should be known by the first party.

**Result of Interview & Field Observation**

According to the result of interview with weighbridge Operator, All recording of incoming FFB and CPO and PK dispatch are conducted by using computer system.

**FFB Receipt**

- Weightbridge Ticket No. 11838; Vehicle License Plate: BM 9038 SA; total certified product: 7,040 Kg from Nenggala Estate (Code:1922).
- Weightbridge Ticket No. 12025; Vehicle License Plate: BM 9043; SA total certified product: 8,250 Kg from Ujung Tanjung Estate (Code:1926).
- Weightbridge Ticket No. 11956; Vehicle License Plate: BM 9465 SA; total certified product: 7,890 Kg from Sam-Sam Estate (Code:1924).
- Weightbridge Ticket No. 12027; Vehicle License Plate: BM 9463 SF; total certified product: 10,720 Kg from Kandista Estate (Code:1921).
- Weightbridge Ticket No. 11942; Vehicle License Plate: BM 9063 SA; total certified product: 9,680 Kg from Palapa Estate (Code:1923).

**CPO Dispatch**

CPO dispatch on August 18th 2015 covers the documents follow:

- Delivery Note No. 1951/CPO/TT/15/08/1430 from PT. IMT-Dumai Bulking Station, Riau Indonesia based on contract No. 1951/CPO/1951/15/T013 with volume of 25,300 Kg with FFA: 4.43%; Impurities: 0.021% and Moisture: 0.11%.
- Truck's Travel Document
- Permit paper for entering POM
- Official Record of Weighing
- Official Record of CPO Tank Padlock Checking
- Permit for Loading

- POM's Outgoing Letter
- Product Covering Letter (SPP) No. 1430. It informs the name of driver, vehicle license plate: BM9322 FJ; name of vendee: PT. IMT-Dumai Bulking Station, contract No, Seal No: 01652146 – 151; Driving License No: 770 9092 90027; date of outgoing 10.30.
- Weightbridge Ticket No. B002167 025911; Nett: 25,300 Kg; vehicle license plate: BM 9322 FJ, Delivery note number, signature, driver and information in term of Certificate ID: Mutu-RSPO/031-15081430/RSPO SG.

**PKO Dispatch**

- Delivery Note No. 1951/KER/LK/15/08/0557 dari Libo KCP, Perkebunan Libo, Riau Indonesia, berdasarkan kontrak No. 1951/KER/1951/15/L008 dengan volume 16.530 Kg dengan Nut utuh: 0; Impurities: 5.57% dan Moisture: 6.2%.
- Dump Truck Travel Document in vehicle license plate No: BM 8370 SH; name of driver; Delivery Note No; Covering Letter No; and volume.
- Permit paper for entering POM
- Official Record of Weighing
- Official Record of CPO Tank Padlock Checking
- Permit for Loading
- POM's Outgoing Letter
- Product Covering Letter
- Weightbridge Ticket No. B002167 025911; Nett: 25,300 Kg; vehicle license plate: BM 9322 FJ, Delivery note number, signature, driver and information in term of Certificate ID: Mutu-RSPO/031-15081430/RSPO SG.

**Status: Full Compliance**

**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: Full Compliance**

**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 exclusified 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: Full Compliance**



**3.3. 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>	

**3.4. Summary of RSPO Partial Certification.**

<b>Management unit(s) observed: 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>	

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

**3.5.1 Identification of Findings, Corrective Actions and Observations at ST-2 Assessment**

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2013.03	Minor 4.4.1	<p><b>Implementation of Water Management Program</b></p> <p>The company has tested surface water quality regularly. However, according to the result of surface water for TSS parameter in March 2013, it exceeded its required quality standard.</p> <p>Based on the field survey at the housing area of Palapa Estate, water for bathing and washing of employee come from the lake. However, there is a former herbicide spraying in the area around the reservoir</p>	Estate	Minor	S 1	The company should ensure that water management program has been implemented to maintain the quality and quantity of surface water.	<p><b>June 13<sup>th</sup>, 2013</b></p> <p>The company has identified TSS parameter increasing and surface water prevention and management programs. The result of this TSS test in June 2013 showed that these parameters were below the required threshold.</p> <p>The company has identified the potency of reservoir water contamination sources. The company has composed a program of prevention and management of this reservoir.</p>	Closed	June 13 <sup>th</sup> , 2013
2013.04	Major 5.3.2	<p><b>Implementation of Waste Management</b></p> <p>Based on the results of field survey in the warehouse of scrap metal at Sam Sam POM, scrap of waste was put out of place.</p>	PKS	Major	Before report submitted	The company should manage waste according to the required procedure.	<p><b>June 13<sup>th</sup>, 2013</b></p> <p>Sam Sam POM has conducted several improvement efforts:</p> <ul style="list-style-type: none"> <li>• Move all used scrap metals to its place.</li> <li>• Plan of cementing in area around metal warehouse.</li> </ul>	Closed	June 13 <sup>th</sup> , 2013

**3.5.2 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							

**3.5.3 Opportunity for Improvement at ASA-1 Assessment**

No	Ref Std	Descriptions
1.	<b>Minor</b> 4.1.2	Fruit delivery order should be completed with signature
2.	<b>Minor</b> 4.7.2	Company is suggested to ensure that personnel medical test result will be informed to entire personnel.
3.	<b>Major</b> 4.8.2	Certificate holder should re-document the evaluation evidence over trainings.
4.	<b>Minor</b> 6.1.3	Completing record over interview result and list of visited-stakeholders in Environmental Management Plan – Environmental Monitoring Plan (RKL-RPL) implementation report and internally social impact management and monitoring.
5.	<b>Minor</b> 6.8.1	Identification over work opportunity for people with <i>disability</i> could be documented.
6.	<b>SCCS</b> E.3.3	Company needs to ensure the validity of mechanism to calculate certified product (CPO and Kernel).

**3.5.4 Noteworthy Positive Components at ASA-1 Assessment**

No	Descriptions
1.	Has earned 'proper blue' from related agency.
2.	The realization of CSR program is to improve and empower local community's economic condition.

**3.5.5 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							

**3.5.6 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 2.1.4</b>	<b>The system which record each change on law must be implemented.</b> The company's law and manpower division is encouraged to evaluate and communicate 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.

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

No	Ref.Std	Description (Penjelasan)
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 policlinic has had specific medical check up equipments (spirometri, audiometri & cholinesterase check up equipments).



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

Issue from Public (Agency/ NGO / Community)	Management Response	Auditor Response
<b>Agricultural Sector Labour Union – Indonesia Labour Union (SPPP - SPSI) (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 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), arthesian 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 policlinic 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>

<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 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)**

<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>	
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**Kandis Kota Village (Chief of Village: Dedi Sasanto) and Telaga Samsam Village ( Chief of Village: Adi Zulyanto)**

<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            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)            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            TS: Proposal is responded. Especially the religious feast and national celebration.            KK: Proposal is proposed to estate based on the guidance of the company (nearest estate with Village/Hamlet).</li> <li>• Job Opportunity            KK: the temporary daily employees from the locals (for replanting program) and some of them are working as security Officer.            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 KK : No conflict TS : No conflict</li> <li>• Criminality 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. 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 : 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 . KK : Just like in TS</li> <li>• Negative Impact 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. TS : No scheme smallholder yet</li> <li>• Harapan : 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>	
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<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>

<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 SB: Cooperation with the village administration government (announcement to the locals for not making fire) by installing banner. 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 SB: the response over the proposal is within 7 days (still positive). All proposals are responded. JB: proposals have been responded within 3 – 7 days. All proposals have been responded.</li> <li>• Worker’s 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. 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>  <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>

<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” (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) 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 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>



<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 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 Sakai Tribe youth are educated to High School (100 boys, half of them are accomodated by PT. Ivomas Tunggal, Chevron, etc).</li> <li>• Positive 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 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>		

<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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<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 (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>

	<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 (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 (Directorat 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>

	<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 (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>

<p><b>Siak District Plantation Agency (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>



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 Management Representative (Head of Environmental Department)</p>  <p><b><u>Ismu Zulfikar</u></b> Wednesday, 9 September 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Trismadi Nurbayuto</u></b> Wednesday, 9 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 Jambi 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	<i>18, 19, 20, 21, 27 August 2015</i>	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	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><u>Public Consultation</u></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> <b><u>Field Observation:</u></b> <b>Samsam POM:</b> WWTP (IPAL), Operational, K3 (OHS), waste management and Supply Chain	<ul style="list-style-type: none"> <li>• RR</li> <li>• SS/DH</li> <li>• TN/SMBP</li> </ul>
12.00 – 14.00	<b><u>Break</u></b>	• TN/SM/BP/DH/SS
14.00 – 17.00	<b>Continue Field observation clarification &amp; Document Verifications</b>	• TN/SM/BP/DH/SS
<b>Thursday, 20 August 2015</b>		
08.00 - 12.00	<b>Field Observation Palapa 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/SM</li> <li>• TN/RR</li> <li>• BP/SM</li> <li>• BP/SM</li> </ul>
14.00 – 17.30	<b>Continue Field observation clarification</b>	• TN/RR/SM/BP/DH/SS
<b>Friday, 21 August 2015</b>		

