

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management : LIBO Palm Oil Mill – PT. IVO MAS TUNGGAL
 Organisation
 Plantation Name : PT Ivo Mas Tunggal: Libo Estate; Sei Rokan Estate; Nenggala Estate.
 PT Ramajaya Pramukti: Sungai Tapung Plasma Estate (Associated Smallholders).
 Location : Village of Libo Jaya, Sub District of Kandis, Siak Regency, Province of Riau, INDONESIA
 Certificate Code : **MUTU-RSPO/032**
 Date of Certificate Issue : 30 October 2013 Date of License Issue : 30 October 2016
 Date of Certificate Expiry : 29 October 2018 Date of License Expiry : 29 October 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	25 th , 26 th July and 1 st – 5 th August 2016	Yudwi Wisnu Rahmanto (Lead Auditor); Sandra Purba; Moh. Arif Yusni; Arif Faisal Simatupang; Dwi Haryati	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	5 th September 2016

TABLE OF CONTENT

FIGURE	1
Figure 1. Location Map of PT. IVO MAS TUNGGAL	1
Figure 2. Operational Map of PT IVO MAS TUNGGAL – LIBM; LIBE; SRKE; NGL; STPA (PT. RJP)	2
Glossary.....	3
1.0 SCOPE OF THE CERTIFICATION ASSESSMENT	4
1.1 Assessment Standard Used	4
1.2 Organisation Information.....	4
1.3 Type of Assessment.....	4
1.4 Locations of Mill and Plantation	4
1.5 Description of Area Statement	5
1.6 Planting Year and Cycles.....	5
1.7 Description of Mill and Supply Base	6
1.8 Estimate Tonnage of Certified Product.....	6
1.9 Other Certifications	7
1.10 Time Bound Plan	7
2.0 ASSESSMENT PROCESS.....	9
2.1 Assessment Team.....	9
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	9
2.3 Stakeholder Consultation and Stakeholders Contacted.....	12
2.4 Determining Next Assessment.....	12
3.0 ASSESSMENT FINDINGS	13
3.1 Summary of Assessment Report of the RSPO Certification	13
3.2 Summary of Assessment Report of Supply Chain Requirements	44
3.3 Conformity Checklist of Certificate and Logo Use.....	51
3.4 Summary of RSPO Partial Certification	52
3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components	53
3.6 Summary of Arising Issues from Public, Management and Auditor Response	56
4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	65
4.1 Formal Sign-off of Assessment Findings.....	65
APPENDICES	66
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process.....	66
Appendix 2. Assessment Program	67

FIGURE

Figure 1. Location Map of PT. IVO MAS TUNGGAL

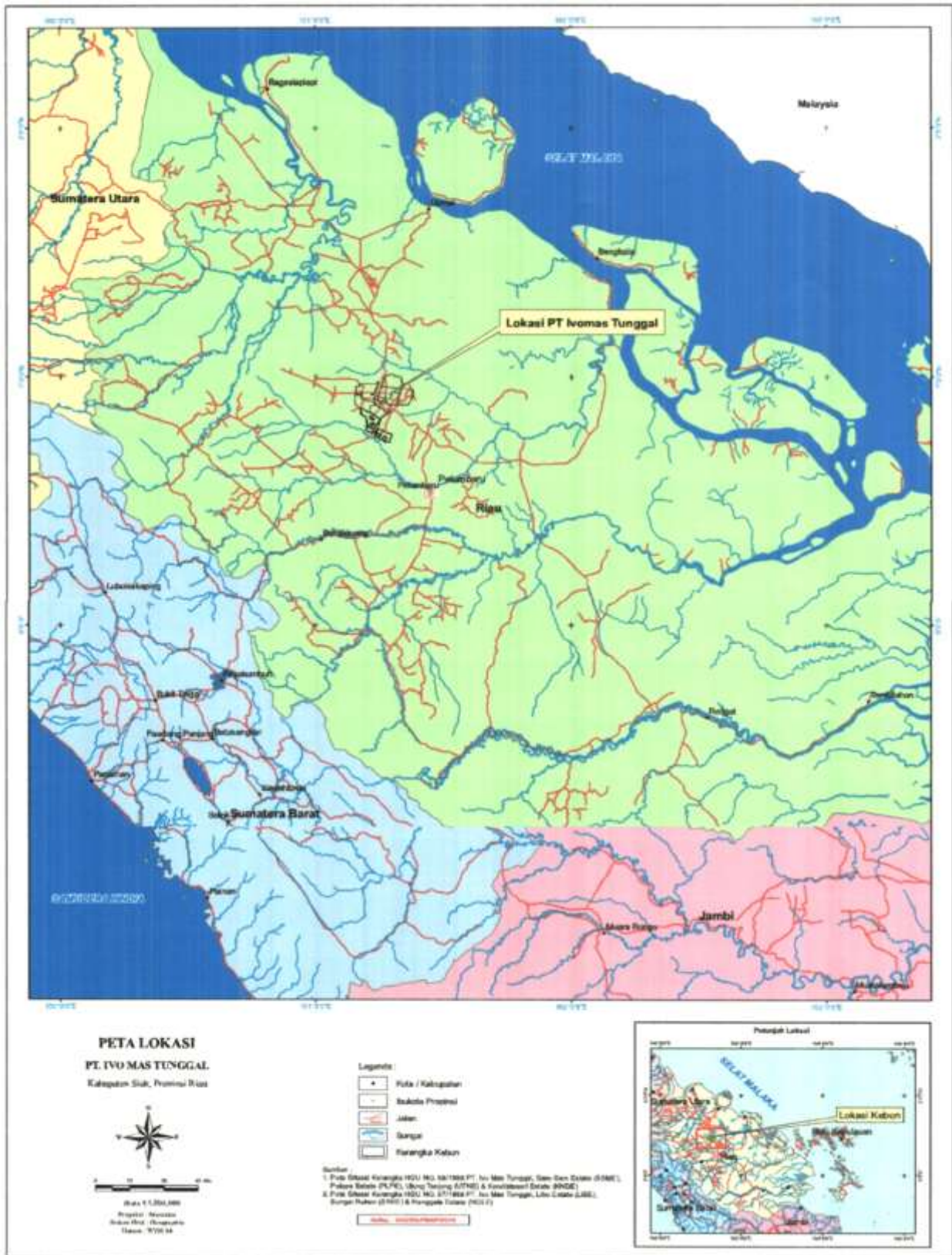
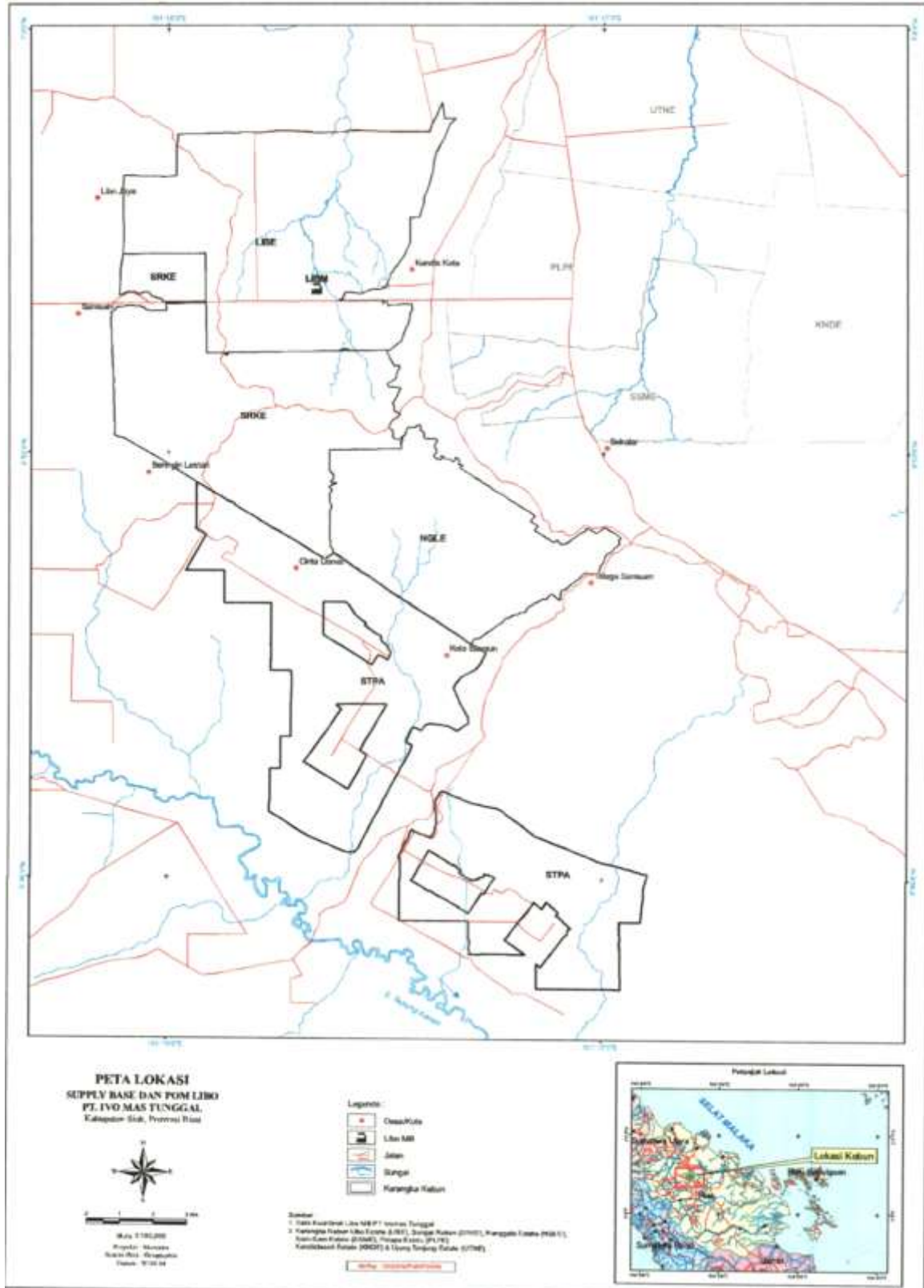


Figure 2. Operational Map of PT IVO MAS TUNGGAL – LIBM; LIBE; SRKE; NGLE; STPA (PT. RJP)



Glossary

ASA	: Annual Surveillance Assessment	LIBE	: Libo Estate
BMP	: Best Management Practices	LIBM	: Libo Mill
BOB	: Barn Owl Boxes	LKUP	: Laporan Kegiatan Usaha Perkebunan (Plantation Activity Report)
BOD	: Biological Oxygen Demand	MCMD	: Management Commite for Mill Development
CB	: Certification Body	MoU	: Memorandum of Understanding
CDP	: Community Development Program	MSDS	: Material Safety Data Sheet
CH	: Certificate Holder	MUTU	: Mutuagung Lestari
CITES	: Convention, International, Threatened, Endangered Species	NGO	: Non Government Organisation
CPO	: Crude Palm Oil	NGLE	: Nengala Estate
CSPK	: Certified Sustainable Palm Kernel	OER	: Oil Extration Rate
CSPO	: Certified Sustainable Palm Oil	OHS	: Occupational Health and Safety
CSR	: Corporate Social Responsibility	OHSAS	: Occupational Health and Safety Assessment Series
EFB	: Empty Fruit Bunches	P&C	: Principle and Criteria
EHS	: Environmental, Health and Safety	PIC	: Personel In Charge
EIA	: Environmental Impact Assessment	PK	: Palm Kernel
FFB	: Fresh Fruit Bunches	POM	: Palm Oil Mill
FGD	: Focus Group Discussion	POME	: Palm Oil Mill Effluent
FR / SR	: Frequently Rate / Severity Rate	PPE	: Personel Protective Equipment
FPIC	: Free, Prior and Informed Consent	PLPE	: Palapa Estate
GAR	: Golden Agri resources	RC/PC	: Regional Controller / ProductionController
GHG	: Green House Gases	RJP	: PT. Ramajaya Pramukti
GRTT	: Ganti Rugi dan Tanam Tumbuh (Land Compensation)	RSPO	: Roundtable on Sustainable Palm Oil
GPS	: Global Potitioning System	RKL- RPL	: Enviromental Management and Monitoring Report
HCV	: High Conservation Value	SCCS	: Supply Chain Certification System
HGU	: Hak Guna Usaha (Land Use Title/Right)	SIA	: Social Impact Assessment
HIRAC	: Hazard Identification Risk Assestment and Control	SMD Ops	: Senior Managing Directors Operation
HRD	: Human Resources Development/Department	SPO	: Suistanability Palm Oil
IPM	: Integrated Pest Management	SOP	: Standard Operating Procedure
ISCC	: International Susainability and Carbon Certification	SRKE	: Sei Rokan Estate
ISO	: International Standard Organisation	SSME	: Sam sam Estate
ISPO	: Indonesia Sustainable Palm Oil	ST-2	: Stage-2 Assessment/Audit
IMT	: Ivomas Tunggal	STPA	: Sungai Tapung Plasma
IUCN	: International Union for Conservation of Nature	UTNE	: Ujung Tanjung Estate
IUP	: Plantation Permit/Licenses	UTJM	: Ujung Tanjung Mill
KAN	: Indonesian Accreditation Body	WHO	: World Health Organization
KER	: Kernel Extration Rate	WTP	: Water Treatment Plant
KNDE	: Kandista Estate	WWTP	: Waste Water Treatment Plant
LD	: Lethal Dosage	VPA /VPM	: Vice President Agronomy / Vice President Manufacture

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</i> • <i>RSPO Management System Requirements and Guidance For Group Certification of FFB production, 7 March 2016 (scheme smallholders)</i> • <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> 			
1.2 Organisation Information			
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	Ismu_zulfikar@yahoo.co.id	
1.2.7	Web page address	www.smart-tbk.com	
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	1- 0056 – 08 – 000 – 00 (17 June 2008)	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> • Libo Palm Oil Mill, Libo Estate, Nenggala Estate, Sei Rokan Estate and Sungai Tapung Plasma Estate (PT. RJP) 	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Libo	Village of Samsam, Sub District of Kandis, District of Siak, Riau Province	N 00° 55' 34" E 101° 12' 22"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Libo	Village of Samsam, Sub District of Kandis, District of Siak, Riau Province	N 0° 56' 11" E 101° 18' 00"
	Nenggala	Village of Samsam, Sub District of Kandis, District of Siak, Riau Province	N 0° 56' 40" E 101° 16' 51"
	Sei Rokan	Village of Samsam, Sub District of Kandis, District of Siak, Riau Province	N E

		0° 55' 38"	101° 21' 05"			
Sungai Tapung Plasma	Village of Sukamaju, Sub District of Tapung Hilir, District of Kampar, Riau Province	N 0° 45' 03.49"	E 101° 14' 44.94"			
1.5 Description of Area Statement						
1.5.1	Tenure					
	• State		11,621.20 Ha			
	• Community		5,585.00 Ha			
<i>Tenure area is based on Land Use Title (HGU) certificate No. 2 year 1997 with scope of permitted area covers Libo Mill, Libo Estate, Sei Rokan Estate and Nenggala Estate. Community land is based on total smallholder land title certificates (SHM).</i>						
1.5.2	Area Statement					
		PT IVO MAS TUNGGAL			PT RAMAJAYA PRAMUKTI smallholders	TOTAL (Ha)
		LIBE (Ha)	SRKE (Ha)	NGLE (Ha)	STPA (Ha)	
	• Total area	4,529.80	4,129.48	2,959.92	5,585.00	17,206.20
	• Mature	3,634.03	3,921.49	687.67	5,585.00	13,828.19
	• Immature	743.66	0	2,117.26	0	2,860.92
	• Mill & Housing	43.22	34.99	17.77	-	95.98
	• Road	42.84	129.83	124.67	-	297.34
	• Canals, River and Swamps	54.80	25.15	10.47	-	90.42
	• Air Strip	2.52	2.66	-	-	5.18
	• Other Area	8.73	15.35	4.08	-	26.16
	• HCV	-	-	-	75	366,63**
<i>*HCV area comprises of riparian zone and calculated as the planted area.</i>						
1.6 Planting Year and Cycles						
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		LIBE	SRKE	NGLE	STPA	Total
	1986	1,694.82	241.27	-	-	1,936.09
	1987	161.12	1,309.20	-	-	1,470.32
	1989	409.52	1,411.66	-	-	1,821.18
	1993	-	959.36	-	-	959.36
	1996	-	-	-	5,585	5,585.00
	2012	524.70	-	230.20	-	754.90
	2013	843.87	-	457.47	-	1,301.34
	2014	347.67	-	1,111.78	-	1,459.45
	2015	395.99	-	1,005.48	-	1,401.47
	Total	4,377.69	3,921.49	2,804.93	5,585	16,689.11
1.6.2	New Planting area after January 2010		-			Ha
1.6.3	Planting Cycle		2 nd Cycle			

1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
Out put (ton)				Extraction (%)	Out put (ton)	Extraction (%)	
	Libo	60	315,074.80	62,409.02	19.81	16,875.12	5.36
<i>*Production data source from July 2015 – June 2016</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/yr)	Supplied to Mill	
FFB (tonnes/year)						%	
	Libo	4,529.80	4,377.69	58,769.19	13.42	55,759.73	94.88
	Nenggala	2,959.92	2,804.93	84,838.92	30.25	75,998.74	89.58
	Sei Rokan	4,129.48	3,921.49	7,116.94	1.81	6,069.44	85.28
	Sungai Tapung Plasma (2,792 smallholders)	5,585.00	5,585.00	140,672.47	25.19	128,361.06	91.25
	TOTAL	17,204.20	16,689.11	291,397.52	17.46	266,188.97	91.35
<i>*Production data source from July 2015 – June 2016</i>							
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
FFB (tonnes/year)							
	Rama Bakti Estate (RSPO Certified)	PT Ramajaya Pramukti	District of Kampar, Province of Riau	48,885.83			
	TOTAL				48,885.83		
<i>*Production data source from July 2015 – June 2016</i>							
1.7.4	Jenis Produk			FFB, CPO, PK			
1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 30 October 2015 to 29 October 2016 (tonnes/year)	Actual certified product 30 October 2015 to 27 July 2016 (tonnes/year)		
	• FFB Production			342,162	167,576.82		
	• CPO Production			73,565	35,665.41		
	• Palm Kernel (PK) Production			17,964	10,505.63		
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Libo	4,529.80	4,377.69	58,769	13.42		
	Nenggala	2,959.92	2,804.93	84,839	30.25		
	Sei Rokan	4,129.48	3,921.49	7,117	1.81		
	Sungai Tapung Plasma	5,585.00	5,585.00	140,672	25.19		

	(2,792 smallholders)						
	TOTAL	17,204.20	16,689.11	291,397	17.46		
	<i>*Projected FFB production for 12 months of certificate</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Libo	60	291,397	57,726	19.81	15,619	5.36
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>						
1.9	Other Certifications						
	ISO 9001:2008			-			
	ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	ISCC			EU-ISCC-Cert-DE104-07781610, validity period: 1 st February 2016 – 31 st January 2017.			
	Others			ISPO Certified: MUTU/ISPO-013, Validity period: 16 January 2014 – 15 January 2019			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Unit Managemen of Mill		Estate (Supply Base)	Planned Assessm ent Schedule	Location	Status	
		Actual Assess ment Time					
	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	2018	Sawita Estate	2018	KOTABARU-KALIMANTAN SELATAN	It has been ST-1 Audit on 24 – 25 March 2015
			Sawita KKPA	2018	KOTABARU-KALIMANTAN SELATAN	It has been ST-1 Audit on 24 – 25 March 2015
		2018	Pamukan Estate	2018	KOTABARU-KALIMANTAN SELATAN	It has been ST-1 Audit on 24 – 25 March 2015
	1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	Associated smallholders which supplied to LIBO MILL namely Sungai Tapung Plasma has been certified in 2013.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-3	<p>1. Yudwi Wisnu Rahmanto (Lead Auditor) Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 5 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During the assessment he assigned to verify legal, land dispute and social aspect.</p> <p>2. Sandra Purba (Auditor). Bachelor of Forestry, Department of Forest Products Technology, Faculty of Agriculture, University of North Sumatra. Have experience working in oil palm plantations Company. She had attended such training: Training of General OHS Expert, Training ISPO Auditor, Awareness RSPO, training ISO 22000-2009 Auditor/Lead auditor, Auditor Management System Certification (ISO 9001-2008), RSPO Endorsed Lead Auditor Training Course, OHS Management System Auditor (based on PP 50/2012) Training Course, and RSPO NEXT auditor training course. Currently he worked as an auditor at Certification Body. During the assessment she assigned to verify Enviroment, Transparancy, Conservation, HCV and Supply Chain aspect.</p> <p>3. Moh Arif Yusni (Auditor). Bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor / Lead auditor Management System Certification (ISO 9001-2008). Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor. During the assessment he assigned to verify Legal, Social Welfare, Management and Economic Plan aspect.</p> <p>4. Arif Faisal Simatupang (Auditor Under Trainee). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV). He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify Integrated Pest Management, Best Management Practices, Good Manufacture Practices, management and Economic aspect.</p> <p>5. Dwi Haryati Simatupang (Auditor Under Trainee) Bachelor of Agriculture, majoring in Agriculture Cultivation. She has experienced on Palm Oil Plantation as Sustainability staff. She had attended such as ISPO Auditor training, Management System Certification (ISO 9001-2008), Occupational Health & Safety Management System. During the assessment the Auditor verified transparency, occupational health & safety and social workers.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors: 5 auditor Number of days for ASA-3 at site: 5 days Number of working days for ASA-3 at site: 25 Working days</p>
2.2.2	Assessment Process
ASA-3	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Ivo Mas Tunggal to the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013, RSPO Management System Requirements and Guidance For Group Certification of FFB production, 7 March 2016 (scheme smallholders) and 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).

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

Some opportunities for improvement of the results **ASA-3** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-4.

Improvement of findings from main assesment findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-3 report**

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-3	<p>Number of unit in this certification activity is 1 Mill, 3 Own Estates and 1 smallholder scheme. The auditor team used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Samsam Mill) and two estates (Samsam Estate & Kandista Estate).</p> <p>Libo Mill</p> <ol style="list-style-type: none"> 1. Security. Observation and interview with key personnel related to implementation of Supply Chain Requirement 2. Weighbridge. Observation and interview with key personnel related to implementation of Supply Chain Requirement 3. Grading Station. Observation and interview with key personnel related to implementation of FFB grading system. 4. All processing station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier). Observation on FFB processing. 5. WTP Station. Observation on water management plan for Mill processing. 6. Boiler Station. Observation of renewable fuel using Fibers and shell, and interview of OHS implementation with key personnel. 7. Generator and Kernel Station. Observation and interview on OHS implementations and working mechanism. 8. Workshop. Observation on maintenance activities and interview with foreman related understanding of working procedure. 9. Hazardous Waste Temporary Warehouse. Observation on hazardous waste management. 10. Emergency Response at Mill. Observation on emergency response facilities (hydrant hose reel) and drill. 11. POME Pond. Observation on wastewater management and probability of potencial leakage to the environment. 12. Block D07 Division 1, Libo Estate. Observation on POME application, potencial leakage/pollution to the environment, working technique. 13. LIBO Biogas Plant. Observation related to utilization of Methane gas to producing renewable energy. <p>Libo Estate</p> <ol style="list-style-type: none"> 1. Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop). Observation and interview on environmental aspect, OHS implementation and understanding of working procedure. 2. Scheduled Waste. Observation on hazardous waste management. 3. Health Clinic. Observation on first aid mechanism, medical waste management and work accident record monitoring.

4. **Creche and Daycare.** Observation on facilities and interviewing related labour aspect and grievance mechanism to the person in charge.
5. **Housing complex at Pondok 5 and 6.** Observation on workers facilities, domestic waste management, temporary storage near division office.
6. **Emergency Response in Estate Unit.** Observation on emergency response facilities (fire extinguisher, water tank for fire fighting, etc.) and its mechanism.
7. **Tantaro River (Riparian area).** Observation on riparian management at Tantaro River (HCV area).
8. **Block F19 Division 6.** Observation on Integrated Pest Management (pheromone trap), management of slope area at immature planting year 2015.
9. **Block D25 Division 4.** Observation on replanting 2016 area, double terrace system on slope area.
10. **Block F19 Division 6.** Observation on manual weeding, OHS, and welfare aspect.
11. **Landfill area.** Observation on domestic waste management (landfill).
12. **Boundary poles No. IMT 17 (Block L2 Div. 5), No. IMT BM15 (Block L3 Div. 5), No. IMT 33 (Block K12/13 Div. 5), No. IMT 36 (Block L12 Div. 5), No. IMT BM 14 (Block L7 Div. 5), No. IMT BM 13 (Block M7 Div.5), No. IMT 56 (Block M14 Div.5).** Observation on legal boundaries and maintaining of plantation borders.

Sei Rokan Estate

1. **Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).** Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.
2. **Scheduled Waste.** Observation on hazardous waste management.
3. **Health Clinic.** Observation on first aid mechanism, medical waste management and work accident record monitoring.
4. **Creche and Daycare.** Observation on facilities and interviewing related labour aspect and grievance mechanism to the person in charge.
5. **Housing complex at Division 8.** Observation on workers facilities, domestic waste management, temporary storage near division office, water pump machine.
6. **Emergency Response in Estate Unit.** Observation on emergency response facilities (fire extinguisher, water tank for fire fighting, etc.) and its mechanism.
7. **Bekalar River.** Observation on riparian management at Bekalar River (HCV area).
8. **Block K08 Division 6.** Observation on harvesting, FFB transport, OHS, and welfare aspect.
9. **Block H04 Division 2.** Observation on post harvesting control and pruning management.
10. **Block H08 Division 4.** Observation on EFB mulching application.
11. **Block K17 Division 5.** Observation on domestic waste management (landfill).
12. **Boundary poles No. 103, No. IMT 93 (Block H28), No. IMT 92 (Block H28), No. IMT 23 (Block C9).** Observation on legal boundaries and maintaining of plantation borders.

SUNGAI TAPUNG PLASMA

KUD TUNAS MAKMUR:

Sample of smallholder plots:

Kavling a/n Bp. Mujito → KT. Kembang Matahari. Neighbouring borders: North: plot Listio, South: plot Giso, West: Collection Road and KT. Sido Mukti A. boundary markers is feasible and available in place.

Kavling a/n Bp. Again → KT. Sido Mukti A. Neighbouring borders: North: plot no. 2536; South: plot no. 2534; East: Collection Road and KT. Kembang Matahari; West: Sub-Village of Blitar, Village of Kota Baru.

Kavling a/n Bp. Anto → KT. Sawit Mas.

KUD BERKAT LESTARI

Sample of smallholder plots:

1. M. Syarkawi (KT. Karya Murni), Plot No. 1156.
2. Selamat Sutanto (KT. Tenram), Plot No. 1110.
3. Darmo (KT. Sumber Tani), Plot No. 1043.
4. Uba (KT. Sumber Tani), Plot No. 1045.

Stakeholder Consultation on 26 - 27 July 2016 through Focus Group Discussion at Ujung Tanjung Training Centre and direct visit to related agencies:

1. Samsam Village
2. Kandis Village
3. Jambai Makmur Village
4. Belutu Village
5. Bekalar Village
6. Sakai Tribe Organisation "KPA Sakai Lestari"
7. Local Contractor CV Aido
8. Gender Committee
9. Worker Union (SPSI)
10. Environmental Agency of Siak Regency.
11. Forestry and Plantation Agency of Siak Regency.
12. National Land Bureau (BPN) of Siak Regency
13. Transmigration and Labour Agency of Siak Regency.

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-3	Summary of stakeholder consultation process Consultation of stakeholders for PT. Ivo Mas Tunggal was held by: Public Notification (14 Days before ASA-03 at 10 July 2016) Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples at 26 and 27 July 2016. Numbers of input from stakeholders were clarified by PT. Ivo Mas Tunggal
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (ASA-04) will be determined one year after this ASA-03 (July 2017)

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were no nonconformity and 11 (eleven) opportunities for improvement identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that Libo POM – PT Ivo Mas Tunggal complied with the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013, RSPO Management System Requirements and Guidance For Group Certification of FFB production, 7 March 2016 (scheme smallholders) and 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).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>In order to provide adequate information to relevant stakeholder, the Certificate Holder has established procedure as per reflected in the “SOP Komunikasi dan Konsultasi No. SOP/SMART/UMUM/SADVI/004”, dated 1 July 2014. The document specifies the objectives of the document that is to manage, mechanism, communicate, (internal and external), participation, health and safety, and environment (SMK3) so that it can be understood by stakeholders effectively.</p> <p>The company has list of stakeholders. Stakeholders listed include surrounding government offices (at district, sub-district and village level), community leaders, police stations, universities and school, NGO’s, contractors, suppliers, smallholders, social,organisations, workers The lists are updated periodically and are available at each estate and mill. The list will be updated at least once a year. SPO officer is a person who is responsible for regularly update the stakeholder list. During interview with Head Of Village Belutu, confirmed that the company is open and transparent for any kind of communication from other parties. The responses given is in timely manner.</p> <p>Furthermore, scheme smallholder of Sungai Tapung Plasma able to provide adequate information to relevant stakeholder. The cooperative has established procedure as per reflected in the “prosedur Komunikasi dan Konsultasi Stakeholders, (No Document 4/1/2009, dated 02 January 2009). The documents to manage mechanism of communicatios (internal and external) the the persons who responsible. The Cooperative has appointed the officers who are responsible for consulting and communicating with the public that is the head of cooperative.</p>	
1.1.2	<p>Records of requests from stakeholders are available and recorded individually at estates and mill levels in “Buku Komunikasi dan Konsultasi” that includes proposal and donation requests. Requests from the stakeholders are mainly for donation for the villages, for examples road construction and maintenance, Car Loan for transport etc. Nevertheless, until the date of</p>	

the audit, there is no request from stakeholders for company's documents (legal, environmental and social).

In other hand, for scheme smallholder of Sungai Tapung Plasma, It is available the document of regular meetings records carried out by each cooperative with the farmer groups which called by the Operational Work Plan Meeting and with all members of a cooperative in Annual Members Meeting. All records of the meeting were documented well in any cooperative offices that become a sample.

There are recordings of communication and consultation with the community that is documented in each cooperative's communication book and has appointed officers responsible for conducting consultation and communications with stakeholders.

Status: COMPLY

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1

The type of documents that can be accessed by stakeholders mentioned in the "SOP Komunikasi dan Konsultasi No. SOP/SMART/UMUM/SADVI/004", dated 1 July 2014. Chapter 2.8 Mechanism of Internal Communication and Chapter 2.10 Mechanism of External Communication. The list is available in the List of Publicly Available Documents for the following documents: Land titles/use rights; Plantation permit; Analisis Dampak Lingkungan (AMDAL) – Environmental Impact Assessment (EIA); Social Impact Assessment (SIA); Enviromental Management & Monitoring reports (RKL-RPL); Corporate Social responsibility programs; Business Plan; EHS plan/program Assurance Goals; Company Policies; Complaint & dispute resolution procedures; Grievance mechanism and industrial relations; Zero burning policy; Continuous improvement plans.

During interview with Head Of Village Jambai Makmur, Libo Jaya, NGO Sakai Lestari and representatives of local contractors during public consultations on 26 July 2016, Stakeholders already know about the kind of information that can be obtained from company. In other that the documents has been socialized to stakeholder on 16 May 2016.

Scheme smallholder of Sungai Tapung Plasma

The list is available in the List of Publicly Available Documents for the following documents: Land titles/use rights; Plantation permit; Analisis Dampak Lingkungan (AMDAL) – Environmental Impact Assessment (EIA); Social Impact Assessment (SIA); Enviromental Management & Monitoring reports (RKL-RPL); Corporate Social responsibility programs; Business Plan; EHS plan/program Assurance Goals; Company Policies; Complaint & dispute resolution procedures; Grievance mechanism and industrial relations; Zero burning policy; Continuous improvement plans.

During interview with farmer from cooperative Berkat Lestari and Tunas Makmur its known if they already know about the kind of information that can be obtained from cooperative.

Status: COMPLY

1.3

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

1.3.1

Written policy committing to a code of ethical conduct and integrity in all operations and transactions described in Policy "Principles of Business Ethics" signed by RC and PC of PT Ivomas Tunggal on January 3rd 2015. The policy explained that Certificate Holder is committed to continue practicing responsible business ethics referring to the shared values of Companies namely integrity, positive attitude, commitment, continuous improvement, innovation and loyalty as well as in accordance with the rules, SPO principles and criteria. That's policy has written in Bahasa.

That's policy has been socialized to stakeholders on 15 february 2015 and 16 May 2016 and employes on 16 May 2016 to the various levels of employees. Furthermore that's policy also socialized on muster morning before work, banner and sign board

Based on interview with workers, for example Interview with harvester in LIBE and SRKE, confirmed that workers has understood about the policy committing to a code of ethical conduct and integrity.

Scheme smallholder of Sungai Tapung Plasma

Written policy committing to a code of ethical conduct and integrity in all operations and transactions described in Policy "Principles of Business Ethics" signed by RC scheme of Smallholders (RC Kampar) dated 05 February 2015. The policy explained that Cooperative is committed to continue practicing responsible business ethics referring to the shared values of Companies namely integrity, positive attitude, commitment, continuous improvement, innovation and loyalty as well as in accordance with the rules, SPO principles and criteria. That's policy has written in Bahasa.

That's policy has been socialized to all member of smallholders scheme on 31 May 2016 for Cooperative Berkati Lestari and 07 June 2016 on Cooperative Tunas Makmur

Based on interview with member of Cooperative Berkati Lestari and Tunas Makmur confirmed that the farmers already understood about the policy committing to a code of ethical conduct and integrity.

Status: COMPLY

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

Certificate holder proves its compliance toward the applicable regulations, such as: having plantation permit, having a license for Temporary Hazardous Waste Storage and having environment impact analysis and the provision of social insurance for manpower,. The entire copy of the rules is stored in the office of each unit. Based on interviews with relevant institutions in District of Siak (Plantation Agency, Labor Agency, Environment Bodies and the Land Office), it is noted that the management unit has complied with the regulations related to the estate, employment and the environment.

Farmer Institution(cooperative) has fulfilled applicable local, national, and international law provisions confirmed by;

- a. Availability of complete Cooperative agency legality documents in each office including;
 1. Article of Establishment
 2. Articles of Association Changes Deed Cooperative
 3. Permission for Business/Disturbances (HO).
 4. Mark of Company Cooperative Registration
 5. Letter of Business Permit (SIUP).
 6. Tax Registration Code Number (NPWP)
 7. Copy of each members' land ownership right (certificate) Cooperative

2.1.2; 2.1.3

Certificate holder has a mechanism to identify, implement and evaluate the compliance with the law described in SOP of Rules and Other Requirements. This procedure has explained the PIC who is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Based on this mechanism, the company identifies the type of legislation that must be met and classify them in a group of HCV, Labor, Environment, Licensing and OHS. All regulations is noted in the list of rules are always evaluated on a regular basis at least once a year or if there are regulatory / latest requirements referenced. Based on document verification obtained information the last internal audit for legal aspect performed on 16 - 20 May 2016. Internal audit result its known that all of legal requirement has been accomplished. The latest evaluation was conducted in May 2016 about Religious Holiday Allowance. The evaluation is done because there is the latest regulation of Indonesian Minister of Manpower Regulation No. 06/2016 dated March 8th, 2016 about Religious Holiday Allowance (Tunjangan Hari Raya). The entire copy of the rules stored in the office of each unit, for example PT Ivomas Tujnggal can show a copy of Agrarian Ministry Regulation and Spatial Planning / National Land Agency Head No. 5 year of 2015, about Location Permit.

The results showed that the management unit is in compliance with the regulations relating to the activities of oil palm plantations. Besides, the auditor observed few sample for legal compliance ie :

- **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.
- **Manpower:** The company has shown several evidence of law compliance follow: There was an evidence of payment for employee's BPJS (permanent employee) for June 2016. It was in line with statute No. 13 Year 2003 in term of Manpower. 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).

According to operational field verification, there is no incongruity against applied legislation from regulation relating to environment, guiding committee of Occupational Safety and Health Management System, employment, oil palm cultivation technique and legality of business entities for cooperative

2.1.4

Certificate holder has adjusted the regulation changes such as minimum wage standard changes referring the decree of Riau Governor about sectoral minimum wage standard and provided accident insurance for personnel based on the applicable regulation

Status: COMPLY

2.2

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

2.2.1

The Certificate Holder has had Land Use Right (HGU) No. 2 year 1997 to showing legal ownership with size 11,621.20 Ha. Scope of permitted area covers Libo Mill, Libo Estate, Sei Rokan Estate and Nenggala Estate. Documents showing the actual legal use of the land available in Area Statement as follow:

unit	planted	building/mill	Road	Drain/ swamp/river	Airstrip	Other	Total measure area	HGU
LIBE	4,377.69	43.22	42.84	54.80	2.52	8.73	4,529.80	
SRKE	3,921.49	34.99	129.83	25.15	2.66	15.36	4,129.48	
NGLE	2,804.93	17.77	124.67	10.47	-	2.08	2,959.92	
Total	11,104.11	95.98	297.34	90.42	5.18	26.17	11,619.20	11,621.20

While, the land use for smallholder scheme of Sungai Tapung Plasma (partnership scheme under PT. Ramajaya Pramukti management) as supply base to Libo Mill following:

No	Unit of cooperatives	Location	Members/farmers	Planted (Ha)	Year of Planting
SUNGAI TAPUNG PLASMA Smallholders					
1	KUD Karya Tani	Suka Maju	420	840.00	1996
2	KUD Tunas Makmur	Village, Tapung	580	1,160.00	1996
3	KUD Cinta Damai	Hilir Sub-district, Kampar	629	1,257.50	1995, 1996
4	KUD Bangun Desa	Regency, Riau Province	835	1,671.00	1995, 1996
5	KUD Berkat Lestari		328	656.50	1995, 1996
<i>Total</i>			2,792	5,585.00	

Land ownership status of smallholder scheme is individual land title certificate (SHM) granted by the government program namely "transmigration program" since 1995.

2.2.2

The Certificate Holder has boundary poles monitoring report periodically every 6 months. The monitoring of poles is based on the procedures "SOP Pemeliharaan Patok HGU/HGB (SOP/SMART/CERS-EHSD/SADV/I/004), 1 Juli 2014".

Auditor verifies the 6 poles in Libo Estate and Sei Rokan Estate boundaries by using GPS tool; it was clearly the sighted poles are in well maintained and appropriate with coordinate points. Reference document to compare the coordinate's positions is based on boundaries pole map "Peta Posisi Patok Areal PT. Ivomas Tunggal" Scale 1:125,000.

For smallholders, auditor verifies in 7 sampling plot area at KUD Tunas Makmur and KUD Berkat Lestari to ensuring demarcation of boundaries. Based on field observation, markers of each plot are visibly and clearly demarcated. Plot number of each smallholder area also available on site. Farmers is able to demonstrate the neighbour borders of their land. Sample verified are KUD Tunas Makmur (Plot number 2486, 2485, 2535) and KUD Berkat Lestari (Plot number 1156, 1110, 1043 and 1045).

2.2.3; 2.2.4; 2.2.5

According to information gathered during stakeholder consultation in 26 & 27 July 2016 with representatives of villages Jambai Makmur, Samsam, Belutu, Bekalar, Kandis Kota it was confirmed that since PT. Ivo Mas Tunggal has obtained Land Use Right (HGU) in 1994 (HGU No.1) and 1997 (HGU No.2), there is no significant of land conflict is raise. If land conflict is presence, The certificate holder has had mechanism of available land dispute resolution as provided in SOP "Ganti rugi Tanah/Lahan" No. SOP/NP/SMART/VII/ D&L002 (dated 1 July 2010) and FPIC procedure "Penerapan Persetujuan Atas Dasar Informasi Awal Tanpa Palsaan/PADIATAPA" SOP/SMART/SENS-CSR/SADV/I/003 (dated 1 July 2014), which contains the PIC, the procedure completion, the documents must be prepared, such as a minutes meeting, attendance list, Payment documents, minutes of payment, map location disputed, receipt of money compensation, etc.

According to interview with KUD Tunas Makmur and KUD Berkat Lestari officer, there is no land conflict raised between smallholder members nor other parties. This information already confirmed with sampled land owner during interview at smallholder site.

2.2.6

The company has a policy to circumvent instigated violence to maintain peace and order in current and planned operations described in GAR Social and Environmental Policy, issued date 8 September 2015. In section 2.1.2 stated "To refuse the use of confrontation and intimidation in land disputes".

Smallholder has developed the particular team to secure the area during harvesting and fertilizer application.

Status: COMPLY

2.3

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

2.3.1; 2.3.2; 2.3.3

PT. Ivomas Tunggal is one of long-established plantations company since 1984 and starting to replant since 2012 (Libo Estate). In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.

The Certificate Holder has developed a mechanism of Implementation of Free Prior Informed Consent / FPIC or PADIATAPA as document No. SOP/ SMART /SENS-CSR/SADV/I/003 (dated 1 July 2014) which describes a process for FPIC included the identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula and implementation of the outcome agreement.

The Certificate Holder has had Land Use Right (HGU) No. 2 year 1997 to showing legal ownership with size 11,621.20 Ha. Scope of permitted area covers Libo Mill, Libo Estate, Sei Rokan Estate and Nenggala Estate.

According to information gathered during stakeholder consultation in 26 July 2016 with local customary organization "Kelompok Pecinta Alam Sakai" as representative of Sakai tribes, it is confirmed that no customary land or other use right over the certified area.

For smallholder scheme of Sungai Tapung Plasma, the land ownership status of smallholder scheme is individual land title certificate (SHM) granted by the government program namely “transmigration program” since 1995. There is no negotiation nor FPIC process to obtaining their land.

2.3.4

According to information gathered during stakeholder consultation in 26 & 27 July 2016 with representatives of villages Jambai Makmur, Samsam, Belutu, Bekalar, Kandis Kota and Sakai Tribes Organisation, it was confirmed that the representative of the community in the negotiation process is head of village. Meanwhile, the representative from Sakai tribe is the leader namely “Batin”.

According to interview with KUD Tunas Makmur and KUD Berkat Lestari officer, there is no land conflict raised between smallholder members nor other parties. This information already confirmed with sampled land owner during interview at smallholder site.

Status: COMPLY

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

3.1

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

3.1.1

Certificate Holder has documents of corporate work plan for the long-term period of 2015 to 2019 which includes estimates of production, cost of production (plantation and mills), mills production projections (OER and KER), and other financial parameters such as profitability and revenue. That documents has been considering the inflation factor.

Smallholder scheme of Sungai Tapung Plasma:

Based on interview with Group Manager of Sungai Tapung Plasma and Funding Staff of Jakarta Head Office, is known that there is no long term corporate work plan for Sungai Tapung Plasma.

3.1.2

LIBE has 396 ha replanting programme in 2016, 477 ha in 2017, 517 ha in 2018, and 801 ha in 2019, whereas SRKE has 444 ha in 2016, 856 ha in 2017, 519 ha in 2018, 841 ha in 2019, and 694 ha in 2010.

Smallholder scheme of Sungai Tapung Plasma:

Based on interview with Group Manager of Sungai Tapung Plasma, Cooperative Tunas Makmur and Berkat Lestari, is known that there is no replanting programme until 2020.

Replanting program has been considering performance indicators such as yield/ha (<14 tons FFB/hectare), plant age (> 25 years), plant height (> 13 meters) and the density of plants per hectare (<100 trees/hectare). pe of seed that will be used is Dami Mas variety (produced by SMARTRI), this seed has been certified and registered by Government. Based on replanting program 2016 and 2017, number of seed estimation approximately 82,764 seeds (LIBE-2016); 99,693 seeds (LIBE-2017); 92,796 seeds (SRKE-2016); 178,904 seeds (SRKE-2017).

Status: COMPLY

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

There was no change over the procedure for cultivation and processing until ASA-3 assessment. Certificate Holder has documents of SOP Technical of Oil Palm Cultivation starting from land clearing up to harvesting, approved by SMD Ops and entered into force on 12 June 2012. The SOP documents among others about planning of new area planting, replanting plans, nurseries, land clearing, planting, replanting, pest and disease control, weed control, fertilization, maintenance of immature plant, preparation ahead of harvest, harvesting, loading and transportation of FFB and measurement of rainfall

by ombrometer. That's SOP is available on audit site and written in a language that is easily understandable for workers (written in Bahasa).

Certificate holder has a complete SOP associated with palm oil processing into CPO and PK in the palm oil mill contained in the SOP No. 04-09/MCMD-SOP/438 revisions number 4. SOP approved by Chairman MCMD and entered into force on 1 September 2010. The SOP includes standard operating procedures in POM include: FFB reception station, sterilization activities, slamming station (threshing), press station, clarification station (purification), clarification station (oil recovery tank sub station, nut and kernel station), boiler and engine room, water treatment, final effluent, storage tank washing. Certificate holder also has SOP of identification and traceability certified products, approved by Head of Upstream and entered into force on 1 July 2014.

Based on a field visit of harvesting in LIBE, SRKE, and FFB processing in Libo Mill, the activities has complied with the procedures issued by certificate holder. For example, the harvester can explain well on correct harvesting procedures that particularly relevant to the criteria for fruit ripeness. Harvesters and workers in mill also explained about payment mechanism and obligation to use personal protective equipment (PPE) according to the HIRAC. Besides that, all workers has attended socialization of company policies, list of animal protected by the laws and conservation area.

Smallholder scheme of Sungai Tapung Plasma:

The procedures that used by Sungai Tapung Plasma same as those used by PT Ivomas Tunggal. Based on a field visit Cooperative Tunas Makmur and Berkas Lestari, the farmer can explain on correct harvesting procedures that particularly relevant to the criteria for fruit ripeness. FFB's in platform showed in good quality. The harvester has been using appropriate PPE.

4.1.2

Certificate holder has a procedure associated with operational internal audit in the SOP No. SOP-ISCC/IMT/OIA. The SOP approved by VPA and VPM, entered into force on 1 September 2010

Smallholder scheme of Sungai Tapung Plasma:

Group Manager of Sungai Tapung Plasma has a procedure associated with operational internal audit in the SOP No. SOP-ISCC/IMT/OIA. The SOP approved by VPA and VPM, entered into force on 1 September 2010

4.1.3

Ensuring consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. It is held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit on first semester 2016 has been documented. Non-compliance records of internal audit has been corrected and verified by management. There is no revision of SOP at the ASA 3 assessment. In each SOP, there is page of document control that record the revision if any.

Smallholder scheme of Sungai Tapung Plasma:

Group Manager of Sungai Tapung Plasma routinely conduct internal audit activities both agronomic and processing. It is held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit on first semester 2016 has been documented. Non-compliance records of internal audit has been corrected and verified by management.

4.1.4

The requirements of FFB Supplier which supplies to Libo Mill described in the Social and environmental policies Golden Agri Resources 2015, which explained the company committed that the operational line upstream and downstream palm oil is free from deforestation. Document verification of FFB received its known Libo Mill also received FFB from Sungai Tapung Plasma (2,768 smallholder).

Smallholder scheme of Sungai Tapung Plasma:

There is no palm oil mill in Sungai Tapung Plasma. The FFB's of Sungai Tapung Plasma processed in Libo Mill.

Status: COMPLY

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

4.2.1 Certificate holder has SOP of Manuring (SOP/SMART/MCAR/IX/TA-PPK) to maintain soil fertility. The SOP approved by SMD Ops on 12 June 2012. Certificate holder has conducted soil sampling units and leaf sampling units (SSU/LSU), manuring activities, POME applications, and ground cover maintenance in accordance to maintain soil fertility. Manuring activities emphasizes on principles of timely, targeted, precise dosage and proper application.

Smallholder scheme of Sungai Tapung Plasma:
The procedure of manuring for Sungai Tapung Plasma same as those used by PT Ivomas Tunggal.

4.2.2 Based on document verifications, the company had performed fertilization using chemical fertilizers, POME and FFB mulching application. The field visit that's SOP has been well implemented such as conducted FFB mulching with the doze 30 tonnes/ha/year and POME application with doze 750 m³/ha/year. All activities are well monitored and documented. During ASA-3 assessment it's known that chemical manuring of first semester 2016 already completed.

Smallholder scheme of Sungai Tapung Plasma:
Based on document verifications, Sungai Tapung Plasma used chemical fertilizer such as Urea and MOP. Manuring activity of first semester 2016 already completed.

4.2.3 The company has routinely monitored the changes on the nutrient status based on the regular soil (SSU) and leaf analysis (LSU). The sampling spot has been determined in each division routinely by SMART Research Institute (SMARTRI) and it is conducted by trained census officer. The result of LSU and SSU analysis has been received. Soil sample is conducted every 5 year for trees with age of 3, 8, 18 and 23, meanwhile LSU is conducted annually. The last SSU result was issued on January 2015, and the last LSU result was issued on March 2016.

Smallholder scheme of Sungai Tapung Plasma:
Group Manager of Sungai Tapung Plasma has routinely monitored the changes on the nutrient status based on the leaf analysis (LSU). Group Manager did not perform soil sample (SSU) for Sungai Tapung Plasma. The result of LSU analysis has been received from SMARTRI. Based on field visit of Cooperative Tunas Makmur and Berkat Lestari, is known that there is no symptom of nutrient deficiency.

4.2.4 There was POME application to enrich soil fertility in LIBE covered 147.27 ha area. Meanwhile EFB application in SRKE covered 1,591 hectares. In replanting area, the oil palm thrunks were chipped to facilitate decomposition.

Smallholder scheme of Sungai Tapung Plasma:
Group Manager of Sungai Tapung Plasma did not perform FFB mulching application and POME application.

Status: COMPLY

4.3 Practices minimize and control erosion and degradation of soils.

4.3.1 Certificate holder has semi-detail map in scale of 1:50,000 which describes the unit of soil map, land suitability, boundary factors and hectareage which was composed by Plantation Monitoring and Planning Division on February 2002. There was no distribution of marginal soil in operational area.

Smallholder scheme of Sungai Tapung Plasma:
Group Manager of Sungai Tapung Plasma has semi-detail map in scale of 1:40,000 which describes the unit of soil map, land suitability, boundary factors and hectareage which was composed by Plantation Monitoring and Planning Division. There

was no distribution of marginal soil in operational area.

4.3.2

Certificate holder has procedure of planting management in specific slope. One of strategy to manage area with specific slope is regarding to SOP on land clearing and planting (No. SMA/MCAR/05/05-07). Several applied management strategy are constructing terrace contour, individual terrace with silt pit and conservation plant planting. The land management action for particular slope especially the one that is indicated having more than 15% slope are by maintaining terrace construction and frond stacking surrounding plant circle, weeding surrounding plant circle and interrow and by letting wild plant growing to prevent erosion such as *Nephrolepis bisserata* and measuring the erosion. Based on field observation in replanting with slope area, certificate holder has made terrace contour and has planted legume cover crop.

Smallholder scheme of Sungai Tapung Plasma:

The procedure of management in slope area same as those used by PT Ivomas Tunggal. But during the assessment, the oil palm in Sungai Tapung Plasma was first cycle. In first cycle, Group Manager did not implemented individual or contour terrace. Terracing will be implemented at replanting. Based on field observation in slope area, frond stacking was implemented pararell to contour, and letting *Nephrolepis bisserata* to prevent run off.

4.3.3

In general, from document known that the road maintenance in LIBE and SRKE has been conducting well. Current road maintenance activity are grading and hardening road by gravel and road grader. Based on field observations, main roads and collection roads are in good conditions. The drainage system is well organized to ensure passable in all weather conditions.

Smallholder scheme of Sungai Tapung Plasma:

The road maintenance in Sungai Tapung Plasma has been conducting well. Current road maintenance activity is road grading by road grader. Based on field visit, the roads are in good conditions.

4.3.4, 4.3.5, 4.3.6

The company has the document of environment evaluation study (SEL) which was approved by EIA Commission of Agriculture Department in 1993. According to the document of environment evaluation study, there was no cultivated peatland in LIBE and SRKE. Furthermore, according to the semi-detail soil 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. Based on the map there is no fragile soil or other problematic soil in LIBE and SRKE.

Smallholder scheme of Sungai Tapung Plasma:

Based on semi detil map and field observation, there is no peat, fragile soil or other problematic soil in Sungai Tapung Plasma.

Status: COMPLY

4.4

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

4.4.1

Certificate Holder has a water management plan that take account of the efficiency of use and renewability of sources. . That's management plant has described in EIA report Semester 1 2016. The Plan had drescribed the objectives such as water sources including catchment pond, rainfall records, water requirement, current, water quality and contingency plan.

Those water management plan explains that in general, surface water (river) within plantation area are not consumed by comunity, unless in prolonged drought cases like in year 2016.

Scheme smallholder of Sungai Tapung Plasma, has had EIA management plan under scope of PT. Ramajaya Pramukti. Implementation for smallholders is refer to estate with consideration of Group Manager.

4.4.2

As part of protection of surface water and wet lands, CH has identified rivers and wetlands inside plantation area. analysis of HCV containing distribution maps of the river in the area of PT. Ivomas Tunggal. Based on the identification documents of High Conservation Value (HCV) note that there are several rivers that flow in the area of Sam sam Estate namely Angek Tapuak River and Kandis River and in kandista Estate are Bekalar river.

All identified buffer zone has been designated as HCV and protected areas. Field observations Tantaro River showed evidence of surface water flow protection measures and including riparian wetlands, namely:

- Determination of river buffer zone with a distance of 50 meters left-right of small river Demarcation of the border is done with the installation of boundary markers river border.
- Periodic water quality testing every three months with the parameters of environmental quality standards as stipulated in Government Regulation No. 82 in 2001.
- No chemicals application (fertilizers and herbicides) in the buffer zone area,
- Signboard of river bufferzone protection.
- Prohibiting the use of chemicals in the river buffer zone.
- Planting riverbank with tree species to prevent landslide and erosion.

Scheme smallholder of Sungai Tapung Plasma

Based on the identification documents of High Conservation Value (HCV) note that there are several rivers that flow in the area of Sungai Tapung Plasma, namely Pelambaian River , Sapaat River and Bungsu River.

All identified buffer zone has been designated as HCV and protected areas. Field observations Sapaat River Blok D09/D010, KT Maju jaya showed evidence of surface water flow protection measures and including riparian wetlands, namely:

- Determination of river buffer zone with a distance of 50 meters left-right of small river Demarcation of the border is done with the installation of boundary markers river border.
- No chemicals application (fertilizers and herbicides) in the buffer zone area,
- Signboard of river bufferzone protection.
- Prohibiting the use of chemicals in the river buffer zone.
- Planting riverbank with tree species to prevent landslide and erosion.

4.4.3

Monitoring of effluent debit and BOD conducted routinely in monthly basis, and reported to Environmental Agency (Province and District) and to Indonesia Environmental Ministry. Effluent test conducted in collaboration with SMART Research Institute (accredited by KAN No. LP-335-IDN). According to the result of effluent test parameter of BOD for example period of April (3,106 mg/l), May (2,405 mg/l) and June 2016 (3,105 mg/l) , there was no effluent parameters exceeding the quality threshold.

Based on field observation known that effluent has been applied in accordance with the permit, SOP and applicable regulation.

This indicator is not applicable for smallholders scheme.

4.4.4

Results of Interviews and field visits it was obtained information that the water used for mill processing activities comes from Tantaro River The use of water has been monitored on a daily basis by using flow meter gauges. SOP for water use monitoring available in work instruction for water treatment plant. Records of daily water use were then collected and compared with the per tonne of FFB processed to check efficiency of water use in mill. The average ratio of water consumption for the last 3 months (April – June 2016) was 1.15 m³/ton of FFB and was below the water consumption budget (1.50 m³/ton of FFB). Field observation showed that all instrument for measuring water usage in good condition and functioning.

This indicator is not applicable for smallholders scheme.

	Status: COMPLY	
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4.5

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

4.5.1

The SOP of pest and disease describe that the pest control is carried out in an integrated pest management. Chemical control is only performed if it has exceeded the economic threshold. The IPM is stated in mature upkeep budget 2016. Some programs are routine detection and census, chemical and manual control, planting and upkeep beneficial plant, barn owl box monitoring, and IPM training. Based on the recapitulation of rat dan leaf eater caterpillar census on first semester 2016, it is known that there is no leaf eater caterpillar infestation, and there is rat infestation below the economic threshold. Field observations indicate neither symptom of leaf eater caterpillar infestation in the canopy, nor rat infestation on FFB platform.

Certificate holder has a good commitment to improve the use of pest natural predator as part of integrated pest control. One of natural predator development is the reproduction and the construction of barn owl boxes to control rat infestation. Certificate holder monitoring barn owl box occupation at least once a month. The monitored parameter are the existing of barn owl in the boxes, left food, and sign of reproduction such as egg or owl. Infection of *Oryctes rhinoceros* on immature area controlled by pheromone trap dan monitored everyday.

Smallholder scheme of Sungai Tapung Plasma:

Sungai Tapung Plasma has implemented integrated pest management, such as conducting detection/census, installing barn owl boxes, and planting beneficial plants. The records of IPM implementation has been documented. Based on the recapitulation of rat dan leaf eater caterpillar census on first semester 2016, it is known that there is no leaf eater caterpillar infestation, and there is rat infestation below the economic threshold. Field observations indicate neither symptom of leaf eater caterpillar infestation in the canopy, nor rat infestation on FFB platform.

4.5.2

There is a record of integrated pest management training of Siak Region on 4 April 2016 that is held by SMARTRI. The event was attended by LIBE and SRKE employees consisting of census operators, supervisors, and field assistants. The training materials covered detection and census, biological control, mechanical control, chemical control, as well as beneficial plant.

Smallholder scheme of Sungai Tapung Plasma:

Integrated pest management training of Sungai Tapung Plasma conducted on 18 April 2016. Attended by census operators, supervisors, and field assistants. The training materials covered detection and census, biological control, mechanical control, chemical control, as well as beneficial plant.

Status: COMPLY

4.6

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

4.6.1

Certificate holder has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, certificate holder conducted identification the type of weed found in operational area. Based on documents verifications and observation to chemical storage has shown evidence that the used pesticides have received permission from the government. Those pesticides are appropriate to the target or type of weed.

Smallholder scheme of Sungai Tapung Plasma:

Based on documents verifications and observation to chemical storage has shown evidence that the used pesticides of Sungai Tapung Plasma have received permission from the government. Those pesticides are appropriate to the target or type of weed.

4.6.2

Certificate holder has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The

document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, FFB production and pesticide unit/kg. This document is constantly recorded and updated by Estate Sustainability Officer each month. During the assessment, there is no pesticide application due to second round program already finished.

Smallholder scheme of Sungai Tapung Plasma:

Sungai Tapung Plasma has no document of pesticide toxicity. The documentation only usage and trend chart data.

4.6.3

Certificate holder has implemented integrated pest management in order to reduce pesticide usage. Based on document review and field observation, several IPM program with biological approach has been implemented such as rat control by *Tyto alba*, *Oryctes* control by pheromone traps, and leaf eater caterpillar control by planting beneficial plant. Certificate holder has trend chart pesticide use from 2011 to 2015. The use of pesticides declining through that period.

Smallholder scheme of Sungai Tapung Plasma:

Group Manager of Sungai Tapung Plasma has implemented integrated pest management such as rat control by *Tyto alba*, and leaf eater caterpillar control by planting beneficial plant.

4.6.4

On the August 2015, President Director of Smart Tbk issued a memorandum not to use paraquat in 2016. Regarding to pesticides that are categorized as WHO Class 1A or 1B, there is Social and Environment Policy that stated minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances. Based on document review, there is no paraquat or WHO Class 1A or 1B application.

Smallholder scheme of Sungai Tapung Plasma:

Based on interview, Group Manager of Sungai Tapung Plasma also committed not to use paraquat, and minimize pesticides categorized as WHO Class 1A or 1B as a part of plan.

4.6.5, 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with spraying employees, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The spraying team also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as mask, gloves, safety shoes, apron and goggles. In addition, employees are also informed about the steps of secure work in every morning muster.

Smallholder scheme of Sungai Tapung Plasma:

Based on interview with Cooperative Tunas Makmur and Berkat Lestari, it is known that the spraying team has using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as mask, gloves, safety shoes, apron and goggles. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse.

4.6.6

Handling of chemical ex-container explained in waste management SOP No. SOP/SMART/LEMS-EHSD/SADV/II/002, in section of 2.2.4 in term of preparation of waste management program mentioned that agrochemical ex-container collected, washed, recorded on the formulir of agrochemicals containers Log book (all records should be maintained on the provided place).

The company can show record of agrochemical ex-container handling, such as:

- Minutes of triple rinse on 29 June 2016 (SRKE) and 28 June 2016 (LIBE),
- Agrochemicals containers log book period of quarter 3 year of 2016 for SRKE and LIBE
- Minutes of delivery to PT Rolimex Kimia Nusamas on 11 Dec 2015 and 28 June 2016.

During the observation to employee housing there is no agrochemical ex-container utilization for flower pot, garbage bin, etc. All ex-container has been handled in accordance with applicable regulation and SOP ((collected, triple rinsed, returned).

While, scheme smallholders of Sungai Tapung Plasma:

Agrochemical ex-container management conducted in cooperation with PT Rolimex Kimia Nusamas, sighted document of agreement No. 014/RJP-RKN/V/2016.

Village cooperative unit of Berkat Lestari and Tunas Makmur able to show agrochemical ex-container storage sheet period of 2016, the latest recording is on 30 July 2016.

Sighted minutes of delivery ex-container of STPA (PT RJP) to PT Rolimex on 30 July 2016 as much as 32 pcs jerry can and 287 pcs ex-bottles.

Based on field observation and interviews with farmers for example FG of Sumber Tani (smallholder plot of 83 and 86), Karya Murni (smallholder plot of 102) and FG of Tentram (smallholder plot of 23) known that hazardous waste handling has been conducted in accordance with applicable regulation.

4.6.8

Based on a review of documents and interviews with management staff, certificate holder did not perform the application of pesticides from the air.

Smallholder scheme of Sungai Tapung Plasma:

Based on a review of documents and interviews with Group Manager of Sungai Tapung Plasma, Cooperative Tunas Makmur and Berkat Lestari, is known that they did not perform the application of pesticides from the air.

4.6.10

The company has waste management SOP No. SOP/SMART/LEMS-EHSD/SADV/II/002. Training and socialization of hazardous waste has been conducted by SPO officer to related employees (chemical store man, chemicals applicator).

Smallholder scheme of Sungai Tapung Plasma:

Based on field observation and interviews with farmers for example FG of Sumber Tani (smallholder plot of 83 and 86), Karya Murni (smallholder plot of 102) and FG of Tentram (smallholder plot of 23) known that the farmers has been had a good understanding on hazardous waste handling.

4.6.11

Companies have a regularly medical check up for pesticide operator. SRKE and LIBE has a list of the latest pesticide operator as many as 7 workers for LIBE and SRKE. All workers spray has examined health through inspection types of cholinesterase, to ascertain the condition of workers in good health. This semester, the regularly medical check up was conducted in May 2016 for all units. This results stating that all workers spray are in a healthy condition. During the audit, spraying activities were not available at Libo Estate and Sei Rokan Estate. So, auditor has no interview the spraying workers. However, based on latest medical examination record (May 2016) which provided by the doctor, all spraying workers are in healthy condition

Smallholder scheme of Sungai Tapung Plasma:

Village cooperative unit of Berkat Lestari and Tunas Makmur has a list of the latest pesticide operator as many as 10 workers for Tunas Makmur and 6 worker for Berkat Lestari. All pesticide operators are male. Village unit cooperatives has checked cholinesterase to all pesticide operators on the last two semesters and as a result all the operators are in a healthy condition.

4.6.12

Certificate holder has a policy that prohibits pregnant and lactating personnel working with chemical material. Based on document review, it is known that there was no female personnel who work with pesticide.

Smallholder scheme of Sungai Tapung Plasma:

Based on document review, it is known that there was no female personnel who work with pesticide in Cooperative Tunas Makmur and Berkat Lestari.

Status: COMPLY

4.7

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

4.7.1

The company has a policy of occupational safety and health were written in Bahasa. The policy has been legalized and updated on 1 November 2013 by President Director of PT SMART. This policy is designed to control hazards in every activity to prevent accidents and occupational diseases. This policy socialized at muster morning prior to work. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

Smallholder scheme of Sungai Tapung Plasma:

Cooperative Unit has a policy of occupational health safety set by the village cooperative unit management. This policy has been disseminated on July 1, 2010 and documented. Unit shows an example of policy's socialization record to employees and contractors. For example socialization safety health in Tunas Makmur village cooperatives on March 9, 2016, it is also communicated to the contractor by the village cooperative units Berkat Lestari on February 6, 2016. Based on field observations and interview with a farmer who has plots no. 83 Berkat Lestari that every three months there are regular meetings. Meeting held by between the farmers and village unit cooperatives to discuss related occupational safety and health.

4.7.2

The company has had document of risk assessment for all operational activities mill and estate. This document composed to conduct identification and analysis risk assessment where informs of potential hazards that probably might be occurred and recommendation to reduce it. Early identification activities carried out annually, the result will be reviewed and reported in corrective action records. These records provide the information of upcoming risk management plans. Socialization HIRAC was held on May, 10 2016 to division 8 SRKE and Februari, 22 2016 to pondok 1 and 2 LIBE.

Based on site observation at workshop and agrochemical warehouse SRKE and chemistry warehouse workers in LIBE can be explained that the workers had been aware of potential hazards in the work place. Following up on this, the company has been reduce the potential risk by providing personal protective equipment and OHS signboard are available in workplace.

Smallholder scheme of Sungai Tapung Plasma:

Cooperative unit of Berkat Lestari has shown analysis of the risks for all aspects of work in the field. This document composed to conduct identification and analysis risk assessment where informs of potential hazards that probably might be occurred and recommendation to reduce it. Early identification activities carried out annually, the result will be reviewed and reported in corrective action records. These records provide the information of upcoming risk management plans. Socialization HIRAC was held on February, 10 2016 to the employees at Cooperative Unit of Tunas Makmur.

Based on site observation at plots no.86 Berkat Lestari can be explained that the workers had been aware of potential hazards in the work place.

4.7.3.

The company through a management unit to make efforts to include all workers to obtain safe working practices. Safe work practices have been included in the program in 2016 as a training competence first aid, competency heavy equipment operator's license, pesticide limited, hazardous material and hazardous waste control and others. The company has been providing adequate protection equipment suitable workplace. It has also seen the company's efforts in monitoring the condition of PPE form (F / SMART / HESS-EHSD / SADV / 010/004). It is implemented in monitoring the condition of each month and conducted by assistant in each section. If the PPE is damaged, then the company will replace using the form handover PPE broken form (F / SMART / HESS-EHSD / SADV / 010/002). It is implemented in the handover documents PPE two sickel safety cover for harvester at June 2, 2016. The procedures in the use of appropriate PPE, had pursued the

company in the form of indiscipline use of PPE inspection (F / SMART / HESS-EHSD / SADV / 010/005). For example monitoring dated June 27, 2016, a factory worker in every process has been wearing appropriate PPE. Not found workers not using when working.

Based on the field in the SRKE division VIII block H-28, workers have been using PPE (helmet, goggles, boots) and complete sickel with safety cover. In addition to field observations mill (LIBM), workers in the process station has been using PPE provided by the company.

Smallholder scheme of Sungai Tapung Plasma:

Based on field observation and interviews with farmers for example FG of Sumber Tani (smallholder plot of 83 and 86) who are do harvesting using PPE complete. Also based on interviews with farmers explained that he was getting counseling how to harvest and fertilizer by the company during the muster morning.

4.7.4.

Company efforts in identifying the personal responsible for monitoring the implementation of health safety in the workplace. The company through a management unit formed a Guiding Committee of Occupational Health Safety and emergency response teams. Guiding Committee of Occupational Health Safety regular meetings held every month to discuss issues related to safety, health and welfare of workers in the workplace. Implementation Meeting documented instance meeting activities in the LIBE dated June 6, 2016 that discussed the training progress and safety health simulation. In addition the unit also showed documentation Guiding Committee of Occupational Health Safety meeting at the factory (SSMM) on July 10, 2016 that evaluates preparation of emergency response tool.

Field observations and interviews with the staf, regular monthly meetings Guiding Committee of Occupational Health Safety always discuss the issues related to occupational health safety.

Smallholder scheme of Sungai Tapung Plasma:

Management unit as a partner for the farmer groups has identifying the personal who responsible the implementation do health safety in workplace. Plasma management unit formed a Guiding Committee of Occupational Health Safety and emergency response teams. Guiding Committee of Occupational Health Safety regular meetings to discuss issues related to safety, health and welfare of workers in the workplace. Field observations and interviews with the farmers for example FG of Sumber Tani (smallholder plot of 83 and 86) known that always discuss the issues related to occupational health safety.

4.7.5

The management unit provides procedures for accidents and emergencies in the SOP handling accidents and occupational diseases (SOP / SMART / HESS-EHSD-10) and SOP Preparedness and Emergency Response (SOP / SMART / GENERAL / SADV / I / 005). The procedures cover the main potential causes of emergencies such as fires, chemical spills. The procedures in case accident understood by workers as was presented in Bahasa.

Based on the field in the SRKE division VIII block H-28, harvesting, first aid officer are in the field with carry bag of first aid equipment complete. Auditor took a sample by checking first aid box in the workshop of LIBE which is in the conditions of have been monitored completeness the content and stock can be used.

Accident investigation was conducted in order to prevent accidents happening again. Monitoring completeness of the content has been checked regularly by SPO Officer. The unit keeps a record of work accidents through a recapitulation every month and the calculation of lost time accident in a year.

Smallholder scheme of Sungai Tapung Plasma:

Based on field visits and interviews with farmers' groups Sumber Tani plot number 83 in mind that the workers understand the procedures in case of accidents and emergencies. It is delivered by the foreman during morning muster. Workers who have been trained of first aid are stand by in place. Equipment for first aid has been provided in the field carried by the foreman. Note occupational accidents has been stored in the management unit village cooperatives and group manager. Based on interviews given that there are no accidents causing lost days.

4.7.6

Currently the workers already get the right medical care covered under accident insurance. All workers have registered accident insurance. The management unit show proof of payment and dues BPJS employment insurance. Payments are

made every month by percentage according to the rules.

Based on field visits and interviews with employees of the warehouse SRKE, that workers have earned the right to the protection of the health and accident insurance.

Smallholder scheme of Sungai Tapung Plasma:

Based on observation and interview with farmer group of Tunas Makmur has known that the worker of village cooperation unit workers has covered for accident insurance and medical care by the village.

4.7.7

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

Smallholder scheme of Sungai Tapung Plasma:

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

Status: COMPLY

4.8

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

4.8.1

The management unit has had training programme 2016 for staff and workers related all aspects of RSPO principles and criteria. The training programme for all employees based on identification of training needs analysis that prepared by SPO Officer. The annual training programme consist of simulation handling chemical spills, first aid, fires simulation, socialization of policies for the protection of reproductive rights, prevention of sexual harassment in the workplace, and social insurance for pension. Based on field observation in the central clinic of Libo Estate, obtained information that all of medical workers (paramedic and doctor) has been trained.

Smallholder scheme of Sungai Tapung Plasma:

Group management through village cooperatives have the proper training programs to workers. Formal training programs cover aspects of RSPO principles and criteria, among others: first aid, simulated emergency response, PPE use, handling work accident, MSDS, integrated pest management, handling of chemical spills, and so forth. Based on interviews with farmers in the Sumber Tani farmer group plot number 86 explained that the farmers have been trained.

4.8.2

Training record of each employee are well maintained in place. Based on interviews with warehouse officer at SRKE and LIBE, it was clearly informed that training related to waste management, safe working practices and MSDS has already conducted by the management unit. In the other side, during interview with stakeholders (local contractors) the relevant trainings also provided by the company, i.e RSPO P&C awareness, occupational health safety, HCV, and waste management handling.

Smallholder scheme of Sungai Tapung Plasma:

Based on interviews with farmers in the Sumber Tani and Tani Makmur farmer group plots number 83 that farmers who work as harvesters have been trained related harvest method.

Status: COMPLY

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**5.1**

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

5.1.1

EIA of PT. Ivomas Tunggal has been conducted according to the scope of plantation operation covering three (3) Mills and seven (7) Estates since 1993 namely "Studi Evaluasi Lingkungan". Scope of EIA plantations area covers 46,882 Ha and divided in two (2) locations: Location-1: 20,362 Ha (currently has separated from PT. Ivomas Tunggal management, this area is under PT. Salim Ivomas Pratama); Locations-2: 26,520 Ha (scope certifications).

Scope activities within EIA document comprises of Plantation Development (Land Clearance, Drainage, Land Preparation, Road Construction, Nursery, Setup of Blocking System, Stacking, Land Cover Crops Planting, Planting Hole construction). Mill development (Site Preparation, Installation of Processing Components), mill capacity is 30 MT/hour potentially upgraded to 50 MT/hour.

In 2015, EIA document for PT. Ivomas Tunggal have amendment namely "Adendum ANDAL dan RKL-RPL". This document made is due to changing of scope assessment that comprises of Replanting activities, relocation of POME application area, development of regional workshop, methane capture installation (biogas plant) and Clinic operational. Also, there were reductions of scope area from 46,882 Ha (previous size) to 25,053.29 Ha (Land Use Title/HGU size). This amendment of EIA document has been approved by Environmental Agency decree No: 15/660/BLH-S/KPTS/2015, dated 21 December 2015. Timetable for Methane Capture Installation (Bio Gas Plant) starting from LIBO Mill (has been operated since September 2015), UJUNG TANJUNG Mill and SAMSAM Mill (under feasibility study by head office).

Environmental document for scheme smallholder of Sungai Tapung Plasma is integrated within EIA report of PT. Ramajaya Pramukti made in 1993. During preparation of EIA document, surrounding communities and smallholders already involved in participatory ways. For instance, collecting data related to Socio, Cultural and Economic aspects.

5.1.2

Plans for environmental monitoring and management (RKL-RPL) having revise in twice (2006 and 2015) due to changes in current practices/operational. The new environmental management plan include the following:

- Type of Impacts
- Source of Impacts
- Benchmarks of Impacts
- Management Objective
- Environmental Management Plan
- Location of Management
- Timetable of management plan
- Identification of responsible persons

Monitoring protocol to ensure the implementation of this plan is by sending periodically report of environmental management (Laporan Pelaksanaan RKL-RPL) to the relevant agency. The responsible person for environmental aspect showing the last three documented reports of RKL-RPL (Semester-1 2015, Semester-2 2015 and Semester-1 2016). Evaluation and management review is completed available in the reports.

According to interview with sampled of smallholders onsite, the environmental risks and impacts is already understood by the farmers. At least, they can explained the environmental impacts from its activities (manuring, spraying).

5.1.3

During stakeholder consultation, there is information from villager's related new impact from replanting activity that is an infestation of rhinoceros beetle (*Oryctes*) that already reaches out to the communities palm crops area. Based on those case, the CH is less consider potential impacts that caused by replanting activities related significance information of pest infestation (*oryctes*) has been addressed in the environmental monitoring report. Auditor giving notes on this element as an **Observation** and will be verify in the next assessment. #OFI

Status: COMPLY

5.2

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

5.2.1

HCV Assessment of PT. Ivomas Tunggal was conducted by Environment Department of PT. SMART Tbk on 2009 (internal HCV assessor team). Assessor team consist of 6 persons, Lead Assessor has been approved by the RSPO (Norman Faried M), assessment conducted by using identification guidance of high conservation value in Indonesia issued by Indonesia HCV toolkit consortium, June 2008. The result of HCV identification on 2009 are HCV 1.1; HCV 4.1 (riparian of Tantara Rivier); HCV 4.3 (swamp area) and HCV 6.

The company has the list of endanger species based on Government Regulation No. 7 Year 1999, CITES and IUCN in term of preservation for flora and fauna on PT Ivomas Tunggal. For example, the wildlife found were *Cekakak belukar (Halcyon smyrnensis)*, *elang hitan (Ictinaetus malayaensis)*, *macan akar (Felis bengalensis)*, *rangkong (Rhinocerus hombill)* and *elang coklat (Butastur liventer)*, it's were not incorporated on the list of rare, threatened or endanger species (RTE). Meanwhile, there was no endangered flora. Sighted HCV distribution map of PT IMT (UTNE, PLPE, KNDE, SSME, NGL, SRKE and LIBE) scale of 1:100,000.

Smallholder scheme of Sungai Tapung Plasma:

HCV assessment of STPA-PT RJP held on 2011 by HCV identification team (HCV section ENVD PT SMART), assessment led by Dr. Kunkun Jaka Gurmaya (approved as HCV assessor by RSPO), assessment team member : Firmansyah, Dede M Nasir, Laurentius V Baskara and Yosaphat AR. Assessment conducted by using identification guidance of high conservation value in Indonesia issued by Indonesia HCV toolkit consortium, June 2008.

The following is result of assessment described on the report, total of HCV area for STPA is 8.5 ha:

- HCV of 1.2, has been identified protected species namely *Halcon smirmensys* and (leopard cat) *Felis bengalensis* (protected fauna based on national regulation PP No 7/1999 and *Felis bengalensis* is CITES App II category).
- HCV 6 an area of 8.5 ha, community cemetery

STPA has assigned HCV officer through estate manager decree no. 003/EM-STPA/11/2015 on 1 November 2015. STPA's HCV map shown in the scale of 1:75.000, document no. 1164/214/PMNP/XI/11, issued on November 2011.

5.2.2

The company has HCV management plan document period of 2016, the program consist of :

- Riparian area management (HCV boundaries marking and maintaining, marking of chemicals application borders, HCV socialization to surrounded community and workers, planting of erosion control plants and HCV area patrols)
- Management of RTE species
- HCV monitoring (monitoring of HCV attribute, monitoring of HCV in three monthly basis and monitoring of HCV rehabilitation)

Based on field observation on riparian area of Tantara River in LIBE known that the company has carried out the management and maintenance of HCV area in accordance with management plan, for example signboard installation, marking of spraying boundaries and planting of erosion control plant (bamboo and guatemala grass).

Smallholder scheme of Sungai Tapung Plasma:

HCV management plan document period of 2016, the program consist of :

- Monitoring of RTE species
- Monitoring of HCV attribute
- Monitoring of HCV area in three monthly basis and monitoring of HCV rehabilitation

Based on interview with FG of Sumber Tani (smallholder plot of 83 and 86), Karya Murni (smallholder plot of 102) and FG of Tenram (smallholder plot of 23) known that the socialization related to protected species has been done. For example socialization on 5 March 2016 for 17 participant and socialization on 2 5 March 2016 for 16 participants (Berkat Lestari).

5.2.3

Disciplinary action to the employee who catch, hurt and/or collecting RTE species has been explained on document of Internal Office Memo of MD Services & Project No. 1231/M-Int/MDSP-VIC/XI/11 dated 25 November 2011 in term of Zero Tolerance policy against Endangered Animal.

Training and socialization on RTE species and sanctions has been programmed and conducted routinely, for examples training on 23 March 2016 and 24 March 2016 as many as 53 attendants. Meanwhile, socialization on RTE species to the workers also conducted in time of muster morning including socialization of sanction. Based on interview with workers in LIBE and SRKE known that the workers has been understood related to sanctions if any interfere to RTE species.

5.2.4

Monitoring of RTE species has been conducted routinely, the monitoring result will be input in the next monitoring plan.

Smallholder scheme of Sungai Tapung Plasma:

Monitoring and patrol has been conducted routinely, foreman is the responsible officer to conduct monitoring and patrol, conducted 4 times a month.

5.2.5

Based on document verification and field observation, interview with workers, surrounded community and related institution known that there is no community land and traditional rights defined as HCV area.

Smallholder scheme of Sungai Tapung Plasma:

Based on document verification and field observation, interview with workers, surrounded community and related institution known that the identified HCV area on STPA is only cemetery covering 8.5 Ha.

Status: COMPLY

5.3

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

5.3.1

Waste and pollution sources identification shown on Environment Impact document, inform aspect code, environment aspect, type of waste and pollution and potency of impact. It has been conducted in all operational activities of plantation and mill, the type of waste and pollution that has been identified such as : solid (chemical' ex-container, contaminated material, contaminated spill kit, used filter, used battery, used neon), liquid waste (used oil, effluent), emission and ambient.

Smallholder scheme of Sungai Tapung Plasma:

Management plan of generated hazardous waste described in the form of pesticide ex-container management workflow, by stages: collecting, triple rinsing and reused/returned to supplier.

5.3.2

Scheduled hazardous waste storage of SSMM, SSME and KNDE has been licensed by Environmental Agency of Siak District namely :

- Decree of Environmental Agency of Siak District No. 07/BLH-S/KPTS/2014 for LIBM, issued date 9 Juli 2014, coordinate N 00°93'01" and E 101°20'67".
- Decree of Environmental Agency of Siak District No 18/BLH-S/KPTS/2011 for LIBE, issued date 20 Dec 2011, coordinate N 00°12'20,5" and E101°53'37,1".
- Decree of Environmental Agency of Siak District No 16/BLH-S/KPTS/2011 for SRKEE, issued date 20 Dec 2011, coordinate N 00°53'38.8" and E 101°13'12.4".

SOP of hazardous waste handling No SOP/SMART/LEMS-EHSD/SADV/002, 1 July 2014 owned by the company describes the waste (domestic and hazardous waste) management program, as follows:

- Agrochemical ex-container collected, washed, recorded on the formulir of agrochemicals containers Log book (F/SMART/LEMS-EHSD/SADV/002/001). All records should be maintained on the provided place.
- Liquid waste (effluent) applied to increase the nutrient in the soil

- Emission controlled by using air pollution controller and tested on accredited lab.
- Domestic waste managed by separated organic and an-organic, organic waste backfilled and an-organic collected to be transported to domestic waste landfill
- Hazardous waste (used oil, used filter, used battery, contaminated spill kit, used neon) recorded and stored in the scheduled hazardous waste storage, will be hand over to the licensed transporter.
- Infectious waste delivered to a hospital that has a licensed incinerator.

The entire hazardous waste sent to scheduled waste storage and will be taken by PT Primanru Jaya as a licensed transporter and collector (license No 234/ 2011, issued date 8 November 2011 by Environmental Ministry). Sighted agreement between both parties No SPK 01/PMJP-MOU/II/2016.

Smallholder scheme of Sungai Tapung Plasma:

Agrochemical ex-container management conducted in cooperation with PT Rolimex Kimia Nusamas, sighted document of agreement No. 014/RJP-RKN/V/2016.

Village cooperative unit of Berkat Lestari and Tunas Makmur able to show agrochemical ex-container storage sheet period of 2016, the latest recording is on 30 July 2016. Sighted minutes of delivery ex-container of STPA (PT RJP) to PT Rolimex on 30 July 2016 as much as 32 pcs jerry can and 287 pcs ex-bottles.

5.3.3

Waste management and disposal described, as follows:

- Hazardous waste sent to PT Primanru Jaya, the latest carriage conducted on 14 June and 15 June 2016:

	Contaminated spill kit (amount and manifest)	Used battery (amount and manifest)	Contaminated ex-container (amount and manifest)	Used oil (amount and manifest)	Used filter (amount and manifest)
LIBM	10 kg No: 0030035	6 pcs No: 0030033	5.6 kg No: 0030036	1600 L No: 0030032	20 kg No: 0030034
LIBE	3 Kg No: 0030041	5 pcs No: 0030039	2 kg No: 0030042	600 L No: 0030038	60 Kg No: 0030040
SRKE	20 Kg No: 0030073	10 pcs No: 0030074	-	500 L No: 0030071	50 Kg No: 0030072

- Infectious waste collect in central clinic of RRME and sent District Hospital of Bangkinang, sighted the receipt of waste transportation on 13 May 2016 as much as 30 kg and 30 March 2016 as much as 66 kg.
- Effluent applied to plantation area (in accordance with the license of land application), for example for period of June 2016 planned to be applied 44.92 M3 and actual realization 29.93 M3. .
- Fiber and shell used as renewable energy for boiler, empty fruit bunch (EFB) applied to plantation area
- Domestic waste managed by collect in employee housing and transported to the provided landfill once a week

There is no found waste handling using fire, the entire management conducted in a responsible action.

Smallholder scheme of Sungai Tapung Plasma:

Based on field observation and interviews with farmers for example FG of Sumber Tani (smallholder plot of 83 and 86), Karya Murni (smallholder plot of 102) and FG of Tentram (smallholder plot of 23) known that hazardous waste handling has been conducted in accordance with applicable regulation.

Based on field observation and interviews with farmers for example FG of Sumber Tani (smallholder plot of 83 and 86), Karya Murni (smallholder plot of 102) and FG of Tentram (smallholder plot of 23) known that the farmers has been had a good understanding on hazardous waste handling.

There is no found waste handling using fire, the entire management conducted in a responsible action.

Status: COMPLY

5.4

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

CH has defined the use of diesel fuel budget on document of power supply review comparison period of 2016. Monitoring of renewable energy consumption conducted routinely. There was a conversion report of shell and fiber over fossil fuel in LIBM for period of 2016 (Jan – Jun), as follows:

Description	Jan	Feb	Mar	Apr	May	Jun	Total/Average
Fossil usage	25,755	15,429	16,394	22,962	19,647	24,424	124,611
Shell usage	1278,99	1256,79	1169,91	1178.44	1201.95	1191.69	7277.77
Fiber usage	2780.41	2732.16	2543.28	2561.83	2612.94	2590.62	15,821.24
Fossil/Ton TBS	1.16	0.71	0.81	1.12	0.94	1.18	0.98
Shell/ton FFB	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Fiber/ton FFB	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Fossil/ton CPO	5.79	3.50	3.93	5.57	5.01	6.09	4.99
Shell/ton CPO	0.29	0.28	0.28	0.30	0.31	0.30	0.30
Fiber/ton CPO	1.60	1.61	1.64	1.56	1.50	1.55	1.60

Furthermore, the company has also presented the comparative data fossil fuel usage (diesel) with and/or without shell and fiber utilization (conversion by kWh/ltr) , for example for period of 2016 (Jan-Jun) consumption of diesel fuel a year without fiber and shell 1,686,411 liter and consumption of diesel fuel with fiber and shell utilization 80,181 liter.

The company has been reduced the consumption of fossil fuel by construction of biogas plant (methane capture), the commissioning of biogas plant conducted on Oct 2015.

Smallholder scheme of Sungai Tapung Plasma:

STPA not have a factory, all FFB sent to LIBM, the use of electricity for office activities is from National Electricity Company (PLN).

Status: COMPLY

5.5

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

5.5.1 and 5.5.2

The Company has had policies and procedures for land preparation without burning outlined in procedure of land clearing / preparation of new land which outlined the land clearing process without burning. According to the interview result with the related agency, company did not conduct land burning for replanting program. It is proven by the result of field visit in Block C12 Libo Estate Replanting area in 2014 its known if company did not conduct land burning when preparing land for replanting.

Smallholder scheme of Sungai Tapung Plasma:

The cooperative has had s had policies and procedures for land preparation without burning outlined in procedure of land clearing / preparation of new land which outlined the land clearing process without burning. The results of the document review, public consultation and field visits show that since ST-2 up to the ASA-3, the cooperative not do a new land clearing. The company has conducted socialized to prevent land fire such as on 09 April 2016 in Cooperative Tunas Makmur and Berkat Lestari.

Status: COMPLY

5.6

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

5.6.1

Identification of pollution and emission sources at Mill and Estates activities was evident. The source of pollution, type of pollution and its control was documented in list of environmental aspect and impact evaluation:

- Boiler stack emission including particulate and soot.
- diesel electric generator emission

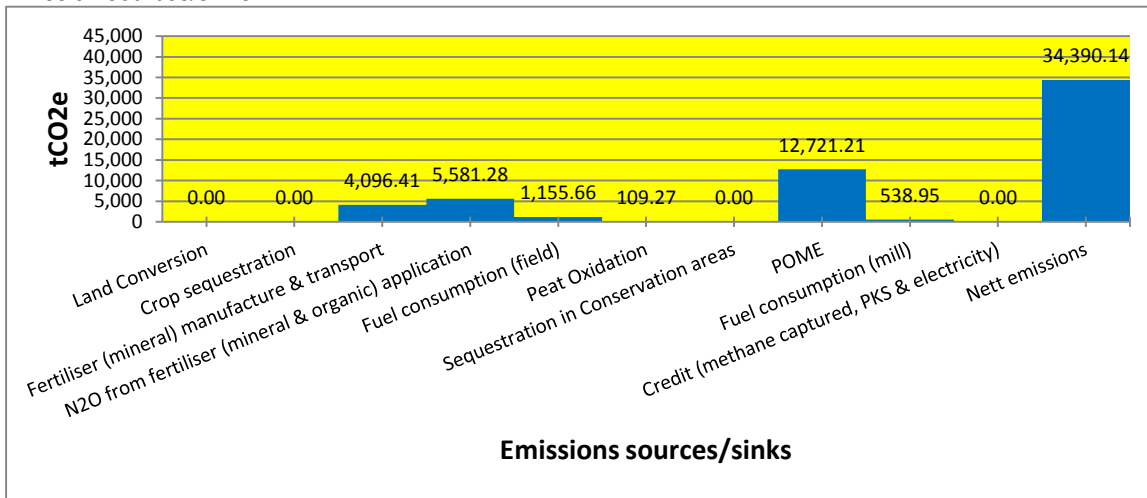
- POME methane emission
- Use of fertiliser
- vehicle and heave equipment emission

For Smallholder scheme, the Group Manager of Sungai Tapung Plasma has had the list of significant pollutants and identified sources of emissions that referred to company's document (PT. Ramajaya Pramukti).

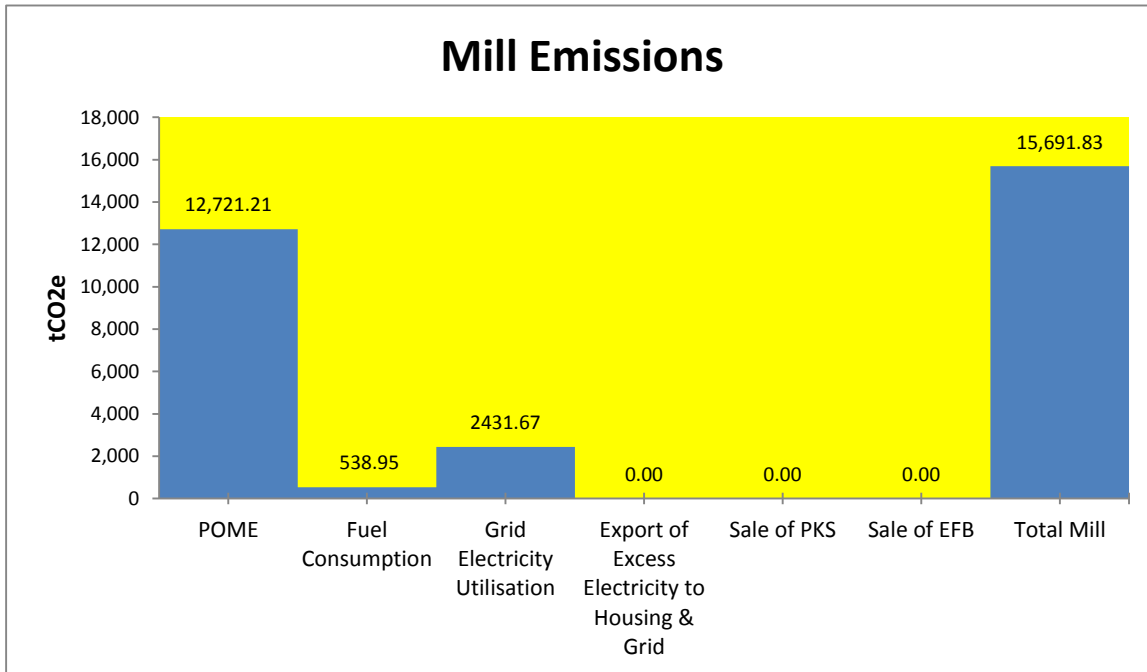
5.6.2; 5.6.3

Identification of greenhouse gas (GHG) emissions sources at Libo Mill and estates activities were evident. The information of GHG sources at Libo Mill and estate was reviewed including :

Emission sources/sinks:



Mill Emissions:



Palm GHG calculator version 2.1.1 was used to monitor the emission sources. The record of calculation from Palm GHG calculator was available. The amount of GHG emissions was documented and reported annually to RSPO Secretariat on 25 July 2016.

Plans to reduce or minimise the identified pollutants and GHG emissions in Libo Mill is development of Bio Gas Plant that

has been operated since September 2015.

Smallholder scheme of Sungai Tapung Plasma:
This criteria is not applicable for scheme smallholders.

Status: COMPLY

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

6.1

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

6.1.1; 6.1.2

The certificate holder has conducted a survey and Social Impact Assessment (SIA) in 2010 and recorded in Report SIA - "Laporan Studi Identifikasi Dampak Social Perkebunan Kelapa Sawit", by Sustainability Department. In 2012, SIA document has been revised. After the identification in 2012, then provides annual supervision and evaluation of social impact, and then be reviewed by management once in 2 years. During the Social Impact Assessment (2012), it appears that the assessment also includes stakeholders, community leaders figure, and related government agencies etc. through a public consultation which visible on participant attendance at SIA report. Communities that participate during identification of social impacts assessment in 2009 and 2012 cover 11 villages.

Smallholder scheme of Sungai Tapung Plasma:

Identification on social impacts has been carried out by company's partner for plasma smallholder's program. The document were a Social, Economic, Cultural and Public Perception survey in surrounding village around Plantation/ mill of PT Ramajaya Pramukti in 2010. The activity carried out by company's internal partners who have an adequate social competence to identify the impact and planning for plasma smallholders including the potential impact on the current replanting activities.

Positive and negative perceptions have been outlined in the report of PT Ramajaya Pramukti social impact management and published annually by the Department of Environment of PT SMART Tbk

6.1.3

The CH has documented record to outline the plan on mitigation, implementation and monitoring according to the SIA report namely CSR programme. Plans for avoidance or mitigation of negative impacts and promotion of the positive ones and monitoring of impacts has implemented through CSR realization programme in period January to June 2016. Person in charges to handle the social program is CSR department.

Type of CSR programme that has been implemented by management units are Inter-villages innings programme for goats farming (Pengguliran Ternak Kambing Peranakan Etawa ke Desa) with the target is 8 villages surrounding the plantation company. An actual realization of this programme upto July 2016 is covers 3 villages. In other hand, the CH also concern to empowering communities to monitor land fires issue through Community Based for Land Fire Monitoring and Preventive Programme (Masyarakat Peduli Api). This programme constructed aims to involve the participation of communities to monitor, controlling and immediate response if any case of fires occure surrounding plantation and villages territory.

Smallholder scheme of Sungai Tapung Plasma:

Group Managers has developed a mitigation plan (with clear timetable) to reduce social risks and review the plan every two years in consultation with the affected parties. Members of smallholder during interview at Tani Makmur and Berkat Lestari site is able to explain what are the major social risks arising from their actions on the farm.

Status: COMPLY

6.2

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

6.2.1. 6.2.2

The Company has procedures of communication and consultation with external parties was established namely "SOP Komunikasi dan Konsultasi No. SOP/SMART/UMUM/SADVI/004, dated 1 July 2014". Communication and consultation has considered differential access to information for male/ female, workers, villagers representative both old and new villagers including ethnics.

Based on document verification it is known that the procedure has for example socialization dated 12 May 2016 to Stakeholders of PT Ivomas Tunggal. During interview with Head Of Village Belutu, Belakar and Jambai Makmur, NGO Sakai Lestari and representatives of local contractors during public consultations on 26 July 2016, Stakeholders it is known that the company has performed the socialization about the mechanism of communication and consultations. Stakeholders have understood how to communicate and consult to the companies. Also, those parties are well known the person in charge to contact for communication. The Company has appointed the officers who are responsible for consulting and communicating with the public that is the manager of each unit.

The management unit also has the document of the form of the list of law and requirements update. It contains the list of 60 stakeholders (information of agency, name of PIC, address, telephone number, fax from the government agency, community figure, local NGO (Melayu Customary Body), spiritual figure, industrialist/local contractor).

6.2.3

The communication and consultation with the stakeholder is recorded on the book of communication and consultation. There was a book of communication and consultation for Libo Estate, Sei Rokan Estate and Libo Mill, Most of the incoming letters were the assistance request letter and all of them have been responded.

Smallholder scheme of Sungai Tapung Plasma:

6.2.1; 6.2.2; 6.2.3

The cooperative has had the procedure of communication and consultation that socialized by Group Manager of Sungai Tapung Plasma. The procedure is similar with the estate company and smallholder members have knowledge to understand its procedure.

Status: COMPLY

6.3

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

6.3.1

The Certificate Holder has set mechanism of complaint and grievances procedures as documented in the "SOP Penanganan Keluhan dan Ketidakpuasan" No. SOP/SMART/SIGS/SADV//003, dated 1st July 2014. The procedure is describing how to handling complaint and grievances. Receipt and handling of complaint from internal stakeholder (worker) was recorded appropriately within the established procedure. The Certificate Holder keeps confidential complainer and whistleblower. The auditor giving notes to the CH where a resolution is not found mutually, there is a process for complaints to be brought to the RSPO Complaints System. **OFI**.

Smallholder scheme of Sungai Tapung Plasma:

Group Manager has had the procedure and/or system of complaint and grievances that referred to estate company (PT. Ramajaya Pramukti).

6.3.2

The Certificate Holder has recorded complaints, grievances and disputes in log book "Buku Monitoring Penanganan Keluh Kesah". Also there suggestion boxes placed in each unit. Based on the review of log book and suggestion box, there is no record of complaints identified in Ujung Tanjung Estate and Mill.

Based on stakeholder interview with Villagers of Jambai Makmur, Belutu, Samsam and Bekalar, there are neither significant complaints nor grievances.

Smallholder scheme of Sungai Tapung Plasma:

Record form of complaint, grievance and disputes is available in cooperative office. During interview and communication with smallholders and head of cooperative Tunas Makmur and Berkat Lestari, it was clearly informed there is no complaint, grievances and disputes from any related parties.

Status: COMPLY

6.4

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

6.4.1; 6.4.2

The procedure of “SOP Ganti Rugi Tanah/Lahan (SOP/NP/SMART/VII/D&L002, dated 1 Juli 2010)” described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determining calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties such as community leaders, and religious figures and youth leaders.

While, within the FPIC Procedure No. SOP/SMART/SENS-CSR/SADV/II/003, part 2.4 describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.

6.4.3

All the documents of land compensation is kept by legal department and if there is any inquiry from affected parties or relevant parties, the document can be accessed through officer/management permission.

Smallholder scheme of Sungai Tapung Plasma:

This criteria is not applicable for scheme smallholders. All the smallholders land is granted from government since 1980's through the transmigration program.

Status: COMPLY

6.5

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

6.5.1

Minimum wage year 2016 for Riau has been determined by Riau Governor Decree No. 573 in 2016 for plantation sector. This wage includes the value of the rice supply for its own workers by 15 kg per month.

Based on interviews with the workers in the SRKE division VIII block H-28, as well as interviews with labor union of LIBE known that the company had paid the minimum wage in accordance with the regulations. Auditor verifies the overtime record for loading ramp operator at Libo Mill period July 2016 (namely Sutrisno). Based on overtime record at LIBM, daily overtime average is below 3 hours. The calculation of overtime has been met the applicable regulation, procedure and work agreement (PKB).

Smallholder scheme of Sungai Tapung Plasma:

Field observations and interviews with workers that they receive a salary in accordance with the minimum wage. The village unit cooperative had paid the minimum wage in accordance with the regulations.

6.5.2

Companies use the collective labor agreement (CLA) from 2015 to 2017 between the company and unions are supported by the Manpower and Transmigration in Siak. Before starting work, the company provides letters of intent for all levels of workers. Letters of intent written in a language easily understood by workers, read, signed by both parties and workers have been given a copy of the employment agreement. Based on site visits and interviews with workers, the company need to consider that copies of working agreement has distributed to all employees. This element indicate as an **observation** and will be verified at the next audit. **#OFI**.

Smallholder scheme of Sungai Tapung Plasma:

For smallholder scale, workers for smallholder members is hired by land owner. Based on interviews with workers at village

unit cooperative of Tunas Makmur related to employment contracts, the workers already know the wages and details of the work they receive. It is available in a language that can be understood and agreed upon by both parties.

6.5.3

The certificate holder provides facilities for the welfare of workers, such as housing, clean water tested periodically, electricity is available 24 hours and subsidizing the cost of electricity from the company, places of worship, educational facilities, clinics, sports grounds. According to field observation in SRKE and LIBE housing complex, auditor sighted in well conditions and functioned. i.e. sanitary, building, front yard, toilet, bedroom, rooftop, etc.

Smallholder scheme of Sungai Tapung Plasma:

Auditor conducted a field visit to the Village Cooperative Unit of Tunas Makmur and Berkat Lestari. Based on field observations in the office of cooperative unit of Berkat Lestari grocery shop units, proximity to rural health facilities, religious facilities, sports facilities, education, markets, and other public facilities.

6.5.4

Workers get easy access to decent groceries, sufficient and affordable. The Company does not prohibit grocers daily needs from the outside to sell in an housing place. Based on site visits and interviews in the housing of workers, on thursday there is little market around housing which sells basic food needs and supporting a fairly complete. Furthermore, there is no difficulty to access food.

Smallholder scheme of Sungai Tapung Plasma:

Village cooperatives has shown efforts in providing access to workers to decent food, adequate and reasonably priced. It is based on interviews with workers cooperatives and farmers in farmer group.

Status: COMPLY

6.6

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

6.6.1

The company has provide the rights of all worker to form and join trade unions of their choice and to bargain collectively trough internal memorandum No. 045/CEO5-SE/ 1/2010 dated 16th November 2010, concerning freedom of association in the organization of workers. PT Ivomas Tunggal has main worker union and was established in 2011. During stakeholder consultation with manpower and transmigration agency of Siak Regency, this organization has been registered and approved officially. Based on interviews with the Head of labor unions of PT Ivomas Tunggal noted that the company has facilitated the establishment of labor unions and personnel to understand the functioning of the union.

Smallholder scheme of Sungai Tapung Plasma:

Cooperative Unit has shown a statement on the recognition freedom of association. This recognition is presented in internal memorandum with bahasa. . Based on field observations and interviews with farmer plots number 83 & 86 Sumber Tani farmer group can be seen that they already know and understand about the policy. There are no restrictions on association and assembly.

6.6.2

The meeting between the company and labour union is conducted periodically or where there is a significance issue raised. The latest minutes of meeting was held on 10th December 2015, related on implementation of pension insurance. All the records of meeting are well documented and available in place.

Smallholder scheme of Sungai Tapung Plasma:

The documentation of the workers opinion presented at the regular meeting every three months between the farmers and the cooperative management unit.

Status: COMPLY

6.7

Children are not employed or exploited.

6.7.1

The results of documents employee list shows that no worker under the provisions of the minimum age set by the company. Based on field observations in SRKE, LIBE, and LIBM no employees who are under 18 years old. Also based on interviews of employees also understand that the minimum age for employees to be hired at least 18 years old.

Smallholder scheme of Sungai Tapung Plasma:

Cooperative units has the policy concerning minimum age restriction policy. Based on observation and interview with workers already. Interviews with workers and farmers expressed that they care about, understand and have implemented this policy.

Status: COMPLY

6.8

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

6.8.1

The Company has a policy regarding anti-discrimination. Based on interviews with employees, it is known that workers are very diverse origin, ethnicity, background, education, gender, and religion. Interviews with union and village revealed that the company open up employment opportunities for the community. This can be considered as a positive value on the company's presence in local communities. No complaints related to discrimination of employees and the local community. The Company provides equal employment opportunities to the community.

6.8.2

Document review and interviews with management representative, it was explained that recruitment of the employees is based on identifying the needs of manpower. It is no discrimination involving gender, religious, ethnic origin and background all meet the criteria required by the company. All prospective employees have the right to employment in accordance with the requirements specified. Moreover, interviews with workers (harvester, manual weeding, warehouse officer, paramedic, etc.), also revealed that there is no indicating of discrimination issue.

6.8.3

The company indicated employee performance appraisal form contract in which the aspects that include discipline, quality work, cooperation, quantity work, work attitude and activity. Workers have the same opportunity in improving career. Promotion of employees based on skills, abilities, health and quality required by the job position.

Smallholder scheme of Sungai Tapung Plasma:

Village cooperative units has the policy concerning the treatment and the same recognition in the work. Based on field observations and interviews with farmer plots number 83 & 86 Sumber Tani farmer group can be seen that they have understood and understand the policy. No cases related to discrimination in the workplace.

Status: COMPLY

6.9

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

6.9.1; 6.9.2; 6.9.3

The company has the policy related to prevention of sexual harassment and protection of reproductive health of female workers in the company. Unit management have established a gender committee as an organization to manage complaints from women workers assigned of sexual harassment and violations of reproductive rights. According to interviews with the Gender Committee informed that no cases of sexual abuse reported in last 12 months. Socialization of this policy conducted annually, including complaint mechanism of female workers.

Results of interviews with female workers at SRKE and LIBE show that the workers had been aware the program of gender committee. Interviews with management units and members gender committee also stated that the company guarantees the anonymity of reporting and the revealer of the case.

Smallholder scheme of Sungai Tapung Plasma:

Cooperative units has the policy relate the prevention of sexual harassment, all forms of violence and to protect women's reproductive rights. Based on field observations and interviews with farmer plots number 83 & 86 Sumber Tani farmer group can be seen that they have understood and understand the policy and no cases related to sexual harassment and violations of women's reproductive rights in the workplace.

Status: **COMPLY**

6.10

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

6.10.1 and 6.10.2

Libo Mill receives FFB from own estate and Scheme Smallholders under the supervision of PT Ramajaya Pramukti (under holding company of Ivomas Tunggal). Prices were set for FFB of Scheme Smallholders and Independent Smallholders is the price from government. Based on interview with smallholders at KUD Berkat Lestari and KUD Tunas Makmur, FFB prices is displayed in notification board periodically and updated following government FFB prices (weekly period). All the farmers informed by short messages regarding an updating FFB prices from Cooperative. There are no complaints against FFB price from smallholders, because representative of smallholders are frequently involved during determining of FFB prices by the government.

6.10.3 and 6.10.4

According to interviews with the cooperative administrator shows that the company has paid FFB every month (as agreed) and have never experienced delays. auditor verifies the FFB payment to smallholders "Daftar Perincian Pembayaran Hasil TBS Petani Plasma" Period 21 June – 20 July 2016. Sample of payment is KUD Tunas Makmur (KT Kembang Matahari, KT Sido Mukti A, KT Sawit Mas) is clearly appropriate with the government FFB price. The company can show the evidence of FFB payments to Smallholders and all the sample payment has already paid in timely manner.

Status: **COMPLY**

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The CH has identified the local development needs and priorities based in consultation with local communities. Contributions made to local development are Inter-villages innings programme for goats farming (Pengguliran Ternak Kambing Peranakan Etawa ke Desa) with the target is 8 assisted villages surrounding the plantation company and Community Based for Land Fire Monitoring and Preventive Programme (Masyarakat Peduli Api).

6.11.2

PT. Ivomas Tunggal consist of three mills and seven estates that have no smallholder scheme. Anyhow, the company also has attention and efforts to the local communities to improve the farming practices through giving a brief training for Agronomy practices that held on 27 February 2015 in Ujung Tanjung Training Centre. There are 54 participants attended the training and all participants is from surrounding villagers.

Smallholder scheme of Sungai Tapung Plasma:

Not Applicable

Status: **COMPLY**

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2 & 6.12.3

Document review and interviews with workers revealed that no migrant labor. There is no forced labor and illegal workers. The mechanism of human resources management system in the company shows that every worker has a work agreement and to work in accordance with the division of labor in the labor agreement. According to interviews with workers revealed that they are working with the place and the division of tasks in the work order.

Smallholder scheme of Sungai Tapung Plasma:

Based on field observations and interviews with workers and farmer in plots number 83 & 86 Sumber Tani farmer group (Cooperative Berkat Lestari), there is no forced and illegal workers. They are working of task in the work order.

Status: **COMPLY**

6.13

Growers and millers respect human rights

6.13.1

Policy to respect the human rights set out in the Social Policy and Community (Social and Community Engagement Policy) issued on 10th November 2011, namely point 6 Respect to Human Rights (HAM).

This has been communicated to internal and external stakeholders. socialization policy toward public / stakeholder delivered by SPO Officer dated May 16, 2016 in Ujung Tanjung Training Centre for all unit. Participants of Integration, contractors and the public.

Smallholder scheme of Sungai Tapung Plasma:

Village cooperative units has human rights policy. Based on field observations and interviews with workers and farmer plots number 86 Sumber Tani farmer group can be seen that they have understood and understand the policy and no cases related to human rights violations.

Status: COMPLY

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 replanting activities began for LIBE and NGLLE on 2012. Therefore, there was no new planting nor expansion after November 2005.

Smallholder scheme of Sungai Tapung Plasma:

Year of planting for smallholder scheme is 1996, there is no replanting activities was started and no expansion/new planting after November 2005.

Status: COMPLY

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 replanting activities began for LIBE and NGLLE on 2012. Therefore, there was no new planting nor expansion after November 2005.

Smallholder scheme of Sungai Tapung Plasma:

Year of planting for smallholder scheme is 1996, there is no replanting activities was started and no expansion/new planting after November 2005.

Status: COMPLY

7.3

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

The planting have been conducted since 1986 and replanting activities began for LIBE and NGLLE on 2012. Therefore, there was no new planting nor expansion after November 2005.

Smallholder scheme of Sungai Tapung Plasma:

Year of planting for smallholder scheme is 1996, there is no replanting activities was started and no expansion/new planting after November 2005.

Status: COMPLY

7.4

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

The planting have been conducted since 1986 and replanting activities began for LIBE and NGLLE on 2012. Therefore, there was no new planting nor expansion after November 2005.

Smallholder scheme of Sungai Tapung Plasma:

Year of planting for smallholder scheme is 1996, there is no replanting activities was started and no expansion/new planting after November 2005.

	Status: COMPLY	
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 replanting activities began for LIBE and NGLE on 2012. Therefore, there was no new planting nor expansion after November 2005.		
Smallholder scheme of Sungai Tapung Plasma: Year of planting for smallholder scheme is 1996, there is no replanting activities was started and no expansion/new planting after November 2005.		
	Status: COMPLY	
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 replanting activities began for LIBE and NGLE on 2012. Therefore, there was no new planting nor expansion after November 2005.		
Smallholder scheme of Sungai Tapung Plasma: Year of planting for smallholder scheme is 1996, there is no replanting activities was started and no expansion/new planting after November 2005.		
	Status: COMPLY	
7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
The planting have been conducted since 1986 and replanting activities began for LIBE and NGLE on 2012. Therefore, there was no new planting nor expansion after November 2005.		
Smallholder scheme of Sungai Tapung Plasma: Year of planting for smallholder scheme is 1996, there is no replanting activities was started and no expansion/new planting after November 2005.		
	Status: COMPLY	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
The planting have been conducted since 1986 and replanting activities began for LIBE and NGLE on 2012. Therefore, there was no new planting nor expansion after November 2005.		
Smallholder scheme of Sungai Tapung Plasma: Year of planting for smallholder scheme is 1996, there is no replanting activities was started and no expansion/new planting after November 2005.		
	Status: COMPLY	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
The action plan for continual improvement has been implemented by CH, based on a consideration of the main social and environmental impacts and opportunities of the estates/mill, include a range of Indicators covered by these Principles and Criteria.		
Reduction in use of pesticides(Criterion 4.6);		
<ul style="list-style-type: none"> • Company policy that no longer use of Paraquat started January 2016 has well implemented. 		

Environmental impacts (Criteria 4.3, 5.1 and 5.2);

- In 2015, EIA document for PT. Ivomas Tunggal have amendment namely “Adendum ANDAL dan RKL-RPL”. This document made is due to changing of scope assessment that comprises of Replanting activities, relocation of POME application area, development of regional workshop, methane capture installation (biogas plant) and Clinic operational. Also, there were reductions of scope area from 46,882 Ha (previous size) to 25,053.29 Ha (Land Use Title/HGU size). This amendment of EIA document has been approved by Environmental Agency decree No: 15/660/BLH-S/KPTS/2015, dated 21 December 2015. Timetable for Methane Capture Installation (Bio Gas Plant) starting from LIBO Mill (has been operated since September 2015), UJUNG TANJUNG Mill and SAMSAM Mill (under feasibility study by head office).

Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);

- Timetable for Methane Capture Installation (Bio Gas Plant) starting from LIBO Mill (has been operated since September 2015).
- Periodically report to RSPO ERWG for PalmGHG Calculation.

Social impacts (Criterion 6.1);

- CSR programme that has been implemented by management units are Inter-villages innings programme for goats farming (Pengguliran Ternak Kambing Peranakan Etawa ke Desa) with the target is 8 villages surrounding the plantation company. An actual realization of this programme upto July 2016 is covers 3 villages.
- In other hand, the CH also concern to empowering communities to monitor land fires issue through Community Based for Land Fire Monitoring and Preventive Programme (Masyarakat Peduli Api). This programme constructed aims to involve the participation of communities to monitor, controlling and immediate response if any case of fires occure surrounding plantation and villages territory.

Smallholder scheme of Sungai Tapung Plasma:

All members of Sungai Tapung Plasma has saving account for Replanting Program and collected in monthly bases.

Status: COMPLY

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	Definition
	<p>D.1.1</p> <p>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&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.</p> <p>SSMM has determined that only certified sources that can supply FFB to be processed, consist of own estate (KNDE, SSME and PLPE) and other certified sources (estate) under group (NGLE and UTNE), according to the SCCS requirement, module E-MB will be applied.</p> <p>SSMM able to describe and demonstrate the FFB reception from the own land (KNDE, SSME and PLPE) and other sources that which are certified, during the field observation and interview with WB operator, described on encoding of FFB supplier :</p> <ul style="list-style-type: none"> • Nenggala Estate (Code:1922). • Ujung Tanjung Estate (Code:1926). • Sam-Sam Estate (Code:1924). • Kandista Estate (Code:1921). • Palapa Estate (Code:1923). <p>Status: COMPLY AS REQUIRED</p>
D.2	Explanation
	<p>D.2.1</p> <p>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&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.</p> <p>In the certificate attachment of ASA-2, SSMM has recorded the projection of certified product that can be produced during the period of certificate, namely :</p> <ul style="list-style-type: none"> - FFB : 178,455 ton - CPO : 39,849 ton - PK : 10,707 ton <p>On ASA-3, auditor has verified the certified product that has been generated by SSMM during the period 30 Oct 2015 – 27 July 2016, which is:</p> <ul style="list-style-type: none"> - FFB : 167,576.82 ton - CPO : 35,665.41 ton - PK : 10,505.63 ton <p>There were no over-production by SSMM.</p> <p>Status: COMPLY AS REQUIRED</p> <p>D.2.2</p>

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).

- **RSPO IT Platform member registration number of SSMM :**
License id : RSPO_PO1000001058 and sub-license id : CB29508
- **Certified CPO sold to each buyer period of 13 Oct to 27 Juli 2016**

Certified Palm Product Selling - LIBM
Period: Juli 2015 - Juni 2016

Seller	Seller Ref.	Buyer	Product	Program	Volume	Status	Shipping Date
LIBM	GAIPL/P/0516/CPO72467	GOLDEN AGRI INTERNATIONAL PTE LTD	CPO	SG	1,200.00	confirmed	31/05/2016
	GAIPL/P/0316/CPO71070	GOLDEN AGRI INTERNATIONAL PTE LTD	CPO	SG	200.00	confirmed	08/04/2016
	GAIPL/P/0116/CPO69019	GOLDEN AGRI INTERNATIONAL PTE LTD	CPO	SG	500.00	confirmed	31/01/2016
	GAIPL/P/0216/CPO69837	GOLDEN AGRI INTERNATIONAL PTE LTD	CPO	SG	1,000.00	confirmed	26/02/2016
	4800031590	PT. MP Leidong West Indonesia	CPO	SG	200.00	confirmed	30/12/2015

Actual Client
eTrace CB eTrace

CPO	SG	3,100.00	3,099.90
PK	SG	9,390.51	9,390.51

- **Certified Palm Kernel sold to each buyer period of 13 Oct to 27 Juli 2016**

Certified Palm Product Selling - LIBM
Period: Juli 2015 - Juni 2016

Seller	Seller Ref.	Buyer	Product	Program	Volume	Status	Shipping Date
	4300041837	LIBO KCP	PK	SG	1,000.00	confirmed	04/06/2016
	4300041807	LIBO KCP	PK	SG	1,000.00	confirmed	04/06/2016
	1950/KER/1950/16/L001	LIBO KCP	PK	SG	2,000.00	confirmed	04/06/2016
	4300041756	LIBO KCP	PK	SG	664.65	confirmed	29/12/2015
	4300041724	LIBO KCP	PK	SG	1,000.00	confirmed	02/12/2015
	1950/KER/1950/15/L005	LIBO KCP	PK	SG	725.86	confirmed	31/12/2015
	1950/KER/1950/15/L004	LIBO KCP	PK	SG	2,000.00	confirmed	28/11/2015
	4300041693	LIBO KCP	PK	SG	1,000.00	confirmed	30/10/2015

Actual Client
eTrace CB eTrace

PK	SG	9,390.51	9,390.51
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Status: COMPLY AS REQUIRED

D.3 Documented procedures

D.3.1

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

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

There is no change on the procedures owned by SSMM. The SOP of identification and traceability No. PT IMT/SOP/01 and describing the responsibilities of the personel over the supply chain requirements.

- Tasks and responsibilities of personel over the supply chain implementation requirements are:
 - Weight Bridge Officer

- Ensuring the weighbridge tools and program's functions runs well on the Weighbridge program before weighing goods.
- Checking the completeness of all vehicle's documents that shall be weighted including the license plate number.
- Ensuring the position of the vehicle that shall be weighted properly, vehicle should be turned off and all passengers including drivers have come out of vehicle.
- Separating and recording claim certified product FFB/CPO document of the certified product FFB/CPO.
- Assistant
 - Monitoring the received FFB based on the applied criteria standard.
 - Monitoring the FFB processing stage.
 - Monitoring the processed product quality analysis process.
- Head of Administration
 - Recording and reporting the produced product quality and quantity routinely.
 - Monitoring the FFB receipt administration process including the administration of the processed product dispatch.
 - Monitoring the crucial tools/devices on the Supply Chain perfectly, accurately, valid license and maintained.
 - Calculating Mass Balance based on the amount of the certified product-claimed products.
- Manager
 - Responsible to ensure all process on supply chain are well executed.
 - Ensuring that the Mass Balance calculation has been done and to know the amount of the Certified Product.
 - Giving information to the interest party the amount of the Certified Product.
- Production Controller
 - Ensuring and assuring that the produced products are traceable (the sources) and the received products quality and quantity in line with what has been written on the document.

According to the result of interview with weighbridge operator, known that the key personnel has been trained well in term of SCCS RSPO.

Status: COMPLY AS REQUIRED

D.3.2

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

There were no changes. 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. Weightbridge Ticket Printing

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

6.2.3. Raw Material Quality Checking

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

6.4. Processing

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

Status: COMPLY AS REQUIRED

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 entire FFB received is certified FFB, FFB received period of 13 Oct 2015 – 27 July 2016, described in the following table:

Month	FFB (kg)		
	RSPO Certified	Non Certified	Total
14 – 31 October'15	12,424,540	-	12,424,540
November'15	22,638,550	-	22,638,550
December'15	19,320,910	-	19,320,910
January'16	20,475,640	-	20,475,640
February'16	19,310,100	-	19,310,100
March'16	17,051,000	-	17,051,000
April'16	18,094,140	-	18,094,140
May'16	19,563,880	-	19,563,880
June'16	18,698,060	-	18,698,060
1-27 Jul'16	15,252,750	-	15,252,750

Status: COMPLY AS REQUIRED

D.4.2

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

On the SOP of RSPO Product Supply Chain for IP Model No. PT IMT-SSMM/SOP/26 section 6.6, described that 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.

In the certificate attachment of ASA-2, SSMM has recorded the projection of certified product that can be produced during the period of certificate, namely : FFB : 178,455 ton; CPO : 39,849 ton; and PK : 10,707 ton

On ASA-3, auditor has verified the certified product that has been generated by SSMM during the period 13 Oct 2015 – 27 July 2016, which is: FFB : 167,576.82 ton; CPO : 35,665.41 ton; and PK : 10,505.63 ton

There is no excess of production of certified products, ASA-3 conducted 10 months prior to the expiration of the license, related with the production quota which nearly reached, SSMM should inform the CB in terms of additional of certified product projection. #OFI

Status: COMPLY AS REQUIRED

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.

In the document of SCCS mass balance report for the period certificate 13 Oct 2016-27 July 2016, the entire FFB received and CPO and PK generated has been reported in three monthly basic. Here is a report SCCS-IP for SSMM :

CPO and PK (ton)

Month	FFB received	CPO production	PK Product.	CPO Dispatch		Stock CPO	PK Dispatch RSPO	Stock PK
				RSPO	ISCC			
15-31 Oct 2015	12,424,540	2,563,129	800,670	325,120	2,099,540	790,625	1,242,100	399,181
November	22,638,550	4,683,169	1,418,655	3,689,700	1,454,600	329,494	1,515,250	302,586
December	19,320,910	4,061,368	1,277,023	2,386,100	1,294,350	710,412	1,331,770	247,839
Total	54,384,000	11,307,666	3,496,348	6,400,920	4,848,490	1,830,531	4,089,120	949,606
						710,412		247,839
Jan	20,475,640	4,346,702	1,445,286	1,684,310	2,869,770	503,034	1,460,710	232,397
Feb	19,310,100	4,157,267	1,188,176	1,578,610	2,678,470	403,221	1,185,960	234,613
Mar	17,051,000	3,752,894	986,465	913,720	2,881,140	361,225	1,020,090	200,988
Total	56,836,740	12,256,863	3,619,927	4,176,640	8,429,380	1,267,480	3,666,760	667,998
						361,255		200,988
Apr	18,094,140	3,965,436	1,048,040	2,064,900	1,905,350	356,441	1,019,840	229,188
May	19,563,880	4,185,978	1,188,484	1,337,690	2,873,840	330,889	1,182,310	235,562
Jun	18,698,060	3,949,462	1,152,827	2,009,490	1,822,470	448,391	1,151,790	236,399
Total	56,356,080	12,100,876	3,389,351	5,412,080	6,601,660	1,135,721	3,353,940	701,149
						448,391		236,399
1-27 Jul'16	15,252,750	3,201,205	855,007	1,996,560	1,425,920	227,116	824,690	266,716
Grand total	182,829,570	38,866,610	11,360,633			4,460,848		2,585,469

Status: COMPLY AS REQUIRED

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. Own 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 transportation letter checking 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 section 6.4.5, the storage tank and transport truck tank are labeled with IP to differentiate it with other product facility. The allocated truck shall be then registered to WB program.

Status: COMPLY AS REQUIRED

D.6.2

The objective is for 100 % segregated material to be reached

SSMM does not receive FFB from non-certified sources, according to the SOP of RSPO Product Supply Chain of IP Model No. PT IMT-SSMM/SOP/26 section 6.4, described that the 100% target of segregated materials to be reached.

Raw materials that has been received, shall enter the processing station. The FFB shall be processed based on the SOP of processing. 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: COMPLY AS REQUIRED

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or √
ASA-3	PT Ivo Mas Tunggal did not use certificate nor logo.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ASA-3	PT Ivo Mas Tunggal did not use certificate nor logo.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-3	PT Ivo Mas Tunggal did not use certificate nor logo.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-3	PT Ivo Mas Tunggal did not use certificate nor logo.	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

Management unit(s) observed: Sawita Mill (South Kalimantan Province) has Stage-1 audited by other CB's		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or √
	According to the result of audit in Sawita Mill Unit, there is no issue over the applied law compliance.	√
	Status: Full Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or √
	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.	√
	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 parties.	X or √
	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.	√
	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.	X or √
	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.	√
	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.	X or √
	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).	√
	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.	X or √
	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.	√
	Status: Full Compliance	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or √
	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.	√
	Status: Full Compliance	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at [ASA-2](#) Assessment

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

3.5.2 Identification of Findings, Corrective Actions and Observations at [ASA-3](#) Assessment

NCR No.	Non-Conformity Report			
	Issued by <i>(diterbitkan oleh)</i>	:		Date Issued <i>(Tanggal diterbitkan)</i>
	NC Grade <i>(Tingkat Ketidaksesuaian)</i>	:		Timeline of Implementation <i>(Batas Waktu Implementasi)</i>
	Verified by <i>(diverifikasi oleh)</i>	:		Date Closed <i>(Tanggal Terpenuhi)</i>
	Standard Reference and Requirement <i>(Referensi Standar dan Pesyaratan)</i> :			
	Non-Conformance Description <i>(Deskripsi Ketidaksesuaian)</i> : During ASA-3, Non-Conformities against P&C Standard and Requirement of Supply Chain is absence. Location <i>(Lokasi)</i> :			
	Root Cause <i>(Akar Masalah)</i> → dilengkapi oleh organisasi yang diaudit:			
	Corrective Action <i>(Tindakan Perbaikan)</i> → dilengkapi oleh organisasi yang diaudit:			

NCR No.	Non-Conformity Report
	Preventive Action (<i>Tindakan Preventif</i>) → <i>dilengkapi oleh organisasi yang diaudit:</i>
	Assessor Evaluation (<i>Evaluasi Penilai</i>):
	Assessor Conclusion (<i>Kesimpulan Auditor</i>):

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.4.2	Identification of water courses, streams and water bodies as well as management strategic for protection measurement. (Observation)
2	4.6.5	Awareness for workers who handling of agrochemicals.
3	5.1.3	Review on environmental management and monitoring every two years against actual changes operational activities and potential occurrence of new impact. For example: replanting activities, rhino beetle pest infestation (Oryctes). (Observation)
4	5.2.2; 5.6	Enrichment of woody planting within the riparian area, HCV and POME ponds area using local and multi purpose species trees. For example: Trembesi, Matoa, kersen (cherry), etc.
5	5.3.2	Supervision on chemicals storage and their containers management. (Observation)
6	5.3.3	Optimizing supervision on domestic waste management over the worker housing complex area. (Observation)
7	6.3	<ul style="list-style-type: none"> Reference of RSPO Complaint System mechanism within resolving complains and grievances. Respond and follow up action related complaints and suggestions from local communities on pest infestation of rhino beetle (oryctes), also there are advice to the ompany for brief counseling on pest management technique.
8	6.5.2	Copies of working agreement for all employees (mill and estates). (Observation)
9	SCCS General Requireme	Reporting of certified product in material balance sheet is only for one certificate periode (not the cummulative sum from previous periode).

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3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		Implementation of Zero paraquat policy since 1 January 2016
2		Involvement of surrounding communities within land fires prevention through Community Based for Land Fire Monitoring and Preventive Programme (Masyarakat Peduli Api).
3		Inovation on CSR programme namely inter-villages innig programme for goats farming (pengguliran ternak kambing peranakan etawa) to assisted village.
4		Payroll system changing through transfer account method and providing of ATM.
5		Awarded Golden category for implementation of OHS management system by Ministry of Labour, also has ISCC and ISPO certificates.
6		Assigned as pilot project of Pellet Sample Production (PSP) plant location to produce the renewable fuel from palm trunks, join cooperation with Japan company.

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

Issue from Public (Agency/ NGO / Community)	Management Response	Auditor Response
Surrounding Villages 26-27 July 2016		
<ul style="list-style-type: none"> - Chief of Samsam Village (covering area: Libo Estate, Nenggala Estate, Sei Rokan Estate) - Secretary of Kandis Kota (covering area: Sam Sam Estate) - Chief of Jambai Makmur village (covering area: Ujung Tanjung Estate) - Chief of Belutu Village (covering area: Kandista Estate, Samsam Estate and Palapa Estate) - Chief of Bekalar Village (Samsam Estate & Palapa Estate) <p>In general, relationship between company and communities is well established. Based on interview with communities, following information:</p> <p>a. Communication and Transparency</p> <ul style="list-style-type: none"> - Communication between company and communities have well established. - Immediate response has performed by the company in any information requested from stakeholders. - Villagers have a good relationship and communication with each Manager, also they've already know the responsible person for communication aspect. - Villagers of Jambai Makmur and Belutu confirmed they understand type of document for public accessible. <p>b. Legal Rights / Customary Rights and FPIC</p> <ul style="list-style-type: none"> - Formerly, Kandis is a small village (estates was developed in 	<ul style="list-style-type: none"> - The company keep maintain the relationship with surrounding communities as form of social aware. - The company keep maintain communication and transparency in both parties to understand each others and find out the resolution if problem was raised. 	<p>Auditor has verified in relevant indicators referred to Criterion 1.1; 2.2; 2.3; 5.1; 5.2; 6.2; 6.3; 6.4.</p>

<p>1986/1987) and surrounded by forests. After land cleared, a lot of improvement was happened in this area.</p> <ul style="list-style-type: none"> - The main village previously are Samsam village, Kandis village and Belutu. Current villages is a growth area from the main village, where Kandis has changed as sub-district area in 1991. Since Kandis becoming sub-district area, consist of 8 villages and 3 kelurahan/urban communities (Samsam, Libo Jaya, Kandis, Pencing Bekulo, Belutu, Jambai Makmur, Gondang, dan Bekalar). - Land compensation was implement previously. - There is no land conflict raised in last 3 years for all surrounding villages. - If there is any conflict, villagers has representatives to be communicate with the company. <p>c. Environmental and HCV</p> <ul style="list-style-type: none"> - There is Bekalar river which cross over Palapa Estate and Kandista Estate. - Communities surrounding the plantation company are using draw well and national company for drink water. - Socialized has been performed by the company related to protection of waterways, river, wildlife and conservation area. - Communities has aware that No Hunting is allowed surrounding the plantation, this information socialized through the sign board. - No issue of environmental pollution within last 12 months. - The company has periodically visit to the villages for collecting information, socialization and advising to the villagers related environmental management. - The communities has already understand if replanting activities is began. - There is some villagers paid by the company for fires and burns 	<ul style="list-style-type: none"> - The company has conducted socialization related environmental management and protection of wildlife and HCV area. This socialization made to be acknowledge by communities through signboard. 	
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<p>monitoring, surrounded the plantation.</p> <ul style="list-style-type: none"> - On 25 June 2016 fires is occurred, located in Pangkalan Liput village, sub-district Pinggir, Bengkalis regency. This fire is outside the plantation area. - The nearest conservation area located in Minas (± 30 KM) from plantation area. - There is no conflict was raised between human and wildlife. - Belutu village and Jambai Makmur village has assistancy in Community Based for Land Fire Monitoring and Preventive Programme (Masyarakat Peduli Api). <p>d. Social and Communities</p> <ul style="list-style-type: none"> - Company Representative is frequently attend to the communities meeting. - There is no grievance related plantation activities. - Most of villagers working at plantation company and at Libo Estate most of them as daily workers, almost 700 workers. - There is an issue that Impact of replanting activities caused Sakai communities entered to the plantation and took the fruitlet from felled palm trees. (Bekalar village). - Giving working opportunities for local people before and during replanting activities. (Bekalar village). - The company has had CSR program, following: <ul style="list-style-type: none"> • Training/briefing program for agronomy to the surrounding villagers. • Inter-villages innig programme for goats farming (pengguliran ternak kambing peranakan etawa) to assisted village. <p>e. Aspiration</p> <ul style="list-style-type: none"> - Belutu villagers giving aspiration related access road through the 	<ul style="list-style-type: none"> - The company keep aware to maintaining the environmental from threat of land fires. Furthermore, the company have develop the Community Based for Land Fire Monitoring and Preventive Programme (Masyarakat Peduli Api). 	
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<p>plantation area. Villagers wants to open access of all entrance gate, therefore if any emergency condition they can access plantation road to reach the nearest hospital/clinic.</p> <ul style="list-style-type: none"> - Impact of replanting is presence of rhino beetle (<i>Oryctes</i>). This thing has been worry by villagers and they proposed for simply training related IPM and agronomy technique for communities/farmers. (Bekalar village). - To prevent a wide conflict, such as collecting of remain FFB from felling trees at replanting area, it would be better that all FFB's must be cleared and cutted prior to felling the palm trees. (Bekalar village). - Need to clarification and information related contract of involved villagers on Community Based for Land Fire Monitoring and Preventive Programme at Bekalar village, how is the current progress? 	<ul style="list-style-type: none"> - Supervision and escort during the replanting activities was made by the company. - The gates is using open and close system to protect the plantation security and community area. Every gates is guarded by security officer in 24 hours, so that communities still allowed to acces the road. - The company has make an integrated effort in agronomy measurement, cooperate with SMARTRI (research department) to resolving the infection of rhino beetle. (<i>Oryctes</i>). - During replanting activities, the company has made supervision and monitor. This aim to prevent an encroachment by the irresponsible person. - The company has made work agreement related 	
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	<p>Community Based for Land Fire Monitoring and Preventive Programme (Masyarakat Peduli Api) and its has been socialized to all relevant stakeholders in subdistrict level. Fire fighting team are available in each village.</p>	
<p>Local NGO: Environmentalist and Customary Group “Sakai Lestari” (Head of NGO)</p>		
<p>a. Communication and Transparency</p> <ul style="list-style-type: none"> - Communication between company and communities have well established. - Immediate response has performed by the company in any information requested from stakeholders. - Villagers have a good relationship and communication with each Manager, also they’ve already know the responsible person for communication aspect. <p>b. Legal Rights / Customary Rights and FPIC</p> <ul style="list-style-type: none"> - Formerly, livelihood of Sakai tribes is food gathering and hunting at the forest. - Scope of Sakai community surrounding the plantation area is Belutu and Samsam. Currently, they have already diffuse with others villagers. - Area of PT Ivomas Tunggal located outside from customary tribes of Sakai. - There is no customary rights of Sakai tribes within plantation company. 	<ul style="list-style-type: none"> - The company still keep communication and cooperation with local NGO, thus if any complaint or grievance from communities is able to resolved and responded. - The company has ensure that no customary rights of Sakai tribes inside the plantation area. 	<p>Auditor has verified in relevant indicators referred to Criterion 1.1; 2.2; 2.3; 5.1; 5.2 and 6.2</p>

<ul style="list-style-type: none"> - Land compensation and FPIC process during land clearance/plantation development previously, it has been clear and communicated to “bathin” as a customary head of Sakai tribes. - There is a program between company and Sakai community, i.e planting of woody trees a long the sides of provincial main road. <p>c. Environmental and HCV</p> <ul style="list-style-type: none"> - Sakai community has already understand for protected area at Libo estate, namely buffer zone of Tantara river with size ±1,5 Ha. Sakai tribes using that area for collecting of herbal medicine. 		
<p>Local Contractor (CV Aido)</p>		
<p>Providing of FFB transportation with long term relationship (almost 15 years)</p> <ul style="list-style-type: none"> - Contractor wishing for extra quota of FFB transport. - Payment condition is in timely manner and appropriate with the actual. - Validity of Work Agreement by local contractor is 6 months and renewable. - Contains of work agreement has been understood by contractor, also for the contract copy is available in both parties. - Prices is determined based on transport distance. <p>Complaints:</p> <ul style="list-style-type: none"> - Local contractor at the company is not much, community suggest to the company to provide of additioning local contractor from Kandis area. 	<ul style="list-style-type: none"> - The company has made working cooperation with local contractor for FFB transport, however not all FFB transport can be contracted due to the company has own transport department for FFB. 	<p>Auditor has verified in relevant indicators referred to Criterion 6.10</p>
<p>Environment Agency of Siak Regency</p>		

<ul style="list-style-type: none"> • The company has been orderly in terms of reporting related to the management and monitoring of environmental and waste handling. PT IMT is a company that has the initiative in environmental programs. • PT IMT is currently performing an addendum to the EIA document was ratified in December 2015. Addendum documents perform due to replanting activities, relocation wastewater land application, regional workshop upgrading, development of methane capture and clinic operations, there is no information to Siak BLHD related to the implementation of plan of the operational activities mentioned above. • There is no issue of fires in the area of operations of PT Ivomas Tunggal. Currently BLH is to provide guidance related to fires. • There is no report related to the issue of environmental pollution. 	<ul style="list-style-type: none"> - The company continues to report related to the management and monitoring of the environment and hazardous waste to Environment Agency of Siak Regency 	<p>Auditor has been verified the management and monitoring of environmental that has been conducted by the PT IMT, the explanation regarding to environmental aspect showed in criterion 5.1, 5.3, 5.4</p>
<p>Forestry and Plantation Agency of Siak Regency</p>		
<ul style="list-style-type: none"> • The Company has regularly submit a report on a regular basis. • Assessment of the plantation business in 2015 for PT Ivomas Tunggal has been conducted and the results are already available. But the agency did not have the results document, because it is the authority of the province currently • Spatial plan for Siak Regency currently available. PT IMT did not enter the forest area. • PT IMT considered quite committed in fulfilling the obligations of the plantation business. 	<ul style="list-style-type: none"> - The company continues to report related to the plantation operational to Plantation Agency of Siak Regency 	<p>-</p>
<p>National Land of Siak Regency</p>		
<ul style="list-style-type: none"> • There is no incoming mail related complaints of land disputes in the area of operations of PT Ivomas Tunggal. • Based on the Minister of Forestry Decree No. 878 year of 2014, the operational area of PT IMT within the others area (APL). The new Minister of Forestry Decree, does not alter the status of the area in PT IMT • There was a request from the surrounded community for land measurement to BPN, however based on field surveying 	<p>The company continues to maintain the concession area</p>	<p>-</p>

<p>conducted by BPN the requested land is within HGU of PT IMT, the request was rejected by BPN. This is due to public had thought that the boundaries of the HGU is the trench made in the HGU. BPN not provide an explanation regarding to the location of the land.</p>		
<p>Labour Agency of Siak Regency</p>		
<ul style="list-style-type: none"> • The company has been orderly submitting the regular reports to agencies both Employment Report, OHS Report, accident reports and Insurance Payment Report. • The Company has paid wages according to the minimum wage in Siak regency, in accordance with the minimum wage of plantation sector issued Riau province. • In terms of the implementation of OHS for workers considered to be quite good. • Inspection tools and machinery in the mill conducted periodically. • Collective Labor Agreement has been updated and is applicable for the period 2015-2017. • Industrial relation of company and the worker goes well. • Related with employment insurance policies for non-permanent daily worker, once it had obtained compensation and payments equal to or better than provided insurance (BPJS) if an accident, then this is not an issue. 	<ul style="list-style-type: none"> - The Company remains committed to implementing all applicable law and regulations regarding to the employment and OHS 	<ul style="list-style-type: none"> -
<p>Plantation Workers Union (Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia) Paramedic at Kandista Estate also as a Head of Worker Union in Siak Regency.</p>		
<ul style="list-style-type: none"> • All the employees are worker union members and having Membership Card. Member dues is IDR 10,000/month and deducted from the payment slip. • Have a regularly meeting with the company to discuss right and condition of workers in the working agreement (PKB). • There is no problem at field related provision of working tools and PPE by the company. • Current progress for workers facilities are construction of new housing 	<ul style="list-style-type: none"> - The company still facilitate for any activities made by worker union, including development of worker union office. 	<p>Auditor has verified in relevant indicators referred to Criterion 6.5; 6.6 and 6.8</p>

<p>complex in several estates.</p> <ul style="list-style-type: none"> • Minimum wage has been comply with the current minimum wage year 2016. There is no issue reated payment mechanism and overtime record, all items has been appropriate with applicable regulations. • There is no issue related employment. • Worker union proposed to the company for registering Clinic to the Government Healt Insurance Program (BPJS). The company has agreed on May 2016, currently the process is handle by worker union. 	<ul style="list-style-type: none"> - The company will communicate with Government Health Insurance (BPJS) related requirement. 	
<p>Gender Committee Representative of Libo Mill.</p>		
<ul style="list-style-type: none"> • Gender Committee formed as a forum specifically to address areas of concern to women. • Program activities are available in Gender Committee • There are 2 leaves type, H-1 (menstruation), H-2 (birth/delivering), annual leave given 12 days and implemented by the company refered to Working Agreement (PKB). • There is no compliant/grievances was raised related to women reproductives nor sexual harassment. 	<ul style="list-style-type: none"> - The company has facilitates all activities of gender committee. 	<p>Auditor has verified related to Criterion 6.9</p>

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

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.

Signed on behalf of:

PT. IVO MAS TUNGGAL
Head of Environmental Department

Mutuagung Lestari
Lead Auditor



ISMU ZULFIKAR
Friday, 2nd September 2016



YUDWI WISNU RAHMANTO
Friday, 2nd September 2016

APPENDICES

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Board, District Siak	District of Siak	-	Interview	26 July 2016	√	
2	Plantation Agency, District Siak	District of Siak	-	Interview	26 July 2016	√	
3	National Land Agency, District Siak	District of Siak	-	Interview	26 July 2016	√	
4	Manpower and Transmigration Agency, District Siak	District of Siak	-	Interview	26 July 2016	√	
5	Head of Village Jambai Makmur	District of Siak	-	Interview	26 July 2016	√	
6	Head of Samsam Village	District of Siak	-	Interview	26 July 2016	√	
7	Head of Kandis Village	District of Siak	-	Interview	26 July 2016	√	
8	Head of Belutu Village	District of Siak	-	Interview	26 July 2016	√	
9	Head of Bekalar Village	District of Siak	-	Interview	26 July 2016	√	
10	Sakai Tribe Organization (KPA Sakai Lestari)	District of Siak	-	Interview	26 July 2016	√	
11	CV. Aido (FFB Transport/Local Contractor)	District of Siak	-	Interview	26 July 2016	√	
12	Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia (SPPP – SPSI) / Union Labor	District of Siak	-	Interview	26 July 2016	√	
13	WWF	Jakarta	wwf-indonesia@wwf.or.id	Questioner by email	15 July 2016		√
14	Sawit Watch	Jakarta	info@sawitwatch.or.id	Questioner by email	15 July 2016		√
15	WALHI	Jakarta	info@walhi.or.id	Questioner by email	15 July 2016		√

Appendix 2. Assessment Program

DATE / TANGGAL		25 July – 05 August 2016	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
Monday, 25 July 2016			
06.00 – 08.00		JAKARTA → PEKANBARU	• YWR / MAY / SDP / AFS / DHT
08.30 – 13.00		PEKANBARU – PT. IVOMAS TUNGGAL	• YWR / MAY / SDP / AFS / DHT
13.00 – 14.00		Break	• YWR / MAY / SDP / AFS / DHT
14.00 – 14.30		Opening Meeting	• YWR / MAY / SDP / AFS / DHT
14.30 – 17.00		<ul style="list-style-type: none"> Presentasi Tim Auditor (Perkenalan, Penjelasan Tujuan Audit, Ruang Lingkup Audit, Pembahasan Rencana Audit, Penentuan Sampel Audit, Penyampaian Transparansi dan Kerahasiaan) // <i>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</i> Verifikasi hasil audit sebelumnya <i>Verification of previous audit result</i> 	• YWR / MAY / SDP / AFS / DHT
Tuesday, 26 July 2016			
08.00 – 12.00		Stakeholders consultation to related institution in Siak District Stakeholders consultation to surrounded village and local NGO Consultation with internal stakeholders (labor union and gender committee) and local contractor	<ul style="list-style-type: none"> • SDP / DHT • YWR / AFS • MAY
Monday, 1 Augst 2016			
08.00 – 12.00		Observasi lapangan SRKE // <i>Field observation to SRKE:</i> <ul style="list-style-type: none"> Implementasi Aspek Agronomi (Panen & Transportasi, Pemupukan, Aplikasi Pestisida, Perawatan Jalan, Monitoring Pengendali Hayati, Aplikasi Janjang Kosong) // <i>Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</i> Implementasi Aspek Lingkungan, Konservasi dan Pengelolaan Limbah (Inspeksi Gudang Bahan Kimia, Pupuk, Gudang Limbah B3, Workshop, Fasilitas Pengendali Kebakaran, Pengelolaan Sampah dan Limbah, Area HCV) // <i>Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</i> 	<ul style="list-style-type: none"> • MAY / AFS / YWR • SDP / DHT • SDP / DHT

DATE / TANGGAL		25 July – 05 August 2016	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
		<ul style="list-style-type: none"> Implementasi Keselamatan dan Kesehatan Kerja // <i>Implementation of Occupational Health & Safety Aspect</i> Implementasi Prosedur dan mekanisme Aspek Ketenagakerjaan // <i>Implementation of Employment Procedure and Mechanism Aspect</i> Implementasi Aspek Legal (Legalitas Kepemilikan Lahan, Tata Batas) // <i>Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</i> 	<ul style="list-style-type: none"> SDP / DHT MAY / AFS / YWR
12.00 – 14.00		Break	
14.00 – 17.00		<ul style="list-style-type: none"> Melanjutkan Kunjungan lapangan ke SRKE dan Klarifikasi Hasil Kunjungan Lapangan // <i>Continue Field Observation to SRKE and field observation clarification</i> Melengkapi checklist // <i>Verification of field visit and completing checklist</i> 	<ul style="list-style-type: none"> YWR / MAY / SDP / AFS / DHT
Tuesday, 2 August 2016			
08.00 – 12.00		Observasi lapangan LIBE // <i>Field observation to LIBE:</i> <ul style="list-style-type: none"> Implementasi Aspek Agronomi (Panen & Transportasi, Pemupukan, Aplikasi Pestisida, Perawatan Jalan, Monitoring Pengendali Hayati, Aplikasi Janjang Kosong) // <i>Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</i> Implementasi Aspek Lingkungan, Konservasi dan Pengelolaan Limbah (Inspeksi Gudang Bahan Kimia, Pupuk, Gudang Limbah B3, Workshop, Fasilitas Pengendali Kebakaran, Pengelolaan Sampah dan Limbah, Area HCV) // <i>Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</i> Implementasi Keselamatan dan Kesehatan Kerja // <i>Implementation of Occupational Health & Safety Aspect</i> Implementasi Prosedur dan mekanisme Aspek Ketenagakerjaan // <i>Implementation of Employment Procedure and Mechanism Aspect</i> Implementasi Aspek Legal (Legalitas Kepemilikan Lahan, Tata Batas) // <i>Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</i> 	<ul style="list-style-type: none"> MAY / AFS / YWR SDP / DHT SDP / DHT MAY / AFS / YWR
12.00 – 14.00		Break	
14.00 – 17.00		<ul style="list-style-type: none"> Melanjutkan Kunjungan lapangan ke LIBE dan Klarifikasi Hasil Kunjungan Lapangan // <i>Continue Field Observation to LIBE and field observation clarification</i> Melengkapi checklist // <i>Verification of field visit and completing checklist</i> 	<ul style="list-style-type: none"> YWR / MAY / SDP / AFS / DHT
Wednesday, 3 August 2016			
08.00 – 10.00		Field observation and consultation to SUNGAI TAPUNG PLASMA smallholder scheme (KUD Tunas Makmur) :	<ul style="list-style-type: none"> YWR / MAY / SDP / AFS / DHT

DATE / TANGGAL		25 July – 05 August 2016	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
10.00 – 12.00		<ul style="list-style-type: none"> • Agronomy aspect (Manuring, spraying, harvesting) • Environmental aspect • OHS aspect • Social and HCV aspect 	
12.00 – 14.00		Break	
14.00 – 16.00 17.00 – 20.00		Field observation and consultation to SUNGAI TAPUNG PLASMA smallholder scheme (KUD Berkat Lestari) : <ul style="list-style-type: none"> • Agronomy aspect (Manuring, spraying, harvesting) • Environmental aspect • OHS aspect • Social and HCV aspect 	<ul style="list-style-type: none"> • YWR / MAY / SDP / AFS / DHT
Thursday, 4 August 2016			
08.00 – 12.00		Field observation to LIBM : <ul style="list-style-type: none"> • Alur Rantai Pasok / Supply Chain (Penerimaan TBS, Penimbangan TBS, Sortasi TBS, Observasi Proses Pengolahan, Despatch CPO) // <i>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</i> • Aspek Keselamatan dan Kesehatan (Inspeksi Gudang Bahan Kimia, Gudang Limbah B3, Workshop, Simulasi Fasilitas Pengendali Kebakaran, Pengelolaan Limbah Pabrik / IPAL) // <i>Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond).</i> 	<ul style="list-style-type: none"> • YWR / SDP • MAY / AFS / DHT
12.00 – 14.00		Break	<ul style="list-style-type: none"> • YWR / MAY / SDP / AFS / DHT
14.00 – 17.00		<ul style="list-style-type: none"> • Melanjutkan Kunjungan lapangan ke LIBM dan Klarifikasi Hasil Kunjungan Lapangan // <i>Continue Field Observation to LIBE and field observation clarification</i> • Melengkapi checklist // <i>Verification of field visit and completing checklist</i> 	<ul style="list-style-type: none"> • YWR / MAY / SDP / AFS / DHT
Friday, 5 August 2016			
08.00 – 09.30		<ul style="list-style-type: none"> • Diskusi internal tim auditor untuk persiapan Closing Meeting // <i>Internal discussion by auditor team preparing for Closing Meeting</i> 	<ul style="list-style-type: none"> • YWR / MAY / SDP / AFS / DHT
09.30 – 11.30	<ul style="list-style-type: none"> • Closing meeting 		
12.30 – 15.30 16.00 -	<ul style="list-style-type: none"> • PT IVOMAS TUNGGAL →Pekanbaru • Pekanbaru → Jakarta 		