

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Ujung Tanjung Mill, PT Ivo Mas Tunggal
 Plantation Name : PT Ivo Mas Tunggal, Ujung Tanjung Estate
 Location : Jambai Makmur Village, Sub District of Kandis, District of Siak, Riau Province, Indonesia
 Certificate Code : **MUTU-RSPO/030**
 Date of Certificate Issue : 13 September 2013 Date of License Issue : 13 September 2017
 Date of Certificate Expiry : 12 September 2018 Date of License Expiry : 12 September 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	24, 25, 29, 31 July 2017, 4 August 2017	Ardiansyah (Lead Auditor), Rudi Ramdani, Naila Karima, Radytio Puspanjana	Octo H.P.N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	30 August 2017

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FIGURE

Figure 1. Location Map of PT Ivomas Tunggal

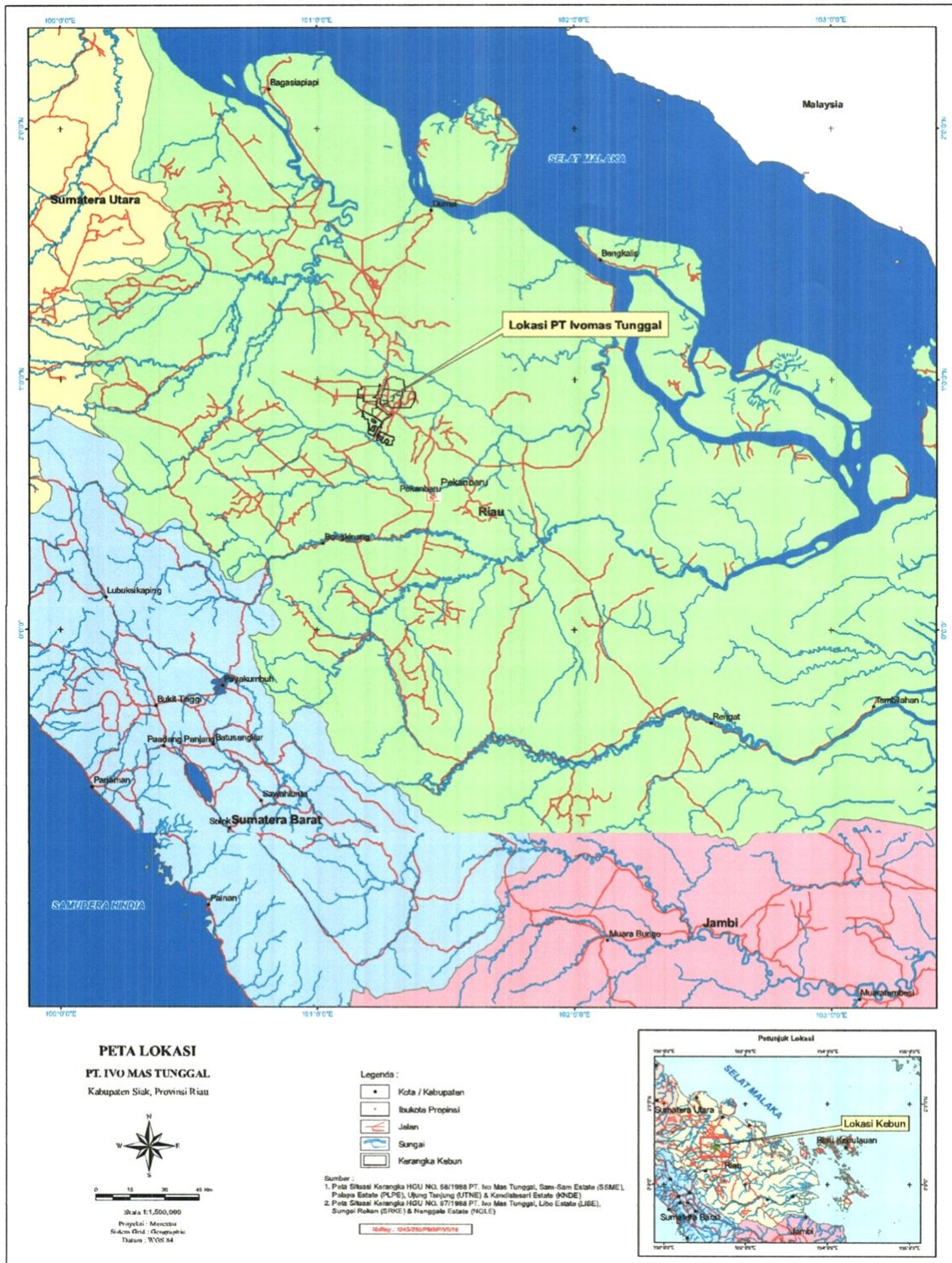
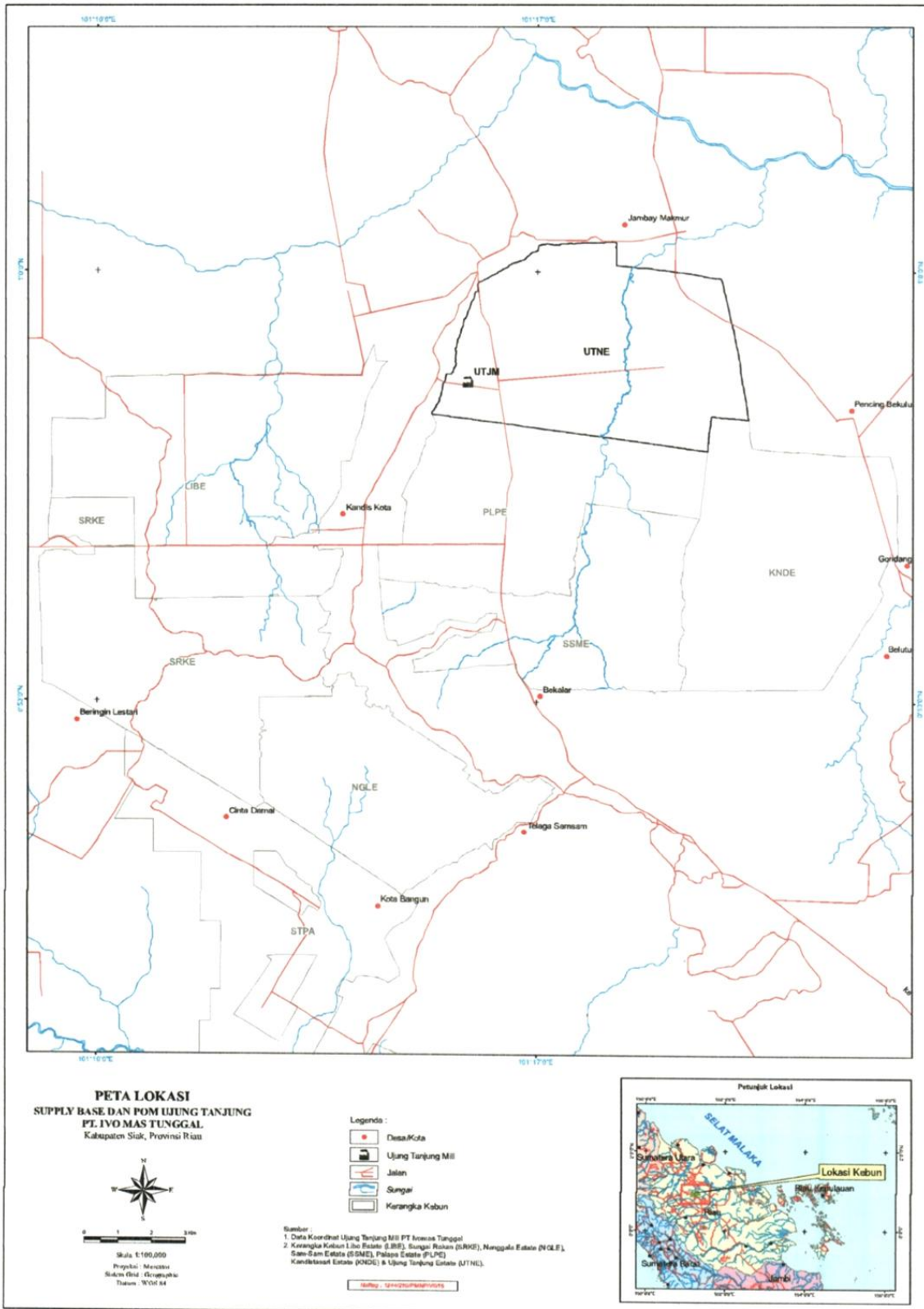


Figure 2. Operational Map of Ujung Tanjung Estate



Glossary

AKAD	:	<i>Antar Kota Antar Daerah (Inter-City Inter-regional)</i>
ASA	:	Annual Surveillance Assessment
BKS-PPS	:	<i>Badan Kerjasama Perusahaan Perkebunan Sumatra (Federation of Unions of Agricultural and Plantation Workers Union of Indonesia)</i>
BLHD	:	<i>Badan Lingkungan Hidup Daerah (Environmental Agency)</i>
BPA	:	Balai Penitipan Anak / Daycare
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial (Social Assurance of Labor)</i>
BPN	:	<i>Badan Pertanahan Nasional</i>
BOD	:	Biological Oxygen Demand
CH	:	Certificate Holder
CLA	:	Collective Labour Agreement
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CITES	:	Convention on International Trade in Endangered Species of Wild Fauna and Flora
D&L	:	Document & License
DPC	:	<i>Dewan Pimpinan Cabang (Board of Branch Managers)</i>
EFB	:	Empty fruit bunch
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed and Consent
F.SPPP-SPSI	:	<i>Federasi Serikat Pekerja Pertanian Perkebunan-Serikat Pekerja Seluruh Indonesia (Federation of Unions of Agricultural and Plantation Workers Union of Indonesia)</i>
GAR	:	Golden Agri Resources
GHG	:	Greenhouse Gas
GSEP	:	Golden Agri Resources Social Environment Policy
H1	:	Menstruation leave
H2	:	Maternity leave
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha/ land use tittle</i>
HRD	:	Human Resource Division
HIPERKES	:	<i>Higiene Perusahaan Ergonomi dan Kesehatan (Hygiene Company Ergonomics and Health)</i>
HIRAC	:	Hazard Identification and Risk Assesment
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability & Carbon Certification
ISPO	:	Indonesian Sustainable Palm Oil
KER	:	Kernel Extraction Rate
KSBSI	:	<i>Konfederasi Serikat Buruh Sejahtera Indonesia (Indonesian Prosperity Workers Union Confederation)</i>
LUCA	:	Land Use Change Analysis
MCAR	:	Management Committee Agronomy and Research
MSDS	:	Material Safety Data Sheets
MHS	:	Micron HerbySprayer
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHSMS	:	Occupational Health and Safety Management System
OIA	:	Operational Internal Audit
P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja (OHS Guiding Committee)</i>
PIC	:	Person In Charge
PIRSI	:	Persatuan Ibu-Ibu Staf Region Siak
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil

PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> (Employment Agreement Specified Time)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PMNP	:	Plantation Monitoring and Planning
PPE	:	Personal protective equipment
RC	:	Regional Control
RKL/RPL	:	<i>Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan</i> (Environment Management and Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
RSUD	:	Rumah sakit umum daerah / regional hospital
RTE	:	Rare trade endangered
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SMARTRI	:	SMART Research Institute
SOP	:	Standart Operating System
SPO	:	Sustainable Palm Oil
SPPI	:	<i>Serikat Perjuangan Pekerja Indonesia</i> (Union of Indonesian Workers Struggle)
UTNE	:	Ujung Tanjung Estate
UTNM	:	Ujung Tanjung Mill
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant
VPA	:	Vice President Assesment

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used		<ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016.</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 for CPO Mill).</i> 	
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT IVOMAS TUNGGAL	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	RSPO Registered Company: Sinarmas Land Tower 2, 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@smart-tbk.com	
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 Departement</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: Ujung Tanjung Mill and Ujung Tanjung Estate.	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude
			Longitude
	Ujung Tanjung Mill	Village of Jambai Makmur, Sub-district of Kandis, District of Siak, Riau Province, Indonesia	N 0° 58' 12"
			E 101° 15' 54"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude
			Longitude
	Ujung Tanjung Estate	Village of Jambai Makmur, Sub-district of Kandis, District of Siak, Riau Province, Indonesia	N 0° 58' 10"
			E 101° 17' 51"

1.5 Description of Area Statement							
1.5.1	Tenure						
	• State			13,432.087 Ha			
	• Community			- Ha			
<i>Land tenure based on HGU certificate No. 1 of 1994 which cover Ujung Tanjung Mill, Ujung Tanjung Estate, Samsam Mill, Samsam Estate, Palapa Estate and Kandista Sari Estate</i>							
1.5.2	Area Statement						
	• Total area			3,253.00 Ha			
	• Mature area			2,725.06 Ha			
	• Immature area			238.75 Ha			
	• Mill and Emplishment			57.70 Ha			
	• Infrastructure (road)			99.10 Ha			
	• Trench, swamp, water body			30.68 Ha			
	• Air Strip			8.66 Ha			
	• Others			93.05 Ha			
	• HCV (include planted area)			110.56 Ha			
1.6 Planting Year and Cycles							
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Ujung Tanjung Estate			Total		
	1987	600.56			600.56		
	1988	559.57			559.57		
	1989	1,240.75			1,240.75		
	1992	118.21			118.21		
	1993	205.97			205.97		
	2017	238.75			238.75		
	TOTAL	2,963.81			2,963.81		
1.6.2	New Planting area after January 2010			- Ha			
1.6.3	Planting Cycle			2 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 (%)
	Ujung Tanjung	60	167,867.60	30,435.35	18.13	8,058.61	4.80
<i>* Source: Production Data of POM period July 2016 – June 2017</i>							

1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Ujung Tanjung	3,253.00	2,963.81	77,460.05	28.43	686.38	0.88
	TOTAL	3,253.00	2,963.81	77,460.05	28.43	686.38	0.88
	<i>* Source: Production Data of Estate period July 2016 – June 2017</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Dami Mas Seed Estate	Smart Research Institute (non certified)	-	150.00	2,496.68		
	PT Agrotunggal Jayamandiri	Independent Outgrower	-	-	164,872.67		
	TOTAL					167,369.35	
	<i>* Source: Production Data of POM period July 2016 – June 2017</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 13 Sept 2016 to 12 Sept 2017 (tonnes/year)		Actual certified product 13 Sept 2016 to 24 July 2017 (tonnes/year)		
	• FFB Production		84,121		2,579.31		
	• CPO Production		16,824		496.013		
	• Palm Kernel (PK) Production		3,785		107.614		
1.8.2	Estimate of Certified FFB Claim						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Ujung Tanjung Estate	3,253.00	2,963.81	24.0	65,401		
	TOTAL	3,253.00	2,963.81	24.0	65,401		
	<i>* Source: Projection Data of Estate period 13 Sept 2017 – 12 Sept 2018</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 (%)
	Ujung Tanjung	60	65,401	12,099	18.5	2,943	4.5
	<i>* Source: Projection Data of POM period 13 Sept 2017 – 12 Sept 2018</i>						
1.9	Other Certifications						
	ISPO from Mutuagung Lestari which valid from 30 September 2013 until 29 September 2018						

1.10 Time Bound Plan					
1.10.1 Time Bound Plan for Other Management Units					
Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
Mill	Time bound				
Samsam Mill	2009	Samsam Estate	2009	Siak-Riau	Certified
		Samsam Estate (HGU on progress)	2020	Siak-Riau	-
		Kandista Estate	2009	Siak-Riau	Certified
		Kandista Estate (HGU on progress)	2020	Siak-Riau	-
		Palapa Estate	2009	Siak-Riau	Certified
Ujung Tanjung Mill	2009	Ujung Tanjung Estate	2009	Siak-Riau	Certified
		Ujung Tanjung Estate (HGU on progress)	2020	Siak-Riau	-
Libo Mill	2009	Libo Estate	2009	Siak-Riau	Certified
		Nenggala Estate	2009	Siak-Riau	Certified
		Nenggala Estate (HGU on progress)	2020	Siak-Riau	-
		Sei Rokan Estate	2009	Siak-Riau	Certified
		Sei Estate (HGU on progress)	2020	Siak-Riau	-
		Sungai Tapung Plasma	2010	Kampar-Riau	Certified
Naga Sakti Mill	2010	Naga Mas Estate	2010	Kampar-Riau	Certified
		Naga Sakti Estate	2010	Kampar-Riau	Certified
		Rama Bakti Estate	2010	Kampar-Riau	Certified
Kijang Mill	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
		Kijang Kencana Plasma	2010	Kampar-Riau	Certified
Ramarama Mill	2010	Ramarama Estate	2010	Kampar-Riau	Certified
		Amartajaya Plasma	2010	Kampar-Riau	Certified
Indra Sakti Mill	2011	Indra Sakti Estate	2011	Indragiri-Riau	Certified
		Indralestari Plasma	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	Kalimantan Selatan	ST-1
		Pamukan Estate	2018	Kalimantan Selatan	ST-1
		Sawita KKPA	2018	Kalimantan Selatan	ST-1
<p>Based on time bound plan on 31 January 2016, there is 1 (one) management unit was not certified yet i.e PT Sawit Karya Manunggal (Sawit Mill). Sawita Mill had conducted pre assessment on 2015 and for main assessment planned on 2018. The justification is waiting for approval of RaCP compensation plan.</p> <p>There is revision of time bound plan on 1 July 2017 for HGU on process in PT Ivomas Tunggal (Kandista Estate,</p>					

	Samsam Estate, Ujung Tanjung Estate, Sei Rokan Estate and Neggala Estate). For this area is planned for audit on 2020 because waiting for HGU.
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	Ujung Tanjung Mill receive FFB from independent outgrower which is PT Agrotunggal Jayamandiri and research estate which is Dami Mas Seed Estate.

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-4	<ol style="list-style-type: none"> Ardiansyah (Lead Auditor). Indonesian citizen, Bachelor of Forest Resources Conservation, Department of Forestry. Had work experience in Environmental NGO for 6 month (2007) and consultant for making EIA Document and KLHS for 3 years (2009 – 2012). Had attend training such as RSPO Lead Auditor course, Lead Auditor ISPO, OHSAS (SIO 18001 – 2007), land cover crop mapping and Management System Certification (ISO 9001-2008), Environmental Management System Certification (ISO 14001-2004), Social Auditing and Conflict Resolution. Had many times following audit activities related to sustainable palm oil certification system which is ISPO as an auditor since 2012 for legal, environmental aspect, conservation and social. Fluent in bahasa and malay. At the time of audit, has verify aspect of Legality, SCCS and Land Dispute. Rudi Ramdani (Auditor). Indonesian citizen with bachelor degree majoring in Agronomy. Experience as assistant manager in private oil palm company for ±3 years.He has followed training in several aspects as of: ISO 9001, ISO 14001, In house training of OHSAS, RSPO Lead Auditor course and Lead Auditor ISPO. He rules as lead auditor of ISPO since April 2016. He had involved many audit in scheme of ISPO and RSPO certification since 2012, with aspect audit of best management practice in oil palm plantation & mill, legal, environment, social, worker welfare.At the time of audit, has verify aspect of BMP, Transparency and Social. Naila Karima Auditor). Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She has experience working in private oil palm plantation companies in Indonesia. Who had attended the training including training understanding the RSPO certification system, ISPO Lead Auditor, and certified Integrated Management System (Occupational Health and Safety Management System OHSAS 18001:2007, Environmental ISO 14001:2004, Quality ISO 9001:2008). At the time of audit, she assessed on worker welfare and OHS. Radytio Puspanjana (Auditor Trainee). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospacial Information System, IHT Hight Conservation Value, IHT Environmental Impact Assesment, IHTGreen House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. At the time of audit, has verify aspect of HCV and Environment.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-4	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for ASA-4 at site: 5 days</p> <p>Number of working days for ASA-4 at site: 15 Working days</p>
2.2.2	Assessment Process
ASA-4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PT Ivomas Tunggal to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (Re Certification).</p> <p>Improvement of findings from survaillance assesment findings were observed by auditors at this ASA-4 assessment.</p>

	<p>All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-4. The assessment program please find Appendix 2</p>
<p>2.2.3</p>	<p>Location of Assessment</p>
<p>ASA-4</p>	<p>The number of management units of this activity consists of three estates that supply material FFB to the Ujung Tanjung Mill. In conducting the assessment, auditor team using formula $0.8 \sqrt{y}$ to determine the sample of and consider the issue of problems arising from the stakeholders as fundamental and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill and 1 estates (Ujung Tanjung Estate).</p> <p>Ujung Tanjung Mill</p> <ol style="list-style-type: none"> 1. Security Post. Observation and interview with Security Guard (<i>Satpam</i>) towards FFB reception, product delivery emergency situation handling, OHS and manpower aspects. 2. Weigh Bridge. Observation and interview with Weigh Beridge Operator towards FFB reception, product delivery, training/socialization, weigh device callibraton and OHS. 3. Station of grading, loading ramp, sterilizer, digester, thresher, fat pit, process office. Observation of implementation of work instruction, PPE, emergency respond, water process management. 4. Boiler Station. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. 5. Engine Room Station. Observation and interview with operator related to the efficiency of fuel utilization, personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. 6. Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. 7. WTP. Observation and interview with operator towards technical, OHS and manpower aspects. 8. Mill Drainage. Observations mill effluent lines, sanitation mill and flow of leaching mill. 9. Hazardous waste warehouse. Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. 10. Solid Waste. Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill. 11. Workshop. Observation and interview with mechanic and welder related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare 12. WWTP. Field observations related to Ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent. 13. Sedimentation Trap Pond. Observation on rainfall flows system on the mill. 14. Laboratorium. Observation and interview related to OHS implementation, chemical handling and waste handling <p>Ujung Tanjung Estate</p> <ol style="list-style-type: none"> 15. Block E-07 and D-07, Division 3. Observation the implementation of management in HCV area in form of riparian of Kandis River. 16. Block D-06, Division 3. Observation the conditions and position of legal boundary IMT 212. 17. Block E-05, Division 3. Observation the conditions and position of legal boundary IMT 10. 18. Block C8 and C7 Division 2. Land application. 19. Block E09 Division 3 (Pestiside and Fertilizer Applicator). Observation on safe working practices and interview with the spraying and fertilizer workers related type of pesticides use and fertilizer use according to the procedure and also worker welfare. 20. Block D10 Division 3 (harvesting). Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare. 21. Block E08 Division 3 (Ferotrap). To check ferotrap condition. 22. Block D10 & D11 Division 3 (barn owl nest observation). To check nest condition. 23. Block D10/11 Division 3 (Loading FFB). Interview with foreman of FFB about loading FFB prosedure, administration, FFB sortation in platform, safety and health and worker welfare.

	<p>24. Housing of Spraying System. Field observations related storage of PPE and handling hazardous materials and toxic waste Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop). Observation and interview on environmental aspect, OHS implementation and understanding of working procedure</p> <p>25. Workshop. Observation maintenance activity and interview with mechanic and welder about OHS implementation and understanding of working procedure.</p> <p>26. Emergency Response in Estate Unit. Observation on emergency response facilities (fire extinguisher, water tank for fire fighting, etc.) and its mechanism</p> <p>27. Housing complex at Pondok 3. Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.</p> <p>28. Health Center. Observation and interview with doctor about on first aid mechanism, medical waste management, and works accident record monitoring, H1 and H2 mechanism</p> <p>Stakeholder Consultation</p> <p>29. Surrounding communities (Jambai Makmur Village, Bekalar Village and Belutu Village). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</p> <p>30. Government Institutions of Siak Districts (Environmental Agency, Manpower Agency and Plantation Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.</p>
2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Consultation of stakeholders for PT Ivomas Tunggal held by:</p> <ol style="list-style-type: none"> Public announcement at web www.mutucertification.com on 10 July 2017. Public consultation with government agencies of Siak district (Plantation agency, Environmental agency) on 25 July 2017. Public consultation by interview with locals of the nearby village (Jambai Makmur Village) on 25 July 2017. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative and gender committee and local contractor) on 25 and 27 July 2017. Consultation with NGO (Jikalahari and Sawit Watch) via email on 17 July 2017. <p>Numbers of input from stakeholders were clarified by PT Ivomas Tunggal</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (ReCertification) will be determined at least 12 months after this ASA-4 (July 2018) .

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Ujung Tanjung Mill– PT Ivomas Tunggal operation consisting of one (1) mill and one (1) oil palm estate.

During the assessment, unit management of Ujung Tanjung Mill and its supply base already comply with RSPO P&C and SCCS requirements. There were two (2) opportunities for improvement were identified. Further explanation of assessment result are provided in section 3.5.

MUTUAGUNG LESTARI found that Ujung Tanjung Mill – PT Ivomas Tunggal complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Continued**.

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.		
<p>1.1.1 The company already has a list of stakeholder related / direct contacts with the company. The list of stakeholders includes government agencies in Siak District, Siak District Police, Community Leaders, Customary Institutes (Melayu Adat), Religious Leaders, Indigenous Peoples (Sakai Indigenous People), Youth Leaders, Companies Around Plantation, Trade Unions, Educational Institutions, Suppliers , Contractors and corporate partners, NGOs (NGOs Around the Company). The data is prepared by SPO Region officer as of July 19, 2017.</p> <p>Stakeholder renewal is done once a year or done if there is a change in the arrangement or contact person Stakeholder. The officer who made the renewal was SPO PSM 5 Coordinator.</p> <p>The types of documents accessible and provided to stakaholders are in the list of information for stakeholders, such as employee lists, NPWP, local taxes / retribution payments, environmental documents, deed of incorporation and amendments, production area data and fertilization applications, land tenure certificates and HGU certificates , High Conservation Value report, Social Impact Assessment report, social activity document, and accident report and P2K3 report, improvement program document, RSPO audit report document, human rights policy document. If the requested information is not in the list of information, top management's first consideration is required.It is described in the SOP of Consultation and Communication (SOP-SMART-UMUM-SADP-I-004, dated July 1, 2014), point 2.2. 4 b.</p> <p>Socialization activities regarding Communication and Consultation Procedures and procedures for providing information to stakeholders on January 28, 2016 at the club house sam sam estate with participants of the House of Representatives Siak (representatives of Sam Sam, representatives from sub-districts, Village Representatives, Malay Customary Institutes, KPA Sakai NGOs Candidate and Society.</p> <p>In Communication and Consultation SOP No. SOP / SMART / GENERAL / SADVI / 004, July 1, 2014. Delivery period of advice no later than 1 week after letter received (from Unit Head to Department concerned). Response no later than 3</p>		

weeks after mail received.

Based on the study of incoming and outgoing documents known until the implementation of S4 there is no request for information. The results of public consultations with stakeholders on July 26, 2017 obtained information that they never requested information about operational activities. However, if the village community submits requests for assistance, the company always responds quickly.

Incoming and outgoing requests for information and responses are available for 2017 in the form of communication and consultation, for which UTNE & UTJM have 18 outgoing mails, such as outgoing mails 187 / SPB / UTJM / 03/2017 dated March 25, 2017 to PJK3 for extension Factory permits and heavy equipment UTJM.

1.1.2

Communication and Consultation SOP No. SOP / SMART / GENERAL / SADVI / 004, July 1, 2014. Delivery period of advice no later than 1 week after letter received (from Unit Head to Department concerned). Feedback no later than 3 weeks after the letter received.

Requests for information are documented in the communication book. As stated in the communication book there is no incoming letter demanding for information related to the operation of the estate and mill. The results of public consultations with stakeholders on July 26, 2017 obtained information that they never requested information about operational activities. However, if the village community submits requests for assistance, the company always responds quickly.

Incoming and outgoing requests for information and responses are available for 2017 in the form of communication and consultation, for which UTNE & UTJM have 18 outgoing mails, such as outgoing mails 187 / SPB / UTJM / 03/2017 dated March 25, 2017 to PJK3 for extension mill permits and heavy equipment UTJM.

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 types of documents accessible and provided to stakeholders are in the list of information for stakeholders, such as employee lists, NPWP, local taxes / retribution payments, environmental documents, deed of incorporation and amendments, production area data and fertilization applications, land tenure certificates and HGU certificates , High Conservation Value report, Social Impact Assessment report, social activity document, and accident report and P2K3 report, improvement program document, RSPO audit report document, human rights policy document.

Communication and Consultation SOP No. SOP / SMART / GENERAL / SADVI / 004 explained that some documents are confidential and must require permission from the company to access them. There is evidence of information to the following stakeholders:

- 14 July 2017 to General and Personnel BPN Kab. Siak.
- 11 July 2017 to NGO WWF Pekanbaru.
- June 14, 2017 to BLHD Kab. Siak.
- July 14, 2017 to the Department of Agriculture and Plantation Kab. Siak.
- 12 July 2017 to the Disnakertrans Kab. Siak.
- July 17, 2017 to Kandis Sub-district.
- July 14, 2017 to Dispenda Kab. Siak.

Status: Comply

1.3

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

1.3.1

Certificate holder has consistently documented the Principles of Business Ethics Policy endorsed by RC and PC of PT Ivomas Tunggal on January 03, 2015. The policy in the Indonesian language contains a commitment to behave ethically

in all transactions and business operations that are guided by the company's shared values, integrity, Positive attitude, commitment, continuous improvement, innovation and loyalty and in accordance with the principles of sustainable palm oil plantation management.

The policy is communicated to all workers consistently during the briefing morning activity and through notice boards in each estate office and mill office, including the contractor. The result of interview with NGO (Komunitas Pengawas Korupsi) Siak Regency, submitted that PT Ivomas Tunggal cares and acts related to eradication of corruption action as stipulated in Principles of Business Ethics Policy.

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 consistently applies legislation relating to plantation and palm oil mill. List of laws and regulations updated on July 07, 2017. The Certification Unit has shown compliance with laws and regulations, for example:

- Have Land rights in the form of Land Use Title, location permit and plantation business permit for the activities of oil palm plantation and palm oil mills accordance Plantation Act 39/2014 on plantation and Law No. 5 of 1960 on Main Agrarian Regulations (refer to criteria 2.2)
- The company has endeavored to protect workers from hazards and risks by providing PPE for high noise areas such as earplugs and earmuffs, and for areas with potential dangers of dust, smoke and ash in the form of masks. In addition to the provision of PPE, protection for workers is done by performing regular health checks in the form of audiometry and spirometry. As well as testing the air quality in the factory environment to ensure that the working environment in a safe condition in accordance with requirement (refer to indicator 4.7.3)
- Workers at specific station have completed with license (boilerman, electrician, heavy equipment operator and welder) in accordance with requirement (refer to indicator 4.7.3)
- Already has an organizational structure of Guiding Committee of Occupational Safety & Health and reporting Guiding Committee of Occupational Safety & Health regularly every three months (refer to indicator 4.7.4)
- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely (refer to criteria 5.1).
- Has been manage the hazardous waste and domestic waste in accordance with applicable regulation (refer to criteria 5.3).
- Land preparation without burning and has the infrastructure in fire anticipation, according to Permentan Number. 26 of 2007 section 15. (refer to criteria 5.5).
- The Certification Unit has comply with minimum wage referring the decree of Riau Governor No. 20/II/2017 (refer to indicator 6.5.1)

Certificate holder can show a copy of the regulations was documented on soft file in the office each unit. Based on interview with the Agency of Siak District, explained that the company has implemented regulations that applicable.

2.1.2; 2.1.3 and 2.1.4

To ensure compliance to regulations, company has SOP Regulatory Compliance and Other Requirements (SOP/SMART/UMUM/SADV/II/002, dated 1 July 2014) describes the person in charge is SADV (for national level regulations), SPO PSM Officer and SPO Unit Officer (for local level regulations). Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted on 10 July 2017.

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

CH has had the land rights in the form of Land Use Title (HGU) for an area of 13,432.09 hectares which consist of 1 certificate HGU. Based on document review and field visit known that management unit has manage a area of 4,107.22 Ha consist of 3,775.63 Ha planted area and 331.59 Ha supporting facilities. The rest of HGU area was include in another certification scope i.e Sam-Sam Mill. For this assessment, the scope of certification only 3,253 Ha because there are area that not has HGU yet. The progress of land tanure was field inspection by BPN and based on inspection is known that the area is not include in forest area. The progress of land tanure for area that not has HGU was include in partial certification.

Interview with communities and government agencies is known that the CH did not conduct expansion the operation area since last assessment (2016).

2.2.2

Management unit has had list and map of boundry pole from National Land Agency. Based on the data, there are 7 pole in Ujung Tanjung Estate. Management unit have conducted monitoring and maintenance of boundary pole three month. The monitoring results for 2016 – 2017 showed that all pole in Ujung Tanjung Estate are in good condition.

Field visit in Ujung Tanjung Estate showed that Boundary Pole No. 212 are well-maintained (see picture) and the pole position is meet with the coordinate. Besides that, CH also maintaining trenches as part of boundary marker.

**2.2.3; 2.2.4 & 2.2.5**

The consultation results with communities (Jambai Makmur Villange) is known that there was no dispute / conflict of land between the companies and communities for period 2016 – 2017. Field visit and document review also shows that there was no dispute / land conflict in operation area of CH. The company has had procedure for conflict resolution which stated that the resolution involve the stakeholder.

2.2.6

GAR as parent company of PT Ivomas Tunggal has had policy of Social and Environment which stated “We commit to actively promoting and supporting the responsible resolution of any conflicts involving GAR operation with legitimate concerned at the time underlying events occurred. This will include working with relevant stakeholders to ensure that a balanced, accountable, mutually agreed and documented conflict resolution system is accesible to smallholders, indigenous peoples, rural communities and other affected parties based in order to deal with complaints, grievances and resolve conflicts to the mutual satisfaction of the parties based on respect for their legal and costumary rights, including to lands and resources and their right to give or withhold their free, prior and informed consent to operation planned on their lands. The system will include the mapping of all conflicts in GAR’s operations, the development of action plans to address indentified conflicts, transparent monitoring and reporting, the option to local community and or customary groups for accesing independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers as well as the option of a third party mediator.

We categorically reject the use of violence in any dipute by any parties.”

Consultation with the stakeholders (Jambai Makmur Villange), there is no indicate that the company use the mercenary/paramiliter in operation area.

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 & 2.3.4

CH has had SOP of FPIC which approve by Head of Upstream on 1 July 2014. This procedure is used in the development of oil palm plantations and / or mills in new location permits and development of oil palm plantations and / or factories in existing location permits.

Interview and field visit show that land utilization by CH does not destruct local communities' traditional and legal right. Land ownership is entirely belong to individual or belong to state. The evidence of communities' land release have been well documented and well stored by D&L. The latest land compensation has been conducted in 1995.

Document review, field visit and interview shows that since the last assessment (2016), the company does not perform land expansion.

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 shows longterm management business and budget plan for period 2017-2021. Management unit stated that the business plan are subjected to changed and reviewed annually by the respective management through considering actual trends and dynamic situation which predicted could be changed in the future. The objective of annual review is to optimize the company resouces to obtain a satisfactory goal. Parameters listed on the company long term plan has covers estimates of production, cost of production (plantation and mills), mills production projections (OER and KER), FFB and CPO price, and other financial parameters such as profitability and revenue. This longterm budget plan has made by Department of Finance and approved by Regional Controller.

3.1.2

Management unit can show document of activity plan of replanting for period of 2017-2021 with area 3,243.70 Ha. Implementation of replanting continues to be implemented gradually given the age of the plant has exceeded 25 years and the productivity of FFB production has decreased (<23 tons FFB ha/year). The realization of replanting up to July 2017 is an area of 238.75 ha carried out in the UTNE/87/D11/3/S Complex.

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 since ASA-3 until ASA-4. PT SMART as a parent company of PT Ivomas Tunggal 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 (Estate office) and written in a language that is easily understandable for workers (written in Bahasa).

Interviews were conducted to 4 harvester (block D10 UTNE), 4 pesticides applicator (block E09 UTNE), manuring worker (block E09 UTNE) and 7 workers in Ujung Tanjung POM (3 grading workers, 1 boiler operator, 1 engine room operator, 1 welder and 1 hoisting crane operator). Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.

4.1.2; 4.1.3

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. 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 of 2017 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 4 assessment. In each SOP, there is page of document control that record the revision if any.

4.1.4

Ujung Tanjung Mill has record the origins of all FFB source. The result of filed visit, document review and interview with the management, known there is FFB sourced from external party which is from PT Agrotunggal Jayamandiri. FFB deliveries performed under the agreement that has been agreed.

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; 4.2.3

The company has had a procedure to manage and maintain soil fertility (SOP of Manuring: SOP/SMART/MCAR/IX/TA-PPK). The SOP approved by SMD Ops on 12 June 2012. Maintenance in accordance to maintain soil fertility Certificate holder conducted manuring activities accordance with recommendation from research, POME applications, and maintain cover plant such as *Nephrolephis*.

Certificate holder has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit analysis (LSU) to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely by SMART Research Institute (SMARTRI) and it is supported by well-trained census Officer in each estate. The result of leaf sample analysis has been received. Meanwhile, the soil sample is being analyzed. SSU 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 9 November 2015 and the last LSU result was issued on 29 March 2016.

4.2.2; 4.2.4

Based on document verification and interview with the staff, it is known that the fertilization program in semester 1 for new planting (2017 planted years) in UTNE has been completed. While for the old planting year that to be replanted (in 2018) is no longer manuring activity in Ujung Tanjung Estate. According to the procedure (SOP/SMART/MCAR/IX/TA-PPK), there is no manuring activity two years before replanting.

Certification holder has implemented nutrient recycling using EFB and POME as a way to improve the soil fertility. Ujung Tanjung POM also utilizes fiber and kernel shells as a boiler fuel material. There is documents of program and realization of EFB and POME. During this audit ASA-4, there is no EFB application in UTNE, The EFB application is focused on Kandistasari Estate, but there is the record of it. It application in UTNE during 2017 was in 88.86 Ha area with 30 ton/ha/year dosage.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

CH has a semi-detailed soil map of Scale 1: 50,000. The map consists of Land Map Unit (SPT), Soil Classification, Topography (percent and degree), Soil Texture, Depth (solum And effective), drainage, land suitability classes, limiting

factors and hectarage. There is no fragile soil in the operational area of PT Ivomas Tunggal.

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, conservation terrace, 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 an measuring the erosion. Based on field observation at Ujung Tanjung Estate planting LCC on Year Planting 2013, Block B31 Division 3 planting *vertiver* and *guatemala* on the road cliff.

4.3.3

The management unit can show 2016 and 2017 road maintenance programs authorized by the Estate Manager, as well as records of its realization. The average comparison of rocks and sand is 80%: 20%. For example, based on the recapitulation report on road maintenance of Ujung Tanjung Estate on May 9, 2017 it was reported that an improvement was made in main road as long as 89,597 m3. Based on field observation to Ujung Tanjung Estate, it was found that road conditions were satisfactory and easily passable by FFB transport unit.

4.3.4, 4.3.5, 4.3.6

As explained in the previous assessment activities, based on the Environmental Evaluation Study it is known that there is no peat land in the area cultivated in PT Ivomas Tunggal. Besides, based on field observation, there is no peatland in the operational area estate of PT Ivomas Tunggal.

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 plan has described in EIA report Semester 2 of 2016. The Plan had drescribed the objectives such as water sources including catchment pond, rainfall records, water requirement, current, water quality and contingency plan.

According to environment monitoring analysis, it was informed that the company activity has not give negative affect. Moreover, domestic housing well and consumption water from reverse osmosis testing shows that all parameters are accordace with Minister of Health Regulation (Permenkes) No. 416/1990 and Permenkes No. 492/2010.

4.4.2

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 Ujung Tanjung Estate namely Angek Tapuak River and Kandis River

All identified buffer zone has been designated as HCV and protected areas. Field observations in Kandis River showed evidence of surface water protection measures and including riparian such as:

- 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.
- 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 buffer zone protection. Prohibiting the use of chemicals in the river buffer zone.
- Planting riparian with *guatemala*, *cempaka* and *trembesi* to prevent landslide and erosion
- Buffer zone not planted for replanting such as in block area E7 / D7 (River Kandis)

4.4.3

Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory. Based laboratory testing, it could be concluded that testing results from July 2016 to June 2017 were accordance with PermenLH No. 28/2003. Based on observation to WWTP, it was found that flow meter was well functioned and there were no spills to the land. Furthermore, the certification also has had land application permit and there is no issues from stakeholders related to land application.

4.4.4

Results of Interviews and field visits it was obtained information that the water used for mill processing activities comes from Kandis 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 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 6 months (January – June 2017) was 1.67 m³/ton FFB and was above 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. The relatively high use of water in year 2016 caused by decrease of FFB supply and increased of water consumption at housing.

Status: Comply

4.5

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

4.5.1

The activity budgeted on the program were consist of detection, census and monitoring of pests and diseases attack, biological control such as barn owl nest installation and planting of beneficial plants. According to IPM activity records for January to June 2017 such as program and realization of rat census in UTNE, leaf eating caterpillar census, it could be concluded that all the census results were still under its economic threshold. This may lead to zero use of pesticides for pests and diseases control. Furthermore, according to pesticides used record in 2016-2017, agrochemical uses was only implemented for weeds control purposes.

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 box as a mechanism to control rat. 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. Currently, there are total 164 barn owl boxes in Ujung Tanjung Estate.

4.5.2

There is a record of integrated pest management training Siak Region held by SMARTRI, on 7 June 2017, attended by 78 employes consisting of cencus 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

PT SMART as a parent company of PT Ivomas Tunggal 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 document verification it's known that that the herbicide being used is appropriate for the target or type of weed. Certificate holder used Isopropil amina glyphosate, Metil metsulfuron, and Amonium glufosinate, which have received permission from the government.

4.6.2

Ujung Tanjung Estate 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 and dosage/ha. This document is constantly recorded and updated by the sustainability officer of estate in each month. During the assessment, there is no pesticide application regarding second round programe already finished and herbicide stock was empty.

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 that has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar by planting beneficial plant such as *Turnera subulata*, *Casia tora*, *Antigonon leptosus* and *Euphorbia heterophylla*. Certificate holder has trend chart pesticide use from 2015 to 2017. The use of pesticides declining since the certificate holder implemented IPM.

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 Cass 1A or 1B application in 2016 until June 2017.

4.6.5, 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with sprayer, 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 sprayer also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as mask, gloves, safety shoes, apron and googles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work.

4.6.6

Certification unit has a SOP of material management and the displacement, explained the material characteristics and hazardous chemicals. The expired chemicals will be stored in hazardous waste warehouse or be returned to supplier. Based on field visit in Chemical warehouse Ujung Tanjung Estate is known, there are signboards and hazardous symbols, Material Safety Datasheet (MSDS), chemical logbook, emergency response, personal protective equipment and OHS management.

Certification unit has record of handover the ex pesticides container which from Ujung Tanjung Estate to supplier. Based on field visit in housing of Ujung Tanjung and landfill is known there are not ex pesticide containers disposed in landfills and the use pesticide containers for other uses that are not similar.

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.

4.6.10

Certification unit has a SOP about waste management published on July 2, 2014. SOP explained that the ex agrochemical containers washed three times and stored in the warehouse to be returned to the supplier. Certification unit has agreement with supplier for transport the former pesticide container which valid until 21 March 2018. Certification unit also has a work instruction of washing and cleaning of used pesticide containers. SOP explained that the former pesticide containers were washed 3 times (according to the MSDS) and used washing water is re-used for spraying. All discarded containers of chemicals generated by estate and mill, placed in hazardous waste warehouse.

Record of hazardous waste management included in report of hazardous waste management which quarterly sent to environment agency, such as report of on January to March 2017. The training and socialization to spraying workers, about ex pesticide container disposal is available.

4.6.11

Certification holder regularly have a medical examination for pesticide operator. Ujung Tanjung Estate has a list of the latest pesticide operator as many as 15 people. All spraying workers has examined health through inspection types of cholinesterase and spirometri, to ascertain the condition of workers in good health. This semester examination was conducted in May 2017 for all units. Examination results stating that all workers spray 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 interview with spraying personnel, it is known that there was neither pregnant nor lactating female personnel who work with pesticide. Moreover, company conducts pregnancy test and examination every month. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or lactating.

Status: Comply

4.7

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

4.7.1

The company has had 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 that is in the working environment to prevent accidents and occupational diseases. It has been disseminated on the activities of the safety briefing before doing the work, such as documentation on 11 February 2017. 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.

Interviews were conducted to 4 harvester (block D10 UTNE), 4 pesticides applicator (block E09 UTNE), 2 manuring worker (block E09 UTNE). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

4.7.2

Certification holder shown the document of hazard identification, risk assessment and risk control which issued on January 2017. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at workshop and agrochemical warehouse in UTNE, it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by providing PPE and OHS signboard are available in workplace.

4.7.3

Based on documents verification and interviews, it is known that all operators at Ujung Tanjung POM and Ujung Tanjung Estate already have lisense such as boiler operators, lift carrier operators, welders and electrical technician.

Based on field visits and interviews with workers, the company has provided PPE to workers. PPE for type of glove, ear plug, ear muff, helmet, apron, googles and safety shoes can be replaced immediately if damaged. This is evidenced by shown the recording of PPE distribution documents to the workers and the workers recognition from interviews also confirmed it.

4.7.4

Certification holder already has persons that responsible for the OHS program within the organizational structure of P2K3 established in each management unit. The organization routinely conducts monthly meetings on OHS issues in the workplace. The minutes of the meeting were recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

4.7.5

The company 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/005). The procedures cover the main potential causes of emergencies such as fires, chemical spills. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in the mill and the result of the experiment was concluded that the hydrant tool is ready for use.

Ujung Tanjung POM and Ujung Tanjung Estate has already licensed first aid officers and there was first aid internal training conducted on 19 April 2017 in Ujung Tanjung Training Centre which was attended by 82 participants. Certification unit also has a first aid kit in each unit and based on observations, it's concluded that the contents in the first aid box are sufficient. There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers.

4.7.6

Based on the Collective Labour Agreement (CLA) that workers have the right to receive medical care and be protected by the accident insurance company. The management unit show proof of payment of Health and Employment Workers Social Security Agency (BPJS). Payments are made every month by percentage according to the regulation.

Based on interviews with UTJM and UTNE employees, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health BPJS card, if they went to a company clinic there was no fee at all.

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.

Status: Comply

4.8

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

4.8.1 and 4.8.2

The management unit PT Ivomas Tunggal consistently prepare annual training program for all staff, workers, smallholders and contractors, as well as documenting and evaluating the training program has been developed and implemented. Training programs period 2017 cover aspect in Princip and Criteria RSPO ie OHS training (PPE management, HIRAC, fire extinguisher and Hydrant simulation, First Aid, Emergency Response, OHS for contractor), the risk of exposure to pesticides, IPM, MSDS, prevention of harassment or abuse in the work place and protection of reproductive rights, HCV management, etc.

Training programs for smallholders period 2017, the types of training include agronomy (harvesting, weed control, pest and disease control, fertilization, FFB quality, road maintenance, etc), conservation, environment (zero burning, waste management, etc), and OHS aspect (HIRAC, PPE, first aid, emergency response simulation, etc).

The management unit of PT Ivomas Tunggal has consistently documented the training records for all staff, workers, smallholders and contractor on Estate and Mill. For example:

- The first aid training for the foreman was conducted on April 19, 2017 with a trainer of company physicians who already have Hiperkes certificate.
- Agronomic technical training (harvesting, FFB quality, road maintenance, fertilizing and crop maintenance) for smallholders members conducted on January 25, 2017.

Based on interviews with harvester in Block D10 Division 3 Ujung Tanjung Estate, pesticide operators and manuring workers in Block E09 Division 3 Ujung Tanjung Estate submitted that the workers have received training related to the field work and be briefed on the activities of the morning briefing to ensure workers can work in accordance with procedures established by the company.

Public consultation with contractors transporting FFB are submitted that the company has provided OHS training for contractor workers for example related to the use of PPE, accidents, safe working practices, etc.

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).

5.1.2

The Company has conducted environmental management based on addendum documents of Environmental Management Plan / Environmental Monitoring Plan, among others:

- Impaired air quality and noise. Provide an earplug to workers who are in a place that has high noise and installing emission and gas control equipment in the chimney generators, boiler and furnace.
- Potential Land Fires. Management plan is a prohibition use of fire, make warnings, preparing fire control devices, socializing to workers, forming a fire control team.
- Impaired surface water quality and aquatic biota. Management plan is periodic testing of surface water and aquatic biota, managing effluent.
- Groundwater and soil water disorders. Management is minimizing the generated waste and reviewing all activities that produce waste, especially the utilization of land application.
- Potential of erosion. The company carries out management with terraces, drainage and monitoring and measuring high erosion areas.
- Growing plant pests and diseases. The company manages the use of dosage based pesticides, IPM and biological control.
- Increase business opportunity and community income. The company manages the management by increasing the recruitment of local worker.
- Increase community income. Opportunity of entrepreneurship, employment training.

- Perceptions of the community. The company manages and applies the proposed community empowerment program and the implementation of the Community Development program.
- Roadway infrastructure. The company carries out the management by installing traffic signs, frequency of transportation and tonnage, reducing transport speed and performing road maintenance according the program.
- Occupational health and safety. Managing in a way create of SOPs, complementing PPE, providing OHS training, monitoring workers' discipline, MCU and training to employees of special jobs.
- Medical waste. Manage medical waste according with regulation

Records of implementation of environmental management describe in RKL-RPL implementation report such as report of 2nd semester 2016 and has been reported to environment agency.

5.1.3

Implementation of environmental monitoring was described in RKL-RPL implementation report. Based on the RKL-RPL implementation report of semester 2 of 2016 known there isn't negative impact caused by CH. The result of mill effluent quality testing that conducted periodically has been accordance with the standard qualities set by the government. Interview with Environmental Agency of Siak District show that CH has been submit the RKL-RPL implementation report every six month and there isn't negative impact caused by CH.

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 was conducted by Environment Department of PT. SMART Tbk on 2009 (internal HCV assessor team). Assessor team consist of 6 persons with Lead Assessor has been approved by the RSPO, 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 1.2 and HCV 4.1 (riparian), area of 110.56 ha in block D06; block C06; block B07; block A09 (Kandis river Riparian), block A20; block A21; block B21; block B22; block C21; block C22; block D21 and block E22 (Angek Tapuak Riparian).

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.

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
- To conduct species identified protection.
- Implementation of company procedure related to HCV management, such as Number SOP/NP/Smart/IV/LH001 about HCV identification and management, Senior Managing Director Circulation Letter No. 002/SE-SMDOPS/IX/2010 dated September 20th 2010.
- 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 Kandis river in Block E7 and Block D7 Ujung Tanjung Estate known that the HCV area has been managed well and in accordance with the management plan. The company was able to shows

monthly monitoring of fauna and monitoring/maintenance of marking HCV poles which conducted weekly. It was reported that there were no conflict between human and wildlife.

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 sanction 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. It also has been verified during interview with the workers in field and emplacement.

Based on interview with community figures from Bekalar Village, it was state that the CH has conducting socialization on HCV area and protected fauna within estates operational areas which also informed by signboard. Moreover, there were found no protected fauna on offices and employees housing areas in both in estate and mill.

5.2.4

Monitoring of RTE species has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan. The CH was able to shows evidence of receipt note document of flora and fauna identified in to relevant Agency.

5.2.5

Based on document verification and field observation, interview with workers, surrounded community and related institution known HCV area was not overlapped with local communities' rights, and that there is no community land and traditional rights defined as HCV area.

Status: Comply

5.3

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

5.3.1

The entire products of waste and it sources have been identified and documented in the identification list document of Environmental Aspects on 2017. The examples of waste products are oil sourced from FFB trucks, emissions/smoke from FFB trucks/CPO, waste sourced from used sacks, emissions/smoke that comes from generators, emissions/smoke coming from the chimney boiler, spilled diese/oil sourced from the generator engine, oil drums sourced from the workshop, former battery/former dust cloth/used lamp sourced from materials warehouse, former chemical container from chemical warehouse, effluent that sourced from the former chemical bottles derived from laboratory, effluent that comes from FFB processing, and others. The company has SOP of hazardous waste handling which describe the waste (domestic and hazardous waste) management program, as follows:

- Agrochemical ex-container collected, washed, recorded on the form 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.

Based on visit in FFB processing activities known that effluent product resulting from the processing of FFB. Based on visit in chemical warehouse known that the former packaging chemical products are produced from chemical warehouse. Results of observation on housing known that the waste products generated from household activities.

5.3.2

Company conduct an inventory of the waste described in the document of Evaluation Aspects of 2017. The result of

inventory in Ujung Tanjung Estate such as Spray activities produce waste, such as former pesticide container placed in hazardous waste warehouse, preparation and maintenance block mark, such as former paint cans, placed in hazardous waste warehouse, plastic waste fertilizer, placed in hazardous waste warehouse.

Based on field visits in chemical warehouse Ujung Tanjung Estate (central warehouses) is known the resulting, former chemicals container be placed to hazardous waste warehouse. Record of hazardous waste management included in report of hazardous waste management which quarterly sent to environment agency, such as report of on January to March 2017. The training and socialization to spraying workers, about ex pesticide container disposal is available.

5.3.3

Record management of Hazardous Waste, included in reporting management hazardous waste quarter period January to March 2017 addressed to environment agency. Hazardous waste management recorded several documents, consist of:

- Company has Logbook (Hazardous Waste Warehouse) period January to March 2017
- Company has Balance Hazardous waste warehouse reported period January to March 2017
- Company has Agreement Letter, PT Primanru for transporter Hazardous waste
- Company has shipping manifest Hazardous waste warehouse, period January to March 2017

Based on field visits in the boiler station any a fiber and shell is used as fuel. Remaining fiber shell and placed so did not result in pollution and potential fire. Company has minutes of meet ex pesticides container which come from Ujung Tanjung Estate to supplier. Based on field visit in housing of division 1 and landfill of Ujung Tanjung Estate is known there are no ex pesticide containers disposed in landfills and the use pesticide containers for other uses that are not similar.

Based on verification document Company has Agreement Letter, PT Primanru for transporter Hazardous waste expired in 13 June 2017, but the last delivery of hazardous waste June 9, 2017. Auditor giving notes on this indicator as an Observation and will be verify in the next assessment. **(OFI)**

Status: Comply

5.4

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

5.4.1

The Company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells and fiber in March 2017 was 3,812,000 kg, which produce 313,530 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 0.05 kwh / ton FFB. Result Direct fossil fuel use per ton of Fresh Fruit Bunches (FFB) is 1,611 / ton FFB.

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

Based on Sinarmas Technical Guidelines for Palm Oil Cultivation point 5 on land preparation and planting No. SMA / MCAR / 05 / 05-07 states that in the context of land preparation should use the principle without burning (Zero Burning). The company has conducted socialized to prevent land fire such as on 15 March 2016 in Kampong Betulo, Bekalar Village.

Based on visit in Block E09 Ujung Tanjung Estate, there is no indication of burning activity for land clearing activity.

Status:

5.6

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

5.6.1

The Company has GHG emission mitigation mechanism (SOP / IMT / GRK document) effective April 5, 2012. Identification

of GHG sources has been done, as follows:

- Emissions derived from the consumption of fossil fuels for internal transportation of gardens and machinery.
- Emissions derived from the use of fertilizers,
- Emissions derived from the use of pesticides
- Emissions derived from the consumption of fossil fuels at the plant, and the use of factory byproducts.
- Emissions from Palm Oil Mill Effluent.

The management unit has identified the sources of pollution and emissions in the MCC and the garden.

5.6.2

The Company periodically per 6 months has been testing the sources of emissions and pollutants, as indicated by the test results semester 2 years 2016 with test results that are below the threshold.

5.6.3

Available proof of delivery of GHG RSPO performances as follows: Sam Sam Pom, Libo POM, Ujung Tanjung POM dated July 29, 2017.

Summary of Net GHG Emissions periode Juli 2016 – Juni 2017 PKS Ujung Tanjung sbb:

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	2.46	OER	18.13	FFB Processed	1,047.12
PK	2.46	KER	4.8	CPO Produced	189.84

Land Use	ha
OP planted area	5,949.98
OP Planted on peat	0
Conservation area	222.95

Summary of Field Emissions and Sinks

	Own Crop			Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions									
Land conversion	183.54	5.5	0.02					5.5	0.02
*CO ₂ emissions from fertilizer	14.02	0.46	0.02					0.46	0.02
**N ₂ O emissions	22.84	0.53	0.02					0.53	0.02
Fuel consumption	3.93	0.12	0					0.12	0
Peat Oxidation	0	0	0					0	0
Sinks									
Crop sequestration	-159.64	-4.,95	-0.19					-4.95	-0.19
Conservation Sequestration	-14.03	-0.34	-0.1					-0.34	-0.01
Total	50.66	1.33	0.05					1.33	0.05

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	205.25	0.2

Fuel consumption	334.91	0.32
Grid Electricity Utilisation	0	0
Credits		
Export of Grid Electricity	0	0
Sales of PK	0	0
Sales of EFB	0	0
Total	540.16	0.52

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion:

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

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

Social Impact Assessment of PT. Ivomas Tunggal first done in 2009. In 2012, there is a Revised Social Impact Assessment Report (SIA). The documents explain of positive and negative impact of the company operation which also equipped with management & monitoring advice.

6.1.2

In Social Impact Assessment Report of 2009, there are affected parties, among others: communities from 8 villages and 3 sub villages, employees / factory workers and estates. 8 villages in the vicinity of PT. Ivo Mas Tunggal are: Samsam Village, Kandis Village, Belutu Village, Libo Jaya Village, Pencing Bekulo Village, Jambai Makmur Village, Gondang River Village and Bekalar Village. While 3 urban villages are: Kandis Kota, Simpang Belutu and Telaga Samsam. There is also evidence of absenteeization of plantation environmental socialization conducted on 27 February 2015 which was attended by 54 participants.

6.1.3

The Company shows documents on monitoring and management of plantation social impacts and mill of PT Ivomas Tunggal (Libo Mill, Sam sam Mill, Ujung Tanjung Mill, SRKE, SSME, UTNE, KNDE, NGL, PLPE) implementation period August 2015 - August 2016 which informed of positive and negative impact, equipped with their social impact programme realization.

There is prove of social communicationAs exemplified by the documentation of social impact monitoring as follows:

- July 11, 2017 at: Simpang Belutu village 2 village apparatus, 2 people in Sakai Libo Jaya
- On 12 July 2017 at: Belutu village 3 participants village officials, 2 people in the village of Kandis Kota, 2 people in the village of Sam Sam Sam.
- On July 13, 2017 at: Kandis village 3 participants of village officials, 3 people in the village of Sungai Godang.
- On July 14, 2017 at: Sakai Desa Desa Bekalar 2 people.

A management and monitoring plan is made for a period of 1 year. Responsible SIA is manager in every estate and mill assisted by SPO Officer and other related staff.

6.1.4

There is a review report on monitoring and management of the social degradation of plantations and millers of PT Ivomas Tunggal for the period September 2015 - August 2017, whose report was completed in July 2017. The scope of plasma has been included in the review of monitoring and management reports of the social impacts of PT Ramajaya Pramukti's plantation and palm oil plantations from January 2015 - December 2016, whose report was completed in July 2017.

Major impacts that affect communities from company operations: availability of employment, community economic development, flood potential, water quality, replanting impact, business opportunity. As for the plasma plantation scope that is: the potential of river water pollution from the factory, the repair of damaged roads in the village, the villagers' concerns over the existence of the company's drilling well, giving social assistance.

Available documentation of social impact monitoring activities as follows: dated May 9, 2017 at Sukamaju village, Kota Bangun village and Beringin Lestari village, May 8, 2017 at Cinta Damai village on May 6, 2017 in Sei Jambai Makmur village.

6.1.5

PT Ivomas Tunggal does not have the obligation to develop the plasma plantation, but Ujung Tanjung Mill receives FFB from PT Agro Tunggal Jaya Mandiri with the pattern of FFB deposit processed.

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

The Certificate holder already has a recording of a list of stakeholders that has been updated July 19, 2017 that explains the name of the institution / organization, address, contact number and name of the person in charge. The Company has SOP Communication and Consulting (SOP / SMART / GENERAL / SAD VI / 004 Published Date July 1, 2014). The Communication and Consultation Procedure explains to the user about the handling of communication and consultation related to the application of Sustainability Palm Oil (SPO) principle and requirements in every operational area of palm oil company PT SMART Tbk. This procedure includes guidelines for planning, implementing, on communication and consultation among stakeholders (stakeholders). Procedures are also provided with procedures for implementation, communication responses, and delivery of information to stakeholders, as well as flowcharts that describe in detail the steps of implementation of the activities, along with related documents.

The explanation of the FPIC approach is contained in the SOP on the Implementation of Free Prior Informed Consent. SOP / SMART / SENS-CSR / SADV / I / 003 dated July 1, 2014

6.2.2

Appointment of communications and consultants:

- UTNE: Letter No. 007 / RC-SIAK / SPO / III / 2014 dated March 3, 2014 to estate manager of Ujung Tanjung from RC - Region Siak Subject Appointment of PIC Social Responsible Person in Ujung Tanjung Estate Environment
- UTJM: based on letter number 035 / PC / IV / 2015f for caretaker of Ujung Tanjung Mill Manager.

6.2.3

Based on interviews with stakeholders (Village Head Belutu, KPK NGO, Bekalar Village Head and Village Head of Jambai Makmur) obtained information that the village has known the procedures and mechanisms in communicating with the company. The villagers explained that they communicate with the company through a estate or factory manager. The results of interviews with the village also obtained information that every request for information or assistance companies always responded by the company.

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

There is SOP for Complaints Handling and Dissatisfaction (SOP / SMART / SIGS-CSR / SADV / I / 003), dated July 1, 2014. There is minutes of Socialization dated 27 October 2014 for the SOP. Based on interview with villagers and workers, the procedure is understood by them. Administration Head is the person who responsible to control the records of any grievances from other stakeholders and its handling. Based on interviews with village heads of Jambai Makmur, Belutu and Sam sam as well as chairman of Karya Tani cooperation and Bangun Desa cooperation informed that communication with the company can be done either by letter or directly to Manager or administration head. The company continues to facilitate complaints handling in accordance with its procedures, but until the implementation of S4 it is known that there are no significant complaints to be brought to the RSPO.

6.3.2

The Company has provided a form of complaints that serves to record complaints directed to the company. Based on interviews with village chiefs Jambai Makmur, Belutu and Sam sam and representatives of NGO "KPK" that there is no dispute between the villagers and the company. Available sample documentation of complaints handling related to community horn beetle attack as of official handover of 8 October 2016 to field extension officer from Plantation Agency of Siak for 1 drilling machine, 5 liters of liquid Marshal, 25 ferotrap units, 50 box of feromone.

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

CH has had SOP for land compensation which describes identification, calculation and compensation for land release mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.

6.4.2 & 6.4.3

The results of document review, field visit and interviews show that the CH does not perform new expansion since the last assessment (2016). The latest land compensation has been conducted in 1995.

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

CH has a document from Governor of Riau No. 20/I/2017 dated January 26, 2017 concerning about Minimum Wage Agricultural Sector/Rubber Plantation, Coconut, Oil Palm and Mill Riau Province Year 2017, as much as Rp. 2,516,812,-. Furthermore, through a Joint Agreement between GAPKI and BKS PPS with PD.FSP.PP-SPSI, SPTP-BUN PTPN V and FSB Solidaritas Indonesia Riau, agreed that the implementation of minimum wage 2017 of Rp. 2,516,812 per month in all districts in Riau Province, and includes the value of natura in the form of rice for the workers themselves by 15 kg or Rp. 135,000 per month, effective from 01 January 2017. It was then followed by letter from CEO of PSM 5 dated April 27, 2017 concerning about its implementation. The implementation is shown through worker salary payment for May 2017 and the additional (rapel) was be paid for the period of January to April 2017. Based on the observation of the document known that the company has paid wages to workers in accordance with the provisions of the applicable minimum wage. In addition, Interview with DPC Chairman F.SPPP-SPSI no report of wage payment violation paid, in accordance with prevailing minimum wage.

Based on the explanation of the harvesters and boiler operators on working hours, it is stated that workers work from Monday to Thursday and Saturday from 6 am to 2 pm with 1 hour break. While on Friday hours work from 6 am to 12 pm

with 1 hour break. So the total working hours is 40 hours in 1 week according to Law No. 13 of 2003 Article 77. For Mill workers the shift system applies and if there is any excess of working hours than it should be, then the calculation of overtime pay refers to Decree of the Minister of Manpower No.102 of 2004 Article 11.

6.5.2

Collective Labour Agreement 2015-2017 between Sumatra Plantation Company Cooperation Agency with the Central Board of the Federation of Unions of Agricultural and Plantation Workers Union of Indonesia has been through a decree of the Director General of Industrial Relations and Social Security labor with No. 88/PHIJSK-PPKAD/PKB/VI/2015 on June 18, 2015. Agreement in a language understood by the workers and explain the recognition organization, recruitment, working hours, wages, contract labor, aid sick days, be absent work, payment of meal, overtime, provisions on premiums, feast day allowance, insurance social worker, equipment work and OHS, Provident Fund Benefit, special provisions for motor vehicle workers, workers brought in from outside the region, type of work, layoffs, severance pay, obligations of the company and the workers, a means of solving labor disputes and strikes. Overall agreement has been in accordance with the provisions of the applicable labor regulations.

6.5.3

The certificate holder has consistently 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, daycare, sports grounds. A field visit in workers housing complex at estate and mill show that the facilities and infrastructure provided by the company has adequate and decent. Ujung Tanjung Mill and Estate provide educational facilities such as kindergarten and elementary school (national school – SD Negeri 03) were located close to workers housing.

6.5.4

Based on interviews with workers and housewives, it is known that the access of workers to go to the market is easily obtained because of the road is a good condition, the market distance from the estate which is not too far (about 1-2 km with distance of approximately 30 minutes). This makes it easier for workers to get decent, sufficient, and affordable food.

Status:

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; 6.6.2

PT Ivomas Tunggal has been consistently documenting and implementing the policies related to giving freedom to all workers to form and join unions workers desired. The results of interviews with workers are known to be three Worker Unions within the management unit of Mill and Estate PT Ivomas Tunggal, namely SPPP-SPSI (*Serikat Pekerja Pertanian Perkebunan-Serikat Pekerja Seluruh Indonesia*), KSBSI (*Konfederasi Serikat Buruh Sejahtera Indonesia*) and SPPI (*Serikat Perjuangan Pekerja Indonesia*).

At the time of the ASA-4 audit activities, it is known that CLA for the period 2015-2017 has expired since April 2017, however, as stated by the Chairman of DPC F.SPPP-SPSI, the new CLA is currently in the process of drafting so that the old CLA is considered valid until the issuance of CLA new. There is a recording of the minutes of the meeting of CLA renewal discussions for the period 2017-2019 conducted in January and May 2017.

Public consultation through interviews with worker union officials submitted that, communication between the union and the company have been good, if there is a complaint or a request for information from the union then the company has responded well and quickly. It is generally stated that no violation by the company against the fulfillment of workers' rights and corporate liabilities, such as the application of the minimum wage in accordance with the applicable provisions, gives freedom to the workers to associate and there is no indication of intimidation against union officer and members, reporting related to discrimination against workers, no coercion of any kind against workers, there are no issues of employing child labor, illegal workers and family gank, employment agreements available to all workers with contract workers status (PKWT) in accordance with applicable labor laws.

Worker unions has consolidated with the company for the central clinic to be the First Level Health Facilities of *BPJS Kesehatan*, to facilitate and improve the quality of health services for employees. The Company has approved it sometime in May 2016. Currently the union is expecting follow-up of it to be hastened. As for the responses submitted by the company on the matter, the readiness for the clinic that has been provided by the company has sufficient requirement to be a first level health facility and related to paramedics has been available by doctors company assisted by nurses and midwives. So it is currently just waiting for the completeness of the administration and licensing is still in the process of handling, and is expected this year will be realized.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The certificate holder has consistently apply the conditions set out in the Memorandum of HR Director No. 002/SE-HRDV/03/09 dated 31 March 2009, concerning policies for the protection of children, including the prohibition to use the workforce under age 18 in accordance with Labour Law. The Company prohibits the acceptance or employment of children, if found child labor, the chairman of the unit will be given sanctions in accordance with applicable regulations.

The results of document review and employee data in July 2017 is not found employees aged less than 18 years old at the time of recruitment, and field observations in estate and mill it is known that workers understand the provisions of the minimum age requirements are allowed to work and are not allowed to bring children under age at the time of work in the field.

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; 6.8.2

Certificate Holder has consistently documented and implemented GAR of Social and Environmental Policy that will provide equal opportunity for all workers, and embrace diversity regardless of ethnic, religious, disability, gender, political affiliation, sexual orientation or union membership. As well as ensuring workers are protected from discriminatory acts in all stages of employment relations.

Interviews with worker union stated that no intimidation by the company against union officers or members and local workers. It also conducted interviews with Committee Gender in Mill and Estate of PT Ivomas Tunggal, submitted that there was no reporting of discrimination especially women workers conducted by the company. The Company has provided the opportunity and the chance to work without distinction of sex.

6.8.3

In the process of selection and recruitment workers PT Ivomas Tunggal refers to ethical recruitment processes, including prohibiting the practice of charging workers to recruitment and holding identity documents. The stages of the process of acceptance of prospective workers, among others, administrative selection, interviews, medical examination, and the decision of the results of selection, until the candidate is accepted.

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 and 6.9.3

The certificate holder has consistently documented and implemented policy to prevent all forms of abuse and sexual violence, as well as a policy to protect the reproductive rights of all workers. Additionally related to specific complaints mechanisms that protect the complainant has been provided in the document SOP Handling Complaints and Dissatisfaction (SOP/SMART/SIGS-CSR/SADV/II/003, 01 July 2014). Furthermore, to implement policies related to the above, the Committee Gender has been formed on Mill and Estate of PT Ivomas Tunggal which is the organization responsible for ensuring the policy is applied across all operational units.

To ensure that policies and procedures have been applied to the operational activities of the Mill and Estate then conducted public consultations through interviews with the Committee Gender in Mill and Estate of PT Ivomas Tunggal. Socialization of sexual harassment policy, protection of women's rights, mechanisms for specific complaints such as sexual harassment and violence contained has been communicated to all workers as well as the guarantee of protection for complainants or victims and witnesses. For example on 20 February 2017 socialization prevention of sexual harassment and protection of women's reproductive rights submitted by dr. Endang AW and PIRSI Mothers with Gender Committee participants, representatives of female workers / officers / offices, teacher representatives and representatives of PIRSI mothers of Mill and Estate of PT Ivomas Tunggal.

In the period 2016-2017 there are no reports of sexual abuse, violence against women and violations of workers' reproductive rights policy.

The company has consistently implemented a policy of protection of reproductive rights through the provision of H1 for female workers who experience pain on the first/second during menstruation and H2 for pregnant women workers who give birth (1.5 months prior to giving birth and 1.5 months after birth) or who had a miscarriage given time off for 1.5 months.

For the H1 mechanism it is submitted that female workers who are menstruating are allowed to take a 2-day leave that paramedics need to be checked beforehand to ensure the actual condition and on the recommendation of a doctor, nurse or midwife.

The determination for the start date of maternity leave (H2) should be on the recommendation of the company doctor based on the estimated day of birth calculated referring to the last menstrual day and ultrasound examination of the obstetrician. The gender committee stated that there is no reporting of violations related to the rights of women workers for H1 and H2 leave, with evidence of the wages of workers being fully paid.

Status: Comply

6.10

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

6.10.1; 6.10.2; 6.10.3; 6.10.4

Ujung Tanjung POM of PT Ivomas Tunggal receives FFB from PT Agro Tunggal Jaya Mandiri to be processed under agreement dated December 30, 2016 for the period of January 1, 2017 - December 31, 2017. FFB of PT Agro Tunggal Jaya Mandiri comes from a supplier of FFB (vendors), both individuals and cooperatives. Based on an interview with FFB Officer from PT Agro Tunggal Jaya Mandiri known that the company is currently completing the format of identity data of vendors and farmers who send FFB to PT Agro Tunggal Jaya Mandiri.

Examples of proof of payment of the PT Agro Tunggal Jaya Mandiri supplier's supplier are shown in the form of recapitulation of ticket weighing and invoice per supplier (vendor), as exemplified by: Delivery note SPYX / FFB / 01/17/07/1671 Ticket number S151 UTJM P 03578, and proof of invoice from PT Agro Tunggal Jaya Mandiri for supplier on behalf of Supriadi period July 24, 2017 - July 28, 2017 weighing 79,383.20 kg worth Rp.114,598,304. Information from FFB purchasing staff PT Agro Tunggal Jaya Mandiri that the FFB payment is directly made from the Jakarta office to the Vendor, so far there are no complaints related to payment.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Based on interviews with village heads obtained information that representatives of the company present at the *musrembang* event in the district and informed to the village office if there is a job vacancy. Then there is also an example of a joint meeting of CSR to the Sakai Kandis community on January 9, 2017 between 11 representatives of companies with 11 representatives of Kandis villagers, for rolling program; Etawa goat breeding, fisheries and seasonal agriculture, in Jambai Makmur Village and Bekalar customary village.

The company also has a time line of the Etawa meat goat sculpting plan in 2017, which: phase 7 (February 2017) in Kandis Kota village, rolling out phase 8 (April 2017) in Bekalar village, stage 9 (June 2017) in Belutu village, stage 10 (August 2017) in the village of Pencing Bekulu, phase 11 (October 2017) in Sei Gondang village, 2nd wave (December 2017) in Jambai Makmur village.

6.11.2

PT Ivomas Tunggal - Ujung Tanjung POM and Ujung Tanjung Estate does not have a cooperation scheme with smallholder/plasma or other independent farmers.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1

As outlined in GAR of Social and Environmental Policy, in point 3.1 on recognizing, respecting and strengthening workers' rights it is stated that the company prohibits forced or hard labor and takes steps to prevent it, provides employment contracts for all employees Language that is easy to understand.

The employment status of prevailing in Mill and Estate of PT Ivomas Tunggal are permanent workers (Monthly Workers and Daily Permanent Workers) and fixed term contract workers (PKWT). For permanent employees the company shows Employee Appointment Letter, while for contract workers bound in the Letter of Employment Agreement between the companies with the workers, which the agreement has complied with labor laws. Interviews with the management explained that each year an evaluation for each employee whose results are used to determine the career path of the employee concerned, and a letter of agreement work is read in advance by the employee before it is signed so that the positions, duties and responsibilities have been understood and executed in accordance with the agreed conditions.

In addition to the management also conducted interviews with the worker unions. The worker union said there was no compulsion for employees to do certain jobs and positions, employees understand their rights and obligations in the work in accordance with labor agreements are made.

Based on the explanation of the harvesters and boiler operators on working hours, it is stated that workers work from Monday to Thursday and Saturday from 6 am to 2 pm with 1 hour break. While on Friday hours work from 6 am to 12 pm with 1 hour break. So the total working hours is 40 hours in 1 week according to Law no. 13 of 2003 Article 77. For Mill workers the shift system applies and if there is any excess of working hours than it should be, then the calculation of overtime pay refers to Decree of the Minister of Manpower No. 102 Year 2004.

6.12.2

To prove that there are no substitutions of the company's contract shows PKWT No. 014/UTNE/PKWT/007/2017 for maintenance workers in Ujung Tanjung Estate valid until 25 December 2017. The employment agreement was made in a language that is easy to understand, based on interviews with Head of Administration submitted that each chapter was explained to the workers and the subsequent agreement signed by both parties, ie between the workers with the company, without any coercion whatsoever. The agreement has been requirements according to the applicable provisions of the labor law.

Based on interviews with worker union and labor agency, there are no issues of employing child labor, illegal or forced worker. The worker have the freedom for resign, there is no threat for family members and no financial penalties. Contract Worker has been equipped with the Working Agreement that has been agreed together. Based on the observation of harvest activities in Block D10 Division 3 Ujung Tanjung Estate, no harvest workers were found to bring their wives or children to help work in the field. The results of interviews with harvest workers were submitted that the company had prohibited workers from bringing their wife or children away while working in the field. If it violates the matter then the workers may be given sanction by the company.

6.12.3

The results of observations document a list of employees in July 2017 working on the operational activities of the Mill and

Estate with the status of permanent workers and contract workers came from various regions in Indonesia for example, from Java, Sumatra, etc.

Interviews with district Labor Agency of District Siak explained that PT Ivomas Tunggal does not hire workers with AKAD system (Inter-City Inter-regional), but the workers themselves must come to apply for jobs at companies both local workers and migrant workers from outside the area.

Status: Comply

**6.13
Growers and millers respect human rights**

6.13.1

Certificate holder has GAR of Social and Environmental Policy in point 2.2.3 which stated that the company committed to stand and promote statement of human right of UN for all workers, contractor, customary society, local community in all company operation.

The results of interviews with harvest, spraying and fertilizer workers in Block D10 Division 3 and Block E09 Division 3 Ujung Tanjung Estate are known that the management unit has carried out a socialization policy to respect human rights in the briefing morning activity. Interviews with worker unions were submitted that there were no cases of 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.

Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).

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.

Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).

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.

7.3.1 and 7.3.2

PT Ivomas Tunggal does not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest planting year was conducted in 1993.

The document review and interview with management showed that the certification unit is not performed land clearing after 1 November 2005. HCV identification in PT Ivomas Tunggal was conducted on 2009. GAR, as the parent company of PT Ivomas Tunggal has conducted disclouser of liability data and zero liability disclosure on 29 August 2014 by email.

7.3.3; 7.3.4 and 7.3.5

Based on the results of interviews with management is known that the initial activity of land clearing was done in June 1986. The results of document review, field visits and interviews found that CH did not expand or conduct new planting since the last assessment (2016).

	Status: Comply	
7.4	Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
	Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).	
	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.	
	Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).	
	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.	
	Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).	
	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.	
	Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).	
	Status: Comply	
7.8	New plantation developments are designed to minimise net greenhouse gas emissions.	
	Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).	
	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.	
	RSPO Internal Audit PT Ivomas Tunggal held on 02 - 12 May 2017 with an internal team of auditors from the Sustainability Policy and Compliance Division. Internal audit results have 5 nonconformities. Non-compliance has been follow up by the company through of management reviews conducted on July 10, 2017.	
	CH has a commitment to eliminate use of paraquat through memorandum from the President Director on 21 November 2014. According to pesticide use records, the paraquat has not applied since 2016.	
	Certification holder developed the owl population by making nest box that contained in almost every block. This is in order to eliminate the use of chemicals for the control of pests and diseases of oil palm plants.	
	According to documents reviews which supported by field observations, it could be concluded that the current HCV related	

programs, realizations and its evaluations were in accordance with RSPO BMPs manual. The implementations on the field has obviously considered satisfactory. Hence, the existing program will remain continued on the next following period.

The company has implemented commitment to reduce environment impacts on the regular action plan. For example:

- Effluent management and monitoring. WWTP pond management, effluent quality test and report it to Siak District Environment Agency.
- Air quality management and monitoring. Road maintenance, air quality test and report it to Siak District Environment Agency.
- Ground water management and monitoring. Testing ground water quality and report it to Siak District Environment Agency. Hazardous waste management. Storing hazardous waste at the permitted hazardous waste, managing and monitoring hazardous waste (conducted by Siak District Environment Agency).

Status: Comply	
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements																		
E.1	Definition																		
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Ujung Tanjung Mill is used RSPO supply chain of Mass Balance module because mill still received FFB from the outgrowers which has not been certified with RSPO.</p>																			
<p>Status: Comply</p>																			
E.2	Explanation																		
<p>E.2.1 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>Estimates of CPO and PK produced by Ujung Tanjung Mill obtained from the data of 12 months before the audit activities and have been described in this ASA-4 report.</p>																			
<p>Status: Comply</p>																			
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> RSPO IT Platform member registration number: RSPO_PO1000001056 Certified CPO sold to each buyer period of 13 September 2016 – 24 Juli 2017 <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td colspan="2">Total</td> <td>-</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Certified Palm Kernel sold to each buyer period of 13 September 2016 – 24 Juli 2017 <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td colspan="2">Total</td> <td>-</td> </tr> </tbody> </table>		Date	Buyer	Volume	-	-	-	Total		-	Date	Buyer	Volume	-	-	-	Total		-
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Date	Buyer	Volume																	
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<p>Status: Comply</p>																			
E.3	Documented procedures																		
<p>E.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:</p> <ol style="list-style-type: none"> 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.

Ujung Tanjung Mill has SOP for the implementation of supply chain in the identification procedure and Traceability. SOP describes the procedure to guarantee the products produced by the mill can be traced to its source and certainly comes from certified sources. The procedure also explains the related officers and the responsibility in the implementation of the requirements.

The results of interviews with security and the weighbridge operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS.

Status: Comply

E.3.2

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

Ujung Tanjung Mill has had SOP for the implementation of supply chain in the identification procedure and Traceability. SOP describes the procedure to guarantee the products produced by the mill can be traced to its source and certainly comes from certified sources. To find the source of FFB comes from the estate that has been certified with RSPO, the mill has computerized system. The estate that have been certified is inputs in a weighbridge computer system and for certified raw material there is Total Certified Product information in Weighbridge Card.

Status: Comply

E.4

Purchasing and goods in

E.4.1

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

- **Certified and non-certified FFB received period of 13 September 2016 to 24 July 2017**

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
13 – 30 September 16	-	14,171,870	14,171,870
Oct 16	158,670	18,867,020	19,025,690
November 16	99,490	17,194,590	17,294,080
December 16	68,580	15,532,980	15,601,560
Jan 17	68,030	16,669,870	16,737,900
Feb 17	-	11,005,010	11,005,010
Mar 17	-	13,890,000	13,890,000
Apr 16	-	7,375,880	7,375,880
May 16	15,370	6,976,180	6,991,550
June 16	21,920	7,853,680	7,875,600
1 – 24 July 16	2,147,250	10,053,390	12,200,640
Total	2,579,310	139,590,470	142,169,780

Status: Comply

E.4.2

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

Ujung Tanjung Mill has had SOP for the implementation of supply chain in the identification procedure and Traceability. This procedure states that in case the projection is exceeding the claim of certified product, then company should perform: informs related RSPO certification body and RSPO IT System/ e-trace.

The results of interviews with representatives of the management unit indicates that the management unit has been understood about the procedures for providing information if there is excess production of RSPO-certified products. Document review showed that the production of RSPO certified products do not exceed the estimated production in the RSPO certificate attachment of ASA-3.

Status: Comply

E.5	Record keeping						
E.5.1							
<p>a. 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.</p> <p>b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>							
Ujung Tanjung Mill has record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified product (CPO and PK) on a three-monthly basis as describe on table below							
Period	Production CPO (Kg)			Despatch CPO (Kg)			
	Cert	Non	Total	RSPO	ISCC	Non	Total
Oct 16	29,962	3,562,609	3,592,571	-	-	5,056,610	5,056,610
Nov 16	18,134	3,133,974	3,152,108	-	-	2,940,700	2,940,700
Dec 16	12,855	2,911,505	2,924,360	-	-	2,369,340	2,369,340
Total	60,951	9,608,088	9,669,039	0	0	10,366,650	10,366,650
Jan 17	12,484	3,026,707	3,039,191	-	-	3,248,440	3,248,440
Feb 17	-	1,995,382	1,995,382	-	-	2,109,350	2,109,350
Mar 17	-	2,547,659	2,547,659	-	-	2,970,790	2,970,790
Total	12,484	7,569,748	7,582,232	0	0	8,328,580	8,328,580
Apr 17	-	1,388,924	1,388,924	-	-	5,056,610	5,056,610
May 17	2,794	1,271,335	1,274,129	-	-	2,940,700	2,940,700
Jun 17	3,812	1,347,423	1,351,235	-	-	2,369,340	2,369,340
Total	6,606	4,007,682	4,014,288	0	0	10,366,650	10,366,650
Period	Production PK (Kg)			Despatch PK (Kg)			
	Cert	Non	Total	RSPO	ISCC	Non	Total
Oct 16	-	887,700	887,700	-	-	968,580	968,580
Nov 16	-	822,631	822,631	-	-	901,530	901,530
Dec 16	-	764,396	764,396	-	-	840,290	840,290
Total	0	2,474,727	2,474,727	0	0	2,710,400	2,710,400
Jan 17	3,333	811,135	814,468	-	-	819,200	819,200
Feb 17	-	502,964	502,964	-	-	431,040	431,040
Mar 17	-	694,933	694,933	-	-	822,310	822,310
Total	3,333	2,009,032	2,012,365	0	0	2,072,550	2,072,550
Apr 17	-	363,870	363,870	-	-	383,310	383,310
May 17	722	328,657	329,380	-	-	316,320	316,320
Jun 17	1,078	379,793	380,871	-	-	318,920	318,920
Total	1,800	1,072,320	1,074,121	0	0	1,018,550	1,018,550
Based on the data, there is no delivery of certified product (CPO and PK).							
Status: Comply							

E.5.2	
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	
Ujung Tanjung Mill does not perform activities of palm kernel crushing to the independent palm kernel crushers.	
	Status: Comply

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-4	The company does not use RSPO logo.	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-4	The company does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-4	The company does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-4	The company does not use RSPO logo.	√

3.4 Summary of RSPO Partial Certification

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

Ivomas Tunggal Time Bound Plan is explaining in table 1.10. Ivomas Tunggal run eight (9) mills, nineteen (19) own estates and assist six (6) scheme smallholders in Indonesia, and has achieved RSPO certified for seven (8) mills and supply base in Indonesia. Ivomas Tunggal has informed the Time Bound Plan progress, MUTU has considered that Ivomas Tunggal is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Ivomas Tunggal on 1 July 2017 approved by President Director and MO Sustainability Strategic & Stakeholders Engagement.

MUTU has verified partial certification for un-certified unit's subsidiary of Ivomas Tunggal based on their Time Bound Plan. There are one (1) uncertified management unit of Ivomas Tunggal. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Yes, there was an internal audit and has positive assurance statement.</p> <p>Auditor Verification: Internal Audit report available for PT Sawitakarya Manunggal (Sawita Mill and supply base) and PT Ivomas Tunggal.</p>
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: Ivomas Tunggal and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014 and the company has been sent data evidence of LUCA to RSPO by email dated April 11, 2016. Progress result of review LUCA at follow-up via email RSPO dated October 24, 2016 to answer RSPO is still in the review process.</p> <p>Auditor Verification: RaCP for PT Sawitakarya Manunggal (Sawita Mill and supply base) and PT Ivomas Tunggal.</p>
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: There is no new planting after 1 Jan 2010.</p> <p>Auditor Verification:</p>

		Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: There are no land conflicts. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP Social Conflict Management (SOP/SMART/SENS-CSR/SADV/II/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003. The company handling complaints appropriately and quickly. Ivomas Tunggal has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no land conflicts for uncertified unit of the group subsidiaries.</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with complaints workers before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003. Procedures related employee issues arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media used complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p>Auditor Verification: There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/II/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Auditor Verification: PT Sawitakarya Manunggal and PT Ivomas Tunggal there is an area is still in process for HGU (Committee B meeting)..</p>

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-3* Assessment

NCRNo.	: -	Issued by	: -
Date Issued	: -	Time Limit	: -
NC Grade	: -	Date of Closing	: -
Standard Ref. & Requirement	: -		
Non-Conformance Description & Evidence observed :			
During the surveillance-3 assessment there was no non-conformance identified.			
Root Cause Analysis:			
-			
Corrective Action:			
-			
Preventive Action:			
-			
Assessor Evaluation and Conclusion:			
-			
Verified by	: -		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

NCRNo. :	-	Issued by :	-
Date Issued :	-	Time Limit :	-
NC Grade :	-	Date of Closing :	-
Standard Ref. & Requirement :	-		
Non-Conformance Description & Evidence observed :			
During the ASA-4 there was no non-conformance identified for P&C RSPO Standard and SCCS			
Root Cause Analysis:			
-			
Corrective Action:			
-			
Preventive Action:			
-			
Assessor Evaluation and Conclusion:			
-			
Verified by :	-		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	5.3.3	Follow up on the extension agreement of PT Ivomas Tunggal with 3rd party hazardous waste management company that expired on June 13, 2017 (Observation).
2	6.5.2	Ensure workers with PKWT status are in compliance with applicable regulations.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	Involvement of surrounding communities within land fires prevention through Community Based for Land Fire Monitoring and Preventive Programme (Masyarakat Peduli Api).
2	-	Innovative financing program for community oil palm plantations.
3	-	Development of traceability result technology (EFACT) and has been running for harvesting activities in Sei Rokan Estate.

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

Issue from Public	Auditor Response
<p>Jambai Makmur Village, Belutu Village and Sam-Sam Village</p> <ul style="list-style-type: none"> • No negative issues • Fixed Term Contract (PKWT) is registered in the village by requesting a letter to the village. There are reports to the village when there is a mutation. • The boundaries of citizens with companies are clear. • There is a representation of village authority in form of hamlet in company operation area. • The village already knows the type of information that can be accessed. • There had been public complaints related to the <i>Oryctes</i> attack to the community plantation, but the company continued to look for the root of the problem and provide guidance to community plantation. • 99.5% of Samsam villagers and surrounding areas work as oil palm growers or workers in the company's oil palm. • Job opportunity are submitted to the village. • Contribution of companies such as provision of goats to communities, fostering the handling of fires, fostering of oil palm farmers in the village. • Sakai residents get more coaching from companies, Eid support and given a job and built the housing. • There is a National Elementry School (SD) in Jambai Makmur Village that is assisted by the company. • There is no local wisdom or customary law community. • There used to be Local Bussiness offering by company such as sewing and cooking courses, but it seems the public is less interested. • Last year there was a fire incident in Belutu. There is help from company in the form of units and personnel and the establishment of fire-caring community. • There is a plan to develop partnership plantation for an area approximately 300 Ha. 	<p>There were no negative issues from communities. The management unit has demonstrated evidence of compliance with the RSPO P & C such as Criterion 1.1; 2.2; 6.3 and 6.11.</p>
<p>Head of Local NGO of Bribery and Regional Organization of <i>Pujakesuma</i> in Siak District</p> <ul style="list-style-type: none"> • There is no negative issue • The biggest contribution of company is improve local economic. • There is no issue of bribery which done by company 	<p>There is no negative issues from NGO. CH has demonstrated compliance with the RSPO criteria 1.3 and 6.11.</p>
<p>Environmental Agency of Siak District (Head of Monitoring Section)</p> <ul style="list-style-type: none"> • PT Ivomas tunggal has made an addendum of EIA Document and Environmental Management Efforts-Environmental Monitoring Efforts passed on December 2015. The addendum has been made because of replanting activity, translocation of hazardous water application, development of workshop regional, construction biogas plant and clinic. • Estates has temporary hazardous waste storage passed by head of Environment bodies of Siak District on 2016. While POM has hazardous waste temporary storage on 2015. • Hazardous waste management activity performed with keep the hazardous 	<p>There is no negative issues from government. CH has demonstrated compliance with the RSPO criteria 2.1, 4.4, 4.6, 5.1, 5.3, and 5.6</p>

Issue from Public	Auditor Response
<p>waste on registered temporary hazardous waste storage then it submitted to registered transporter and collector from ministry of environment. Hazardous waste management report done every 3 months to related agency (environment of Siak district and Riau province)</p> <ul style="list-style-type: none"> • Company has done air quality testing every semester and the result reported to Environment agency of Siak District. • Company has done monitoring of noise, vibration, and odor. The result reported to Environment department of Siak every semester. • Company has reported manifest of hazardous waste to environment agency of Siak District and Riau province every 3 months. • The Company has submitted a RKL-RPL implementation report to Environmental Agency of Siak District every six month. Such as on 2nd semester of 2016. • There was <i>Oryctes</i> sp attack on 2015, where villagers and government has discussion about it. But the problem solving not involve environment of Siak district. • There is no issues from other parties about negative impact on environment. 	
<p>Plantation Agency of Siak District (Head of Production Section)</p> <ul style="list-style-type: none"> • The assessment of plantation grade of PT Ivomas Tunggal Plantation is conducted by district level in 2015. • PT Ivomas Tunggal is not included in the forest area according to the Spatial Plan of Siak Regency. • The Company has regularly reported its Progress Report of Plantation Business (<i>Laporan Perkembangan Usaha Perkebunan/ LPUP</i>). For the Report in the second semester of 2017, the company should input the data of land use. • Land use / fire facilities are sufficient, although not fully in accordance with <i>SK Dirjenbun, 2010</i>. The Company has justified the needs of fire infrastructure in accordance with the business and landscape conditions. Based on the explanation from <i>DLH</i> of Siak District has been monitoring fire emergency response reported every 3 months and helps the handling of land fires that occur outside the operation areas, such as the surrounding villages in the form of personnel and equipment assistance. • CSR activities have been conducted for the surrounding villages and need to be improved again. CSR programs are not included in the Progress Report of Plantation Business. • There is a problem of <i>Oryctes</i> attack in 2015, where the community and local government of Siak District have conducted hearing, but to solve the problem The plantation Agency of Siak is not given information because it directly involves the Provincial plantation agency. • Period of 2016-2017 no fire incident occurred in the company's operational area. • The company has responded to information requests quickly and transparently. • The Company does not consult for replanting activities for the period 2015 - 2016. 	<p>The result of verification with D & L staff section obtained information that the company showed evidence of submission of report of plantation business activity of second semester of 2016 to Directorate General of Plantation on 18 April 2017, About planting area, replanting area, plantation area, mill, etc. But the company has so far not received a written request from the Plantation Service on the request for such information. If there is a written letter concerning the request for information on land use from the Service then it can be given.</p> <p>As for the CSR implementation report every 6 months has been delivered in turns through the presentation to <i>BAPEDA</i> of Siak District. If there is a written letter from the plantation agency requesting the reporting of CSR, then it can be submitted by the company to the Department.</p> <p>Related to land use report of HGU by BPN has been done in 2016 through field visit of BPN team of Siak Regency.</p>

Issue from Public	Auditor Response
<p>Manpower and Transmigration Agency of Siak District (Manpower Monitoring Section)</p> <ul style="list-style-type: none"> • Wage is suitable with regional minimum wage of Siak District of 2017. • All Workers has permanent status and Fixed Term Contract/PKWT (No piece worker). • All workers has been registered to <i>BPJS Ketenagakerjaan</i> and <i>BPJS Kesehatan</i> include Fixed Term Contract/PKWT. • There are work accident report to labor agency that explain no work accident. • P2K3 report and labor report has been reported routinely. • Inspection done to POM equipment/ engine routinely. • There are no workers under 18 years old. • Company has Bipartite Cooperation Institution. • Company has valid collective labor agreement. • Company use local workers. • Company has worker union named <i>SP3</i>. • There is no negative issues which reported to labor agency related to labor. • Labor agency showed regent regulation No. 69 2017 related to worker protection through social security administration bodies of Siak regency. • There are no foreign workers. 	<p>There were no negative issues of Agency. The management unit has demonstrated evidence of compliance with the RSPO P & C such as Criterion 1.1; 2.1; 4.7; 6.5; 6.7 and 6.12</p> <p>At the time of the ASA-4 audit activities, it is known that CLA for the period 2015-2017 has expired since April 2017, however, as stated by the Chairman of DPC F.SPPP-SPSI, the new CLA is currently in the process of drafting so that the old CLA is considered valid until the issuance of CLA new. There is a recording of the minutes of the meeting of CLA renewal discussions for the period 2017-2019 conducted in January and May 2017.</p> <p>The results of interviews with workers are known to be three Worker Unions within the management unit of Mill and Estate PT Ivomas Tunggal, namely SPPP-SPSI (<i>Serikat Pekerja Pertanian Perkebunan-Serikat Pekerja Seluruh Indonesia</i>), KSBSI (<i>Konfederasi Serikat Buruh Sejahtera Indonesia</i>) and SPPI (<i>Serikat Perjuangan Pekerja Indonesia</i>).</p>
<p>Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia/ SPPP – SPSI (head of brach of FSPPP – SPSI Siak District)</p> <ul style="list-style-type: none"> • The company has granted freedom of association and there is no intimidation by the company against trade union officials. • Internal meetings or with management are conducted and the results of the meetings are documented in the form of an official report. • Communication between the union and the company is well established, if there are any complaints or requests for information from the union then the company has responded well and quickly. • The Company has implemented minimum wage provisions in accordance with UMSP 2017, and agreement between GAPKI and BKS-PPS and FSPSPPP SPSI • All workers have been enrolled in the BPJS program. • Progress on the development of employee facilities now is the construction of permanent homes for employees. • SPSI has consolidated with the company to make central clinic to the First Level Health Facilities of <i>BPJS Kesehatan</i>, to facilitate and improve the quality of health services for employees. The company has approved it sometime in May 2016. Currently SPSI is expecting follow-up of it to be 	<p>The certificate holder has showed good cooperation with worker union. There is no significant industrial issue for 2016 to 2017. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 4.7; 6.2; 6.3; 6.6; 6.8, 6.9 and 6.12.</p>

Issue from Public	Auditor Response
<p>hastened.</p>	
<p>Local Contractor (CV Aido, FFB Transporter)</p> <ul style="list-style-type: none"> • Preparation of contract has been agreed upon by both parties, with a validity period of 6 months and can be extended. With a copy of the contract created two copies and held by the contractor. • In the contract has been required related to the type of work, pricing, employment conditions, safety, rights and obligations of each party. • PPE of the contractor workers is provided by the contractor, in case of work accident is borne by the contractor. • Contractors expect opportunities for cooperation opportunities between the company and local contractors to be added. 	<p>Based on information from the management representative, it is found that the company is currently in the replanting stage for most of its crop area, so the availability of FFB transport is reduced, that's way the opportunity or volume of transport of FFB to contractors is reduced.</p>
<p>Gender Committee of Ujung Tanjung Estate.</p> <ul style="list-style-type: none"> • Socialization of prevention policies of sexual harassment and protection of women's rights has been submitted to all workers and guarantee of protection for the complainant or victim and witness. • In the period 2016/2017 there are no reports of sexual harassment, violence against women workers or violations of reproductive rights policies. • The Company has consistently implemented the H1 and H2 mechanisms, with wages has been paid full. • There is no reporting of discrimination especially on women workers conducted by the company. The company has provided opportunities and opportunities to work without discriminating gender. 	<p>There were no negative issues from stakeholder. The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 6.8 and 6.9</p>
<p>Gender Committee of Ujung Tanjung Mill</p> <ul style="list-style-type: none"> • Socialization of prevention policies of sexual harassment and protection of women's rights has been submitted to all workers and guarantee of protection for the complainant or victim and witness. • In the period 2016/2017 there are no reports of sexual harassment, violence against women workers or violations of reproductive rights policies. • The Company has consistently implemented the H1 and H2 mechanisms. • There is no reporting of discrimination especially on women workers conducted by the company. The company has provided opportunities and opportunities to work without discriminating gender. 	<p>There were no negative issues from stakeholder. The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 6.8 and 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. Ivomas Tunggal
Management Representative



Ismu Zulfikar
5 August 2017

Mutuagung Lestari
Lead Auditor



Ardiansyah
5 August 2017

APPENDICES

Appendix 1. List of Stakeholder Contacted in the RSP0 Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Board, Siak Regency	Siak Regency	-	Interview	25 July 2017	√	
2	Plantation Agency, Siak Regency	Siak Regency	-	Interview	25 July 2017	√	
3	National Land Agency, Siak Regency	Siak Regency	-	Interview	25 July 2017	√	
4	Manpower and Transmigration Agency, Siak Regency	Siak Regency	-	Interview	25 July 2017	√	
5	Head of Village Jambai Makmur	Siak Regency	-	Interview	25 July 2017	√	
6	Head of Samsam Village	Siak Regency	-	Interview	25 July 2017	√	
7	Head of Kandis Village	Siak Regency	-	Interview	25 July 2017	√	
8	Head of Belutu Village	Siak Regency	-	Interview	25 July 2017	√	
9	Head of Bekalar Village	Siak Regency	-	Interview	25 July 2017	√	
10	Sakai Tribe Organization (KPA Sakai Lestari)	Siak Regency	-	Interview	25 July 2017	√	
11	CV. Aido (FFB Transport/Local Contractor)	Siak Regency	-	Interview	25 July 2017	√	
12	Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia (SPPP – SPSI) / Union Labor	Siak Regency	-	Interview	25 July 2017	√	
13	Gender Committee PT Ivomas Tunggal	Siak Regency	-	Interview	25 July 2017	√	
14	Ujung Tanjung Estate - 4 harvesters - 4 pesticide operators - 2 manuring workers - 2 clerk production - 1 operator LA - 1 head of warehouse - 1 welder - 2 mechanic - 4 firefighters - 2 housewives - 1 daycare officer - 1 doctor - 1 nurse	Siak Regency	-	Interview	31 July 2017	√	
15	Ujung Tanjung Mill - 2 grading workers - 1 engine room operator - 1 boiler operator - 1 welder - 1 hoisting crane operator	Siak Regency	-	Interview	29 July 2017	√	
16	Jikalahari	Pekanbaru, Riau Province	jikalahari@indo.	Queisoner by	17 July		√

			net.id;secretariat@jikalahari.org	email	2017		
17	Sawit Watch	Jakarta	info@sawitwatch.or.id	Queisoner by email	17 July 2017		√

Appendix 2. Assessment Program

DATE	24 July to 04 August 2017	
PLANNED TIM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 24 July 2017		
06.00 - 08.00	Traveling from Jakarta to Riau.	ARD/RRI//NKA/ RPJ
08.30 – 12.30	Travelling from Riau Airport to PT Ivomas Tunggal.	
12.00 – 14.00	Break	ARD/RRI//NKA/ RPJ
14.00 – 14.30	Opening Meeting:	ARD/RRI//NKA/ RPJ
	<ul style="list-style-type: none"> • Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit). • Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification). 	
14.30 -17.00	<ul style="list-style-type: none"> • Review of Previous Visit Non-conformance (ASA 04), Partial & Time Bound Plan verification. • Document Verification: <ul style="list-style-type: none"> - Basic Information - Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave) - SCCS - Agronomy (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Occupational Health & Safety Aspect (PPE Used in Harvest, Manure & Pesticide Application) and Worker Welfare. - Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) & Fire Control Facilities, Waste Management) - Environmental/Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Peat Area (Water management, etc), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage. 	ARD/RRI//NKA/ RPJ
Tuesday, 25 July 2017		
08.00 – 12.00	<ul style="list-style-type: none"> • Public consultation to Government Agency. • Public consultation to surrounding communities & local contractor (if any). • Public consultation to internal stakeholder (worker union, gender committee, cooperation) & contractor 	RPJ ARD/RRI NKA
12.00 – 14.00	Break	ARD/RRI//NKA/ RPJ
14.00 – 17.00	Continue of public consultation.	ARD/RRI//NKA/ RPJ
Saturday, 29 July 2017		
08.00 – 12.00	Field Observation to Ujung Tanjung POM: <ul style="list-style-type: none"> • Production/Processing and Health & Safety. • Worker Rights (Status, Payment Condition, Gender Aspect, etc). • Hazardous Waste Storage, POME + Land Application. • Management of Environment (Environment monitoring station & GHG, etc). • Worker Facilities (Housing, health clinic, clean water, etc). • Emergency Equipment Check & Emergency Team Interview. • SCCS 	ARD/RRI//NKA/ RPJ NKA NKA RPJ RPJ RRI NKA ARD
12.00 -14.00	Break.	ARD/RRI//NKA/ RPJ
14.00 -17.00	Clarification of Field Observation & Completing of Check List.	ARD/RRI//RPJ/NKA
Monday, 31 July 2017		
08.00 – 12.00	Field Observation at Ujung Tanjung Estate:	ARD/RRI//RPJ/ NKA

DATE	24 July to 04 August 2017	
PLANNED TIM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. • Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area), Environmental/Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Peat Area (Water management, etc), (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage). • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance). • Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Stakeholder Consultation to Community Surround. • Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). • Local Contractor Interview. • Internal Stakeholder Consultation (Labour Union & Gender Committee). 	<p>RRI</p> <p>RPJ</p> <p>RRI</p> <p>ARD</p> <p>NKA</p>
12.00 – 14.00	Break.	ARD/RRI/NKA/RPJ
14.00 – 17.00	Clarification of Field Observation & Completing of Check List.	ARD/RRI/NKA/RPJ
Friday, 04 August 2017		
08.00 – 10.00	Team Auditor Meeting (Preparation for Audit Conclusion).	ARD/ RRI/ NKA/ RPJ
10.00 – 12.00	Closing Meeting.	ARD/ RRI/ NKA/ RPJ
14.00 – 15.00	Travel from PT Ivomas Tunggal to Riau Airport.	ARD/ RRI/ NKA/ RPJ
17.45 – 18.45	Travel from Riau Airport to Jakarta.	ARD/ RRI/ NKA/ RPJ