

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Libo Mill, PT Ivo Mas Tunggal subsidiary of Golden Agri -Resources Ltd.
 Plantation Name : PT Ivo Mas Tunggal: Libo Estate, Sei Rokan Estate and Nenggala Estate
 PT Ramajaya Pramukti: Sungai Tapung Plasma
 Location : Sam-Sam Village, Sub District of Kandis, District of Siak, Riau Province, Indonesia
 Certificate Code : **MUTU-RSPO/032**
 Date of Certificate Issue : 30 October 2018 Date of License Issue : 30 October 2018
 Date of Certificate Expiry : 29 October 2023 Date of License Expiry : 29 October 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
Re-Cert	25 to 30 June 2018	Taufik Margani (Lead Auditor), Dwi Haryati, Sahat Simarmata	Ganapathy Ramasamy	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
Re-Cert	20 August 2018

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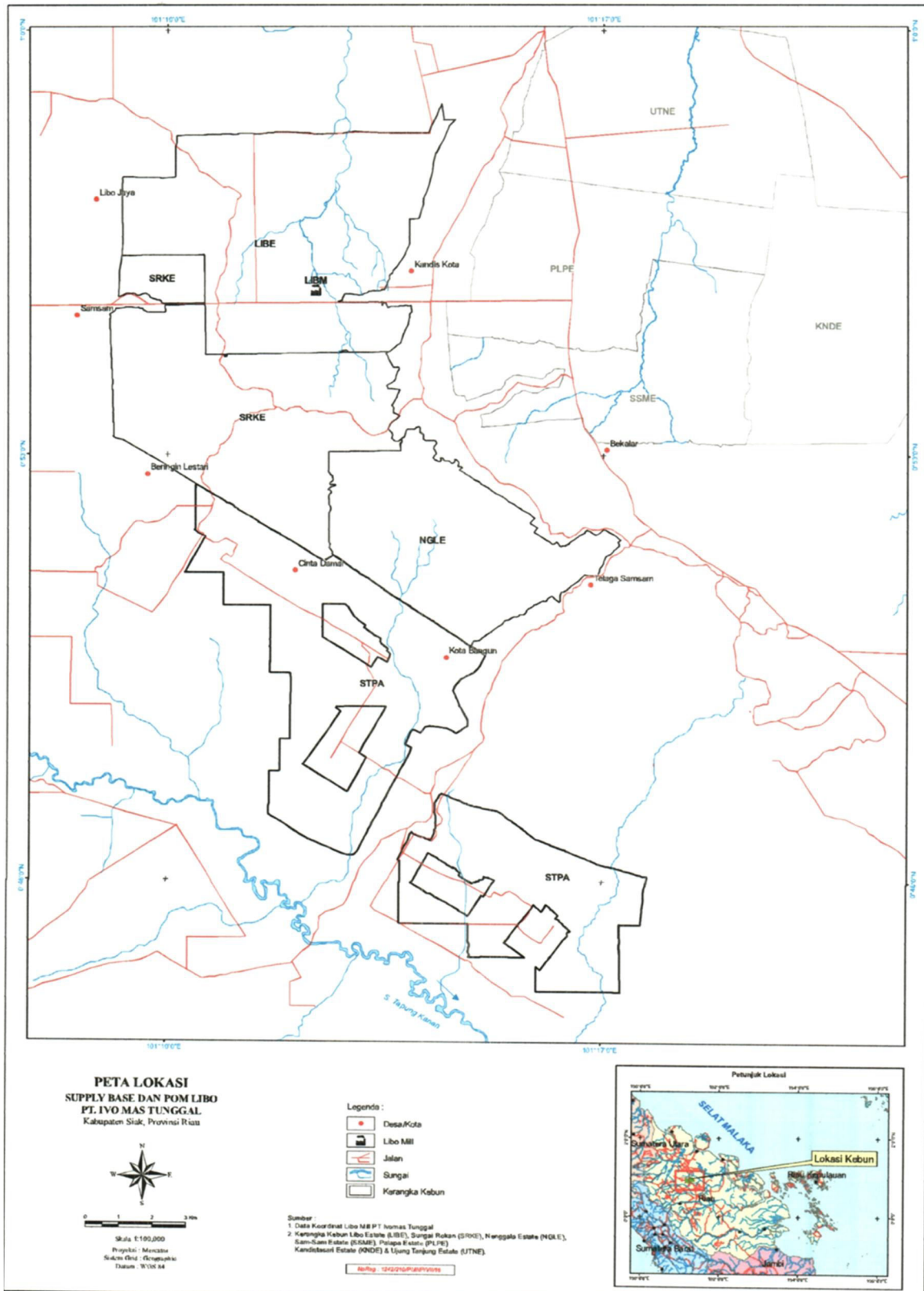
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FIGURE

Figure 1. Location Map of PT. Ivo Mas Tunggal



Figure 2. Operational Map of PT Ivo Mas Tunggal – Libo Mill



Glossary

ANDAL	: Analisa Dampak Lingkungan / Environmental Impact Assessment
ASA	: Annual Surveillance Assessment
BKS PPS	: <i>Badan Kerja Sama Perusahaan Perkebunan Sumatera/ Coopeartion Body of Sumatera Plantation Companies</i>
BOD	: Biochemical Oxygen Demand
CD	: Community Development
CH	: Certificate Holder
CLA	: Cooperative Labour Agreement
CPI	: Caltex Pacific Indonesia
CPO	: Crude Palm Oil
CSR	: Corporate Social Responsibility
DPLH	: Dokumen Pengelolaan Lingkungan Hidup / Environmental Management Document
EBS	: Empty Bunch Spreader
EFB	: Empty Fruit Bunch
EIA	: Environmental Impact Assessment
FFB	: Fresh Fruit Bunch
GAPKI	: Gabungan Pengusaha Kelapa Sawit Indonesia
GAR	: Golden Agri Resources
HIRAC	: Hazard Identification Risk Assessment Control
HCV	: High Conservation Value
HGU	: Hak Guna Usaha(Land Title)
ILO	: International Labour Organization
IMT	: Ivo Mas Tunggal
IPM	: Integrated Pest Management
KNDE	: Kandistasari Estate
KSBSI	: <i>Konfederasi Serikat Buruh Sejahtera Indonesia/ Indonesian Labor Union Confederation</i>
KUD	: Koperasi Unit Desa / Village Cooperatives
LIBE	: Libo Estate
LIBM	: Libo Mill
MSDS	: Material Safety Data Sheet
NGLE	: Nenggala Estate
OHS	: Occupational Health and Safety
OIA	: Operational Internal Audit
P2K3	: Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS Commitee
PK	: Palm Kernel
PKB	: Perjanjian Kerja Bersama
PKWT	: Perjanjian Kerja Waktu Tertentu
PLPE	: Palapa Estate
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PPE	: Personal Protective Equipment
PT IMT	: PT Ivo Mas Tunggal
PSM	: Perusahaan Sinar Mas
P2K3	: Panitia Pembina Keselamatan dan Kesehatan Kerja
RKL-RPL	: Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan / Environmental Management Plan-Environmental Monitoring Plan
RSPO	: Roundtable Sustainable Palm Oil
RTE	: Rare, Threatened or Endanger
SIA	: Social Impact Assessment
SOP	: Standart Operating Procedure
SPO	: Sustainable Palm Oil
SPPP-SPSI	: <i>Serikat Pekerja Pertanian Perkebunan-Serikat Pekerja Seluruh Indonesia/ Agricultural Workers Union</i>

	- Indonesian Workers Union
SPPI	: <i>Serikat Perjuangan Pekerja Indonesia/ United Struggle of Indonesian Workers</i>
SRKE	: Sei Rokan Estate
SSME	: Samsam Estate
UTNE	: Ujung Tanjung Estate
UTJM	: Ujung Tanjung Mill
WTP	: Water Treatment Plant
WWTP	: Waste Water Treatment Plant

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 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th 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 revised on 14 June 2017 (Module D for CPO Mill)</i> • <i>RSPO Certification System for Principles and Criteria, Rev 2011</i> 		
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT IVO MAS TUNGGAL – Golden Agri Resources Ltd	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 Liaison Office: Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 5033 8899	
1.2.5	Fax	(+62-21) 5038 9999	
1.2.6	E-mail	ismu-zulfikar@sinarmas-agri.com	
1.2.7	Web page address	www.goldenagri.com.sg	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Departement)	
1.2.9	Registered as RSPO member	1-0096-11-000-00 – 31 March 2011	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Libo Mill, Libo Estate, Nenggala Estate, Sei Rokan Estate and Sungai Tapung Plasma.	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Libo	Village of Samsam, Sub District of Kandis, District of Siak, Riau Province, Indonesia	N 0° 55' 34" E 101° 12' 22"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude

Libo	Village of Samsam, Sub District of Kandis, District of Siak, Riau Province, Indonesia	N 0° 55' 34"	E 101° 12' 22"
Nenggala	Village of Samsam, Sub District of Kandis, District of Siak, Riau Province, Indonesia	N 0° 52' 08"	E 101° 14' 03"
Sei Rokan	Village of Samsam, Sub District of Kandis, District of Siak, Riau Province, Indonesia	N 0° 53' 34"	E 101° 13' 02"
Sungai Tapung Plasma (2,792 smallholders)	Village of Sukamaju and Kota Bangun, Sub District of Tapung Hilir, District of Kampar, Riau Province, Indonesia	N 0° 45' 03"	E 101° 14' 45"

1.5 Description of Area Statement

1.5.1	Tenure			
	• State			11,621.20 Ha
	• Community			5,585.00 Ha
1.5.2	Area Statement			
		PT Ivo Mas Tunggal (Ha)	Sungai Tapung Plasma (Ha)	Total (Ha)
• Total area		11,215.33	5585.00	16,800.33
• Mature area		6,447.01	5585.00	12,032.01
• Immature area		3,943.19	-	3,943.19
• Mill and Emplasmnt		121.33	-	121.33
• Trench/ swamp/ river		214.66	-	214.66
• Infrastructure (Housing, Offices, Road)		400.82	-	400.82
• Nursery		20.64	-	20.64
• Air strip		17.46	-	17.46
• Others area		50.22	-	50.22
• HCV (Include plated area)		352.71	75	427.71

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
LIBE		SRKE	NGLE	STPA	
1986	96.76	-	-	-	96.76
1987	-	1,038.67	-	-	1,038.67
1989	-	1,458.58	-	-	1,458.58
1993	-	957.03	-	-	957.03
1996	-	-	-	5,585.00	5,585.00
2012	539.24	-	174.59	-	713.83
2013	854.43	-	458.79	-	1,313.22
2014	355.70	-	513.22	-	868.92

	Sub Total Mature	1,846.13	3,454.28	1,146.60	5,585.00	12,032.01	
	2015	412.25	-	899.71	-	1,311.96	
	2016	1,624.12	460.70	-	-	2,084.82	
	2017	546.41	-	-	-	546.41	
	Sub Total Immature	2,582.78	460.70	899.71	-	3,943.19	
	TOTAL	4,428.91	3,914.98	2,046.31	5,585.00	15,975.20	
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFBProcessed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Libo	60	305,944.16	61,254.33	20.08	16,416.55	5.38
	<i>* Source: Production data from June 2017 – May 2018</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)	%
	Libo	4,871.77	4,428.91	45,997.16	24.77	44,226.83	96
	Nenggala	2,203.84	2,046.31	18,378.99	8.98	13,549.00	74
	Sei Rokan	4,139.72	3,914.98	65,433.70	17.66	62,593.91	96
	Sungai Tapung Plasma (2,792 smallholders)	5,585.00	5,585.00	155,379.62	27.82	135,886.75	87
	TOTAL	16,800.33	15,975.20	285,189.47	21.62	256,256.49	90
	<i>* Source: Production data from June 2017 – May 2018</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)		
	Rama Bakti Estate (RSPO Certified)	PT Ramajaya Pramukti	-	2,706.28	49,687.67		
	TOTAL					49,687.67	
	<i>* Source: Production data from 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		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)		
	• FFB Production		296,011		305,944.160		
	• CPO Production		62,162		61,648.230		

	• Palm Kernel (PK) Production	21,907	16,448.523					
1.8.2	Product selling							
	Tonnage of selling product	Actual selling product for June 2017 to May 2018						
	• CSPO sold as RSPO certified product	50,954.88						
	• CSPK sold as RSPO certified product	16,405.69						
	• CSPO sold under other scheme	10,395.51						
	• CSPK sold under other scheme	-						
	• CSPO sold as conventional	-						
	• CSPK sold as conventional	-						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Libo	4,871.77	4,428.91	48,279	26.00			
	Nenggala	2,203.84	2,046.31	20,463	10.00			
	Sei Rokan	4,139.72	3,914.98	62,995	17.00			
	Sungai Tapung Plasma (2,792 smallholders)	5,585.00	5,585.00	150,795	27.00			
	TOTAL	16,800.33	15,975.20	282,532	21.41			
	<i>*Projected FFB production for 30 October 2018 – 29 October 2019</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Libo	60	282,532	59,332	21	15,539	5.5	IP
	<i>* Projected CSPO and CSPK production for 30 October 2018 – 29 October 2019</i>							
1.9	Other Certifications							
	ISPO from Mutuagung Lestari with certificate No. MUTU-ISPO/013 that valid from 16 January 2014 until 15 January 2019							
	ISCC from Mutuagung Lestari period 2017 – 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 Plan						
	Pangkalan Panji (PT Sawit Mas Sejahtera)	2013	Sawit Mas Estate	2013	South Sumatera	Certified		
	Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	South Sumatera	Certified		

Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	South Sumatera	Certified
		Muara Kandis Estate	2013	South Sumatera	Certified
		Muara Kandis Estate (HGU on progress – 574.58 Ha)	2020	South Sumatera	-
		Smallholder (KKPA Pandawa)	2019	South Sumatera	-
		Smallholder (Pandawa Plasma)	2019	South Sumatera	-
Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Central Kalimantan	Certified
		Sungai Seruyan Estate	2013	Central Kalimantan	Certified
		Terawan Estate	2013	Central Kalimantan	Certified
		Tangar Estate	2013	Central Kalimantan	Certified
		Bukit Tiga Estate	2013	Central Kalimantan	Certified
Bukit Perak EMIII (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung	Certified
		Bukit Permata Estate	2013	Bangka Belitung	Certified
Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Belitung	Certified
		Tanjung Rusa Estate	2013	Belitung	Certified
		Tanjung Rusa KKPA	2019	Belitung	-
Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified
		Smallholder (KKPA Mesuji)	2014	Lampung	Certified
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified
Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2018	Cendrawasih Estate	2018	Papua	ST-1
		Nuri Estate	2018	Papua	ST-1
		Rajawali Estate	2018	Papua	ST-1
		Mambruk Estate (PT Sumber Indah Perkasa)	2018	Papua	ST-1
Pekawai Mill (PT Agrolestari Mandiri)	2018	Kayung Estate	2018	West Kalimantan	ST-1
		Pekawai Estate	2018	West Kalimantan	ST-1
		Sungai Kelik Estate	2018	West Kalimantan	ST-1
		Nanga Tayap Estate	2018	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2019	West Kalimantan	ST-1
Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	West Kalimantan	Certified
		Cendana Estate	2015	West Kalimantan	Certified
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
		Delima Estate (PT Kencana Graha Permai)	2018	West Kalimantan	-

		Gaharu Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	-
		Smallholder (Gaharu Plasma)	2019	West Kalimantan	-
		Smallholder (Kencana Plasma)	2019	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2019	West Kalimantan	-
Perdana Mill (PT Binasawit Abadi Pratama)	2020	Perdana Estate	2020	Central Kalimantan	ST-1
		Lenggana Estate	2020	Central Kalimantan	ST-1
		Semandau Estate	2020	Central Kalimantan	ST-1
		Muara Dua Estate	2020	Central Kalimantan	ST-1
Kuayan Mill (PT Agrokarya Prima Lestari)	2020	Mentaya Estate	2020	Central Kalimantan	ST-1
		Kuayan Estate	2020	Central Kalimantan	ST-1
		Bukit Santuhai Estate	2020	Central Kalimantan	ST-1
		Tajur Beras Estate	2020	Central Kalimantan	ST-1
		Seranau Estate	2020	Central Kalimantan	ST-1
		Sungai Sambon Estate	2020	Central Kalimantan	ST-1
		Smallholder (Sungai Sambon Plasma)	2020	Central Kalimantan	-
		Sapiri Estate (PT Buana Adhitama)	2020	Central Kalimantan	ST-1
		Bukit Dua Estate (PT Buana Adhitama)	2020	Central Kalimantan	
		Bukit Tunggal Estate (PT Buana Adhitama)	2020	Central Kalimantan	
		Belian Mill (PT Paramitra Internusa Pratama)	2018	Belian Estate	2018
Tengkawang Estate	2018			West Kalimantan	ST-1
Kenari Estate (PT Bangun Nusa Mandiri)	2019			West Kalimantan	ST-1
Keranji Estate (PT Bangun Nusa Mandiri)	2019			West Kalimantan	ST-1
Muara Tawang Estate (PT Kartika Prima Cipta)	2019			West Kalimantan	ST-1
Kapuas Hulu Estate (PT Persada Graha Mandiri)	2018			West Kalimantan	ST-1
Sungai Beran Estate (PT Persada Graha Mandiri)	2018			West Kalimantan	ST-1
Smallholder (Belian KKPA)	2020			West Kalimantan	-
Smallholder (Tengkawang KKPA)	2020			West Kalimantan	-
Smallholder (Kenari Plasma)	2019			West Kalimantan	-
Smallholders (Kapuas Hulu KKPA)	2020			West Kalimantan	-
Kenanga Estate (PT Cahaya Nusa Gemilang)	2018			West Kalimantan	-

Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Kupang Estate	2019	South Kalimantan	-
		Sungai Kupang KKPA	2019	South Kalimantan	
		Senakin Estate	2019	South Kalimantan	-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2019	Sungai Kikim Estate	2019	South Sumatera	-
		Sungai Pangsi Estate	2019	South Sumatera	-
		Sungai Musi Estate	2019	South Sumatera	-
		Sungai Saling Estate	2019	South Sumatera	-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2019	South Sumatera	-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2019	South Sumatera	-
Tangar Mill (PT Mitra Karya Agroindo)	2020	Sulin Estate	2020	Central Kalimantan	-
		Nahiyang Estate	2020	Central Kalimantan	-
		Katayang Estate	2020	Central Kalimantan	-
		Sungai Nusa Estate	2020	Central Kalimantan	-
		Kajui Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Manuhing Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Sungai Ayawan Estate (PT Aditunggal Mahajaya)	2020	Central Kalimantan	-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Magalau Estate	2019	South Kalimantan	-
Jalemo Mill* PT Agro Lestari Sentosa	2020	Balasang Estate	2020	Central Kalimantan	-
		Jalemo Estate	2020	Central Kalimantan	-
Sako Mill* (PT Adi Tunggal Mahajaya)	2020	Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-
		Sako Plasma	2020	Central Kalimantan	-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	North Sumatera	Certified
		Penantian Estate	2011	North Sumatera	Certified
		Adipati Estate	2011	North Sumatera	Certified
		Kanopan Ulu Estate	2011	North Sumatera	Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	South Kalimantan	Certified
		Batu Mulia Estate	2012	South Kalimantan	Certified
		Sungai Panci Estate	2012	South Kalimantan	Certified
		Sungai Panci KKPA	2012	South Kalimantan	Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	South Kalimantan	Certified
		Kinta Pura Estate	2012	South Kalimantan	Certified
Langga Payung Mill	2012	Langga Payung Estate	2012	North Sumatera	Certified
		Paya Baung Estate	2012	North Sumatera	Certified

(PT Tapian Nadenggan		Normark Estate	2012	North Sumatera	Certified
Hanau Mill (PT Tapian Nadenggan	2012	Hanau Estate	2012	Central Kalimantan	Certified
		Tasik Mas Estate	2012	Central Kalimantan	Certified
		Tanjung Paring Estate	2012	Central Kalimantan	Certified
		Langadang Estate	2012	Central Kalimantan	Certified
		Medang Sari (PT Satya Kisma Usaha)	2018	Central Kalimantan	-
Semilar (PT Tapian Nadenggan	2013	Semilar	2013	Central Kalimantan	Certified
		Sei Rindu	2013	Central Kalimantan	Certified
		Mandang	2013	Central Kalimantan	Certified
		Puri	2013	Central Kalimantan	Certified
Jak Luay Mill (PT Tapian Nadenggan	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
		Pantun Mas KKPA	2018	East Kalimantan	-
		Jak Luay Estate	2015	East Kalimantan	Certified
		Jak Luay KKPA	2018	East Kalimantan	-
		Long Buluh Estate	2015	East Kalimantan	Certified
		Bukit Subur Estate	2015	East Kalimantan	Certified
		Bukit Subur KKPA	2018	East Kalimantan	-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung	Certified
		Leidong West Selatan Estate	2014	Bangka Belitung	Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	East Kalimantan	Certified
		Gunung Kombeng	2014	East Kalimantan	Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2019	Gunung Kombeng KKPA	2019	East Kalimantan	-
Rantau Panjang (PT Kresna Duta Agroindo)	2020	Rantau Panjang Estate	2020	East Kalimantan	-
		Rantau Panjang KKPA	2020	East Kalimantan	-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Tiga Serumpun KKPA	2019	Jambi	-
Pelakar Mill (PT Kresna Duta Agroindo)	2019	Pelakar Estate	2019	Jambi	ST-1
		Tiga Serumpun KKPA	2019	Jambi	-
		Batang Merangin Estate	2019	Jambi	ST-1
		Batang Tembesi Estate	2019	Jambi	ST-1
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Batang Gading Estate	2019	Jambi	-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2019	Jambi	-

Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi	Certified
		Sungai Bengkal KKPA	2015	Jambi	Certified
		Muara Kilis Estate	2015	Jambi	Certified
		Muara Kilis KKPA	2019	Jambi	-
Bukit Kapur Mill (PT SMART Tbk)	2020	Bukit Kapur Estate	2020	South Kalimantan	ST-1
		Sungai Cantung Estate	2020	South Kalimantan	ST-1
Samsam Mill (PT Ivo Mas Tunggal)	2009	Samsam Estate	2009	Siak-Riau	Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2020	Siak-Riau	-
		Kandista Estate	2009	Siak-Riau	Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2020	Siak-Riau	-
		Palapa Estate	2009	Siak-Riau	Certified
Libo Mill (PT Ivo Mas Tunggal)	2009	Libo Estate	2009	Siak-Riau	Certified
		Nenggala Estate	2009	Siak-Riau	Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2020	Siak-Riau	-
		Sei Rokan Estate	2009	Siak-Riau	Certified
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2020	Siak-Riau	-
Ujung Tanjung (PT Ivo Mas Tunggal)	2009	Ujung Tanjung Estate	2009	Siak-Riau	Certified
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2020	Siak-Riau	-
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Kampar-Riau	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2020	Kampar-Riau	-
		Naga Sakti Estate	2010	Kampar-Riau	Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2020	Kampar-Riau	-
		Rama Bakti Estate	2010	Kampar-Riau	Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
		Kijang Mas Estate (HGU on process – 56.07 Ha)	2020	Kampar-Riau	-
		Kijang Kencana Plasma	2010	Kampar-Riau	Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Kampar-Riau	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2020	Kampar-Riau	-
		Amartajaya Plasma	2010	Kampar-Riau	Certified
Indra Sakti Mill (PT Meganusa Inti Sawit)	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
		Indra Sakti Estate	2011	Indragiri-Riau	Certified
		Indragiri Plasma	2011	Indragiri-Riau	Certified

		Indrasakti Plasma	2011	Indragiri-Riau	Certified
Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified
		Bumi Palma Estate	2012	Indragiri-Riau	Certified
		Bumi Sentosa Estate	2012	Indragiri-Riau	Certified
Sawita Mill (PT Sawitakarya Manunggal)	2018	Sawita Estate	2018	South Kalimantan	ST-1
<p>There are revision of time bound plan, the justification from top management is:</p> <ol style="list-style-type: none"> 1. Pelakar Mill and Rantau Panjang Mill is still process on disclosure & liability by RSPO, while Bukit Kapur Mill doesn't have land use title (HGU), the HGU is still on process. 2. Several associate smallholders (plasma) which refuses to follow the RSPO certification, but the management unit is still communicating with the plasma for the implementation of RSPO certification. 3. Sawita Mill had conducted pre assessment RSPO on 2015 and Another entire Management Unit under PT Ivo Mas Tunggal has been RSPO certified. 4. Rantau Panjang Mill and Estate Unit (Rantau Panjang Estate & Rantau Panjang KKPA) are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2020. 5. Kilis KKPA as FFB Supplier to Sungai Bengkal Mill are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2019 6. PT Kresna Duta Agro (Pelakar Estate, Batang Merangin Estate and Batang Tembesi Estate was stage -1 audit in 2017. There are problem related to zero liability report to RSPO, was no response by RSPO secretariat. The main assessment postpone to 2019. 7. When the stage -2 conducted on May 2015, there are boundary stones issues in PT Sinar Kencana Inti Perkasa (South Kalimantan). Reconstruction of boundary stones will be finished end of this year, the certification target postpone to 2019. <p>There is revision of time bound plan on 1 October 2017 for HGU on process in PT Ivo Mas Tunggal (Samsam Estate 29.09 Ha, Kandista Estate 158.46 Ha, Nenggala Estate 419.9 Ha, Sei Rokan Estate 102.7 Ha, Ujung Tanjung Estate 557.3 Ha); PT Rama Jaya Pramukti (Ramarama Estate: 318.76 Ha); PT Buana Wira Lestari (Naga Sakti Estate 59.79 Ha; Naga Mas Estate 253.39 ha and Kijang Estate 56.07 ha). For this area is planned for audit on 2020 because waiting for HGU.</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	Libo Mill receive FFB from own estate, sister company and scheme smallholder. All supply base has been RSPO Certified.				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
RC	<p>1. Taufik Margani (Lead Auditor). Bachelor of Science in Forestry, majoring in Forest Management. Specialist in Ecology and Environmental. He has led several audits for Sustainable Forest Management in Indonesia (under LEI- Indonesian Ecolabel Institute and FSC- Forest Stewardship Council) and he is a Lead Auditor for FSC chain of custody, Forest Management and RSPO. Other experience: He is IRCA Lead auditor IRCA registered for Environment Management System and Quality Management System. Since 1999 he has been working for independent certification body and has conducted Environment Management System audits in Indonesia and Malaysia. Currently he is the General Manager of Management System Certification. During this audit, he assigned to verify legal, SCCS and environment.</p> <p>2. Dwi Haryati (Auditor). Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. Has experience on Palm Oil Plantation as Sustainability staff. Training have been followed : Training Lead Auditor of ISPO & RSPO Scheme, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, LA RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. Aspects to be audited: best management practices, Occupational Health and Safety (K3), Social Worker. During this audit, he assigned to verify Worker welfare, social and OHS.</p> <p>3. Sahat Simarmata (Auditor). Bachelor of Science in Agriculture (Plant Protection) obtained from the Faculty of Agriculture, Universitas Sumatera Utara – Medan and Master of Science (Environmental Science and Management) obtained from University of the Philippines Los Banos (UPLB), Philippines. Worked as government employee at the Directorate General of Estate Crops, Ministry of Agriculture for 32 years and actively involved in undertaking Field Test of RSPO P&C Draft, actively involved in formulating and undertaking Field Test of ISPO P&C Draft, and socialized the Regulation of Minister of Agriculture No.19/2011 on ISPO Guidance to stakeholders throughout the country. Currently he is working on the independent Certification Body. The training attended, are Training on ISPO Auditor, In House Training – Awareness RSPO Certification, and Training of Lead Auditor, ISO 9001: 2008 (In House Training). He has been conducting several audit related sustainable palm oil certification system as auditor trainee and auditor. In this audit he assessed the Best Management Practices and transparency.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1 Figure of person days to implement assessment	
RC	<p>Number of auditors : 3 auditor Number of days for RC at site: 5 days Number of working days for RC at site : 15 Working days</p>
2.2.2 Assessment Process	
RC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PT Ivo Mas 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, revised 14 June 2017 (Module D 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 RC delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.1).</p> <p>Improvement of findings from surveillance assesment findings were observed by auditors at this RC assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of RC.</p>

The assessment program please find Appendix 2

2.2.3 Location of Assessment

RC The number of management units of this activity consists of four estates that supply material FFB to the Libo 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, 2 estates (Libo Estate and Sei Rokan Estate) and 44 Smallholders.

Libo Estate

1. **Harvesting block F47, Div VII.** Observation for BMP aspect, workers welfare, and OHS
2. **Manuring (interview), block C47/48, Div II.** Observation for BMP aspect, workers welfare, and OHS
3. **Land application, block D39-41, Div I.** Observation for waste utilization
4. **Monitoring well, block D41, Div I.** Observation for waste water monitoring and management
5. **EFB Application, block F7, Div VII.** Observation for BMP aspect, workers welfare, and OHS
6. **Road Maintenance, block G43, Div VII.** Observation for EFB transport management
7. **Beneficial plant, block E46 and E47, Div VII.** Observation for integrated pest management
8. **Barn owl box, block D47, Div II.** Observation for integrated pest management
9. **Sloping areas, block F42, Div VII.** Observation for best practices on sloping areas
10. **Sparepart Warehouse (1 workers).** To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards OHS and manpower aspect.
11. **Chemicals Warehouse.** To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards technical, OHS and manpower aspect.
12. **Fertilizer Warehouse.** To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards OHS and manpower aspect.
13. **Lubricant Warehouse.** To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards technical, OHS and manpower aspect
14. **Diesel Fuel tank.** Observations related to the condition of diesel fuel tanks and diesel fuel management.
15. **Hazardous and Toxic Waste Warehouse (1 worker).** To observe activities in the warehouse, OHS implementation, checking the permit, balance records, and interview with workers towards technical, OHS and manpower aspect.
16. **Fire Fighter Warehouse.** To observe completeness and readiness of fire fighter equipment.
17. **Workshop (1 worker).** To observe activities in the warehouse, OHS implementation, checking Operator (Welder) Lisence and interview with Foreman and workers towards OHS and manpower aspect.
18. **Central Clinic (1 doctor and 1 paramedic).** Observation related to OHS implementation issues, Health insurance and occupational accidents, environment aspect, medical checkup, etc.
19. **Well Monitor block D45 Division 2 and block F46 division 7.** Field observations and interviews with officers regarding well monitoring management and employment aspect
20. **Rinse house for pestide operator.** Field observations related storage of PPE and handling of hazardous materials.
21. **Housing Emplacement:** Observations related to hygiene facilities include sanitation, clean air and complaints.

Sei Rokan Estate

22. **Swamp forest (HCV 4) block F13.** Observation for HCV management
23. **Legal boundary BM03 block F44.** Observation for legal operational boundary
24. **Legal boundary BM02 block E43.** Observation for legal operational boundary
25. **Replanting block E42.** Observasi for zero burning and planting activities.
26. **Legal boundary BM02 block B36.** Observation for legal operational boundary
27. **Legal boundary BM0 block A34.** Observation for legal operational boundary

Libo Mill

28. **Security.** Interview related working hours,SCCS, and FFB receiving.
29. **Weight bridge operator.** Interview related weight bridge calibration, SCCS & mass balance awareness.
30. **Loading ramp.** Observation and interview with sortation officer regarding to sortation procedures, record keeping

	<p>and documentation.</p> <ol style="list-style-type: none"> 31. All processing station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier). Observation on FFB processing. 32. Boiler station. Observation and interview related to OHS, health inspection and operator license. The company was provide all PPE's such as: helmet, mask, safety shoes, and glove. 33. Engine room. Observation and interviews related to the competence of workers, medical check up, and implementation OHS. 34. Sparepart Warehouse (1 workers). To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards OHS and manpower aspect. 35. Chemicals Warehouse. To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards technical, OHS and manpower aspect. 36. Lubricant Warehouse. To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards technical, OHS and manpower aspect 37. Hazardous and Toxic Waste Warehouse (1 worker). To observe activities in the warehouse, OHS implementation, checking the permit, balance records, and interview with workers towards technical, OHS and manpower aspect. 38. Hydrant. Simulate the facility of emergency. 39. Workshop (1 worker). To observe activities in the warehouse, OHS implementation, checking Operator (Welder) Lisence and interview with Foreman and workers towards OHS and manpower aspect. 40. Water Treatment Plant (WTP, 1 worker). To observe activities in the WTP Station, OHS implementation, checking flowmeter condition and interview with Foreman and workers towards technical, OHS and manpower aspect. 41. Biogas Plant (1 workers). To observe activities in the <i>methane capture</i>, OHS implementation and interview with Foreman and workers towards OHS and manpower aspect. 42. Waste Water Treatment Plant (WWTP, 2 workers). To observe activities in the WWTP Station, OHS implementation, checking flowmeter condition and interview with Foreman and workers towards technical, OHS and manpower aspect. 43. Empty Bunch Area (EBA). Observation Empty Bunch Area condition <p>Sungai Tapung Plasma (KUD Cinta Damai)</p> <ol style="list-style-type: none"> 44. Lot No 591, Lot No 592, Lot No 593, Lot No 595, Lot No 597, Lot No 599, Lot No 601, Lot No 603, Lot No 604, Lot No 624, Lot No 626, Lot No 627, Lot No 628, Lot No 630, Lot No 632, Lot No 633, Lot No 634, Lot No 636, Lot No 638, Lot No 640, Lot No 642, Lot No 643. Observation and interview related to harvesting, upkeep, payment system, land title, land conflict and dispute mechanism <p>Sungai Tapung Plasma (KUD Karya Tani)</p> <ol style="list-style-type: none"> 45. Lot No. 2365, Lot No. 2367, Lot No. 2369, Lot No. 2371, Lot No. 2373, Lot No. 2374, Lot No. 2375, Lot No. 2377, Lot No. 2379, Lot No. 2380, Lot No. 2381, Lot No. 2383, Lot No. 2412, Lot No. 2414, Lot No. 2416, Lot No. 2418, Lot No 2420, Lot No. 2422, Lot No 2424, Lot No. 2426, Lot No 2427, Lot No 2432. Field observations and interviews with land owners on best agronomic practices, environmental management, payment systems, OHS aspects, and waste management. <p>Stakeholder Consultation</p> <ol style="list-style-type: none"> 46. KUD Karya Tani Office. Interviews related to the issue of transparency, environmental pollution, land conflict issue, CH contribution to society and the impact of corporate activities. Field observation related to PPE and equipment for pesticide operators. 47. KUD Cinta Damai Office. Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
RC	Consultation of stakeholders for PT Ivo Mas Tunggal held by:

	<ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com and www.rspo.org on 11 May 2018. 2. Public consultation with government agencies of Siak district (Plantation agency, Land Office, Environmental agency, Manpower Agency) on 26 June 2018. 3. Public consultation by interview with locals of the nearby village (Bekalar Village, Sakai Tribe) on 26 June 2018. 4. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative and gender committee and local contractor) on 26 June 2018 and 2 July 2018. 5. Consultation with NGO (Jikalahari, Walhi and Sawit Watch) via email on 17 June 2018. 6. Consultation and interview with LBH Sakai and Head of Sakai Tribe on 4 July 2018. <p>Numbers of input from stakeholders were clarified by PT Ivo Mas Tunggal</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix1</i>
2.4	Determining Next Assessment
	The next visit (ASA1.1) will be determined eight to twelve months after this <i>Re-Certification Report is approved.</i>

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Libo Mill – PT Ivo Mas Tunggal subsidiary of Golden Agri Resources Ltd operation consisting of one (1) mill, three (3) oil palm estates and one (1) scheme smallholders (2,792 smallholders).

During the assessment, unit management of Libo Mill and its supply base already comply with RSPO P&C and SCCS requirements. There were seven (7) opportunities for improvement were identified. Further explanation of assessment result are provided in section 3.5.

MUTUAGUNG LESTARI found that Libo Mill – PT Ivo Mas Tunggal complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised 14 June 2017 (Module D for CPO Mill).

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
<p>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>		
<p>1.1.1 Minor</p> <p>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 April 24, 2018.</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 stakeholders are in the list of information for stakeholders. 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>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 weeks after mail received.</p> <p>The results of public consultations with stakeholders on June 26, 2018 obtained information that they never requested information about operational activities. However, if the village community submits requests for assistance, the company always responds quickly.</p> <p>Based on field interviews with land-owning farmers and the Chairman and managers of Karya Tani and Cinta Damai</p>		

smallholder cooperation, informed that information request could be addressed to smallholder cooperation management, and then it will be forwarded to the company.

OFI No.2

Socialization to employees regarding the change of position structure and rank of permanent workers in agronomy and mill. This is based on Decree No.036 / MDHR / 11/2017 on the Position and Permanent Workers' Structure in Agronomy and Mill. This decree describes the structure and rank of Permanent Workers consisting of 4 levels of rank with the lowest rank order to the highest ie PT 4 (Executor), PT 3 (Senior Implementer), PT 2 (Regulator), and PT 1 (Regulator Senior). This decision is effective January 1, 2018.

1.1.2 Major

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 obtained information that they never requested information about operational activities. However, if the village community submits requests for assistance, the company always responds quickly.

Records of requested information documents are documented in the documentation of Incoming and Outgoing Letter for Karya Tani smallholder cooperation, where there are 15 incoming letters and 10 outgoing mails for the year 2018. Incoming letters such letter of request for information from external namely Head of Tax Office Pekanbaru with incoming letter no.S.2569 /WPJ.02/KP.12/2018 regarding the appeal inauguration as a taxable VAT businessmen dated January 30, 2018 and received by the company on February 2, 2018. This has been responded by EM STPA by sending letter of response that is letter out dated March 6, 2018 letter No.04 / KOPSA KT / SM / III / 2018 (received service dated March 8, 2018). Response period according to SOP is 3 weeks after the letter is received but the above example shows mail response for 33 days (February,2 to March, 6 2018). Meanwhile for Cinta Damai smallholder cooperation, there was 16 etter of incoming mail and has been responded most of them are invitation letters, no information request.

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 Major

The Company has a list of public documents described in the document of information list for stakeholders. In the document stated a list of information that can be accessed by the public, such as: certificate of Land use tittle, HCV report, social impact assessment report, human rights policy etc. Company has SOP Communication and Consultation No. SOP/SMART/GENERAL/SAD VII/004 which explains some documents are confidential and must require permission to access them.

In the Communication and Consultation SOP it is explained that if the requested information is not included in the list of information in the list of information documents to the stakeholders, consideration is required from the top management first. The Company has conducted dissemination to stakeholders regarding SOP Communication and consultation.

Based on interviews with Village head and community, known that the villagers understand how to obtain information from the company. The company maintains records of request for information and responses under book of communications on each unit management. Based on document verification, that's known no information request from stakeholders. There are showed sample of request from villagers (relief fund) and the company has been follow up these request.

The list of public document types in KUD Karya Tani and Bangun Desa consists of 14 types of information, namely: number of employees and wage list, NPWP data, procedures and work stages, environmental documents, deed of establishment and amendment, production and area data, evidence of land use, identification of HCV, SIA identification report, community

empowerment program report, P2K3 report, repair program document, RSPO audit report document, human rights document, complaint documentation and dissatisfaction.

Based on interviews with *KUD* Cinta Damai and Karya Tani, information was obtained that there were types of information accessible to cooperative members. For example, in a regular meeting *KUD* Cinta Damai held on October 28, 2017 at the Hall of *KUD* Cinta Damai has been submitted some information and socialization from the company.

Status: Comply

1.3

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

1.3.1 Minor

The Company has a Business Ethics Policy endorsed by RC and PC of PT Ivo Mas Tunggal on January 03, 2015. This policy expresses 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 has been socialized both through a warning board in every residential and divisional office, also delivered during a morning meeting. Based on the results of interviews with contractors civil it is known that they already know the code of ethics in the company, for example ethics in working relationships.

During an interview with workers at LIBE and LIBM, the worker can explain the understanding of the policy in a language acceptable to the auditor. Based on interviews with cooperative management *KUD* Cinta Damai and Karya Tani, it can be explained that some GAR policies (Corporate Group) have been socialized for example in Coordination meeting at *KUD* Cinta Damai which was held on October 28, 2017 in hall of *KUD* Cinta Damai has submitted some information and socialization from company side , one of which is related to human rights 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 Major

The Management Unit consistently applies legislation relating to plantation and palm oil mill. The Management Unit has shown compliance with laws and regulations, for example:

1. Report on Development of Plantation Business Activity (LKUP) PT. Ivo Mas Tunggal for January - December 2017 period pursuant to letter No.1 / IMT / BP / II / 2018 dated 12 February 2018.
2. The Management Unit has documents of Financial Statement of PT. Ivo Mas Tunggal (Parent Entity) for the Years Ended 31 December 2017 audited by Moore Stephens (MIRAWITA SENSI IDRIS) in accordance with a letter from Partner MIRAWATI SENSI IDRIS No. 723 / V / 2018 / LSK / MSId dated 3 May 2018 to the Board of Directors of PT. Ivo Mas Tunggal. Summary of results from public accountants, among others, shows that revenue is greater than the cost incurred and have been audited with unqualified opinion.
3. The Management Unit has evidence of tax payment made by PT.Ivo Mas Tunggal, namely:
 - Land Tax (255,014,340 m2) and Building (232,382 m2) for the year 2017 amounting to Rp.5,837,033,940.- paid on 8 June 2017.
 - Income Tax Article 21 for fiscal year 2017 of Rp.895,576,322.- paid on 5 June 2018.
 - Income Tax Article 23 for fiscal year 2017 of Rp.814,678,856.- paid on 8 June 2018.
 - Income Tax Article 4 paragraph 2 for fiscal year 2017 amounting to Rp.282.533.394.- paid on 8 June 2018.
 - Surface Water Tax of PT. Ivo Mas Tunggal (Libo POM) for the period of January 2016 until December 2017 amounting to Rp.78,791,100.- paid on 1 March 2018.
 - Electricity Taxes PT. Ivo Mas Tunggal (Libo POM) for the period of January 2016 until December 2017 amounting to Rp.130,242,877.- paid on 6 April 2018.

CH 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).
- The Certification Unit has comply with minimum wage referring the decree of Riau Governor No. 20/II/2017 (refer to indicator 6.5.1)
- KUD has business permit, register number in government and tax number
- CH has a boiler register of checks, cleaning, and repairs in preventive maintenance documents. Besides that, every year there is an inspection of the condition of equipment and machinery by the OHS supervisor from the labor agency.

The Management Unit showed a copy of the documents on hard file in the office when audit held. The officers of Agency of Siak District and Headquarter Office explained that the Management Unit has implemented regulations that applicable.

2.1.2 Minor, 2.1.3 Minor, and 2.1.4 Minor

Certificate holder’s mechanism to ensure compliance should be implemented and stipulated in SOP of Rules and Other Requirements (SOP/SMART/UMUM/SADV/II/002, dated 1 July 2014). This procedure 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 February, 19 2018.

In addition, the smallholder management unit (*KUD Cinta Damai and Karya Tani*) shows the compliance Evaluation to Regulations, Legislation and Other Requirements for Plantation Licensing, Employment, Environment, HCV, Cooperatives, K3, update as of January 2, 2018.

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 Major

CH has had the land rights in the form of Land Use Title (HGU) for an area of 11,621.20 hectares which consist of 1 certificate HGU and land title for an area of 5,585 Ha which owned by 2,792 Smallholders. Based on document review and field visit known that management unit has manage a area of 17,204.20 Ha consist of 16,689.11 Ha planted area, 285.99 Ha supporting facilities and 24.05 Ha others area. For this assessment, the scope of certification only 16,800.33 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).

The land title for plasma is SHM for an area of 5,585 Ha which consist of 2,792 smallholders. CH can shows the copy of land title of smallholder.

2.2.2 Minor

Management unit has had list and map of boundry stones from National Land Agency. Based on the data, there are 40 boundary stones in Nenggala Estate, Libo Estate and Sei Rokan Estate. Management unit have conducted monitoring of boundary stones once month. The monitoring results for 2017 – 2018 showed that all boundary stones in certification scope are in good condition.

Field visit in Sei Rokan Estate and Libo Estate showed that Boundary stone No. BM 03; BM 02 and BM 0 are well-maintained and the boundary stones position is meet with the coordinate. Besides that, CH also maintaining trenches as part of boundary marker.

2.2.3 Minor, 2.2.4 Major, 2.2.5 Minor

The consultation results with communities (Sungai Godang Villange and Belutu Village) is known that there was no dispute / conflict of land between the company and communities for period 2017 – 2018. But there is complaint from Sakai Riau Legal Aid Foundation related to area which overlap between PT IMT and PT CPI. CH has implemented procedure for conflict resolution which stated that the resolution involve the stakeholder, i.e. the complaint from Sakai Riau Legal Aid Foundation has been mediated by Siak Government, which is done in 16 Nov 2017. Interview with Sakai Riau Legal Aid Foundation and PT IMT known that both parties has report the case to police. The progress of complaint resolving will be observe in next assessment. **OFI**

CH has evidence of land acquisition which conducted since 1986. Based on the document known that the land acquisition process is witnessed by head of villange, head of sub-district and land owner. Based on interview with youth figure of Sakai Tribe and Jambai Makmur Head of Village known that land acquisition has been conducted long time ago in 1986 with no coercion.

Consultation results with communities (Sukamaju Village and Cinta Damai Village) is known that there was no dispute / conflict of land between the smallholders and communities for period 2017 – 2018. 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 Major

GAR as parent company of PT Ivo Mas 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 underlaying 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, indigenou 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 indetified 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 dispute by any parties.”

Consultation with the stakeholders (Sukamaju Village, Cinta Damai Village, Sungai Godang Village and Belutu Village), 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 Major, 2.3.2 Minor, 2.3.3 Minor, 2.3.4 Major

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 since in 1986.

Document review, field visit and interview shows that since the last assessment (2017), 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 Major

The Management Unit has shown longterm management business and budget plan for period 2018-2022. The management staff stated that the business plan are subject to change and review annually by the respective management by considering actual trends and dynamic situation which predicted could be changed in the future. The objective of annual review is to optimize the company resources to obtain a satisfactory goal. Parameters listed on the company long term plan have covered FFB production, CPO and kernel production, production cost, transportation / distribution cost, balance / revenue, tax, IDR and USD depreciation, FFB and CPO price, and currency rates. The longterm plan was extracted more details in annual budget plan which prepared by the Estate Manager.

Based on Environment Evaluation Study which approved by AMDAL (SEIA) Comission from Department of Agriculture No. RC.220/1052/B/VI/93 dated 22 June 1993, it was informed that there were no presence of peat soil within PT Ivo Mas Tunggal operational areas. Hence, there is no plan related to peat management.

3.1.2 Minor

The Management Unit can show document of activity plan of replanting for period of 2012-2019 with total area of 4,448.28 Ha. Replanting activity continues to be implemented gradually due to the age of plants that has been exceeded 25 years and the productivity of FFB has decreased (<23 tons FFB ha / year). The actual replanting up to 2017 was an area of 4,283.06 ha (92.26% of total target).The management explained that in 2018 the area of Land Application (94.63 ha) will be replanted. The replanting activity will be commenced in the second semester.

Based on the results of field visits and interviews with Libo Estate Manager, it is known that the 94.63 ha of Land Application area in Division I (Block D39, Block D40, and Block D41) will be replanted in September 2018. The location of Land Application will be moved to Division V Block E45, Block E46, and Block E47) Libo Estate.

Sungai Tapung Plasma

- KUD Cinta Damai: Replanting is planned to be conducted in 2022 for 1,257.50 ha (100%)
- KOPSA Karya Tani: Replanting is planned to be conducted in 2024 for 840 ha (100%)

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 Major

The Management Unit has documents of SOP Technical of Oil Palm Cultivation starting from land clearing up to harvesting formulated by Management Committee Agronomy and Research (MCAR), approved by SMD Ops and valid 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. The procedure for safe working practices is explain in each procedure.

The Management Unit also has a complete SOP related to the processing of palm oil to CPO and PK in the Palm Oil Factory in SOP No. 04/09 / MCMD-SOP / 438 revision to 4. The SOP is authorized by Chairman of MCMD and valid on 1 September 2010. SOP covers standard operational procedures in POM, including FFB Acceptance Station, Sterilization Activities, Threshing Station, Clarification Station (Purification), Sub-Station of Oil Recovery Tank, Nut and Kernel Station, Boiler, and Engine Room, Water Treatment, Final Effluent, and Storage Tank Wash. The procedure for safe working practices is explain in each procedure.

There is also a SOP for Certified Product Identification and Traceability (SOP / SMART / CERS-EHSD / SADV / I / 001) authorized by Head of Upstream dated 1 July 2014. CH also have SOP of Riparian Protection and SOP of Riparian Management to set prohibiting the use of chemicals in the river buffer zone.

The SOP is available on audit site (Estate office) and is written in a language that is easily understandable for workers (written in Bahasa Indonesia). The management staff explained that until the assessment of this recertification is implemented there has been no change to the SOP.

The Management Unit has trained / socialized the SOPs to workers. For example, auditor conducted interview with harvesters at Block F47 Divison VII Libo Estate, spraying workers who are doing manual weeding at Block C44 Division III Libo Estate, and workers at Loading Ramp Station, Libo POM. Based on the results of interviews, it can be concluded that the workers have understood the duties and responsibilities of their work in accordance with the applicable SOPs.

Sungai Tapung Plasma:

The farmer , owner of Lot No. 592 - KUD Cinta Damai, interviewed by Auditor claimed to have attended the socialization of harvest techniques delivered by Assistant to Division.

4.1.2 Minor; 4.1.3 Minor

The Management Unit has a procedure associated with operational internal audit in the SOP-ISCC/IMT/OIA. The SOP approved by VPA and VPM, valid on 1 September 2010. Ensuring consistency of procedures implementation, the Management Unit routinely conduct internal audit activities, both agronomy and processing. It is done by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit on the second semester of 2017 in Libo Estate and the first semester of 2018 in Libo POM have been documented. Non-compliance records of internal audit have been corrected and verified by management. The records are available at office of Libo Estate and office of Libo POM.

Sungai Tapung Plasma**KUD Cinta Damai**

- Visit of RC Kampar Plasma dated 6 March 2018 (Estate Manager of Sungai Tapung Plasma, Assistant to Division III, and Production Division III).
- Visit of RC Kampar Plasma dated 6 March 2018 (Estate Manager of Sungai Tapung Plasma, Assistant to Division I, and Assistant to Division I).
- Visit of VPR PSM5 dated 15 Novemvber 2017 (RC Kampar Plasma, Estate Manager of Sungai Tapung Plasma, Assistant Head of Sungai Tapung Plasma, Assistant Division I – V Sungai Tapung Plasma).

Non-compliance records have been corrected and verified by management. The records are available at office of KUD Cinta Damai and office of Sungai Tapung Plasma.

KOPSA Karya Tani

- Visit of RC Kampar Plasma dated 6 March 2018 (Estate Manager of Sungai Tapung Plasma, Assistant to Division I, and

Assistant to Division II).

- Visit of VPR PSM5 dated 15 November 2017 (RC Kampar Plasma, Estate Manager of Sungai Tapung Plasma, Assistant Head of Sungai Tapung Plasma, Assistant to Division I - V Sungai Tapung Plasma).

Non-compliance records have been corrected and verified by management. The records are available at office of KOPSA Karya Tani and office of Sungai Tapung Plasma.

4.1.4 Minor

Libo Mill has record the origins of all FFB source. The result of field visit, document review and interview with the management, known there is no FFB sourced from third party but there is FFB source from scheme smallholder that also has been certified.

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 Major ; 4.2.3 Minor

The Management Unit has had a procedure to manage and maintain soil fertility, such as SOP of Manuring (SOP/SMART/MCAR/IX/TA-PPK) approved by SMD Ops on 12 June 2012. In maintaining soil fertility, the Management Unit conducted manuring activities in accordance with recommendation from research, POME applications, EFB application, and management of plant residue resulting from replanting activities (chipping and stacking for decomposition process).

The Management Unit has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit (LSU) analysis 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 the well-trained census officers in respective estate. SSU is conducted every 5 year for trees with age of 3, 8, 18 and 23years, meanwhile LSU is conducted annually. The last SSU result was issued on 30 April 2015 (32 samples).

Based on the document review, it is known that LSU analysis results have been received from SMARTRI, namely in Libo Estate (22 samples) Ref. No. 115/DAUN/LAB-SMARTRI/III/2017, dated 27 March 2017 and 16 samples (Ref. No. 158/DAUN/LAB-SMARTRI/IV/2017, dated 19 April 2017).. The parameters to be analyzed are 6 elements i.e N, P, K, Mg, Ca, dan B).

Sungai Tapung Plasma

The Management showed memorandum of laboratory analysis result of LSU year 2017 from SMARTRI. The parameters to be analyzed are 6 elements i.e N, P, K, Mg, Ca, and B:

KUD Cinta Damai: Ref. No.139/DAUN/LAB-SMARTRI/IV/2017, dated 18 April 2018 (33 samples).

KOPSA Karya Tani: Ref. No.144/DAUN/LAB-SMARTRI/IV/2017, dated 19 April 2018 (11 samples).

4.2.2 Minor ; 4.2.4 Minor

Based on document verification and interview with staff, it is known that manuring program in the first semester of 2018 in Libo Estate has been done completely (100%). While for the old plants (to be replanted in 2018 and 2019) have no longer been manured. According to the procedure (SOP/SMART/MCAR/IX/TA-PPK), there is no manuring activity two years prior to replanting.

The Management Unit has implemented nutrient recycling using POME, EFB, and plants residue to improve the soil fertility. Libo POM also utilizes fiber and kernel shells as Boiler fuel.

Based on the document review, it is kown that in 2018 (as of May) has been applied EFB 22,621 tons (40.07%) , POME 47,793 m³, and plant residue (fronds) resulting from pruning of 353,636 trees (2,527.12 ha). Libo POM has processed 125,747 tons of FFB and produced 15,718 tons of fibre and 7,230 tons of kernel shell. All fiber and kernel shells have been used as fuel for Boiler.

Auditor conducted field observation at Block F7 Division VII Libo Estate. The Estate Manager explained that EFB application was done on March 2018 (60 tons/ha/2 years). The result of observation and interview with workers at Block D39 Division I, Libo Estate showed that pumping of POME was not in operating.

The interviewed employee was able to explain and simulate application processes, such as alibration, monitoring, recording, and reporting of POME application to the Division Assistant. Based on the document verification, it is known that in 2018 (up to June) has been applied POME of 36.173 m3.

Sungai Tapung Plasma

The harvester interviewed at Block F47 Division VII Libo Estate and farmers of Sungai Tapung Plasma (e.g owner of Lot 633 - KUD Cinta Damai) explained that maintenance pruning is conducted while harvesting. Fronds are adjusted "L-Shape" in interrow for decomposition process to improve soil fertility.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 Major

The Management Unit has a semi-detailed soil map of scale 1: 50,000 issued by the Plantation Monitoring and Planning Division on June 2017. The map consists of land map unit, soil classification, topography (percent and degree), soil texture, depth (solum and effective), drainage, land suitability classes, limiting factors, and hectareage. Based on the map, there is no fragile soil in the operational area of Libo Estate - PT Ivo Mas Tunggal.

Sungai Tapung Plasma:

KUD Cinta Damai and KOPSA Karya Tani have had a semi-detailed soil map of scale 1: 50,000 formulated by the Plantation Monitoring and Planning Division on November 2017. Based on the map, there is no fragile soil in the operational area of Sungai Tapung Plasma.

4.3.2 Minor

The Management Unit has a semi-detailed soil map of scale 1: 50,000 issued by the Plantation Monitoring and Planning Division on June 2017. The map consists of land map unit, soil classification, topography (percent and degree), soil texture, depth (solum and effective), drainage, land suitability classes, limiting factors, and hectareage. Based on the map, the topography in Libo Estate are flat (0% – 9%) 2,221.53 ha; undulating (9% – 16%) 1,091.28 ha; rolling (16% – 21%) 316.67 ha; and hilly (21% – 40%) 1,242.30 ha.

The Management Unit has procedure of planting management in specific slope. One of the strategies is regarding the SOP on Land Clearing and Planting (No. SMA/MCAR/05/05-07). The applied management strategies are constructing terrace, contour, conservation terrace, individual terrace with silt pit, and planting of conservation plants. The land management action for particular slope especially that greater than 15% are by maintaining terrace construction, frond stacking surrounding plant circle, weeding surrounding plant circle and interrow, and letting wild plants such as soft fern (*Nephrolepis bisserata*) grow to prevent erosion, and measuring the erosion.

Based on field observation in hilly area at Block F42 Division VII Libo Estate and interview with Asssistant to Division, it is known the implemented management strategies i.e making terrace (5.5 m width) and stop bund every 50 m, planting of LCC (*Mucuna bracteata*), no spraying on terrace wall, and stacking of fronds within terrace (the last development of SMARTI).

Sungai Tapung Plasma

KUD Cinta Damai and KOPSA Karya Tani have had a semi-detailed soil map of ccale 1: 50,000 formulated by the Plantation Monitoring and Planning Division on November 2017. Based on the map, the topography in Sungai Tapung Plasma are flat (0% – 9%) 3,664.67 ha; undulating (9% – 16%) 596.25 ha; and rolling (16% – 21%) 1,324.08 ha.

Based on the results of field observation, e.g. Lot No. 633 - KUD Cinta Damai, it can be seen that on undulating arae has been made errace and fronds are arranged on the edge of the terrace.

4.3.3 Minor

The Management Unit showed the Road Maintenance Programs in 2018 authorized by the Estate Manager, as well as records of its actual. Based on Work Monitoring Document of Road Grader, it is known that in 2018 (up to May) the Management Unit has performed the maintenance of main road and Ccollection coad at Libo Estate of 450,400 m length. Road hardening using the mixed sand-stone (1,409 m3) will be performed in the second semester of 2018.

Sungai Tapung Plasma

Based on Road Maintanace Program in 2018, it is kown that up to May 2018 have been done road maintenance over 43 km at KUD Cinta Damai and over 18 km at KOPSA Karya Tani.

Auditor conducted field observation in operational area of Libo Estate as well as Sungai Tapung Plasma. It was found that road conditions were satisfactory and easily passable by FFB transport unit

4.3.4 Major, 4.3.5 Minor

The Management Unit has document of the Environmental Evaluation Study approved by AMDAL (SEIA) Commission of the Department of Agriculture No. RC.220/1052/B/VI/93 dated 22 June 1993. It was informed that there were no presence of peat soil within PT Ivo Mas Tunggal operational areas. Hence, there is no plan related to peat management

Besides, based on field observation there is no peatland in the operational area of Libo Estate - PT Ivo Mas Tunggal.

Sungai Tapung Plasma

The management of KUD Cinta Damai and KOPSA Karya Tani have an in-depth viewing map of scale 1: 75.000 published by Plantation Monitoring and Planning Division on November 2011. Based on the map, the land classification in the operational area of Sungai Tapung Plasma, namely *typic haplohemist*, *typic Endoaquepts*, *aquic destrudepts*, and *typic daistrudepts*.

Visit observation done by auditor in the farm of KUD Cinta Damai, eg Lot No. 592, 627, 633, 638, and 643, there is no peat soil found.

4.3.6 Minor

It has been explained in 4.3.1 that the Management Unit has a semi-detailed soil map of scale 1: 50,000 issued by the Plantation Monitoring and Planning Division on June 2017. The map consists of land map unit, soil classification, topography (percent and degree), soil texture, depth (solum and effective), drainage, land suitability classes, limiting factors, and hectarage. Based on the map, there is no fragile soil in the operational area of Libo Estate - PT Ivo Mas Tunggal and Sungai Tapung plasma

Status: Comply

4.4

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

4.4.1 Minor

The company 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 2017. 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. 32/2017.

4.4.2 Major

The company has identified rivers and wetlands inside plantation area. Analysis of HCV containing distribution maps of the river in the area of PT Ivo Mas Tunggal. Based on the identification documents of High Conservation Value (HCV) note that there are river that flow in the area of Libo Estate namely Tantaro River.

All identified buffer zone has been designated as HCV and protected areas. Evidence of surface water flow 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 six months (semester) 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.

Based on the results of the water testing analysis for semester 2 of 2017, the following TSS results in several rivers:

Tantaro river (upstream): 8 mg/L.

Tantaro river (downstream): 6 mg/L.

Quality standard TSS based on Government Regulation (PP) no 82/2001, class II is 50 mg/L.

Sungai Tapung Plasma:

In an effort to protect riparian area of STPA Unit refer to SOP of Management and Monitoring of natural resources (doc. No. SOP/SMART/BCOS-EHDS/SADV/I/004, 1st July 2014) that explain about appointment and protect the river border. Based on field visit in Karya Tani Cooperative - Berdikari Group Farmers number 2416 known that Karya Tani Cooperative unit already done water source management, such as:

- Signboard prohibition chemical application on riparian.
- Signboard of HCV area, prohibition of hunting, and poisoning fish.
- Determination of river buffer zone with a distance of 50 meters left-right of small river demarcation of the border is done with the installation of boundary markers river border.
- Planting a Vetiver grass, Guatemala, and Bamboo.

4.4.3 Minor

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 January 2018 to Mei 2018 were accordance with Regulation of Environment Minister (*PermenLH*) No. 28/2003. Based on observation to WWTP, it was found that flowmeter was well functioned and there were no spills to the land. Furthermore, the company also has land application permit and there is no issues from stakeholders related to land application

4.4.4 Minor

Observations on Libo mill water treatment plant found monitoring for raw and process water usage was done by officer periodically, and flowmeters at inlet/outlet serves normally.

Procedure for Mill water usage and monitoring are provided and listed on working instructions IK /SMART/MCMD/ I/TM-PKS/19. Water usage monitoring was done periodically and recorded, for example on May 2018 FFB processed 28,790 mt, process water usage 30,812 m³, and water usage efficacy was 1.07 m³/mt FFB processed. Standards of water usage for FFB process recorded on 2018 budget projected 1.33 m³/mt FFB processed.

Status: Comply

4.5

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

4.5.1 Major

The Management Unit has the IPM program in 2018. The activities targeted on the program were detection, census, and monitoring of pests and diseases attack, implementing biological control such as installation of barn owl box and planting of beneficial plants, and chemical control of rhinoceros beetle. The chemical control will be conducted just when census result shows that pest infestation / population has been exceeding the economic threshold level. Based on the IPM activity records in 2018 (up to May), the potential pest found in Libo Estate are rodent and rhinoceros beetle. (*Oryctes* sp.). There is no leaf

caterpillar attack. The census result showed that rodent attack in immature plant is 2.58% in average (below economic threshold level of >10%), while in mature plant is 1.53% (below economic threshold level 5%). The average plants infested by rhinoceros beetle is ranging from 1.10 trees to 10.50 trees per ha. In some blocks, it has exceeded the economic threshold level (5 trees / ha).

Though the leaf caterpillar attack is not found, the Management Unit anticipated the attack by planting and upkeeping host plant of its natural enemies, such as *Turnera subulata* and *Antigonon leptosus* along the edge of main road and collection road in area of 4,428.91 ha (up to May 2018). Rodent control was done by installing barn owl box. Currently, 220 units of barn owl boxes have been installed in Libo Estate. Control of rhinoceros beetle has been done by wingkling 4,579.74 ha, larvae hand picking 506.79 ha, and insecticide application using 1,302.60 lt of Cymbush 250 EC (cypermetrin) in 4,788.97 ha at dosage of 272 cc / ha.

Based on field observation in Division II, it can be seen the well maintained beneficial plants e.g *Turnera subulata* at Block E47, Block E49, and Block F47 as well as *Antigonon leptosus* at Block E47 and Block E49. Estate Manager informed that there is also nursery of beneficial plants at Block D45.

The barn owl box observed by auditor at Block D40 Division III Libo Estate was still in good condition and was active (inhabited). The monitoring parameters are the existing of barn owl in the box, the left food, and sign of reproduction, such as egg or owl.

Sungai Tapung Plasma

Based on verification results of the IPM Program and Actual in 2018, it is known the potential pest found in farms of KUD Cinta Damai and KOPSA Karya Tani are rodent and leaf caterpillar.

The percentage of attack of rodent in farms of KUD Cinta Damai and KOPSA Karya Tani are still below the economic threshold level (> 5%), namely 2.72% and 2.86% respectively. Biological control of rodent has been done by installing barn owl boxes of predator (*Tyto alba*). Currently, KUD Cinta Damai has installed 39 units and KUD Cinta Damai installed 28 units. Monitoring result done in May 2018 shows that all barn owl boxes in farms of KUD Cinta Damai are still active (inhabited), while the active (inhabited) in farms of KOPSA Karya Tani are 27 units (96.42%).

The percentage of attack of leaf caterpillar in farms of KUD Cinta Damai and KOPSA Karya Tani are still below the economic threshold level (> 5%), namely 0.67% and 0.88% respectively. Biological control has been conducted by planting/upkeeping beneficial plants, such as *Turnera subulata* and *Antigonon leptosus*. As of May 2018, for instance, KUD Cinta Damai has planted/upkept 123 beds of *Turnera subulata* and 47 beds of *Antigonon leptosus* in Division III. While KOPSA Karya Tani planted/upkept 865 beds of *Turnera subulata* and 18 beds of *Antigonon leptosus* in Division I.

During field visits, auditor interviewed farmers of KUD Cinta Damai. For instance, the owners of Lot No. 592, 627, 633, 638, and 643 explained that rodent is the potential pest with light infestation and it is controlled biologically by installing barn owl boxes of *Tyto alba* performed by KUD Cinta Damai.

4.5.2 Minor

Based on document verification, the IPM training has been conducted two times by SMARTRI at Ujung Tanjung Training Center, i.e on 30 April 2018 attended by 4 employees of Libo Estate and on 7 June 2018 attended by 9 employees of Libo Estate. The training materials was given in Indonesian language comprising of pest detection, pest census, and pest control methods (biological, manual, mechanical, and chemical control). Field visit on Beneficial planting area block E46 Div VII and barn owl box installation area block D47 Div II and interview with related officers when field visit indicates workers have awareness related pest management using biological agents to reduce chemical usages.

Sungai Tapung Plasma

Based on the document verification, it is known that Management of KUD Cinta Damai and KOPSA Karya Tani have conducted the IPM Training on 1 March 2017 at the office of Divisi I Pondok I Rama Bakti Estate – PT. Ramajaya Pramukti, attended by 48 employees i.e 3 employees from KUD Cinta Damai and 4 employees from KOPSA Karya Tani. The training material is given by team of SMARTRI in Indonesian language, comprising of IPM on Oil palm.

Status: Comply

4.6

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

4.6.1 Major

The Management Unit has SOP and Work Instruction on weeds management. The guidance comprised of chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poisoning, and first aid for poisoning case. To ensure pesticide used has been in accordance with the target pest, the Management Unit conducted identification of target pest found in operational area. Based on document verification, it is known that pesticide being used is appropriate for the target pest (weed and insect pest). In 2018 the Management Unit used herbicide (*methyl metsulphuron*, *isopropil amina glyphosate*, and *amonium gluphosinate*) and insecticide (*carbosulfan*, *sypermetrin*, and *lamda sihalotrin*) which have been permitted by the government.

Sungai Tapung Plasma

Based on the document verification, it is known that in 2018 KUD Cinta Damai and KOPSA Karya Tani use only herbicide that have been permitted by the government, namely *isopropil amina glyphosate* and *florokspir metil heptil ester*.

4.6.2 Minor

The Management Unit of Libo Estate has document records of pesticide toxicity in Monthly Pesticide Toxicity Data. It is recorded the product name, active ingredients, LD₅₀, percentage of active ingredients, total application, total active ingredients and dosage / ha, FFB production, and pesticide unit. The pesticide toxicity is constantly recorded and is updated monthly by the sustainability officers of estate. For instance, the usage of herbicide on May 2018, namely product name (Roll Up 480 SL), active ingredient (*isopropil amina glyphosate*), percentage of active ingredient (48%), total applied (244.01 lt), total of active ingredient (100.05 lt), FFB production (3,110.42 tons), and pesticide unit (0.000009150). During the assessment, there is no activity of pesticide application since the first rotation has been done.

Sungai Tapung Plasma

The Management showed the records of pesticide used in 2018. The pesticide toxicity is constantly recorded and is updated monthly by the sustainability officers of estate. The pesticide toxicity is constantly recorded and is updated monthly by the sustainability officers of Libo Estate. For instance, the usage of herbicide on May 2018, namely product name (Round Up 486 SL), active ingredient (*isopropil amina glyphosate*), percentage of active ingredient (41%), total applied (73.50 lt), total area applied (284 ha), total of active ingredient (0.11 lt/ha), FFB production (2,191.56 tons), and pesticide unit (0.00000275).

4.6.3 Major

The Management Unit has implemented the IPM in order to reduce pesticide usage. Based on document review and field observation, several IPM program with biological approach has been implemented, such as rodent control using predator (*Tyto alba*) and leaf caterpillar by planting beneficial plants, for instance *Turnera subulata* and *Antigonon leptosus*. The Management Unit has records of pesticide usage during the last 5 years (2014 to 2018). Based on the records, there is no usage of rodenticide. The use of herbicides are declined, for instance, the use of *metyl metsulphuron* decreased 46.71% from 456 lt (2016) to 243 lt (2017). Paraquat herbicide has no longer been used since 2016. This indicates that IPM implementation is effective.

Based on document review and interviews with management it is known that the Management Unit does not use pesticides prophylactically

Sungai Tapung Plasma

The Management of KUD Cinta Damai and KOPSA Karya Tani showed the records of pesticide usage during the last 6 years (2013 to 2018). Based on the records, there is no usage of rodenticide. The use of herbicides are declined, for instance, the use *isopropil amina glyphosate* in KUD Cinta Damai decreased 16.75% from 1,100.25lt (2016) to 915.90 lt (2017). Paraquat herbicide has no longer been used since 2016.

4.6.4 Minor

On 13 August 2015, the President Director of SMART Tbk issued a memorandum to use no paraquat herbicide 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 pesticide WHO Class 1A or 1B application during the last 5 years (2014 – 2018). The Management Unit has no longer used paraquat herbicide since 2016.

At the time of this re-certification audit, there is no spray activity. Nevertheless, the auditor conducted an interview with Libo Estate's agrochemical warehouse employees. Employees explained that since 2016 there is no longer any use of paraquat herbicides.

Physical verification also be conducted in agrochemical warehouse of Libo Estate. It is known that the stock recordings already in accordance with actual physical in agrochemical warehouse. There is no stock of WHO 1A/1B herbicides and paraquat herbicide.

4.6.5 Major, 4.6.7 Minor and 4.6.9 Minor

At the time of re-certification audit was conducted, there was no spray activity. However, auditor visited pesticide warehouse and interviewed with employees of agro chemical warehouse of Libo Estate. The results of observation showed that there have been material safety data sheets (MSDS), the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The storage of herbicide, spraying equipment, and PPE are in accordance with HIRARC identification set and in reasonable condition. Besides that all pesticides activity are conducted on estate mixing areas based on safe work condition.

Based on the results of interview with pesticide operator and 3 fertilizer workers who were doing manual weeding at Block C44 Division II Libo Estate it is known, that they claimed to have used PPE in accordance with specified hazard identification and MSDS, such as mask (respirator), gloves, safety shoes, apron and goggles. The Management Unit immediately replace when PPE is out of order. In addition, worker also informed that foreman checks the completeness of the PPE used by employees every morning attendance. The employees who do not use PPE properly will be reprimanded and not be allowed to work until PPE is reused.

CH has had facilities for cleaning after work and to keep PPE especially for pesticide operators. The facility located near division office. Interview with supervisor known that PPE and sparying equipment is stored in this place and cannot be taken home.

Pesticides training for smallholders are available, as described on indicator 4.8. Company has programme and evidence related pesticides handling for associated smallholders for examples chemical handling training on April 6 2018.

4.6.6 Major

The company 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 Libo Estate is known there are signboards and hazardous symbols, Material Safety Data Sheet (MSDS), chemical logbook, emergency response, personal protective equipment and OHS management.

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

4.6.8 Major

Based on a review of documents and interview with management staff, it is known that Management Unit did not perform the pesticide aerial application on estates and Sungai Tapung plasma.

4.6.10 Minor

Ex-pesticide containers is washed for 3 times (refer to MSDS) and the water used to wash it shall be used for spraying. According to SOP of Waste Management (SOP/SMART/LEMS-EHSD/SADV/II/002) on July 2nd 2014 on point 6.3.b, the washed pesticide containers could be used for the same operations or could be returned to the supplier.

Field visit during audit on LIBE found that all ex chemicals containers were kept on temporary hazardous storage at estates. Training for workers and staff regarding pesticides handling, and hazardous & toxic material handling have been conducted

on 13 March 2018 for related workers. Interview with spraying team on LIBE shown that workers recognized how to properly dispose waste materials and workers have been trained by company about waste and hazardous materials handling. Field visit during audit on toxic & hazardous waste storage on LIBE, the company showed proper ways for ex agrochemical disposal. Monitoring evidence for agrochemical usage, ex agrochemicals container stored in storage, and manifest to third parties are available and verified by auditors.

4.6.11 Major

The company regularly have a medical examination for pesticide operator. Libo Estate has a list of the latest pesticide operator as many as 66 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 8 June 2018 for all units. Examination results stating that all workers spray are in a healthy condition. Auditor conduct interviews with spraying workers and they admit that they have not been exposed to skin disease and itches because they always use PPE while working.

4.6.12 Major

The company has a policy that prohibits pregnant and breast-feeding personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor breast-feeding female personnel who work with pesticide. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breast-feeding

Status: Comply

4.7

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

4.7.1 Major

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. 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 estate workers (harvester and pesticides applicator) and mill workers (boiler operator, engine room operator, etc). 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 Major

The company shown the document of hazard identification, risk assessment and risk control which issued on January 2018. 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 LIBE, 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 routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

4.7.3 Major

Based on documents verification and interviews, it is known that all operators at Libo POM and Libo Estate already have lisense such as boiler operators, lift carrier operators, welders and electrical technician. The management unit has had the training plan for workers exposed to high noise levels such as training of procedure, socialization of HIRAC and safety briefing before work.

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. Based

on interviews with some new workers at LIBM, there are still some opportunities for improvement that can be done by company, such as evaluation the implementation of procedures for the provision of PPE to new workers. **OFI**

4.7.4 Major

The company already has persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (P2K3) established in each management unit. The organization routinely conducts monthly meetings on OHS issues in the workplace. The documentation 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 Minor

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/II/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.

Libo POM and Libo Estate has already licensed first aid officers and there was first aid internal training conducted on 28 March 2018 in Ujung Tanjung Training Centre which was attended by 78 participants. Management 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 Minor

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 LIBM and LIBE 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. Based on interview with contractor representative, it is known that the accident insurance for contractor's workers is covered by the head of contractor itself.

4.7.7 Minor

The company 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 Major and 4.8.2 Minor

The Certificate Holder has training programme 2018 for staff and workers related all aspects of RSPO principles and criteria. The training programme for all employees based on identification of needs that prepared by SPO Officer. The annual training programme covered all existing estate and mill activities, among others simulation handling chemical spills, first aid, fires simulation, socialization of policies for the protection of reproductive rights, prevention of sexual harassment in the workplace. The training record that shows historical training of each employee are well maintained in place.

Based on observation of operational activities in Libo Mill and Libo Estate, the workers are known to have received training, and are able to demonstrate safe working practices in accordance with procedures. Interviews with local contractors are also

known that contractors have been trained from CH related safe working practices.

Training programs for smallholders period 2017-2018, 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 Ivo Mas 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 March 28, 2018 with a trainer of company physicians who already have Hiperkes certificate.
- Training has been done for workers at high noise level once a year. Last executed in January 2018.
- Handling Chemical conducted on April 6, 2018.
- LSU Training held on January, 30 2018 attended by representatives from KUD Cinta Damai and on January 31, 2018 attended by representatives from KUD Karya Tani.

Public consultation with contractors civil 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 Major

EIA of PT Ivo Mas 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 Ivo Mas 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 Ivo Mas 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 Minor

The company has conducted environmental management based on addendum documents of Environmental Management Plan / Environmental Monitoring Plan or namely RKL-RPL, among others:

1. Disruption of air quality and noise
2. Potential of Land Fires
3. Impaired Surface Water Quality and Water Biota
4. Impaired Soil and Soil Water Quality
5. Potential for Erosion
6. Development of Plant Pest and Disease

7. Increased Business Opportunity and Community Income
8. Increasing Community Empowerment.
9. The emergence of public perception
10. Road Infrastructure Damage
11. Occupational Health and Safety
12. Medical Waste Piles

Based on the verification of RKL-RPL implementation report for the second semester of 2017, it was concluded that all management and monitoring plan parameters requested in the environmental documents had been implemented by company. Records of implementation of environmental management describe in RKL-RPL implementation report such as report of 2nd semester 2017 and has been reported to environment agency.

5.1.3 Minor

Implementation of environmental monitoring was described in RKL-RPL implementation report. Based on the RKL-RPL implementation report of semester 2 of 2017 known there isn't negative impact caused by the company. 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 company has been submit the RKL-RPL implementation report every six month and there isn't negative impact caused by company.

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 Major

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 Ivo Mas Tunggal. For example, the wildlife found were *Cekakak belukar (Halcyon smymensis)*, *elang hitam (Ictinaetus malayaensis)*, *macan akar (Felis bengalensis)*, *rangkong (Rhinocerus hombill)* and *elang coklat (Butastur liverter)*, 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 Major

The company has HCV management plan document period of 2018, 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 visit on HCV area of Sei Rokan Estate block F13 is HCV 4.1 and 4.3 ecosystem service, known that the company has carried out the management and maintenance of HCV area in accordance with management plan, for example

signboard HCV installation and signboard RTE Species and in natural vegetation.

HCV management plan document period of 2018 for smallholder scheme of Sungai Tapung Plasma, the program consist of:

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

Based on interview with smallholder group of Karya Tani (Berdikari Group Farmers number 2416; 2420; 2427; 2424; 2432) known that the socialization related to protected species and HCV has been done.

5.2.3 Minor

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 28 March 2018 as many as 77 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 village head from Jambai Makmur Village, Sungai Gondang Village, and Pencing Bekulo Village, it was state that the company 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 Minor

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

Monitoring and patrol has been conducted routinely in smallholder scheme of Sungai Tapung Plasma, foreman is the responsible officer to conduct monitoring and patrol, conducted every week.

5.2.5 Minor

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.

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

Status: Comply

5.3

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

5.3.1 Major

The entire products of waste and it sources have been identified and documented in the identification list document of Environmental Aspects on 2018. 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 diesel/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.

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.

Smallholder scheme of Sungai Tapung Plasma:

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

5.3.2 Major

Company conduct an inventory of the waste described in the document of Evaluation Aspects of 2018. The result of inventory in Libo 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 Libo Estate (central warehouses) is known that ex 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 2018. The training and socialization to spraying workers, about ex pesticide container disposal is available.

Based on observation and interviews with some workers and management representatives, there are still some opportunity for improvements such as evaluate employee understanding of hazardous and toxic waste management procedures and evaluation of control management on hazardous and toxic waste management. **OFI**

5.3.3 Minor

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

- Domestic waste: based on field observation, the company has collected domestic waste periodically and dump it to the landfill.
- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on field visit EFB application is well managed.
- Shell and fiber are reused for engine fuel of boiler. It reduce the carbon emission from the combustion of fossil fuel.
- Waste water use for fertilizer and base on field visit to LIBE block D39 the condition of flat bed has been maintenance well.
- To handle clinical waste, the company also has cooperation with licensed parties such as PT Pratama Saoloan Green.

The field visit to hazardous waste storage in Libo Mill and Libo Estate shows that there is a good record of the waste and good storing system as required within the license of the storage and the regulation on hazardous waste management. The hazardous waste has sent to PT Primanru Jaya at 2 May 2018. Interview with landfill officer inform that he have a trained on environmental requirements.

Status: Comply

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

5.4.1 Minor

The company uses a shell and fiber as boiler fuels as a source of energy for processing and electric power source. Based on the results of interviews with the management know that to increase the use of diesel fuel efficiency, the company uses a boiler to generate electricity for 24 hours. The company recorded its fossil fuel consumption and the use of renewable

energy of shell and fibre. The use of fibre and shell as renewable energy reduces the amount of fossil fuel consumption. Total utilization of shell and fiber for period January - May 2018 as many as 7,230 ton or 0.29 ton/ton CPO of shell and 15,718 ton or 0.63 ton/ton CPO of fiber, average electric used amount 187.14 KWH/ton CPO. Average percentage used fossil fuel is 1.22 liter/ton CPO.

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 Major & 5.5.2 Minor

Field visit during audit and document review indicated there is no replanting / new planting activities on Libo estate. Company already have commitment and policy listed on Golden Agro Resources (GAR) social and environment policies 2015, stated that company do not conduct any land fire for replanting or new development. Company also develop procedure SOP/SMART/MCAR/ IV/ TA-PLB on 2012 regarding zero burning land preparation.

Field visit on block E42 LIBE and document review shown the last replanting activities were conducted on 2017 and there is no indications that land clearance were conducted by open fire. Auditors also verified working agreement letter for examples SPK No. LIBE/JKTO/02/17/009-Replanting and found on page 9 poin 9 listed that all land clearing activities should conducted by zero burning activities.

Sungai Tapung plasma

Planting years for all oil palm on Sungai Tapung plasma are consist of years 1996. Until RE-Cert, there is no new planting or replanting activities on entire Sungai Tapung plasma areas. Sungai Tapung plasma already have commitment and policy listed on Golden Agro Resources (GAR) social and environment policies 2015, stated that company do not conduct any land fire for replanting or new development.

Status: Comply

5.6

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

5.6.1 Major & 5.6.2 Major

All waste including emissions and pollutions sources from Mill and estate are identified and recorded on waste and pollution identification document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods Jan-March 2018 sighted that all of waste water testing parameters is compliant to the standards quality.

To reduce pollution and emission, the company has identified the pollution sources and emissions and the management steps which are described in SOP of Waste Management. In addition, company also identified GHG sources included plan for reducing it. Noise monitoring (1st semester 2018) are conducted based on RKL/RPL matrix in workers housing (mill) and mill front yard respectively 44 dB(A) and 61 dB(A). Field visit on high noise station on Libo Mill such as boiler, sterilization, and engine room found that operators are equipped with appropriate PPE (ear muff) and warning signs for high noise areas are available for examples in engine room

Sungai Tapung plasma

Sungai Tapung plasma have identified all pollution and emissions source (from plantation activities and office activities) listed on emissions source identifications document 2017, this documents includes implementation to reduce emission/pollution for examples :

Emission / pollution	Main activities	Emission reduction implementation
Pesticides/ herbicides (N ₂ O and CO ₂)	Spraying	<ul style="list-style-type: none"> Manual upkeep and integrated pest management Zero paraquat usages
Fertilizer (CO ₂)	Manuring	Fertilizer application in accordance with recommendation

Fossil fuel (CO, NO, SO ₂)	FFB transport	<ul style="list-style-type: none"> Road maintenance Limiting FFB transport tonnage for fuel efficiency Fossil fuel monitoring
Electricity grid (CO ₂)	Office activities	Using energy saving light bulb for cooperatives unit office to minimize electricity usage

5.6.3 Minor

Monitoring for emission and pollutants (air emission (boiler and generator), opacity, air ambient, odor, noise level) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. 2nd Semester 2017 testing result indicates all parameters related to emission are still comply with standard quality.

Calculation of GHG and its monitoring has conducted by SADV. GHG emission calculated using RSPO palm GHG calculator v 3.0.1. Summary of GHG emission for Libo mill are listed as follows :

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	0,35	OER	20,28	FFB Processed	313.386,81
PK	0,35	KER	5,3	CPO Produced	63.561,24

Land Use	ha
OP planted area	18.698,53
OP Planted on peat	0
Conservation area	579,56

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	78.653,81	6,49	0,44	46.036,17	9,88			124.689,98	16,37
*CO ₂ emissions from fertilizer	7.985,82	0,67	0,05	5.123,24	1,1			13.109,06	1,77
**N ₂ O emissions	8.848,79	0,73	0,05	4.182,21	0,89			13.031	1,62
Fuel consumption	1.163,75	0,1	0,01	0	0			1.163,75	0,1
Peat Oxidation	0	0	0	0	0			0	0
Sinks									
Crop sequestration	-87.567,82	-7,15	-0,48	-43.636,18	-9,36			-131.204	-16,51
Conservation Sequestration	-1.366,86	-0,12	-0,01	0	0			-1.366,86	-0,12
Total	7.717,49	0,71	0,05	11.705,44	2,5			19.422,93	3,23

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB

Emissions		
POME	8.156,43	0,03
Fuel consumption	289,39	0
Grid Electricity Utilisation	0	0
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	8.445,82	0,03

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0
Divert to anaerobic digestion	0

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	0
Divert to methane capture (flaring)	34%
Divert to methane capture (electricity generation)	66%

Notes : this GHG calculator are not included land use change for all areas of Libo mill and its supply base.

Based verification known that accurate data has been put into the RSPO PalmGHG Calculator

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 Major

The SIA (Social Impact Assessment) for PT Ivo Mas Tunggal conducted in 2012. SIA document contains evidence of communities / villagers participation in study. Participation was conducted by interviews and focus group involving the village and community leaders, traditional leaders, youth leaders, and etc. Results of the consultation meeting had been summarized in the SIA report. As part of social impact management, company has channelled Corporate Social Responsibility (CSR) by considering the results of the EIA study and Social Impact Assessment.

Sungai Tapung plasma

The SIA (Social Impact Assessment) for Sungai Tapung plasma conducted in 2010 and integrated on PT RJP SIA document. SIA document contains evidence of communities / villagers participation in study. Participation was conducted by interviews and focus group involving the village and community leaders, traditional leaders, youth leaders, and etc. Results of the consultation meeting had been summarized in the SIA report. As part of social impact management, company has channelled Corporate Social Responsibility (CSR) by considering the results of the EIA study and Social Impact Assessment

6.1.2 Major

Evidence for participatory way on SIA 2012 were shown by minutes of meeting, focus grup discussion, interview questionnaire with affected parties for examples 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.

Interview with representative of Jambai makmur villages, Sungai Gondang villages, and Pencing Bekulo villages obtained information that affected parties surrounding company are participated when SIA was conducted.

Sungai Tapung plasma

Evidence for participatory way on SIA 2010 were shown by minutes of meeting, focus grup discussion, interview questionnaire

with affected parties for examples Cinta damai villages and sungai tapung plasma areas. Interview with representative of Cinta damai villages obtained information that affected parties surrounding company are participated when SIA was conducted.

6.1.3 Major

Company has established management planning and monitoring for social impact based on the identification of impact. This plan has been informed the positive and negative impact including the time management planning and the person in charge for the activity, such as: local workers acceptance, *Oryctes* outbreak for replanting, and local economy development. PIC for social management and monitoring are manager in each unit assisted by SPO officer and other related staff. This social management and monitoring plan were develop by affected parties participatory for examples discussion and interview with Simpang Belutu villagers on July 2017, discussion and interview with Sungai Gondang villagers on July 2017. Evidence of participatory way (minutes of meeting, photo) was verified by auditor team.

Sungai Tapung plasma

PT Ramajaya Pramukti has established management planning and monitoring for social impact based on the identification of impact. This plan has been informed the positive and negative impact including the time management planning and the person in charge for the activity, such as: local worker acceptance, road condition, and waste and pollution. PIC for social management and monitoring are manager in each unit assisted by SPO officer and other related staff. This social management and monitoring plan were develop by affected parties participatory for examples discussion and interview with Sungai Gondang and Cinta damai villagers on May 2017. Evidence of participatory way (minutes of meeting, photo) was verified by auditor team.

6.1.4 Minor

Review for social management and monitoring for PT Ivo Mas Tunggal was develop on July 2017. Major impacts that affect communities from company operations: availability of employment, community economic development, flood potential, water quality, replanting impact, and local economy. Documentation of social impact monitoring activities (by interview and discussion) are available for examples: 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. Interview with representative of Jambai makmur villages, Sungai Gondang villages, and Pencing Bekulo villages obtained information that affected parties surrounding company are participated when review was conducted.

Sungai Tapung plasma

Review for social management and monitoring for PT Ramajaya Pramukti (included sungai Tapung plasma) was develop on July 2017. Major impacts that affect communities from company operations: availability of employment, community economic development, flood, water quality, replanting impact, and local economy. Documentation of social impact monitoring activities (by interview and discussion) are available for examples: May 8, 2017 at Cinta Damai village on May 6, 2017 in Jambai Makmur village. Interview with representative of Cinta damai villages obtained information that affected parties surrounding company are participated when review was conducted.

6.1.5 Minor

PT Ivo Mas Tunggal does not have any scheme smallholders obligation, but Libo Mill receives FFB from Sungai Tapung Plasma (partnership of PT Ramajaya Pramukti).

Interview with farmers group Cinta damai and Karya Tani indicates that PT Ivo Mas Tunggal still provide coaching in the field to the cooperation and members of farmer groups through the establishment of staff assistance in smallholder plantation, ranging from managers to corporate supervisor.

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 Major, 6.2.2 Minor, 6.2.3 Minor

Documented procedure for communication and consultation with public was established namely Communication and

Consultation Procedures No. SOP/SMART/UMUM/SADVI/004, dated 1 July 2014". Communication and consultation has considered differential access to information for male/ female, workers, villagers representative both old and new villagers including ethnics. Based on interview with Official of Cinta Damai, Sukamaju, Jambi Makmur, Sungai Gondang, Pencing Bekulo village know Information that can be accessed from Certificate Holder, such as CSR, recruitment of workers. The company has responded well to any existing communication processes, the preparation of SOP has been take into consideration of suggestions from the public and other affected parties. The procedure was in Bahasa Indonesia that is understood by all surrounding communities. Responsible person for receiving and reponding any communication and inquiries is Unit Head / Estate Manager.

The management unit of *KUD* Cinta Damai and *KUD* Karya Tani shows the Stakeholder Communication and Consultation procedure (PROSEDUR / 4 / I / 2009) approved by the Chairman of *KUD* on January 2, 2009 and has been socialized to the combined stakeholders on 12 February 2018. Communication responsible is the secretary, chairman of *KUD* Karya Tani and treasurer of *KUD* Bangun Desa.

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 Major

The company has the SOP Handling Complaints and Dis-satisfaction no. SOP/SMART/SIGS-CSR/SADV//003 that explain the process of delivering and handling complaints and grievances internally and externally. In the SOP also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external. Responses to the complaint and dissatisfaction is given as soon as possible and no later than one month after the issue received. SOP Handling Complaints and Dissatisfaction only up to the enterprise level. Based on interviews with management, if there is no solution in the complaint mechanism, can be brought to the RSPO Complaint System.

Based on interviews with employees, village representatives, and union leaders, it is known that they have understood the mechanism to complaint. This is effectively implemented where every complaint can be submitted verbally / written through the chairman of the union to be discussed later in bipartite routine meetings. In addition, employees can also convey complaints through direct supervisors or through complaint boxes available throughout the division / estate office.

Interview auditors while in the field with owners of plasma plots, workers or representatives they already know the grievance mechanism. The mechanism has also been submitted through installation at the *KUD* office.

6.3.2 Major

The whole recording and handling of related complaints recorded in the Monitoring Form Handling Complaints and dissatisfaction document number: F/SMART/SIGSCSRD/SADV/003/001. According to interviews with workers and communities there are no complaints or dis-satisfaction.

Based on interviews with the union chairman, it was submitted that since ASA 4 audit activities until the recertification was carried out there was no record of dispute between the company and the stakeholders.

Based on the document review of Smallholder in the form of recording of complaints at:

- *KUD* Karya Tani has 2 reports of complaints during the last year and has been responded by the *KUD*.
- *KUD* Cinta Damai has 4 reports of complaints over the past year and has been responded by the *KUD*.

OFl. No.4 There is a negative issue from the sakai community. The Company has presented evidence of compensation to the community in Belutu Village in 1984 and 1994. The complaints from the Sakai community have been mediated by the Siak District Government and have been reported to the police PT IMT has provided business assistance to the Sakai community such as the occasional manufacture of goats, catfish ponds, chicken coops and vegetable gardens. The company also provides guidance to the Sakai community in order to run its business independently.

The auditor sees this as an improvement opportunity in the next assessment for the company to evaluate the progress of

the settlement of Sakai's complaints.

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 Major

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 Minor & 6.4.3 Major

The results of document review, field visit and interviews show that the CH does not perform new expansion since the last assessment (2017). The land compensation has been conducted since 1986.

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 Major

At the time of Re-certification audit is conducted, wage determination in the period of 2018 has not been issued by the Governor of Riau No. 373/V/2018 dated May 15, 2018 concerning about Minimum Wage Agricultural Sector/Rubber Plantation, Coconut, Oil Palm and Mill Riau Province Year 2018, as much as Rp. 2,617,500. 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 2018 of Rp. 2,617,500. 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. 136,500 per month, effective from 01 January 2018. It was then followed by letter from CEO of PSM 5 dated March 20, 2018 concerning about its implementation. The implementation is shown through worker salary payment for May 2018 and the additional (rapel) was be paid for the period of January to April 2018. 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 branch Chairman F.SPPP-SPSI no report of wage payment violation paid, in accordance with prevailing minimum wage.

Based on document review known the company have paid overtime in accordance with that specified in the Collective Labour Agreement (PKB). The results of interviews with workers in Libo POM for example at the security and harvester Libo Estate known that the workers have earned wages and overtime has paid in accordance with the applicable regulation.

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.

Based on document review about smallholder salary receipts :

- KUD Cinta Damai from January to May 2018
- KUD Karya Tani from January to May 2018

It has been verified that the calculation complies with the employment agreement and minimum wage adjustment of 2018.

6.5.2 Major

Employment law concerning the rights and obligations of the company are described in the Collective Labor Agreement. 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.

The Work Agreement of each KUD worker has been agreed by both parties for example :

1. Work Agreement Letter No.03 / Kopsa-KT / PKWT / 2018 valid from January 2, 2018 - January 1, 2019
2. Work Agreement Letter No.20 / KUD-CD / PKWT / 2018 effective from 2 January 2018 - January 1, 2019

The above work agreement contains explanations of: Type of work, workplace, day and hours of work, terms and conditions of employment, the term of the contract, wages, rights and obligations of both parties, the termination of the employment agreement and the conclusion.

Based on field visits and interviews with contract workers (PKWT) at grading LIBM explain the fulfillment of the provision of PPE boot shoes by the company. During the interview, the worker used the shoes he bought himself because they had not been provided by the company. Based on the document review, the proof of PPE handover for PKWT workers has only been received after the field visit by the auditor. In addition, based on information from head of administration LIBM explained that shoe acceptance procedure is 3 months after work, while in the Worker Agreement Letter not explained about the provision of PPE shoes by the company (**OFI no.5**). Based on this, the auditor sees this as an improvement opportunity in the next assessment for the company to evaluate the understanding of the employment who make the employment agreement on company policy especially the provision of personal protective equipment (boots).

6.5.3 Major

Company provides the facilities for worker welfare such as housing, polyclinic, worship venue, sport yard, and access to electricity and clean water. Based on field observation in LIBE housing, it is known that the facilities and infrastructure are in good condition. the availability of electricity comes from the State Electricity Company. Beside education facilities, company also provide school bus to children transportation.

Based on the interview with employees and labor union representatives known that whole infrastructures provided by company has been adequate and well deserved.

6.5.4 Major

The management unit has been able to demonstrate an effort to improve workers' access to food was decent, fairly and at affordable prices through the provision of cooperative activities in the provision of basic needs for employees. In addition to the time payday there are incidentally market. And also base on interview with women workers in estate and mill, they were explain that traditional market are near from housing complex. Based on field observation and interview, it is known that worker buy the staple food to the market in near from the estate.

The results of field observation to *KUD Cinta Damai* and *Karya Tani* are available from the village cooperative office, the department unit, the distance close to the village health facilities, the worship facilities (mosque built by the farmers), sports facilities, educational facilities (elementary, junior high), markets, and other public facilities.

Status: Comply

6.6

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

6.6.1 Major and 6.6.2 Minor

PT Ivo Mas Tunggal have a policy about the Freedom for Association were approved by circular letter no. 020/HR PSM6/01/11 dated on 3 January 2011. The circular letter states that the company gives a freedom for its employee to

associate and gather. Based on interview with Bipartit representative, it is known that company has facilitated the establishment of worker union and personnel understand the function of worker union. The company 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 Ivo Mas 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 (2018-20202) is currently in the process of drafting so that the old CLA is considered valid until the issuance of CLA new.

Status: Comply

**6.7
Children are not employed or exploited.**

6.7.1 Major

Certificate Holder have the policy regarding minimum age for worker regulated on GAR's Social and Environmental Policy. It is stated that company won't employ children who are included in the definition of the provisions of ILO conventions, even though there are laws or regulations that would enable state and local and against all forms of child exploitation. Based on field observation in LIBE, LIBM, KUD Karya Tani, and KUD Cinta Damai, there are no worker under 18 years old. Based on public consultation with Manpower and Transmigration Agency of Siak District, there is no issue regarding child labor in company. Based on field visit on harvesting activity block F47, Div VII (Libo estate) and field visit on smallholders sample indicates there is no harvester accompanied by their child during their work.

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 Major, an 6.8.2 Minor

Policy regarding equal opportunity and treatment for work contained in the document of Environmental and Social Policy issued on September 8, 2015. The policy assured equal opportunities for all workers, and embrace diversity, regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation, or union membership workers, and ensure that all workers are protected from discrimination in all stages of the employment relationship. The process of selection, recruitment and promotion of workers can be shown that the process has been based on the expertise, capacity, quality and medical health of prospective labor / labor.

The results of interviews with Libo Estate worker known that the workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender. Based on the document review there is an example of implementation of the equal opportunity work policy for all workers to ensure that workers are protected from discrimination in all stages of employment relations. For example is the appointment of contract worker into permanent worker based on performance appraisal conducted by the manager. The employees are upgraded to permanent employees based on the Decree of the Manager (S No.033/SSME/PT4A/04/2018 dated April 2, 2018). Appointment of employees based on the results of the assessment conducted periodically every month, with aspects assessed include: Discipline, Quantity of work, Cooperation, Attitude, Responsibility.

Interviews with the management of KUD and with smallholder farmers in Block C15 No plot. 2380 Sukajadi Farmer Group and plot No. 2375 stated that farmers are well treated by the company and there is no discrimination.

6.8.3 Minor

Based on review of employee list of Mill and Estate, field observation, and interview with the workers, Gender Committee, Labor Unions, it is known that there is no indication of discrimination based on ethnicity, religion, gender, sexual orientation, race and class, or origin. Interview with the Village Head known that the job advertisements are open to the public. The employee selection and promotion are conducted in accordance with the assessment and without any discrimination.

Status: Comply

6.9

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

6.9.1 Major; 6.9.2 Major and 6.9.3 Minor

The Certificate Holder covered policy related to prevent sexual and other form of harassment and violence, as well as to protect reproductive rights. There are policies about Sexual Harassment and Violence (SE No.001 date February, 20 2009). Company has establish gender committee in each unit and its program is conducted socialization to the worker especially female worker, such as policy about reproductive rights, spraying technic, harassment or abuse in the work place complaints mechanism. Complaint mechanism explains that the company could keep the confidentiality of reporter's identity based on the sensitivity of issues, if the case goes public and the risk of revenge and so on.

There are regulations concerning female menstruation leave as much as 2 days/month (first and second day) with a doctor's examination, as well as maternity leave 1.5 months before giving birth and 1.5 months after birth with the calculation of a doctor's examination. The CH's procedure of Handling of Complaints and Grievances assured the anonymity of the reporting and the revealer of the case.

Based on interview with female worker in LIBE and LIBM they understand about the policy and know how to make a complaint if they found out about harassment issue. They also has their reproductive leave such as menstrual leave or 2 days and maternity leave for 3 months. Based on interview with gender committee, there is no cases of sexual abuse reported in last year. The interview result with women worker in estate and mill shows that the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case

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.

Circular Letter of *KUD* Karya Tani No.09 / KKT-SE / 01/2009 dated January 02, 2009 and *KUD* Cinta Damai No. 09 / KUDCD-SE / 01/2009 dated January 2, 2009 regarding prevention policies of sexual harassment and various forms of violence against women and to protect women's reproductive rights. *KUD* is committed that all elements in every *KUD* activity must realize a harmonious work environment and free from all forms of discrimination including sexual harassment and violence against women workers.

Status: Comply

6.10

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

6.10.1 Minor, 6.10.2 Major, 6.10.3 Minor, 6.10.4 Minor

Libo mill purchased FFB from own certified areas and Sungai Tapung plasma certified areas. Pricing mechanism are determined based on weekly pricing team meeting by Riau Plantation Agency. Furthermore, the price of FFB is informed by the management to the cooperation by letter of notification.

Based on interviews with "*KUD*" board and interviews with landowners in Cinta damai and Karya Tani smallholders, obtained informatin that FFB from farmers was purchased by company in accordance with the price set by the Plantation Agency of Riau province and all parties understand the contractual agreements. Observation on Cinta damai and Karya Tani cooperatives also shown that FFB prices were publicly available for all members for examples FFB price for June 27 2018 - July 3 2018 are Rp. 1,570.76/kg FFB.

FFB processing agreement of fresh fruit bunches, for examples on August 31, 2012 between PT Ramajaya Pramukti with PT Ivo Mas Tunggal for Sungai Tapung plasma of FFB processing are available. FFB payment receipts for sungai tapung plasma were available on timely manner and verified by auditor.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 Minor

Stakeholders meeting are conducted on 2017 to identify the needs and priorities of local communities development. PT Ivo Mas Tunggal has contributed to local development throughout community development especially for Sakai tribes and Corporate social responsible program. The contribution done by company as follows : public religious events, public healthcare, donation, and environmental aspect ("*masyarakat peduli api*" establishment).

Generally PT Ivo Mas Tunggal shown local communities development by local contractor engagement, taxes payment for central/local government, local workers recruitment, local Sakai tribes development by "*Yayasan Sakai Mandiri*" establishment, and annual CSR programme by each estates.

Interview with representative of Jambai makmur villages, Sungai Gondang villages, Pencing Bekulo villages, and "*Yayasan Sakai Mandiri*" leader obtained information that affected parties surrounding company are participated and involved based on consultation with local communities when company determined CD/CSR priorities.

6.11.2 Minor

Efforts to increase the productivity of farmers group (Sungai Tapung plasma) were discussed in annual member meetings in the preparation of annual KUD operational work plans involving landowners as well as companies. PT Ivo Mas Tunggal as Sungai Tapung plasma partner shown commitment for improve smallholder productivity, for examples training held on March 1 2017 related to intergrated pest management and FFB harvesting criteria, and attended by 7 participants of Cinta damai and Karya Tani smallholders group.

Based on interviews with members and managers of Karya Tani and Cinta damai smallholder, found that company still giving guidance for best management practices, either by the manager to the company's foreman.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1 Major, 6.12.2 Minor, and 6.12.3 Major

The Certificate Holder have Environmental and Social Policy covered policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list, field observation and interview with workers, Labor Unions, and Manpower Agency known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1 Major

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.

Based on interviews with workers known that the company has socialized company policies regularly including policies on human rights. Socialization is done by sticking to the policy in offices, socializing in the housing and socialization to workers during the morning briefing before the activities started.

Circular Letter No.27 / KCD-SE / 01/2016 dated January 2, 2016 on human rights policy. This circular informs that the commitment within the KUD to enforce human rights to all KUD communities not to commit violence or coercion in the workplace either in the office or in the field. Free of opinion without any intimidation.

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.		
7.1.1 Major, 7.1.2 Minor, 7.1.3 Minor		
Based on documents review, interview, and field visits, shown that company did not expand any operational areas and there is no more land clearing for new development activity since November 2005. Therefore SIA and EIA document are covered on current document, see indicator 5.1 and 6.1.		
	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.		
7.2.1 Major; 7.2.2 Minor		
Based on documents verification, interview with management staff, and field observation, it is known that Management Unit did not expand the operational area.		
	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 Major, and 7.3.2 Major		
PT Ivo Mas 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 Ivo Mas Tunggal was conducted on 2009. GAR, as the parent company of PT Ivo Mas Tunggal has conducted disclosure of liability data and zero liability disclosure on 29 August 2014 by email.		
7.3.3 Minor, 7.3.4 Major, and 7.3.5 Minor		
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 company 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.		
7.4.1 Major; 7.4.2 Major		
Based on documents verification, interview with management staff, and field observation, it is known that Management Unit did not expand the operational area.		
	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.		
7.5.1 Major		
The results of document review, field visit and interviews show that the CH does not perform new expansion since the last assessment (2017). The land compensation has been conducted since 1986		
	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.

7.6.1 Major, 7.6.2 Major, 7.6.3 Major, 7.6.4 Minor, 7.6.5 Minor, 7.6.6 Minor

The results of document review, field visit and interviews show that the CH does not perform new expansion since the last assessment (2017). The land compensation has been conducted since 1986

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.

7.7.1 Major, 7.7.2 Minor

Based on documents review, interview, and field visits, shown that company did not expand any operational areas and there is no more land clearing for new development activity since November 2005. Company already has Zero burning policy related to new development, for more details see indicator 5.5

Sungai Tapung plasma

Based on documents review, interview, and field visits, shown that Sungai Tapung plasma did not expand any operational areas and there is no more land clearing for new development activity since November 2005. Organization already has Zero burning policy related to new development/replanting, for more details see indicator 5.5

Status: Comply

7.8

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

7.8.1 Major, 7.8.2 Minor

Based on documents review, interview, and field visits, shown that PT IVO MAS TUNGGAL and Sungai Tapung Plasma did not expand any operational area and there is no more land clearing for new development activity since January 2015. Existing GHG emission calculations result are able to seen on Indicator 5.6

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.

8.1.1 Major

RSPO Internal Audit PT Ivo Mas Tunggal held on 19 Feb – 2 March 2018 with an internal team of auditors from the Sustainability Policy and Compliance Division. Internal audit results have 5 nonconformities and all non-compliance has been acted upon by CH

Best Management Practices Aspects

The Management Unit can show the monitoring results of the implementation process of innovation updated as of 4 June 2018. There is a progress report on the implementation of innovation in 2018. Example, aspect of Best Management Practices (BMP), namely:

- Libo Estate
 - Use of MTB (Mini Tractor Graber) on harvesting activities
 - Use of rotary slasher to maintain the grassed road to prevent soil erosion from road
 - Implementing zero burning policy (PLTB) on replanting activities
 - Stacking of fronds within terrace (the last development of SMARTI).
- Libo POM
 - Utilization of kernel shells and fiber as renewable energy (Boiler fuel)

- Has had biogas plant to reduce emission from POME.

There is an internal audit of the operation of the Estate and Factory conducted by the Operational Internal Audit (OIA) team, namely:

- Libo Estate: Report OIA No. 03/V-LIBE/03/18, date of audit 31 January - 10 February 2018.
- Libo POM: Report OIA No. 16/V-LIBM & LIOK/18

Environmental Aspect

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.
- Surface water management and monitoring. Testing surface water quality and report it to Siak District Environment Agency.
- Hazardous waste management. Storing hazardous waste at the permitted warehouse of hazardous waste, managing and monitoring hazardous waste.
- Libo Mill has had biogas plant to reduce emission from POME.

Social aspects

Generally PT Ivo Mas Tunggal shown local communities development by local contractor engagement, taxes payment for central/local government, local workers recruitment, local Sakai tribes development by "Yayasan Sakai Mandiri" establishment, and annual CSR programme by each estates.

Workers and employment aspects

When the Re Certification assessment, the company is progressing "zero Daily Contract Workers (BHL)" where there are several process activities in PSM 5 such as:

- Socialization of communication materials for managers (completed December 2017).
- Socialization to workers (May 2018 and extended until end of 2018)
- Addendum work agreements (On going finish December 2018).
- The process of changing the Daily Contract Workers to Part time contract workers (BHL to PKWT) (Implemented in July 2017)
- Socialization of Permanent Worker from PKWT (Finish March 2018)
- Selection and Acceptance of Permanent Workers (On going December 2018)
- Process of Change SKU to PT (permanent workers) (On going December 2018)

This is based on Decree No.036 / MDHR / 11/2017 on Position and Permanent Workers' Structure in Agronomy and Mill. This decision is effective January 1, 2018.

Sungai Tapung Plasma

There is an internal audit of the operations of the Plantation conducted by the RC team and VPR PSM5, namely:

- Visit of RC Kampar Plasma dated 6 March 2018 (Estate Manager of Sungai Tapung Plasma, Assistant to Division III, and Production Division III).
- Visit of RC Kampar Plasma dated 6 March 2018 (Estate Manager of Sungai Tapung Plasma, Assistant to Division I, and Assistant to Division I).
- Visit VPR PSM5 dated 15 November 2017 (RC Kampar Plasma, Estate Manager of Sungai Tapung Plasma, Assistant Head of Sungai Tapung Plasma, Assistant to Division I - V Sungai Tapung Plasma).

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

3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Libo Mill is Palm Oil Mill where legally it is under management of PT Ivo Mas Tunggal. The main product from this mill is CPO and Palm Kernel where the CPO placed in storage tank at the same location before transport to Dumai Bulking.</p> <p>PT Satrindo Jaya Agropalma as a CPO & PK transportation services company is a subsidiary of Golden Agri Resources (RSPO membership) and also as a parent company of PT Ivo Mas Tunggal. This company has had legal ownership and official agreement with PT Ivo Mas Tunggal.</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Libo mill are FFB processing mill and produced CPO and Palm kernel. The sources of material input are FFB's from the certified area from own estates. Libo Mill did not purchased any CPO/ PK from others suppliers, therefore Mill not include as trader/distributor.</p> <p>Libo Mill is an RSPO certified mill with certificate no. MUTU-RSPO/032 and also has been registered on PalmTrace with registered member ID: RSPO_PO1000001057</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Libo Mill is an RSPO certified mill with certificate no. MUTU-RSPO/032 and also has been registered on PalmTrace with registered member ID: RSPO_PO1000001057</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Libo Mill did not have any processing aids at site.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>Libo Mill is certified palm oil mill which implement Identity Preserved using Module D-CPO Mill for its supply chain models.</p>
	Status: Comply
5.2.2	

The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Libo Mill is certified palm oil mill which implement Identity Preserved using Module D-CPO Mill for its supply chain models.	
	Status: Comply
5.3	Documented procedures
5.3.1	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
<p>Procedure of identity preserve system for Libo Mill is presented in document PT IMT-LIBMM/SOP/29 on 23/03/2018. This procedure has covers identification and traceability of RSPO certified, as well as responsible person in charge based on identity preserved (covered certified/non certified FFB source). This procedures also mentioned that security, weight bridge clerk, grader, dispatch/kernel officer, production clerk, and etc as critical control point PIC. And this procdures also stated that quarter report calculation was conducted to monitored certified product sales therefore not exceeded claim volume by CB.</p> <p>Based on field visit on Libo Mill, acquired information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. FFB from certified areas were received on weigh bridge with 50 mt capacity. Software program of "Weighbridge" has used by operator to classified and separate RSPO certified and non-certified products.</p>	
	Status: Comply
5.3.2	
The site shall have a written procedure to conduct annual internal audit	
<p>Procedure of internal audit is presented in document Form No. F/SMART/UMUM/SADV/009. The specific statement within the procedure as follow:</p> <ul style="list-style-type: none"> Objective: Ensuring the process of SPO internal audit in order to acknowledge effectiveness and compliances with applicable certification system requirements. Internal Audit Program: an internal audit conducting annually (once a year) and possible to perform additional audit in within. Internal audit has conducted annually. Every findings were discussed into management review meeting. Corrective action is taken if necessary. <p>SSCS Internal audit report 2018 shown there is no findings or no non-conformity identified related to supply chain management system.</p>	
	Status: Comply
5.4	Purchasing and goods in
5.4.1	
The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Libo Mill do not buy any RSPO certified products (CSPO and SCPK) from outsource or traders. All data such as name, address, date of transaction, date of issued claim, transport documentation were match without any non compliance.	
	Status: Comply
5.4.2	
The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
<p>Mechanism of handling of RSPO certified and non-certified products is presented in document No. SOP/SMART/CERS-EHSD/SADV/II/003 dated July 1st 2014 procedure has covers identification and traceability of RSPO certified and non-certified products, as well as responsible person in charge.</p> <p>Based on field visit on Libo Mill, acquired information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. FFB from certified and uncertified areas were received on weight bridge with 50 mt capacity. Software program of "Weighbridge" has used by operator to classified and separate RSPO certified and non-certified products (if any)</p>	

	Status: Comply
5.5	Outsourcing activities
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>Libo Mill has specific mechanism related to outsource or contractors handling. This procedure namely “SOP Pengendalian Kontraktor” (SOP/SMART/UMUM/SADV/II/006, issued 1 July 2014)”. This procedure is applicable to all outsource/contractors activities to look carefully at Sustainability aspects in their operation.</p> <p>Certified CPO from Libo mill are delivered to Dumai Bulking station and transported by trucks. While the PK are delivered to Kernel Crushing Plant Libo. PT Satrindo Jaya Agropalma as a CPO second parties (transportation services company) is a subsidiary of Golden Agri Resources (RSPO membership).</p>
	Status: Comply
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance <p>Certified CPO from Libo mill are delivered to Dumai Bulking station and transported by trucks. While the PK are delivered to Kernel Crushing Plant Libo. PT Satrindo Jaya Agropalma as a CPO second parties (transportation services company) is a subsidiary of Golden Agri Resources (RSPO membership).</p> <p>Company have working letter agreement for each CPO dan PK transport with second parties i.e PT Satrindo Jaya Agropalma regarding CPO dan PK transport.</p> <ul style="list-style-type: none"> Working letter No 001/IMT/LIBM/01/0217-CPO on January 2 2017, valid until December 31 2019 between PT Ivo Mas Tunggal and PT Satrindo Jaya Agropalma regarding CPO transport form LIBM to Dumai bulking 100 % PK produced by Libo mill are distributed to Libo KCP. Kernel Crushing plant are integrated with Libo palm oil mills, therefore there is no PK transport contract <p>Regarding RSPO and SCCS requirements, PT Satrindo Jaya Agropalma as FFB transporter, CPO transporter, and PK transporter shown commitment and listed on Statement letter no 003/LBT-SPO/VII/2018. This statement letter shown that PT Satrindo Jaya Agropalma as transporter will provide access to CB to their respective operations, systems, and etc.</p>
	Status: Comply
5.5.3	<p>The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p> <p>Transportation services are using second party outsources. Delivery of certified oil palm product is using PT Satrindo Jaya Agripalma. Record of all name and contact details of outsources and contractors are well maintained.</p>
	Status: Comply
5.5.4	

The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products

Transportation services are using second party outsources. Delivery of certified oil palm product is using PT Satrindo Jaya Agripalma. Record of all name and contact details of outsources and contractors are well maintained.

Status: Comply

5.6 Sales and goods out

5.6.1

The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer

RSPO certified products from Libo Mill were sold to Dumai Bulking. Supporting document such as contract agreement, delivery order, delivery ticket, volume of product delivered, etc. which informed RSPO mass balance supply chain products were available on site.

Status: Comply

5.7 Registration of transactions

5.7.1

Supply chain actors who:

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

Libo Mill is an RSPO certified mill with certificate no. MUTU-RSPO/032 and also has been registered on PalmTrace with registered member ID: **RSPO_PO1000001057**

Status: Comply

5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

Libo Mill is an RSPO certified mill with certificate no. MUTU-RSPO/032 and also has been registered on PalmTrace with registered member ID: **RSPO_PO1000001057**

For transaction of selling certified product, this mill is using RSPO Palm Trace including Shipping Announcement, Trace, Remove and Confirm. Person in charge for RSPO Palm Trace access were located on Head Office PT SMART, Tbk, Jakarta.

Certified CPO sold to each buyer period October 30 2017 to May 25 2018

Date	Delivery Order No.	Buyer	Volume (mt)
Oct 30'17 - May 25'2018	1950/CPO/1950/17/T001	GAR	302.290
	1950/CPO/1950/17/T005	GAR	2637.120
	2150/CPO/1950/17/T005	GAR	400.430
	2150/CPO/1950/17/T007	GAR	2981.410
	1950/CPO/1950/18/T003	GAR	749.840
	2150/CPO/1950/18/T005	GAR	2423.000

Total	9494.09
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Certified Palm Kernel sold to each buyer period October 30 2017 to May 25 2018

Date	Delivery Order No.	Volume (mt)
Oct 30'17 - May 25' 2018	1950/KER/1950/17/L003	500.414
	1950/KER/1950/17/L004	1000
	1950/KER/1950/18/L001	2000
	1950/KER/1950/18/L002	641.618
	2150/KER/1950/17/L008	873.086
	2150/KER/1950/17/L009	800.000
	2150/KER/1950/17/L010	200.000
	2150/KER/1950/18/L001	2000.000
	2150/KER/1950/18/L002	2000.000
2150/KER/1950/18/L003	866.358	
Total	10881.476	

Status: Comply

5.8 Training

5.8.1

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

Company shown several SCCS training programme 2018 listed on SCCS training programme 2018, for examples consists of SCCS refreshment for Mill PIC. Company have conducted SCCS refreshment training programme for 2018, for examples on June 22 2018 for representative of SCCS PIC for SamSam Mill, Ujung Tanjung Mil, and Libo Mill, attended by 37 participants.

Status: Comply

5.8.2

Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed

Company have conducted SCCS refreshment training programme for 2018, for examples on June 22 2018 for representative of SCCS PIC for SamSam Mill, Ujung Tanjung Mil, and Libo Mill, attended by 37 participants from each mill.

Based on interviews with security guards, weighbridge officers and managers, it is known that key persons in SCCS activities have understood the procedures and can demonstrate how documented FFB, CPO, PK are certified and not certified.

Status: Comply

5.9 Record keeping

5.9.1

The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements

Libo Mill has maintain accurate, complete and up-to-date for the FFB receives, process and CPO & PK production from its supply bases.

The record keeping saves in "Mass Balance Report of Libo Mill for example periods 2017/2018". Within this record, the certificate holders maintain the FFB's sources based on monthly bases. Furthermore, Libo Mill has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as its dispatch on a monthly and three monthly basis, presented in the Table bellows:

Certified FFB received for Libo Mill

Month	FFB (mt)		
	RSPO Certified	Non-Certified	Total
30-31 Oct 17	2213.32		2213.32
Nov 17	26918.20		26918.20
Dec 17	25941.27		25941.27
Jan 18	22075.13		22075.13
Feb 18	22877.18		22877.18
Mar 18	24309.98		24309.98
Apr 18	27999.64		27999.64
May 18	29477.06		29477.06
1-25 June 18	17189.61		17189.61
Total	199001.39		199001.39

Furthermore, Libo Mill has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as its dispatch on a monthly and three monthly basis, presented in the Table belows:

CPO production and Dispatch for Libo Mill

Periods	CSPO production	CPO Dispatch		Total CPO dispatch
	Cert	RSPO	ISCC	
30-31 Oct 17	403.836	226.130	0	226.13
Nov 17	5382.438	5781.490	0	5781.49
Dec 17	5152.660	705.500	4407.400	5112.9
Jan 18	4244.725	25.440	4343.670	4369.11
Feb 18	4618.962	3231.020	1345.210	4576.23
March 18	4860.975	3357.730	1567.060	4924.79
Apr 18	5521.400	300.730	5299.470	5600.2
May 18	5625.424	869.540	4608.860	5478.4
1-25 June 18	3446.006	1004.130	1450.790	2454.92
Total	39256.426	15501.71	23022.46	38524.17

Notes : CPO tank capacity 1800 mt x 2

PK production and dispatch

Periods	PK production	PK Dispatch
	Cert RSPO	RSPO
30-31 Oct 17	127.490	138.371
Nov 17	1472.970	1454.909
Dec 17	1485.092	1443.408
Jan 18	1175.641	1214.153
Feb 18	1220.456	1223.917
March 18	1337.427	1329.457
Apr 18	1601.234	1626.763
May 18	1550.582	1550.470
1-25 June 18	933.443	900.028
Total	10904.335	10881.476

Notes : Kernel storage capacity bin 5 x 400 MT

Status: Comply

5.9.2

Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
The Certificate Holder has had procedure of Record and Document Handling (SOP/SMART/UMUM/SADV//001, issued 1 July 2014) on point 2.4.12.e All records shall be kept within 10 (ten) years.	
Based on document verification, the management unit can shown all recording data for two years ago. Such as: contract document, FFB Consignment, CPO and PK Ticket, etc.	
	Status: Comply
5.9.3	
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
Libo Mill as Certificate Holder did not purchased CPO and/or PK from any sources. This Mill only receives FFB's from Certified area. The estimate volume of sustainable CPO and PK are recorded in the Annex of certificate.	
	Status: Comply
5.10	Conversion factors
5.10.1	
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
Libo Mill only received and processed of FFB's as material input. This mill did not purchase CPO and/or PK from others. Therefore, this mill did not using conversion factors.	
	Status: Comply
5.10.2	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Libo Mill only received and processed of FFB's as material input. This mill did not purchase CPO and/or PK from others. Therefore, this mill did not using conversion factors.	
	Status: Comply
5.11	Claims
5.11.1	
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
For All certified product claims, Management unit never using RSPO symbol or logos. A unique identification number, certificate number and supply chain model are available on relevant documents. Also, the CH using RSPO Palm Trace for communication, transaction, confirmation status and shipping announcement. The claim has been referred to RSPO Rules on Market Communications and Claims.	
	Status: Comply
5.12	Complaints
5.12.1	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Mechanism for handling non-conforming oil palm products and complaints are specific describes within "SOP Penanganan Keluhan dan Ketidakpuasan (SOP/SMART/SIGS-CSR/SADV//003, tertanggal 1 Juli 2014)". This procedure is general applied to all complaints aspects, including complaints and non-conforming products from customer/buyer.	

	Status: Comply
5.13	Management review
5.13.1	<p>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p> <p>Internal audit for Mill SCCS are paralel conducted with P&C RSPO internal audit, last conducted on February 19 2018. Management review are conduted periodically based on internal audit findings and for 2018, management review was conducted on April 30 2018 by SPO Region and PC Region. The content of Management Review including follow up internal audit findings (if any), customer feedback, process performance and product suitability, and reccomendation for improvement</p>
	Status: Comply
5.13.2	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. <p>Result of Management Review report on April 30 2018, the following information was discussed:</p> <ul style="list-style-type: none"> ♦ Customer Feedback and Stakeholder Complaints: for 2017-2018, there are no complaints from stakeholder/Customer. ♦ Performance of Processing Activity and Conformity of Products: Production of Certified Product, Sales and Goods Out has been appropriate with estimation and supply chain requirements. ♦ Any changes of Management System influence: Updating for all sustainability procedures still on progress to be review by management. ♦ Internal Audit of Supply Chain and Follow-Up Actions: there is no non compliance found during internal audit ♦ Recommendations for Improvement
	Status: Comply
5.13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. <p>Improvement of the effectiveness of the management system and its processes and resource needs is already included within the Management Review.</p>
	Status: Comply

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements																																													
D1	Definition																																													
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p> <p>Libo Mill is used RSPO supply chain of Identity Preserved module because only received FFB from the estate which has been certified with RSPO.</p>																																													
	Status: Comply																																													
D.2	Explanation																																													
D.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimates of CPO and PK produced by Libo Mill obtained from the data of 12 months before the audit activities and have been described in this RE-Cert report.</p>																																													
	Status: Comply																																													
D.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> RSPO IT Platform member registration number: RSPO_PO1000001057 <p>Certified CPO sold to each buyer period October 30 2017 to May 25 2018</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Delivery Order No.</th> <th>Buyer</th> <th>Volume (mt)</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Oct 30'17 - May 25'2018</td> <td>1950/CPO/1950/17/T001</td> <td>GAR</td> <td>302.290</td> </tr> <tr> <td>1950/CPO/1950/17/T005</td> <td>GAR</td> <td>2637.120</td> </tr> <tr> <td>2150/CPO/1950/17/T005</td> <td>GAR</td> <td>400.430</td> </tr> <tr> <td>2150/CPO/1950/17/T007</td> <td>GAR</td> <td>2981.410</td> </tr> <tr> <td>1950/CPO/1950/18/T003</td> <td>GAR</td> <td>749.840</td> </tr> <tr> <td>2150/CPO/1950/18/T005</td> <td>GAR</td> <td>2423.000</td> </tr> <tr> <td colspan="3">Total</td> <td>9494.09</td> </tr> </tbody> </table> <p>Certified Palm Kernel sold to each buyer period October 30 2017 to May 25 2018</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Delivery Order No.</th> <th>Volume (mt)</th> <th>Destination</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Oct 30'17 - May 25' 2018</td> <td>1950/KER/1950/17/L003</td> <td>500.414</td> <td rowspan="5">Libo KCP</td> </tr> <tr> <td>1950/KER/1950/17/L004</td> <td>1000</td> </tr> <tr> <td>1950/KER/1950/18/L001</td> <td>2000</td> </tr> <tr> <td>1950/KER/1950/18/L002</td> <td>641.618</td> </tr> <tr> <td>2150/KER/1950/17/L008</td> <td>873.086</td> </tr> </tbody> </table>			Date	Delivery Order No.	Buyer	Volume (mt)	Oct 30'17 - May 25'2018	1950/CPO/1950/17/T001	GAR	302.290	1950/CPO/1950/17/T005	GAR	2637.120	2150/CPO/1950/17/T005	GAR	400.430	2150/CPO/1950/17/T007	GAR	2981.410	1950/CPO/1950/18/T003	GAR	749.840	2150/CPO/1950/18/T005	GAR	2423.000	Total			9494.09	Date	Delivery Order No.	Volume (mt)	Destination	Oct 30'17 - May 25' 2018	1950/KER/1950/17/L003	500.414	Libo KCP	1950/KER/1950/17/L004	1000	1950/KER/1950/18/L001	2000	1950/KER/1950/18/L002	641.618	2150/KER/1950/17/L008	873.086
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	2150/KER/1950/17/L009	800.000	
	2150/KER/1950/17/L010	200.000	
	2150/KER/1950/18/L001	2000.000	
	2150/KER/1950/18/L002	2000.000	
	2150/KER/1950/18/L003	866.358	
Total		10881.476	

Status: Comply

D.3 Documented procedures

D.3.1

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

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

Libo Mill has procedures PT IMT-SSMM/SOP/29 onn 23/03/2018 related supply chain product RSPO model identity preserve 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 weighbrige operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS.

Status: Comply

D.3.2

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

Libo Mill has procedures PT IMT-SSMM/SOP/29 onn 23/03/2018 related supply chain product RSPO model identity preserve 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

Status: Comply

D.4 Purchasing and goods in

D.4.1

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

Libo Mill has provide an update of monthly summary of RSPO FFB certified and non-certified from its supply base and external sources, with recapitulation presented as follows:

Certified and non-certified FFB received period of Oct 30 2017 – June 25 2018

Month	FFB (mt)		
	RSPO Certified	Non-Certified	Total
30-31 Oct 17	2213.32		2213.32
Nov 17	26918.20		26918.20
Dec 17	25941.27		25941.27
Jan 18	22075.13		22075.13
Feb 18	22877.18		22877.18
Mar 18	24309.98		24309.98
Apr 18	27999.64		27999.64
May 18	29477.06		29477.06
1-25 June 18	17189.61		17189.61
Total	199001.39	0	199001.39

Status: Comply

D.4.2

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

Estimates of CPO and PK produced by Libo Mill obtained from the data of 12 months before the audit activities and have been described in this Recertification report. The estimate of FFB, CPO and PK is 296,011 mt FFB, 62,162 mt CPO, and 16,281 mt CPO. Actual certified FFB received from 30 Oct 2017 - 25 June 2018 are 158,103.19 mt FFB, CSPO production are 39256.42 mt CSPO, and CSPK are 10904.33 MT CSPK.

Certified product	Actual (30 Oct 14 2017 - June 25 2018)	Estimates (previous Certificates ASA-4)
FFB received	199001.39	296,011
CSPO	39256.42	62,162
CSPK	10904.33	16,281

Based on this data, concluded that there is no over production of certified tonnage

Status: Comply

D.5

Record keeping

D.5.1

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

Libo Mill has record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified product (CPO and PK) on a monthly basis as describe on table below

CPO production and Dispatch for Libo Mill

Periods	CPO production	CPO Dispatch		Total CPO dispatch
	Cert	RSPO	ISCC	
30-31 Oct 17	403.836	226.130	0	226.13
Nov 17	5382.438	5781.490	0	5781.49
Dec 17	5152.660	705.500	4407.400	5112.9
Jan 18	4244.725	25.440	4343.670	4369.11
Feb 18	4618.962	3231.020	1345.210	4576.23
March 18	4860.975	3357.730	1567.060	4924.79
Apr 18	5521.400	300.730	5299.470	5600.2
May 18	5625.424	869.540	4608.860	5478.4
1-25 June 18	3446.006	1004.130	1450.790	2454.92
Total	39256.426	15501.71	23022.46	38524.17

Notes : CPO tank capacity 1800 mt x 2

PK production and dispatch

Periods	PK production	PK Dispatch
	Cert RSPO	RSPO
30-31 Oct 17	127.490	138.371
Nov 17	1472.970	1454.909
Dec 17	1485.092	1443.408
Jan 18	1175.641	1214.153
Feb 18	1220.456	1223.917
March 18	1337.427	1329.457
Apr 18	1601.234	1626.763
May 18	1550.582	1550.470
1-25 June	933.443	900.028

18		
Total	10904.335	10881.476
Notes : Kernelstorage bin 5 x 400		
Based on the data, the delivery of certified product (CPO and PK) only from positive stock.		
	Status: Comply	
D.6	Processing	
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage	
	Libo Mill only processes FFB from RSPO certified estate, subsequently, the entire product is CSPO and CSPK.	
	Status: Comply	
D.6.2	The objective is for 100 % segregated material to be reached	
	Libo Mill only processes FFB from RSPO certified estate.	
	Status: Comply	

3.3 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
RC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) do not use RSPO trademark and CB Logo. Trademark license number 1-0096-11-100-00 are available at : https://www.rspo.org/trademark/current-licensees	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
RC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) do not use RSPO trademark and CB Logo. Trademark license number 1-0096-11-100-00 are available at : https://www.rspo.org/trademark/current-licensees	√
3.	Implementation of Certificate and Logo is not used on product	X or√
RC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) do not use RSPO trademark and CB Logo. Trademark license number 1-0096-11-100-00 are available at : https://www.rspo.org/trademark/current-licensees	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
RC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) do not use RSPO trademark and CB Logo. Trademark license number 1-0096-11-100-00 are available at : https://www.rspo.org/trademark/current-licensees	√

3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Golden Agri Resources, Ltd 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

Golden Agri Resources, Ltd Time Bound Plan (TBP) is explained in table 1.10. Golden Agri Resources run eighteen (45) mills and one hundred seventy six (176) estates in Indonesia and has been RSPO certified for twenty nine (29) mills and supply base in Indonesia. Golden Agri Resources, Ltd has informed the TBP progress, MUTU has considered that Golden Agri Resources, Ltd is comply with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Golden Agri Resources, Ltd on January 31, 2016 approved by President Director and MO Sustainability Strategic & Stakeholders Engagement.

MUTU has verified partial certification for un-certified unit's subsidiary of Golden Agri Resources, Ltd based on their Time Bound Plan. There are sixteen (16) uncertified management unit of GAR. 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: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit.</p>
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <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: GAR 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 Process for:</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)

		<ul style="list-style-type: none"> - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base)
ii.	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.</p> <p>Auditor Verification: Based on auditor verification there are some new planting conducted by company, but NPP has been applied these.</p> <ul style="list-style-type: none"> - PT Binasawit Abadi Pratama (Perdana Mill and supply base) - PT Agrokarya Prima Lestari (Kuayan Mill and supply base) - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Paramitra Internusa Pratama (Belian Mill and supply base) - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) any new planting since January 1st 2010 and NPP has been applied these.
iii.	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. GAR 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</p> <ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base)

		<ul style="list-style-type: none"> - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) <p>There are any land conflicts but was in the process of completion for</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) - PT Sawit Mas Sejahtera (Sungai Kikim and supply base) - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base)
iv.	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.</p> <p>Procedures related employee issues is arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media that is used to deliver 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>
v.	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: Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> - PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP) - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. - PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU). - PT Kresna Duta Agroindo (Pelakar Mill and supply base), there is a difference the concession area between Land Use Title (HGU) and Plantation Business Permit (IUP) and Permits Location. - PT SMART (Bukit Kapur Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. - PT Sawitakarya Manunggal there is an area is still in process for HGU (Committee B meeting). - PT Djuanda Sawit Lestari is an area is still in process for HGU Muara Kandis Estate (574.58 Ha) - PT Ivo Mas Tunggal there is an area is still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha) - PT Buana Wiralestari Mas there is an area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha) - PT Ramajaya Pramukti there is an area is still in process for HGU Rama Rama Estate (318.76 Ha)
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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-4 Assessment

NCRNo. :	-	Issued by :	-
Date Issued :	-	Time Limit :	-
NC Grade :	-	Date of Closing :	-
Standard Ref. & Requirement :	-		
Non-Conformance Description & Evidence observed :			
During the surveillance-4 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 RC Assessment

NCRNo. :	-	Issued by :	-
Date Issued :	-	Time Limit :	-
NC Grade :	-	Date of Closing :	-
Standard Ref. & Requirement :	-		
Non-Conformance Description & Evidence observed :			
During the RC 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	-	Ascertain RSPO logo usage for all unit (estate and mill)
2	1.1.1	Socialization for position structure and permanent workers rank on estate and mill
3	2.2.4	The complaint from Sakai Tribe has been facilitated by Siak District and also reported to police. The progress of complaint resolving will be observed in next assessment.
4	4.7.3	Evaluation for implementation of PPE distribution for new worker
5	5.3.2	Evaluation for workers awareness regarding toxic and hazardous waste procedures Evaluation for management control regarding toxic and hazardous waste management
6	6.3.2	The complaint from Sakai Tribe has been facilitated by Siak District and also reported to police. The progress of complaint resolving will be observed in next assessment.
7	6.5.2	Working agreement maker awareness regarding company policy for PPE distribution and provision

3.5.4 Noteworthy Positive Components

No	Descriptions
1	Establishment of Masyarakat Peduli Api
2	<i>Peremajaan Sawit Rakyat</i> programme for independet smallholder
3	Community development for Sakai Kandis Tribes
4	Biogas Plant as green house gases reducing action

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Batin Singo Majo (Head of Sakai Tribe) and youth figure</p> <ul style="list-style-type: none"> • The company once provided compensation at the beginning of land clearing in 1983 • There is a complaint from the community related to the operation of PT IMT located in the overlap area with PT CPI, and is considered to have not made compensation to the sakai community. • PT IMT is considered to be less concerned about the sakai community • There was a meeting between PT IMT and the sakai community related to aid for art and culture, but there was no realization • The company prohibits people from taking the FFB that have been cutting during replanting activity. 	<p>There is a negative issue from the sakai community. The Company has presented evidence of compensation to the community in Belutu Village in 1984 and 1994. The complaints from the Sakai community have been mediated by the Siak District Government and have been reported to the police. PT IMT has provided business assistance to the sakai community such as the occasional manufacture of goats, catfish ponds, chicken coops and vegetable gardens. The company also provides guidance to the sakai community in order to run its business independently. The progress of complaint resolving will be observe in next assessment (OFI).</p>
<p>LBH Sakai</p> <ul style="list-style-type: none"> • There is a complaint from the community related to the operation of PT IMT located in the overlap area with PT CPI, and is considered to have not made compensation to the sakai community. • PT IMT is considered to be less concerned about the sakai community • There was a meeting between PT IMT and the sakai community related to aid for art and culture, but there was no realization 	<p>There is a negative issue from the sakai community. The Company has presented evidence of compensation to the community in Belutu Village in 1984 and 1994. The complaints from the Sakai community have been mediated by the Siak District Government and have been reported to the police. PT IMT has provided business assistance to the sakai community such as the occasional manufacture of goats, catfish ponds, chicken coops and vegetable gardens. The company also provides guidance to the sakai community in order to run its business independently. The progress of complaint resolving will be observe in next assessment (OFI).</p>
<p>National Land Agency, Siak Regency</p> <ol style="list-style-type: none"> 1. Opening of New Area Up to the time of the consultation, there has been no application from the company for the handling of HGU certificates related to the opening of new areas; 2. Land Dispute. There is a demand from the community (Sakai tribe) related to plasma (same as informed by the Siak District Agricultural Service). Up to the time of consultation there has not been known progress handling. 3. Utilization of HGU Area. So far, BPN has found out that the company has utilized HGU area according to its allocation 	<p>There is a negative issue from the sakai community. The Company has presented evidence of compensation to the community in Belutu Village in 1984 and 1994. The complaints from the Sakai community have been mediated by the Siak District Government and have been reported to the police. PT IMT has provided business assistance to the sakai community such as the occasional manufacture of goats, catfish ponds, chicken coops and vegetable gardens. The company also provides guidance to the sakai community in order to run its business independently. The progress of complaint resolving will be observe in next assessment (OFI).</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Agricultural Agency, Siak Regency</p> <ol style="list-style-type: none"> 1. Report on Plantation Business Activities (LKUP); <ul style="list-style-type: none"> - Has been received Progress Report of Plantation Business Activity (LKUP) period January - December 2017 pursuant to letter No.1 / IMT / BP / II / 2018 dated 12 February 2018 - In the LKUP has not been reported the implementation of replanting activity. - There are complaints of the oil palm smallholder around plantation of PT. Single Ivo Mas associated with increased pest attacks <i>Oryctes</i> sp. which is suspected as a result of replanting activities. 2. Assessment of Plantation Enterprises (PUP) <ul style="list-style-type: none"> - The last PUP was implemented in 2015 (Class III). The next PUP will be done in July 2018. - The Company has submitted an application for PUP pursuant to letter No.160 / DL-PBRO / V / 2018 dated 23 May 2018. - The Agricultural Service will conduct PUP by July 2018. The PUP form has been submitted to the company for subsequent verification or confirmation. 3. Fire Prevention and Mitigation. <ul style="list-style-type: none"> - On 3 May 2018, the company delivered a fire report on Block L28, Division 4, Samsam Estate. The fire occurred at 15:45 WIB and the fire was extinguished at 16:30 Wib. - It has been reported by Samsam Estate Manager to Police Office of Kandis Sector in letter No. / SSME / Ext / 03/2018 dated 13 March 2018 which reports that the fire has been extinguished, the cause of the fire is unknown, and the burnt area of 0.04 ha (6 palm oil). 4. Disturbance of Plantation Enterprises So far there has been no issue of disturbance of plantation business, whether oral, written, or in electronic media. 5. Land Dispute <ul style="list-style-type: none"> - There is a letter from Lembaga Adat Melayu Riau Batin Area 5 Sakai No. 04 / LASR-SIAK / 2014, dated 4 December 2012 regarding Plasma Application to PT. Ivo Mas Tunggal. The Agricultural Agency explained that there is a land that the company works with Cevron for oil palm plantation, but the Sakai people is not involved. - This has been followed up by a letter from the Head of Forestry and Estate Crops. 525 / Dishutbun / X / 2012/5000 dated 29 October 2012 to the Director General of Estate Crops, Ministry of Agriculture. However, until this consultation has been done, it has not yet known the progress of the handling. Auditor Comments: The auditor will clarify the matter to the PT. Ivo Mas Tunggal. 6. Smallholder Oil Palm Development PT. Ivo Mas Tunggal has been doing the community 	<p>Related oryctes attack intensity on replanting activities company shown management listed on IPM programme 2018. Oryctes control are done by cymbush 250EC application based on census and integrated pest management by planting turnera subulata.</p> <p>Company have proposed "<i>Penilaian Usaha Perkebunan</i>" to Siak Plantation Agency on May 23 2018. Based on interview with related agencies acquired information that "<i>Penilaian Usaha Perkebunan</i>" are planned conducted on July 2018</p> <p>There is a negative issue from the sakai community. The Company has presented evidence of compensation to the community in Belutu Village in 1984 and 1994. The complaints from the Sakai community have been mediated by the Siak District Government and have been reported to the police. PT IMT has provided business assistance to the sakai community such as the occasional manufacture of goats, catfish ponds, chicken coops and vegetable gardens. The company also provides guidance to the sakai community in order to run its business independently. The progress of complaint resolving will be observe in next assessment (OFI).</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>development activities around the community, namely the replanting of Smallholder oil palm of 264 ha spreading in 4 villages.</p> <p>7. Proposed New Business License. The company has not yet applied for a new area expansion permit.</p>	
<p>Environmental Agency, Siak Regency</p> <p>1. Periodic Reports Periodic reports have been received from PT. Ivo Mas Tunggal, namely:</p> <ul style="list-style-type: none"> - Environmental Management Report (RKL / RPL including air report) Semester-2 Year 2017. Report received on 09 May 2018; - Quarterly Liquid Wastes Report of 2017 (received on 06 March 2018); - First Quarter Liquid Waste Report 2018 (received on 26 April 2018); - Land Application (LA) Report of Second Semester of 2017 from 3 POM / Mills; - Report of Fire (Hot Spot) Monitoring First Quarter of 2018 (received on 04 May 2018); - Hazardous Waste, last received on 24 April 2018. <p>2. Environmental Pollution The Environmental Agency explained that until this consultation was held there were no complaints from the community around the operational area of PT. Ivo Mas Tunggal who reports / complies with regard to environmental disharmony caused by company activity.</p> <p>3. Environmental Management Also informed that the company has been certified Proper (Blue) from the Ministry of Environment and Forestry.</p>	<p>There is no negatives issues related environmental management done by company. CH has demonstrate the compliance to RSPO P&C criteria 2.1, 4.3, 5.1 and 5.3.</p>
<p>Transmigration and Manpower Office, Siak Regency</p> <p>1. Periodic Reports Since 2017 several authorities have been transferred to the Provincial Manpower Office, among others:</p> <ul style="list-style-type: none"> - Reports related to Labor Reported Obligatory (WLTK) have become authoritative. - P2K3 Report, for example related to work accident. <p>2. Supervision The supervision of the company is already the duty of the Provincial Manpower Agency.</p> <p>3. Collective Labor Agreement (PKB) PKB between employees with PT. Ivo Mas Tunggal for the period 2015 - 2017 has ended. There has been a one year renewal request (2018 - 2019). When the consultation is done, the extension is still in progress.</p> <p>4. Industrial Relation</p>	<p>There is no negative issues related workers and company. Compulsory report have been submitted regularly by company. CH has demonstrate the compliance to RSPO P&C criteria 2.1, 4.7, 6.5 and 6.6.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>There is Decree No. 001 / SSME-PHK / VI / 2018 dated June 23, 2018 on layoffs a.n Agus Subekti (Mandur Care) which is at Samsam Estate because on June 19, 2018 did not go to work without permission. Not yet known the progress of this case.</p> <p>5. Registration of LKS There is a Proof of Registration of LKS (568 / LKS-B / DSTTK / I / 2013/06) Bipatertite Letters from DTTK No. 568 / Distransnaker / VII / 2017/471 dated July 18, 2017 with organizational structure, namely: Chairman: Benny Purba (Deputy Workers)</p>	
<p>Youth figure of Cinta Damai Village</p> <ul style="list-style-type: none"> • the community has known the complaint mechanism • there are no land dispute issues • During the period of 2017-2018 there were no land fires in the company's operational area • The company has committed to developing local businesses through plasma • CD / CSR activities are carried out periodically every year. The preparation of CD / CSR programs has involved community participation • CH has conducted socialization related to RSPO principles and criteria such as transparency, pricing of FFB, HCV, etc. 	<p>There is no negative issues from community. Compulsory report have been submitted regularly by company. CH has demonstrate the compliance to RSPO P&C criteria 2.2; 5.5; 6.1; 6.10 and 6.11.</p>
<p>Head of Jambai Makmur Village, Head of Sungai Gondang Villages, and Head of Pencing Bekulo Villages</p> <ul style="list-style-type: none"> • Relationship between company and surrounding villages are maintained well • Job vacancy for Local community worker were delivered to head of villages tranparently • Fund relief for CD/CSR are conducted based on company procedures i.e by proposed proposal • There is no Land conflict issues until now • During 2017-2108, there is no landfire occurence on Libo mill and its supply base • Company shown commitment for local comminity development by Sungai Tapung plasma establishment • CD/CSR are conducted annualy based on community needs • Company have socialized policy and procedures related RSPO for examples related tranparency, FFB price, HCV, and CD/CSR 	<p>Company shown compliance related to RSPO standard and described on this report for examples, described on indicator 2.2, 6.1, 6.2, 6.3, 6.10, 6.11</p>
<p>Head Of Sakai Youth and Head Of Yayasan Sakai Mandiri</p>	<p>Company shown compliance related to RSPO standard and described on this report for examples,</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> • Company shown commitment for local communities development and local people customary right by <i>Yayasan Sakai Mandiri</i> establishment • <i>Yayasan Sakai Mandiri</i> board disignated by themselves without company intervention • PT IMT has provided business assistance to the sakai community such as goats livestock, catfish ponds, chicken coops and vegetable gardens. • The company also provides guidance to the sakai community in order to run its business independently • Sakai Tribes workers acceptance during 2018 on PT IMT are reaching 218 people • Company also gives scholarship for Sakai tribes children surrounding company, during 2018 company has realized 1 colleges scholarship for Sakai tribes children 	<p>described on indicator 6.1 & 6.11</p>
<p>Head of <i>Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia</i> SPPP – SPSI (Ketua PC FSPPP – SPSI Kabupaten Siak)</p> <ul style="list-style-type: none"> • Wokers freedom to associated are granted by compny and there is no intimidation by the company against workers union. • Internal meetings or with management are conducted and the results of the meetings are documented in the form of an official report. • There is no negative issues related manpower and industrial relationship • Mutual working agreement for 2018 are still in progress, therefore company still use 2015-2017 PKB • The Company has implemented minimum wage provisions in accordance with UMSP 20188 • All workers are listed and granted on BPJS Ketenagakerjaan and BPJS Kesehatan • Currently company do not employed any daily workers, all workers has appointed as PKWT • Company shown progress for workers permanent housing construction • Workers union has aspiration and has consolidated with the company to make central clinic to the First Level Health Facilities of <i>BPJS Kesehatan</i> 	<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> <p>Based on interview known that the company didn't make central clinic to the First Level Health Facilities of <i>BPJS Kesehatan</i> because there is some BPJS facilities around the company area.</p>
<p>PT Putra Paris Pusako, Civil Local Contractors- Kandis.</p> <ul style="list-style-type: none"> • Currently PT Putra Paris Pusako were conducting infrastucture (grading areas) construction project on LIBM • Working contract are develop based on mutual agreement and each copies are owned by both sides • Working contarct and agreement consist of payment 	<p>Company shown compliance related to RSPO standard and described on this report for examples, described on indicator 4.7, 6.5, and 6.11</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>mechanism, OHS aspect, workers welfare (accident insurance and PPE for contractor workers)</p> <ul style="list-style-type: none"> Working payment are conducted on timely manner based on contract. Generally, company have gives wide opportunity for local contractor transaction 	
<p>Gender Committee Head (LIBE & LIBM)</p> <ul style="list-style-type: none"> Annual gender committee programme has been socialized, for examples on June 2017 for all Siak Region for examples sexual harrasment socialization. Another routine programme conducted by gender committee are sexual harrasment prevention and women reproduction health. All this programme are documented well and archived by SPO officer In the period 2017/2018 there are no reports of sexual harassment, violence against women workers or violations of reproductive rights policies. Company policy regarding sexual harrasment and whistleblor anonimity are socialized to workers regularly The Company has consistently implemented a policy of reproduction rights protection through the provision of H1 for women workers who experienced pain on the first day / second at the time of menstruation, and H2 for pregnant women workers who will give birth (1.5 months before delivery and 1.5 months after delivery) or who suffered a miscarriage given the rest for 1.5 months. 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>Head Of Suka Maju Villages and KUD Karya Tani members</p> <ul style="list-style-type: none"> Relationship between company and surrounding villages are maintained well Cooperatives management was done independently for manuring, harvesting, and pruning. Meanwhile for road maintenance, chemical application and pest management are assisted by company Leaf sampling unit for fertilizer reccomendation are done by cooperatives assisted by company Land ownership letter (SHM) is owned by each cooperatives member Cooperatives have FFB sells agreements with company, but cooperatives are not allowed to sell outsider FFB FFB transport are managed by cooperatives. FFB pricing mechanism are determined based on plantation agency price, and updated every week FFB payment were conducted every month for each 	<p>Company shown compliance related to RSPO standard and described on this report for examples, described on indicator 1.1, 2.2., 6.2, and 6.11</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>members</p> <ul style="list-style-type: none"> • Company have realized some CSR such as road maintenance, worship infrastructure, and sports acitivities • Complaints mechanism to company are done based on procdures for examples, from field assitant → head assistant → manager • There is no environmental pollution issues • Company have give mentoring and assistancy on field by providing mandores, assistant, and manager • There is no land conflict and overlapping between company and cooperative • Sungai Tapung plasma management are conducted transparently and delivered to members such as production, harvesting schedules, cost, and etc • Lot boundaries (batas kapling) on field are clearly marked by poles • Job vacancy for Local community worker were delivered to head of villages tranparently 	
<p>CV Aido (FFB transport contractors)</p> <ul style="list-style-type: none"> • Contract arrangement has been agreed by both sides, with a validity period for 6 months and can be extended if neccessary. Each copies of contract are owned by both sides • PPE are provides by contractor based on company procedures and contracts • If any accidents occurence, contractors have full responsibility. • FFB transport vehicles are stationed on contractor workshop (outsides of company operational areas) • Contractor workers have owned insurance (BPJS), that provides by contractors • Until now there is no accidents occurence on contractor workers • All FFB transport driver have driving licensed • Company Business Ethical conduct and integrity have been socialized to contractors and contractors workers • Contractors provides each FFB transport vehicles with safety net 	<p>There is no negatives issues arised from CV Aido as FFB transport contractors</p> <p>Contractor shown compliance related to OHS aspect, workers welfare, and transparency, and company business code of conduct.</p> <p>During replanting stage, company have to reduce FFB transport contractors because FFB produced by estate are still low</p>

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. Ivo Mas Tunggal
Management Representative



Ismu Zulfikar
Friday, 27 July 2018

Mutuagung Lestari
Lead Auditor



Taufik Margani
Friday, 27 July 2018

APPENDICES

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Siak Regency	-	Interview	26 June 2018	√	
2	Plantation Agency	Siak Regency	-	Interview	26 July 2018	√	
3	National Land Agency	Siak Regency	-	Interview	26 July 2018	√	
4	Manpower and Transmigration Agency	Siak Regency	-	Interview	26 July 2018	√	
5	Youth figure of Sakai Tribe	Belutu Village, Siak Regency	-	Interview	26 June 2018	√	
6	Head of Sakai Tribe – <i>Batin Singo Majo (previous land owner)</i> and youth figure	Siak Regency	-	Interview	26 June 2018	√	
7	CV. Aido (FFB Transport/Local Contractor)	Kandis, Siak Regency	-	Interview	26 June 2018	√	
8	Jikalahari	Pekanbaru, Riau Province	jikalahari@indo.net.id ; secretariat@jikalahari.org	Queisoner by email	11 June 2018		√
9	Sawit Watch	Jakarta	info@sawitwatch.or.id	Queisoner by email	11 June 2018		√
10	Walhi	Jakarta	informasi@walhi.or.id	Queisoner by email	11 June 2018		√
11	Head of Jambai Makmur Village, Head of Sungai Gondang Villages, and Head of Pencing Bekulo Villages	Kandis, Siak Regency	-	Interview	26 June 2018	√	
12	Head of Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia/ SPPP – SPSI (Ketua PC FSPPP – SPSI Kabupaten Siak)	Kandis, Siak Regency	-	Interview	26 June 2018	√	
13	PT Putra Paris Pusako, Civil Local Contractors	Kandis, Siak Regency	-	Interview	26 June 2018	√	
14	Gender Committee Head (LIBE & LIBM)	Kandis, Siak Regency	-	Interview	26 June 2018	√	
15	Head Of Suka Maju Villages and KUD Karya Tani members	Kandis, Siak Regency	-	Interview	26 June 2018	√	
16	Youth figure of Cinta Damai Village	Kandis, Siak Regency	-	Interview	26 June 2018	√	
17	Libo Estate personnel: <ul style="list-style-type: none"> • 2 workers of daycare • 3 workers family • 2 harvester • 2 picker • 1 foreman of harvesting • 2 manure workers • 1 foreman of manuring • 1 foreman of LA • 1 foreman of EFB application 	Kandis, Siak Regency	-	Interview	28 June 2018	√	

	<ul style="list-style-type: none"> • 1 warehouse officer • 1 hazardous waste warehouse officer • 1 welder • 1 doctor • 1 paramedic 						
18	Libo Mill personnel: <ul style="list-style-type: none"> • 2 security • 3 sorter and 1 foreman • 1 crane operator • 1 engine room operator • 1 press operator • 1 kernel operator • 4 boilerman • 1 warehouse officer • 1 hazardous waste warehouse officer • 1 welder • 1 WTP operator • 1 Biogas officer • 2 WWTP operators 	Kandis, Siak Regency	-	Interview	26 June 2018	v	
19	Sungai Tapung Plasma Personnel: <ul style="list-style-type: none"> • 20 smallholders 	Kandis, Siak Regency	-	Interview	29 June 2018	v	
20	LBH Sakai	Pekanbaru	-	Interview	4 July 2018	✓	

Appendix 2. Assessment Program

DATE		25 to 30 June 2018	
Planned Time	Actual Duration	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, June 25 2018			
06.00 - 08.00	06.00 - 08.00	JAKARTA → PEKANBARU	All Auditor
08.30 - 12.30	08.30 - 12.30	PEKANBARU → PT. IVO MAS TUNGGAL	
12.30 - 14.00	12.30 - 14.00	Break	
14.00 - 15.00	14.00 - 15.00	Opening Meeting (Brief introduction, Audit scope confirmation, Standards use, Audit objectives, Audit sampling, and Audit Agenda Explanation)	
15.00 - 17.00	15.00 - 17.00	Document Review : <ul style="list-style-type: none"> Review of Previous Visit Non-conformance Collect Basic Information (Mill & Estate) Clarification of time bound plan Review of Partial Certification 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. 	All Auditor
Tuesday, June 26 2018			
08.00 - 12.00	08.00 - 12.00	Stakeholder Consultation <ul style="list-style-type: none"> Stakeholder consultation to affected communities surrounding the plantations. Stakeholder Consultation to related agencies in Siak Regency Interview with Gender Committee, Worker's Union, Worker's Cooperative, Local Contractor (for Mill and Estate), Third Party Supplier 	<ul style="list-style-type: none"> TFK SSM DHT
12.00 - 14.00	12.00 - 14.00	Break	
14.00 - 17.00	14.00 - 17.00	Field observation to Libo POM : <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) OHS & Environment management (fire drill simulation, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, WTP, WWTP) Employment procedures, workers welfare & facilities (status, payment, gender, housing, clean water, & etc) 	<ul style="list-style-type: none"> TFK SSM DHT

Wednesday, June 27 2018			
08.00 - 12.00	08.00 - 12.00	Document Review	All Team
12.00 - 14.00	12.00 - 14.00	Break	
14.00 - 17.00	14.00 - 17.00	Document Review	All Team
Thursday, June 28 2018			
08.00 - 12.00	08.00 - 12.00	Field observation to Libo Estate: <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilizer, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. • Legal Operational boundaries, land ownership and Conservation/HCV • Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, landfill, land applications) • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance). • Worker welfare & facilities (housing complex, health, clean water, etc), 	<ul style="list-style-type: none"> • SSM • TFK • DHT • DHT • DHT
12.00 - 14.00	12.00 - 14.00	Break	All Auditor
14.00 - 17.00	14.00 - 17.00	Clarification of Field Observation & Completing of Check List.	All Auditor
Friday, June 29 2018			
08.00 - 12.00	08.00 - 12.00	Field observation to KUD Karya Tani & KUD Cinta Damai <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilizer, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. • Legal Operational boundaries and land ownership • Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, landfill) • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance). • Worker welfare & facilities (housing complex, health, clean water, etc), 	<ul style="list-style-type: none"> • SSM • TFK • TFK • DHT • DHT
12.00 - 14.00	12.00 - 14.00	Break	All Auditor
14.00 - 17.00	14.00 - 17.00	Clarification of Field Observation & Completing of Check List.	All Auditor
Saturday, June 30 2018			
08.00 - 10.00	08.00 - 10.00	Team Auditor Meeting (Preparation for Audit Conclusion).	All Auditor
10.00 - 12.00	10.00 - 12.00	Closing Meeting	All Auditor
13.00 - 19.00	13.00 - 19.00	Travelling from sites to Jakarta	All Auditor