RSPO Annual Communication of Progress
Sampoerna Agro

1. Profile
Name of Organization : PT Sampoerna Agro Tbk
Membership Type : Ordinary
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Reporting Report : August 2006 to September 2007
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2. Details of Progress

A. Current Efforts and progress in producing, procuring and/or utilizing sustainable palm oil

- Sampoerna Agro is one of Indonesia palm oil producers with plantation in the Sumatra and Kalimantan regions of Indonesia. Our main businesses are development of oil palm plantations, production of crude palm oils (CPO), palm kernels (PK) and germinated oil palm seeds. Up to September 2007, the company manages more than 74,000 ha of oil palm plantation and has access to 85,000 ha of land bank for future development. We operate five CPO mills with a total processing capacity of 350 tones fresh fruit bunch/hour. In producing sustainable palm oil, Sampoerna Agro has done some efforts. We have assigned Quality and Environmental Department to manage RSPO matters for Sampoerna Agro plantations. We have documented and implemented quality and environmental manual, procedures, working instructions, and forms for Sampoerna Agro operating units including head office, plantations, mills, workshop, and seeds production unit. In 2007, all Sampoerna Agro operating units in South Sumatra have been ISO 9001:2000 and ISO 14001:2004 certified. The company also adheres to adopt environmental standards such as implementing zero burning policy for developing new area, capturing nutrients from empty bunches (EFB), bio-compost, and palm oil mill effluent (POME) through land application, reducing the usage of insecticides and chemicals for weed control, planting beneficial weeds and implementing biological control methods for pest and disease control, and introducing barn owl for controlling rodent population in the estates. We have established Principles Target Performance levels by Audit processes. For developing new plantation areas we are using our own high yielding planting materials derived from our advanced and long term breeding program. For sustainable practices, Sampoerna Agro has done R&D efforts in the area of oil palm breeding, seed production, agronomy, soil and environment.

- Sampoerna Agro believes that business and community are inseparable. We participate in the Government’s “Plasma Scheme” where we develop oil palm plantations surrounding our nucleus plantation for the neighboring farmers. Almost 20,000 farmers are involved in this scheme. We are now volunteering to test RSPO Principles and Criteria (P&C) for our smallholders.
B. Implementation and/or sponsorship of projects/initiatives that promote sustainable palm oil

- Sampoerna Agro works together with Indonesian Biotechnology Research Institute for Estate Crop (IBRIEC) to conduct research and development projects related to sustainable production. These projects include (1) clonal propagation of elite genotype of oil palm through tissue culture, (2) molecular analysis on inflorescence and fruit setting architecture, (3) enrichment of empty fruit bunches and palm oil mill effluent (POME) for mulching and soil organic amendment, (4) enrichment of shredded oil palm empty fruit bunch for production of bio-activated mulches, (5) the use of oil palm fiber and sludge for potting mixed of oil palm nursery, and (6) use of bio fertilizers.
- Sampoerna Agro has set up “Best Management Practices Project” in collaboration with International Plant Nutrition Institute for its subsidiary in PT Sungai Rangit-Kalimantan Region.
- In promoting the use of legally – high quality and high yielding oil palm planting materials for sustainable oil palm development, Sampoerna Agro together with Dinas Perkebunan (Directorate General of Estate Crops, Ministry of Agriculture) have done road shows to some provinces such as South Sumatra in 2005, East Kalimantan in December 2005, Central Kalimantan and West Kalimantan in August 2007. We are also aware of disseminating good agricultural practices by providing significant support to some events such as “Agrinex” Seminar and Exhibition at Jakarta Convention Center on March 16-18, 2007 and National Seminar on Breeding and Seed Technology organized by Indonesian Breeders Association in Palembang on July 10-11, 2007.

C. Significant economic, social or environmental problem encountered in production, procurement and/or use of sustainable palm oil and efforts made to mitigate or resolve them

- Nil.

D. Outlook of planned activities to promote sustainable palm oil production, promotion and/or use in the next reporting period.

- Awareness training of RSPO P&C for all operational managers in the Sumatra region was done in August 2007. We are now taking action for self-assessment to comply with RSPO P&C.
- Sampoerna agro is one of the volunteers to RSPO P&C for smallholders organized by RSPO Smallholder Task Force (STF) - Indonesia. We prepare assessment for GAP at 3 smallholders, Plasma co-operatives ('KUD') in South Sumatra region.
- Sampoerna Agro is developing Oil Palm Research Centre in South Sumatra for agronomy, soil, crop protection, tissue culture and biotechnology research to back up sustainability practices.
- We are up scaling our composting project at one of our oil palm mills, Permata Bunda Palm Oil Mill.

E. Recent publication of environmental/social/sustainability reports or annual reports relating to the objectives and tasks of RSPO.
• “Performance of Sampoerna agro DxP planting materials”, a paper presented in the seminar on “Sourcing of oil palm planting materials for local – overseas joint ventures and nursery management” organized by ASGARD at Kuala Lumpur on August 23 – 24, 2007.
• “Plant variety protection of oil palm”. This paper was discussed during National Workshop on Plant Variety Protection at Bogor Agricultural University on 1st August 2007.
• “Oil palm breeding and seed production for increasing competitiveness of oil palm industry”. The paper was presented during “Workshop on Industrial Technology for oil palm” organized by Agency for the Assessment and Application of Technology (BPPT) at Jakarta on July 19, 2007.
• “Oil palm breeding and seed production system: current status & future outlooks”. The paper was discussed in the national seminar organized by Indonesian Breeders Association at Palembang July 10-11, 2007.
• “Sustainability status of genetic materials of plantation crops”, a paper presented during Indonesian Breeders Association Seminar at Bogor on December 20, 2006.
• “Roles of PT Binasawit Makmur—a subsidiary of Sampoerna Agro—in the national seeds program”, a paper discussed during workshop at Bogor Agricultural University on December21, 2006.
• “Development of oil palm seeds industry by private sector in Indonesia”. The paper was presented in “the International Oil Palm Conference” at Nusa Dua-Bali on June 19-23, 2006.

F. Recognition and awards for excellence in promoting sustainable palm oil

• In 2006 and 2007 Sampoerna Agro received awards for the best Empowering Women Employee at national and province levels from Government of the Republic of Indonesia.
• PT Binasawit Makmur—a subsidiary of Sampoerna Agro—received Zero Accident Award from the Governor of South Sumatra Province on February 2007.

G. Suggestions on how the RSPO can play an active role in enhancing your organization’s sustainability performance, particularly in relation to promoting sustainable palm oil

• Nil.

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