

ISPO IMPLEMENTATION AT PT SURYA MATA IE PLANTATION: CHALLENGES & OPPORTUNITIES FOR SUSTAINABLE CERTIFICATION

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Article Info

Article history:

Received :

Revised :

Accepted :

Available online

<http://jurnal.uinsu.ac.id/index.php/analytica>

E-ISSN: 2541-5263

P-ISSN: 1411-4380



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ABSTRACT

The implementation of the Indonesian Sustainable Palm Oil (ISPO) is a strategic step to improve the sustainability of the palm oil industry in Indonesia. This article examines the challenges and opportunities in ISPO implementation at PT Surya Mata Ie, a palm oil plantation company located in Aceh. The research method used is a case study with a qualitative approach, involving in-depth interviews, document analysis, and field observations. The results show that the main challenges of ISPO implementation include limited resources, internal resistance, and regulatory bureaucracy. However, significant opportunities such as increased competitiveness in the global market, operational efficiency, and strengthened corporate reputation were also identified. The article concludes that successful implementation of ISPO requires collaboration across stakeholders and innovation in plantation management.

Keywords: ISPO, Palm Oil, Plantation, Sustainability

1. INTRODUCTION

Palm oil, which functions as a vegetable oil, influences many aspects of human life and enters consumer industries such as food and cosmetics. It has a significant impact on people's daily lives. An in-depth study by (Oliphant & Simon, 2022) found that palm oil is not only useful as a consumer food ingredient but has also become a popular biofuel source. It replaces traditional gasoline and diesel in cars worldwide. This fact shows that palm oil not only plays a vital role in meeting basic human needs but also contributes to macroeconomic transformations, particularly the trend towards renewable energy. Like other energy commodities, renewable energy is also a commodity.

Renewable energy is crucial to meeting global energy demand and combating the threat of global warming. Many people are starting to use palm oil as fuel, indicating a significant shift towards greener and more renewable transportation resources. This demonstrates palm oil's active role in driving the growth of renewable energy worldwide,

helping reduce greenhouse gas emissions and achieve sustainable development goals. The increase in global demand for palm oil is driven by rising per capita incomes and the need for biodiesel feedstock. Therefore, palm oil not only helps support the sustainability of the energy industry but also plays a crucial role in the transformation of renewable and environmentally friendly resources worldwide. Palm oil's role as a renewable energy source offers further opportunities for innovation and transformation in the sustainable use of natural resources in response to the challenges of climate change. Palm oil is not merely a commodity but also a determining factor shaping market direction and influencing economic dynamics in various countries. This emerging demand, coupled with the fact that palm oil is the most popular and widely consumed vegetable oil in the world, implies that palm oil plays a crucial role in maintaining global economic stability.

The palm oil industry is a strategic sector in Indonesia, contributing significantly to the national economy. However, sustainability is a key issue that often draws criticism from the global community. In response, the Indonesian government introduced ISPO certification to improve sustainability practices in this sector. PT Surya Mata Ie is one of the companies currently working towards implementing ISPO to ensure the sustainability of its operations. This article aims to analyze the challenges and opportunities faced by PT Surya Mata Ie in the ISPO certification process. By focusing on case studies, this research is expected to provide practical guidance for other companies planning to adopt similar sustainability standards.

This industry requires an organizational communication strategy within the company to ensure that jointly established goals are achieved in line with expectations and that communication is effective. Specifically, "strategy" refers to establishing a company's mission; establishing organizational goals by combining internal and external forces; formulating specific policies and strategies to achieve these goals; and ensuring their proper implementation, thereby achieving the organization's primary goals and objectives. Strategy is an overall approach encompassing ideation, planning, and implementation of actions over a specific period (Ningsih & Alfikri, 2022). Communication strategy is defined as a combination of communication planning and communication management to achieve shared, predetermined goals. In an organizational communication strategy, messages will be conveyed effectively if the company or organization acting as the communicator determines the communication strategy steps to be used. Organizational communication within a company explains that in decision-making, information is collected, categorized, and analyzed to serve as primary information for decision-making (Utami & Purwitasari, 2020).

2. RESEARCH METHOD

This research was conducted using a qualitative method through a case study approach, allowing researchers to understand the phenomenon in depth and context. This approach was chosen because it provided the opportunity to explore the dynamics, practices, and experiences of stakeholders in the management of the PT Surya Mata Ie plantation more holistically. The data collection process utilized several complementary techniques. In-depth interviews served as the primary instrument for obtaining rich and detailed information, with researchers interacting directly with various parties, including company management, internal auditors, and local community representatives. Through

these interviews, researchers were able to understand their perspectives on the implementation of sustainability standards, operational challenges, and the company's relationship with the communities surrounding the plantation. Furthermore, this study utilized document analysis as a key data source, including company operational reports, government policies related to the Indonesian Sustainable Palm Oil (ISPO), and other supporting documents. Reviewing these documents helped researchers assess the consistency between field practices and applicable regulations, while strengthening the validity of the research findings. To provide a more accurate and comprehensive picture, researchers also conducted field observations, directly observing how PT Surya Mata Ie's plantation management practices were implemented. These observations covered operational activities, worker interactions, the implementation of sustainability procedures, and environmental conditions around the plantation area. Through a combination of in-depth interviews, document analysis, and field observations, this research was able to present a comprehensive portrait of plantation management practices and their level of compliance with ISPO principles. This data triangulation approach also ensured that each finding relied not solely on a single source of information but was verified through multiple perspectives, resulting in stronger, more rigorous, and scientifically sound conclusions.

3. RESULT AND ANALYSIS

History and Background of ISPO

The Indonesian palm oil industry has experienced rapid growth, making it one of the world's largest producers. This growth is driven by high global demand for palm oil, which is used in a variety of products, from food to cosmetics. However, behind this profitable growth lies a number of serious challenges, including adverse environmental impacts, biodiversity loss, and social conflicts with local communities. Clearing forest land for oil palm plantations often results in significant deforestation, impacting ecosystems and the habitats of various species, including endangered species. International criticism of unsustainable agricultural practices is growing, prompting the Indonesian government to take more proactive measures to regulate the palm oil industry. In this context, the growing awareness of the importance of sustainability.

In palm oil production has become increasingly urgent. To address these challenges, the Indonesian government launched ISPO (Indonesian Sustainable Palm Oil) in 2011 as a certification system aimed at ensuring that palm oil production is carried out in an environmentally, socially, and economically sound manner. ISPO is designed to provide guidelines and standards for palm oil producers in Indonesia, focusing on three main aspects: environmental, social, and economic. Environmentally, ISPO requires producers to comply with applicable laws and regulations, manage land sustainably, and protect biodiversity. Socially, ISPO emphasizes the importance of respecting the rights of local communities, including land rights and access to natural resources. Meanwhile, economically, ISPO encourages transparent and fair business practices and improves the welfare of farmers and workers in the palm oil sector (Erina, 2024).

With ISPO, it is hoped that Indonesian palm oil producers can improve the competitiveness of their products in a global market that increasingly prioritizes sustainability. Furthermore, ISPO is also expected to help mitigate the negative impacts of the palm oil industry on the environment and communities, and support government policies to achieve sustainable development. Through this certification system, Indonesia is committed to becoming a leader in sustainable palm oil production, while maintaining a balance between economic growth and environmental protection.

History and Background of PT Surya Mata Ie

Surya Mata Ie is a national private company in Indonesia. The company produces Fresh Fruit Bunches (FFB) through sustainably managed plantations. Established in 1962, the company consistently adheres to the 3S work principle: Sweet, Small, and Smart. This principle means that in all company activities, all employees and stakeholders demonstrate a sense of humanity towards fellow members and the community, and prioritize smart work in solving existing problems. They manage an 814.25-hectare oil palm plantation in Perkebunan Upah Village, Bendahara District, Aceh Tamiang Regency, Aceh Province. The company is supported by professional employees who have grown alongside them (PT SURYA MARYA IE Profile, n.d.). Our business encompasses the nursery, planting, and harvesting of quality Fresh Fruit Bunches (FFB).

- **Business Philosophy:** Surya Mata Ie believes that to be a sustainable business, all company activities must benefit the community, the country, the environment, and customers, ultimately benefiting the company itself.
- **Partnerships with Farmers:** Partnerships with farmers are key to Surya Mata Ie's business. We help farmers increase their income and implement sustainable practices. The safety and well-being of farmers and employees are a priority, supported by the BPJS Kesehatan (Healthcare) and BPJS Ketenagakerjaan (Employment) programs.
- **Environmental Conservation:** Surya Mata Ie is fully committed to minimizing the environmental impact of the Indonesian palm oil industry. They firmly oppose deforestation through the protection of high conservation value (HCV) and high carbon stock (HCS) areas, as well as a no-burn policy.

ISPO Implementation Stages at PT Surya Mata Ie

- 1) **Initial Preparation and Management Commitment** The first stage is establishing a commitment from the company's top management to adopt ISPO certification. PT Surya Mata Ie began this process by developing internal policies that support sustainability and adherence to ISPO principles. Management also established a dedicated team to handle the certification process and ensure each department understands its role in implementing ISPO standards.
- 2) **Assessment of Existing Plantation Conditions** An initial assessment was conducted to evaluate existing conditions on the plantation. This included a review of land legality, environmental management practices, human rights compliance, and relationships with local communities. This assessment provided a comprehensive overview of the company's practices' alignment with ISPO principles.
- 3) **Identification of Gaps with ISPO Standards** After assessing existing conditions, the next step was to identify gaps between existing practices and ISPO standard

requirements. The certification team noted areas requiring improvement, such as legal documentation, waste management, and environmental conservation efforts. This gap analysis served as the basis for developing a corrective action plan.

- 4) Corrective Action Plan Based on the gap identification results, PT Surya Mata Ie developed a corrective action plan. This plan includes strategic steps such as employee training, development of environmentally friendly infrastructure, and updates to operational procedures. Implementation of the action plan is carried out in stages with strict monitoring to ensure all ISPO standards are met.

A study (Husna et al., 2023) describes the Indonesian Sustainable Palm Oil (ISPO) certification mechanism, which consists of 7 principles, 38 criteria, and 173 indicators based on the appendix to Minister of Agriculture Regulation No. 38 of 2020 (Minister of Agriculture of the Republic of Indonesia, 2020)

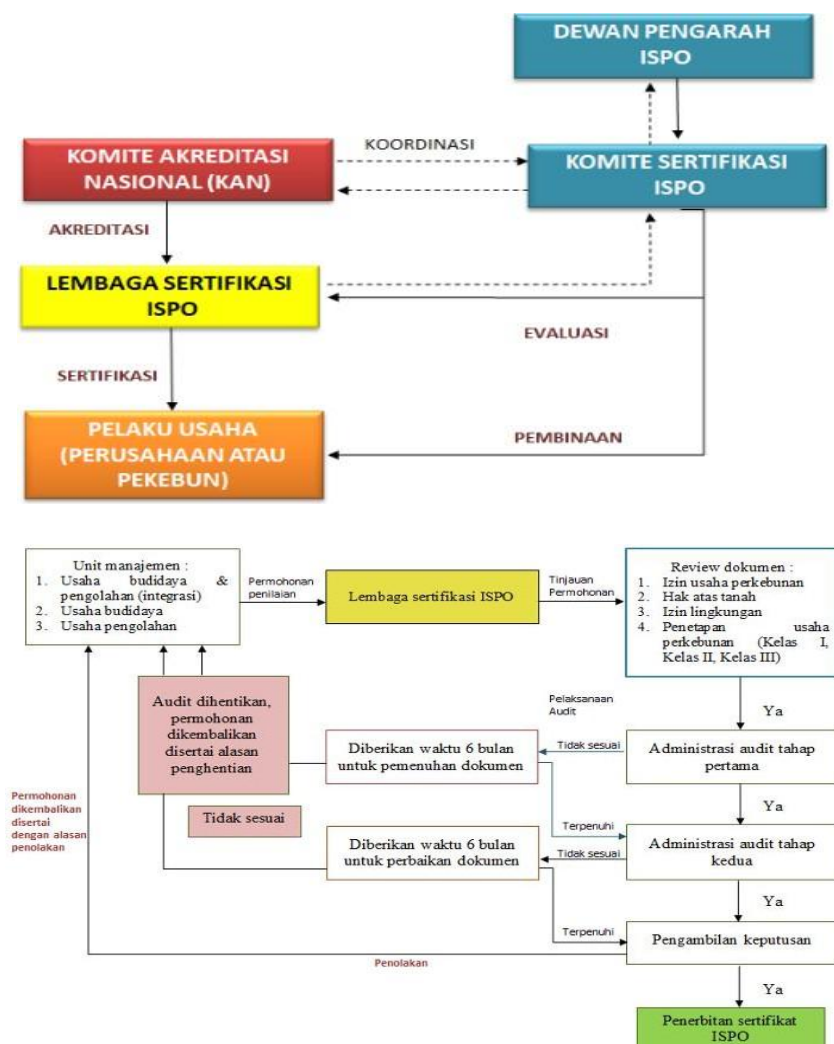


Figure: ISPO Certification Mechanism (Husna et al., 2023)

ISPO Implementation Challenges

Limited Resources

ISPO implementation faces a major obstacle in the form of significant investment requirements. Companies must spend significant funds to improve employee competency through various ISPO-specific training programs. Furthermore, substantial investment is required to procure supporting technology, such as environmental monitoring systems and equipment that meet sustainability standards. Companies also need to recruit additional experts who understand ISPO implementation.

Internal Resistance

Some employees show resistance to changes in operational procedures required to meet ISPO standards. Changing work systems to meet ISPO standards faces obstacles in the form of employee resistance. Many employees accustomed to old work patterns find it difficult and are reluctant to adapt to new, stricter procedures. Changing long-standing mindsets and work habits requires extra time and effort. This presents a unique challenge in the transition to ISPO standards.

Regulatory Bureaucracy

The complex certification process often takes longer than expected. The ISPO certification process faces complex and lengthy bureaucratic obstacles. Companies must go through a series of multi-layered and detailed audits and verifications. The numerous documents required and coordination with various relevant agencies complicated the certification process and took longer than planned. The multi-step procedure and stringent requirements further complicated the ISPO certification process.

Opportunities from ISPO Implementation

Increased Competitiveness

The implementation of ISPO opens up significant opportunities for PT Surya Mata Ie to expand its international market share. By achieving ISPO certification, the company can meet export requirements to countries that prioritize sustainability standards for palm oil products. This provides a competitive advantage as more global markets demand assurance of sustainability in their supply chains. The company can enter premium markets that were previously difficult to access without sustainability certification.

Operational Efficiency

The implementation of ISPO standards encourages the company to adopt more efficient and environmentally friendly technologies and work practices. The use of modern technology and best practices in plantation management can optimize productivity while reducing environmental impact. In the long term, this has the potential to lower operational costs through reduced resource use, better waste management, and increased overall production efficiency.

Strengthened Reputation

ISPO certification significantly adds value to PT Surya Mulia Ie's reputation. This status demonstrates the company's commitment to sustainable practices, which is increasingly valued by various stakeholders. Investors are becoming more interested, seeing reduced

business risks and improved long-term prospects. Consumers have more confidence in the products produced, and society views the company's existence positively because of its contribution to sustainable development.

Table: Challenges and Opportunities for ISPO Implementation at PT Surya Mata Ie
Source: Research Results

Aspects of	Challenges	Opportunities
Regulatory	Bureaucratic complexity	International market access
Resources	Limited funding and human resources	Operational efficiency
Internal Organization	Resistance to change	Strengthening company reputation

In the interview conducted by the ISPO internal auditor at PT SURYA MATA Ie, this is a strategic step for the company.. Although it initially faced challenges such as significant investment in employee training and technology updates, this initiative offers lucrative opportunities, including improved operations and broader market access. Importantly, the ISPO standard helps the company run its business more sustainably and responsibly. Regarding the challenges faced, they acknowledged that the adaptation process required significant time and resources. Resistance from some employees to the company's work procedures was also an initial obstacle. However, the opportunities created were far greater, such as opening up access to international markets and increasing investor confidence in their company. The implementation of ISPO encouraged them to build a more structured internal communication system. They developed a multi-level communication program to ensure understanding of the ISPO standard at all levels of the organization. The main challenge was overcoming resistance to change through effective communication. Marketing challenges were also present, highlighting the value of ISPO, which is equivalent to other international certifications. However, this opened up opportunities to build a stronger brand image as a responsible and sustainable company.

The auditors also added that the audit process identified several areas requiring initial improvement, particularly in documentation, personal protective equipment (PPE), facilities, and environmental management systems. However, the company demonstrated a strong commitment to meeting ISPO requirements. They have made significant improvements in waste management, sustainable agricultural practices, and occupational safety systems. The certification process is indeed time-consuming, but this is understandable given the stringent standards. The main challenges observed were the complexity of legal bureaucratic processes, such as standard operating procedures (SOPs), and the lengthy time required for system adjustments. However, the opportunities created are very positive, particularly in terms of operational efficiency and reduced environmental impact. Standardizing work procedures also helps create a more measurable and accountable system.

The local community (PT Surya Mata Ie Independent Workers Union) believes that since the company implemented ISPO, they have seen positive changes in their interactions with the surrounding community. There is increased transparency in their operations. Community empowerment programs are also more structured. Residents' complaints are responded to more quickly, and environmental management has

improved. The challenges they see are the time-consuming adaptation process, especially in changing long-standing, entrenched practices. However, the opportunities created are highly beneficial for the community, such as increased employment opportunities through community empowerment programs, improved local infrastructure, and reduced negative impacts on the surrounding environment. ISPO certification has enabled the company to pay greater attention to social and environmental aspects in its operations

4. CONCLUSION

The implementation of ISPO at PT Surya Mata Ie presents significant challenges, particularly in terms of regulations, resources, and internal resistance. However, the opportunities offered by this certification are far greater, particularly in improving competitiveness, efficiency, and reputation. The company is advised to:

- 1) Improve employee training and development.
- 2) Establish partnerships with stakeholders to overcome regulatory barriers.
- 3) Adopt modern technology to support operational sustainability.
- 4) Strengthen internal communication strategies by developing multi-level communication across all levels of the organization to ensure a comprehensive understanding of the ISPO standard.
- 5) Promote the value of ISPO certification as a competitive advantage and build a responsible corporate image through sustainability campaigns in local and international media.

With the right strategy, PT Surya Mata Ie can leverage ISPO certification to create significant added value for the business and the wider community and achieve greater operational sustainability.

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