

**Sustainable Palm Oil Certification**

Stage I

Stage II  Surveillance Assessment Report

Company/Owner : **MINAMAS Plantation – SIME DARBY Group**  
 Name of Factory and Estate : **Alur Dumai POM and Alur Dumai Estate (PT Lahan Tani Sakti)**  
 Country : **Indonesia**  
 Location : **Rokan Hilir Regency, Riau Province**

Certificate Code : **MUTU-RSPO/011**  
 Date of Certificate Issue : **January, 16th 2012**  
 Date of Expiry of Certificate : **January, 16th 2017**

	<b>Assessment Date</b>	<b>Report Completion Date</b>	<b>Auditor PT Mutuagung Lestari</b>	<b>Checked by</b>	<b>Approved by</b>
<b>ST1</b>	05-10/04/2010	19/07/2010	Deni. A. Novendi; Aryo Gustomo; Muardi Marwas	Taufik Margani	Tony Arifiarachman
<b>ST2</b>	18-23/10/2010	01/07/2011	Aryo Gustomo; Hera Hendrasana; Henry Marpaung; Ibnu Satria Prabudi	Taufik Margani	Tony Arifiarachman

<b>Delivered to RSPO</b>	<b>Reviewed by RSPO</b>	<b>Responde by Certification Institution</b>	<b>Approved by RSPO</b>
04/08/2011	08/11/2011	22/12/2011	12/01/2012

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MUTU Certification • Approved by RSPO Secretary on June 2008

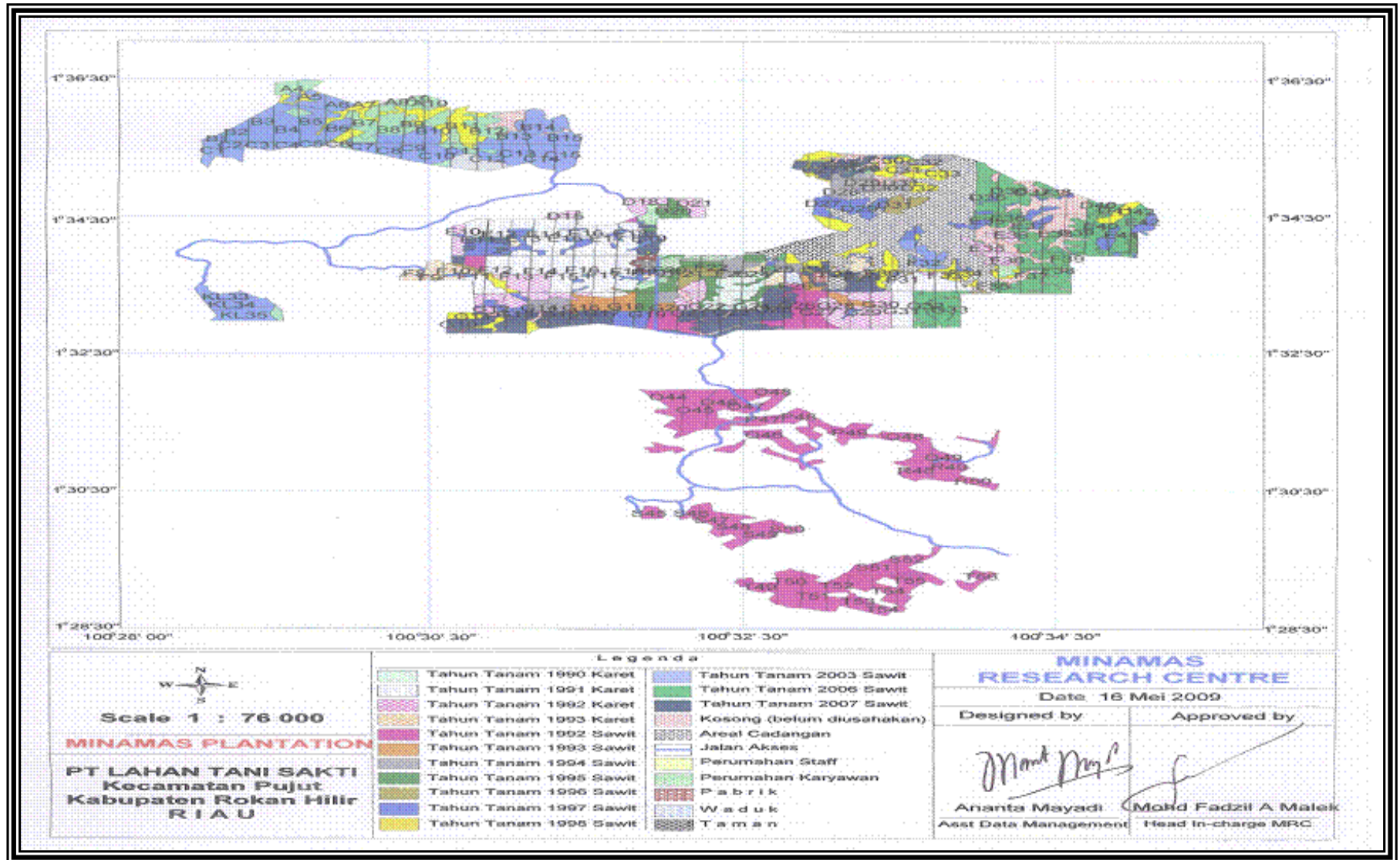
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Figure 1. Map of Location PT Lahan Tani Sakti



Figure 2. Operational Map PT Lahan Tanah Sakti



<b>1.0</b>	<b>SCOPE OF CERTIFICATION</b>						
<b>1.1</b>	<b>National Interpretation used</b>		National Interpretation, Principles and Criteria (P&C) of RSPO for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008				
<b>1.2</b>	<b>Legal Entity Information</b>						
1.2.1	Company Name		<b>MINAMAS Plantation – SIME DARBY Group</b>				
1.2.2	Contact person		Mohamad Pirabaharan				
1.2.3	Company Address		The Plaza Lt. 36 JL. MH Thamrin Kav. 28-30 Jakarta 10350				
1.2.4	Telephone		+62-21-29926000				
1.2.5	Fax		+62-21-29922686				
1.2.6	E-mail		<a href="mailto:mohamad.pirabaharan@simedarby.com">mohamad.pirabaharan@simedarby.com</a>				
1.2.7	Website		<a href="http://www.simedarby.com">www.simedarby.com</a>				
1.2.8	Company Status		Private				
1.2.9	Management Representative who completed the application for certification		Mohamad Pirabaharan (Head of PSQM Indonesia)				
1.2.10	Date of Being Registered as RSPO member		8 September 2004				
1.2.11	Number of employee		557 Persons				
			<i>*Source: Manager Report ADE dan ADF August 2010</i>				
1.2.12	Contractor/Community/other workers		16 Group				
			<i>* Source: Manager Report ADE August 2010</i>				
<b>1.3</b>	<b>Type of Assessment</b>						
1.3.1	Scope of Assessment		Palm Oil Mill and Estate				
1.3.2	Type of certificate		Single				
1.3.3	Company names listed in the certificate		<b>PT Lahan Tani Sakti</b>				
1.3.4	Number of management unit		1 (one) unit palm oil Mill (Alur Dumai Mill), which obtains the supply of FFB from 1 (one) unit of estate, i.e. Alur Dumai Estate (ADE).				
<b>1.4</b>	<b>Location of Estate, Mill and Hectare Statement</b>						
1.4.1	Estate Site						
	<b>Name of Estate</b>	<b>Location</b>	<b>GPS Coordinate</b>		<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB Yield (ton/year)*</b>
			<b>Latitude</b>	<b>Longitude</b>			
	Alur Dumai Estate	Sri Kayangan, Pondok Kresek/ Bagan Sinembah, Pujut /Rokan Hilir/Riau	1° 28' 38" – 1° 36' 31" N	100° 28' 29" – 100° 34' 39 E	3,759	3,184.22	47,108.12
1.4.2	Mill Location						
	<b>Name of Mill</b>	<b>Location</b>	<b>GPS Coordinate</b>		<b>Production Capacity (ton/hour)</b>	<b>Annual Volume (ton)</b>	
			<b>Latitude</b>	<b>Longitude</b>		<b>CPO out put</b>	<b>PK out put</b>
	Alur Dumai POM	Sri Kayangan, Pondok Kresek/ Bagan Sinembah, Pujut /Rokan Hilir/Riau	1° 33' 40 01" N	100° 32' 30 08" E	15	10,866	2,268
						<b>PKO out put</b>	

1.4.3	Map	<i>Figure 1</i>
1.4.4	Village/Sub-district/District/Province	Sri Kayangan, Pondok Kresek/ Bagan Sinembah, Pujut /Rokan Hilir/Riau
1.4.5	Country	Indonesia
1.4.6	Region	South East Asia
1.4.7	Land Ownership Status	
	State	3,759 Ha *)
	Community	- Ha
		<i>*Based on HGU Certificate No.3 and 4 Year 2001</i>
<b>1.5</b>	<b>Description of Scheme Smallholders*)</b>	
1.5.1	Smallholders Supplied	- Tonnes/year
1.5.2	Approximately of FFB Processed by Mill	- %/year
1.5.3	Number of Coopertave Smallholders	- Group
1.5.4	Number of Smallholders Members	- Members
1.5.5	Total Area	- Ha
1.5.6	Approximately certification Process (year)	
		<i>*) Alur Dumai POM do not get supply from smallholders</i>
<b>1.6</b>	<b>Description of Land use *)</b>	
1.6.1	Total area	3,759 Ha
1.6.2	Mature Area	2,133.52 Ha
1.6.3	Immature area	1,050.70 Ha
1.6.4	Infrastructure area (seedling, housing, and Mill)	75.00 Ha
1.6.5	LC program plan	276.95 Ha
1.6.6	Occupation / reserved area	199.04 Ha
1.6.7	High Conservation Value	23.87 Ha
1.6.8	Product Type:	FFB/CPO/PKO/PK
1.6.9	Annual Yield Average (2008 – January 2011)	20.12 Ton/Ha/Year
1.6.10	Actual Yield Average (2010-January 2011)	22.08 Ton/Ha/Year
		<i>*) Source: Manager Report Alur Dumai Estate, August 2010</i>
<b>1.7</b>	<b>Cycle and Planting Year</b>	
1.7.1	Age profile of planted palm	
	<b>Alur Dumai Estate</b>	
	<b>Planting Year</b>	<b>Size (hectares)</b>
	1989	240.18
	1990	148.23
	1991	176.88
	1992	564.69
	1993	50.82
	1994	78.69
	1995	86.86
	1997	121.74
	1999	40.65
	2000	112.88
	2002	66.34
		<b>Age (year)</b>
		21
		20
		19
		18
		17
		16
		15
		13
		11
		10
		8

	2003	170.93	7
	2004	145.61	6
	2005	84.33	5
	2006	44.70	4
	2007	331.96	3
	2009	487.59	1
	2010	231.14	0
	<b>TOTAL</b>	<b>3,184.22</b>	
		Planting age rate	10
1.7.2	Area for replanting after 2005		- Ha
1.7.3	New planting area after 2005 (Conversion)		1,095.4 Ha
1.7.4	Harvest cycle		7-10 Days
<b>1.8</b>	<b>Estimated Tonnage of Certified Product</b>		
1.8.1	CPO Production Recovery	22.75	%
1.8.2	PK Production Recovery	4.75	%
1.8.3	FFB	47,766	Ton/Year
1.8.4	Crude Palm Oil	10,866	Ton/ Year
1.8.5	Palm Kernel	2,268	Ton/ Year
		<i>*Source: Database of Production of PT Lahan Tani Sakti</i>	
<b>1.9</b>	<b>Application of Other Certifications</b>		
1.9.1	ISO 9001:2008/ISO 14001: 2004	None	
1.9.2	OHSAS 18001:2007	None	
1.9.3	HACCP	None	
1.9.4	Others	-	
<b>1.10</b>	<b>Time bound plan for other Management Units</b>		
1.10.1	Time bound plan for other Management Units of SIME DARBY Group as per July 2011		
	MINAMAS Plantation-SIME DARBY Group is committed to prepare a time bound plan for all of other management units in order to adopt the P&C standard or to obtain RSPO certificate. And the audit team was of the opinion that this plan is consistent with the RSPO Certification System documents – June 2007 for Partial Certification. Progress and follow up of the plan will be verified and reported at the time of the annual routine visit.		
Certification Status	Number of Strategic Operating Units (SOUs)		Remark/Details
	Malaysia	Indonesia	
Certified	28	8	
EB Riview	11	2	The RSPO Certification will be received within one month's time
2008 / 2009 Audited	7	0	All Malaysian SOUs have under gone the RSPO external Audit.
2009 / 2010 Audited	31	13	
2010 / 2011	1	11	
Planned on 2011	0	1	
Total SOUs	39	23	

1.10.2	Time bound plan for MINAMAS Plantation-SIME DARBY Group areas in Indonesia as per July 2011			
Management Units	Address	Size (ha)	Year	Progress
PT. Indotruba Tengah	Seruyan and Kotawaringin Barat Districts – Cetral Kalimantan Province	7,734.60	2009	Certified (2010)
PT. Tunggal Mitra Plantations	Rokan Hilir District – Riau Province	13,836.00	2009	Certified (2010)
PT. Sime Indo Agro	Sanggau District – West Kalimantan Province	11,652.00	2009	Certified (2010)
PT. Aneka Inti Persada	Pekanbaru Municipality and Siak District – Riau Province	11,134.00	2010	Audited (2010)
PT. Bina Sains Cemerlang	Musi Rawas District – South Sumatra Province	6,513.00	2010	Audited (2010)
PT. Kridatama Lancar	Seruyan and Kotawaringin Barat Districts – Cetral Kalimantan Province	14,779.92	2010	Certified (2011)
PT. Teguh Sempurna	Seruyan and Kotawaringin Barat Districts – Cetral Kalimantan Province	16,601.66	2010	Certified (2011)
PT. Lahan Tani Sakti	Rokan Hilir District – Riau Province	3,759.02	2010	Audited (2010)
PT. Bhumireksa Nusa Sejati	Indra Giri Hilir District – Riau Province	25,662.00	2010	Audited (2010)
PT. Sajang Heulang	Tanah Bumbu District – South Kalimantan Province	7,794.00	2010	Certified (2011)
PT. Ladangrumpun Suburabadi	Tanah Bumbu District – South Kalimantan Province	6,077.00	2010	Certified (2011)
PT. Bersama Sejahtera Sakti	Kotabaru District – South Kalimantan Province	12,704.54	2010	Certified (2011)
PT. Bahari Gembira Ria	Muaro Jambi District – Jambi Province	1,202.04	2010	Audited (2010)
PT. Langgeng Muaramakmur	Kotabaru District – South Kalimantan Province	16,361.77	2011	Audited (2011)
PT. Paripurna Swakarsa	Kotabaru District – South Kalimantan Province	14,892.00	2011	Audited (2011)
PT. Swadaya Andika	Kotabaru District – South Kalimantan Province	10,361.18	2011	Audited (2011)
PT. Laguna Mandiri	Kotabaru District – South Kalimantan Province	15,299.80	2011	Audited (2011)
PT. Tamaco Graha Krida	Morowali District – Central Sulawesi Province	4,145.00	2011	Audited (2011)
PT. Sandika Natapalma	Ketapang District – West Kalimantan Province	8,406.21	2011	Audited (2011)
PT. Budidaya Agrolestari	Ketapang District – West Kalimantan Province	1,002.21 (other area under developed)	2011	Audited (2011)
PT. Mitra Austral Sejahtera	Sanggau District – West Kalimantan Province	8,741.29	2011	Audited (2011)
PT. Padang Palma Permai	Aceh Tamiang and Aceh Timur Districts – Aceh Province	6,451.99	2011	Audited (2011)
PT. Perusahaan Sri Kuala	Aceh Tamiang and Aceh Timur Districts – Aceh Province	1,128.90	2011	Audited (2011)



PT. Perkasa Subur Sakti (PKS Blang Simpo)	Aceh Timur District – Nanggroe Aceh Darussalam Province	6.00	2011	Audited (2011)
PT. Guthrie Peconina Indonesia	Musi Banyuasin District – South Sumatra Province	10,139.91	2011	Audited (2011)

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Certification Body</b>
	<b>PT Mutuagung Lestari</b>
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	Telp. +62-21-8740202
	Fax +62-21-87740745/46
	Website: <a href="http://www.mutucertification.com">www.mutucertification.com</a>
	Email : <a href="mailto:agri@mutucertification.com">agri@mutucertification.com</a>
<b>2.2</b>	<b>Lead Auditor and Audit Team</b>
<b>2.2.1</b>	<b>Audit Team</b>
	<b>Assessment/Audit Team consists of:</b>
<b>ST1</b>	<p>1) <b>Deni A. Novendi (Lead auditor)</b>. A Bachelor of Forestry Science, Majoring in Conservation of Natural Resources. An Ecological and Social Specialist. He was involved in the socio-economic study of River Basin community - Citanduy - Cisanggarung in Ciamis District, West Java, and has over 13 years experience in the field of Planning and Conservation of Forests on forest concessions in Indonesia. Since 2003, he worked for an Independent Certification Institute as an Auditor of Forest Management Certification System (FSC and LEI systems); Chain of Custody, ISO 9001, and the RSPO. He has also conducted several audits for each of these certification systems. In this pre-assessment activity he conducted assessment of legal, social, and environmental aspects.</p> <p>2) <b>Aryo Gustomo (Auditor)</b>. A Bachelor of Agricultural Science majoring in Agronomy, a specialist of Palm Oil Plantation. He has worked in one of palm oil seed producers in Malaysia as a Plant Breeder / Agronomist. He also has worked as a Field Assistant in one of oil palm plantation companies in Indonesia. Currently, he works with an independent certification agency as an auditor. Trainings he has attended are among other: Lead Auditor 14001, Identification and Management of HCV Area, Awareness ISO 9001, and Lead Auditor RSPO. He has been involved in a number of assessment activities in the framework of ISO 9001 certification as an expert, and the RSPO certification as auditor. In this pre-assessment activity, he conducted the assessment of agronomic practices and environmental aspects.</p> <p>3) <b>Muardi Marwas (Observer)</b>. A Bachelor of Agricultural Science majoring in Agronomy and Horticulture. Currently, he works with an independent certification agency.</p>
<b>ST2</b>	<p>1) <b>Aryo Gustomo (Lead Auditor)</b>. A Bachelor of Agricultural Science majoring in Agronomy, a specialist of Palm Oil Plantation. He has worked in one of palm oil seed producers in Malaysia as a Plant Breeder / Agronomist. He also has worked as a Field Assistant in one of oil palm plantation companies in Indonesia. Currently, he works with an independent certification agency as an auditor. Trainings he has attended are among other: Lead Auditor 14001, Identification and Management of HCV Area, Awareness ISO 9001, and Lead Auditor RSPO. He has been involved in a number of assessment activities in the framework of ISO 9001 certification as an expert, and the RSPO certification as auditor. In this pre-assessment activity, he conducted the assessment of agronomic practices and environmental aspects.</p> <p>2) <b>Hera Hendrasana (Auditor)</b>. A Bachelor of Forestry Science majoring in Forest Products Technology. He has been actively involved in some forestry operations in Indonesia, such as: facilitator of Field Assessment of Sustainable Forest Management (PHTL) at PT. Sumatera Riang Lestari, Gap Analysis of Timber Legality Verification Standard at PT. Panca Wana Indonesia - Sidoarjo, PT. Kutai Timber Indonesia - Probolinggo, PT. Putra Sumber Utama Timber - Jambi (2010) Field Assessment of Sustainable Forest Management (PHTL) at PT. RAPP Riau (2010); Field Appraiser of Social Affairs at the Independent Appraisal Company PT. Mutuagung Lestari for Assessment of Forest Management Performance (PHAPL) at PT. Poleko Yubarsons, North Maluku (2009); an Expert for the Study of Identification of Development of Botanical Garden Area in Samosir Regency (2007-2008). He currently works with an independent certification agency. In this main assessment activity, he conducted the assessment of social and legal aspects</p>

	<p><b>3) Henry Marpaung (Auditor).</b> A Bachelor of Agricultural Science majoring in Agrobusiness Management Programs. He has worked as a research assistant for the Center for Study of IPB; In 2004 - 2009 he served as a QMS management representative for PT Surveyor Indonesia, and in 2000 - 2010 he was a consultant of QMS, EMS and OHSAS for PT Surveyor Indonesia. Trainings he has followed are : SMK3 (HSE) Training, IRCA Lead Auditor 9001 Training, HCV Assessment Course, and OHSAS 18001 Lead Auditor Training. Today he has been a professional consultant and an external auditor for PT Mutuagung Lestari since 2010. In this main assessment, he conducted the assessment of HSE and Best Practices aspects.</p>
	<p><b>4) Ibnu Satria Prabudi (Observer).</b> A Bachelor of Agricultural Science majoring in Agro-technology. He is currently working in an independent Certification Body.</p>
	Curriculum Vitae (CV) of the members of the Assessment Team is available at PT Mutuagung Lestari Office.
<b>2.3</b>	<b>Methods of Assessment, Progress, and Field Survey/Visit</b>
<b>2.3.1</b>	Assessment Date
<b>ST1</b>	05-10 April 2010
<b>ST 2</b>	18-23 October 2010
<b>2.3.2</b>	Estimated person-days for the implementation of the assessment
<b>ST1</b>	Number of involved assessors: 3 persons
	Number of days for on-site pre-assessment activities: 5 days
	Number of working days for on-site pre-assessment activities: 15 days
<b>ST 2</b>	Number of involved assessors: 4 persons
	Number of days for on-site pre-assessment activity: 5 days
	Number of person days for on-site pre-assessment activities: 20 days
<b>2.3.3</b>	<b>Detail of Audit Process</b>
<b>ST1</b>	<p>This pre-assessment is aimed at measuring the company's performance level in complying with the RSPO principles and criteria, prior to the main assessment.</p> <p>The assessment was conducted by measuring the adequacy of implementation that has been done by PT Lahan Tani Sakti (LTS) to comply with the requirements of the National Interpretation of the Republic of Indonesia for the Roundtable on Sustainable Palm Oil Principles and Criteria (RSPO INA-NIWG, May 2008). The assessment was conducted in three methods: First Method is review of documents, to assess the adequacy of the type and substance of the required documents, and Second Method is interview, to obtain more detailed information and to cross check document information; and Third Method is field visit, to assess the adequacy of the actual implementation in the field.</p> <p>A number of constructive recommendations from pre-assessment results have been given by the auditor to the company management (LTS), the outputs of which will be the materials of verification on the main assessment process. All the information obtained is recorded in the Checklist of PT Mutuagung Lestari, which is the main attachment to the Assessment Report. In detail, the assessment process is as follows:</p>
	<b>April 5, 2010.</b> The team went from Jakarta to Rokan Hilir, Riau.
	<b>April 6, 2010.</b> In the morning, the team held an Open Meeting in the Meeting Room of Alur Dumai Estate (ADE), attended by Mr. Rihul Fajri (ADE Manager), Mr. Rinno Ferryno (Environmental, Safety and Health Manager for Sumatra area), Mr. Syah Ismail (PJS Factory Manager-ADF) and Mr. Suprianto (Chief of ADE administration) and a number of other related personnel.

	<p>The further process was evaluation of documents. Auditors focused on the review of the company's legality documents, environmental governance documents, social governance documents, and documents on best practices of plantation industry. Auditors were divided into two teams based on the following assessment aspects:</p> <p><b>Team 1 (Deni - Assessment of legal, social, and environmental aspects):</b> It conducted assessment related to land tenure and conflict management affairs (legality of land area); securing of area; employment and wage; implementation of CSR (Corporate Social Responsibility); public complaints handling, and plant waste treatment.</p> <p><b>Team 2 (Aryo and Muardi - Assessment of environmental, agronomic practices and HSE aspects):</b> It conducted assessment of the corporate's long-term plan; assessment of area design; land and water conservation measures; soil fertility maintenance and improvement practices; use and control of chemicals; B3 waste management in the garden, and HSE management system implementation.</p> <p><b>April 7, 2010.</b> Audit team continued its evaluation of the company's documents, followed by an internal meeting to determine sample locations to be visited in the next day. The result of the internal meeting, i.e the determined sites and visit to be conducted was notified to LTS.</p> <p><b>April 8, 2010.</b> The team carried out the site visit that has been planned in advance. Team I (Deni) visited the protected area (HCV), border area, and several villages around the estate. Team II (Aryo and Muardi) visited the Oil Palm Factory (PKS) Alur Dumai, workshops, reservoirs, and areas where fertilizing, pest control and harvesting are performed.</p> <p><b>April 9, 2010.</b> A closing meeting was held in the Meeting Room of Alur Damai Estate (ADE), attended by Mr. Rihul Fajri (ADE Manager), Mr. Rinno Ferryno (Environmental, Safety and Health Manager for Sumatra area), Mr. Syah Ismail (PJS Factory Manager - ADE), Mr. Suprianto (Chief of administration Function of ADE), and a number of other related personnel.</p> <p><b>April 10, 2010.</b> The team returned to Jakarta</p>
<p><b>ST 2</b></p>	<p>The assessment was conducted by verifying the company (LTS)'s implementation of the requirements of the National Interpretation of the Republic of Indonesia of the RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008). The assessment was conducted in three methods: The first method was a public consultation in order to accommodate information related to the company's implementation of RSPO principles and criteria; the second method was the interview / document review in order to obtain more detailed information and cross check; and the Third Method was field visit in order to ensure the adequacy of the company's field implementation.</p> <p>On the first day (October 18, 2010), the audit team arrived in the project site at afternoon and, in the next day (October 19, 2010), it held an opening meeting in the morning followed by a public consultation in the meeting room of PKS Alur Dumai. The public consultation was carried out by involving all relevant stakeholders. The agenda was continued by a review of company's legality documents, environmental governance documents, social governance documents, and documents on best practices of plantation industry. Auditors were divided into three teams based on the aspects of assessment as follows:</p> <p><b>Team I (Aryo - Assessment of environmental and legal aspects):</b> assessment of Management Plan, implementation procedures, soil and water conservation, and biodiversity management (High Conservation Value).</p> <p><b>Team II (Hera and Ibnu - Assessment of social and environmental aspects):</b> assessment of documentations related to legal aspects, area legality, mechanisms of transparency, social conflict management, and employment issues, particularly the implementation of HSE.</p> <p><b>Tim III (Henry - Assessment of aspects of agronomic practices):</b> assessment relating to employment, use and management of chemicals, hazardous material waste (B3) treatment, and integrated pest management.</p> <p>Some findings of the main assessment activities were delivered by the MAL auditor to the management of the company (LTS) for follow up. All information obtained in the assessment were recorded in the Checklist of PT Mutuagung Lestari and be attached to the Assessment Report. In detail the assessment process is as follows:</p>

	<p><b>October 18, 2010.</b> An opening meeting was held in the meeting room of Alur Dumai POM attended by Mr. Rino Ferryno (Environmental, Safety and Health Manager for Sumatra area), Mr. Syah Ismail (PJS Factory Manager Alur Dumai), Mr. Suprianto (Chief of Administration Function of ADE), Mr. Supriyanto (Senior Assistant), Mr. Amirullah Sami (TQEM Staff), Mr. Budi Setiawan (Assistant ADE), Mr. Afrijal (Assistant ADE), and a number of other related personnel. The audit team thereafter conducted an initial document review and evaluation of progress achieved by the company from the pre-assessment activities.</p>
	<p><b>October 19, 2010.</b> The team conducted a public consultation at the meeting room of Alur Dumai POM attended by relevant stakeholders from sub-districts and villages around the company. The audit team then conducted a review of documents and a verification of issues the team received during the public consultation in respect of the company's legality, environmental management, social management, and estates practices.</p>
	<p><b>October 20, 2010.</b> The audit team was still focused on reviewing corporate documents and verifying the issues received during public consultation in respect of the company's legality, environmental management, social management, and estates practices. Based on the results of the document review, the team determined the sites to be visited and the results will be communicated to the operator (LTS).</p>
	<p><b>October 21, 2010.</b> For a full day, the team conducted field visits that have been previously planned by the team and confirmed to the company management (LTS). In the evening, the team conducted an internal meeting to complete the checklist and discussed the audit findings.</p>
	<p><b>October 22, 2010.</b> Morning to noon, the team continued the discussion of the findings during the audit. And in the afternoon, the team held a closing meeting at the meeting room of the Office of Alur Dumai Estate, which was attended by Mr. Rihul Fajri (ADE Manager), Mr. Rinno Ferryno (Environmental, Safety and Health Manager for Sumatra Area), Mr. Syah Ismail (PJS Factory Manager-ADF) and Mr. Suprianto (Chief of Administrative Dept of ADE) and a number of other related personnel.</p>
	<p><b>October 23, 2010.</b> The team returned to Jakarta</p>
<b>2.3.4</b>	<b>Assessed Location Samples</b>
<b>ST1</b>	<p>The sampling locations which selected by Audit Team based on :</p> <ol style="list-style-type: none"> <li>1. The number of locations is determined by the formula <math>0.8 \sqrt{y}</math>, e.g: 12 villages around PT LTS, then the number of villages visited based on such formula is 3-4 villages.</li> <li>2. The selected sites represent each of working areas.</li> <li>3. Fundamental and crucial issues found on the document review result.</li> </ol> <p>In detail, the locations visited are as follows:</p>
	<p><b>Site 1 – Pest Control House.</b> Observation and interview on pest control procedures, pest control workers' use of personal protective equipment, and herbicide waste treatment.</p>
	<p><b>Site 2 – Genset House.</b> Observation on genset operation system and environmental pollution control.</p>
	<p><b>Site 3 - Block G47.</b> Observation on pest control activities using herbicide Trap and Audit. Interview with spraying foreman (Mr. Yajid Hasan) on the appropriate herbicide spraying procedures, pest control workers' use of PPE, herbicide dosage, environmentally-friendly way of pest control, policy of not employing child-workers, and policy of not employing pregnant and breeding women in pest control activities.</p>
	<p><b>Site 4 - Block J50.</b> Observation on fertilization. Interview with fertility foreman (Mr. J. Sitorus) on fertility techniques and fertility workers' use of PPE.</p>
	<p><b>Site 5 - Block J52.</b> Harvesting. Interview with harvest foreman (Mr. SURIANTO) about harvesting activities, workers' use of PPE, wage and work performance.</p>
	<p><b>Site 6 - Reservoir in Block G09.</b> Observation on management of area around the reservoir.</p>
	<p><b>Site 7 - ADE Central Warehouse.</b> Observation on storage points of chemical, spare parts, diesel fuel tanks; Interview with warehouse worker (Mr. Widodo) on acceptance and expenditure systems of chemicals, implementation of HSE for warehouse personnel, and availability of fire extinguishers around the warehouse.</p>
	<p><b>Site 8 – ADE Workshop.</b> Interview with workshop officer (Mr. Jamal) on routine activities in workshop, implementation of HSE, and B3 waste treatment (used oil, diesel fuel filters, etc.)</p>
	<p><b>Site 9 – ADF Factory.</b> Observation on factory operations (fruit acceptance, fruit processing, oil storage, etc.); temporary storage of B3 waste, and treatment of waste, pollution and emissions at the plant.</p>

	<p><b>Site 10 - Bakti Bahtera Village.</b> Interview with Mr. Suheri on land conflict, company social impacts, and confirmation of traditional rights.</p> <p><b>Site 11 - T56 Division I.</b> Observation on Area defined as HCV-1.</p> <p><b>Site 12 – Srikayangan Village.</b> Interview with the Chief of Dusun Srikayangan on clarity of boundary areas, compensation of land, traditional rights, and local culture.</p> <p><b>Site 13 - T49.</b> Observation on area defined as HCV-5.</p> <p><b>Site 14 – Boundary Pole No. 171.</b> Observation on the boundary between the LTS and PTPN V Tanjung Medan.</p>
<b>ST 2</b>	<p>The sampling locations which selected by Audit Team based on :</p> <ol style="list-style-type: none"> <li>1. The number of locations is determined by the formula <math>0.8 \sqrt{y}</math>, e.g: 12 villages around PT LTS, then the number of villages visited based on such formula is 3-4 villages.</li> <li>2. The selected sites represent each of working areas.</li> <li>3. Fundamental and crucial issues found on the document review result.</li> </ol> <p>In detail, the locations visited are as follows:</p>
	<p><b>Site 1 – Boundary Pole No. 171.</b> Observation on the boundary between the LTS and PTPN V Tanjung Medan.</p> <p><b>Site 2 – Srikayangan Village.</b> Interview with Secretary of Srikayangan Village and the surrounding community on public involvement in the settlement of land conflicts.</p> <p><b>Site 3 - Bakti Makmur Village.</b> Observation and interview on the involvement of land conflicts, customary rights and Corporate Social Responsibility (CSR) program.</p> <p><b>Site 4 – Pujut Sub-district Office.</b> Observation on the customary rights and involvement of government agency in company's CSR programs.</p> <p><b>Site 5 – ADE Workshop.</b> Observation on the management of Toxic and Hazardous waste (B3) and review of the existence of a tank of diesel, and watching simulation of land fire emergency response by fire fighting team of PT LTS.</p> <p><b>Site 6 – Chemical and B3 Waste Warehouses.</b> Observation of handling of B3 materials and B3 waste.</p>
	<p><b>Site 7 – BSS House (Block Spraying System).</b> Observation on spraying procedures, implementation of occupational Health and Safety management system and the handling of B3 waste treatment.</p> <p><b>Site 8 - Blocks G 50 and F 50.</b> Observation on the activities carried out on sloping areas and assessment of the progress of conversion area management.</p> <p><b>Site 9 - Block G 12; E 10; M 08; N 01.</b> Observation of HCV area and potential HCV areas.</p> <p><b>Site 10 – ADE Garden Area.</b> Observation and interview on the harvesting, spraying and fertilizing activities.</p> <p><b>Site 11 – PKS Alur Dumai.</b> Observation on factory operations (acceptance of fruits, fruit processing, temporary warehouse of B3 materials, and waste, pollution and emissions treatments at the factory.</p>
<b>2.4</b>	<b>Public Consultation and List of Stakeholders Contacted</b>
<b>2.4.1</b>	<b>Summary of Public Consultation Process</b>
	<p>Public consultation was carried out with several methods:</p> <ol style="list-style-type: none"> <li>1) Upload the public consultation announcements via RSPO website. No written input was received.</li> <li>2) Hold public meetings with stakeholders in the project site. There were 42 stakeholders invited to provide input. Public consultation with stakeholders was held on October 19, 2010 in the meeting room of PKS Alur Dumai.</li> </ol>
<b>2.5</b>	<b>Determination of Next Visits</b>
	<p>The time for the next visit will be determined after obtaining approval from the RSPO secretariat or 12 months after the issue of the certificate.</p>

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings, Corrective Action, and Observation

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
2010.01	NI-INANIWG Major 1.1.1; Major 1.1.2; Minor 2.2.2; Major 6.2.1; Major 6.3.1	<p><b>Procedure of handling complaints</b> - The company has a mechanism to receive and respond to information requests listed in the communication procedures and consultation/Handling Complaints Community, where information requests or complaints from stakeholders will be taken by the Manager in accordance with its authority.</p> <p>However, the procedure has not been clearly detailed the level of authority of the manager, and the response to information request deadline has not been firmly established. The records of Actual and Land Compensation Program (up to March 2010) shows that there are numerous cases of land claims by the community (148.70 ha) that have not been responded.</p>	NC	Companies should review the procedures of communication and consultation that has been made, so that more clear in the level of authority of Manager and the deadline of responses to requests for information / complaints / claims of stakeholders	Prior to assessment activity	In the procedure (SOP Communication and Consultation with the Community) Manager has an authority to communicate with stakeholders when there are those who need the data of HGU, EIA, OHS, environmental and human population data, as well as the procedure has been determined the time limit to responses the information request.	Closed	21-Oct-10
2010.02	NI-INANIWG Major 1.1.3; Major 1.2.2	<p><b>Retention Time of Records of Stakeholders' Request for Information and Company Response</b> – A mechanism to receive and respond to the requests for information has been made available,</p>	NC	The procedures for public complaints handling should be reviewed.	Prior to surveillance activity	The retaining time of the records of the request for and response to the information has been defined in the SOP of Documents Control (RSPO / P & C)	Closed	21-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		but it did not provide the retention time of the records of the stakeholders' request for information and company's response based on their interests.						
2010.03	NI-INANIWG Major 1.2.1	Information for public - Company has information available for public related to legal issues (HGU certificates), environmental issues (revised RKL / RPL documents), social activities (company's contributions of road repair, sacrifice livestock, educational facilities), implementation of the Occupational Health and Safety system, and sustainable improvement documents (identification of HCV). However, it is not sufficient evidence that the said documents are accessible to the public.	NC	A policy should be established in order to ensure the availability of information documents relating to the company's legal issues, environmental issues, social activities, health and safety, and continuous improvement, for the public.	Prior to surveillance activity	Types of documents accessible to the public are listed in the SOP for Communication and Consultation.	Closed	21-Oct-10
2010.04	NI-INANIWG 2.1	<b>Compliance with the prevailing laws and regulations</b> – LTS has a List of Laws and Regulations in respect of palm oil plantation and plant activities. However, which articles that LTS shall fulfill have not been identified and evaluated in term of the level of compliance.	NC	The organization should provide a proof of identification and evaluation of compliance with all applicable legal requirements relating to the company's plantation activities, among others: delineation of protected areas according to the provisions of Presidential Decree No. 32 of 1990, and so on.	Prior to surveillance activity	The organization has kept a list of documented regulations and regulatory compliance evaluation mechanism; the evidences of the company's compliance are, among other: 50 m delineation of buffer zone in the reservoir area in accordance with Presidential Decree No. 32 of 1990. But there are some relevant regulations that the company has not fulfilled yet, for	Open (minor)	Prior to surveillance activity



No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
						example: 1) PT LTS's B3 waste storage point has not been approved by the competent authority as required by Government Regulation No. 18 of 1999 on B3 Waste Treatment; 2) submission of the RKL / RPL report to the relevant authority has not been performed at semester basis as required by the Decree of the Minister for Environmental Affairs No. 45 of 2005 on Guidelines for Compilation of RKL / RPL documents.		
2010.05	NI-INANIWG Major 2.2.2	<b>Boundary Pole</b> - There have been physical evidence showing that LTS has been doing maintenance and reconstruction of the boundary in the field. However, the results of the activities have not been documented, and boundaries that are not in accordance with applicable regulations are found. For example: Boundary Mo. BPN LTS 171 (border line between PT LTS and PTPN V Tanjung Medan).	CFA	The organization should document the results of inspection and maintenance of boundary poles and direct the boundary poles according to the prevailing rules and regulations. The company is highly encouraged to involve the parties surrounding the border area in the boundary poles construction.	Prior to surveillance activity	The Management Unit of PT LTS has documented the result of the boundary pole monitoring, supervision and care activities (BPN)	Closed	21-Oct-10
2010.06	NI-INANIWG Major 2.2.3; Minor 2.2.1;	<b>Completeness of land conflict settlement evidence</b> – The company has no sufficient evidence in the	CFA	The company is highly encouraged to make available all records of land	Prior to surveillance activity	The company was unable to present the whole records of the agreed indemnity process	Open (CFA)	Prior to surveillance activity

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
	Minor 6.4.2	whole recording process of land dispute settlement in the form of the minutes of the meetings with the claimants, offer price; measurement results, and agreement of both parties. For example: the minutes of meeting with Mr. Aswan Cs for claim of an area sizing 18.65 ha in Sri Kayangan Village are not available.		compensation process in the site.		that has been completed in full.		
2010.07	NI-INANIWG 2.3	<b>Traditional ownership rights</b> - LTS has legal proof of land tenure in the form of HGU Certificates No. 03 and 04 year 2001, in a total area of 3,759.014 ha. In that area, an identification of social impact has been conducted (Report of January 2010), but it did not clearly identify whether the traditional ownership rights are available or not, while the AMDAL documents 1994 identifies the significant role of traditional institution (nirik-mamak).	CFA	The company must do coordination with relevant / competent authorities to obtain additional references associated with the traditional ownership rights of land in order to convince the stakeholders that no traditional ownership rights on land within LTS area is available.	Prior to surveillance activity	The Management Unit of PT LTS has clarified to the apparatus (kepenghuluan) of Sri Kayangan and Pondok Kresek villages through the Estate Manager Letter No. LTS/RSPO/04/X/10/2010 dated October 8, 2010 regarding the traditional ownership rights on land, and it was declared that no traditional ownership rights on land within the working area of PT LTS	Closed	21-Oct-10
2010.08	NI-INANIWG Minor 3.1.1;	<b>Replanting Program Evaluation</b> – The company has a long-term work plan and replanting program, but there is no enough evidence that such replanting program is evaluated at annual basis, for example: land suitability study, positive and negative impacts on the environment / social, annual production trend, and so on.	NC	The organization shall review its replanting program at annual basis, which consists of: land suitability survey, positive and negative impacts on the environment / social, annual production trend, etc.	Prior to surveillance activity	The company has made a study in the form of Justification of appropriate palm replanting as per the long range replanting programme 2010-2030 in Alur Dumai Estate, which includes the reason for replanting by taking into account the historical data	Closed	21-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
						of plant populations per hectare and the achievement of production capacity per hectare. The company also has found a material / plant sources that generate the potential production of 30 tons / hectare.		
2010.09	NI-INANIWG Major 4.1.2	<b>Factory SOP Ratification</b> - Organization has established the SOPs for factory operations, including: Operational Administrative Procedures, Technical Guidelines for Factory Volume I and Volume II. But such documents have not been ratified by the competent authority.	CFA	The organization is highly encouraged to have the ratification of the factory's SOP documents from the competent authority.	Prior to surveillance activity	The company has obtained approval for its factory SOP in the form of a Memorandum from the Head of Minamas Plantation No.: POD-UM-154/VII/2010, dated July 26, 2010, concerning Determination of Technical Guidelines for Palm Oil Factory.	Closed	21-Oct-10
2010.10	NI-INANIWG 4.2	<b>Soil and Leaf Analysis</b> – Some efforts have been made by the company to maintain soil fertility through fertilizing, application of empty bunches and beans planting system. But the company has not been able to show the results of the periodical analysis of soil and leaf.	NC	The organization must be able to demonstrate the results of the periodical soil and leaf analysis.	Prior to surveillance activity	The organization has shown the records of leaf analysis result, and proposal of soil fertility survey. But it has no sufficient evidence of the periodical soil analysis it has done.	Open (minor)	Prior to surveillance activity
2010.11	NI-INANIWG Minor 4.2.2	<b>Evaluation of records of soil fertility improvement and maintenance activities</b> – The organization has records of monitoring of soil fertility maintenance	CFA	The organization should evaluate the records of soil fertility maintenance and improvement efforts in order to obtain optimal	Prior to surveillance activity	The organization was able to provide evidence of the evaluation result of soil fertility maintenance activity as contained in the Manager	Closed	21-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		and improvement activities, for example: Daily Fertilizing Monitoring, Planning & Realization of Fertilization, Monthly Effluent Application Data, etc. However, such activities have not been evaluated in order to reach optimal results.		results, for example: evaluation of records of fertilization monitoring, Fertilizing Program Plan and Realization, Effluent application data, etc.		Report.		
2010.12	NI-INANIWG Minor 4.3.1 Minor 7.4.1	<b>Marginal land map</b> – A marginal land map with adequate scale covering the areas with planting year before and after 2005 has not been made available.	NC	The organization should provide the marginal land map in a sufficient scale.	Prior to surveillance activity	The organization has presented the Land Map and Slope Soil Class Map as listed in the HCV Identification document.	Closed	21-Oct-10
2010.13	NI-INANIWG 4.4	<b>Reservoirs and water quality</b> - From the field visit, a buffer zone around the reservoir near the plant was found to have not been managed properly according to the prevailing rules on protected areas and relevant regulations (Presidential Decree No. 32/1990). For example: determination of buffer zone, buffer zone protection efforts without cultivation activities, etc. And the organization has not conducted water quality testing for domestic households and monitored wells based on the health and environmental quality standards.	NC	The organization should manage the buffer area in accordance with the prevailing rules of protected areas and relevant regulations, and conduct water quality testing for domestic households and monitored wells based on the health and environmental quality standards.	Prior to surveillance activity	The organization has established a reservoir area management program, and has also conducted a testing of water quality of household and monitored wells, and an evaluation of the water quality test has been conducted as per the predetermined quality standards.	Closed	21-Oct-10
2010.14	NI-INANIWG 4.5	<b>PHT Training and Pesticide Toxicity Monitoring</b> - The organization has been implementing the integrated	NC	The organization must provide PHT training to its pest control workers, and	Prior to surveillance activity	An evidence of PHT training activity held on August 31, 2010 for workers was available	Closed	21-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		pest management with a combination of biological and chemical pest controls. However, PHT training has not been given to workers and pesticide toxicity monitoring (active material/LD50 per tonne of FFB or per hectare) has not been conducted.		conduct monitoring of pesticide toxicity.		in the form of the attendance list of 11 participants. The monitoring of the use of pesticides has also been conducted as indicated in the 2010 Pesticide Use Monitoring document.		
2010.15	NI-INANIWG 4.6; 5.3	<b>B3 waste management</b> – The organisation has established the B3 waste storage procedures, but these procedures did not explain procedures for the treatment of pesticide container waste and other chemicals waste in accordance with the prevailing laws and regulations.	NC	The organization should review the B3 waste storage procedures by explaining the method of treatments of pesticide packaging waste and other chemical waste in accordance with the prevailing laws and regulations.	Prior to surveillance activity	The organization has completed its B3 waste storage with procedures for treatments of pesticides packaging waste and other chemical waste according to the prevailing regulations.	Closed	21-Oct-10
2010.16	NI-INANIWG Major 4.6.2	<b>Records of pesticide use</b> – The organization has pesticide use record in the form of Spraying Guidance Book, but it did not specify the dosage per hectare and the type of weeds being sprayed.	CFA	The company should complete the records of the use of pesticides, such as: providing the doses per hectare and the types of the sprayed weeds in the Pest Control Guidance Book.	Prior to surveillance activity	A pesticide application document which specifies the dosage of pesticide per hectare dose has been made available as contained in the Spray Foreman Performance Book.	Closed	21-Oct-10
2010.17	NI-INANIWG Major 4.6.3	<b>Evidence of training for the spraying team</b> - Based on information from assistant to division and foreman of spray, the company has provided the spray team with	CFA	The organization is recommended to make available the data of agro-chemical use training to the spray team, for	Prior to surveillance activity	An evidence of technical and HSE training on pest control dated April 5, 2009 attended by 11 participants (pest control foreman and pest control	Closed	21-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		training on the application of agro-chemical materials, but no evidence is found.		example minutes of training and attendance list.		operators) has been made available by the company.		
2010.18	NI-INANIWG 4.7	<b>Emergency response simulation</b> – The company has established an emergency response system in the form of procedure and drill of fire emergency response, but simulation of fire and earthquake has not been conducted, and evacuation directions within the office and factory buildings have not been made available.	NC	The organization need to do a simulation of fire and earthquake emergency response, and establish directive mark of evacuation within the office and factory buildings.	Prior to surveillance activity	The emergency response simulation attended by 18 participants (assistants, team commanders, and security guards) has been conducted on June 8, 2010, and such simulation has been evaluated. Directions of evacuation within the estate and factory offices have also been established.	Closed	21-Oct-10
2010.19	NI-INANIWG 4.8	<b>Continuous training programs for staff and employees</b> – The company was unable to demonstrate a continuous training program for its staff and employees based on their respective competence, and it also was unable to show records on training result and proof of use of trained contractors.	NC	The organization must be able to demonstrate a continuous training program for staff and employees based on their respective competence and position, and show records of the training and documents of the use of trained contractors.	Prior to surveillance activity	The training program for staffs, workers, and contractors has been established, and records in respect of the training have been made available. The evidence of the company's use of trained contractor has also been presented by the company.	Closed	21-Oct-10
2010.20	NI-INANIWG 5.1 ; 5.2	<b>Monitoring and management of impacts on biodiversity</b> - the organization has established the revised RKL / RPL documents that have been endorsed by BAPEDALDA of Rokan Hilir District under a Decision No.	NC	The organization should make available the biodiversity management and monitoring documents, particularly those protected species whose presence has been identified in LTS'	Prior to surveillance activity	The monitoring and management plan of impacts on biodiversity has been established as listed in the Biodiversity Action Plan of Minamas Plantation Alur Dumai Estate.	Closed	21-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		666.1/AMDAL-BAPEDALDA / 2008/63 dated 16 April 2008. However, such documents did not contain monitoring and managing plan of potential impacts on biodiversity (flora and fauna). In fact, based on the document of Identification of High Conservation Value (HCV) in January 2010, a number of species were found as included in Appendix II to CITES, namely: six species of birds, 3 species of mammals and 3 species of reptiles, and also those species included in Appendix I to CITES, forest cat ( <i>Prionailurus bengalensis</i> ) and senyulong crocodile ( <i>Tomistoma schlegelii</i> ).		working area.				
2010.21	NI-INANIWG Major 5.1.2; Minor 6.1.3; Minor 7.1.1	<b>RKL / RPL Reporting</b> – The organization has prepared regular report (quarterly) up to the period of December 2009. However, the report did not cover the management of identified significant environmental impacts as set forth in Chapter VI of RKL / RPL documents, among others: (1) the management of erosion and sedimentation, (2) air quality and noise problems, (3) surface water quality problems, (4) potential land fire, (5) the opening of job and business opportunities, (6) damage to rural roads, (7) impaired health of	NC	The organization should review the substance of the RKL / RPL reports; make sure that the monitored and managed parameters are in accordance with that stated in the RKL / RPL documents; incorporate all management and monitoring aspects of environmental and social impacts.	Prior to surveillance activity	RKL / RPL reports have been completed by the company according to several parameters as listed in the revised RKL / RPL documents, but it did not specify parameter of management of erosion and sedimentation. The company is encouraged to complete its RKL / RPL report by specifying the erosion and sedimentation management system as specified in the revised RKL / RPL documents.	Open (CFA)	Prior to surveillance activity

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		environment and society, and (8) public health.						
2010.22	NI-INANIWG Major 5.2.1	<b>HCV determination process</b> - The organization has shown a proof of identification and determination of HCV in the working area of LTS according to the applicable stages of process, inter alia: identification, consultation, public hearing and decision making. However, it is not sufficient evidence that the public hearing already conducted has involved NGOs and relevant research institutions.	CFA	The company is highly encouraged to make available evidence of involvement of NGOs and relevant research institutions in the public hearing of HCV area determination process.	Prior to surveillance activity	A sufficient evidence of public hearing process involving NGOs and relevant research institutions in the framework of HCV area determination has not been presented by the company. The company is encouraged to make available the sufficient evidence of public hearing that involves NGOs and relevant research institutions in the framework of HCV area determination.	Open (CFA)	Prior to surveillance activity
2010.23	NI-INANIWG Major 5.2.3; Minor 5.2.1	<b>Species protection efforts</b> - The company has shown its efforts to protect rare and threatened species, among other by way of installation of information boards and hunting prohibition policy in strategic locations. However, the policy of hunting and poisoning prohibition did not explain the legal basis.	CFA	The company is highly encouraged to equip every information board, which contains the prohibition (animal hunting, poisoning, etc.) by stating a clear legal basis.	Prior to surveillance activity	The information boards about the ban on animal hunting, fish poison, etc. completed with its legal basis have been fulfilled by the company. For example: Information board in Block G12 which specifies the Law No. 5 of 1990	Closed	21-Oct-10
2010.24	NI-INANIWG Minor 5.2.2	<b>Trained personnel for the species management</b> – The company has not shown evidence that it has appointed special trained officers in order to ensure the implementation of the management of rare and threatened species in LTS area.	NC	The organization should appoint special and trained personnel in order to ensure the protection of rare and threatened species.	Prior to surveillance activity	The company has appointed Mr. Dedi Suheri as a special officer for the management of rare and threatened species. But no sufficient evidence was presented as to whether such officer has been trained.	Open (minor)	Prior to surveillance activity



No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
2010.25	NI-INANIWG 5.3; 5.6	<b>Identification of sources of waste and contamination, pollution and emission</b> – The company has not identified sources of waste and contamination, pollution and emission in any work.	NC	The organization should identify sources of waste and contamination, pollution and emissions in each work done.	Prior to surveillance activity	The records of identification of sources of waste and contamination, pollution and emission within the estate and plant areas have been made available.	Closed	21-Oct-10
2010.26	NI-INANIWG Minor 5.3.2	<b>Recording of B3 waste in the warehouse</b> – Records of volume of B3 waste stored in warehouses of factory and estate were unavailable.	CFA	The company is highly encouraged to record the volume of B3 waste stored in the factory and estate warehouses.	Prior to surveillance activity	The volume of B3 waste within the estate and factory areas has been recorded, for example: documents of treatments of used batteries, old lubricants, unused container of pesticide, etc.	Closed	21-Oct-10
2010.27	NI-INANIWG 5.4	<b>Renewable energy</b> – Records of monitoring of the use of renewable energy and analysis of efficiency (energy / tonne of CPO, or energy / tonne of palm oil products) were unavailable.	NC	The organization should provide the record of the renewable energy use monitoring and efficiency of analysis (energy / tonne of CPO, or energy / tonne of palm oil products).	Prior to surveillance activity	The renewable energy monitoring records have been made available, for example: Renewable Energy Data of Alur Dumai Factory 2009/2010, and the analysis output of the efficiency thereof has been available.	Closed	21-Oct-10
2010.28	NI-INANIWG Minor 5.6.2	<b>Waste pond management procedure</b> - The organization has established records of identification, monitoring, and methodology of POME management, but it has not established a waste pond management procedure.	CFA	The company should establish working procedures of waste pond treatment.	Prior to surveillance activity	Waste ponds management system has been made available by the company in the form of a SOP for Effluent Treatment Plant.	Closed	20-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
2010.29	NI-INANIWG 6.1	<b>Social impact documentation</b> - The organization has established Social Impact Assessment Report of Oil Palm Plantation Management in PT. Lahan Tani Sakti (LTS) Riau, January 2010. However, the report did not present a detailed social impact parameter.	NC	The organization should be able to present the social impact assessment result of estate management with a detailed parameter; prepare its management plan by involving the affected parties.	Prior to surveillance activity	The social impact analysis output has covered the detailed parameters, inter alia: the conditions of economic, roads, environmental and social facilities, education, health, unemployment and poverty levels. Social impact management plan involving the affected parties was available as listed in the Revised RKL / RPL Documents 2007.	Closed	20-Oct-10
2010.30	NI-INANIWG Minor 6.2.1	<b>List of stakeholders</b> – The organization has established a List of Stakeholders at provincial level (Governor), district level (Local Manpower Office, Agriculture and Plantation Office, etc.), sub-district and village administrations (kepenghuluan), contractors, community leaders, and buyer, but it does not include NGOs and other companies around the company.	CFA	The company should identify and incorporate non-governmental organizations (NGOs) and other neighborhood companies into the List of Stakeholders.	Prior to surveillance activity	A list of stakeholders has been established, which includes: local government, provincial government, transportation agency, NGOs, Suppliers / contractors, buyers, community organization, educational facilities, banking, neighbor companies, etc. This list was compiled systematically.	Closed	22-Oct-10
2010.31	NI-INANIWG Minor 6.5.2	<b>Cooperation agreement with contractors</b> – The organization has required its contractors to meet the HSE programs (e.g: Article 7 of Agreement of Road Pilling Work No.: ADE / LKL / XI / 2009/008 - Teriono Gepeng), but there is no sufficient evidence that the company's work	CFA	The company is encouraged to ensure that each work agreement with contractor has required the contractor to comply with the prevailing employment laws and regulations.	Prior to surveillance activity	A sufficient evidence of work agreement between the company and its contractor for which the contractor has to comply with the prevailing employment regulations (Law No.13 of 2003) has not been presented by the company.	Open (CFA)	Prior to surveillance activity

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		agreements with its contractors contain compliance with employment laws (Law No. 13 of 2003).						
2010.32	NI-INANIWG Major 6.8.1	<b>Discrimination</b> – It was evidenced that the organization's policies have not fully taken into account the elimination of discrimination based on nationality. This was indicated in Article 16, Paragraph 1.2.1 of the Company's Collective Labor Agreement 2007-2009 where the prospective workers of the company shall be "Indonesian Citizen".	CFA	The organization should review its policy on recruitment in order eliminate discrimination of any kind.	Prior to surveillance activity	Based on information from the Chairman of Trade Union of PT LTS' Plantation and Factory, the company's recruitment policy specifying that the prospective employee shall be Indonesian citizen, was aimed at providing Indonesian citizens with a priority of employment opportunities for office staff position, not aimed at discriminating the expatriates.	Closed	22-Oct-10
2010.33	NI-INANIWG Minor 6.9.1	<b>Efforts to prevent sexual harassment</b> – The company's policy of sexual harassment prevention has been available in the 2007-2009 CLA (Article 30 paragraph 2.4.4.e) with employment termination sanction. However, the company is encouraged to develop a more preventive implementation in order to avoid employment termination.	CFA	The company should develop the means and media of sexual harassment prevention in the work place and socialize them to all workers.	Prior to surveillance activity	Based on information from the Chairman of Trade Union of PT LTS' Plantation and Factory, the employment termination sanction was imposed to those employees committing sexual harassment. And the company has formed a gender committee with functions of socializing and dealing with gender issues including sexual harassment.	Closed	22-Oct-10
2010.34	NI-INANIWG Minor 6.11.1	<b>CSR Program</b> – CRS Program Implementation Summary (July 2008 to January 2010) was available, which	CFA	The company is highly recommended to prepare CSR program as a planned	Prior to surveillance activity	Records of the company's contributions to the local development activities can be	Closed	22-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		describes the company's response to the community's incidental requests for assistance (e.g.: road repair, building materials for praying centers, etc.). However, all types of contributions recorded are basically not a planned inspiration obtained based on the results of consultation with local community or affected, including consideration of gender issues.		program based on local community consultation result, and jointly identify the community own priority and needs including the difference of needs according to gender.		seen from the Company's CSR Program Implementation Summary. A long-term CSR action plan has also been established by the company, which can be seen from the attendance list and minutes of company's CSR program meeting for period 2010/2011.		
2010.35	NI-INNIWG Major 7.3.2	<b>New developing area planning map</b> – The company has no map of plan and realization of new developing area in accordance with the identification of HCV.	NC	The company should make available a new developing land plan and realization map in accordance with the identification of HCV.	Prior to surveillance activity	The planning and realization map of new developing area conducted since 2006 has been made available; and the organization recognized that the said map was not based on the identification of HCV area due to the fact that the new HCV area identification activity was just conducted in January 2010. However, the organization has planned to delineate areas identified as HCV area and to implement the recommendations from the HCV identification result.	Closed	21-Oct-10
2010.36	NI-INNIWG Major 7.5.2	<b>Socialization of new developing land plan</b> – The organization has not conducted the socialization of the proposed new developing land for	NC	The organization should socialize the new developing land plan.	Prior to surveillance activity	The documented socialization of the proposed new developing area has been made available as listed in the	Closed	21-Oct-10

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		plantation after 2005.				Revised RKL / RPL Documents 2008 of PT Lahan Tani Sakti.		
2010.37	NI-INNIWG Major 8.1.1	<b>Action plan monitoring of environmental and social impacts</b> has not been fully implemented, for example: waste management plan.	NC	The organization should establish an action plan of environmental and social impacts monitoring.	Prior to surveillance activity	The action plan of environmental and social monitoring has been implemented by the company as listed in the RKL / RPL Reports and has covered the implementation of waste management plan, such as monitoring of BOD of wastewater, air quality monitoring, etc.	Closed	21-Oct-10
2010.38	Major 2.2.2	<b>Legal proof of boundary pole</b> - There has been a legal evidence of boundary area in the form of HGU pole listed in the Land Plot Map issued by the BPN (National Land Agency), and the company has monitored the HGU pole since May 2010 - September 2010. Based on the monitoring, 462 poles of the total 627 poles (74%) were lost, and the company has not conducted maintenance effort of such poles, although an action plan for maintenance and repair of HGU poles has been established by the company.	Minor	Company must ensure that the established action plan of HGU pole maintenance and improvement has been realized within the stipulated timeframe.	Prior to surveillance activity			
2010.39	Major 2.2.3	<b>Land dispute settlement</b> - there was a dispute of land with a total area of 268.2 hectares in LTS area, and	Major	The organization should proof that the disputed area of 148.7 hectares has been	Prior to the issue of certificate	The organization has sent a proof of improvement effort to the auditor on March 22, 2011,	Open (Minor)	Prior to surveillance activity

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		119.53 hectares have been resolved through a compensation system, the latest compensation process took place in 2008. But up to the date of this main assessment there was still a land dispute in a total area of 148.7 hectares without the settlement evidence or settlement progress agreed by the parties.		resolved or settlement progress of the disputed land has been documented.		in the form of a written agreement between LTS and the people of Sri Kayangan Village in respect of the land with a total area of 148.7 hectares in Alur Dumai Estate. The meeting was held on March 21, 2011. The meeting has reached the following agreements: the local people having the ownership rights on land within the occupation area were not willing to receive compensation, and the company will not develop the said land. However, the audit team was of the opinion that a further verification is required by conducting interview with a number of parties involved in the agreement at least at the time of surveillance activities.		
2010.40	Minor 4.7.3	<b>Risk analysis</b> – The company has established a risk analysis document for factory activity, but it did not specify high-risk activities, such as: FFB grading activities at the loading ramp station; And it was found that the company has not fully implemented the risk analysis results sepecified in the HIRAC documents, for example:	CFA	The company is highly recommended to review the HIRAC documents and ensure that all risk analysis results have been implemented properly.	Prior to surveillance activity			

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		gas testing permit in steam cleaning up activities at the boiling station.						
2010.41	Minor 5.2.1	<b>Poster or warning signs</b> - Based on the field visit, there were some areas of HCV that have no warning signs or posters as a form of socialization to all employees and the community, for example at Block T49 Division 3 which is identified as HCV 1 and 5 area; and Block T56 which is identified as potential HCV 1 area.	CFA	The organization is strongly advised to put up posters or warning signs in all areas identified as HCV area. For example: Block T49 (HCV1 and 5) and Block T56 (potential HCV 1).	Prior to surveillance activity			
2010.42	Major 5.5.3	<b>Land fire prevention procedure</b> - the company has established the land fire prevention procedure in the form of a documented Land Fire Procedure, but this document did not fully provide some related matters, for example: the details of early information of fire, mechanism, personnel in charge, and minimum equipment of fire fighting.	Minor	The company should perfect the existing Land Fire Fighting Procedure and socialize it in effective manner.	Prior to surveillance activity			
2010.43	Minor 6.1.3	<b>Environmental management and monitoring (RKL) reports</b> – It was found that the company's RKL reporting was not in accordance with the relevant regulations (i.e: at semester basis). For example: the company has submitted its RKL / RPL Report for 1 <sup>st</sup> and 2 <sup>nd</sup> semesters of 2009 to Bapedalda of Rokan Hilir	Minor	The company must submit its RKL / RPL report to the local BAPEDALDA office in accordance with the prevailing regulations (i.e.: 6 months).	Prior to surveillance activity			

No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		District in June 2010, and the company's RKL / RPL report for the 1st semester of 2010 has not been delivered to Bapedalda of Rokan Hilir District until the date of this main assessment.						
2010.44	Minor 6.2.3	<b>Public consultation and communication officer-</b> Based on the SOP of Public Communications and Consultation, the company's officer who is responsible for performing the public communication activity is the garden manager, but the company admitted that so far the public communication and consultation duties were carried out by the administration function head. Based on field visits, the community does not know clearly the person who is appointed by the company to communicate with the public.	CFA	A special officer in charge of public communication should be appointed, and the same should be informed to the community.	Prior to surveillance activity			
2010.45	Major 6.3.1	<b>Complaints handling system</b> - The company has established a mechanism for public complaints handling as listed in the SOP for Complaints Handling, and the company admitted that such mechanism has been socialized to the community (village government apparatus). However, based on field visit, the community was not fully	CFA	An effective socialization of community complaint handling procedures should be made.	Prior to surveillance activity			



No.	Ref Std/ Indicator	Non-conformances	Grade	Recommended Corrective Actions	Deadline	Observation	Status	Closing date
		aware to that mechanism, for example: Sri Kayangan village's secretary.						
2010.46	NI-INNIWG Major 7.2.1 Major 7.2.2	<b>Land suitability survey</b> – The organization was still unable to provide land suitability records from the new planting area survey conducted since 2006 to 2010; and records of the implementation of new developing land based on the land suitability survey were not available.	Major	Records of the 2006-2010 land suitability survey in the new developing land should be made available.	Prior to the issue of certificate	The documented proposal of the soil fertility survey has been made available by the company. The proposed soil fertility survey was planned to be conducted in July 2010 to January 2011. However, the audit team was of the opinion that the company has no sufficient evidence of records of the periodical soil analysis result. The organization should immediately conduct the proposed soil fertility survey and provide the auditor team with the documented result of the said survey.	Open (Minor)	

3.2 Issues that arise from the stakeholders, Company and Auditor Responses				
PKS Alur Dumai Site	Public Consultation Results			
	Public Issues	Positive/ Negative	Comments	Mutuagung's Response
Pujud Sub-district Chief	CSR Program Implementation	Negative	The company's implementation of CSR program constituted a contribution to the government officials. The program has not been prepared in a participatory manner that takes into account the priority needs of the community.	It will be verified in indicator 6.11.1
Pujud Sub-district Secretary	Routine Reporting	Negative	The company did not submit its labor report to the sub-district authority (although only a copy)	It will be verified in criteria 1.2
	Transparency	Negative	The company was not transparent in term of information on health of the local people.	It will be verified in criteria 1.1 and 1.2
Mr. Matondang (Tanjung medan villagers)	Company's Contribution	Positive	The company was involved in the development process, provided road access and quick response to community's requests for fund aid for road development.	It will be verified in indicator 6.11.1
M. Nasri (Sri Kayangan Village)	Labor	Negative	The Company has not optimally recruited local people as farm or factory workers.	Based on the direct verification to the plant manager, the audit team was informed that recruitment for plant requires a sufficient level of expertise, for example: minimum high school education; The company has made efforts to recruit the local people, but they have minimum competence for working in the plant, so the company recruited outsiders.
Briptu Subandiyono (Representative from Pujud Sub-district Police Office)	Security guards' attitude	Negative	Many security guards were found not having good attitude when in duty.	It will be verified to the local leaders
	Environmental pollution	Negative	Much flies were found around the area of PKS Alur Dumai (Pondok Kresek)	It will be verified to the field

4.0 CERTIFIED ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Official signature of assessment findings

The undersigned, Management Representative of the inspected company hereby acknowledges the assessment results and agrees to all contents of this assessment report, including non-conformance findings.

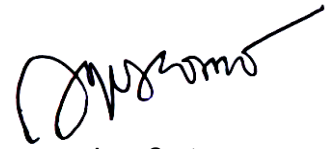
Signed on behalf of:

Head of PSQM  
MINAMAS Plantation



Mohamad Pirabaharan  
Saturday, June, 25<sup>th</sup> 2011

Lead Auditor  
PT Mutuagung Lestari



Aryo Gustomo  
Saturday, June, 25<sup>th</sup> 2011

Annex 1. RSPO Certification Assessment Checklist at PT Lahan Tani Sakti		
RSPO Ref.	VERIFICATION RESULTS – MUTU Certification	Status
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Palm Oil Estate and Mill should provide adequate information to other stakeholders in appropriate language and form, to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<b>Records of requests for information</b>	
ST1	LTS has established a mechanism to receive and respond to requests for information set forth in the Public Complaints Handling procedure (RSPO/6.3/PKM), where the complaints are submitted to the Administration Section Head at the estate level and forwarded to the Estate Manager / PKS Manager for response. In this procedure, any request for information or complaint from stakeholder beyond the authority of Manager will be submitted to the relevant Department Head based in Pekanbaru Representative Office, or higher officer in Jakarta. However, the procedure did not clearly specify the authority limits of the Estate Manager, and did not set the deadline of response. All incoming letters from stakeholders, including written request for information, were stored in an "Inbox" bundle, but most subjects of the incoming letters stored in the bundle are the Request for Assistance or Request for Donations, for example: for road construction, praying center construction, etc. There was only one incoming mail requesting for information relating to employment, namely Certificate of Mandatory Labor Report from the Manpower and Transmigration Office of Rokan Hilir District dated March 29, 2010 (reference to Article 6 paragraph 2 of Law no. 7 of 1981 on Company's Mandatory Labor Report). <b>The non-conformance of this indicator is NC-2010.01.</b>	<b>X</b>
ST2	LTS' Management Unit has established the information request handling procedure set forth in the SOP of Request for Information (RSPO/1.1/PI) which is aimed at providing guidance of responding the stakeholders' requests for information addressed to the Operation Unit. Based on this SOP, the requested information will be reviewed and responded by Operation Unit Manager, draft letter and or responses are made by the Section Head / KTU. Outgoing mail and incoming mail to and from the unit are stored in the Company's Main Office. The time of the request and response was recorded. Based on the verification of documents and information from PT. LTS (filing function), all incoming mails concerning requests for information are stored in one "Incoming Mail" bundle previously recorded in the "Incoming Mail Registry Book". But the Incoming Mail Registry Book does not specify which letters from the stakeholder; the incoming mails are recorded together with those internal management unit mails. <b>Based on the description above, the NC-2010.01 is declared closed.</b>	<b>√</b>
<b>1.1.2</b>	<b>Records of responses to information requests</b>	
ST1	A number of documented information in respect of legal issues (e.g.: the HGU certificate), environmental documents (e.g: RKL / RPL reports, HCV identification document), social activities documents (e.g: documented contributions of road constructions, animal sacrifice, and educational facility), Health and Safety management documents (e.g: H&E policies, tools, etc), and continuous improvement documents (e.g, identification and mapping of HCV areas), were available in the site. However, there was no company policy that ensures that the document information is accessible to the public. It was described in major indicator 1.1.1 above that during the period of January 2008 to March 2010, LTS just received	<b>X</b>

	<p>one incoming mail that is a request for information, i.e. a request for information about the Certificate of Mandatory Labor Report from the Local Manpower and Transmigration Office of Rokan Hilir District dated March 29, 2010 (reference to Article 6 paragraph 2 of Law no. 7 of 1981 regarding the Company's Mandatory Labor Report). The letter was in the form of a form which, among others, requested the company for information about the number and composition of the company's workers; male, female, women, age and area of origin where the workers were appointed). The organization has completed the said form, but it was unable to provide the team with the proof of re-delivery of the form to the agency concerned. Another record of response made available by the company was RKL / RPL Report for the period of up to December 2009, but there was no enough evidence that the same was presented to the relevant agency (for example: Rokan Hilir District's Bapedalda Office). See major indicator 1.2.1 below. <b>Non-conformance in this indicator is NC-2010.01.</b></p>	
ST2	<p>LTS' Management Unit has established the information request handling procedure set forth in the SOP of Request for Information (RSPO/1.1/PI) which is aimed at providing guidance of responding the stakeholders' requests for information addressed to the Operation Unit. Based on this SOP, the requested information will be reviewed and responded by Operation Unit Manager, draft letter and or responses are made by the Section Head / KTU. Outgoing mail and incoming mail to and from the unit are stored in the Company's Main Office. The timeframe of the request and response was also included. All outgoing mails were archived in a "Outgoing Mail" bundle and recorded in the Outgoing Mail Registry Book. <b>Based on the description above, this NC-2010.01 indicator is declared closed.</b></p>	✓
1.1.3	<p><b>Records of information requests and responses are kept with a retaining period as determined by the Company based on their interest level.</b></p>	
ST1	<p>A mechanism to receive and response to the requests for information (RSPO/6.3/PKM) was available, but it did not specify the period of filling based on their interests. <b>The non-conformance in this indicator is NC-2010.02.</b></p>	X
ST2	<p>PT LTS's Management Unit has established the procedure of Document Control (RSPO / P &amp; C) in order to ensure that the identification, collection, storage, maintenance and destruction of records are carried out properly for retrieval convenience. The procedure also provides validity period and destruction of the records, among others: 3 years for audit examination / assessment purpose, 10 years for reference purpose, until the issue of revised version for law / legislation documents, 3 years for customer demand purpose, 3 years for company's policy and unlimited period for records of land restitution. <b>Based on the description above, the NC-2010.02 indicator is declared closed.</b></p>	✓
1.2	<p><b>Company's documents are publicly available, unless those documents that are protected by commercial confidentiality or disclosure thereof would result in environmental or social negative impacts.</b></p>	
1.2.1	<p><b>Types of information and responses given cover documents according to the applicable national regulations</b></p>	
ST1	<p>LTS has possessed a number of types of information according to the applicable national regulations, among others:</p> <ul style="list-style-type: none"> <li>a. Legal documents: copy of HGU Certificate No.03 of 2001 covering a land area of 3,187,579 hectares and HGU Certificate No. 4 of 2000 covering a land area of 571,435 hectares; Decision of Head of National Land Agency No. 45/HGU/BPN/2000 for a total land area of 3,759.014 hectares.</li> <li>b. RKL / RPL documents for PT LTS plantation area covering 3,759,014 hectares and Palm Oil Factory (PKS) with a production capacity of 15 tones to FFB / hour. These documents were</li> </ul>	X

	<p>approved by the Head of Regional Environmental Impact Management Agency of Rokan Hilir under his Decision No. 666.1/AMDAL-BAPEDALDA/2008/63 dated April 16, 2008.</p> <p>c. CSR Recapitulation for the period from 2007 to March 2010, which contains the records of company's contribution to local development.</p> <p>d. Documented policy and implementation of Health and Safety management system for the estate and PKS.</p> <p>e. HCV area map and its management plan.</p> <p>However, the audit team did not find company's policies that provide assurance that the above documents are accessible to the public. <b>The non-conformance of this indicator is NC-2010.03.</b></p>	
ST2	<p>The availability of documents in the location according to the prevailing national regulations:</p> <ol style="list-style-type: none"> <li>1. Legal documents: Location Permit (SITU Number: 100/TP/SITU/2003/02: Regent of Rokan Hilir), Plantation Business License (Plantation Business Registration Certificate No. HK.350/193/Bun.5/III/2001: issued by the Directorate General of Plantation Production Development of the Minister Agriculture of RI), HGU Certificate (No. 03 of 2001 covering 3,187.579 hectares; No.4 of 2000 covering 571.435 hectares; Decision of the Head of National Land Agency No. 45/HGU/BPN/2000 covering 3,759.014 hectares).</li> <li>2. Environmental documents: Environmental Impact Assessment (AMDAL) of 1994, Revised RKL-RPL 2007 Documents.</li> <li>3. Social documents: Summary of CSR Implementation Program 2008-2009, incoming and outgoing mails from the stakeholders regarding requests for assistance.</li> <li>4. Documented policies, implementation and reporting of H&amp;E.</li> <li>5. Continuous improvement program documentation: RKL-RPL Report 2009. The SOP of Public Communication / Consultation (RSPO/6.2/KKM) specifies that manager can provide forums for public communication for any stakeholders' request for HGU, AMDAL, H&amp;E, environmental and population data. <b>Based on the description above, the NC-2010.03 is declared closed.</b></li> </ol>	√
1.2.2	<p><b>Records of requests and responses to information maintained with a retaining time determined by the Company by taking into account their importance.</b></p>	
ST1	<p>The company has had the mechanism to receive and respond to requests for information (RSPO/6.3/PKM), but it did not specify the retaining time of the records as per the interests. <b>The non-conformance of this indicator is NC-2010.02</b></p>	X
ST2	<p>PT LTS's Management Unit has established the procedure of Document Control (RSPO / P &amp; C) in order to ensure that the identification, collection, storage, maintenance and destruction of records are carried out properly for retrieval convenience. The procedure also provides validity period and destruction of the records, among others: 3 years for audit examination / assessment purpose, 10 years for reference purpose, until the issue of revised version for law / legislation documents, 3 years for customer demand purpose, 3 years for company's policy and unlimited period for records of land restitution. <b>Based on the description above, the non-conformance status of NC-2010.02 is declared closed.</b></p>	√
<p><b>PRINCIPLE #2 COMPLIANCE WITH THE PREVAILING LAWS AND REGULATIONS</b></p>		
2.1	<p><b>Compliance with all applicable local, national and ratified international laws and regulations.</b></p>	
2.1.1	<p><b>Data of the company's compliance with the prevailing laws and regulations.</b></p>	
ST1	<p>LTS has a List of Regulations and legal requirements relating to its palm oil plantation and mill activities,</p>	

	<p>but it does not contain international conventions ratified by the Government of Indonesia; and which articles that the company shall comply with have not been identified and evaluated in term of the compliance level. Below are legal requirements that the company has complied with:</p> <ol style="list-style-type: none"> <li>Law no. 13 of 2003 on Employment, Article 88 on Wages. The company has established a Payroll Book, which indicates the amount of minimum wage the company pays to its workers in accordance with the Governor Decree No. 4 of 2010 (See also criteria 6.5).</li> <li>Law No. 1 of 2000 on the ILO 182 Convention Ratification, Article 2: no employment of children under 18 years old. A List of Employees was available in the site that details the name, date of birth, and date of recruitment of all company's employees, where employees with the youngest age are, among others: (1) Sriyono (harvesting worker) who was born on 10/12/1991 and was recruited by the company on 01/09/2009, NIK 09022, (2) Andi Gule (harvesting worker) was born on 8/4/1991 and recruited by the company on 1/9/2009, NIK 09025 (Based on the Monthly / Daily SKU Employee List as per March 31, 2010. (See indicator no. 6.7.2).</li> <li>Law no. 32 of 2009, Article 22, the company has had AMDAL documents that have been ratified by the Head of Central Committee for AMDAL pursuant to the approval letter No. RC.220/887/B/V/94 dated May 19, 1994, and revised RKL / RPL documents approved the Head of Regional Environmental Impact Management Agency of Rokan Hilir District pursuant to the Approval Letter No. 666.1/AMDAL-BAPEDALDA/2008/63 dated April 16, 2008. (See the minor indicator 5.1.1).</li> </ol> <p>However, there have been some regulations that the company has not fulfilled yet, i.e:</p> <ol style="list-style-type: none"> <li>Storage, treatment, and disposal of hazardous and toxic waste (B3 waste) as per the following regulations (Government Regulation No. 85/1999, Government Regulation No. 74/2001, Decision of the Head of Bapedal No. 01/Bapedal/09/1995, Decision of the Head of Bapedal No. 02/Bapedal/09/1995, Decision of the Head of Bapedal No. 05/Bapedal / 09/1995, and Decision of the Head of Bapedal No. 255/Bapedal/08/1996).</li> <li>The company has not conducted continual gas emission and air ambient testing as required by the Government Regulation No. 41/1999, Decree of the Minister of Environmental Affairs No. 13/MENLH/3/1995, Decree of the Minister of Environmental Affairs No. 48/MENLH/11/1996 LH, Decree of the Minister of Environmental Affairs No. 49/MENLH/11/1996, Decree of the Minister of Environmental Affairs No. 50/MENLH/11/1996, Decision of the Head of Bapedal No. 205/Bapedal / 07/1996, Circular Letter of the Minister of Manpower No. SE-01/MEN/1997; and Circular Letter of the Minister of Manpower No. 51/Men/1999.</li> <li>Working area's landscaping has not in accordance with Presidential Decree No. 32 of 1990 and Law no. 41/1999 on Forestry, where the company has not clearly delineated the identified protected areas (HCV).</li> </ol> <p><b>The non-conformance of these criteria is NC-2010.04.</b></p>	
ST2	<p>Efforts have been made by the organization in order to comply with all regulations related to the plantation and mill activities (see also pre-assessment). The audit team's verification during the main assessment is as follows; based on some samples taken by the audit team, the team found that there are a number of regulations the company has complied with and some another regulations that the company has not complied with. Regulations that the company has fulfilled are: delineation of buffer zone in the reservoir of 50 meter in accordance with Presidential Decree No. 32 of 1990 on protected areas. However, there have been some relevant regulations the company has not fulfilled yet, for example:</p> <ol style="list-style-type: none"> <li>PT LTS' B3 waste storage point has not been approved by the competent authority as required by Government Regulation No. 18 of 1999 on B3 Waste Treatment;</li> <li>The company's submission of the RKL / RPL reports to the relevant agency was not conducted at semester basis as required by the Decree of the Minister of Environmental Affairs No. 45 of 2005 on Guidelines for Preparation of RKL / RPL Reports.</li> </ol> <p>Audit team has encouraged the company to meet all of the relevant regulations. <b>Non-conformance status of NC-2010.04 is declared still Open with Minor category.</b></p>	

<b>2.1.2</b>	<b>Evidence of efforts to make adjustments to regulatory changes.</b>	
ST1	Some efforts have been made by the company to be familiar with the amended regulations, among others: 1. In the case of payment of minimum wage, the company complied with the minimum wage as stipulated by the Governor of Riau Province. 2. The company did not apply active paraquat pesticides in accordance with the Regulation of Minister of Agriculture No. 01/Permentan/OT.140 / 1 / 2007.	✓
ST2	Similar to the pre assessment; The mechanism of the familiarity with the regulations was set forth in the SOP documents. (See also the minor indicator 2.1.1)	✓
<b>2.1.3</b>	<b>Evidence of documented system that contains information and legal requirements that plantation companies shall fulfill.</b>	
ST1	The company has a list of regulations that plantation companies refer. However, which clauses the company shall comply with have not been evaluated in term of the level of compliance. <b>Non-conformance of this criteria is NC-2010.04.</b>	X
ST2	The organization has proved that it has conducted evaluation of all regulations as indicated in the PT LTS' Regulations Compliance Evaluation 2010. Regulations relating to operational activities of estate and factory have been reviewed article-by-article. The company has also compiled its regulations compliance procedures (see Minor indicator 2.1.2). <b>The non-conformance of NC-2010.04 is declared closed.</b>	✓
<b>2.1.4</b>	<b>Mechanism of evaluation of compliance with prevailing and relevant laws and regulations.</b>	
ST1	The company did not present its mechanism of evaluation of the company's compliance with relevant and prevailing laws and regulations. <b>Non-conformance of this criteria is NC-2010.04.</b>	X
ST2	The organization has presented a list of regulations relevant to operational activities of palm oil plantation and factory the company shall fulfill: The document was in the form of PT LTS' Regulation Compliance Evaluation 2010. The document contains: regulation number, regulation title, articles the company shall comply with, compliance status, and remarks. The organization also has a SOP of Requirements of Law (RSPO/.2./PH) PT Lahan Tani Sakti, which had been approved by the estate manager of Alur Dumai and Alur Dumai PKS manager on 2 August 2010. This SOP provides as follows: - Identification and inventory of all related requirements of laws conducted by the Department of PSD and ESH Manager. - Communicating the summary of prevailing laws and regulations to all operation units and the related parties - Monitoring of the implementation of each new rules and / or regulations; done by the PSD Department and ESH manager. - Estate Manager and Factory Manager are responsible for communicating the summary of the regulations to their subordinates for implementation; and revise the document if any change in the regulations. - The new rules identification is conducted by contacting the relevant government agency and non-governmental organization, and also actively visiting the website to find the updated regulations. <b>Non-conformance status of NC-2010.04 is declared closed.</b>	✓



2.2	<b>Rights to control and use the land can be proved and not legally claimed by the local community with provable rights.</b>	
2.2.1	<b>Documents showing the company's tenure of land according to the prevailing laws and regulations.</b>	
ST1	The company has land control documents in the form of HGU Certificates No. 3. And No. 4 year 2001 with a total land area of 3,759,014 hectares. All of the controlled lands have been measured and mapped by the BPN, the evidence of which was available on the site. The company has conducted identification of third party (local people)'s ownership rights on land within the project area of the company the size of which is as set forth in the HGU certificates - and has set forth the identification result in the Register of Complicated Land Owners which contains the following data : serial number of SKT (Land Ownership Certificate issued by Competent Village Officer), owner name, borders, and size of the land. Based on this document (up to December 2009), the auditor team found an unsettled dispute of land with a total area of 148.70 hectares controlled by 33 community groups (in status of conflict); of the total area, 88.78 hectares are pending to the fourth phase compensation from the company's management. In December 2008, the company has been able to make compensation for 119.53 hectares of the land under the control of 49 community groups (it has been, is being, and will be completed) through the third phase compensation, namely: 63.93 hectares in the first phase; 19.38 hectares in the second phase, and 36.22 ha in the third phase. The company was able to present a number of evidences of the compensation on the site.	√
ST2	PT. LTS' Management Unit was able to provide the audit team with evidence of its rights of control / exploitation of the land in the form of HGU certificates. Some disputed lands with HGU status have been settled through the compensation and the management unit of PT. LTS has possessed evidences of land ownership right from the people in the form of SKT of Land.	√
2.2.2	<b>Evidence indicating that the company's legal area boundary poles are demarcated clearly and maintained.</b>	
ST1	See major indicator 2.2.1 above. Documents of BPN's land survey and Boundary Pole installation (Pole Book) were made available, which indicate the coordinate position of the boundary poles throughout the working area of PT. LTS, and the company has made efforts to maintain them (reconstruction). Written evidences of the scheduled maintenance of the poles were unavailable, but based on the field visit, it was found that the company has conducted maintenance and reconstruction of the damaged / lost boundary poles. In the field, the audit team found a Boundary Pole No. BPN LTS 171, which is an alliance boundary between PT. LTS and PTPN V Tanjung Medan - the result of reconstruction - where the information direction indicates the identity of the company in the inverted position (facing the company area). <b>Non-conformance in this indicator is CFA-2010.05.</b>	X
ST2	Legal evidences of boundary poles were available that are in the form of Plot Land Map Div I, II, IV with a Scale 1: 20,000 and Div. III with a scale 1: 10,000 prepared by BPN in the form of Around Boundary Map (HGU) with a total area of 3,187.579 hectares (Div I, II and IV) and 571,435 hectares (Div III), signed by the Head of Land Survey and Land Registration of BPN Office of Riau dated 19 June 2000. Pursuant to the documents of monitoring of control and maintenance of estate boundary poles (BPN) 2010, inpection has been conducted since May to September 2010 (each month). The inspection result provides guidelines for maintenance of each boundary pole with the following signs: (v) the pole is in good position, (x) the pole is lost, which needs for replacement, (o) the pole should be painted again, (Δ) the	X

	<p>pole is broken/damaged and needs for repair. In the said monitoring report, many poles (hundreds) were found lost in Div I, III and IV. However, the Management Unit has presented its action plan of maintenance of the poles in the field. <b>Based on the description hereinabove, the CFA-2010.05 is declared closed.</b></p> <p>The company has presented the legal evidence of the boundary poles in the form of HGU poles as listed in the Land Plot Map published by BPN, and the company has monitored the HGU poles since May 2010 to September 2010. Based on monitoring result, it was found that a total 462 of 627 poles (74%) were lost, and the company has not maintained such poles, although the company has currently established an action plan of maintenance and repair of the HGU poles. The company shall ensure that the action plan of maintenance and repair of HGU poles is implemented as per the timeframe. <b>Non-conformance of this indicator is NC-2010.38 with minor category.</b></p>	
<p>2.2.3</p>	<p><b>Evidence of settlement or settlement progress of conflict (if any) under a method agreed upon by both parties.</b></p>	
<p>ST1</p>	<p>LTS presented the audit team the evidences of settlement of some disputed land cases in the form of a Minutes of Collective Agreement between the indemnified parties and the company and the Land Ownership Statement of the indemnified parties recognized by the local Village Chief and the Sub-district Chief. The Minutes of Collective Agreement was entered into at the end of the settlement of the case and serves as a valid evidence of agreement of both parties in respect of the compensation for disputed lands in a compensation value agreed upon by both parties. While the Land Ownership Statement serves as a supporting evidence of the Land Ownership Certificate (SKT) issued by the respective Village Chief (Headman). For example, for the third phase settlement, the compensation / indemnity for the lands belonging to the following persons: Tarzan (Sri Kayangan villager - 5.51 hectares); Sarimin (Sri Kayangan villager - 4 hectares); Suparno Cs (Sri Kayangan villager- 13.74 hectares); Purwono (Sri Kayangan villager - 8 hectares); Sri Kayangan Village-owned Land - 18.71 hectares, has been mapped. All matters discussed in the meeting between the company and the claimants were recorded and set forth in a Minutes of Meeting, but such Minutes of Meeting was signed unilaterally by the company. LTS has established a conflict settlement procedure it has implemented, but such procedure does not clearly provide the deadline for the company's response to the community claims, so that a number of land conflict cases were found without response from the company (Land Committee). For example, claims for land ownership raised by Aswan Cs, Nyoman Cs, Suheri Cs, etc..<b>Non-conformance of this indicator is CFA-2010.06</b></p>	<p>X</p>
<p>ST2</p>	<p>LTS has established a procedure for conflict settlement. The procedure has been implemented by the company and evidences of the conflict settlement were found in the form of: correspondences between Estate Manager and PSD Manager, Minutes of Collective Agreement, indemnity payment realization report, letters from the village officers to the Management Unit of PT. LTS, payment receipt of indemnity/compensation, community's release of rights on land, photographs of the conflict settlement and compensation payment processes, and the evidence of land rights. The settlement process has involved the stakeholders in this case are village and sub-district officers. But the said administrative evidences were not administered properly and in general, the management unit has no standard administrative evidences of the land conflict settlement (indemnity). Management Unit has conducted identification of local people-owned lands the outputs of which have been set forth in the documented compensation program and realization. There were 50 land owners with a total area of 268,232 hectares. By October 2008, the company has made 3x (three times) compensation with a total area of 119.53 hectares. The remaining 148.70 hectares have not been compensated, including 88.78 hectares that are planned to be indemnified at the 4<sup>th</sup> phase compensation. Based on information from the management</p>	<p>X</p>

	<p>unit (Suparianto), the remaining lands to be indemnified by the company have been managed by the villagers by planting palm on them and the villagers were not willing to receive the indemnity from the company. But the management unit was still unable to present a comprehensive document of the negotiation / agreement process that has been resolved completely. <b>Based on the description above, CFA 2010.06 is declared open with Comment For Action category.</b></p> <p>Based on analysis of document and field visit, there was an occupation land case covering 268.2 hectares within the working area of LTS, and of that area, a total 119.53 hectares was settled through compensation system, with the final compensation took place in 2008. But up to the date of this main assessment there was still a land dispute covering 148.7 hectares that the company was unable to present the proof of settlement or progress of settlement of the dispute with a settlement system mutually agreed by the parties. <b>Non-conformance of this indicator is NC-2010.39 with major category.</b></p> <p>The organization has sent a proof of improvement to the auditor on 22 March 2011 in the form of written agreement between LTS and villagers of Sri Kayangan Village in respect of the disputed occupation land covering 148.7 hectares in Alur Dumai Estate. A meeting was held on 21 March 2011 and attended by the village chief, 18 villagers, and a number of the company's representatives. The meeting has reached an agreement in the following matters: villagers having occupation land within the company's working area were not willing to receive the indemnity from the company and the company would not develop the said land. However, auditors deem that a further verification is required by conducting interviews with several parties involved in the said agreement, at least at the time of the surveillance activities <b>Non-conformance status of NC-2010.39 is declared Open with Minor category.</b></p>	
2.2.4	<b>Evidence of land clearing dispute with Free Prior and Informed Consent.</b>	
ST1	<p>See major indicator 2.2.3 above.</p> <p>In the site, evidences of land settlement were available in the form of: the result of joint land measurement between the company and claimants acknowledged by the Village Officers (Kepenghuluan), Land Ownership Statement; Minutes of Collective Agreement, and the receipt of compensation. However, not all evidences of the settlement can be presented by the company. For example: unavailability of minutes of meeting with the Mr. Aswan Cs for the claimed land covering 18.65 hectares located in Sri Kayangan Village. Based on the result of interview with Suheri (Bakti Makmur villager) and Misdi (Sri Kayangan villager), they stated that there was no coercion by the company against the villagers who are identified as having land overlapped with LTS estate in respect of the land release. The company just paid compensation to the villagers who are willing to receive the compensation for their land. Misdi is one of villagers who had received compensation from the company for his land covering 12.68 hectares at Sri Kayangan Village on October 31, 2007. He was sufficiently satisfied to the settlement process performed by the company, but he was less satisfied to the amount of compensation he has received from the company. Misdi felt that he has forcedly to agree with the compensation value as received by other most land owners. Suheri was the owner of land covering 6.51 hectares in Bakti Makmur Village identified overlapping with LTS working area and was planned to be compensated by the company at the 4<sup>th</sup> phase. However, Suheri disagreed to obtain the compensation as the land is the only source of livelihood for his family. In March 2010, three hectares of Suheri land were planted with palm, 2 hectares of mixed crops (fruits, hard plants, and vegetables), and the rest was being prepared for palm oil plantation. <b>Non-conformance of this indicator is CFA-2010.06.</b></p>	<b>X</b>
ST2	<p>A land compensation procedure was available in the form of a flowchart prepared by Suparianto (Section Head) dated October 7, 2010 and signed by the Estate Manager (Rihul Fajri). The procedure provides that any community's claim for land compensation is received by the Estate Manager Department and continued to PSD Dept. From the PSD Dept, the claim is raised to MRC and HPO Dept. MRC Dept</p>	<b>X</b>

	<p>conduct measurement of the claimed land together with the claimant and then the claim is settled by PSD Dept. Minutes of the measurement of the claimed land conducted by the company together with the claimant was available. Minutes of the land measurement agreed by the company and the claimant was available; documented involvement of village and sub-district officers as a witness / facilitator was available; evidence of settlement meeting was available. Based on information from the indemnified community, the settlement of compensation was conducted transparently through a meeting attended by village officers and no element of coercion. <b>Based on the description above, the non-conformance status of this indicator is declared open with CFA category.</b></p>	
<b>2.2.5</b>	<b>Availability of conflict resolution mechanisms accepted by the involved parties.</b>	
ST1	<p>The company has established and implemented a draft mechanism of land conflict resolution. Each claim for land will be identified in term of its validity (proof of ownership) by PSD (Plantation Services Department) personnel based in the project site. For claimed lands with clear identification, PSD personnel will perform land measurement in the field and hold meeting with the claimant for obtaining the compensation price requested by the claimant. A minute of the meeting is prepared to further be conveyed to the Land Committee based in Pekanbaru. If the Land Committee approves the requested compensation value, then the payment for compensation will immediately be made. But if no agreement is achieved, the claim will be settled through the District Court. The flowchart of the settlement process was sufficiently good, but based on the company's land conflict settlement plan, there was a number of unsettled claims for a long time. There was still unsettled claim for land covering 148.70 hectares controlled by 33 community groups (conflict status), 88.78 hectares of which are pending to the approval for the 4<sup>th</sup> phase compensation (see major 2.2.1 above). Based on the foregoing, we have encouraged the company to evaluate the effectiveness of the procedures by taking into account the clear deadline of response. See also the minor indicator 2.2.1. <b>Non-conformance of this indicator is NC-2010.01.</b></p>	<b>X</b>
ST2	<p>There has been a compensation settlement procedure the company implemented for a long time but but the new management unit just set forth it in a flowchart in October 2010. Based on information from the management unit (Suparianto), such mechanism/procedure has never been formally presented to the stakeholders, but the management unit had once explained it orally the village officers (village chief). Based on the information from village officer (Sri Kayangan Village's Secretary), the company's compensation settlement mechanism has been known and understood by the village officers. <b>Based on the description above, the non-conformance status of NC 2010.01 is declared closed.</b></p>	<b>√</b>
<b>2.3</b>	<b>Use of Land for Palm Oil Plantation does not reduce rights under law and traditional rights of other users without their prior consent.</b>	
<b>2.3.1</b>	<b>Records of negotiation process between the owners of traditional rights (if any) with palm oil company equipped with documented map in the scale.</b>	
ST1	<p>Based on the Environmental Impact Analysis document (ANDAL) of the Alur Dumai's Palm Oil and Rubber Estates and Factory already approved by the National AMDAL Committee under Approval Letter No. RC.220/887/B/V/1994 date of May 19, 1994, Chapter IV – Environmental Baseline Study - Section C item 3 on Social and Cultural Aspects, most people living in the study area are Malay and its sub-ethnics. They still firmly keep the tradition of their ancestors. The traditional institution (ninik-mamak) still has significant role in the study area, especially in conflict settlement process. Conflict settlement is typically done done by amicable deliberation manner. Based on the Environmental Impact Analysis document (ANDAL) of the Alur Dumai's Palm Oil and Rubber Estates and Factory already approved by the National</p>	<b>X</b>

	<p>AMDAL Committee under Approval Letter No. RC.220/887/B/V/1994 date of May 19, 1994, Chapter IV – Environmental Baseline Study - Section C item 3 on Social and Cultural Aspects, most people living in the study area are Malay and its sub-ethnics. They still firmly keep the tradition of their ancestors. The traditional institution (ninik-mamak) still has significant role in the study area, especially in conflict settlement process. Conflict settlement is typically done done by amicable deliberation manner. The company also has conducted social impact analysis with the help from an environmental and social consultant (Pollito). The Social Impact Analysis Document January 2010 consisting of 56 pages was available in the site, but the document did not specify identification of the existence of traditional ownership rights of land. PSD (Plantation Services Department) personnel - Mr. Sobri, explained that so far there was no claim for land on behalf of the traditional right as most people around the working area of LTS are immigrants, but the statement was not supported by a valid data. On the other hand, the company’s draft procedure for land conflict settlement requires all claimants to present their certificate of land ownership rights. While, the owners of the traditional land right, as usual, have no ownership certificates. Based on the interviews with public figures – Mr. Misdi (Sri Kayangan Village Chief) and Suheri (Chief of Bakti Makmur Upper Neighborhood (RW)) - some areas are still known as indigenous land, but those lands around the working area of LTS were never heard again. Local people do not recognize the possession og traditional rights or customary law, all community land ownerships are evidenced by SKT (Land Ownership Letter) issued by the village chief, or certificate from BPN. In order to clarify the status of the traditional rights, the company should be able to show a reference (formal statement) from the competent authority (government agency or non-government organization dealing in social issues). <b>Non-conformity of this criteria is CFA-2010.07.</b></p>	
ST2	<p>Based on the information from Pujud Sub-district Officers (Sub-district chief and secretary), the existence of the ulayat right (customary land) must be subject to the regional regulation while the Provincial Government of Riau has not issued regulation on customary rights. This statement was strengthened by a statement of Sri Kayangan Village Chief (Sekdes) stating that no customary rights of land in his territory. <b>Based on the description above-mentioned, CFA-2010.07 is declared closed.</b></p>	√
<b>2.3.2</b>	<b>There is a map with sufficient scale indicating areas under recognized traditional rights.</b>	
ST1	See major indicator 2.3.1 above	
ST2	Not Applicable; see explanation of major indicator 2.3.1	<b>N/A</b>
<b>2.3.3</b>	<b>Copy of agreements that have been negotiated complete with their agreement process.</b>	
ST1	See major indicator 2.3.1 above	
ST2	Not Applicable; see explanation of major indicator 2.3.1	<b>N/A</b>
<b>PRINCIPLES #3 COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL FEASIBILITY</b>		
<b>3.1</b>	<b>There is management plan that has been implemented by the company aimed at achieving the company’s long-term economic and financial security goal.</b>	
<b>3.1.1</b>	<b>Company’s documented work plan for a minimum period of 3 years</b>	
ST1	<p>Available documents: 2010/2011 Budget Presentation &amp; 2012 - 2014 Projection of Alur Dumai Estate - PT LTS, which contain: Analysis of the total cost, total achieved products per planting year, total production capacity in tons / hectare per planting year, FFB rate per 5 years, historical fertilization (program &amp; realization), the position</p>	√

	of labor (ratio of 7.5 ha / HK), recapitulation of non-plant capital, running cost analysis, total cost and composition, average wages per day of SKU, general cost analysis (fixed costs), harvesting cost analysis, maintenance cost analysis (weed control and P & D, fertilization), analysis of land clearing cost, and recapitulation seedling cost.	
ST2	<p>Industry has established a long-term plan document with the name of Total Final Cost Analysis Document in the form of budget plan 2010/11 and projections 2011/2012, 2012/2013, 2013/14. The document serves as a guide in the Estate operations containing the following information:</p> <ol style="list-style-type: none"> <li>1. Production capacity (in tons).</li> <li>2. Fixed Cost (consisting of Estate admin, road &amp; bridges, labor (including ESH estate), HO admin and depreciation).</li> <li>3. Direct Cost (consisting of mature unkeep (spraying, manuring, harvesting &amp; Colection, transport).</li> <li>4. Cost for Replanting (Land preparation, roads and bridges, water management, soil conservation, planting, cover, weeding, census, boundaries, etc).</li> <li>5. Cost for New Planting (Land preparation, roads and bridges, water management, soil conservation, planting, cover, weeding, census, boundaries, etc).</li> </ol> <p>The company also has set the 2010/2011 Budget plan and 2012-2014 projection for PKS Alur Dumai that contain information on processed FFB (kg), CPO (kg), PK (kg) OER (%) and KER (%) and direct cost and fixed cost (e.g: Training, ESH, Social LO, etc.)</p>	√
3.1.2	<b>Annual replanting program plan for a minimum term of 5 years, which is reviewed on an annual basis.</b>	
ST1	<p>PT. LTS has prepared a replanting program in the form of Long Range Replanting Programme 2010-2030, Alur Dumai Estate, Minamas Plantation, consisting of:</p> <ul style="list-style-type: none"> <li>- Replanting criteria: minimum age 20 years and production capacity per hectare is below 14-16 tons / ha, 4% of the total hectare Planted or maximum 400 ha per farm per year.</li> <li>- Replanting program for 1989 planting year with a total land area of 240.18 hectares, 186.85 hectares will be implemented in 2011/2012 and 53.32 hectares in 2012/2013.</li> <li>- Replanting program for 1990 planting year with a total land area of 148.23 hectares, 148.83 hectares will be implemented in 2012/2013.</li> <li>- Replanting program for 1991 planting year with a total land area of 176.88 hectares, 63.07 hectares will be done in 2011/2012 and 113.8 hectares in 2013/2014.</li> </ul> <p>However, annual evaluation or review of the replanting programmes has not been conducted, such as: positive and negative impacts on the environment / social, annual production trend, etc..</p> <p><b>Non-conformance of this indicator is NC-2010.08</b></p>	X
ST2	<p>The company has set the replanting program 2010 - 2030 with the following General Relanting criteria : minimum age of plant is 20 years and annual production capacity is 14-18 tons / hectare. The document provides that PT. LTS will carry out the replanting activities in 2011/2012 in division IV covering 249.9 hectares (in block B001 = 67.75 hectares; C001 = 58.57 hectares; G001 = 60.53 hectares; and A002 = 63.07 hectares). The company also has set the replanting procedures. Section 3 of the Agricultural Reference Manual No. 110/EST-ARM/08 contains policies and criteria of the replanting activities. In setting the replanting area the company has conducted a study in the form of Justification of palm oil replanting as per the long range replanting programme 2010-2030 in Dumai Estate containing the reasons for replanting by taking into account historical data of palm oil plant population per hectare and achievement of the production capacity in ton per hectare. The company has also found materials / resource of palm oil plans with potential production capacity of 30 tons / hectare. <b>Based on the description above, the NC-2010.08 is declared closed.</b></p>	√

<b>PRINCIPLE #4 ESTATE'S AND MILL'S APPLICATION OF BEST PRACTICES</b>		
<b>4.1</b>	<b>Operating procedures are appropriately documented and consistently implemented and monitored.</b>	
<b>4.1.1</b>	<b>SOPs for Estate ranging from LC (Land Clearing) to harvest activities are available.</b>	
ST1	<p>There is a garden SOP:</p> <ol style="list-style-type: none"> <li>1. Agricultural Reference Manual 110/EST-ARM/08 of Minamas Plantation which was ratified on 19 August 2008 by the CEO (Franky Anthony). No Copy: 30.13.32, Distribution Date: December 22, 2008. This document consists of: Planting Material, Seedling Techniques, Replanting, Land Preparation, Plants Protection, Fertilization, Fertilizing of unproduced plants, adoption of TBM with empty bunches, Ablation, Maturity Standards, Harvesting Cycle, and collection of palm oil fruits.</li> <li>2. SOP of Manual Agronomic Practices - Oil Palm, consists of : Seedling, Field Preparation, Land and Water Conservation, Manufacturing and Maintenance of Roads / Bridges, planting of beans, Palm Planting, Weed, Pest and Disease Controls, pesticides and its Treatment, Fertilizing, Tree Buds, Harvest, Transport Management, Peat Land, and Administration procedures.</li> </ol>	✓
ST2	<p>The company has established the SOP for Estate Operations in the form of Agricultural Reference Manual No. 110/EST-ARM/08, Minamas Plantation, ratified on 19 August 2008 by the CEO (Franky Anthony). No Copy: 30.13.32, Distribution Date: December 22, 2008. This document consists of: Planting Material, Seedling Techniques, Replanting, Land Preparation, Plants Protection, Fertilization, Fertilizing of unproduced plants, adoption of TBM with empty bunches, Ablation, Maturity Standards, Harvesting Cycle, and collection of palm oil fruits. The manual was made available until in each division office and has been socialized to the employees.</p>	✓
<b>4.1.2</b>	<b>SOP for Mill covering FFB receipt to CPO &amp; PKO dispatch is available.</b>	
ST1	<p>The available SOPs for Factory Operations are in the form of:</p> <ol style="list-style-type: none"> <li>1. Documented Procedures for Administrative Activites of Palm Oil Factory, Minamas Plantation, No. Policy 130/POD-FAC/07, but is has not been approved by th relevant officer. Contents of the procedure are as follows: Chapter 3.2.3 on FFB Acceptance Procedure and Weighing Process Chapter 3.2.4 on Weighing Procedure of the Palm Oil and Palm Core Chapter 3.3.1 on Procedure of Expenditure of Palm Oil and Palm Core.</li> <li>2. Factory Technical Guidelines Volume I, Minamas Plantation, No. Policy 110/POD-FAC/07, but is has not been approved by th relevant officer. Contents of the procedure are as follows: Chapter 1.1 on Acceptance of fruits Section 1.2 on boiling Chapter 1.3 on striping Chapter 1.4 on Digesting Chapter 1.5 on pressing Chapter 1.6 on Purification Chapter 1.7 on Separation of Seed &amp; Coir Chapter 1.8 on Kernel Station Chapter 2.1 on Palm Oil Collection.</li> </ol>	X

	<p>3. Technical Guidelines Volume II for Palm Oil Factory, Minamas Plantation, No. Policy 120/POD-FAC/07. Contents of the procedure as follows: type of boiler, power engine, diesel Genset, generator work factors, operating and maintenance of electrical panel, network of supply, occupational security and safety.</p> <p>The organization was advised to ratify the factory operational procedures document. <b>Non-conformance of this indicator is CFA-2010.09.</b></p>	
ST2	<p>The company has set a SOP for PKS in the form of: Documented Procedures for Administrative Activities of Palm Oil Factory, Minamas Plantation, No. Policy 130/POD-FAC/072, Factory Technical Guidelines Volume I, Minamas Plantation, No. Policy 110/POD-FAC/073, Technical Guidelines Volume II of Oil Palm Factory, Minamas Plantation, No. Policy 120/POD-FAC/07. The company has ratified that document in the form of a memorandum No: POD-UM-154/VII/2010 dated 26 July 2010 concerning the determination of oil palm factory technical guidelines signed by Ibrahim bin Abdul Majid. These Factory SOPs was made available in the division offices and socialized to the employees. <b>Based on the description above, CFA 2010.09 is declared closed.</b></p>	√
4.1.3	<p><b>There are data of inspection or monitoring of operational activities at least once a year.</b></p>	
ST1	<p>The inspection activities were carried out every 6 months by the plantation advisor and mill advisor as well as internal auditors. While the external auditor's examination was carried out at annual basis. Documents of the inspection of operations are as follows:</p> <ol style="list-style-type: none"> <li>1. Plantation Advisor visit report in Alur Dumai Estate (ADE) on November 10 to 12, 2009. The inspected matters were as follows: Harvest costs, maintenance costs for fruiting and non-fruiting plants.</li> <li>2. Worksheets of conclusion of Internal Auditor Examination, Semester 1 2009/2010, PT. LTS. The inspected matters are as follows: land preparation, compensation cost, stock of fuel, maintenance and fertilizing plants.</li> <li>3. Mill Visit Report Minamas/ADF/01/09-10. Date of inspection: November 22 to 23, 2009 by Mill Advisor (Mr. Moses Ali). The results of the inspection are: the value of inspection for Alur Dumai Factory was 80.7%, the plant was expected to maintain high quality of oil and low losses.</li> </ol>	√
ST2	<p>Mechanism of the inspection of estate operations was in the form of plantation advisor's activities (2 times a year) such as 1) plantation advisor activities for the period of May - October 2009 dated 10 to 12 November 2009 with report No: Minamas / ADE / NO 1/09-10 which contains recommendations for maintenance of dish, selective maintenance, fertilizing, pest and disease control, cover crop, insertion, trenches and harvesting and 2) Plantation advisor activities for the period of July 2009 - September 2010 dated October 16, 2010. While the MCC operational inspection activities were carried out in the form of Mill Advisor's activities (min 2 times a year) such as Mill Visit Report No: MINAMAS/ADF/02/09-10 10-11 April 2010 and Mill Visit Report No: MINAMAS/ADF/02/08 -09 12-14 November 2008.</p>	√
4.1.4	<p><b>Records of the operating activities are available.</b></p>	
ST1	<p>Available records of results of operations of the form:</p> <ul style="list-style-type: none"> <li>- Monthly Report of Estate Unit of PT LTS - Alur Dumai Estate. For example: Estate Unit Reports of December 2009, January 2010, and February 2010, which include: the costs for Harvest &amp; Collection, TM Maintenance, and General Administration.</li> <li>- Monthly Report February 2010 of PKS Alur Dumai, PT LTS, consisting of: Production Achievement (tons), Stock and Shipping of Products, Extraction Rate, Production Quality,</li> <li>- Monitoring Quality Grading FFB, April 2010. April 1, 2010; Un ripe fruit 0.13%, 0.75% Under ripe, Ripe 99.13%, 6:13% Over-ripe.</li> </ul>	√



ST2	Records of the estate operational activities in the form of: 1. Maintenance (for division II TBM maintenance summary and TM maintenance summary). 2. Fertilization (foreman log book, work performance book) 3. Harvest (foreman log book, the fruit receipt report, Crop book). all records of the estate operational activities were summarized in the monthly reports such as the report in August and September 2010. 4. Records of PKS activities summary was in the form of Process Control Report for August 2010 and September 2010.	✓
4.2	<b>Best practices to maintain soil fertility, or, if practicable, improving the soil fertility, up to reach a level providing optimal and sustainable results.</b>	
4.2.1	<b>Records of periodical soil and leaf analyzes and visual observation.</b>	
ST1	Soil analysis data was unavailable. Leaf analysis data was unavailable. Recommended Fertilization Year 2009/2010 Period July 2009 - June 2010. Recommended dose of fertilizer is given per year of planting, for example, RP Fertilizer dose for the year 1989 planting as much as 1.69 kg / principal, Dolomite Fertilizer dose for the year 1989 planting as much as 1.86 kg / principal. The organization was still unable to present the soil and leaf analysis data. <b>The non-conformance in this criteria is NC-2010.10.</b>	X
ST2	LTS has presented the annual leaf analysis data; the type of the data are: Leaf Analysis Report of Alur Dumai Estate for the period of May 2009, which covers sample area (Block), sample area size, year of planting, soil type, number of plants, and leaf nutrient rate (N, P, K, Mg, B, and Ash). This leaf analysis data was used by the company as a reference of providing recommendation on soil fertilization activities. Soil analysis has not been conducted by LTS, however, the company has planned to carry out the activities in the form of Soil Sampling Proposal for soil fertilization purpose conducted by the Minamas Research Centre in 2010. This proposal covers land retrieval method, sampling time (i.e: October 2010), materials and tools, form, and parameters being analyzed. Audit team considered that the evidence presented by the company has not been sufficient to meet this indicator, and the audit team encouraged the company to present the data of the proposed soil analysis, and to do periodical and scheduled soil analysis. Thus the <b>Non-conformance of NC-2010.10 is declared still Open with Minor category.</b>	X
4.2.2	<b>Records of maintenance and improvement of soil fertility (through fertilization, planting of cover crops, empty bunch application, land application) based on the analysis result in 4.2.1).</b>	
ST1	Records of soil fertility maintenance and improvement activities were available, covering: - Daily Monitoring of Soil Fertilization Division 1 of Alur Dumai Estate in March 2010. CCM 44 fertilizing on March 17, 2010, in Block J47 (planting year 2009), with a total area of 1.7 hectares, the dose of 2.0 kg / base, the total amount of fertilizer was 209 kg. - Planning & Realization of Fertilization per month per base for the period of July 2009 to June 2010. - Daily Monitoring of Empty Bunches Fertilization, Division 1, Alur Dumai Estate, March 2010. Application of JJK dated 4 March 2010, in Block M44 (planting year 2007), the area size of 0.7 hectares, the dose of 27 tons / hectare, 3.19 tonnes of total JJK application. - Plant beans covered in the document Actual Work New Plants, March 2010, in Division 2, Alur Dumai Estate. Legume cropping area of 18.3 ha employ as many as 48 people working, types of beans grown Calopogonium mucunoides (CM) as much as 108 kg and Pueraria javanica (PJ) as much as 54 kg.	X

	<p>- Monthly Effluent Application Data 2009/2010 was not available. In November 2009, effluent has been applied in Block J47 covering hectares with effluent volume of 150 m3 and in Block K48 1 hectare with effluent volume of 120 m3.</p> <p>Evaluation of soil fertility maintenance activities in order to achieve optimal results was not yet available.  <b>The non-conformance of this indicator is CFA-2010.11.</b></p>	
ST2	<p>Verification activities conducted during the main assessment were as follows: the organization has been able to show the data of soil fertility maintenance and improvement activities, such as done during pre assessment, and the organization has also been able to present the evaluation data of the records as listed in Manager Report. This document was prepared by the estate manager at monthly basis, and the estate manager has conducted evaluations of the fertilizing, empty bunches application, planting of beans and effluent application data. <b>Non-conformance of this CFA-2010.11 indicator is declared closed.</b></p>	√
<b>4.3</b>	<b>Soil erosion and degradation minimizing and control practices.</b>	
<b>4.3.1</b>	<b>Marginal land map is available.</b>	
ST1	<p>Unavailable.  <b>Non-conformance of this indicator is NC-2010.12</b></p>	X
ST2	<p>The organization has been able to show marginal soil map in the form of the Land Map of Alur Dumai Estate with a scale of 1: 50,000. This map was made by CV Pollito using Landsat imagery method, and taking sources from Indonesian Map with a scale of 1: 50,000, Map of working area of Alur Dumai Estate, and Exploration Land Map with a scale of 1: 250,000. These soil maps indicate the type of soil in the area of PT LTS. Soil types were identified, namely: Fluvquents, Tropaquents, Trophemis, Palcudults, Haplortox, Dystropepts, and Tropudults. <b>Non-conformance status of NC-2010.12 indicator is declared closed.</b></p> <p>Slope Class Map was available with a scale of 1: 50,000 prepared by CV Pollito. This map illustrates the condition of the slope classes in the area of LTS. Based on this map, the general slopes of LTS area are 0-8% and 8-15%, and there are some small areas with slopes of less than 40% (i.e. in block F50/G50). At the time of the main assessment, LTS was also conducting an analysis and survey of land, whose one of the outputs is a soil map unit illustrating the type of soil in the area of PT LTS.</p>	√
<b>4.3.2</b>	<b>Management strategy for planting in areas with certain slope (taking into account local soil and climate conditions) is available.</b>	
ST1	<p>Based on the SOP Agricultural Reference Manual – Policy No. 3xx/PTK-KSV/2004, data of planting strategy management in areas with certain slopes include:</p> <ul style="list-style-type: none"> <li>- Construction of conservation pits; made on the slightly sloping land (slope 8 - &lt;14%) with 6 m length, 0.6 m width, 0.4 m bottom width, 0.6 m depth, and distance between the conservation pits of 24 m.</li> <li>- Construction of knit terrace; made on sloping land (slope 14 - &lt;25%) and the very sloping land (slope &gt; 25%) with a length of ± 1.200 m terrace / hectare.</li> <li>- Construction of individual terrace (hooves); made on sloping land (slope 14 - &lt;25%) with a size of 4 x 4 m.</li> </ul>	√
ST2	<p>Based on the field visit, in areas with a slope of 0-15%, LTS has applied cultivation practices by making individual terrace and knit terrace, and constructed a conservation pit. LTS was also committed to conduct conservation on the sloping areas by allowing Nephrolepis species to grow around the area. For</p>	√

	areas with slopes > 40%, LTS has planned to leave the area as a conservation area, and set them as HCV area.	
<b>4.3.3</b>	<b>Availability of road maintenance program.</b>	
ST1	Road maintenance was done by the following methods: 1. Manually, this activity was done on the roads with minor damage such as potholes, wet road, and the like. Every day the estate unit manually implemented the road maintenance program involving 2 - 4 workers. 2. Mechanically, this activity was carried out using heavy equipment (road grader). Data of Road Maintenance Program was available in the 2010/2011 Budget Plan & 2010-2014 Projection. The proposed total cost of road maintenance of PT. LTS for the year 2009/2010 was Rp. 114,118,000; with cost per hectare of Rp. 30,358,000. The company's road maintenance program was in the form of Road Maintenance Working Sheet 2010/2011, which consists of the following components: the number and extent of the block, rotation, number of workers, and the number of equipment / materials such as hoes, heavy equipment, broken stone, and corals.	√
ST2	Similar to stage-1 audit. Verification result of the main assessment was the availability of documented road maintenance program presented in the Monthly Manager Report.	√
<b>4.3.4</b>	<b>Peatland water level management program to minimize the subsidence of peat land surface is available.</b>	
ST1	No peat soil within the working area of PT. LTS	
ST2	Based on LTS' land maps, no peat soil was available within the working area of LTS. So, this indicator is Not Applicable in this assessment.	<b>N/A</b>
<b>4.3.5</b>	<b>Management strategy of marginal land and other critical lands (sandy soil, soil containing sulfuric acid, low organic content) is available.</b>	
ST1	Analysis data of areas indicated as critical land in Block L-45 and K45 was available in the form of recommendations in respect of the land treatment issued by Minamas Research Center on April 1st, 2009, consisting of: <ul style="list-style-type: none"> <li>- Improved Mg nutrient status of soil using either Mg element sources (dolomite or kieserit fertilizers) or organic fertilizer.</li> <li>- Application of soil improvement materials, such as empty bunches in order to improve the physical, chemical, and biological natures of soil, primarily to improve the cation exchange capacity.</li> <li>- Increased number of cover crop, to help fixation of N, as well as to protect the soil from direct rainfall and maintain soil moisture.</li> <li>- Construction of silt pits for wavy to undulating topographies (in Block K45 east and west) which aims to accommodate the eroded materials and to accommodate water during the dry season.</li> </ul>	√
ST2	LTS has made efforts of treatment in the planting areas with critical land. (See explanation of pre assessment). In every planting area located on the marginal lands, the company will firstly conduct a study of that area and made intensive efforts of soil treatments such as fertilization, application of empty bunches, and similar activities in order to have a well growing of the plants.	√

4.4	<b>Practices to maintain the quality and availability of surface and ground water.</b>	
4.4.1	<b>Protection of waterways and wetlands, including caring and maintenance of river basin during or prior to replanting activities.</b>	
ST1	<p>Minamas Plantation' management unit has established a policy in order to protect waterways and wetlands, including keeping and maintaining the river basin, in the form of a Memo No.: POD-UM-061/IV/2010 from the Head of Plantation to the estate manager, which contains:</p> <ol style="list-style-type: none"> <li>1. Marking the palm master trees that are still productive using yellow paint which is located along the riverbank. The fruits of the said palm trees may be harvested but manual application of inorganic fertilizers and chemical treatment should be prevented.</li> <li>2. In the rejuvenated plantation areas, palm master trees in area 50 meters left and right along the natural riverbank should not be cut and should be maintained, which gradually may be replaced by local woody plants such as Mahogany, tengkawang, meranti, ironwood, bungur, tembesu, jelutung, and the like that replace such palm master trees.</li> <li>3. For the new crop area should not be planted with oil palm in areas subject bufferzone river, the area needs to be planted by local woody plants.</li> </ol> <p>Implementation: The organization was committed to protect waterways and wetlands within the HGU areas by way of not applying chemicals around the riverbank (ditches, Lowland). Based on the field visits, buffer zone around the reservoir located near the factory has not been managed properly in accordance with the prevailing rules of protected areas and relevant regulations (Presidential Decree No. 32/1990). For example: buffer zone setting and protection activities were conducted without farming activities, etc. This issue will be verified at the time of main assessment. <b>The non-conformance of this criteria is NC-2010.13.</b></p>	X
ST2	<p>Verification during the main assessment: Based on field visit, the company has established a reservoir management program which establishes buffer zone around the reservoir area. In the the buffer zone, the company has programmed to enrich forest trees, not apply chemicals or inorganic fertilizers, etc. The organization has established a reservoir management program, and has also conducted test of quality of domestic water and monitored wells, and has evaluated the test result of the water quality based on the predetermined quality standards. <b>Non-conformance of NC-2010.13 criteria is declared closed.</b></p>	✓
4.4.2	<b>Records of the implementation of water management program</b>	
ST1	<p>The organization has appointed PT. NALCO Indonesia to conduct regular testing of water quality for FFB processing at the factory at monthly basis. This test is intended to maintain the quality of water after a treatment such as soda ash, alum, sand filter, softener (silica sand), and deaerator (to remove O<sub>2</sub>). The treated water will be used for FFB processing. The documented treated water test was available in the form of the analysis results of raw water samples, sand filter water, and softener water, as indicated in the letter No. SS-ec/2303-10 dated March 23, 2010 issued by PT. NALCO Indonesia addressed to PKS Alur Dumai. However, water quality testing for domestic water and monitored wells based on the quality standard of health and environment has not been conducted.</p>	X
ST2	<p>The organization has presented the evidence of quality test of domestic water and monitored wells water, in the form of:</p> <ul style="list-style-type: none"> <li>- Report of Clean Water Analysis, tested for Physical &amp; Inorganic Chemical Analysis and Microbiology based on Regulation of the Minister of Health of RI No. 907/MENKES/SK/VII/2002, testing date: 24/05/2010 to 09/06/2010; conducted in Sucofindo's laboratory in Pekan Baru. Parameter tested includes: color, odor, pH, temperature, total coliform, and chemicals content (Fe, Mn, Zn, Cl, NO<sub>3</sub>,</li> </ul>	✓

	<p>Cd, Cu, Al, Se, and total CaCO<sub>3</sub>). The test result showed that all parameters still meet the quality standards.</p> <ul style="list-style-type: none"> <li>- Report of Analysis of PKS Alur Dumai's Monitored Well Water, Refer to Decree of the Minister of Environmental Affairs No. 28 of 2003 and No. 29 of 2003), sample was taken from the monitored wells number 2. Parameter being tested includes: pH BOD, NO<sub>3</sub>, SO<sub>4</sub>, Pb, Cu, Cd, Zn, Cl. The test result showed all parameters still meet the quality standard.</li> </ul>	
<b>4.4.3</b>	<b>Records of mill's BOD waste water</b>	
ST1	<p>Monitoring of factory's BOD effluent was conducted at monthly basis. Data of the monitoring of the factory's BOD effluent was available in the form of:</p> <ul style="list-style-type: none"> <li>- Effluent Test Result February 2010, which indicates BOD Raw effluent value of 7.115 mg / L; Effluent treatment of 95.5 mg / L (quality standard of BOD 5,000 mg / L).</li> <li>- Effluent Test Result January 2010, which indicates BOD Raw effluent value of 5.710 mg / L; Effluent treatment of 124 mg / L (standard quality of BOD 5,000 mg / L).</li> <li>- Effluent Test Result December 2009, which indicates BOD Raw effluent value of 3.950 mg / L; Effluent treatment of 184 mg / L (standard quality of BOD 5,000 mg / L).</li> </ul>	√
ST2	<p>The organization has conducted periodical monitoring of BOD effluent. BOD effluent monitoring was conducted by sending the sample to the laboratory of Sucofindo in Pekanbaru to be tested in accordance with quality standards set by the regulations. Monthly effluent test result (for example: test result of effluent from the period from January to June 2010) was available. In general, the test result shows that the parameter of BOD has met the quality standard of effluent permitted for land application, i.e: &lt;5.000 mg / L.</p>	√
<b>4.4.4</b>	<b>Records of monitoring of water use for plant per ton of FFB (Fresh Fruit Bunches)</b>	
ST1	<p>Records/data of monthly monitoring of factory's water consumption was available in the form of Water Consumption Data for Alur Dumai Factory of PT. LTS for the period from 2007 to 2010, consisting of:</p> <ul style="list-style-type: none"> <li>- Volume of consumed water in 2007 was 9.7 m<sup>3</sup>/ton FFB.</li> <li>- Volume of consumed water in 2008 was 1.1 m<sup>3</sup>/ton FFB.</li> <li>- Volume of consumed water in 2009 was 0.8 m<sup>3</sup>/ton FFB.</li> <li>- Volume of consumed water for the period of January 2010 - March 2010 was 0.6 m<sup>3</sup>/ton FFB.</li> </ul>	√
ST2	<p>The organization has conducted the daily monitoring of the factory's water consumption the data of which was recapitulated into the monthly data. Data of monitoring of the factory's water consumption for the period from January to July 2010 was available.</p>	√
<b>4.5</b>	<b>Invasive pests, diseases, weeds and introduction species are effectively controlled by applying the sufficient Integrated Pest Management (IPM) system.</b>	
<b>4.5.1</b>	<b>IPM system is documented and updated</b>	
ST1	<p>IPM program was available covering:</p> <ol style="list-style-type: none"> <li>1. Working Sheet of Caterpillars Pest Control (Budget 2010/2011), which consists of planting of beneficial plants from <i>Turnera subulata</i>, <i>Casia cobanensis</i>, and <i>Antigonon leptosus</i> species around the working area of PT. LTS; application of pesticide Decis 2.5 EC at a dose of 0.3 - 2 liters / hectare depending on the pest attack level.</li> <li>2. Working Sheet of Rat Pest Control (Budget 2010/2011), which consists of the preparation and installation of nest box to keep owl as controller and predator of rats.</li> </ol>	√

	3. Working Sheet of Termite Pest Control consisting of the use of pesticides Lentrek 400 EC as a termite exterminator.	
ST2	<p>The Company has established procedures for integrated pest management consisting of oil palm crop protection, plantation of beneficial plants for natural pest control of leaf, control of rats of palm oil plants). Documented implementation of the procedures are as follows:</p> <ol style="list-style-type: none"> <li>1. Plantation of benefecial plant tunera in 2010 with the following detail: Division I = 100 m and Division II = 3980 m. Benefecial plant planting map was also available according to the planting data.</li> <li>2. Owl Nest Box Site Map with the following detail: Division I = 13 units, II = 16 Units, III = 10 units, IV = 21 units Total = 60 units. Owl growth progress was monitored, for example: in January 2010 Division III Nest Box 1 in block O44 with 4 cheepers and in good condition, Nest Box 2 P 47 with flying cheepers and in good condition.</li> <li>3. Pest and disease control reports per division, e.g: January 2010 division IV report that includes the monitoring of benefecial plant cultivation, silkworm census, fire caterpillars census, oryctes attack census.</li> </ol>	✓
<b>4.5.2</b>	<b>Records of IPM monitoring including its training</b>	
ST1	PHT monitoring data was available in the form of: - monitoring of owls development progress, Division 1, Alur Dumai Estate, January 2010. Number of eggs was 2 pieces, 11 cheepers, 9 flying cheepers. - Summary of Planting of Beneficial Plants, February 2010. Planting of Turnera subulata planting along 100 meters, Casia cobanensis of 3980 meters. - Summary of Census and Control of Oryctes, Division 2, Alur Dumai Estate, February 2010. For example: Block J38, the total surveyed area was 12:18 hectares, total attacked area was 12:07 hectares, manual control (hand picking), the number of beetles caught was 17 tails. Training has not been done. <b>The non-conformance in this indilator is NC-2010.14.</b>	✗
ST2	The company has conducted training for its PHT workers on August 31, 2010 attended by 11 persons including Martha Purba (census foreman div I), Suherman (maintenance foreman div II), Samiah Purba (census foreman div III), Bismawer Silo (Foreman I Div III ) and Madanil M (Foreman I Division IV). Trainer was Rihul Fajri (estate manager). <b>Based on the description above, NC-2010.14 is declared closed.</b>	✓
<b>4.5.3</b>	<b>Records of monitoring of pesticide toxicity (active/LD50 material per ton of FFB or per Hectare)</b>	
ST1	Not available. The organization should conduct monitoring of pesticide toxicity by testing the pesticide content in FFB at gradual basis or the application of pesticide per hectare. <b>The non-conformance in indilator is NC-2010.14.</b>	✗
ST2	The company also has monitored the application of pesticides in PHT. In the form of monitoring of the application of pesticides no record indicating the use of pesticide for PHT. <b>NC-2010.14 on this indicator is declared closed.</b>	✓
<b>4.6</b>	<b>Agrochemicals are used in a way that does not endanger health and environment. No use of ropilaktik (prevention) rather than pesticides, except under special conditions as stipulated in the best practices. If the agricultural chemicals used are classified as WHO Type 1A or 1B or those materials included in the list of the Stockholm or Rotterdam Convention, the plantation company actively look for alternatives and the process is documented.</b>	

4.6.1	The evidences show that the company just used agro-chemicals that are listed and permitted by the competent authority.	
ST1	There is evidence of the application of chemicals listed and permitted by the relevant agency, for example: - Audit 486 AS; active ingredient Iso Propilamina Glifosat 486 gr/l; No.Register RI.1863/9-2008/T- Starane 200 EC; active ingredient Fluroksipir200 gr/l; No.Register RI.854/5-2004/T- Meta Prima 20 WDG; active material Metil metsulfuron 20 WDG; No. Register RI.1897/8-2003/T- Decis 2.5 EC; active material Deltametrin 25 gr/l; No. Register RI.387/11-2002/T- TRAP 20 WP; active material Metthyl metsulfuron 20 %; No. Register RI.1797/11-2007/T. <b>Non-conformance in this indicator is NC-2010.15.</b>	✓
ST2	Agrochemicals applied by company are as follows: 1. Audit 486 AS; BA: Iso Propilamina glyphosate 486 g / l; Register No.: RI.1863/9-2008/T 2. Prima Up 480 AS; BA: Iso Propilamina glyphosate 480 g / l; 1779 / 11 - 2007 / T 3. Starane 200 EC; Fluroksipir200 g active ingredient / l; Register No.: RI.854/5-2004/T 4. Meta Prima 20 WDG; BA: metsulfuron methyl 20 WDG; Reg. No. RI.1897/8-2003/T. 5. Decis 2.5 EC; active ingredient deltamethrin 25 gr / l; Register No.: RI.387/11-2002/T. 6. Karmex 80 WP; Diuron 80%. 7. Industtick U.S. 100/20; BA: Condensat nonylphenol Volifenil Alcohol 19 g / l. Etilenok 95 g / l; Reg No: 986 / 9 - 91 / T. 8. Kenlon 480 EC; Triklopir Butoksi Ethyl Ester 480 g / l; 2433 / 5 - 2006 / T. 9. Regent 50 SC; Fipronil 50 g / l; 1192 / 3 - 2000 / T. 10. Dithane M45 Fungicide; Mankozeb 80%; 59 / 4 - 2001 / T. 11. Decis 2.5 EC; deltamethrin 25 g / l; 387 / 11 - 2007 / T. <b>Based on the description above, the NC-2010.15 is declared closed.</b>	✓
4.6.2	Records of pesticide use (including active ingredients used, the area is applied, the amount of use per hectare and the number of times the application).	
ST1	Data of pesticide use was available in the form of Work Performance Book February 2010 consisting of: 1. Circle and pat spraying activities, dated March 1, 2010, in Block E46, total area sprayed was 8 hectares, involving 8 workers, herbicides used in AUDIT was 2.5-liters mixed with TRAP 20 WP of 0.2 grams. But it does not specify dose per hectare and type of weeds being sprayed. 2. Weed wiping activities, dated March 2, 2010, in Block L38, the total area sprayed was 10 ha, involving 2 spraying workers, herbicides used in AUDIT was 0.4 liters. It does not specify dose per hectare. There was document of Pusingan Piringan Chemis 2009/2010 Division 4, which consists of the following: Rotation of piringan spraying activity is 3 times a year, the number of acres sprayed, the amount of energy used. <b>The non-conformance in this indicator is the CFA-2010.16.</b>	✓
ST2	The company already presented the auditors the record of pesticide use in the form of a chemis rotation map (piringan spray and pasar rintis spray) performed 2 times a year, there is information on area being applied in the form of block names and dosages used. For example: 1. Piringan spray activity on October 15, 2010 using Prima Up pesticide (BA: Iso Propilamina glyphosate 480 g / l) 6 ltr and Storane (BA: Fluroksipir200 g / l) 1 l for block G006 with a total area of 18 hectares carried out by Tuginem, Kasminem, Mardiana. 2. Piringan spray activity on October 14, 2010 using Prima Up pesticides (BA: Iso Propilamina glyphosate 480 g / l) 6.8 ltr and Storane (BA: Fluroksipir200 g / l) 1.5 ltr in block F005 with a total area of 19,54 hectares carried out by Tuginem, Kasminem, Mardiana and Kasminem. <b>Based on the description above, the CFA-2010.16 is declared closed.</b>	✓

4.6.3	<b>Documented evidence agrochemical use in accordance with the target of species, the appropriate dosage, and applied by trained personnel in accordance with instructions of use as specified in the label and storage instructions.</b>	
ST1	See major indicator 4.6.2 There is evidence that organization has provided training to the the spraying team on procedures of spraying in proper and friendly-environmental manner in the form of photographs of the training activities. However, the company has not presented the documented evidence of the spraying team training. For example: minutes of training results, and attendance list. <b>The non-conformance in this indicator is the CFA-2010.16.</b>	X
ST2	The company has provided training to the the spraying team on procedures of spraying in proper and friendly-environmental manner as indicted in photographs of the training activities. These activities were conducted on April 5, 2010 attended by 11 participants consisting of foremen spray of each division. Facilitators of the training were the Estate Manager and Senior Assistant. <b>Based on the description above, the CFA-2010.16 is declared closed.</b>	√
4.6.4	<b>Disposal of agrochemical waste and pesticide packaging waste in accordance with the applicable laws and regulations.</b>	
ST1	The organization is still in process of construction of B3 waste storage warehouse and in procurement process for approval of the competent authority. For a while this pesticide bottle waste was stored in each central warehouse of the estate and the factory. There is SOP for storage of B3 (Agrochemical Waste) under Policy No. 019/SOP-LTS, dated March 12, 2009. But the procedures have not explained the procedures for pesticide bottle waste management in accordance with the prevailing laws and regulations. The organization must make pesticide packaging waste management procedures in accordance with applicable regulations. <b>The non-conformance in this indicator is NC-2010.15.</b>	X
ST2	The organization has completed procedures with the B3 waste storage procedures for destruction of pesticide bottle waste and other chemical waste in accordance with relevant regulations. (See minor indicator 5.3.1). <b>Non-conformance status of NC-2010.05 indicator is declared closed.</b>	√
4.6.5	<b>Documented data indicating that the company's application of chemicals categorized as Type 1A or 1B WHO ingredients as listed in the Stockholm and Rotterdam Conventions, and paraquat are reduced or eliminated.</b>	
ST1	See major indicator 4.6.1 The organization does not use the Paraquat pesticide since January 2009	√
ST2	Similiar to stage-1 audit	√
4.6.6	<b>Documented results of medical examination for the operators/spraying workers.</b>	
ST1	Medical check up for spray operators was conducted at semester basis by physician at the Private Hospital Agung, Bagan Batu - Rokan Hilir, Riau Province. Documented evidences of the medical examination are as follows: - Medical examination result of 5 persons (Satriadi, Reni, Nuriatik, Ramhida, Juliadi) in November 15, 2009. - Medical examination result of 29 persons of November 8, 2009.	√
ST2	Medical examination of spray workers in Block spray F006 Division II in the name of Yazid, Tuginem and Rusmiati dated August 8, 2010 with physical examination of head, neck, thorax, abdomen, and Genital Extremitis.	√



<b>4.6.7</b>	<b>Records indicating that the company does not employ female spraying workers who are pregnant or breastfeeding.</b>	
ST1	Based on interview with Senior Assistant Alur Dumai Estate and spraying foremen the company does not employ pregnant or breastfeeding spraying workers.	✓
ST2	Based on the interviews with spraying workers Mrs. Tugimen and Mrs. Rusmiati that spraying workers who are pregnant or breastfeeding are moved to other section that are not related to the pest control activities.	✓
<b>4.7</b>	<b>Health and safety plan is documented, disseminated and implemented effectively.</b>	
<b>4.7.1</b>	<b>The company has presented the documented health and safety program and implemented it.</b>	
ST1	<p>There is H&amp;E policy ratified by the CEO of Minamas Plantation on July 5, 2008, which contains:</p> <p><u>Commitment:</u> The Company is responsible for implementing the H&amp;E program in all operational activities of the estate and factory. To realize this purpose the company has established operating procedures across the garden and plant. This is realized in order to comply with laws and regulations in respect of occupational health and safety, and to continuously improve it so that to serve as risk control and management business activities of the company.</p> <p><u>Goals and Objectives:</u></p> <ol style="list-style-type: none"> <li>1. Providing protection to everyone involved in the company's business activities (Zero accident) and to the company's assets</li> <li>2. Achieving safe and healthy business activities and raise awareness of employees towards safety culture.</li> <li>3. Implementing Indonesian Laws on HSE.</li> </ol> <p>In process, LTS has made effort to implement H&amp;E policies such as: the provision of PPE to harvesting, spraying, fertilizing, and factory workers.</p>	✓
ST2	<p>The Company has established a H&amp;E policy which was approved by Franky Anthony CEO on 1 April 2010 which focuses on the following things:</p> <ol style="list-style-type: none"> <li>1. Formulate, establish and implement SMK3.</li> <li>2. Staff / employees are trained according to their competency / expertise in the field of work.</li> <li>3. Comply with laws, regulations and rules set by the Indonesian Upstream Plantation on H&amp;E and cultural codes of conduct adopted in the operational activities of the Indonesia Upstream Plantation.</li> <li>4. Continuously improve safety and health performance. The policy has been disseminated to employees.</li> </ol>	✓
<b>4.7.2</b>	<b>Officers responsible for health and safety program must be identified and minutes of periodical meeting discussing occupational health, safety, and welfare workers issues should be made available.</b>	
ST1	The organization has established and appointed personnel who are responsible for the H&E program and also referred to as the Committee of Supervision of Occupational Health and Safety (P2K3). Composition of P2K3 management board was approved by the Head of the Local Manpower and Transmigration Office of Rokan Hilir District based on the approval letter No: 03/TK-PK/SK-P2K3/2010, dated February 30, 2010.	✓

	<p>The composition of the P2K3 management board is as follows: General Chairman (Shah Ismail), 1<sup>st</sup> Chairman (Rudie Purba), 2<sup>nd</sup> Chairman (Syamsul Lubis, Ribuan Harahap), Secretary (Nurmahmudi, Hendra Putra), Factory Investigation (Samsul Bahri), Emergency Response Team Section (July), Accident Investigation Section (Teguh Waluyo), and Safety Awareness Section / Training Team (Icut Sukimin). Documented evidence of periodical meeting was available: - Documented Schedule of P2K3 Meeting Alur Dumai Factory in 2010. For example: meeting plan January held on January 12, 2010; meeting plan held on February 20, 2010; meeting plan March held on March 5, 2010; meeting plan April held on April 21, 2010; meeting plan May held on May 25, 2010, and meeting plan June held on June 4, 2010. – P2K3 meeting minutes dated January 13, 2010. Attended by 9 participants (Factory Assistant, head of administration, secretary of P2K3, factory foremen, factory operators, and accounting function); held in the meeting room of PKS Alur Dumai. Agenda of the meeting was as follows: P2K3 work program follow-up, implementation of occupational safety, housing hygiene, cleaning up of each unit of factory machinery, traffic arrangements of vehicles in and out the factory site, and the socialization of H&amp;E to the community. Minutes of the P2K3 meeting dated March 8, 2010. The meeting was attended by 10 participants (factory manager, factory assistant, head of administration, secretary of P2K3, factory foreman, security guards, head of laboratory, and clerks); held in the meeting room PKS Alur Dumai. The results of the meeting were as follows: formation of a new P2K3 structure, the use of personal protective equipment, establishment of warning signs in residential areas, residential security, establishment of emergency response simulation program, establishment of First Aid (P3K) for employees and monitoring of the use of drugs, as well as maintain the cleanliness of factory area.</p>	
ST2	<p>The company has appointed persons who are responsible of the implementation of H&amp;E system, namely Committee for Supervision of Occupational Safety and Health (P2K3) for the Estate already approved by the Head of Manpower Office of Rokan Hilir District under the Approval Letter No: 04/TK-PK/SK-P2K3/2010 and for the PKS approved by the Manpower Rokan Hilir with letter No: 03/TK-PK/SK-P2K3/2010. The company held quarterly meeting to discuss the H&amp;E issues, for example:</p> <ol style="list-style-type: none"> <li>1. Meeting held on June 22, 2010 attended by 13 participants discussing vehicles, warehouses for B3 waste, First Aid Kit, PPE masks, etc. APAR, etc.</li> <li>2. Meeting held on 30 September 2010 attended by 16 participants (Managers, Assistant, Danton, security guard, foreman, etc.) discussing MSDs, safety briefings, APAR &amp; P3K, warehouses, attractions, etc.).</li> </ol>	✓
<b>4.7.3</b>	<b>Availability of accident insurance for workers.</b>	
ST1	<p>Availability of accident insurance for workers, for example:</p> <ul style="list-style-type: none"> <li>- JAMSOSTEK (Social Security Plan for Workers) for Staff and Employees</li> <li>- Fulmedicare (Takaful group health insurance) for Staffs.</li> </ul>	✓
ST2	<p>The company has provided its employees with accident insurance coverage in the form of Jamsostek participation. In September 2010, the company's estate employed 509 workers and all of them have been registered with the Jamsostek plan. While the company's factory employed 38 persons and all of them have been registered with the jamsostek plan.</p>	✓
<b>4.7.4</b>	<b>Periodical medical check up for employees who work in stations or jobs with high-risk.</b>	
ST1	<p>The organization conductd periodical medcial screening for all employees at semester basis. LTS cooperates with the Agung Public Hospital in Bagan Batu. The documented evidences of the employees' periodical medical screening activities are available in the form of a documented Approval of Medical Check Up for Employees of PKS Alur Dumai No: 413/ADF/X/2009, dated October 31, 2009; totaling seven employees from several sections such as engine room operator, generator operator, warehouse head, kernel operator, boiler operators, and mechanics.</p>	✓

ST2	Company conducts periodical medical check up for spraying workers, fertilizing workers, and operators / drivers. For example, for spraying workers, the medical screening was given to Yazid, Tuginem and Rusmiati.	✓
<b>4.7.5</b>	<b>Records of risk analysis for health and safety programs.</b>	
ST1	<p>Risk analysis data of H&amp;E program was available, including:</p> <ul style="list-style-type: none"> <li>- Hazard Identification Risk Assessment Control (HIRAC) documents for the workshop / traction. For example: workshop; potential dangers of release and repair of tire; risk of bodily injury, blind; workers were recommended to wear PPE. Location of electric hand grinder; potential debris hazard exposure; risk of injury, red eye irritation; PPE is recommended. Location of genset engines; the potential danger of short circuiting; the risk of fire; complementary fire extinguisher is recommended.</li> <li>- HIRAC Document for the work buildings. For example: Warehouse Location toxins; potential danger of poisoning through the respiratory tract (inhalation); risk of shortness of breath, coughing up blood, breathing stops, the blue and cold body due to lack of oxygen; recommendation to wear a mask and warehouse must be well ventilated.</li> </ul>	✓
ST2	<p>The company has set a risk analysis for the H&amp;E program at the estate in the form of Hazard Identification Risk Assessment Control (HIRAC) Document for harvesting, shoots, fertilizing, spraying, road, warehouse, etc. maintenance activities. For harvesting activities, the potential hazard are = falling fruit;- effect = major bodily injury; risk control is in the form of safety briefing discussing on how to do safe harvesting of palm oil fruits and wear of PPE. PKS has set the risk analysis of PKS operational activities, however it is found that there is still activity for which the risk analysis has not been conducted, e.g.: fruit grading activity. It is also found that the organization has not implemented some procedures contained in the HIRAC documents, namely: the cleaning up of steam in boiling water stations; for example work permit and testing of gas in steam, Risk control specifies working permit in the restricted area activities but the company has not performed it. <b>The non-conformance in this indicator is the CFA-2010.40 with Comment For Action category.</b></p>	X
<b>4.7.6</b>	<b>Records of training of health and safety programs (H&amp;E).</b>	
ST1	<p>Record of training of H&amp;E program is available, including: - H&amp;E Socialization and APAR Training on April 1, 2010, held in the meeting room of Alur Dumai Estate, attended by 26 participants (foremen, warehouse's and PKS employees, division's assistant, security guards, and ESH manager). List of attendees and the minutes are available. Training of safe driving, dated June 13, 2009, held in Alur Dumai Estate workshop, attended by 24 people (estate manager, senior assistant, transport foreman, chief mechanic, heavy equipment operator, driver, mechanic, head of administration, etc.). Attendance list is available. Training P3K, dated March 25, 2010, attended by 51 people (school teachers, security guards, employees, assistant division, doctors, foremen, medical nurses, etc.). Attendance list is available. Training the use of grinding machines, dated 7 May 2009, the location of Alur Dumai Estate workshop, attended by 9 people (estate manager, assistant division chief mechanic, mechanic and operator). Attendance list is available.</p>	✓
ST2	<p>The Company has conducted training for H&amp;E for example: Training P3K dated 25 March 2010 attended by 51 people comprising the assistants, foremen, teachers, security etc. Trainer was Dr. Amruddin Daulay from RS Agung Bagan Batu.</p>	✓
<b>4.7.7</b>	<b>The procedure of preparedness and emergency response.</b>	
ST1	<p>Emergency response procedures are available for fire and earthquake preventions. Drilling of emergency response for fire fighting has been carried out which covers an area of gardens and plants.</p>	X

	However, simulations or practice of fire prevention trials have not been conducted including earthquakes. During the visit in the factory area and the estate office, directions the required evacuation in emergency situation have not been established. <b>The non-conformance in this indicator is NC-2010.18.</b>	
ST2	The company has established a fire emergency response procedures in the form: <ol style="list-style-type: none"> <li>1. Identification and evaluation of the potential hazards (005/LTS-IEPD/10)</li> <li>2. Preparedness and response and recovery of conditions (006/LTS-IEPD/10),</li> <li>3. Evacuation (007/LTS-IEPD/10).</li> </ol> The company has also presented a list of emergency response equipment. The equipment is also inspected at periodical basis. A simulation of emergency response has also been conducted on June 8, 2010 attended by 16 participants comprising of assistant, danru and security guards. The company has also evaluated the implementation of the fire fighting simulation. Based on field visits (factory and estate areas), evacuation directional signs for emergency either fires or earthquakes have been made available. <b>Based on the description above, the NC-2010.18 is declared closed.</b>	✓
<b>4.7.8</b>	<b>Evidence of fulfillment of health and safety program and first-aid equipment at worksite.</b>	
ST1	Based on the results of field visits, there is evidence of the fulfillment of H&E and P3K equipment, including: - Workers at the factory are equipped with personal protective equipment include: helmet, earplug, gloves, and shoes .- Personal protective equipment for sprayng workers include: helmet, mask, Apron shirt, and gloves -APAR in the form of toxic flame tube is available on reacibles sites including: the warehouses, workshops, offices, factory. There is form of fire extinguisher inspection in March 2010, for example: On March 26, 2010, the Loding Ramp station, Type of ABC fire poison tube APAR Powder, Number 1 in good condition, the scale of 0-28 Bar, 14 Bar pressure APAR, the name of the examining officer is Hendra Putra. But data of the examination of the toxic flame tube in term of its expiration and refill has not been made available. – First Aid kit was available in every room that is affordable, such as in the estate’s and factory’s offices, workshops, and warehouses. <b>The non-conformance of this indicator is NC-2010.18.</b>	X
ST2	First Aid Kit has been made available in the office, the foreman spray office, harvest foreman office, fertilizing foreman office and the spray trucks. For PKS it is available in the factory areas, such as workshops, offices and warehouses. The portable fire extinguisher (APAR) has been made available by the organization in every building (factory and estate office). Data on expiration date and refill of the toxic flame tube has also been completed. <b>Based on the above description, NC-2010.18 is declared closed.</b>	✓
<b>4.7.9</b>	<b>Workers who have got First aid training should be assigned in the field and factory activities.</b>	
ST1	LTS has provided First Aid training to workers on March 25, 2010, for example: factory workers, security guards, estate assistant, foreman, warehouse workers, medical officers, estate manager, and schoolteachers.	✓
ST2	The Company has conducted First Aid training for operational workers such as: First Aid Training dated 25 March 2010 followed by foremen like M. Joseph (Harvesting Foreman), Marta Purba (Fertilizing Foreman), Samiah P (Maintenance foreman).	✓
<b>4.7.10</b>	<b>Records of accidents must be maintained properly and periodically reviewed.</b>	
ST1	There are records of monitoring of occupational accident within the scope of estate and gardens. These records are reviewed at semester basis. Example: Occupational Accident Statistics document in the Garden SOU 14 (Alur Dumai Estate, Manggala-1 Estate, Manggala-2 Estate, Manggala-3 Estate) for the the Period of July 2009 - January 2010.	✓

ST2	There are records of occupational accident in the form of accident logs and monitoring of work accidents. It is found that on February 25, 2010 an accident occurred on a worker whose name is Pajjah who fallen from motorcycle in Block G42; lost time was 42 hours.	✓
4.8	<b>All staffs, workers, farmers and contractors are appropriately trained.</b>	
4.8.1	<b>Continuous training programs for staffs, employees and farmers, according to their respective competence and are documented</b>	
ST1	The company was unable to show training program to all workers in accordance with the respective competency and positions of the worker. <b>The non-conformance of this indicator is NC-2010.19.</b>	X
ST2	The Company has established training programs for every level of staff (Manager, Senior Assistant, Assistant, Asisrem TQEM,) Employee (Supervisor, head of the warehouse, the foremen, machine / heavy equipment operators, technician, harvesters, spraying workers, fertilizing workers, general labors, forest protection officers, H&E Experts, P2K3 members, emergency response teams, security guards) and the contractor. <b>Based on the description above, the NC-2010.19 is declared closed.</b>	✓
4.8.2	<b>Records of training for each employee are available.</b>	
ST1	Records of training for each employee are unavailable. <b>The non-conformance of this indicator is NC-2010.19.</b>	X
ST2	Records of training, such as training for harvesting workers in the form of training figures are available: <ul style="list-style-type: none"> <li>1. Tehnical manuring training held on Saturday 25 September 2010 at ADE Office with trainer of Waldy Saragih (senior assistant), attended by nine participants from fertilizing foremen. The company also provided an evaluation of the training.</li> <li>2. Technical training and H&amp;E of pest control (spraying) held on April 5, 2009 attended by 11 people including the spray division foreman.</li> </ul> <b>Based on the description above, the NC-2010.19 is declared closed.</b>	✓
4.8.3	<b>Documented evidence indicating that the company uses well-trained contractors</b>	
ST1	Documented evidence of the company's use of trained contractors is unavailable. <b>The non-conformance of this indicator is NC-2010.19.</b>	X
ST2	The company has hired a trained contractor as indicated by the mess renovation project for which the company appointed CV. Anugerah Sejati which has experience in performing construction of villa buildings in 2007 and construction of drilled wells in oil palm plantations in 2008. <b>Based on the description above, the NC-2010.19 is declared closed.</b>	✓
<b>PRINCIPLE # 5 ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL WEALTH AND BIODIVERSITY</b>		
5.1	<b>Estate and mill management aspects, including replanting raising impact environmental impacts are identified, plans to reduce negative impacts and to encourage positive impacts have also been prepared, implemented and monitored in order to demonstrate continual progress</b>	

5.1.1	<b>Documentation of impact analysis.</b>	
ST1	<p>Documentations of environmental impacts are included in the revised RKL / RPL documents which have been approved by the Rokan Hilir District's BAPEDALDA Office Head under the approval letter No.: 666.1/AMDAL-BAPEDALDA/2008/63 dated April 16, 2008. RKL / RPL documents which consist of 7 Chapters, 84 pages, among others, define the following 8 types of major and significant impacts (Chapter V):</p> <ol style="list-style-type: none"> <li>1. Erosion and sedimentation;</li> <li>2. Impaired air quality and noise;</li> <li>3. Impaired quality of surface water and groundwater;</li> <li>4. Potential land fires;</li> <li>5. Job and business opportunities;</li> <li>6. Damage to rural roads;</li> <li>7. Impaired environmental health and community health; and</li> <li>8. Public unrest.</li> </ol> <p>However, the potential impacts on biodiversity (flora and fauna) have not been identified in the document because the company's activities are not forest opening anymore. In fact, based on the documented outcome of Identification of High Conservation Value (HCV) in January 2010, it is found that in the working area of PT. LTS there are 53 species of flora (trees and lower plants) and 62 species of animals (consisting of 52 species of birds, 6 species of mammals and 4 species of reptile). <b>The non-conformance of this indicator is NC-2010.20</b></p>	<b>X</b>
ST2	<p>Furthermore, from a number of identified species, some species of wildlife are found including those protected and listed in Appendix II of CITES, namely: six species of birds - Black Baza (<i>Aviceda leuphotes</i>), tikue eagle (<i>Elanus caeruleus</i>), elang ular bido (<i>Spilornis cheela</i>), long-tailed parakeet (<i>Psittacula longicauda</i>), Javanese owl (<i>Tyto alba</i>), and white belly kangkareng (<i>Anthracoseros albirostris</i>), 3 species of mammals, namely the long-tailed monkey (<i>Macaca fascicularis</i>), beruk monkey (<i>Macaca nemestrina</i>), and langur (<i>Presbytis femoralis</i>), and 3 species of reptiles, namely: biawak (<i>Varanus salvator</i>), pyton snake (<i>Python sp</i>), and cobra (<i>Naja sp.</i>); and 2 species included in Appendix I of CITES, i.e.: bobcat (<i>Prionailurus bengalensis</i>) and senyulong crocodile (<i>Tomistoma schlegelii</i>). The organization has prepared the monitoring plan and monitoring and management plan of impacts on biodiversity as listed in the Biodiversity Action Plan document of Minamas Plantation Alur Dumai Estate. <b>Non-conformance of the NC-2010.20 status is declared closed.</b></p>	<b>√</b>
5.1.2	<b>Records of periodic environmental management reporting in accordance with applicable regulations.</b>	
ST1	<p>The company has shown copy of trimester reports of RKL / RPL until the fourth period of October 2009 - December 2009. However, there are several things the company shall fulfill, among others:</p> <ol style="list-style-type: none"> <li>1. Company must show documented evidence indicating that RKL / RPL reports have been submitted to the relevant authority;</li> <li>2. The substance of the report should at least refer to the subject matter contained in Chapter VI of RKL / RPL, namely the management of erosion and sedimentation; impaired air quality and noise; impaired quality of surface water; potential fires; opening of job and business opportunities; damage rural roads; impaired environment and society health, and public health.</li> <li>3. The company shall present the management of impacts on biodiversity, especially rare and threatened species.</li> </ol> <p><b>The non-conformance in this indicator is NC-2010.21.</b></p>	<b>X</b>

ST2	The organization has completed the RKL / RPL reports according to several parameters described in the Revised RKL / RPL Reports. But the parameters of the management of erosion and sedimentation have not been specified. The company is encouraged to complete the RKL / RPL report by specifying the management of erosion and sedimentation as described in the Revised RKL / RPL Reports. <b>Non-conformance status of NC-2010.21 criteria is declared open with Comment For Action category.</b>	X
5.1.3	<b>Revision of the environmental management documents if there is change in operational areas or activities of the company.</b>	
ST1	PT LTS never have AMDAL document approved by the Central Committee for AMDAL under approval letter No. RC.220/887/B/V/94 dated May 19, 1994 for an effective area covering around 13,500 hectares consisting of: (a) oil palm plantation of 8000 hectares with a plant production capacity (PKS) of 30 tonnes FFB / hr, (2) rubber plantation with a total area of 5,500 hectares with a production capacity of 600 tonnes RSS-I/month. In progress, there have been changes in the technical aspects that are caused among others by: (1) depreciation of the garden area of 13,500 ha to only 3,759,014 hectares, (2) changes in commodities where 1,500 hectares of rubber plants were replaced with oil palm plants, (3) rationalization of PKS capacity from 30 FFB / hour to 15 tons FFB/hour. Given the changes mentioned above, in 2007 PT LTS revised the AMDAL document 1994 into RKL / RPL Documents 2007, which finally received approval from the Head of Regional Environmental Impact Development Agency (BAPEDALDA) of Rokan Hilir District No. 666.1/AMDAL-BAPEDALDA/2008/63 April 16, 2008.	✓
ST2	Similiat to stage-1 audit.	✓
5.2	<b>Status of rare and protected species and habitats with high conservation value, if they are available within the estate area or affected by the plantation or mill operations, should be identified and their conservation should be taken into account in the work plan and operation management.</b>	
5.2.1	<b>Documented identification of rare and protected species and habitats with high conservation value.</b>	
ST1	There is evidence that PT LTS have identified the rare, threatened and protected species and habitats of HCV. Results of the identification are contained in the Identification Final Report of Areas with High Conservation Value (HCV) the process of which was assisted by POLLITO (January 2010) - List of species of flora and fauna are presented in the HCV Identification Document (Appendix 1-11), while the management procedures are set forth in Chapter IV (4.1 management plans of HCV; 4.2 monitoring plan of HCV).  Based on these reports, in the working area of PT LTS contains 53 species of flora (trees and lower plants) and 62 species of animals (consisting of 52 species of birds, 6 species of mammals and 4 species of reptile). However, identification of aquatic species has not been done. Some species included in Appendix II CITES, namely: Black Baza ( <i>Aviceda leuphotes</i> ), tikue eagle ( <i>Elanus caeruleus</i> ), elang ular bido ( <i>Spilornis cheela</i> ), long-tailed parakeet ( <i>Psittacula longicauda</i> ), Javanese owl ( <i>Tyto alba</i> ), and white belly kangkareng ( <i>Anthracoseros albirostris</i> ), 3 species of mammals, namely the long-tailed monkey ( <i>Macaca fascicularis</i> ), beruk monkey ( <i>Macaca nemestrina</i> ), and langur ( <i>Presbytis femoralis</i> ), and 3 species of reptiles, namely: biawak ( <i>Varanus salvator</i> ), pyton snake ( <i>Python sp</i> ), and cobra ( <i>Naja sp.</i> ); and 2 species included in Appendix I of CITES, i.e.: bobcat ( <i>Prionailurus bengalensis</i> ) and senyulong crocodile ( <i>Tomistoma schlegelii</i> ).	X

	<p>In the working area of PT LTS, there are habitats with high conservation value with a total area of 89.68 hectares, consisting of: (1) HCV 1.1 – area that provides support to biodiversity for protected areas (slopes &gt; 40% in block T-56 and water source in block 49); (HCV 1.2 – threatened species (16 species of birds, 3 species of mammals, and 4 species of reptile); HCV 1.3 - area that is habitat for threatened, rare and protected species; HCV 1.4 - area in which some species or a group species use as their temporary habitat, (2) HCV 2.3 - areas that contain representative populations of natural species that are able to survive. HCV areas spread over 6 locations i.e: (1) Block F34-F35 Division 1 (15 hectares) HCV 1 in the form of swamp forest with secondary forest vegetation, leaf water estuary, contain langur and migratory birds, (2) Block E 31 Division 1 and Division 2 (11.35 hectares) HCV 1 and HCV 2 in the form of swamp forest with secondary forest vegetation, leaf river estuary, there are monkeys, migratory birds, and crocodiles senyulon; ( 3) Block E28-E29 Division 1 (38.65 ha) HCV 1 and HCV 2 in the form of swamp forest with secondary forest vegetation, leaf river estuary, there are monkeys, migratory birds and crocodiles senyulon; (4) Park and the division of water resources 1 ( 4 ha) HCV 1 a basin, water reservoir area, planted fruit and bamboos; (5) Water sources in Block T49 Division 3 (12.57 ha) HCV 1 and HCV 5 reservoir, a small river estuary, (6) slope &gt; 40% (8.11 ha) HCV 1 that has been planted with palm oil crops. HCV area was determined through a public hearing conducted on January 8, 2010, attended by 28 participants representing several institutions, among others: Village Officers, Bapedalda Officers, Sukajadi Youth Association, community leaders, BKSDA; evidenced by the Attendance List and minutes of meeting. The meeting was conducted in Hotel Lion, Bagansiapi-api. A minute of the meeting is available, there were 14 personnel who provide inputs, generally the inputs lead to demand for the company's contribution to the surrounding community. However, there is no evidence that the public hearing involved environmental and social NGOs. <b>The non-conformance in this indicator is the CFA-2010.22</b></p>	
ST2	<p>In additional to documents seen at ST1. However, the organization was unable to present documented evidence that the public hearing in determining HCV area was conducted by involving relevant NGOs and research institutions. The company is encouraged to provide a documented evidence of public hearing which involves NGOs and related research institutes. <b>Non-conformance status of CFA-2010.22 category is declared open with Comment For Action category.</b></p>	<b>X</b>
<b>5.2.2</b>	<b>If there are rare and protected species or habitats with high conservation value, appropriate measures to preserve them should be made available.</b>	
ST1	<p>Management plan of for rare and threatened species and habitates set forth in the HCV area identification Report CHAPTER VI - Management and Monitoring Plan for identified HCV is arranged in a matrix form detailing the type and condition of HCV areas and recommendation of treatment.</p>	<b>✓</b>
ST2	<p>The organization has presented the documented management and monitoring plan of HCV areas.</p>	<b>✓</b>
<b>5.2.3</b>	<b>The steps taken to preserve rare, threatened and protected species and their habitats must be in accordance with relevant regulations and cover the measures to control any illegal or improper hunting, fishing or harvesting activities.</b>	
ST1	<p>Some efforts have been made by company in order to protect rare or threatened species and their habitats, among others:</p> <ol style="list-style-type: none"> <li>1. Issuance of a policy in the form of a Memorandum No. ADE/024/IV/10/M dated April 6, 2010, signed by the Estate Manager of Alur Dumai (ADE), concerning the ban on capturing of fishes, animals, and plants around the HCV area.</li> <li>2. Put up a poster and warning board specifying the ban of hunting in locations considered strategic areas where HCV area is located.</li> </ol>	<b>X</b>



	Based on the field visit, such posters and information boards were available in Block T56 and between the Blocks F35/F35 identified as HCV 1 and HCV 2 areas with protected species, especially alligators senyulong crocodile ( <i>Tomistoma schlegelii</i> ), biawak ( <i>Varanus salvator</i> ), python snake ( <i>Python sp.</i> ), cobra ( <i>Naja sp.</i> ), and various species of birds. However, to achieve its management goals, such efforts must be socialized to the surrounding community, and it is advisable that each poster or information memorandum which contains the ban (hunting, poison, capture, etc.) should specifically specify the protected species, handling information, and relevant regulations. <b>The non-conformance of this indicator is the CFA-2010.23.</b>	
ST2	The organization has provided information board about the ban on hunting, fish poison, etc., which also specifies the relevant regulations. For example: Information board in Block G12, which specifies Law No. 5 of 1990. Documented evidence of protected animals monitoring the period from July to August 2010 was available. <b>Non-conformance status of CFA-2010.23 criteria is declared closed.</b>	✓
<b>5.2.4</b>	<b>The existence of posters, warning signs, publications, circulars and socialization of rare and protected species towards all employees and community and information handling</b>	
ST1	See indicator 5.2.3 above. <b>The non-conformance of this indicator is the CFA-2010.23.</b>	X
ST2	Similiar to stage-1 audit. <b>Non-conformance status of CFA 2010.23 is declared closed</b>	✓
<b>5.2.5</b>	<b>The existence of dedicated and trained personnel within the company's organizational structure to control the plan and activities above-mentioned.</b>	
ST1	There has been no documented evidence that the organization has appointed a special and trained officer in order to ensure the implementation of the treatment of rare and threatened species within the LTS area. <b>The non-conformance in this indicator is NC-2010.24.</b>	X
ST2	The organization has appointed Mr. Dedi Suheri as a special officer who is responsible for the management of rare and threatened species. But the auditors did not get enough evidence that the designated officer has received training. <b>Non-conformance status of NC-2010.24 is declared Open with Minor status.</b>	X
<b>5.3</b>	<b>Waste is reduced, recycled, reused and disposed in an environmentally and socially accountable manner.</b>	
<b>5.3.1</b>	<b>Identification of waste and pollution sources, and its documentation.</b>	
ST1	Documented identification of sources of waste and pollution in factory has not been available. <b>The non-conformance in this indicator is NC-2010.25.</b>	X
ST2	The organization has provided the documented evidences of the identification of sources of waste, pollution and emissions for the estate and factory areas. For example: <ul style="list-style-type: none"> <li>- Identification of Waste and the Management System, Alur Dumai Estate. The data covers: sources of waste from pest control activities; types of waste including unused agrochemical containers, washing water in the BSS house; waste category is B3 waste; the unused agrochemical containers are stored in the B3 waste warehouse, and waste water is utilized for spraying again in the area.</li> </ul>	✓

	<ul style="list-style-type: none"> <li>- PKS Alur Dumai Factory Waste Control. The types of waste identified are: Solid waste (shells, fiber, boiler ash, empty bunch, and loading ramp waste); Liquid waste (condensated waste water, clarified station wastewater, hydrcylone wastewater, and continuous boiler blow down); and gas waste (boiler gas emission, generator gas emission, and steam gas emission).</li> </ul> <p><b>Non-conformance status of NC-2010.25 is declared closed.</b></p>	
<b>5.3.2</b>	<b>Waste management plan is documented and implemented based on the results of identification to prevent and reduce pollution.</b>	
ST1	Unavailability of waste management plan based on the identification result <b>The non-conformance in this indicator is NC-2010.25.</b>	<b>X</b>
ST2	Documented evidence of waste management plan based on the identification result was available, covering: <ul style="list-style-type: none"> <li>- Solid waste from the plant (fiber and shell) which is used as boiler fuel</li> <li>- Boiler dust from combustion in the boiler which is used for road paving</li> <li>- Empty bunches from the processing of FFB at the factory, that are used for fertilizer of land</li> <li>- Liquid waste at the plant as a land use application. <b>Non-conformance status of NC-2010.25 is declared closed.</b></li> </ul>	✓
<b>5.3.3</b>	<b>Hazardous waste treatment plan and directives of disposal of agro-chemical waste and its container as per the directions contained in the label and prevailing regulations.</b>	
ST1	Up to the date of the pre assessment activities, Alur Dumai Factory was in the process of construction of B3 waste storage and procurement for permits from relevant agencies. B3 wastes were stored in a special temporary warehouse in the next workshop. But the recording has not been done. The organization has established B3 waste handling and storage procedures such as receipt and storage of used oil, used batteries, used light bulbs, fabric cotton waste, and used gloves. But the company has not established the the documented procedures of chemical container waste handling in the factory. <b>The non-conformance in this indicator is NC-2010.25.</b>	<b>X</b>
ST2	At the time of main assessment; the organization has completed the construction of B3 waste storage for estate and factory; B3 wastes have been collected at the site and recording has been made. B3 waste management procedures have also been made (SOP for B3 Waste Treatment, RSPO / P & C/PLB3, PT Lahan Tani Sakti). Records of such B3 waste monitoring: monitoring of Battery waste treatment for the period from April to October 2010, the Monitoring chemical jerry cans and buckets wastes for the period of January-September 2010, the Monitoring of oil waste for the period of March to October 2010. The procurement for permits of B3 waste storage was still in process in the relevant agency (the documented evidences: application letters from the management unit to pekan baru office for process). This will be verified further during surveillance activities. <b>Non-conformance status of NC-2010.25 is declared closed.</b>	✓
<b>5.3.4</b>	<b>Availability of waste monitoring / analysis records</b>	
ST1	Monitoring of factory's BOD wastewater was conducted at monthly basis. Documented evidences of the factory's BOD effluent are available in the form of: <ul style="list-style-type: none"> <li>- Effluent Test Result February 2010, which indicates BOD Raw effluent value of 7.115 mg / L; Effluent treatment of 95.5 mg / L (quality standard of BOD 5,000 mg / L).</li> <li>- Effluent Test Result January 2010, which indicates BOD Raw effluent value of 5.710 mg / L; Effluent treatment of 124 mg / L (standard quality of BOD 5,000 mg / L).</li> </ul>	<b>X</b>

	<p>- Effluent Test Result December 2009, which indicates BOD Raw effluent value of 3.950 mg / L; Effluent treatment of 184 mg / L (standard quality of BOD 5,000 mg / L). But the recorded evidences of B3 waste treatment monitoring activities are unavailable. <b>The non-conformance of this indicator is the CFA-2010.26.</b></p>	
ST2	<p>The organization has conducted monitoring of B3 waste treatment, for example: monitoring of wastewater. B3 waste treatment monitoring has been conducted by the organization (see minor indicator 5.3.1). <b>Non-conformance of CFA-2010.26 is declared closed.</b></p>	✓
<b>5.4</b>	<b>Efficiency of energy use and use of renewable energy is maximized.</b>	
<b>5.4.1</b>	<b>Available records of renewable energy use and its efficiency analysis (energy / tonne of CPO, or energy / tonne of palm oil products).</b>	
ST1	<p>Not Available. <b>The non-conformance of this indicator is NC-2010.27.</b></p>	X
ST2	<p>The organization has conducted an analysis of the data of the monitoring of renewable energy use for period 2010/2011. Data being monitored include: the total consumed power (kwh), total fruit processed (tons), production of shell (tons), fiber production (tons), the volume of shells and fiber used for boiler fuel (tons), the amount of power / shell ( kwh / ton), the amount of power / fiber (kwh / ton). The monthly energy consumption rate (July to September 2010) was 0.5 kwh / ton of palm products (shells and fiber). The organization's analysis of the efficiency was conducted by making a comparison between the use of shells and fiber as boiler fuel (power plant) and diesel fuel as a generator fuel; based on the efficiency analysis, the company concluded that the use of shells and fiber as fuel can save the cost of diesel fuel. <b>Non-conformance status of NC-2010.27 is declared closed.</b></p>	✓
<b>5.4.2</b>	<b>Availability of records of fossil fuel use monitoring for operations and the efficiency analysis.</b>	
ST1	<p>Data of monitoring of the use of diesel fuel is available in the form of PKS Alur Dumai's Diesel Oil Consumption Data for the period from July 2009 to March 2010. The data contains the following information: The consumed volume of diesel oil in July 2009 was 17 292 liters; August 2009 was 15 861 liters; September was 12 976 liters; October 2009 was 16 809 liters; November 2009 was 17 820 liters; December 2009 was 17 786 liters; January 2010 was 14 220 liters; February 2010 was 17 764 liters; and March 2010 was 18 462 liters. But no data of analysis of efficiency of the consumption of diesel fuel for operational purpose is found. <b>The non-conformance of this indicator is NC-2010.27.</b></p>	X
ST2	<p>The organization has conducted the monitoring the diesel fuel consumption for engine generator. Efficiency analysis of the diesel fuel consumption has been conducted by comparing the use of diesel fuel to the use of shells and fiber as boiler fuel. <b>Non-conformance status of NC-2010.27 is declared closed.</b></p>	✓
<b>5.5</b>	<b>Application of burning system for waste destruction and land preparation for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practices.</b>	
<b>5.5.1</b>	<b>Documented analysis where burning system is applied in land opening for replanting activities.</b>	
ST1	<p>The company has adopted the Agricultural Reference Manual No. 110/EST-ARM/08 Section 4 – Land Preparation clause 3.1 (b) which specifies that any land clearance activity shall refer to the Decree of</p>	✓

	Directorate General of Plantation No.. KB.110/SK/DJ BUN/05.95 dated May 30, 1995. Based on the field observation in the area of land preparation Division II, there were no traces of burning in land preparation process. Debris of trees was piled up forming a pathway.	
ST2	The company already has a policy on Zero Burning in PT. LKS' plantation activities, namely the Policy No. 724/TQEM-SPMS/09 point 5.7.2 on Zero Burning. The company also has possessed the Agricultural Reference Manual No. 110/EST-ARM/08 Section 4 - Land Preparation - clause 3.1 (b) that land clearance process should refer to the Decree of Directorate General of Plantation No. KB.110/SK/DJ BUN/05.95 dated May 30, 1995.	✓
<b>5.5.2</b>	<b>The company has documented implementation of zero burning policy.</b>	
ST1	Company was able to present the auditors the documented monitoring of LC (land clearance) activity indicating that no combustion method is used in land preparation activities. Based on the LC Activity Monitoring data - in Division II, for the period of November 2009 to February 2010 – in converting the rubber plantation to palm oil one, the company's phases of activities are identified, namely: cutting, cutting up, stump removal, piling up, plowing, harrowing.	✓
ST2	Photographs of land preparation in Block F 013 division performed by overthrow, saplings, piling up methods. Rumpukan shifted by using bulldozers and no burning.	✓
<b>5.5.3</b>	<b>Procedures and records of Land Fire Emergency Response.</b>	
ST1	The company has a fire fighting procedure No. 039-SOP-LTS dated March 12, 2009, among others.: routine checks and reporting the condition of the area, ensuring the hotspots of fire in case of fire. This will be verified at the main assessment.	✓
ST2	The company already has land fire procedures. No. 039-SOP-LTS dated March 12, 2009, but the procedure does not contain signs of fires, minimum equipment, and person in charge. <b>Based on the description above, the NC-2010.42 is declared open with minor category.</b>	X
<b>5.5.4</b>	<b>Facilities and infrastructure designed for forest fire prevention according to their vulnerability level.</b>	
ST1	Based on the company's Fire Fighting Inventories, LTS has owned fire-fighting equipment, among others: Tohatsu V75 engine pumps GS (1 unit), Robin (1 unit) wheel tractor (1 unit); 3500 water tank (1 unit); toxic fire (6 units ); fire hose (210 feet); HT radio A1228 in good function (12 units).	✓
ST2	he company already has owned fire fighting equipment and are available in a special warehouse of fire fighting tools in the form of Tohatsu pump V75 GS (1 unit), Robin (1 unit) wheel tractor (1 unit); 3500 water tank (1 unit); toxic fire (6 units ); fire hose (210 feet); HT radio A1228 in good function (12 units). The company has done an examination of the readiness of the equipment.	✓
<b>5.6</b>	<b>Plans to reduce pollution and emissions, including greenhouse gases, developed, implemented and monitored.</b>	
<b>5.6.1</b>	<b>Evidence of identification of pollution and emission sources in the Palm Oil Mill (POM).</b>	
ST1	Documented data of identification of sources of pollution and emissions at the plant is unavailable. <b>The non-conformance of this indicator is NC-2010.25.</b>	X

ST2	The organization has compiled the data of identification of pollution sources in the plant, for example: boiler pollution sources covering smoke and noise; engine room pollution sources, namely noise; effluent pond pollution source, namely smell. <b>Non-conformance status of NC-2010.25 is declared closed.</b>	✓
<b>5.6.2 Monitoring of emission quality from the pollution and emission sources.</b>		
ST1	Data of periodical monitoring of air quality & emissions done at semester basis is available covering the Ambient Air & Emission Quality Monitoring Report for the Periods of August 2008, May 2009, and December 2009. For example: 1) Air Ambient Quality Assessment Report in December 2009, sampling date: 1 December 2009, date the sample is analyzed 1 to 5 December 2009, with the following results: a) The results of analysis on the yards around the factory: Noise : 38.8 dBA (55dBA quality standard), the content of SO <sub>2</sub> : 88.69 µg/m <sup>3</sup> (365 µg/m <sup>3</sup> ), content of NO <sub>2</sub> : 5.17 µg/m <sup>3</sup> (150 µg/m <sup>3</sup> ), dust particulate : 138.6 µg/m <sup>3</sup> (230 µg/m <sup>3</sup> ).b) Analysis result in the work place: Noise : 90.7 - 91.2 dBA (85 dBA quality standard), vibrate: 0.5 mm/detik (40 mm/detik), NO <sub>2</sub> content: 28.85 µg/m <sup>3</sup> (5,600 µg/m <sup>3</sup> ), SO <sub>2</sub> content: 17.21 µg/m <sup>3</sup> (5,200 µg/m <sup>3</sup> ).	✓
ST2	The organization has monitored the quality of boiler and generator exhaust emissions at semester basis. Data of the Emissions & Ambient Air Quality Monitoring in June 2010 is available. The measurement result shows that the parameter tested still meets the quality standard set by the rules, for example: opacity and noise.	✓
<b>5.6.3 Records of the company's efforts and plans to reduce pollution and emission levels.</b>		
ST1	The cleaning up of fire tube, dust collector, main hole chimney and body of boiler has been implemented in weekly basis. <ul style="list-style-type: none"> <li>- Genset maintenance program has been implemented in every 250 hours. The activities cover changes of oil, air filters, fuel filters, water filters, and oil filters.</li> <li>- Installation of chamber (chimney) of steam engine facing up to reduce noise and smoke pollution resulting from the steam engine.</li> </ul>	✓
ST2	In additional to documents seen at ST1. The organization has developed a program to reduce pollution and emissions of boiler chimney and generator.	✓
<b>5.6.4 Records of identification, monitoring, and methodologies of POME management.</b>		
ST1	Records of monitoring of the daily production of liquid waste (effluent) for the Period of January 2009 - December 2009. For example: The volume of effluent on December 19, 2009 was 77 290 tons; effluent applied to land was 60,000 tons; On December 31, 2009 was 66 830 tons; effluent applied to land was 60,000 tons. However, waste pond handling procedures are unavailable. <b>The non-conformance of this indicator is the CFA-2010.28.</b>	X
ST2	The organization has developed a waste pond treatment procedure as follows: <ul style="list-style-type: none"> <li>- Factory's waste pond treatment procedure in the form of SOP for Factory Effluent Treatment.</li> <li>- Estate's Land application management procedure in the form of SOP for Implementation of Land Application.</li> </ul> <p>Monitoring of the volume of wastewater applied to land has been done; monitoring is conducted daily and recapitulated into a monthly data. <b>Non-conformance status of the NC-2010.28 is declared closed.</b></p>	X

PRINCIPLE #6 COMPANY'S RESPONSIBILITIES TO WORKERS, INDIVIDUALS AND COMMUNITY OF ESTATE AND MILL		
6.1	Plantation and mill management aspects including replanting that give raise impacts are identified in a participatory manner, negative and positive impacts are planned implemented and monitored to demonstrate continuous improvement.	
6.1.1	Documentation of environmental and social impact analysis that includes positive and negative social impacts of plantation and mill activities, and documentation of affected stakeholders and local people.	
ST1	<p>The company has possessed the revised Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) documents of its estate and factory activities that have been approved by the Regional Environmental Impact Management Agency (BAPEDALDA) of Rokan Hilir District under Approval Letter Number: 666.1/AMDAL-BAPEDALDA/2008/63 dated April 16, 2008. The documents cover the evaluation of 8 (eight) significant environmental and social impacts being managed (Section 2.1.2), namely</p> <ol style="list-style-type: none"> <li>1. Erosion and sedimentation,</li> <li>2. Impaired air quality and noise,</li> <li>3. Impaired water quality,</li> <li>4. Potential land fire,</li> <li>5. Employment and business opportunities,</li> <li>6. Damage to rural roads,</li> <li>7. Impaired environmental and public health, and</li> <li>8. Public unrest.</li> </ol> <p>There have been also reports of Social Impact Assessment of Oil Palm Plantation Management in PT LTS Riau consisting of 56 pages in January 2010. The social impact assessment was conducted by POLLITO, covering Positive Impact Analysis (Section 6.3.1) and Negative Impacts Analysis (6.3.2).</p> <p><u>Positive impacts</u> include: the increase of the region's economy through the spending of employees; industrial output in the form of CPO sold to another territory, tax; employment and business opportunities; increased accessibility; Interaction with the immigrants causing a transfer of technology.</p> <p><u>Negative impacts</u> include: conflicts due to cultural differences; patterns and view; accessibility and gap of quality of human resources between local and migrants that cause a social jealousy. However, the impact assessment data does not indicate a measurable parameter for each of either positive or negative impacts identified. <b>The non-conformance in this indicator is NC-2010.29.</b></p>	<b>X</b>
ST2	<p>As the Pre Assessment, the data of the Social Impact Assessment of Oil Palm Plantation Management in PT LTS Riau is available, the result of the social impact analysis conducted by POLLITO covers social impact analysis: Positive Impacts Analysis (Section 6.3.1) and Negative Impacts Analysis (6.3.2 ). The social impacts assessment uses data collection method and in-depth structured interview with the local village officers and the community, and participation and joint observation between the company and the community, evidenced by a visum book of the study. The social impacts assessment also includes risk status (2.4 p. 9) that includes indicator of each of these risk factors, including the risk factor of territorial dynamic around the estate: the condition of economic facilities, roads, environmental facilities and social facilities; risk factor for the level of welfare communities surrounding the estate: the level of education,</p>	<b>✓</b>

	health, unemployment and poverty levels. <b>Based on the description above, the NC-2010.29 is declared closed.</b>	
<b>6.1.2</b>	<b>Records of periodical social impacts management and monitoring plan with community participation.</b>	
ST1	The social impact analysis report has provided recommendations (Section 7.2) to be followed up by the company against some negative impacts identified, for example, Section 7.2.5 states that the company should make security measures in order to address potential problems associated with transportation of FFB and CPO products due to road accessibility problems. However, these recommendations have not been followed up with a preparation of impacts management and monitoring plans by involving community participation. <b>The non-conformance in this indicator is NC-2010.29.</b>	<b>X</b>
ST2	Records of social impacts management and monitoring plans included in the revised RKL-RPL documents specify the managed significant impacts covering the existence of employment and business opportunities, damage to rural roads, impaired environmental and public health and public unrest. Community involvement in the management and monitoring of social impacts can be found on the proposed site of management and monitoring, i.e: in the affected village administrative areas. <b>Based on the description above, the NC-2010.29 is declared closed.</b>	<b>√</b>
<b>6.1.3</b>	<b>The revised environment management document which covers social aspects, if any change in scope of operations of the company as per the applicable regulations.</b>	
ST1	The Company has prepared the Revised RKL / RPL Documents (as substitute of AMDAL 1994 documents) that have been approved by the Head of BAPEDALDA Office of Rokan Hilir District as a consistency of changes in the scope of operations of the estate and factory, among other things: <ol style="list-style-type: none"> <li>1. Change in production capacity of PKS factory from 30 tons FFB / hour into 15 tons FFB / hour and the rubber factory operations have been stopped;</li> <li>2. Change in human resources management from the new recruitment pattern into the internal mutation group;</li> <li>3. Change in PKS waste disposal system from disposal to Bangko Creek into IPAL management and land application and the burning method has been changed into land application; and</li> <li>4. Natural degradation development concept has been changed into the clean production method.</li> </ol> See minor indicator 5.1.1 above. See also major indicator 6.1.1 above. A clear parameter of the size of social impacts of the company business activities is unavailable. <b>The non-conformance of this indicator is NC-2010.29.</b>	<b>X</b>
ST2	There have been the revised RKL / RPL documents of PT. LTS' Palm Oil Estate and Factory Operations with a total area of 3,759.014 hectares with a capacity of 15 tons FFB / hour, which was approved by the Head BAPEDALDA Office of Rokan Hilir District under his Decree No. 666.1/AMDAL-BAPEDALDA/2008/63. The revised documents cover the managed important social impacts, such as: the existence of job and business opportunities, damage to rural roads, impaired environmental and public health, and public unrest. <b>Based on the description above, the NC-2010.29 is declared closed.</b>	<b>√</b>
<b>6.1.4</b>	<b>Regular and scheduled environmental management and monitoring report.</b>	
ST1	The company has been able to provide the auditors with its RKL / RPL Reports for the period of November to December 2009, but not they does not cover all aspects related to environmental impacts (e.g: biodiversity) and identified social impacts. See also the major indicator 5.1.2. <b>The non-conformance of this indicator is NC-2010.21.</b>	<b>X</b>

ST2	Management Unit was able to show documents of the report of the RKL-RPL Implementation that have been reported to the Environmental Agency (Bapedalda) of Rokan Hilir District through a Letter of Director of PT. LTS No. 062/LTS/UM/PSD/VI/10 dated June 9, 2010 for RKL-RPL Implementation Report of the first semester of 2009 and through a Letter of Director of PT. LTS No. 062/LTS/UM/PSD/VI/10 dated June 16, 2010 for RKL-RPL Implementation Report of the Second Semester of 2009, with the evidence of document receipt as indicated in the Letter of Introduction No. IST/ADF/SP/X/ received by the BAPEDALDA office of Rokan Hilir District dated October 13, 2010. Meanwhile the report of implementation of RKL-RPL 2010, according to the Management Unit of PT. LTS, is still in the process of preparation, thereby not being reported yet. <b>Based on the description above, the NC-2010.21 is declared open with CFA category.</b>	<b>X</b>
<b>6.1.5</b>	<b>Specific attention to impact on smallholder scheme (if this scheme is available in the Estate).</b>	
ST1	<b>N / A.</b> LTS does not apply plasma scheme, the all raw materials of PKS are fulfilled by its own estate.	<b>N/A</b>
ST2	Similar to stage-1 audit.	<b>N/A</b>
<b>6.2</b>	<b>There is an open and transparent method for communication and consultation between the estate and/or mill management and local community and other affected stakeholders.</b>	
<b>6.2.1</b>	<b>Procedures and records of public communication and consultation</b>	
ST1	LTS has established a procedure for Public Communication and Consultation No.RSPO/6.2/KKM, dated April 2, 2009. Communication and consultation process can be performed directly (verbally) or indirectly (by mail) to the Estate Manager or Estate Section Head. For consultation by mail, the company has been providing Suggestion Box facilities placed in the employee housing and offices in each Division and the PKS. In case where company needs to communicate something to the local community, it can do it in writing through the Village Chief, or via formal meetings with the leaders or the public. Examples of written communication: Letter No.. ADE/319/XI/09/S dated 3 November 2009 on the Use of National Standard Helmet, Turning on of the lights while riding motorcycle and reduction of vehicle speed to the Chiefs of Tanjung Medan Village, Sri Heaven Village, Pondok Kresek Village, Bakti Makmur Village, PTPN-V, PT. Karya Abadi Sama Sejati. Documented proof of the communication with the village chiefs is available. Supervision of the implementation should be carried out continuously by the company's security guards. Example of other communications: the company's fulfillment of invitation from the Chief of Bakti Makmur Village for discussing a proposed enlargement of Bahtera Makmur village on March 22, 2010. However, the company has not provided the documented result of the meeting. Example of direct meeting: Public hearing in order to identify HCV areas held in Bagansiapi-api attended by community representatives, such as Bagan Sinembah Sub-District Chief, Srikayangan Village Chief, Pondok Kresek Village Chief, Tanjung Medan Village Chief, Bakti Sejahtera Village Chief, Srikayan community leaders (Mr. Tarsan), Pondok Kresek Community Leader (Mr. Taryono), Tanjung Medan Community Leader (Mr. Turjo), Bakti Makmur Community Leader (Mr. Suroto). <b>The non-conformance of this indicator is NC-2010.01.</b>	<b>X</b>
ST2	Available SOP Communication / Consultation with the Community (RSPO/6.2/KKM) which aims to provide guidance in conducting communication and consultation with the community. Available records of consultation and communication activities that have been done as the example shown at the pre-assessment <b>Based on the description above, the non-conformance of this NC-2010.01 indicator is declared closed.</b>	<b>√</b>



6.2.2	<b>The company has a list of stakeholders.</b>	
ST1	The company has a list of stakeholders covering the provincial government (Governor, Head of Agencies), the district officers (Regent, Manpower Agency, Agricultural & Plantation Agency, etc.), sub-district's and village's officers, contractors, partners, community leaders, and buyers. However, in order to ensure openness and transparency, non-governmental organizations (NGOs) dealing in social and environment affairs (at least at district level), and neighborhood companies should be included in the stakeholders list. The list of stakeholders should be systematically arranged according to provincial government level, district government level, sub-district government level, village government level, community leaders, NGO / social and environmental activists, etc. <b>The non-conformance of this indicator is the CFA-2010.30.</b>	X
ST2	Availability of the list of stakeholders which covers local government, provincial government, transportation agencies, NGOs, Suppliers / contractors, buyers, community organization, educational organization, banking institution, neighborhood companies, and others. The list has been compiled systematically. <b>Based on the description above, CFA-2010.30 is declared closed.</b>	✓
6.2.3	<b>The company has recorded the community's aspirations and the company's response / follow-up.</b>	
ST1	The Company has established procedures to receive and respond to the community aspirations through the public communication and consultation procedures No. RSPO/6.2/KKM dated April 2, 2009. However, in its implementation, the company is more passive (waiting). This was revealed from:  1. Interview with villagers who are also the community leader (Suheri from Bakti Makmur Village, and Misdi from Sri Kayangan Village), who revealed that the they (public) have never been involved by the company in developing corporate programs, such as management of environmental and social impacts. 2. CSR programme summary, which contains only data of incidental and unplanned assistances or contributions from company to public, for example: rural road maintenance aid, praying facility construction fund aid, etc. in several villages around the estate (Bakti Makmur, Pondok Kresek, Sri Kayangan Villages).	✓
ST2	Procedures related to the people's aspirations handling and company's response / follow up are SOP for Request for Information, SOP for Public Communication / Consultation and SOP for Community Complaint Handling. The data of the public's aspirations is in the form of Registry Book of Incoming Mails filed in the Incoming Mail Bundle, and those community complaints are recorded in the Public Complaints Log Book. Data of company's response in the form of mail is recorded in the Outgoing Mail Register Book and archived in the Outgoing Mail bundle, the company's responses in the form of aid upon the public's request / proposal are recorded in the assistance summary.	✓
6.2.4	<b>The company has appointed a dedicated officer who is responsible for public consultation and communication activities.</b>	
ST1	LTS has appointed and assigned an officer who is responsible for public communication process - Mr. Muhammad Sobri – who is PSD representative on site and in charge of making report to the PSD Staff Pekanbaru (Mr. Maryono). However, based on interview with the person concerned, it is known that the public consultation in question is more focused on land claim settlement issues, instead of the collection of public aspirations in general.	✓

ST2	Under the SOP for Public Communication / Consultation (RSPO/6.2/KKM), the officer in charge of the public consultation and communication activities is Unit Manager in this case is estate manager or factory manager. The existing organizational structure of the company does not clearly specify officer who is responsible for public communication and consultation activities. Management Unit is unable to show the job description of each position in accordance with the prevailing organizational structure. Based on information from the local village officers, they do not know who the company's person serving as "public relation" officer. <b>Based on the description above, NC-2010.44 is published with CFA category.</b>	X
6.3	<b>The company provides facilities and open mechanism to receive complaints and resolve disputes according to the prevailing rules and regulations.</b>	
6.3.1	<b>An open mechanism, which is accepted by all affected parties, to receive complaints and resolve disputes in an effective, timely and correct manner.</b>	
ST1	Public Complaints Handling Procedures are available (RSPO/6.3/PKM), covering the process of delivering an objection to the Section Head for recording; forwarded to the Manager for response. If the decision in respect of the issues beyond the authority of the Manager, the complaints shall be submitted to the Department Head for feedback and approval. However, it is unclear the extent to which the authority of level manager, and no deadline of settlement of an objection is determined. See major indicator 6.2.1 <b>The non-conformance in this indicator is NC-2010.01.</b>	X
ST2	Public Complaints Handling Procedures are available (RSPO/6.3/PKM) which include complaint submission procedure and complaint resolution deadline. But those procedures have not been socialized to the community of this village government, so there is no evidence that all parties have accepted the dispute settlement mechanism / complaints handling procedure that have been made. <b>Based on the description above, the NC-2010.01 is declared closed, but CFA-2010.45 is published.</b>	X
6.3.2	<b>Availability of recorded complaints / objections handling system.</b>	
ST1	LTS has owned and kept a bundle of data of community's complaints in the form of an incoming mail bundle. All complaints received are only claims for land. For example: a letter from community representatives (Saimin, a Chairman of RW 03 Sungai Kundur, Pasir Putih Village, Bagan Sinembah Sub-District) dated March 25, 2010. Representing: Sutrisno (2.1 hectares); Mulkan (Arifin Harahap - 2.1 hectares); Suyat (Yanto - 2.1 hectares); Rifai (Ripai - 2.1 hectares); Syamsul Bahri - 2.1 hectares; Mulyadi - 2 hectares; Julfiter Siahaan - 2 hectares; public's objections to the company's land use by presenting the Certificate of Land Ownership (SKT) issued by the Village Head dated 01 September 2005. Documented proof of settlement has not been presented.	✓
ST2	Complaints / objections handling data is available in the form of a "CSR" implementation check list. In respect of complaints / objections regarding land compensation, the data is available in the form of documented settlement of land compensation.	✓
6.3.3	<b>Procedures for identification and fair calculation of compensation for legal and traditional rights on land by involving local community representatives and relevant agency and made available to public.</b>	
ST1	See major indicator 6.3.1 above	
ST2	Procedure is available in the form of SOP for Land Compensation Settlement. The procedure contains the process of identification and calculation of fair compensation with involvement of communities and institutions in measurement activities (5.6)	✓

6.4	Every negotiation on compensation for legal or traditional rights on land is conducted referring to a documented system that enables indigenous people, local communities and other stakeholders to give their views through their own representative institutions.	
6.4.1	Mechanism of identification, calculation and compensation for legal and traditional rights by involving community representatives and relevant agency.	
ST1	The process of identification, calculation and compensation has involved village officials since land measurement in the field. A list of Inventory of Land and Other Business on is available (known by the owner, the company, village officials) which contains the name of the owner, land area, land boundaries, soil conditions, classification and compensation rates; Sketch of Land; Statement letter that the owner agree to receive compensation for their land from the company; Recognition Letter of Rights on Land signed by District officials; Rights Release Letter; payment receipt. Example: compensation for land in the name of Suroso - Sri Kayangan Village; measurement date: 26/03/2007 (form no. 44/ADE/III/2007); Sketch of land dated 31 October 2007 in a total area of 4.281 hectares; Statement Letter dated October 31, 2007; Claim Acknowledgement Letter dated October 31, 2007; release of rights dated October 31, 2007; Receipt dated October 31, 2007 amounting to Rp. 10,782,000, -.	√
ST2	Procedure is available in the form of SOP for Land Compensation Settlement. The procedure includes the process of identification, calculation and payment for compensation of the local people's lands involving the community and relevant institutions in the compensation settlement process (5.11 to 5.14).	√
6.4.2	Records of identification of compensated parties.	
ST1	LTS has a matrix of realization and system of Land Compensation Recognized by the Community, which specifies in detail the land owners (compensated party), land area, and year that the compensation is realized.	√
ST2	Data of indemnified parties is available in the form of a list of realization and system of public's land compensation.	√
6.4.3	Records of negotiation process and / or general compensation agreement are available.	
ST1	The company has shown some data of the negotiation process in the form of the minutes of the meeting with the land owners; owner' price offer; measurement results that are known to village officials, and the agreement of both parties. <b>The non-conformance in this indicator is the CFA-2010.06</b>	X
ST2	There are some records in the form of the minutes of the negotiation process, the photographs of this meeting (not the whole negotiation processes are recorded) A record of the negotiation process is not well documented. <b>Based on the description above, the CFA-2010.06 is declared open with CFA status.</b>	X
6.4.4	Records of the implementation of compensation payment.	
ST1	Compensation settlement data is available on site which is in the form of receipts and agreement.	√
ST2	Data of the implementation of the payment of compensation is available in the form of Low Land Acquisition / Compensation Documents for the Phase I covering 63.93 hectares in the form of receipt of payment for Release of Land Rights signed by the compensating parties and LTS, the attendance list of compensation payment process, photographs of compensation execution, and summary of indemnity payments signed by the compensated parties.	√

<b>6.5</b>	<b>Wages and employment conditions for the company's employees and contractors' employees must always meet at least minimum industry standards or laws, and meet reasonable needs of living.</b>	
<b>6.5.1</b>	<b>Worker Payroll</b>	
ST1	The company has presented the auditors the Payroll Register published at monthly basis, which specifies name of employee, basic salary, allowances and total wage received. Payment of monthly minimum wages has been in compliance with the Article 1 of the Governor Regulation No. 4 of 2010 on Minimum Wage for Workers of Sub-sector of Palm Oil and Rubber Agricultural/Plantation Industry in Riau Province in 2010 (Rp 1,122,000,-/a month). Furthermore, the Agency for Cooperation Sumatera Plantation Companies (BKS-PPS) and GAPKI (January 11, 2010) have agreed such minimum wage has covered the allowance pay (e.g: rice received by the worker) so that the lowest wage set is Rp.1.038.000, -, and the company provide the workers with allowance pay in the form of 15 kg of rice per month. Based on the Payroll Register of March 2010, it is evidenced that the company had paid wages (excluding allowance) amounting to Rp. 1,122,000,-/worker. Example: Sofian B (maintenance function), no absent, received his wage of 1,217,670, -; Budi Hartono, with absent; Mansyur Siregar (care), 2 days absent, received their basic wage of Rp. 1,134,670, -.	√
ST2	The company had shown the payroll register issued at monthly basis by the compay in Riau Province so that the remuneration refers to Article 1 of Regulation No. 4 of 2010 the Governor of Riau concerning Minimum Wage for Workers of Sub-sector of Palm Oil and Ruber Agricultural/Plantation Industry in Riau Province in 2010 (Rp 1,122,000,-/a month). For example, based on interview with Mrs. Refika Manurung and Mrs. Reliza Bagian (soil fertilization workers), they stated that have got monthly salary of Rp 1,122,000.- plus the premium income if they work exceeds the target set.	√
<b>6.5.2</b>	<b>The existence of Collective Labor Agreement in accordance with applicable regulations</b>	
ST1	Collective Labor Agreement (CLA) for employees (daily and monthly SKU) uses CLA between the Agency for Cooperation of Sumatera Plantations Companies (BKS-PPS) and the Central Federation Board of Agriculture and Plantation Workers Union, All Indonesian Workers Union (SPSI-PP.FSP.PP) that has been ratified by the Director General of Industrial Relations and Social Security Plan (Jamsostek) No. KEP.75/PHIJSK/PKKAD/2008 dated July 10, 2008. CLA refers to the Law no. 13 in 2003, consists of 41 pages containing 25 Articles, among others: <ul style="list-style-type: none"> <li>- Article I the Environment where the collective labor agreement is in force,</li> <li>- Article II Recognition of organization,</li> <li>- Article III Recruitment - the company does not accept new workers with a lower requirement of the provision,</li> <li>- Article V Wages,</li> <li>- Article VI Work with lump sum wage,</li> <li>- Article VII assistance during illness days,</li> <li>- Article IX Payment of mileage and <i>mandah</i> pay,</li> <li>- Article XIV Social Security Plan and social Assistance</li> <li>- Article XV Work equipment, occupational health and safety,</li> <li>- Article XXIII Dispute settlement,</li> <li>- Article XXV Term and Termination of the CLA.</li> </ul>	√

ST2	The company already has established a collective labor agreement (CLA) between the BKS of Sumatra Plantation Companies (KS-PPS) and Management Board of the Federation of Trade Union for Agricultural and Plantation Workers in Indonesia (PP.FSP.PP-SPSI) in 2008 which has been ratified by the Director General of Industrial Relations and Security Guidance Social workers No: Kep.75/PHIJSK/PKKAD/2008 of the registration of this collective labor agreement.	√
6.5.3	<b>In a condition where public facilities are not available and can not be accessed by employees, the employer provides adequate housing, education, clean water, health, and public facilities.</b>	
ST1	The company provides general facilities for all employees (based on List of Buildings), among others: Housing - 241 units; kindergarten education facilities 4 units, Elementary School facilities : 2 units - 9 classrooms, junior high school : 3 classrooms; Clean Water - private well; medical facilities - 4 units clinics, and sports Facilities: football yard : four sites; badminton : 6 units, volleyball : 7 units.	√
ST2	Similar to stage-1 audit.	√
6.5.4	<b>Work agreement / contract with external contractors requiring the contractors to comply with applicable employment laws and regulations.</b>	
ST1	The organization requires its contractors to comply with H&E program (eg, Article 7 of Road Pilling Agreement No. ADE/LKL/XI/2009/008 - Teriono Gepeng). However, there are still a number of other employment conditions not yet covered, among others: the problem of wages, the legality of migrant workers, decent living standards, etc. <b>The non-conformance in this indicator is the CFA-2010.31.</b>	X
ST2	Company has not included in the contract to the contractor towards the fulfillment of the requirements of employment. <b>Based on the description above, CFA-2010.31 is declared open with CFA category.</b>	X
6.6	<b>The company respects rights of all employees to form and join with trade union they choice and to bargain collectively. Where the rights to freedom of association and collective bargaining are restricted by law, the employer facilitates impartial counselor, free of charge, and performs bargaining for all employees.</b>	
6.6.1	<b>Documented company policy, which provides workers with a freedom of association</b>	
ST1	Already contained in the Article 7, paragraph 1.1 of the company's Collective Labor Agreement stating that the Trade Union receives any worker who is willing to be a member.	√
ST2	The company has set Social Policy No. 724/TQEM-SPM/09 dated April 1, 2010 signed by Franki Anthony Point 5 Company is expected to respect rights of all employees to form and join in a community of trade union as per their choice and negotiate together.	√
6.6.2	<b>The existence of records of meeting with trade union, if any</b>	
ST1	Data of meeting for the preparation of CLA 2010-2012 held on Wednesday until Friday dated 10 to 12 March 2010 at Novotel Hotel Bogor, attended by eight representatives of workers, including Juarsa Siagian (Chairman of Federation of SPSI Minamas of Indonesia).	√
ST2	Similar to stage-1 audit.	√

6.7	<b>Children are not employed and exploited. Children are only allowed to work in their family garden, under supervision of adults and not interfering with their educational activities. Children should not be exposed to dangerous working conditions.</b>	
6.7.1	<b>Company policy regarding workers' age requirements in accordance with the applicable national regulations and is documented</b>	
ST1	Contained in Article 15 paragraph 1.2.2 of the CLA and is set for 18 years.	✓
ST2	The company has established a policy in the form of memorandum of Head Plantation Operations (HPO) No POD-UM-052/III/2010 dated March 24, 2010 concerning child protection policy.	✓
6.7.2	<b>Records of implementation of company policies regarding worker's age requirement</b>	
ST1	Based on the LTS' Employee List, no employee under 18 years old is found. The youngest employee is Sriyono (harvesting worker) born on 10/12/1991 recruited by the company on 09/01/2009, NIK : 09022; Andi Gule (harvesting worker) born on 8/4/1991 recruited by the company on 1/9/2009, NIK : 09025 (Based on Employee List - Monthly / Daily SKU as per March 31, 2010).	✓
ST2	Based on the LTS' Employee List, no employee under 18 years old is found. The youngest employee is Sriyono (harvesting worker) born on 10/12/1991 recruited by the company on 09/01/2009, NIK : 09022; Andi Gule (harvesting worker) born on 8/4/1991 recruited by the company on 1/9/2009, NIK : 09025 (Based on Employee List - Monthly / Daily SKU as per March 31, 2010).	✓
6.8	<b>Any type of discrimination based on race, ethnic, nationality, religion, disability, gender, sexual orientation, union membership, political affiliation or age, is prohibited.</b>	
6.8.1	<b>Company's documented policy on equal opportunities and treatment in employment</b>	
ST1	There is evidence that the policy of the organization has not fully consider the elimination of discrimination based on nationality. This was indicated in the CLA 2007-2009 Article 16, Paragraph 1.2.1 which requires that prospective workers must be Indonesian citizen". <b>The non-conformance in this indicator is the CFA-2010.32.</b>	X
ST2	The company has set its Social Policy No. 724/TQEM-SPM/09 dated April 1, 2010 signed by Franki Anthony Point 1 which states that all staff / employees are treated reasonably and fairly in matters relating to recruitment, promotion, conditions and work overview without any discrimination based on race, social degree, ethnicity, gender, skin color, imperfections, sexual orientation, the organizational membership, political views, religion and age. <b>Based on the description above, the CFA-2010.32 is declared closed.</b>	✓
6.8.2	<b>Records of equal treatment in working opportunities for workers</b>	
ST1	The company provides job opportunities based on the minimal requirements, and for those employees who want to improve their career, a performance assessment mechanism is available. Example: The proposal for training to Mahdanil Matondang (Foreman I - Division IV) and Bismawer Shiloh (Foreman I - Division III) based on the No. ADE/245/VIII/09/S dated August 14, 2009, where the persons concerned were proposed to be prospective trainee assistant of estate/factory	✓

ST2	The company provides job opportunities based on the minimum requirements, and for those employees who want to improve their career, a performance assessment mechanism is available. Example: The proposal for training to Mahdanil Matondang (Foreman I - Division IV) and Bismawer Shiloh (Foreman I - Division III) based on the No. ADE/245/VIII/09/S dated August 14, 2009, where the persons concerned were proposed to be prospective trainee assistant of estate/factory	√
<b>6.9</b>	<b>Policy to prevent sexual harassment and other forms of violence against women and to protect the reproductive rights has been developed and applied</b>	
<b>6.9.1</b>	<b>Company's documented policy on sexual harassment and violence prevention</b>	
ST1	A policy related to prevention of sexual harassment company has been available in the CLA 2007-2009 (Article 30 paragraph 2.4.4.e) with employment termination sanction. However, the company is encouraged to develop a more preventive implementation in order to avoid employment termination. <b>The non-conformance in this indicator is the CFA-2010.33</b>	X
ST2	Based on information from the Chairman of the Trade Union of Estate and Factory of PT LTS, that the threat of employment termination is imposed to offenders in relation to sexual harassment. And the company has formed a gender committee that works to socialize and deal with gender issues including sexual harassment. <b>Based on the description above, the CFA-2010.33 is declared closed.</b>	√
<b>6.9.2</b>	<b>Company's documented policy on protection of reproductive rights</b>	
ST1	Company's policy on reproductive rights protection follows CLA of BKS-PPS Article VIII paragraph 2 point c Wages are paid during the workdays. Article IV paragraph 6 of Female Workers: a. Female workers with under 18 years old are prohibited from working between the 23:00 pm to 07:00 am. b. Company is not allowed to employ pregnant female workers between the 23:00 pm to 07:00 am that the doctor deems dangerous to the health and safety of either the womb or the worker herself. Example: Maternity leave permit of Mita Samurat (treatment), took leave on 18 November 2009 based on recommendation from a medical worker (clinic's midwives).	√
ST2	Similar to stage-1 audit.	√
<b>6.9.3</b>	<b>Documented evidence of implementation of sexual harassment prevention policy</b>	
ST1	Not yet available. <b>Non-conformance in this indicator is the CFA-2010.33.</b>	X
ST2	The Company has established a Women's Committee Structure with Nurliana Sinaga as the chairwoman and Elida Simamora as Secretary by virtue of appointment letter from the Manager No LTS/RSP0/04/VIII/10/S dated August 11, 2010 that serves to socialize and deal with gender issues including sexual harassment. <b>Based on the description above, the CFA-2010.33 is stated closed.</b>	√
<b>6.9.4</b>	<b>Recording evidence of the implementation of protection policies on reproductive rights and documented</b>	
ST1	There is a maternity leave permit in the name of Mrs. Mita Sinurat (19 November 2009-12 January 2010), based on the Payroll Register of December 2009, where the person concerned received basic salary of	√

	Rp. 940 000, - (considered as working for a full 31 working days). Note: The wage is in accordance with the minimum wage requirement.	
ST2	Documented evidence of the implementation of reproductive rights protection policy for the provision of menstruation leave permit (H1) for Sunarti and based on payroll register July 2010 the company has paid a full one month (31 days) salary of Rp. 1,038,000.- to the person concerned.	√
<b>6.9.5</b>	<b>Specific complaints handling mechanism is available</b>	
ST1	Any employee's complaint is facilitated through a suggestion box placed in each Division office, or communicated via SPSI; or delivered directly to the supervisor.	√
ST2	The Company has established Women's Committee Structure with Nurliana Sinaga as the chairwoman and Elida Simamora as Secretary by virtue of appointment letter from the Manager No LTS/RSP0/04/VIII/10/S dated August 11, 2010 with the following tasks: <ol style="list-style-type: none"> <li>1. Collecting all complaints relating to gender issues and taking appropriate actions.</li> <li>2. Providing advices and counseling to workers who need for assistance relevant to gender issues.</li> </ol>	√
<b>6.10</b>	<b>The company's estate and mill units deal fairly and transparently with smallholders and other local businesses.</b>	
<b>6.10.1</b>	<b>FFB Price is valid and should be publicly available</b>	
ST1	N/A. No smallholder scheme is available.	N/A
ST2	Similiar to stage-1 audit.	N/A
<b>6.10.2</b>	<b>Mechanism of FFB Pricing and inputs / services shall be documented (if the same is under the power of the company's plantation and mill units)</b>	
ST1	N/A. No smallholder scheme is available.	N/A
ST2	Similiar to stage-1 audit.	N/A
<b>6.10.3</b>	<b>Evidence that all parties understand the contractual agreements they do, and that such contracts are fair, legal and transparent.</b>	
ST1	N/A. No smallholder scheme is available.	N/A
ST2	Similiar to stage-1 audit.	N/A
<b>6.10.4</b>	<b>Agreed payments must be made on time.</b>	
ST1	N/A. No smallholder scheme is available.	N/A
ST2	Similiar to stage-1 audit.	N/A
<b>6.11</b>	<b>The company's estate and mill units contribute to sustainable local development where it is considered appropriate.</b>	



6.11.1	<b>Records of the company's contribution to regional development.</b>	
ST1	Summary of Implementation CSR Program is available (July 2008 to January 2010 = Rp. 76,276,147; January 2009-January 2010 = Rp. 60,012,412,-) which describes the company's response to the public's requests for assistance that is incidental in nature (e.g: requests for assistances of road repair fund, building materials for prayng center, etc.). However, all recorded types of contributions are basically not a planned aspiration obtained based on the results of the consultation with local communities or affected stakeholders, including considering gender issues. Example: A letter from the Pondok Kresak Village Chief Number: 140/PEM-PK/2009/455 dated October 26, 2009 which requesting the company for fund aid for road repair. The road is the only access the company uses in the transport of CPO. These records need to be compiled systematically by type of assistance and rural beneficiaries. One of the company contributions made in a planned manner is animal sacrifice in the form of cattle to the surrounding community, but this was set unilaterally by the company, without identifying participative needs. <b>The non-conformance in this indicator is the CFA-2010.34.</b>	X
ST2	Records of the company's contribution to local development can be demonstrated by the availability of CSR Implementation Program Summary (July 2008 to January 2010) of Rp. 76,276,147; January 2009-January 2010 of Rp. 60,012,412,-). Management Unit has made a long-term CSR action plan (10 years) as evidenced by the attendance list and minutes of meeting of the company's CSR program 2010/2011. <b>Based on the above-description, CFA-2010.34 is declared closed.</b>	√
<b>PRINCIPLE #7 NEW PLANTATION AREA DEVELOPMENT IN ACCOUNTABLE MANNER</b>		
7.1	<b>A comprehensive and participatory Environmental and Social Impact analysis was conducted prior to developing new Estate or operations or enlarging the existing one, and the results are incorporated in planning, management and operation plan.</b>	
7.1.1	<b>The company has an environmental management document which contains details of both positives and negatives social and environmental impacts, and participation of the affected parties (local communities).</b>	
ST1	Documented environmental management system for the new developing area (after 2005) with a total area of 1095.39 hectares is available, which is contained in the revised RKL / RPL documents already approved by the Head of BAPEDALDA Office of Rokan Hilir District under Approval Letter No. 666.1/AMDAL-BAPEDALDA/2008/63 dated April 16, 2008. The documents contain eight types of important major impacts on the environment and social. Implementation of RKL / RPL documents is presented in the form of RKL / RPL Report performed at semester basis. See major indicator 5.1.1.	√
ST2	Similar to stage-1 audit.	√
7.1.2	<b>Sufficient Environmental Management and Monitoring Plan (RKL / RPL).</b>	
ST1	See the major indicators 7.1.1 and 5.1.2. <b>The non-conformance of this indicator is NC-2010.21.</b>	X
ST2	The organization has completed the RKL / RPL Report according to several parameters described in the Revised RKL / RPL documents. But it does not specify parameters of erosion and sedimentation management. The organization is encouraged to complete the RKL / RPL Report by covering the erosion and sedimentation management as described in the Revised RKL / RPL documents. <b>Non-conformance status of NC-2010.21 is still open with Comment For Action category.</b>	√

7.1.3	<b>Availability of documented implementation of smallholder development program according to the scheme and the applicable legislation (where smallholder scheme is applied).</b>	
ST1	LTS has no smallholder scheme.	N/A
ST2	Similar to stage-1 audit	N/A
7.2	<b>Using soil surveys and topographic information for site planning of new estates and the results incorporated into plans and operations.</b>	
7.2.1	<b>Record of soil suitability as a result of soil survey that details topography, climate, soil type, soil fertility, soil depth and drainage water.</b>	
ST1	Land suitability data for the new opened estate (after 2005) is unavailable. This will be verified further at the time of the main assessment	
ST2	The organization has been able to present data of soil fertility survey activity plan. The land fertility survey was planned to be conducted in July 2010 to January 2011. However, the audit team deemed that the company has no sufficient data of the periodical soil analysis. The organization must immediately implement the proposed soil fertility survey and provide the team with the documented result of the survey. <b>Non-conformance of this indicator is NC-2010.46 with Minor Category.</b>	X
7.2.2	<b>Documented implementation of plantation development based on soil suitability.</b>	
ST1	Data of new estate development activity based on the land suitability survey is unavailable. This will be verified further when the main assessment.	
ST2	Soil fertility survey is still in planning process, and the company is still unable to present the data of new estate development activity based on the land suitability survey. This will be further verified at the time of surveillance when the soil fertility survey data has been obtained. <b>The non-conformance of this indicator is NC-2010.46 with Minor category.</b>	X
7.3	<b>Since November 2005, the company did not perform new plantation program in primary forest or any area for which one or more High Conservation value must be preserved or improved.</b>	
7.3.1	<b>New planting program for period of November 2005 to November 2007 must meet the applicable laws and regulations and includes management of the social and environmental impacts, and in accordance with the legal spatial plan.</b>	
ST1	The new developed estates after 2005 have met the legal requirements and other rules, namely HGU certificate (including legal spatial plan) and RKL / RPL documents	✓
ST2	Similar to stage-1 audit	✓
7.3.2	<b>Records of Site Map and realization of land opening in accordance with the identification of HCV</b>	
ST1	Documented map of New Opened Estate Planning and realization in accordance with the HCV identification has not been available yet. HCV identification was conducted in 2009, while opening of new estates had been started from 2005 to 2010. <b>Non-conformance of this indicator is NC-2010.35.</b>	X
ST2	The organization has established the documented map of New Opened Estate Planning and realization	✓

	since 2006, and the organization recognizes that the map is not based on the HCV identification result because the HCV identification activity was just conducted in January 2010. But the organization has set a plan to delineate areas identified as HCV and implement the recommendations from the HCV identification result. <b>Nonconformance status of the NC-2010.35 is declared closed.</b>	
<b>7.4</b>	<b>Excessive planting on steep land, and or marginal and fragile soils (potential landslide) should be avoided.</b>	
<b>7.4.1</b>	<b>Maps identifying marginal and fragile soils, including steep sloping soil and peat lands are available in a sufficient scale.</b>	
ST1	Marginal land map in the new developed estate after 2005 is unavailable. <b>Non-conformance of this indicator is NC-2010.12.</b>	<b>X</b>
ST2	The organization has been able to present land map and Slope Class Land Map as listed in the HCV identification data. <b>Non-conformance of the NC-2010.12 is declared closed.</b>	<b>√</b>
<b>7.4.2</b>	<b>Where a limited planting is planned on fragile and marginal soils, a documented plan should be made and implemented in order to protect these soils without causing adverse effects.</b>	
ST1	It will be verified further when the main assessment	
ST2	The organization has made efforts to protect fragile or slope lands, for example: the creation of individual terrace, preparation of U-shaped midrib frond stacking, etc.	<b>√</b>
<b>7.5</b>	<b>No new plantings are established on local peoples' land without prior approval from them, which is done through a documented system that enables indigenous people, local community and other stakeholders to spend their views through their respective representative institution.</b>	
<b>7.5.1</b>	<b>The company has the social and environmental impacts analysis documents that contain the details of either positive and negative social and environmental impacts, as well as the participation of the parties affected (local community).</b>	
ST1	This will be verified further in the main assessment.	
ST2	The organization has the data of social and environmental impact analysis, in the form of AMDAL/RKL-RPL documents; Social Impact Assessment Data.	<b>√</b>
<b>7.5.2</b>	<b>Records of socialization plan for new plantation opening.</b>	
ST1	Documented data of the socialization of the proposed new estates development for planting area after 2005 is unavailable. <b>The non-conformance of this indicator is NC-2010.36.</b>	<b>X</b>
ST2	Documented data of the socialization of the proposed new estates development is available as listed in the Revised RKL / RPL Documents 2008 of PT Tani Sakti Land. <b>Non-conformance status of NC-2010.36 criteria is declared closed.</b>	<b>√</b>
<b>7.5.3</b>	<b>Records of the compensation agreement / transfer of land from landowners for the plantation area opening.</b>	

ST1	Documented data of the land indemnity agreement is available;	√
ST2	The organization has documented the data of compensation of land (see criteria 2.2)	√
<b>7.6</b>	<b>Local people obtain compensation from the company for the transfer of their land and release of rights based on voluntary agreement that has been informed in advance and an agreement that has been negotiated</b>	
<b>7.6.1</b>	<b>Records of identification and assessment of legal and traditional rights on land by involving relevant government agencies and local communities.</b>	
ST1	See Criteria 2.3: No traditional rights within the new developed estates.	N/A
ST2	See Criteria 2.3: No traditional rights within the new developed estates.	N/A
<b>7.6.2</b>	<b>Procedure of identification of compensated parties.</b>	
ST1	See minor indicator 2.2.2; procedure for identification of parties having rights to obtain compensation is listed in the Draft Land Conflict Resolution Mechanism.	√
ST2	See Criteria 2.3: No traditional rights within the new developed estates.	N/A
<b>7.6.3</b>	<b>Records of process of negotiation and/or agreement of land compensation in general are available</b>	
ST1	Data of compensation agreement and negotiation process in the new developed estates is available.	√
ST2	See Criteria 2.3: No traditional rights within the new developed estates.	N/A
<b>7.6.4</b>	<b>Records of calculation and implementation of compensation payment.</b>	
ST1	Data of calculation and implementation of compensation payment is available	
ST2	See Criteria 2.3: No traditional rights within the new developed estates.	N/A
<b>7.6.5</b>	<b>Communities whose access and rights to land have been transferred to the company for plantation expansion are given the opportunity to obtain benefits from the plantation development project.</b>	
ST1	Based on interviews with one of the staffs of Dumai Alur Estate, the local people who get the compensation for their land get the opportunities and benefits from the company's new estate development activities, for example: to obtain employment opportunity, increased income, public facilities and infrastructure assistance.	
ST2	See Criteria 2.3: No traditional rights are available within the new developed estates.	N/A
<b>7.6.6</b>	<b>Process and outputs of the land compensation claim should be documented and publicly available.</b>	
ST1	Documented data of the claim compensation process and result is available.	
ST2	See Criteria 2.3: No traditional rights within the new developed estates.	N/A
<b>7.7</b>	<b>Application of burning system for land preparation for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practices.</b>	

7.7.1	<b>Documented analysis where burning system is applied in land opening for replanting activities.</b>	
ST1	See major indicator 5.5.1; LTS has a policy of land preparation without burning as listed in the Agricultural Reference Manual No. 110/EST-ARM/08 Section 4 – Land Preparation, clause 3.1 (b) stating that land clearing should be guided by the Decree of Directorate General of Plantation No.. KB.110/SK/DJ BUN/05.95 dated May 30, 1995.	✓
ST2	Similar to stage-1 audit.	✓
7.7.2	<b>The company must have records of zero burning policy implementation.</b>	
ST1	Based on observation, the auditors did not find burning method the company adopts in land preparation, such as: land clearing in the conversion of rubber estates into palm one in Division II area.	✓
ST2	Same with pre assessment; Based on field visit, the organization does not conduct burning method in its land clearing activities.	✓
7.7.3	<b>Procedures and records of Forest Fire Emergency Response.</b>	
ST1	Land fire emergency response procedures are available in the form of Fire Fighting Procedure No. 039-SOP-LTS dated March 12, 2009 - there was no incidence of fires in the new estates of the company.	✓
ST2	Similar to stage-1 audit.	✓
7.7.4	<b>Facilities and infrastructure designed for forest fire prevention according to their vulnerability level.</b>	
ST1	Infrastructure and facilities of land fire prevention are available. See minor indicator 5.5.1.	✓
ST2	The organization has possessed the facilities and infrastructure for land fire prevention; see criteria 5.5.	✓
<b>PRINCIPLES #8 COMPANY'S COMMITMENT TO CONTINUAL IMPROVEMENT OF MAIN OPERATION AREAS</b>		
8.1	<b>The company's oil palm estate and mill units regularly monitor and review their activities and develop and implement action plans that allow for continuous real improvement on the primary operations.</b>	
8.1.1	<b>The company has prepared monitoring action plan based on environmental an social impact analysis and routine evaluation of estate and mill activities. The action plan shall include, but not limited to the following:</b> <ul style="list-style-type: none"> <li>- Reduction of the use of certain chemicals (criterion 4.6).</li> <li>- Environmental impacts (criterion 5.1).</li> <li>- Waste reduction (criterion 5.3).</li> <li>- Pollution and emissions (criterion 5.6).</li> <li>- Social impacts (criterion 6.1).</li> </ul>	
ST1	Documented data of efforts that have been made by the organization in respect of environmental and social impacts management is still insufficient. For example: waste management plan. <b>The non-conformance of this indicator is NC-2010.37</b>	<b>X</b>

ST2	The organization has implemented the action plan of monitoring of the environmental and social impacts as listed in the RKL / RPL Report and has covered the implementation of waste management plan such as monitoring of BOD wastewater, air quality monitoring, etc. <b>Non-conformance of the NC-2010.37 criteria is declared closed.</b>	√
8.1.2	<b>Records of follow-up on the RSPO audit findings, if any</b>	
ST1	Not Applicable; The organization had not experienced RSPO audit process before.	<b>N/A</b>
ST2	The organization has conducted follow-up on the stage-1 of RSPO audit findings. In the follow up document the company has made efforts o fulfill the findings found in the stage-1 audit process. The document contains information on detailed non-conformances found in the first stage audit process, actions to be taken, settlement target, person in charge, remarks.	√

<b>Annex 2. Peer Review Report</b> (to be completed based on RSPO review results)		
Reviewer:		
I. General comments to be evaluated		
No	Issue and comment	Clarification To be completed by MUTU
II. General comment to assessment report		
No	Issue and comment	Clarification To be completed by MUTU
III. Special comments to certification decision making process, covering a corrections, conditions and recommendations -		
No	Issue and comment	Clarification To be completed by MUTU

**Annex 3. Results of RSPO Panel Committee –RSPO Certification** (to be filled in upon the report has been reviewed and approved by RSPO secretariat for issuance of certificate)

No	Inputs and responses



**Annex 4. List of Stakeholders contacted in RSPO Certification Process**

No	Institution/Department	No	Institution/Department
1	Executive Director of Association for Indonesian Palm Oil Operators (GAPKI)	22	Head of BAPEDALDA (Environmental Impact Control Agency) of Rokan Hilir District
2	Sawit Watch Indonesia	23	Head of Plantation Agency of Rokan Hilir District
3	Green Peace Indonesia	24	Chief of Pujud Sub-district
4	WWF Indonesia	25	Secretary to the Chief of Bagan Sinembah Sub-district
5	Governor of Riau Province	26	Chief of Pondok Kresek Village
6	Regional Secretary of Riau Province	27	Secretary to Pondok Kresek Village
7	Head of Plantation Agency of Riau Province	28	Chief of Sri Kayangan Village
8	Head of Forestry Agency of Riau Province	29	Secretary to Sri Kayangan Village
9	Head of Labor, Transmigration, and Population Agency of Riau Province	30	Chief of Tanjung Medan Village
10	Head of Health Agency of Riau Province	31	Chief of Bakti Makmur
11	Head of Investment and Regional Promotion Office of Riau Province	32	Chief of Police Office of Pujud Sub-district
12	Head of National Land Agency of Riau Province	33	Babinsa of Pondok Kresek
13	Head of Environmental Affairs Agency of Riau Province	34	Kapospol of Pondok Kresek
14	Head of Regional Revenue Agency of Riau Province	35	Community Figures of Sri Kayangan Village
15	Regent of Rokan Hilir District	36	Community Figures of Pondok Kresek Village
16	Rector of State-Owned University of Riau	37	Community Figures of Tanjung Medan Village
17	Head of National Land Agency of Rokan Hilir District	38	CV Dharma Putra
18	Head of Health Agency of Rokan Hilir District	39	Contractors
19	Regional Secretary of Rokan Hilir District	40	CV GP
20	Head of Forestry Agency of Rokan Hilir District	41	PT Qory Maju Bersama
21	Head of Social, Labors and Transmigration Agency of Rokan Hilir District	42	PT IBP

Annex 5. Glossary		
ADE	:	Alur Dumai Estate
ADF	:	Alur Dumai Factory
AMDAL	:	Analisis Mengenai Dampak Lingkungan ( <i>Social and Environmental Impact Assessment</i> )
APD	:	Alat Pelindungan Diri ( <i>Personal Protection Equipment</i> )
ASEAN	:	Association of South East Asian Nations
B3	:	Bahan Beracun dan Berbahaya ( <i>Hazardous Material Waste</i> )
BOD	:	Biological Oxygen Demand
CPO	:	Crude Palm Oil
CBD	:	Convention on Biodiversity
HCV	:	High Conservation Value (Nilai Konservasi Tinggi)
HGU	:	Hak Guna Usaha. ( <i>Land Use Permit</i> )
IUP	:	Izin Usaha Perkebunan. ( <i>Plantation Operation Licence</i> )
IPAL	:	Instalasi Penyaluran Air Limbah ( <i>installation of waste distribution</i> )
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja ( <i>Social Assurance of Labor</i> )
Jankos	:	Janjangan Kosong (Empty Bunch)
K3	:	Keselamatan dan Kesehatan Kerja. ( <i>Occupational Health and safety</i> )
KER	:	Kernel Extraction Rate
LC	:	Land Clearing
OER	:	Oil Extraction Rate
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja ( <i>Health and Safety Committee</i> )
PHT	:	Pengendalian Hama Terpadu ( <i>Integrated Pest Management</i> )
PK	:	Palm Kernel
PKS	:	Pabrik Kelapa Sawit (Palm Oil Mill)
POM	:	Palm Oil Mill / Pabrik Kelapa Sawit
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan. ( <i>Environmental Management Plan/ Environment Monitoring Plan</i> )
SOP	:	Standart Operating System
ST 1	:	Stage 1
ST 2	:	Stage 2
FFB	:	Tandan Buah Segar ( <i>Fresh Fruit Bunches</i> )
UKL/UPL	:	Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan. ( <i>Environmental Management Efforts/ Environmental Monitoring Efforts</i> )