



PT MUTUAGUNG LESTARI
Sustainable Palm Oil Certification
Public Summary Report

Plantation Owner : **Minamas Plantation - Sime Darby Group**
 Plantation Name : **PT Indotruba Tengah**
 Region and Country : **Central Kalimantan - Indonesia**

Certificate Number : *MUTU-RSPO/001*
 Date of certificate issue : *23 November 2010*
 Date of expired : *23 November 2015*

	Assessment date	Report finalization date	Auditors	Checked by
Pre-Assessment	12-17/01/2009	3/3/2009	D.A. Novendi; E. Syntia; Artamur; S. Nugroho; S. Rahardja	Tony Arifiarachman
Main Assessment	11-16/05/2009	6/2/2010	T. Margani; D.A. Novendi; T. Wijaya; A. Gustomo	Tony Arifiarachman

Submitted to RSPO on:	Reviewed by RSPO on:	CB Responds on:	Approved by RSPO on:
06/02/2010	11/02/2010 19/05/2010 26/10/2010	17/03/2010 07/06/2010 09/11/2010	<i>23 November 2010</i>

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MUTU Certification • Approved by RSPO Executive Board on June 2008

List of Contents

	Page
1.0 SCOPE OF CERTIFICATION	1
1.1 National Interpretation used	1
1.2 Auditee information	1
1.3 Type of Assessment	1
1.4 Locations of mill and estates and area statement	1
1.5 Description of Supply Base	2
1.6 Years of Crop Planting and Palm Age Profiles	2
1.7 Volumes of CPO and PK claimed for certification	3
1.8 Other Certifications Held	3
1.9 Time-Bound Plan for Certification of Other Management Units	3
2.0 ASSESSMENT PROCESS	7
2.1 Background of Certification Body	7
2.2 Qualifications of Lead Assessor and Assessor Team	7
2.3 Assessment Methodology	8
2.4 Stakeholder Consultation and List of Stakeholders Contacted	11
2.5 Date of Next Surveillance Visit	12
2.6 Major Verification	12
3.0 ASSESSMENT FINDINGS	13
3.1 Summary of Non Conformances, Corrective Actions taken and Comments by CB	13
3.2 Summary of main issues raised by stakeholders, auditee responses and assessor findings	19
4.0 AUDITEE'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	21
4.1 Formal sign-off of assessment findings	21
ANNEXES	
1 Checklist of RSPO P&C for Certification Assessment on PT INDOTRUBA TENGAH	22
2 Mutuagung Peer Reviewer's Report	44
3 Results of RSPO Panel Committee of Mutuagung Lestari	46
4 List of stakeholders consulted	47
5 Word Glossary	48
MAPS	
Figure 1 Location of PT Indotruba Tengah (ITH)	5
Figure 2 Age profile of Palms in PT Indotruba Tengah, 2009	6

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT																		
1.1	National Interpretation Used	National Interpretation of RSPO Principle and Criteria for Sustainable Palm Oil Production. Republic of Indonesia. Issued by RSPO INA-NIWG on May 2008.																	
1.2	Background auditee																		
1.2.1	Name	Sime Darby																	
1.2.2	Contact person	Mohamad Pirabaharan																	
1.2.3	Address	The Plaza, 36th Floor, Jl. M. H. Thamrin Kav. 28-30, Jakarta 10350																	
1.2.4	Telephone	+62-21-29922650																	
1.2.5	Fax	+62-21-5711652																	
1.2.6	e-mail	mohamad.pirabaharan@simedarby.com																	
1.2.7	Website	www.simedarby.com																	
1.2.8	Type of enterprise	Private limited company																	
1.2.9	Authorized person requesting certification	Mohamad Pirabaharan (The Head of TQEM Plantation)																	
1.2.10	RSPO member registered	September 8 th , 2004																	
1.2.11	Number of workers	821																	
		<table border="1"> <thead> <tr> <th>Detail</th> <th>SKE</th> <th>SRE</th> <th>Mill</th> </tr> </thead> <tbody> <tr> <td>Employees</td> <td>304</td> <td>253</td> <td>4</td> </tr> <tr> <td>Staff</td> <td>103</td> <td>66</td> <td>91</td> </tr> <tr> <td>Total</td> <td>407</td> <td>319</td> <td>95</td> </tr> </tbody> </table> <p>Source: Manager Report, April 2009</p>		Detail	SKE	SRE	Mill	Employees	304	253	4	Staff	103	66	91	Total	407	319	95
Detail	SKE	SRE	Mill																
Employees	304	253	4																
Staff	103	66	91																
Total	407	319	95																
1.3	Type of Assessment																		
1.3.1	What is audited	One management unit of palm oil mill and two estates supplying FFB for processing																	
1.3.2	Type of certificate	Single																	
1.3.3	Name of management unit audited	PT Indotruba Tengah																	
1.3.4	Details of management unit	One palm oil mill and two estates supplying FFB - Sekunyir Estate (SKE) and Seruyan Estate (SRE).																	
1.4	Locations of mill and estates and area statement																		
1.4.1	Location of plantation																		
	Latitude	02° 23' S - 02° 28' S																	
	Longitude	111° 59' E - 112° 4' E																	
1.4.2	Location of Mill																		
	Latitude	02° 21'36.84" S																	
	Longitude	111° 57'14.19" E																	
1.4.3	Maps	See Figure 1 and 2																	
1.4.4	Country	Indonesia																	
1.4.5	Region	Central Kalimantan																	

1.4.6	Village/Sub District/District	1. Amin Jaya/Pangkalan Banteng/Kota Warigin Barat (Sekunyir Estate) 2. Pembuang Hulu/Hanau/Kota Waringin Timur (Seruyan Estate)																																				
1.4.7	Land ownership	State land alienated to PT Indotruba Tengah on 35 years renewable lease.																																				
	Private (area in hectares)	0																																				
	State (area in hectares)	7,735																																				
	Community (area in hectares)	0																																				
1.5	Description of Supply Base																																					
1.5.1	Total area (hectares)	7,735																																				
1.5.2	Protected area (hectares)	-																																				
1.5.3	High Conservation Value area (hectares)	-																																				
1.5.4	Non-oil palm use (hectares)	1,130																																				
1.5.5	Net Plantation area (hectares)	6,605																																				
1.5.6	Mature area (hectares)	6,605																																				
1.5.7	Products	FFB (Fresh Fruits Bunch)																																				
1.5.8	Annual Yield, 2004-2008 (Simple average of two estates) (t/ha)	24.26																																				
	Sekunyir Estate (SKE)	24.57																																				
	Seruyan Estate (SRE)	23.95																																				
1.5.9	Yield in 2008 (Simple average of two estates) (t/ha)	29.84																																				
	Sekunyir Estate (SKE)	30.51																																				
	Seruyan Estate (SRE)	29.16																																				
1.6	Date of Planting of palms																																					
1.6.1	Age profile of palms																																					
	<table border="1"> <thead> <tr> <th>Estate/planting year</th> <th>Area (hectares)</th> <th>Age</th> </tr> </thead> <tbody> <tr> <td colspan="3">Sekunyir</td> </tr> <tr> <td>1992</td> <td>2657</td> <td>17</td> </tr> <tr> <td>1993</td> <td>165</td> <td>16</td> </tr> <tr> <td>1994</td> <td>321</td> <td>15</td> </tr> <tr> <td>1995</td> <td>213</td> <td>14</td> </tr> <tr> <td colspan="2">Age average</td> <td>16.57</td> </tr> <tr> <td colspan="3">Seruyan</td> </tr> <tr> <td>1992</td> <td>969</td> <td>17</td> </tr> <tr> <td>1993</td> <td>1296</td> <td>16</td> </tr> <tr> <td>1994</td> <td>984</td> <td>15</td> </tr> <tr> <td colspan="2">Age average</td> <td>16.00</td> </tr> </tbody> </table>		Estate/planting year	Area (hectares)	Age	Sekunyir			1992	2657	17	1993	165	16	1994	321	15	1995	213	14	Age average		16.57	Seruyan			1992	969	17	1993	1296	16	1994	984	15	Age average		16.00
Estate/planting year	Area (hectares)	Age																																				
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1992	969	17																																				
1993	1296	16																																				
1994	984	15																																				
Age average		16.00																																				
1.6.2	Area replanted after 2004	0																																				
1.6.3	New planting after 2004	7.5 Hectares																																				
1.6.4	Harvesting Cycle	7 Days																																				

1.7	Volumes claimed for certification	
	Production recovery (%)	24%
	FFB (tons/year)	162,675
	Crude Palm Oil (tons/year)	38,879
	Palm Kernel (tons/year)	8,075
1.8	Other Certification Held	
1.8.1	ISO 9001:2008/ISO 14001: 2004	None
1.8.2	OHSAS 18001:2007	None
1.8.3	HACCP	None
1.8.4	Others	None
1.9	Time-bound plan to certify remaining management units	
<p>SIME DARBY has committed to the time bound plan which was sufficiently challenging for their entire management units of palm oil to achieve certification (submitted and stated by Sime Darby). The Assessor team considered this plan in accordance with the RSPO requirements for Partial Certification as mentioned in the RSPO Certification System Document, June 2007, section 4.2.4.</p> <p>The progress will be verified and reported on the next surveillance visits.</p>		
Time-bound plan for certifying other operating units		SOU
		Certification Body
2008 (January – June)	1. SOU 28 Binuang (Certified) 2. SOU 29 Giram (Certified) 3. SOU 30 Merotai (Certified) 4. SOU 30b Mosty (Certified) 5. SOU 26 Sandakan Bay (Certified)	SIRIM SIRIM SIRIM SIRIM BSI
2008 (July – December)	6. SOU 14 Tanah Merah 7. SOU 16 Kempas 8. SOU PT SIA (Indonesia)	BSI SIRIM BSI
2009 (January – June)	32 SOUs in Malaysia 2 SOUs in Indonesia	Control Union, BSI, SGS & Moody. Mutuagung
2010 (January – December)	6 SOUs in Indonesia	To be identified
2011 (January – December)	7 SOUs in Indonesia	To be identified
2012 (January – December)	7 SOUs in Indonesia	To be identified

1.9.1 Sime Darby plantations in Indonesia yet to be certified			
Name of Management Unit	Location	Hectares	Time Bound Plan
PT Tunggal Mitra Plantation	The District of Rokan Hilir – Riau	13,836	2009
PT Indotruba Tengah	The District of Seruyan – Central Kalimantan	7,735	2009
PT Kridatama Lancar	The District of Seruyan – Central Kalimantan	14,780	2010
PT Teguh Sempurna	The District of Kota Waringin Timur and Seruyan – Central Kalimantan	16,602	2010
PT Ladangrumpun Suburabadi	The District of Tanah Bumbu – South Kalimantan	6,082	2010
PT Sajang Heulang	The District of Tanah Bumbu – South Kalimantan	7,794	2010
PT Bersama Sejahtera Sakti	The District of Kotabaru – South Kalimantan	13,925	2010
PT Lahan Tani Sakti	The District of Rokan Hilir – Riau	3,759	2010
PT Aneka Intipersada	The District of Siak, Pekanbaru – Riau	11,612	2010
PT Bhumireksa Nusasejati	The District of Indragiri Hilir – Riau	25,731	2011
PT Bina Sains Cemerlang	The District of Musi Rawas – South Sumatera	7,052	2010
PT Bahari Gembira Ria	The District of Muaro Jambi – Jambi	4,000	2011
PT Tamaco Graha Krida	The District of Morowali – Central Sulawesi	4,712	2011
PT Laguna Mandiri	The District of Kota Baru – South Kalimantan	15,300	2011
PT Swadaya Andika	The District of Kota Baru – South Kalimantan	10,429	2011
PT Langgeng Muaramakmur	The District of Kota Baru – South Kalimantan	14,328	2011
PT Paripurna Swakarsa	The District of Kota Baru – South Kalimantan	16,428	2011
PT Padang Palma Permai	The District of Aceh Tamiang – Nangroe Aceh Darusalam	2,581	2012
PT Perkasa Subursakti	The District of Aceh Tamiang – Nangroe Aceh Darusalam	6,239	2012
PT Guthrie Pecconina Indonesia	The District of Musi Banyuasin – South Sumatera	13,961	2012
PT Mitra Austral Sejahtera	The District of Sanggau – West Kalimantan	14,202	2012
PT Sandika Natapalma	The District of Ketapang – West Kalimantan	19,731	2012
PT Sime Indo Agro (SIA)	The District of Sanggau – West Kalimantan	20,663	2009

Figure 1. Locations of PT Indotruba Tengah (ITH) in Kalimantan, Indonesia.

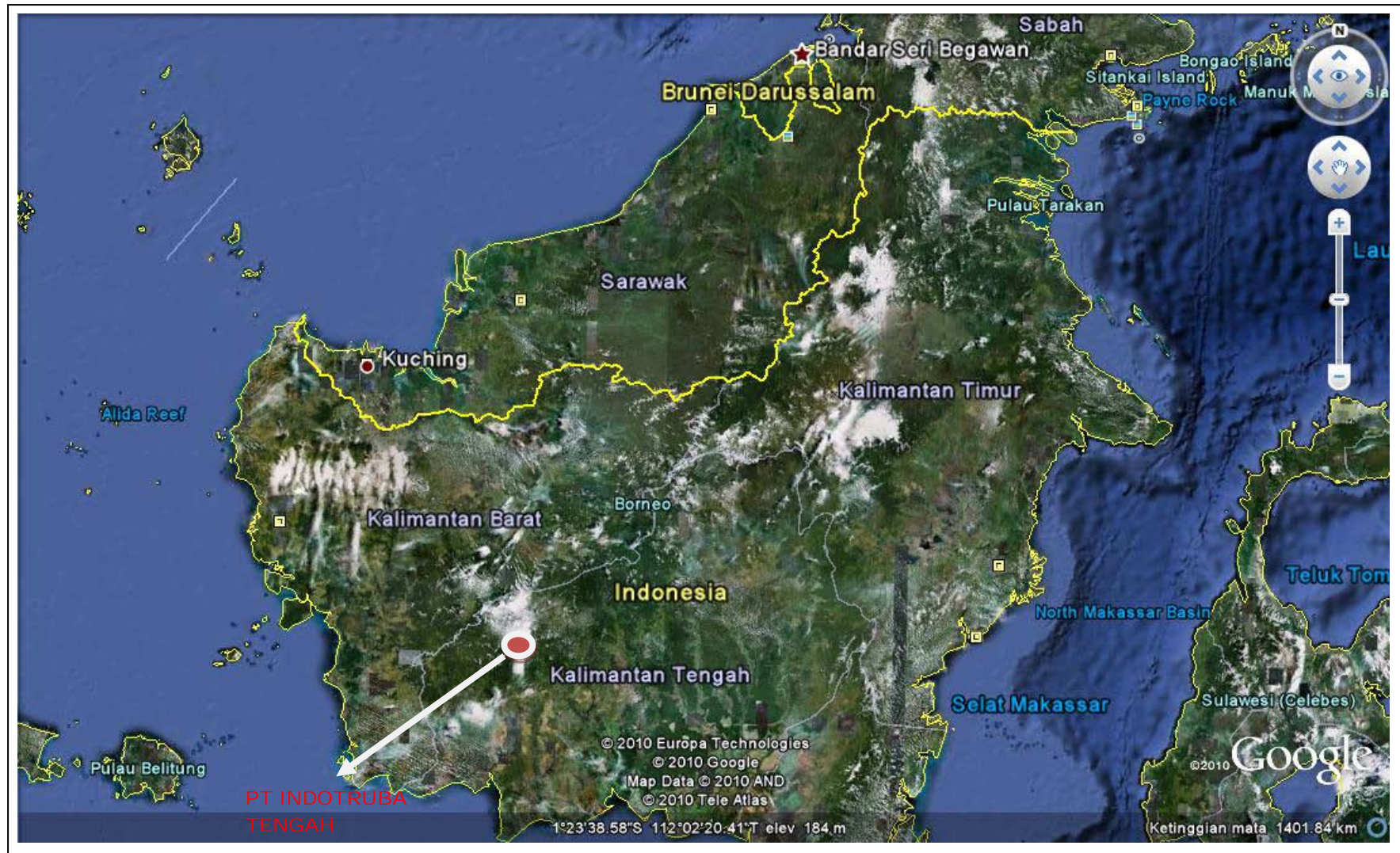
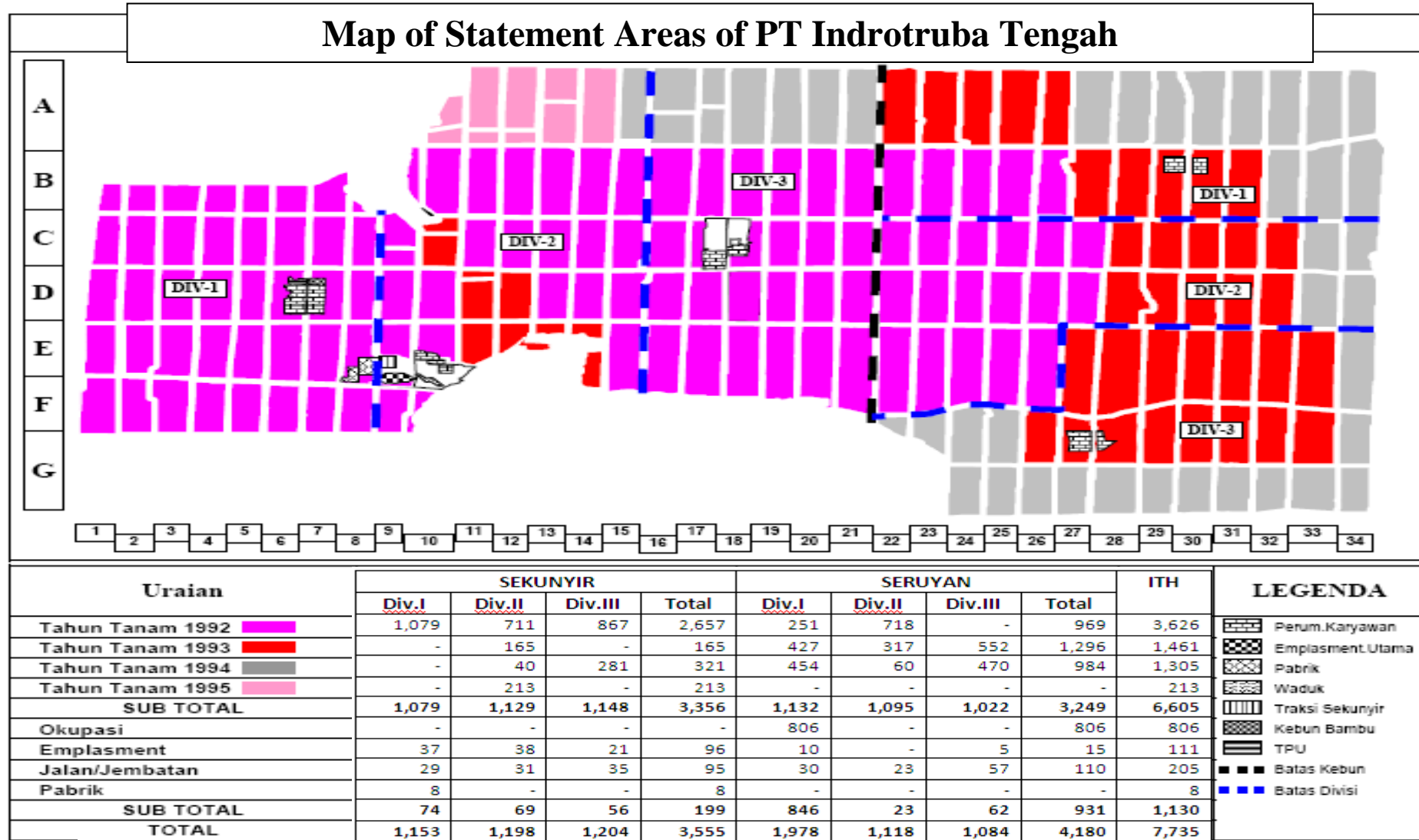


Figure 2. Age profile of palm in PT Indotruba Tengah, 2009



Remark

Tahun tanam is mean *Planting Year*
 Okupasi is mean *occupied land*
 Emplasment is mean *emplacement*
 Jalan/Jembatan is mean *road/bridge*
 Pabrik is mean *palm oil mill*

Remark

Perum Karyawan is mean *workers housing*
 Emplasment Utama is mean *main emplacement*
 Pabrik is mean *Palm Oil Mill*
 Waduk is mean *dam*
 Traksi is mean *workshops*

Remark

Kebun bambu is mean *Bamboo area*
 TPU is mean *burials*
 Batas kebun is mean *estates boundaries*
 Batas Divisi is mean *division areas boundaries*

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	PT Mutuagung Lestari
	Jl. Raya Bogor Km 33.5 No. 19 Cimanggis - Depok 16953 Indonesia
	Telp. +62-21-8740202
	Fax +62-21-87740745/46
	Website: www.mutucertification.com
	Email : agri@mutucertification.com
2.2	Lead Assessor and Assessment Team
2.2.1	Assessment Team
	The assessment team comprises:
	1) Taufik Margani (Lead Assessor): Bachelor of Science in Forestry. He has led several audits in forest management in Indonesia (including FM joint certification under LEI and FSC schemes) and is a Lead Auditor for FSC Chain of Custody and RSPO Certification. Other experiences: IRCA Lead Auditor for Environment Management Systems and Quality Management Systems. Worked for an independent certification body as General Manager and has conducted several Environmental Management System and RSPO Certification audits. During this assessment he focused on the ecological aspects of the firm's management.
	2) Deni A Novendi (Assessor): Bachelor of Science in Forestry, majoring in Forest Conservation. Passed training for RSPO assessor/lead assessor conducted by DMSI (Indonesia Palm Oil Council). Has various experiences in forest conservation and forest planning in Indonesia within 13 years. Has worked for an independent certification body and conducted several assessments as forest management certification auditor, ISO 9001 auditor and RSPO Certification Auditor. During this assessment he focused on the Ecology and Best Practices aspects.
	3) Taryanto Wijaya (Assessor): Bachelor of Management in Economics and Social Sciences. An experienced facilitator for capacity building in marginal societies, developing small scale community enterprises, carrying out project surveys and evaluation, facilitating participative planning, and a consultant for Community-Based Forest Management (CBFM) certification. Has been a social auditor on RSPO Certification audit. During this assessment he focused on the social aspects.
	4) Aryo Gustomo (Technical expert): Bachelor of Agriculture, majoring in Agronomy, and a Specialist in Oil Palm Plantations. Has worked in oil palm seed production in Malaysia, and as Plant Breeder/Agronomist. Has also been a Field Assistant in an oil palm plantation. Currently working for an independent certification body as Technical Expert. Passed training for RSPO assessor/lead assessor conducted by KMSI (Indonesia Palm Oil Council) in 2009, training in Identification of HCV areas by FCG Consultant, awareness of ISO 9001:2008 and Training as ISO 14001 Lead Auditor. Approved by BM TRADA and has been technical expert in ISO 9001 and RSPO Certification audits.
	Team members' CVs are held on file at PT Mutuagung Lestari office.
2.2.2	Report Peer Review and Panel Committee of Mutuagung Lestari
	Before submission to RSPO for approval, this report was reviewed on July 3 rd , 2009 by:
	Prof. Dr. Ir Sudirman Yahya, MSc: Doctorate in Agronomy, University of Wisconsin, USA. Besides being a university lecturer, he is also an expert on oil palm Best Practices and Ecology. Has diverse experience in education, and environmental and oil palm sectors, and has been involved in research in Community Development, International Training in Oil Palm Plantation, Beijing, inspection of oil palm estates in smallholder projects, consultancy in Environmental Management and Monitoring

	"Small Holder Tree Crop Processing Project", consultancy in International Agriculture Development Project, feasibility study on oil palm smallholder project, and many more. Has been involved in the Indonesian Agronomy Association (PERAGI), Sigma Xi - Scientific Research Society, American Society of Agronomy, and Crop Science Society of America.
	The report was further reviewed on 11 th January 2010 by:
	Tony Arifiarachman: Bachelor of science in Forestry, and a Master of Agribusiness Management. He has led several audits in Forest Management (including FM joint certification under LEI and FSC schemes) and is a Lead Auditor for FSC Chain of Custody and RSPO Certification. He has been involved in international and national seminars of RSPO. Other experiences: IRCA Lead Auditor for Environment Management Systems (EMS) and Quality Management Systems QMS. Worked for an independent certification body as Operational Director and has conducted several EMS, QMS, COC and RSPO Certification audits in Indonesia, Thailand, Vietnam, Malaysia, and Australia.
	The reviews are given in Annexes 2 and 3. The CV's of the review members are available from the PT Mutuagung Lestari office.
2.3	Assessment Methodology
2.3.1	Assessment dates
	Pre-assessment: 12-17 January 2009
	Main Assessment: 11-16 May 2009
2.3.2	Estimated man-days required for assessment
	Pre-assessment : 30
	Main Assessment: 24
2.3.3	Assessment process
	The assessment was carried out in two stages: (1) Pre-Assessment, and (2) Main Assessment. The Pre-Assessment was essentially an inspection on the company documentation with a field visit. Any noncompliance's were reported and communicated to the Manager for rectification before the Main Assessment.
	The Main Assessment was carried out when the whole operation of the company was inspected one-by-one against the individual criteria in the RSPO P&C, including document reviews, interviews with stakeholders, and site visits to the company operations.
	On the first day, the Assessment Team focused on document reviews that pertained to legal, environmental, social and management issues. Plans were made for field visits, for which the team was divided into three teams, viz.,
	Team I (Social, economic, and legal Issues/Taryanto): To asses land disputes, conflict resolution, security, Labor and payment system, corporate social responsibility and handling of community grievances.
	Team II (Environment, Health and Safety/Taufik): To assess site/area plan, implementation soil and water conservation, application of agrochemicals and disposal of empty pesticide containers, and implementation of Health and Safety policy.
	Team III (Best Management Practice and Integrated Pest Management/Deni and Aryo): To assess the long-term working plan of the company, implementation of IPM, agrochemicals practices, land application practices, maintenance of surface and ground water quality and availability, and supply chain implementation

	<p>11th May 2009: The opening meeting in Sekunyir Estate office was attended by General Manager of Estate and Mill, Manager of Sekunyir Estate, Manager of Seruyan Estate, and other key staff. The lead auditor explained the main assessment process and scope, confidentiality of the information received and public viewing of the eventual report. The team members were introduced to the audience together with their roles and audit itineraries. The purpose of the audit was communicated – to ensure compliance with the RSPO P&C. Finally, the senior manager of the auditee disclosed the company’s commitment to the RSPO P&C.</p>
	<p>12th May 2009: Public consultation was initiated with stakeholders. Assessment team was split up to conduct public consultation with stakeholders in two different places. Taufik and Aryo met with the local government officials and NGOs in Pangkalan Bun, while Taryanto and Deni met with the local communities. The public consultation took half the day, after which the issues raised were reviewed. Assessment team was then separated into three teams to carry out document review. Team I (Taryanto) reviewed the social aspects and Team II (Taufik) on ecology/environment and Team III (Deni and Aryo) on best practices.</p>
	<p>13th May 2009: Document review was performed all day since morning to evening. Assessment team was yet divided into three Teams: Team I (Taryanto) focused on the social aspects of the audit, Team II (Taufik) focused on the ecology/environment, and Team III (Deni and Aryo), best practices. Following a document review, the team decided on the places to visit the next day, and the decision was conveyed to the ITH management</p>
	<p>14th May 2009: Site visits. Assessment Team was divided into three Teams, each accompanied by a person from PT ITH. Team I (Social) visited nearby villages and learned about the interaction with the estates (especially on CSR, workers issue, and estate boundaries). Team II and III (on Environment and Best Practices) observed agrochemical usage; management of hazardous waste; soil fertility conservation; management of critical soil and swamp soil; water management; health and safety implementation, and soil erosion control.</p>
	<p>15th May 2009: Team II visited Sekunyir Palm Oil Mill to observe health and safety implementation, hazardous waste management, liquid waste control, measurement of air pollution, supply chain, FFB acceptance, processing, and palm oil storage. Meanwhile Team I continued visiting nearby villages and observed HCV 6 area and learned about worker policy. Team III visited riparian zone, location of odor issues, road maintenance, land application of POME; and HIRAC. All Team had discussion and wrote reports in the evening.</p>
	<p>16th May 2009: Closing meeting in Sekunyir office. Key attendees were the Mill General Manager, TQEM Manager, Senior Mill Manager, all Estate Managers and staff of relevance.</p>
	<p>17th May 2009: The assessment team traveled to Pangkalan Bun and carried out an internal meeting.</p>
	<p>18th May 2009: Assessment report was completed.</p>
	<p>19th May 2009: The assessment team returned to Jakarta.</p>
2.3.4	<p>Reasons for selecting what to observe and places to visit</p>
	<p>The main considerations were: 1) potential areas for improvement identified during the pre-assessment stage, 2) issues raised in the public consultation, 3) concerns with particular issues, 4) RSPO requirements for improvement, 5) representations for most of management area condition and their issues. The site visits were arranged for each group depending on their area of assessment:</p>
	<p>Sites visited by Team I (Social, Economic and Legal issues):</p>
	<p>Location-1, Pembuang Hulu Village. The purpose of the visit was to assess a land dispute. The assessment team discussed with Mr. Antonius K (the representative of Sei Pelawi party), and claimed 375 ha inside PT ITH HGU’s (Hak Guna Usaha/Land Use Title) area. He admitted that since 1956; 39 people (the members of Sei Pelawi community) had occupied the land for farming. They inherited their customary rights of the land their children. Six out of thirty nine farmers were still alive. The location of land dispute was on Block of G24-34, Seruyan Estate managed by ITH since</p>

	<p>1994. However, the local people did not have any legal documentation for their land.</p> <p>Sei Pelawi party has had several negotiations with ITH and witnessed by Muspika. However, a resolution could not be reached, because ITH and Sei Pelawi could not agree on the basis of land compensation.</p>
	<p>Location-2, Hanau Sub District Office. Interviews with Secretary to The Head of Hanau Sub District on ITH land dispute. Team obtained information that the local government was appointed as mediator to support the resolution process of the land dispute on ITH, in particular for the Sei Pelawi party, although a resolution had not previously been reached.</p>
	<p>Location-3, Pembuang Hulu Village. To observe resolution of land conflict between local farmers, and PT ITH. Mr. Sabriansyah Nur has signed an agreement of land conflict resolution. He has received 3 units truck using credit scheme as compensation, but he felt unsatisfied because unfair compensation, however he accepted the matter without ruefully, and he thought that this is the beginning of good cooperation between ITH and local people</p>
	<p>Location-4, Derangga Village. Interview with local communities regarding social impact of ITH operational activities. Team met Mr. Sugiman Nur (The Head of local government/KaDes), Mr. Ali Maryono (Secretary of local government), and Mr. Munawir (staff of local government). They said that: 1) Four member of Derangga village are working in PT ITH as harvester and house keeper, 2) there was sedimentation at Seluluk Lake caused by ITH operational activities, 3) some population of seven type of fish on the river were decreasing, 4) people near-by village could not make use of the water any more from Seruyan Lake because the water has been polluted, 5) Local people do not know yet the mechanism to make contact with ITH.</p>
	<p>Location-5, Block E-20. Interview with harvester. Team met Mr. Slamet Riyadi who has been working as harvester since 2004. He is a permanent worker (monthly rate personnel). Every month he received minimum wage as required to government rule with addition wage i.e., rice allowance and harvesting bonus. He has right to have medical check up at PT ITH Polyclinic. He works 7 hours a day regularly (Monday to Saturday), and ITH will pay over time if he works on Sunday.</p>
	<p>Location-6, Block E-30. To observe funeral inside ITH area. There is a cemetery of Tunggal Najir bin Dali that has been maintained by ITH since 14th April 2001. ITH and local people are cooperate to keep this cemetery as high conservation value area, and install a information board as historic sites.</p>
	<p>Location-7, Block G. To observe legal boundary and illegal occupied of the land. This observation was carried out in two stages, 1) observed outer part of boundary, as well-marked as a pole which was legally issued by Land Affair Corporation (BPN); it has installed one pole every 250 m. 2) observed illegal land occupation at Block G23-34, claimed by Sei Pelawi since 2007. Once, this area was blockade by Sei Pelawi, they have planned to obstruct this area as re-negotiate process with ITH.</p>
	<p>Location-8, Seruyan Estate Office. To check policies of health and safety, community development program, prevention of sexual harassment and all other forms of violence against women and to protect their reproductive rights. Interview with estate manager and their staff.</p>
	<p>Locations visited by Team II and III (Environment, Health and Safety & Best Management Practices)</p>
	<p>Location-1, House of Block Spraying System (BSS) and worker quarters in Block E-08. To observe spraying procedure, spraying devices warehouse, safety tools for sprayer, location for washing knapsack, chemical waste and used containers management.</p>
	<p>Location-2, Block C-09, Sekunyir Estate. To observe garbage dump of organic and inorganic waste.</p>
	<p>Location-3, Block B-01. To observe practices to maintain soil fertility in mineral soil using empty fruit bunches (EFB) application.</p>
	<p>Location-4, Block A-10. To observe practices maintain soil fertility in critical land (sandy soil) using EFB application. According to soil analysis, Block A-10 area is 52% sand content.</p>

	Location-5, Block A-14. To observe nest box for <i>Tyto alba</i> number 146, it has been installed since 2006.
	Location-6, Block C-16. To observe water-gate maintenance.
	Location-7, Block C-34. To observe area (1.5 ha) for conservation.
	Location-8, Central warehouse. To observe agrochemical storage, records of agrochemical usage, knapsack washing, fuel storage, health and safety tools, and emergency responds to fire accidents.
	Location-9, Workshop at Seruyan Estate. To observe safety tools implementation, used oil storage, and emergency responds.
	Location-10, Block F-26 and F-27. To observe practices control erosion using terrace and silt-pit on slopes area.
	Location-11, Block E-21. To observe riparian zone near low land area. Refer to soil analysis, this area creates puddles during rainy seasons.
	Location-12, Block C-17 and C-18. To observe limited pesticide application (Gramoxone) in young palms area (7 ha, planted on April 2005).
	Location-13, Water outlet of Buaya river. To observe the river outlet, limpidity of water and cover crop on river side.
	Location-14, Block F-08. To observe odor issue caused by palm oil mill effluent. This area is across the main road (trans-Kalimantan). The distance between main road and effluent pond is 100 meter.
	Location-15, Block D-14, Buaya River. To observe riparian zone and practices maintain the quality and availability of surface and ground water.
	Location-16, Block D-03, Land Application. To observe land application using palm oil mill effluent (POME) – flat bed method.
	Location-17, Liquid waste pond at palm oil mill. To observe the capacity, and mechanism of treatment.
	Location-18, Sekunyir Palm Oil Mill. To observe FFB processing, starting from FFB reception to CPO bulking; air emission measurement, hazardous waste management, health and safety implementation, and workers welfare.
2.4	Stakeholder Consultation and List of Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process
	<p>The first public announcement of the audit was made more than 30 days before the audit on the websites in RSPO and Mutu Certification. Emails and letters were sent to stakeholders, inviting them to a public consultation.</p> <p>47 stakeholders were contacted, from whom 2 (two) written comments were received before assessment and more than 35 other responses during public consultation meeting. The meeting (there were actually two concurrent sessions) was held on 12th May 2009 in Pangkalan Bun for the local government (11 stakeholders present) and at Sekunyir Estate for the local communities (29 stakeholders present).</p>
2.4.2	List of stakeholder contacted
	<i>See Annex 4</i>
2.4.3	Summary of main issues raised by stakeholders
2.4.3.1	<i>Positive Issues</i>

	<ul style="list-style-type: none"> - Support government to open accessibility on cluster area - Employing local people - Introduce oil palm to local people as a business commodity that could increase the communities' income. - Provide health and education support for local people - ITH has contributed to local development by paying income tax and land tax - Integrated pest management implementation to control caterpillar and rat damage - Providing appropriate work facility
2.4.3.2	<i>Negative Issues</i>
	<ul style="list-style-type: none"> - ITH has converted HCV area to oil palm plantation - Holdup traditional rights to local people who customarily migratory farming (nomadic) - Local people are not involved as key staff personnel on ITH management - ITH has not delivered a report of Environment monitoring plan (RPL) regularly to the related department - There is so many cases of illegal land occupation on ITH area and no compensation has been agreed - ITH does not have a program for Community Development and Corporate Social Responsibility based on community needs - No scheme smallholders was made in accordance to government rules, Permentan 26/2007 - The main road (Trans-Kalimantan) near ITH area has been wrecked caused by FFB and CPO transportation. - There is unpleasing odors within near-by village caused by effluent waste of palm oil mill
2.4.3.3	<i>Others Issues</i>
	None
2.5	Date of Next Surveillance
	The next surveillance visit will be within 12 months of approval of this certification.
2.6	Major Verification
	The Major verification was carried out to ensure the corrective actions taken of major findings are wholly completed and comply with the RSPO P&C. This activity was commenced on 7-9 January 2010.
	The Major verification was when the corrective actions taken of major findings on main assessment were checked one-by-one – including document review, interviews and site visit.
	07/01/2010. Travelling Jakarta to Pangkalan Bun
	08/01/2010. Opening meeting was done in the morning at Sekunyir Estate, attended by The Head of TQEM, Seruyan Estate Manager, Manager of Sekunyir Palm Oil Mill, and other key staff. The auditor explained the major verification process and scope, due to major findings during main assessment previously, and interinaries given. The purpose of the verification was explained; the senior manager of the auditee disclosed the steps already taken by the company as correction of major findings. Furthermore, document review and site visits were completely done. Closing meeting was carried out in the evening at Sekunyir Estate.
	09/01/2010. Return to Jakarta
2.6.1	Reasons for selecting the things to observe and places to visit
	The main considerations were: 1) weaknesses spotted in the Main assessment as major findings, 2) Progress of corrective action taken by ITH, 3) concern with particular issues, 4) RSPO requirements for improvement, 5) represent most of management area condition and their issues.
	The site visits were arranged for each group depending on their area of assessment:

	Location-1, Block D-15. To observe riparian zone management on Buaya river, several forestry plant were planted through river side, e.g. Mahoni, Sungkai, and Sonokeling.
	Location-2, Block E-21. To observe water catchment area as habitat of Belibis
	Location-3, Block E-22. To observe HCV4 area (water catchment) and HCV sign board instalment.
	Location-4, Block B30. To observe water reservoir, some forestry plant were planted through reservoir side, e.g. Mahoni, Vertiver, and Angsana.
	Location-5, Block A-34. To observe forest area near boundary as identified as conservation area for orang utan, and to observe HCV sign board instalment.
	Location-6, Seruyan Estate Office. To verify the progress of land conflict resolution, discuss with two parties which has been claimed on ITH area (Sei Pelawi and Safri).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Non Conformances, Corrective Actions Taken and Observations

No.	Std ref	Non-compliance	Grade	Corrective Action	Time Limit	Date and Observation	Status	Closed date
2009,01	1.1;1.2; 6.2	Procedure of information requests. ITH provided a procedure of information request, issued on 4 th March 2009. However, it was not complete with the object of information, and effectively communicated to stakeholders.	CFA	Organization should communicate effectively to stakeholders with sufficient object of information	Next surveillance visit		Open	
2009,02	1.2	Document information. ITH owned a company profile document for publishing to stakeholders; but it was considered to provide summary which covered the key activities of plantation management unit that can be accessed by stakeholders.	CFA	Create a resume of information that is easier for stakeholders to access including all relevant key activities.	Next surveillance visit		Open	
2009,03	2.1	Compliance with applicable laws and regulations. There were some non compliances of relevant legal requirement E.g.: riparian zone management - example in Buaya river – did not comply with Government Regulation No. 32/1990 and Act No. 41/1999, etc; and ITH has not been provided a documented system including written information on legal requirements that the company should comply with, and a mechanism for ensuring that compliance with relevant legal requirements is implemented.	MAJOR	ITH must review and provide the compliances of all applicable laws and regulations related to oil palm plantation activities; ITH shall also providing a documented system on legal requirement and a mechanism for ensuring that compliance with relevant legal requirements is implemented.	Before issue certificate.	Verification on 08/01/2010. Organization owned a List of Regulations and other requirements related to Plantation activities and had been evaluated, however their evaluation of compliances was not fully conducted, such as Kepmen LH No.48/1996 – noise standard; Kepmen LH No. 49/1996 – vibration standard; and Kepmen LH No. 28/2003 – Guidance for utilization of liquid wastes	MINOR	Next surveillance visit

2009,04	2.2; 6.4	Land dispute resolution. ITH demonstrated evidence of the right to use the land, and was able to show records of any negotiated agreements between the traditional owners of land and plantation companies. However, there were two cases in the process of negotiation (Sei Pelawi and Safri) with no evidence of resolution or progress toward resolution that was acceptable to all parties.	MAJOR	ITH must review a procedure of land dispute resolution that covered various aspects and should indicate toward a progress with the process of conflict resolution which would be acceptable to all parties.	Before issue certificate.	Verification on 08/01/2010. ITH completely settled land conflict with Safri with compensation of cash money. As for Sei Pelawi the process of negotiation was still underway. ITH provided a progress with the process of conflict resolution for Sei Pelawi.	MINOR	Next surveillance visit
2009,05	3.1	The implemented management plan. ITH had a document of long-term working plan, i.e., the Blueprint and Five Pillars of Company's Objective Strategies 2006-2010; and Budget Distribution 2009-2012. However, the proposed activities should be separate and directed into their specific areas: the environmental, production and social management.	CFA	The organization should review the long term plan to draw up a detailed action plan, e.g., for managing the environment, production and social planning.	Next surveillance visit		Open	
2009,06	4.2	Practices to maintain soil fertility. ITH carried out practices of soil fertility management based on the recommendation of land and leaf analysis, e.g., Year of 2008-2009 dolomites applied in Sekunyir Estate to reduce the level of soil acid (pH 3.6-4.4); making silt pit and terrace on slopes area, etc. However, it was recommended to review the SOP 110 EST-ARM/08 clause 2.5 about the dosage (40 tonstons/ ha) of EFB for applied to the field.	CFA	ITH should review a procedure of fertilizer application to ensure that the procedure conforms to current practices.	Next surveillance visit		Open	

2009,07	4.3	<p>Practices to minimize and control the erosion and soil degradation.</p> <p>A Strategy to minimize and control erosion and degradation of soil was described in SOP of Agriculture Reference Management No. 110/EST-ARM/08. E.g. In Section 10 explained terrace construction on slope area > 6°.</p> <p>However, it was found on Block F26 and F27 (sloping area) which have contoured land and the ditch had been cut off for establish harvesting path, this must be avoided because potentially happen the land erosion. ITH did not conduct an evaluation of effectiveness of their soil conservation activities to minimize erosion and maintaining soil fertility.</p>	MINOR	Company should review a policy of making harvesting path through consider soil and water conservation aspects; and evaluate practices of controlling soil erosion level effectively.	Next surveillance visit		Open	
2009,08	4.4	<p>Practices maintain the quality and availability of surface and ground water.</p> <p>Practices maintain the quality and availability of surface and ground water was not appropriately implemented, e.g., the maintenance of riparian zone and water catchment area (Buaya river and Block E21), the agrochemical contamination to drainage during spraying activity, and lack of evaluation for water quality test on monitor wells and rivers.</p>	MAJOR	ITH must prepare an action plan for maintaining the quality and availability of surface and ground water, and carry out a proper evaluation for water quality test.	Before issue of a certificate.	Verification on 08/10/2010. ITH prepared a plan for maintaining the quality and availability of surface and ground water, E.g. HCV Identification, planting forestry plant near river side, and installing information signboard of HCV area. ITH owned a map of HCV area. However, some of activities were not recorded properly; e.g. Minutes Meeting of Socialization of spraying practices near river side, records of planting forestry plant; and the water quality test was not fully evaluated yet.	CFA	Next surveillance visit

2009,09	4.6	Management of hazardous waste. Hazardous waste containers were not properly managed as require to regulation i.e. PP 18/1999 and PP 85/1999 regarding Hazardous waste containers management.	MINOR	Organization shall review a policy of hazardous waste management as require to government regulation.	Next surveillance visit		Open	
2009,10	4.7; 4.8	Records of work accident. There was a record of work accident, e.g. 7 cases minor work accident were happened on March 2009 at Seruyan Estate. However, ITH did not know exactly what is the main cause of the accidents, and did not provide an action plan to reduce work accident happened.	MINOR	Organization should review a records of work accident monitoring to recognize exactly the main caused in every case.	Next surveillance visit		Open	
2009,11	5.1	Document of Environmental Impact Assessment. ITH owned a document of Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) However, the document did not describe the actual condition, e.g., total area of production, impacted local communities, conservation areas, and document authentication under the provincial authority.	MINOR	The company should review the method to create an Environmental Impact Assessment documents relevant to regulations.	Next surveillance visit		Open	
2009,12	5.2	Biodiversity management. ITH identified the existence of flora and fauna nearby ITH area using manual note by supervisor; however, the result of identification did not describe a species of rare, threatened, or endangered and their habitats.	MINOR	The company must identify species of rare, threatened, or endangered and their habitat.	Next surveillance visit		Open	


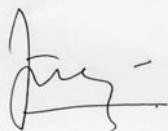
2009,13	5.3	Reducing waste. ITH identified all waste and pollutions sources, and utilized mill liquid waste and EFB as land application. However, some areas were not managed properly, i.e. knapsack washing was found directly contaminated water outlets, temporary storage for used oil in Seruyan workshop, and water trap at the mill. There was no evaluation of the result of environmental monitoring.	MINOR	Organization must review, monitor, and socialize a procedure of hazardous waste management, and also carry out evaluation of the implementation.	Next surveillance visit		Open	
2009,14	5.4	Efficiency of energy use. According to palm oil mill Monthly Report, ITH owned a record of energy use in the form of electrics, fuel, and shell. However, the effectiveness of energy uses was not evaluated.	MINOR	Organization should analyze and evaluate the data of energy uses, including renewable energy.	Next surveillance visit		Open	
2009,15	5.5	Fire equipments and facilities. Land fire equipments identification and inventory should be established and checked specifically and regularly for proper condition for use.	CFA	Organization should provide a list of fire equipments and facilities that are regularly identified and checked for proper condition for use.	Next surveillance visit		Open	
2009,16	5.6	Monitoring of pollution and air emission. ITH had planned to carry out monitoring and measuring air emission. However, ITH did not provide an evidence of efforts and strategies employed to reduce pollution and emissions, e.g., reducing boiler emission.	MINOR	Organization should analyze, evaluate, and controlling air emission level in every section of identified sources.	Next surveillance visit		Open	

2009,17	6.1	Social impact assessment. ITH has identified social impact due to estate and mill activities; however, it has not been evaluated the details of positive and negative social effects. i.e. it found two cases of land conflict which were in the process of negotiation and had not yet reached the comprehensive resolution that accommodates affected parties and local communities.	MINOR	ITH should review and evaluate a procedure of land conflict resolution which is acceptable by all parties.	Next surveillance visit		Open	
2009,18	6.3	Complaints and grievances. ITH owned a procedure of mechanism to receive complaint from stakeholders; however, it has not determined yet the time limit for follow up actions by company due to complaint/grievances.	MINOR	The company shall review and evaluate a procedure of mechanism to receive complaints.	Next surveillance visit		Open	
2009,19	8.1	Continuous improvement. There was a monitoring plan but no evaluation on some of the management actions, e.g., Effectiveness of beneficial plant as living place for nature enemy of pest, EFB application to soil fertility; the usefulness of CD program by offering truck using credit scheme to increase farmer income.	MINOR	Organization should follow through on all monitoring by evaluating the data and undertaking corrective action.	Next surveillance visit		Open	

3.2 Summary of main issues raised by stakeholders, Organization responses, and Assessor finding.

Issues Raised by Stakeholders	Company Response	Assessor Finding
1) High conservation value (HCV) area was converted to oil palm plantation	The HCV in ITH's working area was riparian zones (HCV-4) e.g. Buaya river and wetland in Block E 21. The plantation was established since 1992 by Salim Group as first owner before being taken over by Sime Darby; HCV area was not known at that time.	Some areas of riparian zone were converted to oil palm plantation. E.g. riparian of Buaya river, Seruyan river, and wetland on Block E 21.
2) Holdup traditional rights to local people who customarily migratory farming (nomadic)	Land acquisition appropriated with government procedural before land clearing was carried out by ITH.	There is some evidence of land resolution by deliberation process.
3) ITH did not deliver a report of Environment monitoring plan (RPL) regularly to related department	Before 2008, none of stake holders requested the report of Environmental monitoring plan. Since 2008, ITH regularly sent the report to related department.	Since December 2008, Environmental management plan report periodically sent to Environmental official (BLH), once in 6 months.
4) Protected area was not maintained properly in accordance with Government regulation 41/1999 about forestry; and President decree (Keppres) 32/1990 about Management of Protection Area. Example: riparian zones were not delineated and maintained as protected area.	ITH admitted the issue and they created a plan to maintain all protected area, including riparian zone, inside ITH area. ITH was concerned of water contamination due to chemical usage by prohibition of chemical applied near the riparian area.	According to field observation, it was found some riparian area has planted by oil palm, e.g. riparian of Buaya river on Block D-14. Weeds surrounding the palm plantation areas within the riparian zone were prosperously grown; it indicates that no chemical has applied.
5) No scheme smallholders was made in accordance to government rules, Permentan 26/2007	This regulation was legally approved on 2007 and ITH has started oil palm plantation activities since 1992, therefore ITH does not have obligation to arrange scheme smallholders as requested.	ITH has not prepared a scheme smallholders project as required on Agricultural Ministry decree 26/2007, because ITH has established since 1992.

<p>6) ITH is not transparent on operational activities to local communities, especially on CSR program.</p>	<p>ITH has maintained good relationship with local communities, every year ITH has donated cow or goat as religious offering at rites celebrating Idul adha, with cooperation by the Head of village.</p>	<p>There is a record of donation due to religious celebration on Manager Report.</p>
<p>7) The target of CSR program is not appropriate.</p>	<p>CSR programs are made transparently as requested by local communities.</p>	<p>CSR program of ITH was not basically made as requirements of local communities. CSR program was only made as a method to conflict resolution.</p>
<p>8) Local people were not involved as key staff personnel on ITH management</p>	<p>ITH has given opportunity to local people who have good skill and attitude to be key staff personnel.</p>	<p>According to ITH workers document, more than 80% of non-staff workers are come from locals. For recruitment of staff personnel, the procedure is arranged by the Head office in Jakarta. Usually, the mechanism for staff recruitment is openly announced on newspaper or internet.</p>
<p>9) The main road (Trans-Kalimantan) near ITH area has been wrecked caused by FFB and CPO transportation. And ITH has not been maintained the road.</p>	<p>ITH has admitted 1.5 km Trans-Kalimantan main road is passed by FFB and CPO transportation. The FFB capacity of truck 6-7 tons per trip. Sekunyir Estate Assistant said that company has never repaired the road, because they never received a request from Local Government for reparation.</p>	<p>1.5 Km of Trans-Kalimantan road is occupied by ITH for FFB transportation; the road is crossing ITH area in Block F. Some parts of the road are broken. However ITH has a plan to make own road for FFB transportation from Block F to the mill gate.</p>
<p>10) There is unpleasing odor within near-by village caused by effluent waste of palm oil mill, especially when people are crossing the Trans-Kalimantan road.</p>	<p>ITH Manager asks auditor team to cross-check at the field.</p>	<p>The road is 100 m from the liquid waste pond; it is possible the smell could be draw on by people who cross the road.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	
4.1	Formal sign-off of assessment findings	
<p>PT Indotruba Tengah acknowledges and confirms acceptance of the Assessment Report contents, including assessment findings. PT Indotruba Tengah accepts the responsibility for implementing the corrective actions and addressing the opportunities for improvement detailed in the Assessment Report.</p>		
<p>Signed on behalf of:</p>		
PT INDOTRUBA TENGAH PLANTATION		PT MUTUAGUNG LESTARI
The Head of TQEM		Lead Assessor
		
<u>Mohammad Pirabaharan</u>		<u>Taufik Margani</u>

Annex 1. Checklist of RSPO P&C for Certification Assessment on PT INDOTRUBA TENGAH

RSPO REF.	REMARK	STATUS
1	COMMITMENT TO TRANSPARENCY	
1.1	Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.	2009,01
	<p>ITH has a procedure to provide Information to interested stakeholders on request, issued 4th March 2009. Every request is categorized by the type of information required, and then replied by The Head of Administration in the estate and mill, e.g., number of workers employed by the Labor Department. A copy of all requests and replies is not yet kept properly. PT ITH has drawn up a list of interested stakeholders in its operations. Some records of information request already responded by ITH are: Plantation Official Letter on 3rd November 2008 requesting CPO and Kernel price to ITH, a letter from The Head of The District of Kotawaringin Barat on September 2008 regarding workers allowance for Idul Fitri celebration day, a letter from Sampit official regarding profile of tax duty.</p> <p>ITH has delivered a Report of Plantation Operational Activities to Plantation Official of The District of Kotawaringin Barat which consists of: legal, plantation operation permit, site permit and forest extrication permit, a decision letter requesting a Land Use <u>Title</u>, production activities, agrochemical usage, and workers information.</p> <p>Some of the information inquiry was not responded yet by the ITH, such as: CSR report to local government, Report of Environmental Monitoring Plan (July 2008 – December 2008) to Environmental Official The District of Seruyan.</p> <p>According to the public consultation meeting, stakeholders are not exactly aware of the mechanism of information inquiry to ITH management.</p>	
1.2	Management documents are publicly available, except when this is prevented by commercial confidentiality or when disclosure of information will cause negative environmental and/or social outcomes.	2009,01; 2009,02
	<p>Legal Documentation: Legal documents are available. The information of legal document is reported to Plantation Official of The District of Kotawaringin Barat and The Head of The District of Seruyan every 6 months. Furthermore, the legal documents for Land Use Title (HGU) are:</p> <ol style="list-style-type: none"> 1) Principle Permit from Plantation Official No. HK 350/E4.878/11/93 (covering 10,000 hectares). 2) Forest Minister decree No. 736/Kpts-II/1996 due to forest extrication area (covering 7,650 hectares). 3) Decree from Land Affair Corporation regarding Land Use Title (HGU) No. 152/HGU/BPN/97; 10&11/HGU/BPN/98; 13/HGU/BPN/98. 	

4) HGU certificate No. 4, 5, 6 for period 23 June 1998 until 23 June 2033 (covering area 7,734.6 hectares).

5) Site permit from National land Affair of The District of Kotawaringin Barat No. 525.26/120/BPN dated on 10 June 1993 (covering 10.000 hectares).

6) Plantation Operation Permit from Directorate General of Plantation No. 700/Menhutbun-VII/2000 date issued 21 June 2000 (covering 7,734.6 hectares).

Environmental Documentation:

ITH has had an Environmental and Social Impact Assessment (AMDAL) done, dated 17th January 1994, by BAPEDALDA No. 220/95/B/I/94; RKL-RPL document dated on 18th October 1994, by Ministry of Agriculture Department No. 020/RKL-RPL/BA/X/94.

Information of its environmental activities is included in its Environmental Management Plan (RKL-RPL) PT ITH, and regularly reported to the relevant Departments every 6 months. The latest RKL-RPL (July 2008-December 208) document has only been reported to the Environmental Official of The District of Kotawaringin Barat, and not yet reported to the Environmental Official of The District of Seruyan.

Social Documentation:

Social activities are recorded in the General Affair Department, under the care of The Head of Administration (KTU). The information recorded are: 1) record of donating cow and goat to local communities regarding religious offering at sites when celebrating Idul Adha in 2008, 2) records of donating five units of trucks to Pembuang Hulu and Derangga villagers, Sub district Hanau.

Health and Safety Documentation:

Information of health and safety has recorded in mill and estate report, e.g. monitoring work accidents and workers health (included in the monthly report), and records of emergency respond to fire accidents (regularly reported to Labor Department)

Continuous Improvement on Documentation:

All operational activities that caused environment and social impacts are included in RKL-RPL documents, and are reported periodically to the related department. An evaluation of several environmental parameters was carried out as a part of continuous improvement.

The SOP for document control is already available, and it described the records maintenance for a period of time. However, the organization has not determined the specific period of retention due to the interest shown, including SOP for corporate document 323/LGL-DOK/07 issued date 24th May 2007.

2	COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS	
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	2009,03
	<p>There are some non-compliances with relevant legal requirements, such as:</p> <p>1) Storage and collecting of chemical hazardous waste material is not comply to Government Regulation (PP) No. 85/1999, PP No. 74/2001, Decree of Environmental Official (Bapedal) No. 01/Bapedal/09/1995, Decree Bapedal No. 02/Bapedal/09/1995, Decree of Bapedal No. 05/Bapedal/ 09/1995, and Decree of Bapedal No. 255/Bapedal/08/1996.</p> <p>2) Continual measurement of air emission and ambient is not comply to PP No. 41/1999, Ministry of Environmental decree No. 13/MENLH/3/1995, No. 48/MENLH/11/1996, No. 50/MENLH/11/1996, Bapedal decree No. 205/Bapedal/07/1996, Labor Ministry decree No. SE-01/MEN/1997 and No. 51/MEN/1999.</p> <p>3) Mapping of operational area is not comply with President Decree No. 32 year 1990 regarding Protected area management, and UU No. 41 year 1999 regarding Forestry. Example: there is no treatment on protected area (riparian zone) at Sekunyir river and Buaya river.</p> <p>However, ITH has evidence of efforts made to comply with regulation, such as:</p> <ul style="list-style-type: none"> - Sending 4 personnel of sprayer to be trained for limited pesticide usage (Gramoxone) as required to Permentan 7/2007. - Minamas Research Centre has issued a memo MRC/controller/HPO/698/X/2008 regarding limited pesticide usage i.e. <i>paraquat</i>, as required to government regulation (Permentan 01/Permentan/OT.140/1/2007). - Payment system has appropriated to Governor of Central Kalimantan decree No.82/2008 regarding regional minimum wage for workers. - Paying tax to government (Land tax, Income tax, etc) <p>ITH has not been provided a documented system including written information on legal requirements that the company should comply with, and a mechanism for ensuring that compliance with relevant legal requirements is implemented.</p> <p>Major verification audit has been conducted on 8/01/2010; ITH provided a mechanism for ensuring compliance with relevant legal requirements which was described on Document of Pursuance Evaluation on Relevant Legal Requirements. However, there were some regulations that were not identified and evaluated for compliance with the legal requirements, such as the Environment Minister decree 48/1996 – standard of noise; Environment minister decree 49/1996 – standard of vibration; Environment Minister decree 28/2003 – Guidance of Utilization technique to examine liquid waste; etc. Condition: Minor and see Clause 2.1 (CAR 2009.3) Principle 8 below</p>	

2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	2009,04
	<p>ITH has the legal documentation for the land it cultivates. They are maintained by their year of issue:</p> <ol style="list-style-type: none"> 1) Principle Permit from Plantation Official No. HK 350/E4.878/11/93 (covering 10,000 hectares). 2) Forest Minister decree No. 736/Kpts-II/1996 due to forest extrication area (covering 7,650 hectares). 3) Decree from Land Affair Corporation regarding Land Use Title (HGU) No. 152/HGU/BPN/97; 10&11/HGU/BPN/98; 13/HGU/BPN/98. 4) HGU certificate No. 4, 5, and 6 for period 23 June 1998 until 23 June 2033 (covering area 7,734.6 hectares). 5) Site permit from National land Affair of The District of Kotawaringin Barat No. 525.26/120/BPN dated on 10 June 1993 (covering 10.000 hectares). 6) Plantation Operation Permit from Directorate General of Plantation No. 700/Menhutbun-VII/2000 date issued 21 June 2000 (covering 7,734.6 hectares). <p>Despite the legal documents and according to map of land ownership, some of the areas were claimed by the locals, (Block G23-G34 and Block E23) with total area 405.3 ha. Named is Sei Pelawi (397.5 ha) and Safri (7.8 ha). A progress towards resolution is going on process of negotiation.</p> <p>There is a record of legal boundaries as described on a Book of HGU poles boundary. Describing legal boundaries of ITH, mapped out by Directorate of Measuring and Mapping, Land Affair Corporation, on April 2005 – August 2005. This book contained the coordinate point in every boundary poles, it mentioned that 46 concrete poles are planted (marked BPN ITH 01 to BPN ITH 46).</p> <p>According to field observation, one of the boundary poles in Block E13 was in good condition but the identity number was invisible. The poles shape was square (20cmX20cm) and 50 cm tall. This pole is on the boundary with local communities' area.</p> <p>ITH maintained the boundary poles by monitoring periodically, but it has not recorded. ITH prepared an annual budget for routine inspection of boundary pole regularly, while maintenance and replacement of broken pole are regularly done every 5 years.</p> <p>ITH had a record of land conflict resolution. There was 19 cases of land conflict - most of them are traditional rights ownership, at Seruyan Estate with total area claimed 2,998.2 ha. 17 cases were completely resolved and ITH had evidence of its, i.e. List of attendance, minutes meeting, authority letter from communities to representative, Agreement letter, and official report of resolution signed by all relevant parties. All of these records were kept on document of land conflict resolution recapitulation PT Indotruba Tengah, April 2009.</p> <p>ITH had approximation method to resolve land conflict using CD (Community Development) program. Resolutions was done by giving contributively credit scheme of truck for FFB transportation, with return 80% of the price, free aid of fuel, and have an opportunity to have work on the company.</p>	

	<p>As far as assessment was concerned, there were two cases on process of negotiation. Sei Pelawi group (39 people as member) claimed 379.5 ha and Safri 7.8 ha, located on Block G23 – G34 and Block E23, as mentioned on a letter on 15 January 2008. ITH had good efforts to resolve the conflict by involving relevant parties as mediator, such as The Head of Sub district Hanau. According to minutes of meeting on 10 December 2008, Sei Pelawi and Safri are not agreed with the offers from ITH viz. compensation using CD program. Furthermore, it has not provided a progress towards resolutions processes where acceptable to all parties.</p> <p>ITH had a SOP for Resolution of Conflicts (ITH-SRE/AGR/32) year 2009. This procedure is not completely done and has yet to be agreed by other parties. It is advised to give information of: phase of resolution, duty of Person-In-Charge, and other forms.</p> <p>Major verification audit has been conducted on 8/01/2010; ITH completely settled land conflict with Safri with compensation of cash money. As for Sei Pelawi the process of negotiation was still underway. ITH provided a progress with the process of conflict resolution for Sei Pelawi. Condition: Minor and see Clause 2.1 (CAR 2009.4) Principle 8 below</p>	
2.3	Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	N/A
	Not applicable; Based on consultation and interviewing with national land affair agency (BPN) there was no customary rights legally in ITH area.	
3	COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY	
3.1	There is an implemented management plan that aims to achieve long-term economic and financial viability.	2009,05
	<p>There was a projected working plan for the company: Blue Print for Implementation 2006 - 2010, 2) Budget Presentation 2009 & Projection 2009 - 2012 for ITH. The Plan had 5 strategic objectives: 1) maximization of production, 2) optimum production efficiency, 3) increased production and quality of work, 4) cost reduction, and 5) improving the human resources. The working plan also covered environmental and social issues, but with rather skimpy details. They may, therefore, just be a smoke screen of care, with the main thrust on production. The company should be more forthright and serious on what it wants done on the environmental and social aspects.</p> <p>ITH did not have a replanting program because the palms were all still young, the oldest being just 16 years. However, there was a plan for replacement planting. In Block C17 - C18, 7 ha were replaced in May 2005.</p>	
4	USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS	
4.1	Operating procedures are appropriately documented and consistently implemented and monitored.	Closed
	There was a Standard Operating Procedures (SOP) of Agronomic Reference No. Policy 110/EST-ARM/08 approved by CEO and signed by General Manager. SOP is comprised 16 Section, which covered : (1) planting materials; (2) nursery technique; (3) replanting; (4) land preparation; (5) plant population; (6) oil palm upkeep; (7) manuring; (8) fertilizer application using focal feeding; (9) harvesting round; (10) EFB application; (11) pest and disease control; etc.	

	<p>The operational procedures for the palm oil mill were documented in Guidance of Palm Oil Mill Technique Policy 110/POD-FAC/07, issued by Minamas Plantation. They include the reception of FFB, weighing, loading ramp, processing and dispatch of CPO/PK.</p> <p>There was also a procedure for the supply chain, issued 4 March 2009, for reception of FFB in the mill, FFB processing and dispatch of CPO/PKO to the buyer. The procedures comprises: 1) Mass balance Supply Chain, in which is mentioned that the mill only receives FFB from the SPO-certified estates, such as the Sekunyir estates, 2) FFB supplied only from SPO certified, 3) ensuring material forms are numbered by RSPO certificates, and 4) recording of all material balances in the Daily Production Report. This procedure will be implemented effectively after RSPO certificate has been issued.</p> <p>All procedure was implemented properly. According to observation of CPO storage document, 1st May 2009, it has shown a balance stock since the beginning, increment, dispatch, and last stock.</p> <p>There was a company policy to carry out internal auditing at least 2x a year (SOP Internal Audit 721/TQEM-PKA/08) for all the estate and mill activities. There was an Internal audit report on 2007, focused on environmental policy, a plan for environment audit, production support, and health and safety implementation. There was internal audit report on November 2008 – April 2009 focused on finance.</p> <p>The operational results were documented in the Estate Monthly Report and Mill Monthly Report.</p> <p>Estate monthly report included: Block harvesting system, production, field condition, manuring, warehouse stock, insertion plant (by seedlings), pest and disease control, running account, estate neighborhood, security, cost control, and monthly FFB production.</p> <p>Mill monthly report included: FFB reception, mill capacity, palm oil production and extraction, and CPO dispatch.</p> <p>In addition, ITH had records of estate operational activities, viz. total area, FFB harvested, agrochemical usage, pest and disease management, land application, and manuring. The environment and social activities were not specifically recorded; however it's included on upkeep and general cost.</p>	
4.2	<p>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>	2009,06
	<p>ITH carried out soil analysis on February 2008 – September 2008, conducted by Minamas Research Centre (MRC) – Teluk Siak, Riau Province. The results were compiled in a document Soil Detail Survey which described below:</p> <ul style="list-style-type: none"> - Soil type in Sekunyir Estate is categorize on 5 (five) type, viz. <i>Ultisol MM-08</i>, <i>Inceptisol MM-20</i>, <i>Spodosol MM-27</i>, <i>Ultisol MM-28</i>, and <i>Ultisol MM-30</i>. Erosion sensitivity level is 0-76 tons/ha/year - Soil type in Seruyan Estate is categorize on 4 (four) type, viz. <i>Ultisol MM-08</i>; <i>Inceptisol MM-20</i>; <i>Ultisol MM-28</i>, and <i>Ultisol MM-30</i>; Erosion sensitivity level is 1-132 tons/ha/year. <p>According to MRC personnel information, soil analysis will carry out periodically every 3 (three) years.</p>	

	<p>There was a recommendation based on soil survey, viz. to minimize run-off, soil erosion, and leaching; to reduce scarcity of water effect; to increase soil fertility; and fertilizer practices management</p> <p>ITH carried out leaf analysis every year for fertilizer recommendation, conducted by Minamas Research Centre. ITH has a complete set of leaf analysis results at the estate. The last leaf analysis was carried out on 30th April 2009 for Seruyan Estate and on 28th April 2009 for Sekunyir Estate.</p> <p>There was a record of efforts to increase soil fertility, such as manuring, EFB application, and palm oil mill effluent application. These were included in the Estate manager report, Section 6 – Mature Palm, Sub Section 6.4.</p> <p>Example:</p> <p>1) Manuring dolomite on 2008/2009, has applied on Sekunyir Estate, as recommendation from soil survey to increase pH level (current pH 3.6 – 4.4).</p> <p>2) EFB application has recommended maintaining soil structure, especially on sandy soil.</p> <p>3) EFB application on Sekunyir Estate (January 2009 - April 2009): 5,086 tons on 209 ha (Block B01-B08, C06-C07, D07, E08, F07-F08). The actual dosage is 24 tons/ha, this is lower than recommended dosage as mentioned in organic fertilizer procedure SOP 110/EST-ARM/08, Section 2.5 (40 tons/ha). ITH field assistant mentioned that dosage of EFB applied was referring to recommendation of plantation advisor report on 7-9 March 2008.</p> <p>4) Palm oil mill effluent, as known as land application, was applied to the field through flat bed. The dosage use was 750 tons/ha/year, 3 times in a year. Total area for land application was 224 ha (Block D 03, D04, D 05, D 09, D 10, E 04, E05, E06, and E 07). ITH had a plan to extend their land application area up to 323 ha (adding Block E03).</p>	
4.3	Practices minimize and control erosion and degradation of soils.	2009,07
	<p>ITH had a map of its soil showing distribution of soil type in ITH area. According to soil detail survey, Seruyan Estate is classify into two soil specification, i.e. Ultisol and Inceptisol; categorized in 10 Satuan Peta Lahan (land map unit), 2,876 ha included on class S2 (suitable) and 377 ha included on class S3 (moderate suitable). Sekunyir Estate is classified into three soil specifications, i.e. Ultisol, Inceptisol, and Spodosol; categorized in 13 Satuan Peta Lahan (land map unit); 2,630 ha included on class S2, and 742 ha included on S3.</p> <p>However, according to the results of soil detail survey sandy clay soil was identified as critical soil (Inceptisol MM-20 389.72 ha; and Ultisol MM-28 3,106.88 ha).</p> <p>ITH classified a marginal soil in class N1 (unsuitable) and N2 (permanently unsuitable), these two soil class were not found in ITH area.</p>	

	<p>According to 2008 soil analysis, ITH topography was undulating 3-8% on slope level (1,938.15 ha), and hilly 8-15% on slope level (239.51 ha). Several good management practices are implemented in the sloping areas including U-shape frond stacking, terrace, digging silt pit, and planting conservation plant i.e. <i>Vertiver zizanioides</i>.</p> <p>Road maintenance was included in the yearly budget of PT ITH year 2009/2010. ITH has allocated present budget for 2,790 m (main road) and 11,000 m (collection road). They contributed to developing a connection road 5 km at Sebukat village to bulking station.</p> <p>According to results of soil detail survey 2008, ITH had fragile soil but no peat land. The soil consists of sandy soil (39-52%) in Block F09, F10, A10, E31, and E32. This is possible to occur high leaching of fertilizer. EFB and dolomite was applied to maintain soil fertility and stimulating <i>Nephrolepis</i> growth, as found on Block A10 and E31. However, it has not shown optimum results.</p> <p>However, it was found on Block F26 and F27 (sloping area) which have contoured land and the ditch had been cut off for establish harvesting path, this must be avoided because potentially happen the land erosion</p>	
4.4	Practices maintain the quality and availability of surface and ground water.	2009,08
	<p>There were efforts by ITH to maintain riparian/buffer zone for its river, such as for Buaya river flowing through ITH area and for puddle area on Block E21-E22. In the area, ITH had a policy protecting the riparian belt (buffer zone) which is applied by company at river side (50 m) and avoid chemical applied for all riparian belt and along 1 m for drainage or ditch. However from field observation it was found ex- chemical applied near river side, ditch and puddle area.</p> <p>and the company has policy “to avoid chemical applied” 1 m along river side and ditch for not being contaminated.</p> <p>ITH did not provide an action plan to protect water courses and wetlands.</p> <p>There was a record of water level monitoring as formed on Water Gate Monitoring Book year 2009. The level of water is monitored to keep the availability of water needs to oil palm. While in palm oil mill, water management was implemented by providing liquid waste management installation (IPAL) for land application; there was a record results of measuring water quality on “observation well”, and a record of monitoring BOD for liquid waste. There was a record of monitoring of effluent BOD periodically (Report of measurement results on May 2006 – March 2009); the samples were tested by laboratories of Research and Standardization Industries Body – Department of Industrial Affair. The BOD complied with the level set by 43/Bapedalda/2007 on 21/8/2007 (5,000 mg/l) for land application of the effluent in the estate.</p> <p>There were information of water consumption target for Steam 0.8 T / T TBS, and water 1.7 M3/T TBS;</p> <p>However, no evaluations of the result of water quality test on observation well and in the river were carried out.</p>	

	<p>The Practices maintain the quality and availability of surface and ground water was not appropriately implemented, e.g., the maintenance of riparian zone and water catchment area (Buaya river and Block E21), the agrochemical contamination to water outlet during spraying activity, and lack of evaluation for water quality test on monitor wells and rivers.</p> <p>Major verification audit has been conducted on 8/01/2010; ITH prepared a plan for maintaining the quality and availability of surface and ground water, E.g. HCV Identification, planting forestry plant near river side, and installing information signboard of HCV area. ITH owned a map of HCV area. However, some of activities were not recorded properly, e.g. Minutes Meeting of Socialization of spraying practices near river side, records of planting forestry plant. Condition: closed; and recommended to complete recording due to the progress of maintaining the quality and availability of surface and ground water (comment for action) and see clause 2.1. CAR 2009.8 Principle 8 below.</p>	
4.5	<p>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p>	Closed
	<p>An IPM plan was documented in Manager Report; pest management comprises both chemical and biological control, e.g. biological control for caterpillar by the planting of beneficial plants as host of caterpillar predator, such as <i>Casia sp</i>, <i>Turnera sp</i>, <i>Eeuphorbia sp</i>, and <i>Heterophilla sp</i>; and encouraging rat control by barn owl (<i>Tyto alba</i>). The detail activities of IPM plan consist of: census, monitoring, controlling, and planting beneficial plant extensively.</p> <p>The total area of planting beneficial plant in Sekunyir Estate was 270 ha, while in Seruyan Estate 121 ha. The result of IPM implementation included on Yearly working plan of ITH.</p> <p>Some stated records of IPM implementation in ITH:</p> <p>1) Seruyan Estate had 216 units of barn (cage), whereas Sekunyir estate is 170 units. 1 unit of barn covered areas 15 ha, every month ITH has monitored <i>Tyto alba</i> population by census. According to the document of monitoring of owl population (April 2009), the <i>Tyto alba</i> population was 3,032 owls which consist of adults and young owls. The monitoring of damaged rat by assessing FFB was received in the mill.</p> <p>2) Record of pest population census was reported on document of Monitoring spraying activities for caterpillar, which comprises of; <i>Plonecta diducta</i> attack 99 ha, population was 1.01/0.33 to 7.66/2.55 caterpillar per leaf, control taken by spraying (61 ha) and trunk injection (38 ha) used by pesticides e.g. Decis and Matador.</p> <p>There was evidence of IPM training, i.e. Training “Identification of Ganoderma brunt” on 11 March 2009, 32 participants attended.</p> <p>There was a document of all the agrochemicals used in the estates; viz. Gramoxone and Ally, applied on Block D25, 14 February 2009, date checked on 18 February 2009 the result was weeds effectively died.</p>	

4.6	<p>Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p>	2009,09
	<p>ITH had a list of the agrochemicals it uses and the regulations pertaining to their use. File Manager Report April 2009. It gives the characteristics/properties of the agrochemicals, viz.</p> <p><u>Herbicide:</u> Eagle IPA 420 WDG (<i>Glyphosate</i>), Gramoxone (<i>Paraquat</i>), Prima Up 480 AS (<i>Glyphosate</i>), Starane 200 EC (<i>Florosikpor</i>), Garlon 480 EC, Ally (<i>Metil metsulfuron</i>)</p> <p><u>Insecticide:</u> Spontan 400WSC, Anthio 330 EC, Sevine 5 D, Decis, Kelthan 200 EC, Azodrin 15 WSC.</p> <p><u>Fertilizer:</u> Urea, NPK, Rock Phosphate, MOP/KCl, Kieserite, Dolomite, HGF-Borate,</p> <p><i>Paraquat</i> is a limited pesticide and organization strictly adhered to the Government regulations on pesticide use, such as Agriculture Ministry (Permentan) 01/2007 on Prohibition and Limiting the use of Pesticides, Permentan 7/2007 on the Mechanisms of Prohibition and Limited Pesticides Permit. ITH trained four workers getting certificate of limited pesticide use, issued by Pesticide Supervisor Commission, The District of Kotawaringin Timur - The Province of Central Kalimantan . The certificate would be expired on 15th October 2009.</p> <p>ITH was committed to avoid <i>paraquat</i> since 2008, currently they want finish off the last stock in the storage (300 litre on May 2009), and will find other substitution.</p> <p>There was record of pesticide use and implementation, viz.</p> <ol style="list-style-type: none"> 1) Prima Up, <i>Glyphosate</i>, 200 cc/ha for spraying circle and harvesting path, 102 cc/ha for spraying Lalang 2) Gramoxone, <i>Paraquat</i>, 220 cc/ha for spraying woody weeds, 3) Decis, <i>Petroleum distillates</i>, 150 cc/ha for spraying caterpillar <p>After pesticide has been applied, their containers are cleaned in the House of Block Spraying System (BSS), using cleaning sprayer safety tools. The waste water is placed on a drip cup and would be re-used subsequently. All pesticide containers are kept in hazardous waste storage in the estate. However, there is no record of current quantity of pesticide containers, and has not been reported to the related department as required to government regulation PP 18/1999 – Hazardous waste management.</p> <p>There are records of medical check-ups done in Central Policlinic April 2009. Routine check-ups are carried out on all spraying and manuring workers. According to the nurse, ITH offers pregnant and breastfeeding female sprayers some alternative work.</p>	

4.7	An occupational health and safety plan is documented, effectively communicated and implemented.	2009,10
	<p>ITH had a policy on Health and Safety Implementation (Dated 31 May 2007, signed by the CEO). The health and safety program is covered in Safety Policy 711/TQEMS/P2K3/07, and Health and Safety commitment for Zero Accident and Safety Culture. This policy has been socialized to estate and mill workers.</p> <p>There was a record of working accident in Seruyan Estate, March 2009; seven accidents in minor category were happened (i.e. get stabbed by thorn). However, ITH did not know exactly what is the main cause of the accidents, and did not provide an action plan to reduce work accident happened.</p> <p>Seruyan estate had conducted regular meeting of health and safety discussing fire accidents (minutes of meeting is available, 9th April 2009). According to interview with Seruyan Estate manager, there is a record of risk analysis; however the information has not shown an implementation from risk analysis recommendation.</p> <p>The estates and mill have accident insurance for all workers, all insured with JAMSOSTEK (<i>Jaminan Sosial Tenaga Kerja</i>, Social Guarantee for Laborers).</p> <p>Routine medical check-up are carried out on all spraying and manuring workers every month.</p> <p>A record of Occupationally Health and Safety (OHS) was kept in the estate and mill. The last training was carried out on 22nd April 2009 in the mill and on 27 April 2009 in the estate of Seruyan and Sekunyir. The training consisted of: emergency responds of fire accident and fire equipments use. However, it did not provide a plan for training health and safety periodically, and also an evaluation the effectiveness of the training.</p> <p>ITH had a procedure emergency responds due to fire accident (SOP SS-08, 2nd February 2009).</p> <p>According to field observation, the mill prepared working safety tools, evacuation line, and sign board to dangerous information. At the Seruyan estate, safety tools was available for workshop, harvester, and sprayer. However, the workers did not fully understand how to use the OHS tools, and ITH did not frequently check on the workers for using the tools in their work, e.g., a harvester, a FFB loader</p>	
4.8	All staff, workers, smallholders and contractors are appropriately trained.	See 2009,10
	<p>ITH had provided a training program for all its staff and employees based on their competencies. There is a record of training program document, issued on 13th may 2009, explaining 21 positions of workers are prepared to be trained, such as; harvester, spraying team, manuring workers, driver, operator, and school staff.</p> <p>There was a record of training for each workers, such as:</p> <ol style="list-style-type: none"> 1) HIRAC internal training (Health and Safety) 2) Emergency respond to fire accident 3) Controlling Ganoderma 4) Briefing for spraying team 5) Training for restricted pesticide operator 	

	<p>Minamas Plantation as a holding of ITH has owned a training centre which located in Sukamandang. This department is carry out training for all employees, whether a new or senior employee.</p> <p>ITH used several contractors for its operations, e.g., FFB transporter and loading. All of them are licensed and registered. Where main assessment (visited compartment F-26) there was found several contractors did not use safety equipments during their works.</p>	
5	ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY	
5.1	Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	2009,11
	<p>ITH has had an Environmental Management Plan (RKL-RPL) done on 18th October 1994 by the Department of Agriculture No. 02/RKL-RPL/BA/X/04. The assessment covered both the mill and estates with area covered were 10,000 ha, and mill capacity is 30 tons/hour extendable to 60 tons/hour, included in two district region which The District of Kotawaringin Barat and The District of Kotawaringin Timur. The total area and location are different as stated on HGU certificate (7,734.6 ha The District of Kotawaringin Barat and The District of Seruyan), and ITH has not made a revision. However, the document did not describe the actual condition, e.g., total area of production, impacted local communities, conservation areas, and document authentication under the provincial authority.</p> <p>ITH reports every 6 months on the progress of the plan to Regional Environmental Impact Control Corporation/BAPEDALDA. The latest document of RKL-RPL (on behalf of 2nd semester July 2008 – December 2008) was reported on 9th February 2009 to BAPEDALDA The District of Kotawaringin Barat nevertheless has not reported to The District of Seruyan.</p>	
5.2	The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.	2009,12
	<p>ITH assessed its areas for the existence of flora and fauna identification since January 2009 to April 2009; however it has not been categorized as protected, rare, threatened or endangered species or high conservation value habitats.</p> <p>Posters and signs were sighted in several places in the estates warning against disturbing the protected species. The signs are placed in areas frequented by the public, e.g. Block A34, Block C34; and ITH has a plan to increase the number of posters and signboard.</p> <p>A socialization regarding prohibition of hunting animals was carried out frequently to the workers; however the note of meeting is not available.</p> <p>ITH has not appointed an officer to monitor any plan and activities as above.</p> <p>ITH identified the existence of flora and fauna nearby ITH area using manual note by supervisor; however, the result of identification did not describe a species of rare, threatened, or endangered and their habitats</p>	

5.3	Waste is reduced, recycled, re-used and disposed in an environmentally and socially-responsible manner.	2009,13
	<p>All environmental aspects in the estates and mill have been identified in the RKL/RPL report which is for monitoring the environmental parameters. However, some of the data are not suitable with current condition, need to be revised. <i>See indicator 5.1</i></p> <p>According to ITH company profile, dated on 4th March 2009, Section IV, there was an identification of waste sources. It is consider explaining advanced stage of the impact to environment (water, soil, and air).</p> <p>ITH has a plan due to waste management by monitoring the environmental parameter, e.g.</p> <ol style="list-style-type: none"> 1) Liquid waste (Palm Oil Mill Effluent). Monitoring BOD of liquid waste, taken sample on last pond before applied to the field. The current results for February and March 2009 were satisfied (<5,000 ppm), and these should be reported to related department every month. ITH has a permit of liquid waste utilization for land application No. 660/72/Bpdl.III.4/VIII/2007, issued by The Head of The District of Kotawaringin Barat, be valid until 31st August 2007 (ITH has not proposed for new validation of 2008/2009). 2) Observation well in Block F05, E03, and D03. Monitoring water quality every 6 months, (refer to land application permit). The latest measurement was on 16th March 2009, however it has not evaluated as comply with PP 82/2001 – water quality management and controlling water pollution. 3) Soil quality measurement (as required to land application permit) is carried out once in a year, and also reported to related department. 4) Air emission measurement for noisiness, ambient, and boiler smokestack has not been conducted, still on submission to 3rd party – Palangkaraya region, the measurement tools is broken. 5) Water quality on Buaya river. Liquid waste of the mill (e.g. ex-washing floor) and the estates (e.g. domestic waste) are flowing to the river. The latest measurement was on February 2009; however it has not evaluated the compliance with the water quality standards. <p>There was a record monitoring mill water use on Mill Monthly Report, but the data has not shown in water use per ton FFB. According to mill manager, the standard of mill water use is 1.7 m³ per ton FFB.</p> <p>For hazardous wastes, ITH has prepared a storage area for the waste containers within the mill compound. They had a permit of temporary storage for hazardous waste, No.887/2008, issued by Ministry of Environment state, on 24th December 2009, valid for three years. Hazardous waste at the mill was recorded every month e.g. used oil, rags, and ex-battery. While at the estate hazardous waste was comprises of waste pesticide containers, however it has not recorded properly and no information board of hazardous waste.</p> <p>At the House of Block Spraying System, there is a place for washing knapsack. The ex water of washing knapsack (<i>liquid wastes</i>) is kept on small tank and will be re-used for mixing the chemical for spraying. The small tank designed in House of Block Spraying System was not adequate to control liquid wastes and has potential directly contaminate to the land.</p> <p>ITH identified all waste and pollutions sources, and utilized mill liquid waste and EFB as land application. However, some areas were not managed properly, i.e. knapsack washing was found directly contaminated water outlets, temporary storage for used oil in Seruyan workshop, and water trap at the mill. There was no evaluation of the result of environmental monitoring.</p>	

5.4	Efficiency of energy use and use of renewable energy is maximized.	2009,14
	The use of renewable energy in the mill is monitored in the manager's Monthly Report on the mill. E.g. for January 2009, the electricity use was 274,296 KWh and fuel consumption 19,110 liters to produce 2,708.4 tons CPO or 11,279 tons FFB; and there were unwritten information of energy consumption target for electricity 20 KW/Ton TBS, however these data (monitoring) have not been evaluated yet or has not completed its evaluation and plans for continuous improvement in efficiency.	
5.5	Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.	2009,15
	ITH has a procedure for land preparation with no fire used, Policy 110/EST-ARM/08. The procedures for emergency response to fire are available. However, there has been no occurrence of fire. ITH has appointed personnel in consolidated on organization for emergency respond to fire accidents. According to the field observation, the fire equipments are available, e.g. tractor, water pump, water tank, nozzle, pipe, mask, etc. However, it was not specifically stored as inventory in an appropriate manner.	
5.6	Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	2009,16
	There was identification of the sources of pollution. In the mill, atmospheric pollutions are by the boiler and generator. The measurement of air emission was not carried out yet, awaiting the submission approval from 3 rd party. Liquid wastes, e.g. POME, were processed by storage in retention ponds where anaerobic digestion reduces the BOD. ITH has nine ponds with specific treatment in each. The treated effluent was applied to the field in flat beds. The flat beds covered 224 ha. The ponds were monitored monthly for their BODs. However, ITH did not provide an evidence of efforts and strategies employed to reduce pollution and emissions, e.g., reducing boiler emission	
6	RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLS	
6.1	Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.	2009,17
	The positive and negative of environmental and social impact that may be caused by plantation and palm oil mills operations were detailed in a document of Environmental Management Plan (RKL-RPL) issued on 1994. For example: soil alteration in physical and chemical, erosion, water qualities degradation, changes of vegetation and fauna composition, changes of aquatic biota, and social economic and cultural. And it was reported to related departments every 6 months. However, the social impacts caused by estate activities including details of positive and negative social effects were not evaluated yet, and need to be revised – <i>See indicator 5.1.</i> The Social impacts of estates management has not been evaluated yet periodically (both negative and positive impacts). According to public consultation, there are several positive impacts due to estate operational activities, e.g. increasing opportunity job, facilitation of road, improving educational and medical facilities. Otherwise, the negative impacts included: loss of customary rights, livelihoods loss, water contamination to the river or other water sources, and disparity between local and	

	migrant workers. It found two cases of land conflict which were in the process of negotiation and had not yet reached the comprehensive resolution that accommodates affected parties and local communities	
6.2	There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.	See 2009,01
	<p>A procedure of communication and consultation with the communities were in the process and it was not completed with the object of information, and effectively communicated to stakeholders.</p> <p>ITH has a list of stakeholders - national, province, district, sub district and local governments, business partners, NGOs, local communities and the press</p> <p>Records of local communities' aspiration and responses were recorded in chronological order on document of local communities' aspiration. This document was managed by Plantation Support Department (PSD) staff; they will be reported periodically to the senior staff of Minamas Plantation Region of Kalimantan – Sulawesi. There was available a follow-up action taken document which maintained properly by The Head of Administration, in Sekunyir and Seruyan Estate.</p> <p>A person responsible for consulting and communicating with local communities was under the authority of Plantation Service Department, which located in Banjar Baru - South Kalimantan, covering all region of Minamas Plantation region Kalimantan – Sulawesi.</p>	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	2009,18
	<p>ITH had a documentation of Dispute Resolution Mechanism (ITH-SRE/AGR/32 year of 2009). The mechanism showed an opened system for all staff, communities, and other effected parties to give complaints and resolving conflict in the plantation operation. However, the document needed to be completed with the sequence of process, job description for all personal in charge, and other forms; including determining the time limit for follow up actions if any complaints/or grievances.</p> <p>There was a record of handling communities complains /conflict on land dispute. The conflict has settled 17 cases from 19 cases by community development program.</p> <p>There was a procedure for calculation of fair compensation for the lost of customary right of the land. However, it had differences understanding between company and community in calculation of the loss.</p>	

6.4	<p>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	See 2009,04																																				
<p>ITH had a procedure of Land Dispute Resolution and Calculation of Compensation (ITH-SRE/AGR/33) signed by Manager of Seruyan and Sekunyir Estates, and Sekunyir Palm Oil Mill Manager. This procedure involved related stakeholders e.g. local communities' and local government on sub district, district, police force and military.</p> <p>ITH had a record of people entitled to receive compensation, which described below:</p> <table border="1" data-bbox="268 618 1262 981"> <thead> <tr> <th>Stage</th> <th>Group Number</th> <th>Farmers Number</th> <th>Area (Hectares)</th> <th>Unit Truck</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>6</td> <td>92</td> <td>948.27</td> <td>5</td> <td>Completed</td> </tr> <tr> <td>II</td> <td>4</td> <td>71</td> <td>559.87</td> <td>3</td> <td>Completed</td> </tr> <tr> <td>III</td> <td>7</td> <td>152</td> <td>937.74</td> <td>7</td> <td>Completed</td> </tr> <tr> <td>IV</td> <td>2</td> <td>40</td> <td>383.18</td> <td>2</td> <td>On process</td> </tr> <tr> <td>Total</td> <td>19</td> <td>355</td> <td>2,826.06</td> <td>17</td> <td></td> </tr> </tbody> </table> <p>Some records of negotiation process and compensation are available in the estate. For example: cases of the land claim resolution in Seruyan Estate that were claimed by communities group from Pembuang Hulu Village, as follows: the letter of land claim from community (date of 15 January 2008); company's responses to officer of Sub The District of Hanau (dated of 10 December 2008); and meeting documentation /noted on 11 January 2009 which was attended by company's manager, The Head of The Sub District of Hanau, and Lead of communities group.</p> <p>A record of compensation payment is available. ITH paid Rp. 3,800,350,000 as compensation for bought 17 unit trucks type of Mitsubishi PS 120 @ Rp. 223,550,000. Those trucks were loaned to communities group with 30% subsidize, so communities only pays 70% of trucks price and moved over in 24 month.</p>			Stage	Group Number	Farmers Number	Area (Hectares)	Unit Truck	Status	I	6	92	948.27	5	Completed	II	4	71	559.87	3	Completed	III	7	152	937.74	7	Completed	IV	2	40	383.18	2	On process	Total	19	355	2,826.06	17	
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6.5	<p>Pay and conditions for employees and for employees of contractors always meet at least the legal or industry minimum standards and are sufficient to provide decent living wages.</p>	Closed																																				
<p>ITH had records of the salaries paid to workers" List of Main Wages" (Daftar Gaji Besar),</p> <p>In a letter by the Kalimantan Governor, Ref. 82/2008 on 31 December 2008, and applicable from 1 January 2009, the basic pay was set at Rp. 935,078/month. However, ITH has adopted Rp. 962,596/month, backdated to 1 January 2009, and signed on 30 January 2009 by General Manager of Human Resources. This is higher than the minimum pay by the Governor.</p> <p>ITH agreed working regulations and Cooperation Agreements (KKB) with the worker representatives for 2007-2009, signed on behalf of director of ITH and worker representatives on 25 January 2007.</p> <p>ITH also had a working regulation, legally approved by The Head of Labor Department</p>																																						

	<p>District Kotawaringin Barat on 13 May 2008. The document consists of: salary and workers allowances, and salary payment for overtime day.</p> <p>According to ITH's company regulation, Section XII due to Social Assurance, the company has provided housing for workers which comply with Labor Department standard in hygienic.</p> <p>ITH provided transportation for workers who live far from common area. E.g. transport for shopping to the near market and school bus.</p> <p>ITH provided other facilities e.g. educational support free education from elementary to junior high school, religious facility, medical centre (policlinic), and potable water supplied for household needed.</p> <p>ITH did not have any contractor involving operational activities.</p>	
6.6	The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	Closed
	<p>ITH did not restrict the freedom of its staff at all levels of management, as evidence by the existence of a Labor Association for staff and permanent workers. However, there is no written policy or statement regarding this matter.</p> <p>ITH had two worker associations i.e. Labor Union of Minamas Group (SPSI) and Labor Union of oil palm plantation.</p> <p>Minutes of meetings with the Labor union on ITH operational activities were kept properly at the mill.</p>	
6.7	Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programs. Children are not exposed to hazardous working conditions.	Closed
	<p>In accordance with National legislation (UU) No. 13/2003, The minimum age for employment for the recruitment is 18 year old and can be showed their identity card. This condition had been controlled by company.</p> <p>According to field observation, it was not found a workers who under 18 years old.</p> <p>A policy on worker age requirements (the minimum age 18 years old) is implemented in accordance to applicable national regulation. The document of its implementation was recorded on Working Agreement between ITH and their workers.</p>	
6.8	Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	Closed
	<p>ITH had a scheme for Labor recruitment. There is to be no discrimination on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age. This guarantee is included in the employment contract between the company and its workers. ITH offers equal opportunities for male and female workers of any race, including expatriates.</p>	

6.9	Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	Closed
	<p>The company policy on sexual harassment and violence is documented on the Company regulation, Section XVI, Subsection 2.c (3) d. ITH will discharged workers whom suspected on sexual harassments and doing gambling.</p> <p>ITH has a policy to prevent practices of sexual harassment from taking place and has set a rule for dress code, and prohibition of gambling activities.</p> <p>A company policy on the protection of reproductive rights is documented on Company regulation, Section II, Subsection 6b. ITH allows menstruation leave (2 days) and maternity (90 days) leave for women with full pay.</p> <p>There were no records on sexual harassment. Any future case would be recorded and reported for evaluation, and the appropriate action is to be taken.</p>	
6.10	Growers and mills deal fairly and transparently with smallholders and other local businesses.	Closed
	ITH has no mechanism for determining the FFB price because it does not purchase any FFB from outside sources. Nevertheless, ITH has the market prices for FFB which is available to local farmers. The list is updated every 3 months.	
6.11	Growers and millers contribute to local sustainable development wherever appropriate.	Closed
	<p>ITH pays a tax to the government - income tax (PPH), The documents are listed below:</p> <p>Year 2007: Income tax paid of Rp. 21,164,202,189 on NPWP 01-346-365-8-062-000 and PKP 01-346-365-8-062-000 in 31 March 2008.</p>	
7	RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS	
7.1	A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.	
	NA (Not Applicable). ITH does not plan any new plantings after November 2005.	
7.2	Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	
	NA (Not Applicable). ITH does not plan any new plantings after November 2005.	
7.3	New plantings done since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	
	NA (Not Applicable). ITH does not plan any new plantings after November 2005.	

7.4	Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
	<i>NA (Not Applicable). ITH does not plan any new plantings after November 2005.</i>	
7.5	No new plantings would be established on local peoples' land without their <i>free, prior and informed consent</i>, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
	<i>NA (Not Applicable). ITH does not plan any new plantings after November 2005.</i>	
7.6	Local people were compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
	<i>NA (Not Applicable). ITH did not plan any new plantings after November 2005.</i>	
7.7	Use of fire in the preparation of new plantings was avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
	<i>NA (Not Applicable). ITH did not plan any new plantings after November 2005.</i>	
8	COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY	
8.1	Growers and millers regularly monitored and reviewed their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	2009,19
	<p>Regarding the availability of monitoring action plan based on considered Environmental Impact Assessment and Social and their evaluation for palm oil mill and estates, there were several action plans drawn for monitoring continuous improvements of environmental and social impact observations, such as:</p> <ol style="list-style-type: none"> 1) There was an effort of reducing restricted pesticide in accordance to government regulation Permentan 01/2007 and 07/2007. 2) Developing biological control for pest and disease control by planting beneficial plant, maintain owl (<i>Tyto alba</i>), and reducing agro chemical usage. However, it did not provide an adequate evaluation due to effectiveness of beneficial plant and <i>Tyto alba</i> as biological control. 3) Reporting an Environmental Management Plan to related department periodically as required to relevant regulation. 4) Reducing air emission during mill operation by repairing screening of boilers engine 5) Reducing waste from mill operation. For example; using kernel shell as a fuel material in the boiler operation, land application using POME, etc. However, it has not provided adequate evaluation due to effectiveness of utilization of mill wastes. 6) Decreasing social impact of mill and estate operation by arranging CD program for 2009-2010 <p>There was a monitoring plan as above information, but not evaluated yet on some of the management actions.</p>	

The corrective actions had been taken by Indotruba Tengah Plantation (ITH) regarding the RSPO audit findings with major status when main assessment, there were progress improvements and recorded during major verification visit on 08/01/2010, namely

Clause 2.1 (CAR 2009.3)

ITH identified all regulations related to plantation operational activity which is included on List of Regulation documents. There was evidence of compliance with relevant legal requirements e.g.

- ITH has a permit and managing hazardous waste storage as required to PP 18/1999 jo to PP 85/1999.
- Measuring air emission and ambient periodically as required to PP 41/1999. Air emission measurement is carry out two times in a year, and reported to Environmental Official District Pangkalan Bun and Jakarta (receive form 05/SKF-SP/VII/200 and 06/SKF-SP/VII/200).
- ITH has a map of delineated area for categorizing into protected area and HCV area, named is Peta Index HCV, as required to President decree 32/1999 – Management of protected area; and UU 41/1999 – Forestry.
- ITH has owned a land us title (HGU) certificate for periods 35 years, as required to UU 18/2004 (HGU Certificate N0.152/HGU/BPN/97)

ITH provided a mechanism for ensuring compliance with relevant legal requirements which was described on Document of Pursuance Evaluation on Relevant Legal Requirements. However, there were some regulations that were not identified and evaluated for compliance with the legal requirements, such as the Environment Minister decree 48/1996 – standard of noise; Environment minister decree 49/1996 – standard of vibration; Environment Minister decree 28/2003 – Guidance of Utilization technique to examine liquid waste; etc.

Condition: Minor

Clause 2.2; 2.3; 6.4 (CAR 2009,04)

According to interview with ITH personnel and the local people who had made land claims, they had dealt with one particular case, viz. Safri, which was a resolution of giving Rp. 20 millions for compensation for 7.8 ha. (Proof of resolution is available, paid by ITH on 4th November 2009). In the mean time, one case (Sei Pelawi) was still in the process of negotiation. According to a Sei Pelawi's representative (Mr. Antonius) he did not agree with ITH's offer. However, he really appreciated ITH's efforts in trying to get this negotiation worked seriously by December 2009, ITH and Sei Pelawi had carried out several meetings in order to discuss land conflict resolutions. The progress of the negotiation are described below:

- November 8th, 2008. Deliberation process, attended by: Antonius (Sei Pelawi representative), ITH personnel's, and the Head of Sub district Hanau (as mediator). The result was that the negotiation failed. Antonius rejected 1 unit truck CD program as compensation as he wanted 7 unit trucks. ITH was not able to fulfil his request.
- October 23rd 2009. Meeting between ITH and Antonius (Sei Pelawi). The result was still the same as previous meeting. Antonius did not agree with 1 unit truck CD program as compensation. He changed the compensation requests to Rp. 15 millions/ ha.
- November 12th, 2009. Meeting between ITH and Antonius (Sei Pelawi). The result was some member of Sei Pelawi have changed their request, some of them

wanted the matter to be settled by court process, mediation, while others wanted to settle in accordance to the Safri resolution process.

- December 4th 2009. Sei Pelawi wanted a compensation of Rp. 5 millions/ha, and it would be considered by ITH.
- December 16th 2009. Meeting at village office, attended by: ITH personnel, Antonius (Sei Pelawi), The Head of Village Pembuang Hulu (as mediator). ITH offered 2 unit trucks CD program as an offer for compensation, and Antonius did not agree. He would consider the offer and discuss it with other members of his team.

ITH provided an action plan for a conflict resolution, created by Plantation Support Department (PSD). They planned to resolve the conflict on June 2010.

ITH completely settled land conflict with Safri with compensation of cash money. As for Sei Pelawi the process of negotiation was still underway. ITH provided a progress with the process of conflict resolution for Sei Pelawi.

Condition: Minor

Clause 4.4 (CAR 2009,08)

ITH has carried out HCV identification on whole operational area since August 2009. Until January 2010, the HCV assessment report was still on process of accomplishment by consultant. ITH also has owned a map of HCV, "Peta Index HCV", which described the HCV areas, location, HCV indicator, area function, and total HCV area.

ITH had to wait for recommendation to manage HCV area. However, ITH had a plan to manage HCV area, Document management Plan for HCV Area of PT ITH, which consisted of:

- Survey on planting point for planting forestry plant near river side and water outlet
- Planting forestry plant near riparian zone, e.g. Angsana, Vertiver, etc
- Survey, producing, and installing information board regarding prohibition of spraying at buffer zone
- Socialization on policy of prohibition of spraying at buffer zone
- Marking the palms with 10 m on the distance for symbolize of buffer zone, however it should be considered to review the distance of its.

ITH prepared a plan for maintaining the quality and availability of surface and ground water, E.g. HCV Identification, planting forestry plant near river side, and installing information signboard of HCV area. ITH owned a map of HCV area. However, some of activities were not recorded properly, e.g. Minutes Meeting of Socialization of spraying practices near river side, records of planting forestry plant.

Condition: closed; and recommended to complete recording due to the progress of maintaining the quality and availability of surface and ground water (comment for action)

Annex 2. Mutuagung Peer Review's Report

Reviewers: Prof. Dr. Ir. Sudirman Yahya, MSc

	Issues and Comments	Clarification/ explanation by MUTU
1	Appropriateness of team doing the evaluation The Assessor team was appropriately qualified to do the auditing. However, it was advisable to have some members in the auditor team and have an agriculture & socioeconomic background with an experience in the oil palm plantation	To be considered for the next audit
2	Avoidance of conflict of interest. There was no conflict of interest in the auditing for certification.	Confirmed
3	Appropriateness of sites selected In general, the sites sampled were sufficient representative, which included the production, environmental, and social aspects; however, the sample taken e.g. a procedure, should be presented in more detail.	To be considered for the surveillance visit.
4	Other comments Other detailed comments were directly written on the report	Incorporated and amended.

II. General comments on the inspection report

No	Issues and Comments	Clarification/ explanation by MUTU
1	Clarity The assessment report showed that a proper audit was done on PT Indotruba Tengah based on the RSPO P&C.	Confirmed
2	Completeness The inspection report was sufficiently representative (the report included the production, environmental, and social aspects),	Confirmed
3	Rationale for decisions made.	
	The decisions are given based on the standard management unit operation in accordance to P & C of the RSPO.	Confirmed

III. Specific comments on the certification decision, including non-compliances and remedial actions to be taken.

No	Issues and Comments	Clarification/ explanation by MUTU
1	Issue: Protected area is not maintained properly in accordance to Government regulation	
	Comments: Unclear statement, Assessor team should refer to RSPO P&C as well	Amended
2	Issue: The target of CSR program is not appropriate.	
	Comments: a CSR program should be involve participation of local people	Agreed
3	Issue: Local people were not involved as key staff personnel on ITH management	
	Comments: It is advisable to offer education scholarship initiative for the local people from high school to university in order to increase their qualifications and to enable them to be prepared in to qualify in the future to be involved as key staff in ITH management.	ITH should extremely considers this matter

Annex 3. Result of RSPO Panel Committee Meeting of Mutuagung Lestari - RSPO Certification of PT Indotruba Tengah

January 11, 2010

No	Input and Responses
1	<p>Tony Arifiarachman</p> <p>In general, ITH has adequate RSPO P & C implementation, but should pay more attention to the social sector. It should not only focus on charity initiatives to the communities, but also implement a proper CSR program as it would increase goodwill and decrease the likelihood of social conflicts.</p> <p>Joint venture schemes with the locals should be considered to prevent social conflicts, particularly in land dispute.</p> <p>Biodiversity monitoring should be done routinely according to the RKL/RPL requirements (at least annually), and the riparian areas should be maintained as a protected area for biodiversity conservation although ITH already established a program to manage HCV area.</p>
2	<p>Conclusions</p> <p>Internal Independent committee (<i>Mutuagung Lestari</i>) agreed that PT ITH was recommended to be certified the producer of SPO.</p> <p>This assessment report will be presented to the RSPO Secretariat for review and for placement on the RSPO website for public comment before final approval.</p>

Annex 4. List of Stakeholders contacted during the audit of PT Indotruba Tengah

Directorate General of Estate, Republic of Indonesia	The University of Palangkaraya, Central Kalimantan
Ministry of Environment State	GAPKI
National Land Affair Corporation	Yayasan Borneo Lestari
Labor and Transmigration Dept., The Province of Central Kalimantan	Greenpeace Indonesia
Dinas Kesehatan, The Province of Central Kalimantan	Camat Pangkalan Banteng
Dinas Pendapatan Daerah, The Province of Central Kalimantan	Camat Hanau
Agricultural Estate Department, The Province of Central Kalimantan	Kepala Desa Amin Jaya
Forestry Department, The Province of Central Kalimantan	Kepala Desa Pembuang Hulu
BAPEDALDA, The Province of Central Kalimantan	Local community of Pembuang Hulu
Land Affair Department, The Province of Central Kalimantan	Local community of Amin Jaya
Badan Kordinasi Penanaman Modal	WWF-Indonesia
Dinas BKMP-D, the Province of Central Kalimantan	WALHI
The Head of the District of Kotawaringin Barat	Sawit Watch Indonesia
Secretary to The District of Kotawaringin Barat – Economic Division	Agricultural Estate Department, The District of Seruyan
Secretary to The District of Kotawaringin Barat – Government Administration Division	Dinas Pendapatan Daerah The District of Seruyan
The Head of the District of Seruyan	

Annex 5. WORD GLOSSARY

AMDAL	: Analisis Mengenai Dampak Lingkungan dan Sosial (Social and Environmental Impact Assessment)
B3	: Bahan Beracun dan Berbahaya (hazardous waste)
BAPEDALDA	: Badan Penanggulangan Dampak Lingkungan Daerah (Regional Environmental Impact Control Corporation)
BPN	: Badan Pertanahan Nasional (Land Affairs Corporation)
BOD	: Biological Oxygen Demand
COD	: Chemical Oxygen Demand
CPO	: Crude Palm Oil
CSR/CD	: Corporate Social Responsibility/ Community Development
EFB	: Empty Fruit Bunches
FFB	: Fresh Fruit Bunches
HCV	: High Conservation Value
HGU	: Hak Guna Usaha (Land Use Permit)
IPM	: Integrated Pest Management
ITH	: Indotruba Tengah
K3	: Kesehatan dan Keselamatan Kerja (Occupational Health and Safety)
KKB	: Kesepakatan Kerja Bersama (Collective Labor Agreement)
LC	: Land Clearing
LD ₅₀	: Lethal Dosage (for 50% of the population to be killed)
MSDS	: Material Safety Data Sheet
OER	: Oil Extraction Rate
Permentan	: Peraturan Menteri Pertanian (Minister of Agriculture rules)
PK	: Palm Kernel
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PP	: Peraturan Pemerintah (Government regulation)
RKL/RPL	: Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan (Environmental Management Plan/Environmental Monitoring Plan)
RSPO P&C	: Roundtable on Sustainable Palm Oil Principle and Criterion
SOP	: Standard Operating Procedure
SPSI	: Serikat Pekerja Seluruh Indonesia (Labor Union)
UU	: Undang – Undang (Act)