

**Roundtable on Sustainable Palm Oil Certification**

Stage-1     Stage-2     Surveillance     Re-Assessment

Plantation Management/Owner : **IVOMAS TUNGGAL**  
 Plantation Name : **PT MEGANUSA INTISAWIT**  
 Location : Village Of Talang Sukamaju, Sub District Of Rakit  
 Kulim, District Indragiri Hulu, Province Riau

Certificate Code : **MUTU-RSPO/033**  
 Date of certificate issue : **04 Desember 2013**  
 Date of expiry of certificate : **03 Desember 2018**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Checked by	Approved by
<b>Stage 2</b>	18 – 23 March 2013	Deni A Novendi, Nanang Mualib, Muardi Marwas, Moh. Arif Yusni, Naila Karima	Octo HPN Nainggolan	Tony Arifarachman

Assessment	Submitted to RSPO on:	Approved by RSPO on:	Approved by MUTUAGUNG LESTARI on:
<b>Stage 2</b>	01 July 2013	29 November 2013	04 December 2013

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MUTU Certification • Approved by RSPO Secretariat on June 2008

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Figure 1. Location Map of PT Meganusa Intisawit





**Figure 3. Operational Map of Indrasakti Estate**

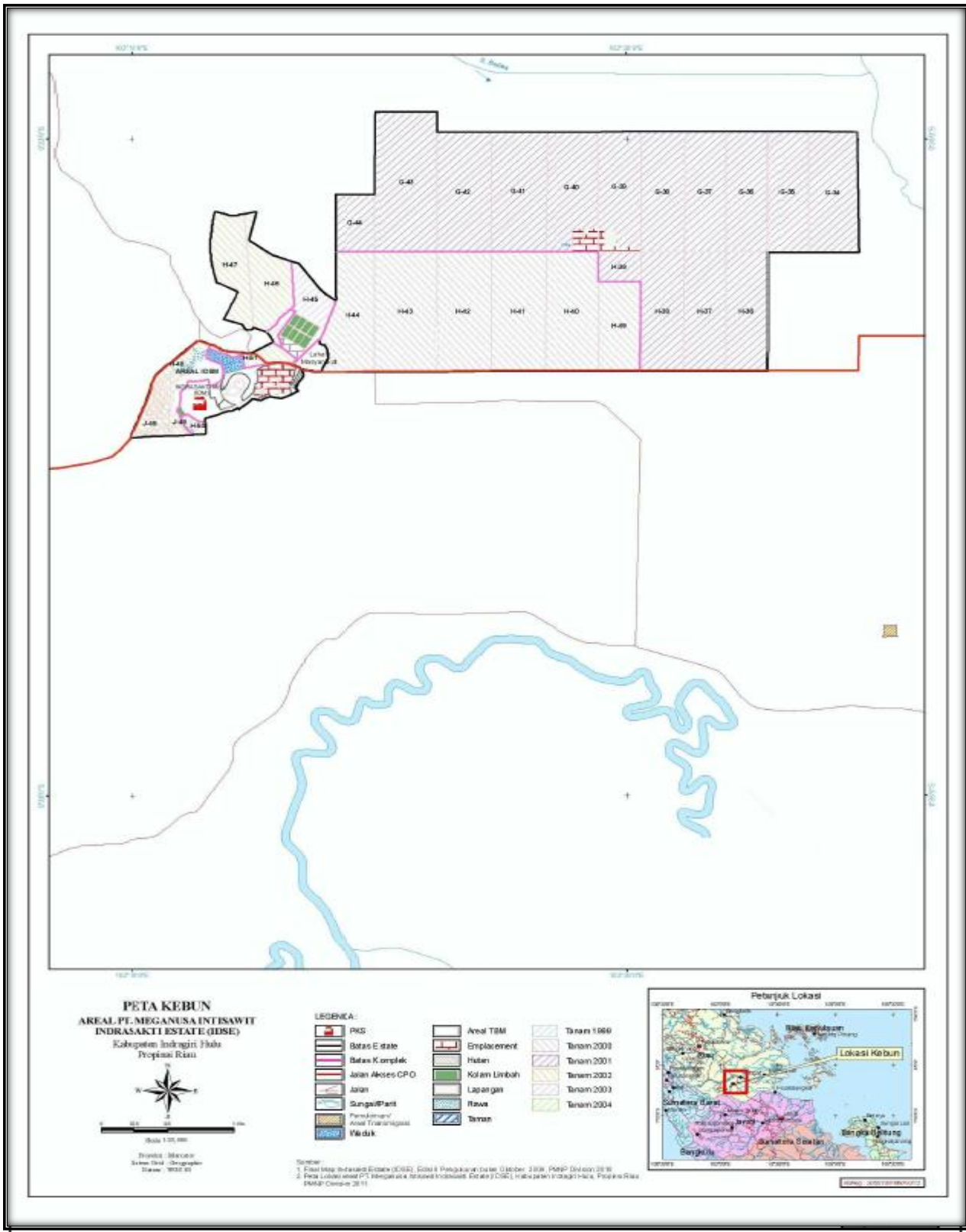


Figure 4. Operational Map of Indragiri Plasma

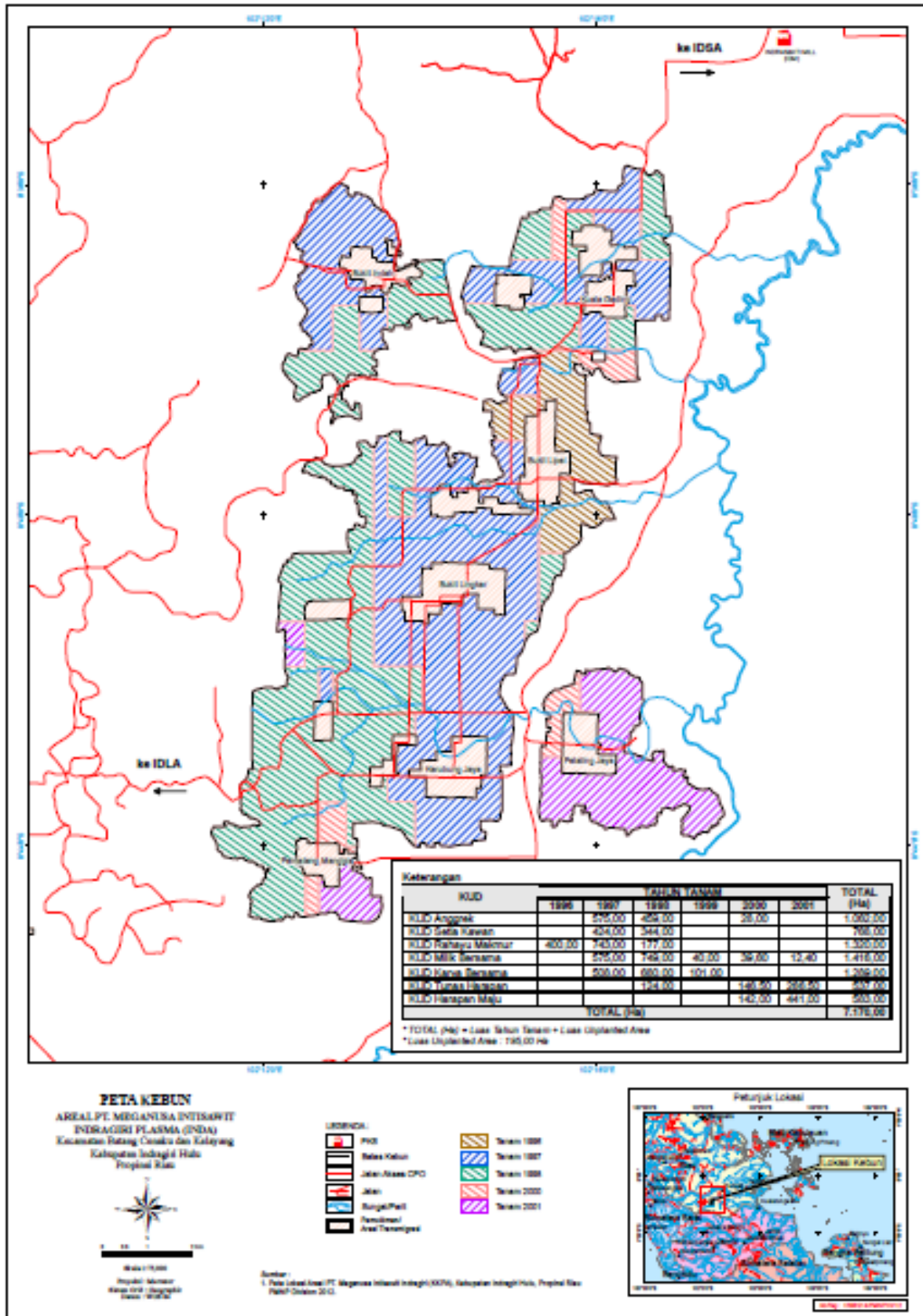


Figure 5. Operational Map of Indralestari Plasma

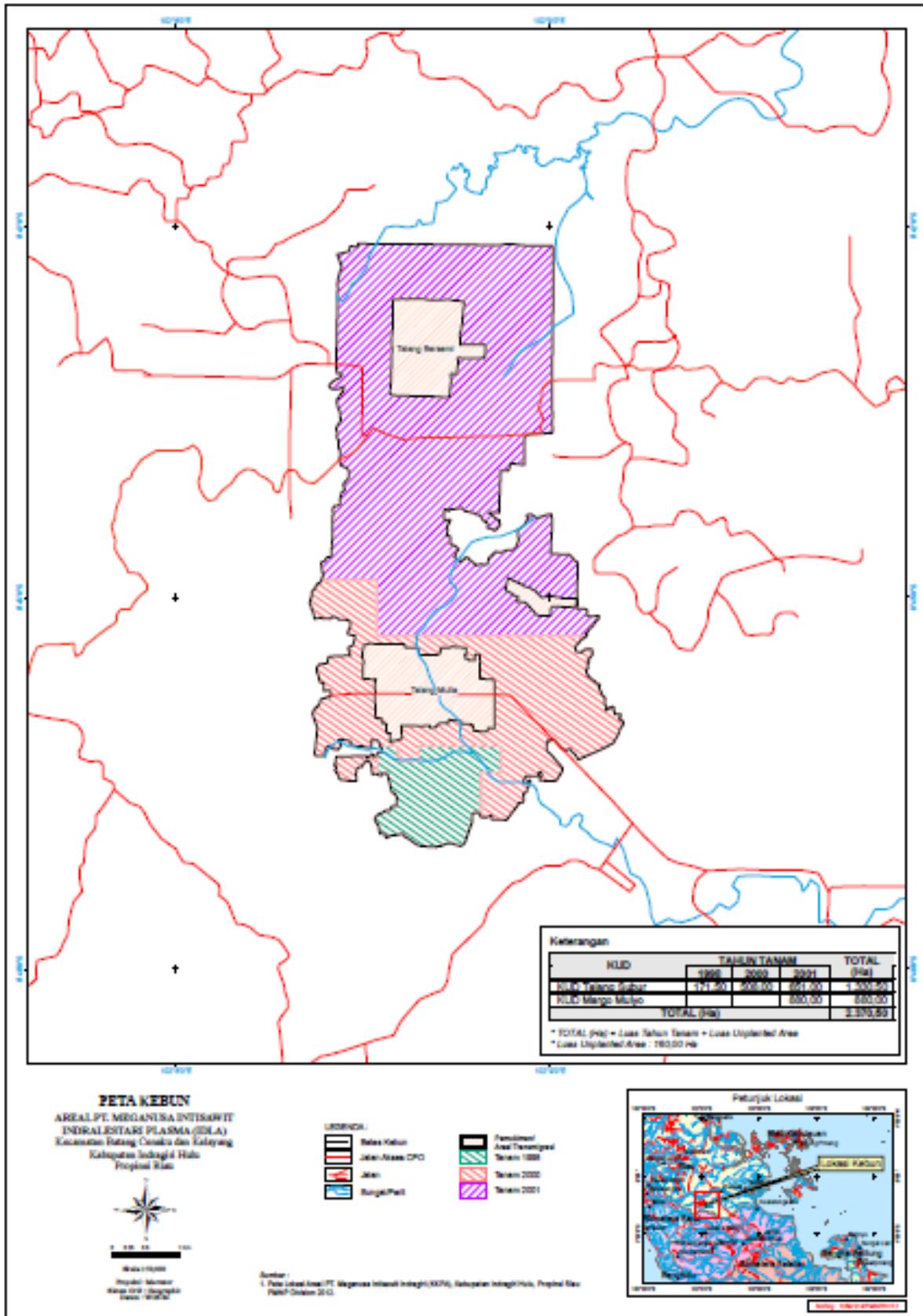
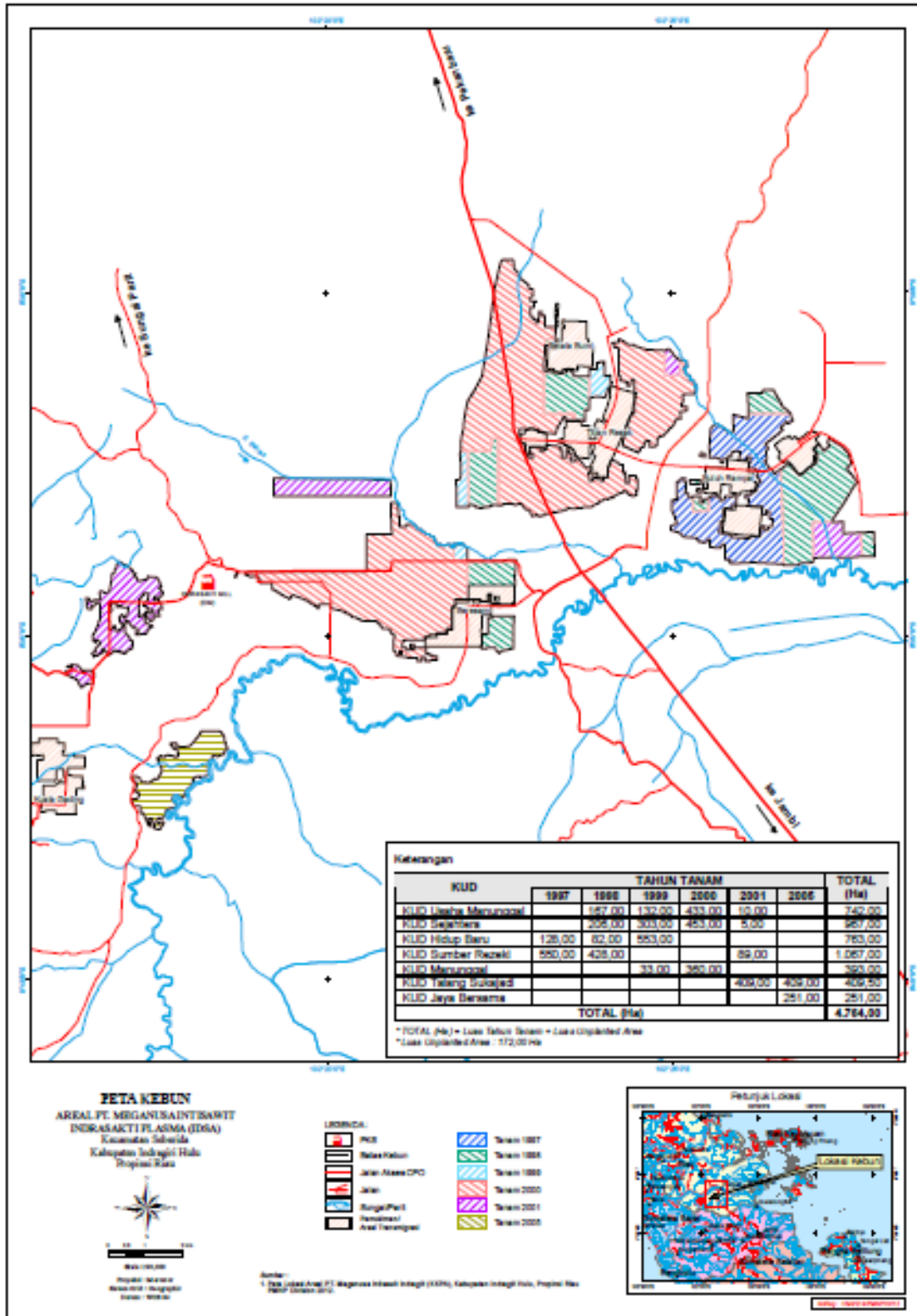


Figure 6. Operational Map of Indrasakti Plasma





<b>1.0</b>	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>National Interpretation Used</b>	<ul style="list-style-type: none"> <li>- <i>National Interpretation, RSPO Principles and Criteria (P&amp;C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008</i></li> <li>- <i>National Interpretation, RSPO Principles and Criteria (P&amp;C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-SWG, Scheme Smallholders October 2009.</i></li> <li>- <i>RSPO Supply Chain Certification Standard November 2011.</i></li> </ul>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Company name	<b>IVO MAS TUNGGAL</b>	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Company address and site address	Head Office : Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia Phone: +62-21-5033 8899. Fax: +62-21-5038 9999  Site : Village Of Talang Sukamaju, Sub District Of Rakit Kulim, District Indragiri Hulu, Province Riau	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	<a href="mailto:ismu-zulfikar@smart-tbk.com">ismu-zulfikar@smart-tbk.com</a>	
1.2.7	Web page address	<a href="http://www.smart-tbk.com">www.smart-tbk.com</a>	
1.2.8	Company status	Private	
1.2.9	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Health & Safety Departement)	
1.2.10	Registered as RSPO member	1-0056-08-000-00 dated 17 June 2008	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment	Palm Oil Mill and supply base	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	<b>PT MEGANUSA INTISAWIT</b>	
1.3.4	Number of management unit	One (1) Palm Oil Mill (Indarasakti Mill) with FFB supply from four (4) Estate (Indrasakti Estate, Indrasakti Plasma, Indralestari Plasma and Indragiri Plasma)	
<b>1.4</b>	<b>Locations of Mill, Plantations and Area Statement</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>GPS</b>
			<b>Latitude                      Longitude</b>
	Indrasakti Mill	Village Of Sungai Limau Sub District Of Rakit Kulim District Of Indragiri	0° 34' 15" S                      102° 18' 18" E

	Hulu								
1.4.2	Location of Supply Base								
	<b>Name of Supply Base</b>	<b>Location</b>	<b>GPS</b>						
			<b>Latitude</b> <b>Longitude</b>						
	Indrasakti Estate	Village Of Sungai Limau Sub District Of Rakit Kulim District Of Indragiri Hulu	0° 32' 52"-0° 34' 3"      102 18' 59"- 102 20' 34"						
	Indrasakti Plasma	Village Of. Sungai Limau, Sub District Of Rakit Kulim, District Of Indragiri Hulu	0° 29' 31" – 0° 35' 11"      102 22' 42' – 102 22" 42"						
	Indragiri Plasma	Village Of Kuala Gading, Sub District Of Batang Cenaku, District Of Indragiri Hulu	0° 35'58"- 0° 44' 51"      102 12' 54" – 102 11' 49"						
	Indralestari Plasma	Village Of Talang Bersemi, Sub District Of Batang Cenaku, District Of Indragiri Hulu	0° 42'8" – 0° 46' 56"      102 07' 29" -102 07' 41"						
1.4.3	Tenure								
	• Private	-							
	• State	867.73 Ha							
	• Community	14,304.5 Ha							
1.4.7	<b>Area Statement</b>								
		<b>Hectarge</b>							
		<b>Indrasakti Estate</b>	<b>Indrasakti Plasma</b>	<b>Indragiri Plasma</b>	<b>Indralestari Plasma</b>				
	• Total area	867.73	4,764	7,170	2,370.5				
	• Mature area	778.15	4,592	6,975	2,210.5				
	• Immature area	-	-	-	-				
	• Mill and Emplishment	50.96	-	-	-				
	• Emplishment	-	147	195	160				
	• Infrastructure	32.45	-	-	-				
	• Nursery	-	-	-	-				
	• Occupation	-	-	-	-				
	• Others area	-	25	-	-				
	• HCV	6.17	-	-	-				
1.5	<b>Description of Supply Base</b>								
1.5.1	Description of Mill								
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/ year)</b>	<b>CPO</b>	<b>Palm Kernel</b>	<b>PKO</b>			
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Indrasakti Mill	60	441,389.1	93,022.3	21.07	23,185.3	5.25	-	-

Source : Production Data on March 2012 – February 2013

1.5.2	Description of Estate						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Indrasakti Estate	867,73	778,15	19,961.60	25.65	19,961.60	100
	<b>TOTAL</b>	<b>867,73</b>	<b>778,15</b>	<b>19,961.60</b>	<b>25.65</b>	<b>19,961.60</b>	<b>100</b>
<i>Source : Production Data on March 2012 – February 2013</i>							
1.5.3	Smallholders and other source						
	Name of Sources	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	<b>Indrasakti Plasma</b>					<b>110.654,89</b>	<b>75.54</b>
	• KUD Sumber Rezeki	1,100.50	1,067.00	32,196.00	30.17		
	• KUD Sejahtera	998.00	967.00	30,796.00	31.85		
	• KUD Hidup Baru	788.00	763.00	25,901.00	33.95		
	• KUD Usaha Manunggal	780.00	732.00	24,888.00	34.00		
	• KUD Manunggal	415.50	403.00	12,186.00	30.24		
	• KUD Talang Sukajadi	422.00	409.00	13,497.00	33.00		
	• KUD Jaya Bersama	260.00	251.00	7,028.00	28.00		
	<b>Sub Total</b>	<b>4,764.00</b>	<b>4,592.00</b>	<b>146,492.00</b>	<b>31.90</b>		
	<b>Indragiri Plasma</b>			233,995.94		<b>233,700.50</b>	<b>100</b>
	• KUD Rahayu Makmur	1,361.00	1,320.00	44,335.50	33.59		
	• KUD Setia Kawan	788.00	768.00	25,773.00	33.56		
	• KUD Milik Bersama	1,457.00	1,416.00	47,267.50	33.38		
	• KUD Karya Bersama	1,325.00	1,289.00	42,537.00	33.00		
	• KUD Tunas Harapan	550.00	537.00	18,258.00	34.00		
	• KUD Harapan Maju	600.00	583.00	19,751.00	33.88		
	• KUD Anggrek	1,089.00	1,062.00	35,778.50	33.69		
	<b>Sub Total</b>	<b>7,170.00</b>	<b>6,975.00</b>	<b>233,700.50</b>	<b>33.51</b>		
	<b>Indralestari Plasma</b>					<b>67,741.43</b>	<b>91.34</b>
	• KUD Talang SUbur	1,422.24	1,330.50	45,122.00	33.91		
	• KUD Margo Mulyo	948.26	880.00	29,040.00	33.00		
	<b>Sub Total</b>	<b>2,370.50</b>	<b>2,210.50</b>	<b>74,162.00</b>	<b>33.55</b>		
	Belilas Mandiri (Independent Smallholder), Viilage Of Pangkalan kasih Sub District Of Seberida	-	-	-	-	<b>5,145.40</b>	-
	Agus Nedi (Independet Smallholder), Viilage Of Talang sukamaju Sub District Of Rakit Kulim	-	-	-	-	<b>4,185.40</b>	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>421,427.62</b>	
<i>Source : Production Data on March 2012 – February 2013</i>							
1.5.4	Product categories			FFB/CPO/PK/PKO			

<b>1.6</b>	<b>Dates of Plantings and Cycles</b>								
1.6.1	Age profile of planted palms*								
	Planting Year	Hectarage							
		Indrasakti Estate (Ha)	Indrasakti Plasma (Ha)	Indragiri Plasma (Ha)	Indralestari Plasma (Ha)				
	1996	-	-	400	-				
	1997	-	550	2,825	-				
	1998	-	929	2,519	56.5				
	1999	-	550	141	115				
	2000	223.16	1,799	370.1	508				
	2001	470.48	513	719.9	1,531				
	2002	57.23	-	-	-				
	2003	10.99	-	-	-				
	2004	13.32	-	-	-				
	2005	2.97	251	-	-				
	<b>TOTAL</b>	<b>778.15</b>	<b>4,592</b>	<b>6,975</b>	<b>2,210.5</b>				
1.6.2	New Planting area after November 2007			-		Ha			
1.6.3	Planting Cycle			1 <sup>st</sup> /2 <sup>nd</sup> Cycle		25 Years			
<b>1.7</b>	<b>Approximate Tonnage Certified</b>								
1.7.1	Past Annual Claim Certified Product								
	• FFB Production			-		Tonnes/year			
	• CPO Production			-		Tonnes/year			
	• Palm Kernel (PK) Production			-		Tonnes/year			
	• Palm Kernel Oil (PKO) Production			-		Tonnes/year			
1.7.2	Claim Certified Tonnage of FFB								
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)				
	Indrasakti Estate	867.73	778.15	23,206.39	29.82				
	Indrasakti Plasma	4,764.0	4,592.0	146,492.00	31.90				
	Indragiri Plasma	7,170.0	6,975.0	233,700.50	33.51				
	Indralestari Plasma	2,370.5	2,210.5	74,162.00	33.55				
	<b>Total</b>	<b>15,172.23</b>	<b>14,555.65</b>	<b>477,560.89</b>	<b>32.81</b>				
	<i>Source : Budget Production Data on January - December 2013</i>								
1.7.3	Claim Certified Tonnage of Palm Product								
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel		PKO	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Indrasakti Mill	60	477,560.89	105,063.40	22	25,071.95	5.25	-	-

*Source : Budget Production Data on January - December 2013*

<b>1.8</b>	<b>Other Certifications</b>	
1.8.1	ISO 9001:2008/ISO 14001: 2004	-
1.8.2	OHSAS 18001:2007	-
1.8.3	HACCP	-
1.8.4	Others	Occupational Health and Safety Management System Certificate Number 0181/816/SUCOFINDO/2012

<b>1.9</b>	<b>Time Bound Plan for Other Management Units</b>				
	<b>Management Unit</b>	<b>Address</b>	<b>Hectarage (Ha) *)</b>	<b>Time Bound Plan</b>	<b>Status</b>
	PT. Ivomas Tunggal	Sub District Of Kandis, District Of Siak Province of Riau	9,717	2012	Certified
	PT. Ivomas Tunggal	Sub District Of Kandis, District Of Siak Province of Riau	11,104	2012	Certified
	PT. Ivomas Tunggal	Sub District Of Kandis, District Of Siak Province of Riau	9,449	2012	Certified
	PT. Buana Wiralestari Mas	Sub District Of Tapung District Of Kampar, Province of Riau	12,937	2012	Certified
	PT. Buana Wiralestari Mas	Sub District Of tapung hilir, District Of Kampar, Province of Riau	10,298	2012	Certified
	PT. Buana Wiralestari Mas	Sub District Of tapung hilir, District Of Kampar, Province of Riau	9,278	2012	Certified
	PT. Bumipalma Lestari Persada	Sub District Of Enok, District Of Indragiri Hilir, Province of Riau	6,275	2013	2013
	PT. Sawitakarya Manunggal	Province of Kalimantan Selatan	6,763	2015	2015

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Certification Body</b>
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: <a href="http://www.mutucertification.com">www.mutucertification.com</a> Email : <a href="mailto:agri@mutucertification.com">agri@mutucertification.com</a>
<b>2.2</b>	<b>Assessment Team</b>
<b>2.2.1</b>	<b>Lead Assessor and Assessment Team</b>
<b>ST-2</b>	<ol style="list-style-type: none"> <li><b>Deni A Novendi (Lead Auditor)</b>. Bachelor of Forestry majority for Natural Resources Conservation special in ecology and social. He involved in study of social economy of Citanduy-Cisanggarung watershed, Ciamis District, Province of West Java. And also have experience within 13 years in forest planning and conservation on forest concession at Indonesia. Since 2003, he worked for independent certification body as auditor for forest sustainable certification (FSC and LEI scheme); Chain of Custody, ISO 9001 and RSPO. He had audited of each certification scheme for several companies in Indonesia.</li> <li><b>Nanang Muallib (Auditor)</b>. Bachelor of Forestry Science, Forest Technology Department in Bogor Agriculture Institute. He worked in Forest Company in 2000 – 2004 as a technical assistant of Sustainable Forest Management Implementation, Joint program with Forest Faculty Bogor Agriculture Institute and WWF Indonesia in 2006 – 2010. As a professional, he was involved in HCV social study of Sustainable Forest Management, HCV Identification in 3 palm oil plantation in Indonesia. Currently, he works as professional HCV assessor. In Stage-1 activity he assessed legal, social, environment and HCV Identification</li> <li><b>Muardi Marwas (Auditor)</b>. Bachelor of Agriculture Bogor Agriculture Institute. Attended RSPO and ISPO Assessment in Indonesia. Right now he works as auditor in independent Certification Body. In this assessment he focused in Best Management Practices and Environmental Aspect.</li> <li><b>Naila Karima (Auditor)</b> Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She has experience working in private oil palm plantation companies in Indonesia. Who had attended the training including training understanding the RSPO certification system, ISPO Lead Auditor, and certified Integrated Management System (Occupational Health and Safety Management System OHSAS 18001:2007, Environmental ISO 14001:2004, Quality ISO 9001:2008) In this Assessment activities this time she did on the field assessment Occupational Health and Safety Management System and aspects of employment.</li> <li><b>Moh Arif Yusni (Auditor)</b> A bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. In this assessment, he assessed on best practices, environment aspect, and workers welfare.</li> </ol>
<b>2.3</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.3.1</b>	<b>Figure of person days to implement assessment</b>
<b>ST-2</b>	Number of auditors : 5 auditor Number of days for stage 2 : 5 days Number of working days for stage 2: 25 Working days
<b>2.3.2</b>	<b>Detail process of assessment</b>
<b>ST-2</b>	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Meganusa Intisawit to the requirements of National Interpretation of the Republic of Indonesia from RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008 and Scheme Smallholders October 2009) and Supply Chain Requirement for CPO Mill

	<p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ST-2 delivered by the auditor Mutuagung Lestari (MUTU) to the management unit and the results are the subject will be verified at the next assessment phase (S-1).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this S-1 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ST-2.</p> <p>The assessment program please find Appendix 2</p>
<p><b>2.3.3</b></p>	<p><b>Locations of Assessment</b></p>
<p><b>ST-2</b></p>	<p>Sample Locations are taken by Auditor team based on :</p> <ol style="list-style-type: none"> <li>1. Number of minimum sample location defined by formula <math>0.8 \sqrt{y}</math>.</li> <li>2. Selected locations are representating each operational area.</li> <li>3. Consideration of issues arising from the documents review that are fundamental, essential, and becoming results of public consultation.</li> </ol> <p>Locations visited include Indrasakti Estate, Sumber Rejeki Cooperative, Manunggal Cooperative, Tunas Harapan Cooperative, and Milik Bersama Cooperative.</p> <p><b>Indrasakti Mills</b></p> <ol style="list-style-type: none"> <li>1. <b>Processing (from loading ramp to dispatch).</b> Auditor conduct observation related with plant operations, implementation of Occupational Health and Safety (OHS) at the workplace, corporate policies, facilities given by company, trainings that the company has given, and employment.</li> <li>2. <b>Wastewater Treatment Plant (WWTP).</b> Observation on management, treatment, utilization, and recording of wastewater treatment plant results. Interview with WWTP officials related to the setting of waste inflow and outflow to prevent wastewater uncontrolled overflowing.</li> </ol> <p><b>Indrasakti Estate</b></p> <ol style="list-style-type: none"> <li>1. <b>Locations of Oil Warehouse, Agrochemical, and Fertilizer.</b> Implementation of OHS, such as availability of symbols for Flammable Toxic and Hazardous Material Waste, MSDS, Work Instructions for taking agrochemical, oil and fertilizer, PPE, and light fire extinguisher (LFE).</li> <li>2. <b>Fire Fighting Command Post.</b> Inspection of fire-fighting facilities and infrastructure, including; tanks and tractors equipped fire engine pumps, hose, nozzle.</li> <li>3. <b>Block H41.</b> Observation and interview with Spray Foreman and Sprayer team about corporate policy on application of chemical in riparian areas, company's policy on periodic medical examinations, the use and adequacy of PPE, training on spraying techniques, training on OHS, training on First Aid emergency, gender specific grievance mechanisms, employee benefits and remuneration.</li> <li>4. <b>Block H44.</b> Observation and interviews with permanent personnel dealing with the criteria on harvesting ripe crops, harvesting techniques, use of PPE, employee benefits and available housing facilities.</li> <li>5. <b>Block 37.</b> Observation of peat land management with water management systems, maintaining a high peat ground water level between 50 -75 cm and monitoring peat soil subsidence monitored using subsidence stake which are observed every 6 months.</li> <li>6. <b>Boundary Stakes.</b> Observation on boundary stakes in line with BPN No. 26 and 14, which is the area of PT. MNIS adjacent to the community estate.</li> <li>7. <b>Toxic and Hazardous Material Waste Storage.</b> Auditors review the THM waste storage facility. The warehouse has limited access, should only be accessed by warehouse clerks. Around the barn, there is a closed water flow as well as used oil trap to prevent pollution by the THM waste to the environment to. THM symbol has been installed in accordance with the Environmental Agency decree No.15 1995. Interview with warehouse clerks.</li> <li>8. <b>Block H41.</b> Fertilizing Activities. Observation and interviews with fertilization clerk on the company's policy on</li> </ol>

- fertilizer application at riparian areas, periodic medical examinations, the use and adequacy of PPE, training on spraying techniques, training on OHS, training on First aid emergency, gender specific grievance mechanisms, employee benefits and remuneration.
9. **Block H44.** Observations on the implementation of Integrated Pest Management. (The existence of Gupon cage, dirt, food residue, and existence of owl).
  10. **Block J49.** Observation and visits to planting strategies in areas with a certain slope.
  11. **Clinic.** Auditors observe clinic facility and interviews with company's doctors and paramedical about the periodic health examination, accident, health programs, and the management of medical waste.
  12. **Employee housing.** Auditors conduct observations and interviews with residents in the cottage associated with the facility provided by the company as employee housing types G1 and G2, places of worship (mosques), Child Care, education (early childhood, kindergarten and Indrasakti Estates elementary school ), clean water supply, home generators and household waste management.
  13. **Block H51.** Observation and interviews with HCV officers related to management areas identified as HCV 1.1 and HCV 1.4; efforts made to prevent disruption to the protected object with respect to the activity of latex tapping by the community on a number of rubber trees located in the HCV area.
  14. **Block J49 and Block H44.** Observation on existence and maintenance of work boundary markers area adjacent to the plasma area and community.
  15. **Division I Nucleus Plantation Office.** Observation on installation of posters and calendars as a means of dissemination of protected wildlife species to all employees and stakeholders. The same observation was also made to the "Rupin" Building (Smart House) and schools that exist around the Division I office.
  16. **Sukamaju Village.** Interview with Mr. Lego (Head of Government Affairs of Sukamaju community/village) regarding the benefits of the company's existence, the process of land acquisition and settlement process, co-operation that exists, people's access before and after the company was built, and the indigenous community. Mr. Lego is also a native of who took latex from rubber trees in the HCV area of PT MNIS.

**Indragiri Plasma**

1. **Block KT 10. Milik Bersama Cooperative.** Observation and interview with Spray Foreman and Sprayer team about corporate policy on application of chemical in riparian areas , the use and adequacy of PPE, training on spraying techniques.
2. **Block KT 10. Milik Bersama Cooperative.** Observation and interviews with permanent personnel dealing with the criteria on harvesting ripe crops, harvesting techniques, use of PPE, employee benefits and available housing facilities.
3. **Block KT 10 Milik Bersama Cooperative.** Interview with chairman of the farmers' group related to company policy on plasma farmers, and other programs that have been implemented by the company.
4. **Bukit Lingkar Village.** Interview with Community Leader (Former village head) of cooperation that has existed with PT MNIS and other programs that have been implemented by the company.
5. **Milik Bersama Cooperative.** Interview with chairman of the farmers' group associated with company policy on plasma farmers, and other programs that had been implemented by the company.
6. **Tunas Harapan Cooperative.** Interview with chairman of the farmers' group associated with company policy on plasma farmers, and other programs that have been implemented by the company.
7. **Block KT 8 Tunas Harapan Cooperative.** Interview with chairman of the farmers' group associated with company policy on plasma farmers, and other programs that have been implemented by the company.
8. **Block O20 Tunas Harapan Cooperative.** Observation and field visits related to field implementation on the condition of area adjacent to river (verifier grass planting) and beneficial plant.
9. **Pematang Manggis Village.** Interview with Community Leader (head of the village) of cooperation that has existed with PT MNIS and other programs that have been implemented by the company.
10. **The location of the sink and used sacks of fertilizer kep of Cooperatives 'Tunas Harapan'.** Implementation of OHS such as: availability HMW symbol of flammable and toxic, MSDS, Work Instructions, facilities and infrastructure.

**Stakeholder Consultation**

1. **Plantation Agency Indragiri Hulu District.** Visit to agencies and interview with superintendent the field of plantation.



	<ol style="list-style-type: none"> <li>2. <b>Agency of Social, Labor and Transmigration of Indragiri Hulu District.</b> Visit to agencies and interview with superintendent the field of labor and industrial relations</li> <li>3. <b>National Land Agency, Indragiri Hulu District.</b> Visit to agencies and interview with head of superintendent.</li> <li>4. <b>Environment Body, Indragiri Hulu District.</b> Visit to agency, but agency heads are not in place, so the interviews were conducted by phone.</li> <li>5. <b>AMAN (Alliance of Indigenous Peoples of Nusantara) Indragiri Hulu.</b> Interviews with regional board AMAN by phone.</li> </ol>
<b>2.4</b>	<b>Stakeholder Consultation and List of Stakeholders Contacted</b>
<b>2.4.1</b>	<b>Summary of stakeholder consultation process.</b>
	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for the PT Meganusa Intisawit was held by public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples. Numbers of input from stakeholders were clarified by the PT Meganusa Intisawit</p>
<b>2.4.2</b>	<b>List of stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.5</b>	<b>Determining Next Visiting</b>
	The next visit (first Surveillance) will be made no later than on December 2014

**3.0. ASSESSMENT RESULT**

**3.1. Summary of Assessment Report of the RSPO Certification**

MUTUAGUNG LESTARI has conducted an assessment of Buana Wiralestari Mas and PT Meganusa Intisawit – IVOMAS TUNGGAL operation consisting of one (1) mill and four (4) oil palm estates.

MUTUAGUNG LESTARI found that the PT Meganusa Intisawit – IVOMAS TUNGGAL complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and Scheme Smallholders, October 2009\*).

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

**3.1.1 Summary of Assessment Report of the RSPO Certification for Nucleus**

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<b>Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.</b>
	<p>There are books of 'List Information for Stakeholders' available in the mills and estates that record all information requests and responses, including regular report to government agencies and other relevant stakeholders. The books itemize date, the number of letters/documents, the purpose, the subject (information substance), sender, and recipient.</p> <p>Since 2010 to March 2013 there were 61 information submitted to relevant agencies. Types of reports submitted in the last 3 months include:</p> <ol style="list-style-type: none"> <li>(1) Monthly Report of mills employment in December 2012 and January 2013 - addressed to the Department of Labor Indragiri Hulu District, received date 05/02/2013;</li> <li>(2) Report on details of Mills Labor Insurance Contributions in February 2013 - addressed to the Social Security Office Rengat, received dated 08.03.2013 (letter number 646/INKM-SPB/03/13);</li> <li>(3) Report on the implementation of the Environmental Management Plan/Environmental monitoring Plan of Semester 2 in 2012 - addressed to the Office of the EA (Environment Agency) Indragiri Hulu, received dated 03.08.2013 (No. 4/Lap RKL / RPL &amp; LA/Envd/III/2013 );</li> <li>(4) Quarterly report of Environment and Toxic and Hazardous Material Waste - addressed to Indragiri Hulu Environment Agency, received dated 03.08.2013 (letter number 5/Lap LH/Envd/III/2013);</li> <li>(5) Information of FFB price to cooperative management delivered on 17 January 2013 (letter number 016/IDSE/KUD/01/2013);</li> <li>(6) Report of estate workers in February 2013 - addressed to Indragiri Hulu Department of Labor (number 110/IDSE/Disnaker/II/2012 letter, received on March 6, 2013;</li> <li>(7) Report of HMW (Hazard Monitoring Waste) manifest in February 2013 - addressed to the Office of Indragiri Hulu Environment Agency, received dated 18 March 2013 (letter number 15/Manifest LB3/ENVD/III/2013).</li> </ol> <p>The company also has a 'communication book' to record the entire requests/aspirations and response to requests for information from other stakeholders, including local government offices (village and sub-district) and community. Of all incoming mail that is recorded into the information book, none of the letters concerning requests for information or mills plantation operations, but only requests for contributions assistance or other assistance, for example:</p> <ol style="list-style-type: none"> <li>a. Letters from village head Titian Resah (1206/SP/ttr/IX/2012) on 13 September 2012, a request for help of heavy equipment for the accumulation and land leveling. The company responds to this request by sending heavy equipment to the village on 22 September 2012.</li> <li>b. Letter from Environment Agency on 24 February 2012 regarding participation for funding to celebrate the environment day. The company responds this request by providing financial assistance on 23 April 2012.</li> </ol>

- c. Social service of manpower and transmigration on 3 December 2012 concerning aid in commemorating the transmigration consecrated day taken on December 10, 2012. Responded by the company through providing financial assistance on 10 December 2012.

There are procedures of 'Document Control' which expressly stipulate the document storage period, including the document communication, ie 5 (five) years. Document of requests and responses to information are stored in one bundle called "file folder" to be given period of activity identity to facilitate the search. Company can show that the storage system has been carried out, which is able to show back documents samples that have been stored (documents retrieval), among others:

- Report of Labor Social Assurance contributions for 115 workers No. KTU IDSE/Uumum/01/01/2011 dated February 2, 2011.
- Report of tax notices on mills plantation sector No 007/INSM/SPOP/02/2010 dated 09/02/2010.

**Status: Full Compliance**

**1.2**

**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

Document control procedures define the types of documents that can be accessed by the company's stakeholders, such as:

- a. Number of employees and the employees' basic salary list
- b. List of employees and information related to Land and Property Tax figures.
- c. Payment of local taxes/levies
- d. Number of employees
- e. EIA study, Environmental Management Plan/ Environment Monitoring Plan)and land application permit.
- f. Certificate of incorporation and amendments, the data area and production, as well as fertilizer application data.
- g. Certificate of LUP land ownership
- h. HCV assessment report.
- i. Social assessment report.
- j. Documentation of social activities

Document control procedures have also set storage period for document of information requests and responses at least 5 (five) years. The whole queries and responses to the company's request for documents then recorded in Book Information. As of February 2013 there are no stakeholders asking for information related to the document above, except for regular reporting to government agencies and Cooperative plasma (see also explanations 1.1).

**Status: Full Compliance**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1**

**There is compliance with all applicable local, national and ratified international laws and regulations.**

Company shows documents of regulations list and compliance evaluation, to ensure that all local, national and ratified international laws and regulations have been complied with. These include documents detailing the types of rules/regulations, the relevant provisions to be complied with, the implementation of the company, the fulfillment status, plan of action, persons in charge of, and compliance.

Types of laws and regulations that evaluated, are grouped by:

- a. Aspects of Licensing (updated August 31, 2012) - consists of 11 types of regulation;
- b. Aspects of the environment (updated 8 November 2012) - consists of 33 types of regulation;
- c. Aspects of Health and Occupational Safety (updated January 5, 2013) - consists of 40 types of regulation;
- d. Aspects of Employment (updated October 19, 2012) - consists of 31 types of regulations, and;
- e. Aspects of HCV (updated January 5, 2013) - consists of 7 kinds of rules.

Evaluation on the fulfillment of legal and regulatory requirements are conducted by comparing article by article of the

regulations applicable to the current implementation by the company.

Example of evaluation result:

- (1) Law No. 13 of 2003 (Employment) - Article 5 (Every worker has an equal opportunity to obtain employment without discrimination) - The company has a recruitment mechanism through a selection process based on competence in the field of work that will be occupied - complied;
- (2) Law No 32 of 2009 (Protection and Environmental Management) - Article 13, paragraph 1 (Control of pollution and/ or damage to the environment in the context of the environment) - Prohibits the application of herbicides in riparian areas; perform dust collector boiler maintenance on a regular basis; put up maximum speed signs of 30 km/h on roads that pass through residential - complied;
- (3) Government Regulation no. 74 of 2001 (Management of Toxic and Hazardous Material) - Article 15 (Each package of Toxic and Hazardous Material shall be given symbols and labels as well as equipped with material safety data sheets/ MSDS) - The whole of THM stored in warehouse had been given appropriate symbols based on their nature and are included on the attached MSDS manufacturers - complied.
- (4) Ministry Labor of Regulation No. 01 of 1988 (Operator of Steam), example boiler man ie Baharudin (license No. 12.P.10.820 OPK3-PUBT-B.IV/2012) and Wahyudi (license no. 12.P.10.041 OPK3-PUBT-B.IV/2012).
- (5) Ministry Labor of Regulation No. KEP.311/BW/2002 (certification of competencies electricians, example ie. Supriyanto (license no. 11.189/OPD/KK/XI/2011) and Supriadi (license no, 11.149/OPD/KK/X/2010).

There is an SOP Identification Regulations and Other Requirements (No. SOP/SPO/SMART/LH-03 Document Revision 1, dated July 1, 2012) which explains how to identify, define and get the rules, regulations, and requirements related to plantation and oil palm processing which is up-to-date, such as counseling relationship with a competent regulatory sources.

**Status: Full Compliance**

**2.2**

**The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights**

PT Meganusa Inti Sawit (MNIS) shows some document on the rights to control land of oil palm plantation area that it operates, as follows:

- (1) Location Permit for Oil palm Plantations, published by Regent of Indragiri Hulu, as follows:
  - a. No. 245 of 2002 dated 20 July 2002 - for an area of 771 hectares located in the Beligan Village, District of Seberida, Talang village, District of Kelayang, Limau River. Attached with Location Permit Map, Scale 1:25,000.
  - b. No. 308 of 2002 dated 11 October 2002 - for an area of 104.158 hectares located in the Talang village District of Kelayang, Limau River. Attached with Location Permit Map, Scale 1:10,000
- (2) Technical Recommendations on land availability issued by the Department of Forestry and Plantation Indragiri Hulu No.522.2/PR-XI/2003/1100 dated 19 November 2003 confirmed that in accordance with map of Riau Province Spatial Plan (RTRWP) established by Local Regulation (Perda) No.10 of 1994, the land use permit for PT MNIS Plantation location is as follows:
  - a. Plantation Area Development area of ± 612.5 Ha
  - b. Other Region Development Area (AKPL) of ± 262.5 Ha
- (3) Plantation Business Permit in the form of Indragiri Hulu Regent Decree No. 38 of 2005 dated March 22, 2005, the land area of 875.158 ha plantation was located in the Beligan Village, District of Siberida and of Talang village Limau River, District of Kelayang;
- (4) Letter of Indragiri Hulu Regent No. 140.a/TP/100/2006 in April 2006, concerning with Recommendation of Free Arable Land of PT MNIS on an area of 104,158 Ha in Beligan village;
- (5) Letter of Indragiri Hulu Regent No 140/TP/100/2006 in April 2006, concerning with Recommendation of Free Arable Land of PT MNIS on an area of 771 Ha in the villages of Beliga and Talang, Limau River;

As for the area above, the company has submitted an application of publishing Land Use Title (LUT) to the National

Land Agency (BPN) Riau Province on behalf of PT Meganusa Inti Sawit, with letters as follows:

- a. Letter No.13/D7L-Pku/03/2007 dated 9 March 2007 on an area of 104.158 ha by attaching Establishment Deed, NPWP, BAA Compensation Implementation Date of 12 September 2001, Location Permit No.308 of 2002, the technical recommendation on Land Availability and Suitability from Agency of Forestry and Plantation Indragiri Hulu District, Plantation Business Permit, Arable Free Recommendation No. 140.a/TP/100/2006 and applicant's ID card (Letter received by BPN on November 21, 2007).
- b. Letter No.14/D7L-Pku/03/2007 dated 9 March 2007 on an area of 771 Ha attaching Establishment Deed, NPWP, BAA Compensation Implementation Date of 12 September 2001, Location Permit No. 245 of 2002, the technical recommendation on Land Availability and Suitability from Agency of Forestry and Plantation Indragiri Hulu District, Plantation Business Permit, Arable Free Recommendation No.140/TP/100/2006 and applicant's ID card (Letter received by BPN on November 21, 2007).

Certificate of Land Use Title (LUT) can not be issued by the competent authority (National Land Agency) because it is still constrained by Regional Spatial Planning (RTRWP) of Riau Province, which until the audit is taken has not been authorized by the government.

Certificate of Building Use Title (BUT) on behalf of oil palm mills Lestari PT Buana Wira published by the National Land Agency (BPN) No. 04 of 2002 referring to Decree of the Head of Regional Office No. BPN Riau Province. 114/550/24.03/2002 dated 18 November 2002, and Measurement Letter. No. 17/Sungai Limau/2002 dated October 19, 2002. The licensed area is 74. 170 m2 and is valid until 29 November 2032.

Based on boundary markers checklist period of January to March, 2013, there are 76 boundary markers demarcating the PT MNIS that were set and placed according to the results of BPN cadastral measurements. The results of field observations of a stake sample No.BPN-28 Block J-49 and No.BPN-30 Block H-44, red boundary markers made of concrete cast with 30x30x100 cm size can be found in their places in a well-maintained state.

PT MNIS has procedures of Land Conflict Resolution Mechanisms revised I (Document No.: SOP/SPO/SMART/LH-04) dated 1 July 2010, which explains that each claim land (with or without proof of ownership) should be solved by dialogue so that the claim can be canceled. If dialogue is not successful, the process followed by asking for help/facilitator of local government and local community leaders.

Based on the description of indigenous and community leaders of Sukamaju village (Suku talang mamak) (Mr. Lego), there has never been a dispute between community with PT MNIS due to land conflicts. Before the development of plantation and oil palm mills (around 1996) by PT MNIS, the natives, along with village and sub-district officials are involved in the process of land acquisition by consensus to reach agreement on plasma development.

There are agreement documents and proofs of compensation payment as follows:

- (1) Documentation of mutual agreement between the Company and the community over an area of 771 ha, consists of:
  - The agreement between the residents of Beligan village with Head of Seberida Sub-district in the presence of PT MNIS dated 20 June 1998 on the development of the Plasma relinquished by Villagers of Beligan (Block F area) with a ratio of 50:50. This agreement followed by delivery of the land area of 786 hectares by villagers on October 25, 2000 for the construction of Plasma (393 Ha) and Nucleus Plantation (379 Ha), signed by the head of the hamlet, Chairman of RT, community leaders, chief of Beligan village, Sub-district of Seserda Head, District Secretariat Indragiri Hulu and Hulu Indragiri parliament. Equipped with Map.
  - The agreement between the village of Talang Limau River with the company dated 25 March 2000 on the development of plasma with a ratio of 50:50. Village Community handed land area of 749 ha, 379 ha area to built Plasma and area of 370 Ha for Nucleus. The agreement was signed by the head of the village of Talang Limau River, village of Talang Limau River LKMD Chairman, Head of Kelayang Sub-district and representatives of the Company. Equipped with Map.
- (2) Payment document to the community arable land of Sei Limau village, Kelayang Sub-district with area of 129.652 ha (compensation value of Rp. 1,250,853,000.), it includes an area of 104.185 hectares that is

covered in the Permit Area No. 308 of 2002 dated 11 October 2002. Document of compensation had payment dated 12 September 2001 through the transfer of Bank BNI 46 to 28 villagers, namely Kemantan, Santak, Ujuran, Sampingan, Hamnen, Sakaria, Mujir, Gajian, Amran, Pimpin, Miun, Kasiran, Mohar, Saparudin, Atan Ahmad, Sihai, Said, Taher, Atasan, Liwar, Jamhur, Selamat, Paiman, Cantian, Tarmin, Tiyau, Motor, and Herwansyah.

The payment was recognized by Head of Kelayang Sub-district, head of Limau village, Chairman of Limau's LKMD, and Chairman of hamlets or neighbourhood units.

**Status: Full Compliance**

**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.**

PT MNIS has provided evidence of land compensation that it operates for those who qualify. Based on the explanation of Mr. Lego (Sukamaju Village resident) and stakeholder consultation with National Land Agency, Indragiri Hulu District, PT MNIS is never involved in land disputes with the public and there is no prohibition on companies for the community to enter the plantation area and to do activities such as fishing, hunting, and taking other forest products as long as not breaking the specified provisions. For example: using fish poison and stroom, hunting protected wildlife, and cutting down trees in protected areas. These regulations have been installed by the company in the form of posters and information boards in locations that are often passed by communities and workers.

The whole area which is identified as having the potential to be used by the public for traditional activities (fishing, hunting, and other by-product collection) has been defined as HCV areas and has been mapped to a scale of 1: 25,000.

**Status: Full Compliance**

**PRINCIPLE #3 Commitment to long-term economic and financial viability**

**3.1**

**There is an implemented management plan that aims to achieve long term economic and financial viability.**

PT MNIS can show documents of corporate work plan for the long-term period of 2013 to 2015 which includes estimates of production, cost of production (plantation and mills), mills production projections (OER and KER), and other financial parameters such as profitability, revenue and cost of purchase FFB from plasma farmers.

Replanting has not been planned up to 5 (five) years because the age of the oldest plants reached 17 years (planting year 1996). The company owns oil palm cultivation Technical Guidelines No. SMA/MCAR/01/05-07, stating that replanting will be carried out if the the plant is above the age of 25 years, the trees are above 13 meters high, production per year below 14 tons/ha and the number of stand is under 100 staples/ha.

**Status: Full Compliance**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

The Company has had a plantation SOP related to cultivation technical guidelines which include standard operating procedures in plantation covering planning on planting, seeding, preparation before planting, land clearing and planting, pest and disease control, harvesting, fertilizing and maintaining immature plant, maintaining productive plant, and transportation activities

In addition, the Company has had an SOP on oil palm processing which also includes the standard operating procedure in the mills covering FFB: receiving station, sterilization activities, dings station, press station, clarification station (purification), clarification station; oil recovery tank sub-station, nut and kernel station, boiler and engine rooms, water treatment, final effluent, tank storage leaching.

To ensure SOPs are implemented, the company has a inspection activities monitoring mechanism which is conducted

regularly through internal audit activities such as Operational Internal Audit (OIA), Agronomy Audit & Advisory (AAA), Mills Audit Advisory (MAA),

Agronomy Audit and Advisory period of 2012 held on 17-18 January 2012 and 10-16 dated May 2012, the results of the audit are available at the site, covering all administrative activities of plantation. While last Mill Audit and Advisory for period of 2012 held on 17-21 July 2012 covering production, planning and processing power usage and consumables, process control, (oil loses, kernel loses,) quality control, maintenance (maintenance, safety equipment, grading, laboratory). The company has followed up on the results of the audit, where 3 parts are still in the stage of the process of waiting for the following budget year.

Audit and Advisory period of 2013 have not been implemented, based on an email dated 18 March 2013 on request for accommodation inspection by OIA (Operational Internal Audit) Team, the implementation audit was planned on 25 March 2013. Beside that, there was financial audit regularly conducted by external auditor (public accountant "Moore Stephens" registered accountant.)

Records on operational activities are available in the SAP program (Systems of Applications Products and Processing). Every day the report is done based on foreman employment report, SAP specifies all the items in the activities carried out in the division, such as type of work, HK consumption, production, material usage, labor positions, pesticide usage, performance and cost.

Example:

Records of harvesting activities in February 2013 specify tonnage of 1.236,37 tons; the number of bunches 76 024 bunches; BJR 16.26 kg; production per hectare 1.589 ton/ha; discharging power harvester 947 HK - harvester output 1.125 tons/ HK, palm bunches 15.1%; palm bunches power usage 938 HK – palm bunches output 199 kg/HK; rotation 3 times/month and cost Rp 72,17 /kg.

**Status: Full Compliance**

#### 4.2

#### **Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

There are several steps taken by the company to maintain and improve soil fertility, such as:

- **Land Analysis Activity** - specify results of laboratory analysis of soil condition and nutrient content in each sample, and fertilizer recommendations for maintaining the balance of nutrients in the soil. The parameters measured include: texture, acidity (pH), content of C, N, P, K, Mg, Ca, Na, BS, CEC, Al and H. Soil samples were taken at 3-year-old palm trees, 8 years, 13 years, 18 years, 23 years and before replanting, or young plant age, teens, and elderly
- **Leaves Analysis Activity** - Leaves analysis results provide fertilizer dosing recommendations to produce optimum oil palm fruit production. Principle of fertilization is giving treatment to the soil to produce nutrients required by plants palm with optimal results. .

**Example:** Results of leaves analysis in 2012, at Block G42: N content of 2.76%, 0.178% P, 0.72% K, 0.43% Mg, 0.75% Ca% 23 ppm B and 0.84% Cl; Documents of estate fertilizer recommendations for 2013 period requires application of empty bunches ash and land application of wastewater. There are evidences of monitoring the implementation of the recommended fertilizer, in the form of:

- o Record of the land application realization in January 2013 where it was applied to an area of 91.62 ha and 91.24 ha in February at a dose of 250 M3 per ha per rotation in Block G 42 - G 44 and Block H39-H46. Surface water quality around Land Application has been monitored periodically. provided 3 monitoring wells. Sample collection effluent semester 2 of 2012 (July to December) who showed the results of the test are still in accordance with the standards with regional 35 of 2007 the Governor of Riau as BOD5 (5.000 mg / L), COD (10,000 mg / L) and pH (6 -9) is still appropriate. The test results provided and properly stored in the PT to sweet. Based on field observations in the Land Application Block H-44 Indrasakti Estate and interviews with officers irrigation (Mulyadir) note that the application of effluent onto the field / block well noted and recorded every day
- o Document of plan and the realization of fertilization for the period of 2013 covering urea, RP. MOP, S

<p>dolomite, Kies powder, Borate</p> <ul style="list-style-type: none"> <li>○ There is plan of empty bunches ash fertilization which will be implemented in the 2nd half of 2013.</li> </ul> <p>At the time of the field visit, the evidence of implementation empty bunch ash fertilization and land application can be found such as in Block H 41 and H44.</p>	
<p><b>Status: Full Compliance</b></p>	
<p><b>4.3 Practices minimize and control erosion and degradation of soils.</b></p>	
<p>There is a map of land issued by the Plantation Monitoring And Planning Division (PMNP) with a scale of 1: 50,000 (No reg No. 472 / 202/PMNP/VIII/2009), which describes the type of soil, topography of land, soil texture, drainage conditions, the level of land compliance, and limiting factors.</p> <p>Company topography area is flat and undulating with slopes of 0-16%, and there are some areas with 21-30% slope area as wide as 25.40 ha or 2, 44%. Also based on the semi-detailed soil maps there are vast areas of 171.55 ha peat with the depth of 150 -300 cm or 20.55%.</p> <p>The company has established the procedure on the management of plantings on a particular slope. One of the management strategies outlined at SOP document No.SMA / MCAR / 05/05-07 on land clearing and planting such as contour terracing, terrace conservation, individual terrace with sil pit and conservation cropping.</p> <p>Results of soil analysis indicate an area of peat wide of 170.55 ha with a depth of 150-300 cm. The company has SOPs water management at peat areas that aim to keep the peat areas from not being overdrained which can lead to rapid peat layer shrinking and top layer having excessive drying.</p> <p>Types of activities in the area of peat land water management include:</p> <ul style="list-style-type: none"> <li>– Preparation and installation of piezometer.</li> <li>– Preparation of the dam.</li> <li>– Maintaining and leaching of trenches mechanically.</li> </ul> <p>Cultivation strategy for peat plants in accordance with SOP documents No. SMA/MCAR/03/05-07 which came into effect since 1 May 2007 is about the preparation before planting such as performing soil compaction, water management (including dams, making piezometer and monitoring water level). Manufacture of drain field trench with the number of 1; 16, 1: 8, 1, 4 or 1, 2, are based on needs. Ditch maintenance activities in the area of peat and lowlying are done once a year.</p> <p>The Company has evaluated the efforts which have been made. There are recording of water treatment plan and the realization of gate and piezometer maintenance from 2011 to 2012. Also available are records of the results of monitoring and measurement on water level and peat decline measurement.</p> <p>Block H37 observation results show that the management of peat soil with water management systems, maintenance of a high peat land water level between 50 -75 cm and monitoring of peat soil subsidence are done using subsidence stakes which are observed every 6 months.</p> <p>The company has good maintenance activities program which is done manually or using heavy equipment, ie:</p> <ul style="list-style-type: none"> <li>– Manual maintenance activities are done daily.</li> <li>– Maintenance activities with heavy equipment with rotation are done 4 times in 1 year.</li> <li>– There are plans for street paving with gravel in 2013 along the 9.467 km with 1.420 m3 gravel needs.</li> </ul>	
<p><b>Status: Full Compliance</b></p>	
<p><b>4.4 Practices maintain the quality and availability of surface and ground water.</b></p>	
<p>The company has shown SOP on protection of riparian areas (SOP/SPO/SMART/LH-06) enacted on 1 July 2010 which contains:</p> <ul style="list-style-type: none"> <li>– Prohibiting palm cultivation along riparian as wide as 50 m to the left and right of the river.</li> </ul>	



- Prohibiting the cultivation of land in the riparian with announcements.
- Preparation of roads in the area which is managed/cultivated in protected area.

The company also showed SOP management of riparian areas (SOP/SPO/SMART/LH-07) promulgated on July 1, 2010 which contains:

- During treatment of the 5 (five) oil palm plants existing in the protected riparian as wide as 50 meters to the left and right of the river, it is prohibited to use chemicals, it should be done manually.
- Application of fertilizer to the 5 (five) oil palm plants existing in the protected riparian as wide as 50 meters to the left and right of the river is prohibited to use mechanical equipment (sprayer or spreader), it is done manually.
- Area on landslide-prone river banks should be planted with trees for erosion control

Based on interviews with Sukamaju Village residents, there is no pollution resulting from activities of Mills and Estates. Availability of surface and ground water quality is maintained in a state.

The Company has established protection program on HCV riparian areas of rivers which are located in plasma plantation and disseminated it to the public and farmers.

Steps taken by the company and cooperatives, among others are planting vertifer grass and bamboo, issued an appeal to refrain from spraying in riparian and make warnings/signs of spray boundary along 50 meters on either side of the river.

Reservoir water sample inspection program carried out routinely every 6 months Threshold Limit Value (TLV) based on test results Permenkes No. 416 of 1990 on the terms and monitoring water quality, especially for clean water in mind that is still in accordance with applicable regulations.

There are wastewater BOD test results for December 2012, January 2013 and February 2013, conducted by the Laboratory of SMARTRI. Sampling test points are carried out on wastewater pond outlet. The entire test results show that the effluent BOD loadings are below the threshold refers to the Riau Governor Regulation No.35 of 2007 (which established the maximum BOD 5000 mg/L and pH 6.0 to 9.0), as follows:

Number of Testing	Sampling Location	Measurement Result
SP.No.012/INSM-RST/11/2012 dated 5/12/2012	outlet LA	BOD 1.604 mg/L - pH 7,5
SP.No.001/INSM-RST/01/2013 dated 07/01/2013	outlet LA	BOD 3.525 mg/L - pH 7,70
SP.No.041/INKM-RST/02/2013 dated 25/02/2013	waste LA	BOD 4008 mg/L – pH 7,28

COD parameter test results in the last six months are above the quality standards established (Riau Governor Regulation No.. 35 of 2007), namely a maximum of 10,000 mg /L. Example: test results in November 2012 - COD reached 13 367 mg/L; February 2013 test results - COD reached 13 625 mg/L. Based on the explanation of environmental undertaking PT MNIS, it is conditioned to avoid poor nutrition applied to the plantations in the Land Application. The interview with the Head of Sub-Diroctorate of Water Pollution Control, Air and Land of the Riau Provincial Environment Agency, it is known that naturally, in natural condition, normal COD content can reach 2-3 times of BOD that BOD achieved by PT MNIS is still in tolerance threshold.

Records of water usage for FFB processing for the period 2010-2013 are as follows:

Year	Water Usage	Processed FFB	Ratio
2012	408.874,44 m3	459.762,090 ton	0,89 m3/ton FFB
2011	386.945,12 m3	452.675,290 ton	0,85 m3/ton FFB
2010	305.840,31 m3	394.324,150 ton	0,78 m3/ton FFB

Recapitulation of water usage in 2013 can be seen as follow:

Budget	Actual	
	January 2013	February 2013
total water 475.875 m3	total water 35.475,77 m3;	Total water 26.304,82m3;
Processed FFB 395.280 ton	Processed FFB 35.087,740 ton;	Prc.FFB 28.323,220 ton;
ratio 1,20 m3/FFB	water/FFB 1,00 m3/tons	ratio 0,93 m3/ton FFB.

**Status: Full Compliance**

**4.5**

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

Integrated pest management programs conducted by the company are:

- Program of census for palm leaf-eating caterpillars, done every month and for other pests (rats, Oryctes, and Ganoderma) are performed every 2 months or 6 times a year
- Plan on planting and maintaining beneficial plants in 2013 such as *Turnera Subulata*, *Antigonon* and *Casia tora*.
- Monitoring program for Owls nest in 2013, is done every month, (there are 33 Owls nest in Indrasakti Estate).

The extension of integrated pest management programs is also monitored. There are records of IPM in 2013 up to February 2013 such as :

- Record of census for palm leaf-eating caterpillars which is done every month, and based on document reviews it is found that in January 2013 an area of 127 Ha is attacked by palm leaf-eating caterpillars with an average of 5 to 12 individuals per sheath, above the economic threshold. In February there were area of 20 Ha with attack rates above the economic threshold.
- Rat census records in January 2012, in which results obtained information that rat infestation level is below the economic threshold (5%).
- There is owls nest monitoring which is conducted every month.
- There are realization documents on planting and monitoring beneficial plant performed in January and February 2013.

The company has carried out training of Integrated Pest Management (Census for palm leaf-eating caterpillars, mice and control strategies) on April 17, 2012, and on May 20, 2012.

The company has conducted monitoring of pesticide toxicity which were reported every month. For example, based on the results of the use of pesticides in February 2013:

- Lancer 75 SP with active ingredient *Methil Asephat* 75%, usage of 240.2 kg, the active ingredient used for 180.15 kg 1236.37 tonnes FFB production, active ingredient content per ton FFB 0.14 kg / ton FFB
- Roll up 20 WG with active ingredient *Isopropilamina Glifosat* 480g/l ,usage of 131,5 L active ingredient used 53,92 L FFB production 1.236,37 ton, active ingredient content per ton FFB 0,04 L/ton FFB.
- Erkaforon 20 WG with active ingredient *Methil Metsulfuron* 20%, usage of 6,58 L the active ingredient used for 1,32 L FFB production 1.236,37 ton, active ingredient content per ton FFB 0,001 L/ton FFB.

**Status: Full Compliance**

**4.6**

**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.**

The Company has a commitment to ensure that the chemicals used are not harmful to the health of workers and minimize environmental damage. Efforts made by companies such as:

1. The company only use pesticides that have been licensed and registered, namely:
  - Roll Up 480 SL; Registration No. R.I 2133/4-2009/T with active ingredient Isopropilamina Glifosat 480g/l.
  - Rolixone 276 SL; Registration No. R.I 0101301120062467 with active ingredient Paraquat Dikloride 276 g/l.

- Lancer 75 SP, Registration No. R.I 01030120062405, active ingredient used is Asephat 75%.
- Erkafuron 20 WG; Registration No. R.I 01030120062405 with active ingredient Methil Metsulfuron 20%.

Based on the book of Pesticides Agriculture and Forestry in 2011, published by the Directorate of Fertilizer and Pesticide, Directorate General Infrastructure of the Ministry of Agriculture of the Republic of Indonesia in 2011, it is known that all types of pesticides that are used by the company have been licensed and registered.

2. The use of pesticides is done with the principle of the target species, the right dose and applied by a trained operator. Based on a review of documents recapitulation of pesticide use, its usage throughout the year 2013 is in accordance with the recommended dosage, the target species. E.g. metsulfuron methyl is used for broadleaf weed spray (*Borreria sp, Clidemia hirta, Micania micranta, Diodia sarmentoso*) at a dose of spray circular weed to 0.0125 kg/ha

There are MSDS for any type of pesticides that describe storage instructions and handling of materials, handling in the event of an accident (First aid emergency effort), hazard identification, action against spills and leaks, personal protective equipment, physical and chemical properties, reactivity and stability, toxicology information, information ecology, waste disposal and transportation.

There are records of spray personnel training conducted by Fertilizers and Pesticides Supervisory Commission on 17 April 2012 which was attended by 149 participants, including employees and members of the plasma, providing the certificate for those had been trained, for example Wardi with No. 800/ketSet-KP3 546/2012

3. Pesticide packaging waste is disposed in compliance with regulations  
 There are work instructions for washing and cleaning the package of pesticides and fertilizers. Used pesticide containers are washed 3 times (according to the MSDS) and the former laundry is reused for spraying. Washing sacks is done by submerging them for 30 minutes and washing water is used for watering the oil palm tree or plant in the estate.

Under Waste Management SOP document No.SOP/SPO/SMART/LH-09 on 1 July 2010, points 6.3.b explained that the former pesticide containers which have been washed are returned to the Supplier, namely:

- There is handover news on ex-pesticides packaging on 4 March 2013 by PT Rolimex Pekanbaru, from PT MNIS there are 9 jerrycans of Ex Rollup and 36 Bottle ex erkafuron and from cooperatives plasma member are 23 jerrycans of ex roulld up and 98 bottles erkafuron.
- There is handover news on ex pesticides packaging on March 4, 2013 by PT Agro Subur Kencana, Pekanbaru to PT MNIS in the form of 2505 ex lancer packaging plastic

4. Company made efforts to reduce the use of paraquat  
 Pesticide of Group 1B WHO used by the Company is Rollixone (active ingredients Paraquat).  
 Documents about the use of the active ingredient paraquat made by the company shows:

Year	Usage (L)	Dosage/ha
2009	500,75	0,64
2010	327,40	0,42
2011	196,53	0,25
2012	328	0,42

Recapitulation data shows that the usage of paraquat in 2009-2011 tends to decrease but there is an increase in 2012 where the amount paraquat used is 0, 42 L/HA, due to addition of spray area on land application that was not sprayed in the previous year with an area of 344 Ha and the dosage is 0,4 L/ha.

Interview with Senior Assistant of Indragiri Estate reveals that the company has applied a policy to reduce the usage of Paraquat and replace it with Glyphosate with ratio of 1:2 (in applying weed control for 1 rotation the company uses Paraquat and for 2 rotation uses Glyphosate)

5. The company carries out regular health checks and does not hire operators who are pregnant or breastfeeding.

The company has been carrying out regular health checks in line with a circular from the regional controller Indragiri on March 1, 2011 No. 001/SE/RC Indragiri / March 2011 on sprayer labor inspection once every 4 months, and are performed in a hospital or clinic if there is a recommendation from the company doctor. Inspection took place on 27 December 2012 to 12 sprayer labor, including examination on Blood, Urine, Cholinesterase and Thorax. Results of the examination show that all employees are in the normal condition. Health checks also aims to ensure that the company does not employ pregnant and breast-feeding women (Circular letter VPA-PSM 5 No. 001/SE-VPA/SPO/07/2011). Results from field visits reveal that there is no workers who are pregnant or breast-feeding, and it has also been learned that pregnant and lactating women are not allowed to perform work related to chemicals.

**Status: Full Compliance**

**4.7**

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

PT. MNIS has applied System of Occupational Health and Safety management and got the certificate (No. Reg. 0181/816/SUCOFINDO/2012) based on The Decree Of Minister of Labor and Transmigration No. 61 year 2012, the certificate is valid for 3 years after being issued on 23 April 2012.

The company has Occupational Health and Safety policy which was enacted on 20 February, 2013 (for Indrasakti Mill which is a renewal of the previous policy, published on 1 April, 2010) and 20 January 2011 (for Indrasakti Estate). The policy states that the company will continue to strive to reduce the hazards that can cause injury, illness, property damage, fire and explosion, and disorders that hinder the process of production and other things that damage the environment. OHS policy is communicated through media and verbal notice boards are made during morning circle (briefing prior to the commencement of the work). In the implementation of OHS policy, the company has provided Personal Protective Equipment for workers in accordance with the dangers and risks of each job, for example based on the field observations Indrasakti Mill, boiler operators use PPE that consists of a helmet, goggles, masks, gloves, corsets, safety shoes and earmuff or plug for noise protection. .

The company establishes Trustees Committee of Occupational Safety and Health (TCOSH) who is responsible for OHS program. TCOSH is formed in each work unit of Indrasakti Mills and Indrasakti Estate with the management structure consisting of a supervisor, chairman, vice chairman, secretary, deputy secretary, supervision field, research field, evaluation field, counseling field, and health fields. TCOSH regular meetings have been conducted consistently 1 month, for example, there is TCOSH meeting minutes dated 20 February 2013, with agenda of reviewing OSH policy, attended by the chairman and the board of TCOSH Indrasakti Mills.

The company involves employees in the Employees' Social Security program (Labor Social Assurance) which includes Accident Insurance Program (AIP), Death Benefit (DF) and Old Age Security (OAS), while the Health Insurance (HI) managed by the company by providing clinics in each each work unit.

- There is evidence of Social Security payment transfer of Indrasakti Mill in February 2013 (Document No. 1003580) dated 15 March 2013 with details of payments to 165 employees SKU Monthly (Monthly Worker) and 107 employees of BHL (Daily worker).
- There is evidence of Social Security payment transfer of Indrasakti Estate in February 2013 (Document No. 1003242) dated 13 March 2013 with details of payments to 166 employees SKU Monthly (Monthly worker) , 223 employees of BHL (Daily Worker).

The company has been doing regular health checks for employees with high risk, the audiometric examination for those working in locations with noise levels exceeding the threshold limit value (TLV), spirometry screening for those working in dusty locations or smoky, and cholinesterase examinations for employees who contact with chemicals. Audiometric examination and spirometry were performed by Medan OSH Centre on 9 and 13 November 2012, while cholinesterase test was done by Thamrin Clinic Pekanbaru on 27 December 2012. The results of periodic health examination are:

- Audiometry, the examination was conducted to the 15 employees of the mills, result: 7 people experiencing hearing loss.
- Spirometry, the examination conducted to the 15 employees of the mills, result: 5 people impaired lung function.
- Cholinesterase, the examination was carried out for 5 mill employees, with the results that all employees were within normal limits.

The Company has evaluated the results of audiometry and spirometry health, i.e. employees who have health problems do further tests in Syafira hospital, Santa Maria Hospital and RSUD Pematang Lebah on 7 February 2013. The result is a doctor's recommendation stating that the workers are allowed to work by requiring the use of PPE for work.

The Company has established a risk analysis document of IHSARC (Identification of Hazard Source, Assessment and Risk Control) for each of the activities and work processes in each work unit of Indrasakti Mills and Indrasakti Estate. Preparation of documents is done as follows: all of the activities and work processes in the Mill and Estate are identified in line with potential hazards based on source/events and impacts they create, then level of risk is determined, as well as risk control such as elimination, substitution, engineering, administrative, or use of PPE.

There are records of the minutes of occupational health and safety training programs, among others:

- 4 – 5 October 2012 First aid emergency internal training which was attended by 26 employees of Indrasakti Mill and Estate and presented by the company doctor.
- 28 October 2012, training of emergency chemical spill at Indrasakti Mill.
- 28 January 2013, internal First aid emergency training was attended by 11 employees of the mills, which is delivered by First aid emergency officers.
- 20 February 2013, emergency response training and fire using wet burlap located in INKM employees Hall, attended by 12 female staff employees..
- 1 to 2 March 2013, the external First aid emergency training organized by PT Pratama Arpindo in cooperation with the Ministry of Manpower and Transmigration, attended by 23 employees of the mills, Estate and cooperative .

The company has procedures of emergency preparedness and emergency response in the form of SOP for Emergency Response Management (SOP/SMK3/SMART/LH-09) dated 1 July 2010. The document explains the definition of an emergency include: fire, explosion, pollution, natural disasters, riots, strikes, accidents, etc., including reporting mechanisms in the event of an emergency; duties and responsibilities, procedures and response actions in the event of an emergency, recovery from emergencies; reference related documents and document storage.

For application procedures, the company set up an emergency response team in Indrasakti Mill which was passed on 20 February 2013 (revision-5) and Indrasakti Estate passed on 3 October 2012, with the following composition: builder, chairman, secretary, public servant, chairman of the daily, the fire brigade (poison fire, hydrant, sand/mud, wet burlap, and hooks gaff), health care teams, security teams, squads remover, liaison teams and evacuation teams. In addition, the company also provides training, simulation and dissemination of emergency response include:

- Training, simulation, and dissemination of emergency response and fire estinguisher using wet burlap on 20 February 2013 located in INKM employee hall, attended by 12 female staff.
- Simulation of earthquake emergency, fire estiguishing, and chemicals split on 28 October 2012, attended by all INSM employee and all emergency response team as well as estate unit and cooperative in PT MNIS.

The company has provided First aid emergency equipment for employess and First aid emergency emergency conditions for each working unit such as:

- Indrasakti Mill
  - Boxes of First aid emergency as many as 6 unit (at the office, laboratory, warehouse, workshop, station process, and security post), equipped with monitoring of on expiry date for each medicine contained in the box and monitoring of monthly checks for box content.
  - Means of fire estinguisher such as LPE (Light Fire Estinguisher) as many as 33 units of dry powder and CO<sub>2</sub>, 8 units of Hydrant t, and 6 unit of drum (wet burlao, sand, shovel, pail), checking monitoring is done monthly.
  - Location map for distribution of First aid emergency boxes, LFE, and Hydrant in the company.
  - Distribution of PPE, 15 February 2013: handover of PPE such as safety shoes for employees workshop, 5 March 2013: handover of PPE such as helmets for employee grading for damaged or missing, March 13, 2013: handover of PPE masks, rubber gloves and a rain coat for WTP workers.
- Indrasakti Estate
  - Boxes of First aid emergency as many as 13 unit, that spread among other things at the location of the RC office, estate offices, central office warehouse, workshop, dormitory management, security post office estate,

residential security post, the Nucleus division offices, warehouses fertilizer, research offices, daycare, smart homes and SDN Indrasakti.

- Bag of First aid emergency which is carried by foreman head when working in the estate area.
- Means of fire control, among others, 33 unit of LFE (Light Fire Extinguisher) type dry powder, water tank, tractor, hose, nozzle, water pump, rain poncho, flashlight, 3 drum of Bakortiba (wet burlap, sand, shovels, and buckets), and gaff hooks. Monitoring checks is done every month..
- Location map for distribution of First aid emergency (FA) boxes, LFE, and Hydrant at estate and public facilities.

The company has conducted internal and external FA training for the personnel responsible for the FA in the unit of work, among others:

- Internal Training FA on 4 to 5 October 2012 which was attended by 26 employees of Indrasakti Mill and Estate and presented by the company doctor.
- Internal Training FA on 28J anuary 2013 which was attended by 11 employees of the mills, delivered by Eko Nobiantoro (certified FA officials. No. 515/P3K/VII/11 issued by the Ministry of Manpower and Transmigration).
- External Training FA on 1 to 2 March 2013, organized by PT Pratama Arpindo in collaboration with the Ministry of Manpower and Transmigration, attended by 23 employees of Estate, Mill and cooperative.

There is a record on accidents which is saved well by the company. Reporting of occupational accidents uses Accident Report form 1 x 24 hours (Dok: FP-08-01) and the report of the Accident Investigation Assistant (Dok: FP-09-01) and its annex to the report (Doc: FP-09-01-01). Based on statistical analysis of workplace accidents (Document No. 04/SMK3-SOP-10 FP), Indrasakti Mill from January to March 2013 recorded zero-accident, while at the Indrasakti Estate in January 2013, 1 case of accident occurred (3 working days lost) and in February 2013 5 cases of occupational injuries occurred (missing 10 days of work). For example: there is 1 x 24 hours accident reports on 23 February 2013, named Sihombing Hikam, an office harvesters, with chronological accident injuries on the right index finger due to exposure to spear, with cause of action is unsafe worker negligence, while the remedial action for the incident done by socializing safe working practices at morning briefing.

Based on field visit and interview with employee, PPE was checked regularly before working and must be replaced regularly., for example safety shoes every 6 month will be replace.

**Status: Full Compliance**

**4.8**

**All staff, workers, smallholders and contractors are appropriately trained.**

There is an identification matrix on the training needs in 2013 for employees at each work unit and cooperatives:

- Indrasakti Mills, there are 2 kinds of training:
  - Internal training : SMK3 & ISO introduction, SOP FFB Reception, SOP Sterilizer Station, SOP Thresher-Tipler, SOP Digester-Pressing, SOP Nut & Kernel, SOP Clarifikasi, SOP Boiler, SOP Final Effluent, SOP WTP, SOP Laboratoriu, engine room SOP, First aid emergency training, and chemical handling.
  - External training : Company Hygiene and Occupational Health, Weld foreman, Operator of presed vessel and pressure instrument, expert of general OSH, operator of lift and carry instrument, basic training for security guard, operator for turbine and generator set.
- Indrasakti Estate, include : OHS training, heavy equipment training, generator set operator training, fire estinguihing training, sprayer labor training, Hazardous Material Waste control training, simulation of cottage fire, wildfire simulation, welder training, Company Hygiene and Occupational Health training for doctors and nurses, integrated pest control training.
- Sumber Rezeki cooperative, include: leaves sample taking (LSU), First aid emergency, used pesticide packaging waste management, training/simulation using LFE, training/simulation of land fires, housing and earthquakes, employment and socialization of work stages and MSDS.

There is records of training done at Indrasakti Mill and Indrasakti Estate, such as :

- 19 May 2011, training of sprayer labor, e.g; certificate No. 17/TR-CPD/05/2011 named Ngatiman (Foreman Div.2 IDSA), certificate No. 18/TR-CPD/05/2011 named Hermin Nuryadin (Foreman Div.3 IDSA), and certificate No. 07/TR-CPD/05/2011 named Sutrisno (Foreman Div.1 IDSE).

- 17 - 18 June 2011, training of First aid emergency conducted by PT Arpindo Pratama in collaboration with Department of Labor Force and Transmigration, compiled with training materials, list of attendance, and certificate of attending the trainings for each member.
- 13 December 2011, training of welder which was attended by 1 participant.
- 17 April 2012, training of sprayer labor, attended by 12 sprayer labor.
- 2 – 6 July 2012, training of Company Hygiene and Occupational Health for Doctor and Nurse, attended by 2 participants.
- 28 – 30 September 2012, training of tractor operator, attended by 2 operators.
- 4 – 5 October 2012, training of internal First aid emergency, attended by 26 employees of Indrasakti Estate and Mill which was conducted by company doctor.
- 28 October 2012, training of emergency chemical spill at Indrasakti Mill.
- 28 January 2013, training of internal First aid emergency, attended by 11 employees of process mills, conducted by First aid emergency attendant.
- 20 February 2013, training of emergency response and fire extinguishing using wet burlap, located at INKM employee hall and attended by 12 female staff.
- 1 – 2 March 2013, training of internal First aid emergency which was conducted by PT Arpindo Pratama in collaboration with Labor Force and Transmigration, attended by 23 employees of mill, estate and cooperative.

The Company may demonstrate collaborative contracts with contractors which requires contractors be well trained in their fields, for example CV Wira Abadi (No. 009/SPK/INKM/LKL/02/2013) located in the Seresam Village, Sub-District Siberida Indragiri Hulu for demolition and casting on road near scale of Indrasakti Mill with contract period from 4 February to 1 March 2013. Article 5 point 5 in the DSS stated that labors of CV Wira Abadi have the adequate ability and training to carry out such work. The company evaluates the work of the contractor, proven by available minutes of work examination dated 1 March 2013 for CV Wira Abadi, and the results of the investigation stated that the job is done properly, in accordance with the agreed specification and size.

**Status: Full Compliance**

**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

**5.1**

**Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

MNIS has EIA document in 1998 which was approved by Ministry of Agriculture, Head of Agribusiness Agency through letter No. 22/ANDAL/RKL-RPL/BA/VI/1998 dated 8 June 1998 covering area of 6.000 ha of nucleus plantation, and 14.000 ha of plasma plantation at Sub-district of Siberida, Indragiri Hulu District. The document specifies estimation of important positive and negative impact that will be triggered by the establishment of PT MNIS Oil Palm Plantation, such as: land erosion, decreasing water quality of Ekok river, decreasing air quality, changes of vegetation and animals, impact of social anxiety, dispute on land with the resident, sustainability of food crop cultivation, disturbance to indigenous forest existence at nucleus area, employment, increase in income, and encouraging existence of cooperative.

The company also has document of Environmental Management Efforts/ Environmental Monitoring Efforts on behalf of PT Buana Wiralestari Mas millers which was approved by the Regional Environmental Impact Management Agency Indragiri Hulu through letter No. 794 /Bapedalda-Inhu/IX/2003 22 September 2003, for a capacity of 60 tons FFB/hours in the village of Talang Limau River, District Kelayang Indragiri Hulu. The document details the types of impacts that may be caused by the construction and operation of PT Buana Wiralestari Mas oil palm mill in appropriate stages of development, as follows :

- Pre-construction phase - change of land tenure; unrest and social conflict due to land compensation which is not appropriate; additional revenue Indragiri Hulu District.
- Construction Phase - damage to the road/land; decline in air quality and increase of noise; land degradation and loss of vegetation on it; decline in air quality due to dust, gas pollutants and noise;

- Post-construction phase - local employment, social jealousy, level of income, decreased air quality, noise, groundwater quality degradation, odor caused by liquid waste, ambient air quality deterioration, FFB marketing collateral, business opportunity.

There is a document on management plan and monitoring of potential environmental impacts of plantations and oil palm mills that details the types of impacts, monitoring methods, and procedures for monitoring time. Records of monitoring results are reported on a periodic basis (6 monthly) to the relevant agencies referring to the applicable rules. PT MNIS can show monitoring records that have been reported to the relevant agencies (Indragiri Hulu Environment Agency), such as;

- Monitoring report on implementation of Environment Management Unit/Environment Monitoring Unit on behalf of mills of PT Buana Wira Lestari for Semester I and Semester II of 2012.
- Monitoring report on implementation of Environment Management Unit/Environment Supervision Unit on behalf of PT Meganusa Inti Sawit Semester I dan Semester II of 2012.

The last report (periode II of 2012) was conveyed on 8 March 2013.

Until the audit phase-2, there are no changes in the scope and operation of PT MNIS estates or PT Wira Buana Lestari oil palm mills which require environmental management documents to be revised.

**Status: Full Compliance**

**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.**

There are HCV identification result documents of December 2012 referring to Toolkit Identification of HCV for Indonesia in 2008. HCV identification process was conducted in March-October 2012, a public consultation was held on 29 August to 5 September 2012, and the process of peer review was done by experts/academics from Bogor Agricultural University in December 2012. Identifications of HCV activities encompass the entire management area of MNIS (Nucleus and plasma) conducted by SMART's Biodiversity and Conservation Section, composed of personnel who have been approved HCV assessors by the RSPO.

The study concluded that in the MNIS area (nucleus and plasma), five (5) types of HCV are identified, namely:

- HCV 1.1 – areas containing functions to support biodiversity;
- HCV 1.2 – endangered species;
- HCV 1.3 – habitat for endangered species populations, limited deployment that will be able to survive;
- HCV 4.1 – areas of water supply and flood control for downstream communities;
- HCV 6 – areas of the local community culture.

Especially for nucleus plantation, there are only two types of HCV at area of 6,12 ha, as follows :

- HCV 1.3 – habitat for endangered species populations, limited deployment that will be able to survive;
- HCV 4.1 – areas of water supply and flood control for downstream communities.

Protected Species that can be identified are:

No.	Local Name	Scientific Name	Conservation Status		
			PP.07/1999	CITES	IUCN
1	Olive-backed Sunbird	<i>Anthreptes sp.</i>			VU
2	White-throated kingfisher	<i>Halcyon smyrnensis</i>	P		LC
3	Black-winged Kite	<i>Elanus caeruleus</i>	P	Appendix II	LC
4	Oriental Pied Hornbill	<i>Anthracoceros albirostris</i>	P	Appendix II	LC
5	Black-thighed Falconet	<i>Microrchierax fringillarius</i>	P	Appendix II	LC
6	Grey-faced Buzard	<i>Bustatur indicus</i>	P	-	LC



7	Falcon	<i>Falcon sp</i>	P	-	LC
8	Collared Kingfisher	<i>Todirhampus chloris</i>	P	-	LC
9	Black Eagle	<i>Ictinaetus malayaensis</i>	P	Appendix II	LC
10	Brahminy Kite	<i>Haliastur indus</i>	P	Appendix II	LC
11	Leopard Cat	<i>Felis bengalensis</i>	P	-	-
12	Pig-tailed Macaque	<i>Macaca nemestrina</i>	-	Appendix II	VU
13	Agile gibbon	<i>Hylobates agilis</i>	P	Appendix I	EN
14	Crab-eating macaque	<i>Macaca fascicularis</i>	-	Appendix II	LC
15	Bornean bearded pig	<i>Sus barbatus</i>	-	-	VU
16	Sun bear	<i>Helacrtos malayanus</i>	P	Appendix II	VU
17	Monitor lizard	<i>Varanus salvator</i>	-	Appendix II	-
18	Equatorial spitting cobra	<i>Naja sumatrana</i>	-	Appendix II	-
19	Slender pitcher-plant	<i>Nepenthes gracilis</i>	P	-	-

Annotation: P = Protected; EN = Endangered; VU = Vulnerable,

The document also presents the results of the identification of HCV recommendations (chapter 5.2), Management Plan (chapter 6.1), and monitoring plan (section 6.2) for each type of identified HCV.

HCV Management Plan has been developed and implemented, such as:

- a. The Installation of Warning Signs (January 2012) - Consists of 1 piece of board warnings for Identification of HCV 1.3; 4.1 and 2 warnings for protected animals
- b. Installation of HCV area stakes boundary (January 2012) - Consists of 4 pieces of boundary markers of HCV 1.3; 4.1 and 4 pieces of spray limit warnings. Delineation of HCV areas are also done with the installation of the red X on the principal outer palm.
- c. Socialization to the Community and Employees (to employees is done each month and to public was done in September 2012)
- d. Species monitoring (monthly).
- e. Patrol (monthly).

The company has conducted dissemination to employees and the public through meetings and making posters and calendars of protected species, which is mounted in a broader location (other than the location of the plantation), among others:

- At Sumber Rejeki cooperative office - 2 units of posters of protected plant and animal and 1 unit of calendar of protected wildlife images;
- At SMK Negeri 1 Seberida - 1 unit of calendar with images of protected wildlife;
- At office of Buluh Rampai village - 1 unit of calendar with images of protected wildlife;
- At SDN 013 Talang Sukamaju - 1 unit of calendar with images of protected wildlife;
- At SMP Negeri 1 Atap Talang Sukamaju - 1 unit calendar;

The Company has appointed an HCV officer in accordance with Estate Manager Letter No. 0123/IDSE/VIII/2012 dated 3 August 2012 regarding the appointment of HCV Officer Indrasakti Estate (Mr. Al Sumirat) with the following duties and responsibilities;

- a. Coordination with ENVD, DD & L, PMNP and related parties regarding the rules and regulations associated with HCV which have to be applied in Indrasakti Unit,
- b. Evaluating regulatory compliance,
- c. Socializing and documenting HCV management to relevant parties,
- d. Report all activities and results of the evaluation to the head unit.

The personnel have been trained on HCV by ENVD (Environmental Department) in Jakarta on August 28, 2012.

There is a document monthly monitoring for area of HCV 1.3 and 4.1 (border of reservoirs) Block H51), weekly patrol reports, monthly monitoring of species. Areal conditions HCV is stated as safe from tampering. Reported by AI Sumirat (PIC HCV IDSEA).

**Status: Full Compliance**

**5.3**

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

Steps taken by the company in waste management are:

1. Conducting identification of waste source.

– **Indrasakti Estate**

The company already has a list of 2012 environmental aspects which is a document on waste source identification, the potential impacts and management strategies which every plantation operation that generate waste and pollution or cause has been identified. Plantation waste is well documented by categorizing it into solid waste/housing, hazardous and toxic waste, clinical waste and liquid waste. The management is adapted to its category type and is completely set in the SOP for management of mill waste, estates, clinics, domestic and liquid domestic as listed in SOP/SPO/Smart/LH-09. And THM waste management is listed in SOP/SPO/Smart/LH-18 B3.

– **Indrasakti Mills**

The mills has a list of 2012 environmental aspects of which is a document identifying sources of waste and pollution. Within the list there are potential impacts for each activity in the mills locations, ranging from FFB acceptance to the Office and Housing.

Types of waste and pollution sources identified are: Pollution of Soil, Water, Air, Health Problems, Leisure Disorders and Use of Natural Resources. The list includes: Aspects Code, Condition (Normal/Abnormal), Environmental Aspects, Potential Impact, Control Document, Control/Management.

2. Conducting plan on waste management.

The company already have plans on waste management such as,

– **Indrasakti Estate**

- Toxic and Hazardous Material (THM) waste generated in the estate are oil, batteries, cloth rags, oil filters and fluorescent lamp. THW waste is managed by collecting, storing in the licensed and sending them to a container that has been set by the government to ensure that no polluting THM waste. Company can show permit of Indrasakti Estate THM temporary storage (No. 3/BPMD & PPT/BP-LB3/X/2012) issued by the Regional Investment Board of the Indragiri Hulu District.
- Waste from maintenance and treatment in the form of agrochemical packaging is returned to the supplier.
- Clinic waste is collected in a container and at least 3 months later is sent to the competent authorities to be destroyed.
- Domestic Waste in the form of organic and inorganic is dumped at the landfill site. Meanwhile, waste of tires and scrap metal is sold to scrap collector.
- Liquid waste is used for application on the plantation that has been approved by the Environment Agency (Decree 6 of 2010). Land Application is done to Block H39 - H40 and G42 - G44 covering 344 ha.

– **Indrasakti Mill**

There was Work Program and Realization of Organic and Inorganic Waste Handling in 2012. The whole plan has been implemented according to the program. In 2013 the domestic waste management program is carried out twice a week. Waste disposal sheet is recorded using Waste Disposal Form for Staff Housing and Mills Employees. Landfill location is in Block H45.

Solid waste resulting from oil palm processing occurs in the form of shells, fiber and empty fruit bunch. In shell and fiber management plan, shell and fiber are used for boiler fuel plant in accordance with waste management procedures (SOP/SPO/SMART/LH-09). As for the empty fruit bunch, they are not applied to land but burned in furnaces to produce the fruit bunch ashes which will be applied to land.

Other supporting document is a document showing that the company has a internal statement/policy stating that the empty fruit bunch waste is used to produce empty fruit bunch ashes, according Memorandum No. 030/CEO/XII/2002, dated 12 December 2002 on the Amendment to the empty bunches Handling Systems to Fuel Stoves. This is because the actual Nucleus Size of Land <700 Hh and is not the same as Location Permit area No. 02 of 2002 (6,000 ha) and Location Permit No. 245 in 2002 (771 ha). In the future, if it does not reach enough land area extents then the use of other methods will be considered.

3. Management of THM waste, used pesticide packaging dan medical waste

– **Indrasakti Mill**

THM Storage area has obtained a license from the Regions Environment Agency (No. 02 of 2011, dated 25 January 2011). Temporary landfill for THM waste of Indrasakti Mill sis located at coordinates S 0 ° 34 '11 "E 102 ° 18' 11". Based on results of field observations, THM temporary landfill buildings are protected from rain water, having adequate ventilation, and the at outer/upper doors there are symbols of THM, corrosive, and flammable solids. Its floor is watertight and a tank spill is available. Indraskti Milsl Temporary landfill store used oil, secondhand filters, used batteries, scrap rags and cloth separated by bulkhead to avoid mixing waste. Other available means are dry powder types fire extinguisher, PPE (gloves and masks), flowcharts on handling THM waste spill, and emergency alert chime.

– **Indrasakti Estate**

a. THM waste.

THM waste warehouse has got licensed by the related department (No. 03/BPMDP & PPT/BP-LB3/XI/2012 in 2012, dated 21 November 2012). THM waste temporary landfill of Indrasakti Estate is located at coordinates S 00 34 '10 "E 102°18' 32". Based on the results of field observations, THM temporary landfill buildings are protected from rain water, having adequate ventilation, and the at outer/upper doors there are symbols of THM, corrosive, and flammable solids. Its floor is watertight and a tank spill is available. THM waste is stored for maximum of 90 days.

The company uses a third party (PT Binasamsurya Mandalaputra) as a carrier and THM waste collectors who have obtained permission from the relevant authorities, for example:

- License on THM waste collection from the Ministry of Environment No. 294 of 2010 on Permit Collection of Toxic and Hazardous Material Waste for PT. Binasamsurya Mandalaputra dated 9 December 2011 which is valid for 5 years
- Recommendation for THM waste transport from deputy IV (waste management) of Minister of Environment letter No.B-8016A/MENLH/10/2008 dated 31 October 2008
- Letter of approval to transport hazardous materials transportation from the Directorate General of Land Transportation, Department of Transportation
- Register documents waste (hazardous waste manifest) No.AO 0000001 onwards, corresponding decree of the Head of the Environmental Impact Control Agency No.kep.02/Bappedal/08/1995 of 5 September 1995.

The company has been sending waste to appointed company 13 September 2012 and 23 February 2013 from Indrasakti Estate and Indrasakti Mill. (shipment manifest is available)

The Company has reported THM waste management activities to the relevant agencies once every 3 months. For example: There is a Receipt Document Recording Indrasakti Mills environment quarterly report to the Head of the Office of Environment Indragiri Hulu District dated 8 March 2013 for periode of October-December 2012. THM Balance Sheet is prepared and reported in accordance with the attachment formats of THM waste Storage Permit issued by the relevant government institutions.

**b. Waste of used chemicals package**

There is work instruction for washing and cleaning pesticides and fertilizers package. Used pesticide containers are washed 3 times (according to the MSDS) and the former containers are reused for spraying. Sackswashing is done through soaking them for 30 minutes and washing water then used for watering the oil palm trees or plant in the

estate. Under document of SOP Waste Management No.SOP/SPO/SMART/LH-09 on 1 July 2010, point 6.3.b explained that the former pesticide containers that have been washed is returned to Supplier.

- Available is statement from PT. Chemical Rolimex Nusamas about the taking of used pesticide containers from PT. MNIS and PT Bumi Persada Lestari Palma on 5 January 2013.
- Available is statement from PT. Agro Subur Kencana about the taking of used pesticide containers from PT. MNIS and PT Bumi Persada Lestari Palma on 10 January 5 2013.

The Company has reported THM waste management activities to the relevant agencies once every 3 months. For example: There is a Receipt Document Recording Indrasakti Mills environment quarterly report to the Head of the Office of Environment Indragiri Hulu District dated 8 March 2013 for periode of October-December 2012. THM Balance Sheet is prepared and reported in accordance with the attachment formats of THM waste Storage Permit issued by the relevant government institutions.

**c. Medical Waste**

The company cooperates with the General Hospital of Puri Husada Tembilahan in terms of medical waste disposal of PT. Bumi Palma Lestari (still in one management). Before being sent to the General Hospital of Puri Husada, medical waste is sent and stored in advance in PT Bumi Palma Lestari Clinic then transported to General Hospital of Puri Husada Tembilahan. For example:

- Official report on medical waste handover from Indrasakti orchard clinic to Bumi Sentosa central clinic of PT Bumipalma LestariPersada on 31 January 2013 with a weight of 0.75 kg.
- Official report on medical waste handover from Indrasakti orchard clinic to Bumi Sentosa central clinic of PT Bumipalma LestariPersada on 28 February 2013 with a weight of 0.75 kg.
- Official report on medical waste handover from Indrasakti orchard clinic to Bumi Sentosa central clinic of PT Bumipalma LestariPersada on 15 March 2013 with a weight of 0.14 kg.
- Official report on medical waste handover from Indrasakti orchard clinic to Bumi Sentosa central clinic of PT Bumipalma LestariPersada on 30 October 2012 with a weight of 3.2 kg.

**4. Monitoring/Analysis of Waste**

**- Indrasakti Estate**

There is a document on Toxic and Hazardous Waste balance sheet of PT. Meganusa Intisawit. For example, documents about the Matrix of Indrasakti THM waste intake to temporary landfill consisting of: THM waste Type, Dates of THM entry, Sources, amount of THM intake, Maximum saving of up to 90 days. Matrix of THM waste outtake from temporary landfill consisting of: Date of THM waste exit, amount of THM outtake, aim of submission, number of evidence documents, THM waste existing Remaining in warehouse.

**- Indrasakti Mill**

Results of analysis of wastewater as an example: in January 3525 PH 7.70 and BOD; February 4008 Ph 7.28 and BOD; these parameters are allowed by regulations (KepMenLH 29 of 2003) with maximum BOD of 5000 mg/litre and acidity of pH value 6-9.

**Status: Full Compliance**

**5.4**

**Efficiency of energy use and use of renewable energy is maximized.**

Available is Recapitulation of Energy Usage Efficiency in 5 years (2008-2012), which details Actual KWh, Energy from Genset, Energy from Renewable Energy, Potentials of Renewable Energy, and Ratio of renewable energy utilization to the energy needs, and Ratio of fossil energy utilization to the energy needs. Based on these documents, the amount of renewable energy utilization ratio are 95,94% (2008), 97% (2009), 95,07% (2010), 93,81% (2011), 96,16% (2012); while the amount of fossil energy utilization ratio are energi fosil: 4,06% (2008), 3,00% (2009), 4,93% (2010), 6,19% (2011), 3,84% (2012).

Renewable energy utilization ratio is the ratio of the amount of energy generated from fuel use of shell and fiber to the

total energy used to process a certain amount of FFB; While the total energy is the amount of energy generated from renewable fuel (shell and fiber) and fossil fuel (diesel).

The company also has a document of Recapitulation of Energy Usage Efficiency Using Diesel Genset: 285.849 KWh (2008); 217.364 KWh (2009); 398.169 KWh (2010); 532.993 KWh (2011); 327.052 KWh (2012). The ratio of fossil fuel: 4,06% (2008), 3,00% (2009), 4,93% (2010), 6,19% (2011), 3,84% (2012). There was increase in fossil energy use for the period 2009 to 2011 due to several operational engine mills reach maintenance time (overhaul). In 2012 there was a decline in fossil energy use and increasing renewable energy.

**Status: Full Compliance**

**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.**

Land clearing should use non-burning principle (Zero Burning) in accordance with the Sinar Mas Technical Guidance for Oil palm Cultivation (Management Committee of Agronomy and research) Point 5 on the land clearing and planting. Document No. SMA/MCAR/05/05-07

In anticipation of fires, the company has had land fires SOP (number: SOP/NP/SMART/XI/LH002) which explains the occurrence of fires, fire sections on fire, form of land fires, duties and responsibilities of the fire fighting team, the work of fire prevention steps which include: identification of fire hazards, the process of implementing land fire fighting, fire fighting equipment, and post-fire activities.

Therefore, based on stakeholder consultation with Plantation Agency Indragiri Hulu District and on reports from villages around the company, there is no use of fire in the process of land clearing.

The company has identified the area and the location of the fire: in the area of land adjacent to the community in Block G34, G42, G35, H36, G43, H45, H46, H47, H52, employee housing of G40, genset housing G39, border with conservation area of H46 .

Available are records of simulated fire fighting training conducted in 2012;

- Fire training on the 25 August 2012 which was attended by staff, employees and representatives of the cooperative plasma members (there are record of attendance list, fire scenarios and documentation activities).
- Fire training on the 28 October 2012 which was attended by staff, employees and representatives of the cooperative plasma members (there are record of attendance list, fire scenarios and documentation activities).

The company has an emergency response team and there is an evaluation on the adequacy of fire fighting facilities and infrastructure, based on evaluations made by OSH experts the number of tools used is sufficient for handling fires as simulated.

**Status: Full Compliance**

**5.6**

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

Company has a procedure on identification of environmental aspects and OSH (SOP/SPO/SMART/LH-11, dated July 1 2010) which classifies type of pollution and emission can into Emissions to the air; Exiles into water bodies; Management of waste; Contamination soil; Usage of aw materials and natural resource; society issues and other environmental issues.

Available is list of Environmental Aspects detailing the sources of waste and pollution, types of pollution/contamination, and management plans. Sources of waste and pollution includes all stations in the plant processing (from receipt to dispatch FFB) as well as office and residential

Example: boiler and furnace fuel station - type of pollution is emitted air from the boiler to the activities of plant

operations - air quality is tested every 6 months

Indrasakti Mill doesn't have smoke density, but smoke emission is being monitored periodically every six month for boiler and generator (accordance with EIA) including smoke density. The result of smoke density monitoring on 13 June 2013 at Boiler 1 is 24,84%, at Boiler 2 is 25,96%, and at Boiler 3 is 22,89%.

Monitoring Noise levels is only done when the mill operate. The last monitoring, such as

Result ff Decibel Test for Indrasakti Mill November 2012			
Location	TLV (dBA)	Result (dBA)	Management
St. Sterilizer	85	82	Wearing Personal Protective Equipment (ear plug/ear muff) at the working area and preventive maintenance for equipment.
St. Press	85	92,8	Wearing Personal Protective Equipment (ear plug/ear muff) at the working area and preventive maintenance for equipment

There is evidence that 2012 emissions quality monitoring has been conducted on a number of emissions test for immobile sample and the ambient air in June 2012 and November 2012, by the Center for Occupational Health and Safety Medan. Test samples include: Boiler, Genset and incinerators. All the results stated that emissions are below threshold as provided by law, among others:

Results of emissions test for immobile sample dated 13/11/2012 by Center for Occupational Health and Safety Medan:

- (1) No. 94A/LHU/BK3-MDN/XI/2012 - emissions of genset chimney No. 1, i.e:
  - NO2 560,58 mg/Nm3 < 1000 mg/Nm3 (Kepmen LH No. 21/MenLH/XI/2008);
  - Opositas 13,08% < quality standard 20% (Kepmen LH No. 21/MenLH/XI/2008);
  - Particle 100,87 mg/Nm3 < quality standard 150 mg/Nm3 (Kepmen LH No. 21/MenLH/XI/2008);
  - SO2 480,91 mg/Nm3 < quality standard 800 mg/Nm3 (Kepmen LH No. 21/MenLH/XI/2008) ;
  - CO 340,85 mg/Nm3 < quality standard 600 mg/Nm3 (Kepmen LH No. 21/MenLH/XI/2008).
- (2) No. 94D//LHU/BK3-MDN/XI/2012 - emission of boiler No. 1, i.e:
  - NO2 601,89 mg/m3 < 800 mg/m3 (quality standard Permen LH No. 07/2007)
  - SO2 472,65 mg/m3 < 600 mg/m3 (quality standard Permen LH No. 07/2007)
  - HCL 2,28 mg/m3 < 5 mg/m3 (quality standard Permen LH No. 07/2007)
  - NH3 0,62 mg/m3 < 1 mg/m3 (quality standard Permen LH No. 07/2007)
- (3) No. 94G//LHU/BK3-MDN/XI/2012 - ambient air quality, i.e:
  - At the front of office plant:
    - SO2 328,02 µg/Nm3 < 900 µg quality standard PP No. 41 of 1999
    - NO2 178,28 µg/Nm3 < 400 µg quality standard PP No. 41 of 1999
    - O3 56,90 µg/Nm3 < 235 µg quality standard PP No. 41 of 1999
    - Pb 0,02 µg/Nm3 < 1 µg quality standard PP No. 41 of 1999
  - Employee housing:
    - SO2 158,22 µg/Nm3 < 900 µg quality standard PP No. 41 of 1999
    - NO2 109,17 µg/Nm3 < 400 µg quality standard PP No. 41 of 1999
    - O3 23,67 µg/Nm3 < 235 µg quality standard PP No. 41 of 1999
    - Pb 0,00 µg/Nm3 < 1 µg quality standard PP No. 41 of 1999

Efforts to reduce pollution and emissions has been carried out through the Clean Development Mechanism IDSM 2013. Example: in 2004 the company has 3 units of long and slender fuel furnace installation. Due to heavy smoke exhaust emissions result from combustion furnace, then in 2006 the company started the installation of 1 unit of Single Barrel Press to filter the fruit bunch water content thereby reducing levels of particulate in exhaust emissions (air pollution). In 2010: the addition of 1 unit of single barrel press and furnace fuel. In 2011: test of the 4 units of incinerator chimney

emissions by Center for Occupational Health and Safety Medan. Plan in 2013: construction of a biogas plant composting project 1 lot, the early construction (design) will begin in February 2013 and will be ready for use in November 2014

The company also has a working agreement with the contractor to perform routine maintenance of boilers twice a year to ensure the normal combustion process is maintained.

The company also showed checklist of damage to weekly process the machines covering the entire station, including: boiler feed water tank, deaerator, deaerator feed pump, boiler chemical tank, dosing pump, boiler chemical tanks, electrical boiler feed water pump, fuel recycling system, distributing fuel conveyor.

Other programs that are being implemented in order to reduce emissions is the call for efficient use of electricity in all areas, both mills and housing. Appeals made through the installation sticker of "turn off the power when not in use" as installed in almost all room.

The company has built eight units of WWTP ponds which are connected in parallel for conditioning environmental parameters of liquid waste generated by oil palm processing plant so that it does not exceed the quality standards before being used for land application. The amount of liquid waste applied to the plantations is monitored daily via digital flow meter, where the number of input and output is considered based on an empty space (minimum 50 cm from ground level). An empty space is intended to anticipate the flood of waste under high rainfall conditions.

At the time of field observations at pools numbers 4, 2, and 7, signs of waste level show the depth of 50 cm and 70 cm from the ground. Outflow velocity read by flowmeter is 102.39 m<sup>3</sup>/hr; initial scale is read 587.709 (at 7:00 o'clock) , while the hour scale at 8.30 is 587.829

**Status: Full Compliance**

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**6.1**

**Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.**

The Company has established an EIA document for estates and plants, as follows:

- a. EIA documents on the estate on behalf of PT Meganusa Intisawit - has been approved by the Agribusiness Board, the Department of Agriculture through its letter No.22/Andal/RKL-RPL/BA/VI/1998 dated June 8, 1998, covering an area of 6,000 ha Nucleus Plantation and area of 14,000 hectares Plasma; mills I with a capacity of 60 tons FFB/hour, and mills II with capacity of 60 tons FFB/hour . The document details some important types of social impacts (positive and negative) to be monitored and managed, i.e:
  - Social anxiety due to changes of LU I and LU II.
  - Social anxiety due to land dispute.
  - Social anxiety due to objection of customary forest in the plan for nucleus pantation area.
  - Social anxiety due to sustainability of crop farming.
  - Social anxiety due to community health disorders.
  - Social anxiety due to oil drilling by PT Ekspand.
  - Work opportunity.
  - Increase of income.
  - Existence of cooperative.

From 6,000 ha to be planned as the nucleus during the EIA study only 875.158 Ha was actualized.

- b. Document of Environmental Management Efforts/Environmental Monitoring Efforts on behalf of PT Buana Wira

Lestari plant, with production capacity of 60 tons FFB/hour - approved by Regional Environmental Impact Management Agency, Indragiri Hulu district through letter No. 794/Bapedalda-Inhu/IX/2003 dated 30 September 2003. The document specifies the social impacts that may occur to any activity in plant operations, such as:

- Workforce Deployment - will affect local employment, social jealousy, unemployment, and income level;
- Purchase and transport of FFB - will affect on FFB marketing collateral, and the creation of business opportunity;
- Mills operation - will affect on anxiety in the population around the plant, opportunity creation, and social jealousy;
- Transportation of CPO - effect on positive or negative perception of the public towards the company.

The company also has a document of Outcomes of Social Impact Identification Study (November 2012) which identifies other important social impacts caused by plant operations, among other;

- a. Pollution and decrease of air quality due to mills processing activities;
- b. Pollution and a decrease in air quality due to dust from transportation of FFB and CPO to mills, especially during the dry season.

The scope of the Social Impact Identification Study include the effects of Plasma farmers schemes around the company (an area of 13777.5 ha). For the sustainability of the operation, MNIS gives special attention to members of the plasma, such as implementing the following programs:

- Developing the economic potential of communities through the utilization of local contractors under cooperative plasma in a sustainable manner;
- Increasing economic level and community income through independent plasma the that support establishment of better cooperative institutions;
- Streamlining community activities and mobilization through the creation and maintenance of access roads on a regular basis and use the vehicle access around the plantation;
- Improving educational facilities such as school buildings maintenance, transportation and assisting school teachers procurement;
- Improving health facilities, such as free medical treatment and free eyeglasses for the needy'

The company employs 7 plasma Assistants for each cooperative at IDSA, and 7 plasma assistants for plasma INDA and 2 assistants for IDLA cooperatives in order to improve services and guidance to farmers. Plasma assistant coach performs daily coaching partnership activities such as monitoring targets and cooperative work programs, monitoring production and quality of FFB, daily crop rotation, fertilization monitoring, dissemination to farmers groups, making notes on daily or weekly meeting.

The Company is also conducting regular meetings or coordination with the cooperative each month, followed by Plasma Manager, Assistant Plasma, farmer groups and cooperative management plan that discuss the operational activities that will be done in 1 month and be monitored daily.

Social Impact Management Plan has been developed, disseminated, and a consulted to identified community which will be affected, asking them to participate in the management plan. Socialization is also made to the cooperative management of plasma - for example, dissemination on 27 August to 3 September 2012 - based on Attendance list, followed by management cooperative of Manunggal, Hidup Baru, Jaya Bersama, Harapan Maju, Karya Bersama, Milik Bersama, Rahayu Makmur, Setia Kawan, Tunas Harapan, Sejahtera Jaya, Anggrek, Usaha Manunggal, koperasi Sumber Rejeki and Talang Suka Jadi.

Results of monitoring and controlling are routinely reported to the relevant agencies, per semester for environmental impact and per year for social impact management. The company has demonstrated report documents on the implementation of Environmental Management and Monitoring Semester I and II in 2012 which was submitted to the Environment Agency Indragiri Hulu District, for example Semester I report was delivered on 12 October 2012, and Semester II report was delivered on 8 March 2013.



**Status: Full Compliance**

**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.**

There are procedures of communication and consultation with the public in the form of SOP Communication and Consultation (SOP/NP/SMART/XIV/MCAR003) dated 1 July 2010 (Revision I). The SOP shows that communication can be done directly or through correspondence that can be delivered through the suggestion box located in the office of estate and mills. The following records of communication and consultation are documented in the book Communication, such as:

- Indrasakti Mills, record from January to March 2013: submitted communication and consultation which a request for assistance such as request delivered on 21 January 2013 by M. Candra L (PR Sports) concerning with sports aid equipment. To follow up this request, the company provided sports equipment such as balls for football, volleyball and futsal on February 14, 2013
- Indrasakti Estate, record from January to March 2013: submitted communication and consultation is a request for assistance such as request delivered on 24 January 2013 by Ahmad (Yayasan Al Hijrah in Rengat) concerning funding. follow up this request, the company provide funding as much as Rp. 1,000,000. on 14 February 2013.

The company already has a list of stakeholders with the last update on 9 March 2013, consisting of:

- Statutory Bodies : 13 Stakeholders (Environment Agency, Indragiri Hulu Office of Plantation, BPN Riau, BPN Indragiri Hulu, Jamsostek, Indragiri Hulu Office of Labor, Indragiri Hulu Local Revenue Office, Head of Siberida Sub-district, Head of Batang Cenaku Sub-district, Head of Rakit Kulim Sub-district , Police Chief Sector Siberida, District Military Commande Siberida, Police Chief Sector Kelayang).
- Indigenous People : 5 stakeholders (4 community leaders and indigenous leader Talang Sukamaju).
- Local Community : 5 stakeholders (head of the villages of Talang Sukamaju, Bandar Padang, Buluh Rampai, Kuala Gading, and Talang Bersemi).
- Workers Organisations : 5 Stakeholders (PUK SPSI INSM, PUK SPSI IDSE, DPC SPSI Indragiri Hulu, Commission for Women INSM, and Commission for Women IDSE).
- Smallholders : 16 Stakeholders (Cooperatives of Usaha Manunggal, Sejahtera, Hidup Baru, Sumber Rezeki, Manunggal, Talang Suka Jadi, Jaya Bersama, Anggrek, Rahayu Makmur, Milik Bersama, Tunas Harapan, Harapan Maju, Setia Kawan, Margo Mulyo, and Talang Subur).
- Independent Supplier : 2 Stakeholders (contractor namely Saibani and Saefudin).
- NGO : 2 Stakeholders (WWF Indonesia and LINKS).

The Company has appointed an officer responsible for communication and consultation with the public in accordance with RC Indragiri Letter No. 001/RC-Indragiri/SPO/II/2011 dated 2 February 2011 on Social Responsibility in which Setyo Basuki (Manager IDSE) has been appointed, whose jobs are;

- Responsible for the management on the implementation process of communication and consultation with stakeholders and can act on behalf of management in the completion of communication and consultation with stakeholders.
- Build reciprocal relationship with positive impact between the unit and the community, traditional/religious/community leaders, social organizations and related government officers around the unit.

**Status: Full Compliance**

**6.3**

**There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.**

There are documents of Procedures on Handling Complaints and Discontents (SOP/NP/SMART/XII/MCAR001) dated 1 July 2010. Based on SOP, mechanisms for handling complaints can be divided into 3 types:

- Internal Complaints: complaints submitted by employees; using mechanism for handling complaints and discontent Grievance 1
- External Complaints: complaints submitted by external party; using mechanism for handling complaints and discontent Grievance 2.
- Female Workers Complaints: complaints submitted by female workers; using mechanism for handling complaints

and discontent Grievance 3.

Records of complaints are documented in the book laments monitoring, among others:

- Indrasakti Mills, on the record from January to March, 2013, there were complaint of Amran Hasmur (RC office employees) dated 2 January 2013, who complained and asked for help to cut down a tree beside his house that would collapse. As a follow, the company cut the tree on 19 January 2013.
- Indrasakti Estate, on the record from January to March 2013, there were complaints from the community such as Agusnedi (village Talang Sukamaju) dated 2 January 2013, who complained on the damage of Sungai Limau roads due to FFB transportation. As a follow up, the company conducted road improvements with grader on 7 January 2013.

Implementation of land compensation was done the last time in 2002 to the community of Sei Limau village, District of Kelayang on land area of 129,652 Ha with compensation as much as Rp. 1,250,853,000. Payment done on 12 September 2001. The company has provided Procedures of Soil/Land Indemnification in the Land Preparation Technical Guidelines (SOP/NP/SMART/VII/D & L002) dated 1 July 2010. The procedures explain mechanisms and work steps in the implementation of land/ground compensation by involving representatives of local communities and related institutions.

**Status: Full Compliance**

**6.4**

**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

The company has SOP of Land Indemnity in Preparation of Land Technical Guideline (No. Doc.; SOP/NP/SMART/VII/D&L002), items 6.2 to 6.7 describe the process of awarding compensation (indemnity) that must begin with the implementation of the joint inventory (between the land owner and the company) on the area to be freed. The process of price negotiations between the two parties is facilitated by District Local Government Land Acquisition Team.

From interview with Lego (the villagers of Sukamaju), MNIS has conducted a good approach to the community before the land is used for plantations so there is no crucial dispute. Nowadays people have felt the benefits of MNIS existence through the plasma program where the community still has the land and collect the crops.

The company can show proof of indemnation in 2001 over an area of 129,652 hectares with a compensation value of Rp. 1,250,853,000. Proof of payment dated 12 September 2001 was signed by eligible people (28 people) and witnessed by representatives from the District Office, the village chief, and District of Indragiri Hulu Government. All 28 residents who received compensation are: Kemantan, Santak, Ujuran, Sampingan, Hamnen, Sakaria, Mujir, Gajian, Amran, Pimpin, Miun, Kasiran, Mohar, Saparudin, Atan Ahmad, Sihai, Said, Taher, Atasan, Liwar, Jamhur, Selamat, Paiman, Cantian, Tarmin, Tiyau, Motor, Herwansyah.

**Status: Full Compliance**

**6.5**

**Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

In accordance with the collective agreement on wages of estate workers between Private Estate Company as Member of BKS-PPS and GAPKI Riau branch, Riau Province in 2012, the lowest wage set for a daily fixed workers is Rp.1,282,200, daily fixed workers and monthly workers are also given wages in form of rice according to family composition in accordance with the Collective Bargaining Agreement, with the following stipulation: working women/men get 15 kg, wife/husband who does not work get 9 kg at the most, each child (maximum 3 children) gets 7.5 k.

Available are decrees concerning wage setting in PT MNIS, among others:

- Decree No. 012/CEO 5/hr PSM 5/02/12 on Daily Free Labor Wage (BHL) in 2012 PT MNIS Riau Province determined to be Rp. 55 578 per day

- Decree No. 011/CEO 5/HR PSM 5/02/12 on Daily Fixed Worker Wage in 2012 PT MNIS Riau Province determined to be Rp. 1.282.200/month for worker who works for less than a year, and Rp. 1.284.700/month for worker who works for more than a year.
- Decree No. 010/CEO 5/HR PSM 5/02/12 on Wage of Monthly SKU worker in 2012 PT MNIS Riau Province determined based on the lowest level G8 is Rp. 1.384.350,- and the highest level A1 is Rp. 2.141.550,-

Available is list of SKU large salary details February 2013 for Indrasakti Mills and Indrasakti Estate in which salaries earned are in accordance with the minimum wage has been set, the following are examples of employee remuneration:

- Indrasakti Mills : Yusriadi Sitorus (SKU-H) with details of the basic wage of Rp. 1,282,200,- and Rp overtime. Rp. 2,118,785 abatement (social security, tax, small salaries and pension contributions) Rp. 268,456 so that total wage received is Rp. 3,132,529.
- Indrasakti Estate : Edi Susanto (SKU-H) with details of the basic wage of Rp. 1,284,700 and overtime Rp.1,835,670. total abatement (social security, tax, small salaries and pension contributions) is Rp. 279,002. so that wages received is Rp. 2,841,368.

The company has a Collective Labour Agreement (CLA) which is a mutual agreement between the Sumatra Plantations Companies and Indonesian Workers Union Board which was set on 4 August 2010, with a validity period of 2 years. The current CLA was expired, but Article 25 of the CLA states that the agreement is still valid until a new agreement exists. In the CLA, matters related to employment are described, ranging from regulations where companies provide social security and social assistance, providing old-age benefits and obligations of companies/workers.

There is documents of public facilities of Indrasakti Mill and Indrasakti Estate which describes the number and location of housing layout and public facilities, among other:

- Indrasakti Mill: housing type G1, 13 units, housing type G2 175 units, a football field, Employees Hall, mosques and churches.
- Indrasakti Estate: housing type G1 4 units, housing type G2 106 units, volleyball court, soccer field, SDN Indrasakti, Smart House, generators, Employees Hall, Child Care, Pondok I Mosque, Clinic.

Based on field observations in housing Indrasakti Estate, the facilities are :

- Residential facilities: housing type G2 permanent building, there are 2 bedrooms, living room, kitchen, and toilets. Source of light comes from generators with a capacity of 45 KVA. Source of clean water from water wells with serviceable condition. Household waste management has been done through separating organic and inorganic waste. Inorganic waste is transported by garbage truck twice a week is and collected at the landfill.
- Educational facilities: there are Early Childhood Education (ECD), Kindergarten (TK), and the elementary school (SD) Indrasakti Estate
- Health facilities: available clinic with doctors and nurses who are certified with Hiperkes (Healthcare Ergonomics and Company Hygiene).
- Public facilities: There are employees hall, daycare and Smart House which is a non-formal education facility aimed to cope with activities of children and mothers in the plantation.
- Means of worship: mosques are available.
- Sports facilities: there are soccer and volleybal fields.

Based on field observations, facility provided by the company are adequate and in accordance with the number of existing employees.

Company can show a contract which requires contractors to comply with relevant employment regulations, e.g. CV Wira Abadi (No. 009/SPK/INKM/LKL/02/2013) is a company engaged in the field of construction, supplier, and transporter which is located in the village of Seresam, Siberida Sub-districts, District of Indragiri Hulu. The Employment Agreement was for demolition work and foundry road near scales at Indrasakti Mill for the contract period of 4 February to 1 March 2013. In Article 6, point 2, Wira CV Abadi must not employ workers under the age of 18 years, it pay wages not less than the provisions of Minimum Wage, and workers must use PPE in the location of work.

There is CV. Wira Abadi's report on contractor safety inspection which explains that contractors work safely, potential hazards are controlled, work tools are in a safe condition and fit for use, PPE are available for labor contractors, First aid

emergency boxes are available, Social Security contractor employees are also available. To evaluate the work of contractors, document of CV Wira Abadi jobs handover is available, dated 1 March 2013 for demolition and casting work near the scales at Indrasakti Mills, and the results of the investigation stated that the job was completed properly, in accordance with the agreed specifications and sizes. The test results are also used as the basis for calculating payments. CV Wira Abadi payment has been paid in accordance with the contract and agreement dated 1 March 2013

**Status: Full Compliance**

**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.**

Letter from SMART CEO stated that the company respects the rules and regulations that apply in Law 21 of 2000, including freedom of association for workers/employees as the fundamental rights of workers.

There is a visible evidence of the administrative record-keeping of PUK SPPP SPSI (Employee Unions Work Unit Manager Agriculture/Estateing Indonesia Workers Unions) PT Meganusa Intisawit No. 02/PUK.SPPP-SPSI/PT. MNIS/05/2010 dated 31 May 2010. With the administrative arrangement for 2010-2015 as follows; Chairman: Amiruddin, General Attorney: Sukardi, Secretary: Apip Baharudin, Vice secretary: Joni Wahyudi, Treasurer: Sabam Pangabeau.

There is treatise of negotiations held on 5 September 2012 at Premier Hotel Pekanbaru between the company management and the workers represented by the PUK-SPSI SPPP of PT MNIS on the proposed holiday allowance for non-permanent employees with the following agreements:

- The company agrees to pay holiday allowance to daily laborers.
- Holiday allowance payment as mentioned above will be paid based on a circular letter issued by the management (Circular Letter No.. 5 001/CEO 5/SE/9/2012 of CEO devoted to Head entire unit in PSM 5 dated 3 September 2012 regarding Holiday allowance for daily laborers).

**Status: Full Compliance**

**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 program. Children are not exposed to hazardous working conditions.**

Circular Letter of HR Director No. 002/SE-HRDV/03/09 dated 31 March 2009 Minimum Age determined by the Company is 18 years of age based on Law no. 13 of 2003. Based on the results of employee data verification for Indrasakti Mills and Indrasakti Estate in February 2013, there were no employees under 18 years old working in the company.

**Status: Full Compliance**

**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.**

Circular Letter of CEO PSM 5. No. 003/CEO5-SE/06/2009 dated June 24, 2009 on the Implementation of Industrial Relations Unit said that each operational unit must actualize industrial relations without distinction of race, religion, race and gender in all types of field work

Verification on the documents of employees' personal profile of Indrasakti Mill for February 2013 shows the following data composition; gender: males (97.6%) and females (2.4%), religion: Islam (84%) Christian (16% ), ethnicity: Javanese, Minang, Acehnese, Batak, Kerinci, Malay, Sulawesi, Sunda, Gutters, Palembang, and Mandailing. It shows that the company has provided equal opportunities and treatment in employment.

Based on interviews with workers (sprayer team, harvesting, and fertilization clerk) the company provides an opportunity and equal employment regardless of race, caste, national origin, religion, disability, gender, sexual orientation, union

membership, political affiliation, or age. Therefore, based on stakeholder consultation with Agency of Social, Labor and Transmigration of Indragiri Hulu District, no industrial relations problems between the company and workers. S

**Status: Full Compliance**

**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.**

Company policies related to the prevention of sexual harassment and the protection of women's reproductive rights are:

- Circular letter of CEO 5 No. 001/CEO5-SE/02/2009 dated 20 February 2009 about Socialization on Sexual Harassment Problems states that companies should promote the prevention of sexual harassment to all employees.
- Circular letter of CEO 5 No. 002/CEO 5-SE/03/2009 dated 02 March 2009 about Menstrual Period Permit states that the company give employees time off for menstrual women as much as 2 days/month (first and second day) with a doctor's examination.
- VPA PSM Memorandum No. 5. 001/SE/VPA5/12/08 dated 20 December 2008 concerning pregnant and lactating workers mentioned that the company does not allow pregnant and lactating workers to be employed as sprayer labor.
- Agreement between Industrial cooperation body Estateing Sumatra (BKS-PPS) with the Centre Manager Employee Employee Unions Work Unit Manager Agriculture/Estateing Indonesia Workers Unions it is stated that:
  - Menstrual Leave (H1), for female employees is as much as 2 days/month (first and second day) with a doctor's examination.
  - Maternity Leave (H2) for 3 months with details of 1.5 months before birth and 1.5 months after giving birth with a doctor checking calculations.

As evidence of implementation of sexual harassment prevention policy, the company set up a commission of women in the work unit namely Indrasakti Mill Women Commission, chaired by Mrs. Nurheni Tarin and Indrasakti Estate Women Commission, chaired by Mrs. Hawani. There are women's commission meeting recording and Indrasakti Indrasakti Mill Estate, among others:

- Minutes on disseminating procedures for handling sexual harassment on 21 February 2013 which was attended by cadres and employees' wives Indrasakti Mill, located in the Central Employees Housing Indrasakti Mill Cottage.
- Minutes of socialization on the prevention of sexual harassment and violence on workers on 5 April 2011 at the employees Hall attended by employees and wives of employees. The dissemination is about the introduction of the women's commission structure, workflow handling of sexual harassment, as well as an understanding of the definition of sexual harassment and sexual harassment category.

Implementation of policies for the protection of reproductive rights are among others:

- The company has made early detection of pregnancy for women working as sprayer labor once a month, there is a prenatal examination sprayer labor namely Marni performed by a clinic nurse, the last inspection done on 5 March 2013, with the results stated that she is not pregnant.
- There is Indrasakti Estate licensing notebook for H1 (Menstrual) and H2 (Maternity), for example, an office nurse Hawani had maternity leave on 21 June to 5 July 2011, an office caregiver namely Sumini had leave H1 on 8 to 9 February 2013.
- There is a book for monitoring menstruation and childbirth leave of Indrasakti Mill employees, for example, a personnel staff namely Siti Maesaroh had maternity leave on 28 May to 28 August 2012, and is based on salary recapitulation of August 2012 Indrasakti Mill was concerned to pay her wages.
- Based on interviews with sprayer team in Block H41, the company has made the protection of women's reproductive rights by granting maternity leave (H2) and menstruation leave (H1), with fixed wages paid.

There is a groove of handling sexual harassment in PT Meganusa Intisawit which consists of 4 steps, namely;

- In case of sexual harassment, victims can complain to the PRISMA (Women Association Staff PT. Meganusa Intisawit) or the Female Workers Commissions officers orally or written, with further PRISMA and Female Workers Commissions officer will analyze/process the complaint based on the information from the victim.
- PRISMA and Female Workers Commissions officer accompany victims to report to the leaders of the unit.

- Based on information and data obtained, the leader inspect units in order to get the evidences.
- Having proven that perpetrator is guilty then the unit leaders can topple punishment of enterprises according to the company ordinance or through the law.

**Status: Full Compliance**

**6.10**

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

Available is result of the Official Meeting of FFB Determination Purchase Price Team, Province of Riau Oil palm Production by Planters No.11/TPH FFB-III/2013 dated 13 March 2013 for a price period of Wednesday - Tuesday 13 - 19 March 2013. In the minutes of the FFB, purchase price was determined by an agreed method of calculation.

FFB pricing mechanism is done in the Meeting of Price Determination, for example; Minutes on Meetings Results of FFB Purchase Pricing Team, Riau Oil palm Production by Planters in Riau Province. No 11/TPH FFB-III/2013 of 13 March 2013 for the period of price Wednesday-Tuesday the 13-19 March 2013. In every decision it is always compiled with a pricing method using the formula  $HFFB = K \{(HCPO \times RCPO) + (HIS \times RIS)\}$ . Meeting on price determination is done once a week by Pricing Team consisting of representatives of companies, palm farmers and local governments in the province of Riau.

There is a Letter on Cooperation Agreement between Sumber Rezeki Village Unit Cooperatives with PT. Meganusa Intisawit incorporated in plasma program. The deals are divided into 3:

- SPK No.06/KUD/SR/VI/97 dated 23 June 1997 on the development of oil palm plantations in the district Siberida Indragiri Hulu with patterns Primary Cooperative Credit For Members (creditor), with a maximum loan amount of Rp. 6,929,000.
- SPK No.033/KUD/SR/X/99 dated 29 October 1999 on the development of oil palm plantations in the district Siberida Indragiri Hulu with patterns Primary Cooperative Credit For Members (creditor), with a maximum loan amount of Rp. 12,238,922.
- SPK No.036/KUD/SR/X/99 dated 29 October 1999 on the development of oil palm plantations in the district Siberida Indragiri Hulu with patterns Primary Cooperative Credit For Members (creditor), with a maximum loan amount of Rp. 13,842,056 .

The Cooperation Agreement signed between PT. MNIS and 'Sumber Rezeki' cooperative, indicates that all parties understand their contractual agreement, and the contracts are fair, legal and transparent.

Closing of book is done on the 20th of each month. There is payment summary for Plasma FFB and proof of payment (Cheque No. CEM 511 222) for FFB Plasma cooperatives 'Sumber Rezeki' of Rp. 2,267,647,967. dated 1 March 2013. Based on these documents payment has been made timely and in accordance with the agreement.

**Status: Full Compliance**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

The company purchased Local FFB, example: Agus Nedi from village of Talang Sukamaju, Rakit Kulim Sub-district, with the number of FFB came into Indrasakti Mills for the period of May to December 2012 as many as 4185.4 tons. FFB selling process accompanied by a written statement stating that the land is privately owned, non-plasma and comply with grading regulations. FFB prices are determined in accordance with FFB prevailing prices set by Riau Plantation Office and the Information is obtained through e-mail.

The company plays a role in improving people's living standard by providing employment opportunities for local workers. Local labor is labor that came from villages around the company, for example Village of Beligan, Village of Buluh Rampai, Village of Sei Limau, Village of Titian Resak, Village of Bukit Lipai, Village of Rengat, Village of Kuala Gading, Village of Bandar. For example, based on data on the number of Indrasakti Estate labor in March 2013, for the SKU-monthly and daily there are 166 employees who come from villages around the company.

Available is record of report on CSR implementation of social/economic/environment in 2012 with a total budget cost of Rp. 490,273,989. The CSR activities are rural roads and infrastructure improvements (making Talang Sukamaju village office and resurfacing roads with cement at Bukit Indah village), religious celebrations, basic food aid to surrounding

villages, sports activities, procurement of 1 unit of Ambulance for Rakit Kulim Sub-district, Assistance for Elementary School of Talang Sukamaju village.

CSR activities for January – March 2013, i.e :

- 2 March 2013, the activities of commemorating Bukit Lingkar Village 30-year Anniversary- by lending heavy equipment of Bucket Mining and Greader for motor cross circuit stockpiling.
- 13 March 2013, repair of roads connecting Talang Selantai village and Bukit Indah village, Sub-district of Rakit Kulim.

**Status: Full Compliance**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

The company did not carry out any new development after November 2005.

**Status: Full Compliance**

**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.**

The company did not carry out any new development after November 2005.

**Status: Full Compliance**

**7.3**

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

The company did not carry out any new development after November 2005.

**Status: Full Compliance**

**7.4**

**Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.**

The company did not carry out any new development after November 2005.

**Status: Full Compliance**

**7.5**

**No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

The company did not carry out any new development after November 2005.

**Status: Full Compliance**

**7.6**

**Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

The company did not carry out any new development after November 2005.

**Status: Full Compliance**

**7.7**

**Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the**

<b>ASEAN guidelines or other regional best practice.</b>	
The company did not carry out any new development after November 2005.	
<b>Status: Full Compliance</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<p>Company documents have shown the results of monitoring and review of a number of identified environmental aspects can have negative impacts on the environment and social, among others:</p> <ul style="list-style-type: none"> <li>• The results of the social impact assessment (November 2012)</li> <li>• The results of monitoring of protected flora and fauna;</li> <li>• The results of effluent monitoring environmental parameters;</li> <li>• Results of monitoring pollution and air emissions and ambient air from stationary sources;</li> <li>• Results of water quality monitoring.</li> </ul> <p>All the results of monitoring under the stated thresholds as provided by law for each of the environmental parameters tested.</p> <p>The company also undertake efforts to reduce pollution and emissions, among others, through the Clean Development Mechanism program IDSM 2013., Such as:</p> <ul style="list-style-type: none"> <li>• In 2004 the company has 3 units long and slender fuel furnace installation, due to heavy smoke exhaust emissions result from combustion furnace, then in 2006 was the installation of Single Barrel Press 1 unit to filter the water content slender thereby reducing levels of particulate exhaust emissions (air pollution).</li> <li>• In 2010: the addition of 1 unit of single barrel press and furnace fuel.</li> <li>• In 2011: to test the incinerator stack emissions by 4 unit K3 hall Medan.</li> <li>• Plan in 2013: construction of a composting plant biogas 1 lot and construction project commenced in early February 2013 and will be ready for use in November 2014.</li> <li>• The company also has a working agreement with the contractor to perform routine maintenance of boilers, two (2) times a year, to ensure the normal combustion process maintained.</li> </ul> <p>Other programs that are being implemented in order to reduce emissions is to call for the use of electricity savings in all areas, both factory and housing. Appeals made through the installation sticker "turn off the power when not in use" is installed in almost any room.</p> <p>Continuous improvement activities in the field of SMK3, the company has an internal audit SMK3 on December 10 to 12 July 2012, conducted by SPO PSM (Bambang Irawaddy), the results of the audit are 8 non-compliance with the implementation of the value of 95.8%. To follow up on the discrepancy, already available recordings 8 fulfillment discrepancy, one of which socialization handling spills and chemical spills.</p> <p>The company has also shown evidence of corrective action on audit findings RSPO stage 1, so the results of verification by the auditor QUALITY, all potential nonconformances (7 CAR and 5 OFI) can be declared closed.</p>	
<b>Status: Full Compliance</b>	



**3.1.2 Summary of RSPO Certification Assessment Report for Smallholders**

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<b>Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.</b>
	Document verification in Cooperatives of Talang Sukajadi, Margo Mulyo, Talang Subur, Sumber Rejeki, Manunggal, and Milik Bersama shows that Partnership Supervising has given information which is documented in Communication Record Book by the Cooperative.
	<b>Status: Full Compliance</b>
<b>1.2</b>	<b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>
	Institution of Plasma Farmers (cooperative) has listed documents which could be accessed by the parties; among them are total and basic wage of employees, regional tax payment/retribution, environmental and social studies, land ownership evidence such as ownership certificate and documentation of social activities which all kept in each office. However, there are few cooperatives (Sumber Rejeki and Milik Bersama) whose members do not have land ownership since it is still in the process of launching by National Land Agency (NLA) of Indragiri Hulu District, this is clarified in Verification Letter from National Land Agency of Indragiri Hulu District dated 11 March 2013 which stated that; <ul style="list-style-type: none"> <li>a. Land Certificate Launching Process of CCS PT Meganusa Intisawit has been given as much as 4,664 sheets.</li> <li>b. The other parts is still in process of work completion by National Land Agency of Indragiri Hulu District</li> </ul> <p>Documents of cooperative legality and other manuscripts are well documented in each of Cooperative Offices, for instance</p> <ul style="list-style-type: none"> <li>a. Article of Establishment</li> <li>b. Articles of Association Changes Deed Cooperative</li> <li>c. Permission for Business/Disturbances (HO)</li> <li>d. Mark of Company Cooperative Registration</li> <li>e. Letter of Business Permit (SIUP)</li> <li>f. Tax Registration Code Number (NPWP)</li> <li>g. Enviromental Impact Assessment Documents (EIA)</li> <li>h. High Conservation Value Identification Document (HCV)</li> <li>i. Social Impact Assessment Document (SIA)</li> </ul>
	<b>Status: Full Compliance</b>
<b>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>	
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>
	Farmer Insttution(cooperative) has fulfilled applicable local, national, and international law provisions confirmed by; <ul style="list-style-type: none"> <li>a. Availability of complete Cooperative agency legality documents in each office including; <ol style="list-style-type: none"> <li>1. Article of Establishment</li> <li>2. Articles of Association Changes Deed Cooperative</li> <li>3. Permission for Business/Disturbances (HO).</li> <li>4. Mark of Company Cooperative Registration</li> <li>5. Letter of Business Permit (SIUP).</li> <li>6. Tax Registration Code Number (NPWP)</li> <li>7. Copy of each members' land ownership right (certificate) Cooperative</li> </ol> </li> <li>b. Availability of Regulatory Legislation List that became reference in the operational of each Cooperative office</li> </ul>

- c. According to operational field verification, there is no incongruity against applied legislation from regulation relating to environment, guiding committee of Occupational Safety and Health Management System, employment, oil palm cultivation technique and legality of business entities

**Status: Full Compliance**

**2.2**

**The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights**

According to cooperative committees statement, Village officials, and National Land Agency of Indragiri Hulu District, Plasma areals are declared as;

- a. Ex-General Transmigration area implemented by the government with composition 20% of participants from local village and 80% from outside the region (Java) who follows the oil palm plantation development program with Cooperative Credit Scheme (CCS) pattern. Initially, each and every participant of General Transmigration has received Land Ownership Right from the Government in fom of Ownership Certificate yet since there were rearrangements on plantation arrangement in the beginning of Cooperative Credit Scheme Pattern Plasma development therefore the certificates were withdrawn by NLA of Indragiri Hulu District and a number of those certificates has not completely launched by the NLA.
- b. Local village land areal which citizen took oil palm plantation development in CCS Pattern program and In this case the process of land ownership certificate launched by National Land Agency is not entirely finished.

There are land ownership right evidence copies launched by National Land Agency of Indragiri Hulu District which was kept in each Cooperative office. There are 2 Cooperatives (Sumber Rejeki and Milik Bersama) which Ownership Right Certificate of it's members' lands are not done, nonetheless Cooperative has shown Verification Letter from National Land Agency of Indragiri Hulu District dated 11 March 2013 which proclaims;

- a. Land Certificate Launching Process of CCS PT Meganusa Intisawit has been given as much as 4.664 sheets.
- b. The other parts are still in process of closure by National Land Agency of Indragiri Hulu District

This is supported by public consultation result with Indragiri Hulu District's Land Agency which similarly declared that the Members Certificate Cooperative (Sumber Rejeki and Milik Bersama) are still in launching process.

According to public consultation result with the related parties and interview with cooperative member, it is stated that there was never any claim to the land either by the external or among members. Each member has understood the boundaries of land ownership rights.

**Status: Full Compliance**

**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.**

Plasma Areal already has Legal Supremacy in terms of Ownership Right Certificate launched by NLA of Indragiri Hulu District and according to document verification, member statements Cooperative and interview with stakeholders result (Plantation Agency, Head of Village), all proclaim that there was no claim or objection from related party with the members land ownership.

**Status: Full Compliance**

**PRINCIPLE #3 Commitment to long-term economic and financial viability**

**3.1**

**There is an implemented management plan that aims to achieve long term economic and financial viability.**

Cooperative has annual management planning which is the implementation of "Annual Board Meeting" result to gain mutual profit. On the other hand, the projection of production document of FFB for the next 3 years is available:

Plasma	Cooperative	Projection of Production		
		2013	2014	2015
Indra Lestari	Talang subur	45.122	44.799	43.962
	Margo Mulyo	29.040	29.480	29.480

Indra giri	Anggrek	35.779	34.022	33.208
	Setia kawan	25.773	24.686	23.633
	Rahayu makmur	44.336	42.974	41.449
	Milik bersama	47.267	44.901	44.041
	Karya bersama	42.537	40.708	39.914
	Tunas harapan	18.258	17.990	17.800
	Harapan maju	19.751	18.876	18.691
Indra sakti	Usaha manunggal	24.888	23.371,96	22.689,26
	Sejahtera	30.796	30.569,23	29.662,06
	Hidup baru	25.901	24.614,26	23.843,66
	Sumber rezeki	32.196	32.448,27	31.777,27
	Manunggal	12.186	13.156,56	12.678,75
	Talang sukajadi	13.497	12.036,87	12.036,87
	Jaya bersama	7.028	7.048,08	7.048,08

- The company hired 7 plasma assistants for the Cooperative in Indra Sakti plasma, and 7 plasma assistants for Cooperative in Indragiri Plasma and 2 plasma assistants to each Cooperative in Indra Lestari plasma to enhance the service and supervision to the farmers and Cooperative.
- Plasma assistants carry out daily supervising activities such as target monitoring and Cooperative working programs, production and FFB quality monitoring, daily harvest rotation, fertilizing monitoring, socialization to farmer groups, recording daily or weekly meeting.
- The company makes routine meeting and coordination with the Cooperative followed by plasma managers, plasma assistants, farmer groups and committees to discuss about operating working plan activities done every month and monitored every day.
- Program of planning and actualization training from the company the plasma farmers are provided.

**Status: Full Compliance**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

Cooperative has operating manual in form of working stages guidance made by cooperative leader and plasma manager which include fruit cutting, palm bunches taking, FFB transporting, circle weeding maintenance and load market, fertilizing, pathway (*gawangan*) maintenance, and insect and pest control. The working stages guidance explains about working stages, standard results, working tools, and resulted environmental aspects and OSH. Each visited cooperative can show the documentation of working stages guidance.

The records of harvesting activities execution including tonnage per group of farmers, crop rotation, crop acreage, production per hectare, transports comprising transportation process, delivered tonnage, number of vehicle trips and daily shipping are available.

There are records on maintenance of spray circle weeding, load market and pathways including realization and maintenance activities plan. In the spraying activities, labors appointed by the Cooperative are always accompanied by the company's foreman to ensure that the process goes smoothly. Sprayer labors consisted of five persons; Suhardono, Susanto, Jumiaty, Sri Dewi, and Sisri. The spraying is documented in "Division 04 Working Program". Sprays are planned once every 4 months, in February, June, and October. In February 2013 period, the spray application comprised area of 400 ha from the planned 433 ha. The pesticides outtake from the warehouse were documented properly. Record of pesticides used in 2013 is available below:

Cooperative	Trade Merk	Active Component	Applivation Volume
Sumber Rezeki	Rolixone	<i>Paraquat</i>	100 litre

	Erkafuron	<i>Metil metsulfuron</i>	5,25 kg
Tunas Harapan	Round Up	<i>glifosat</i>	40 litre
	Ally	<i>Metil metsulfuron</i>	2 kg

**Status: Full Compliance**

**4.2**

**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

Through SMART Research (SMARTRI), Meganusa Intisawit LLC perform leaf analysis where samples taken from a few blocks and conducted every year in each Cooperative in order to support fertilizer usage supervising program that suit the needs based on identification of oil palm plant nutrients requirement.

Meganusa Intisawit LLC recommends fertilizing with types, areas, and required dose according to the leaf analysis to farmers through each Cooperatives. Farmers are always urge to use fertilizer to stimulate production of FFB. The production trend in the last 3 years shows increase of FFB production each year.

The available list of fertilizers and given volume from the company to farmers:

Coperative	Year	Urea*	MOP*	CiRP*	TSP*	Dolomite*	Kieserite*	HGFB*
Harapan Bersama	2012	224.653	370.594	147.000	75.031	146.000	108.650	6.920
Talang Sukajadi	2012	98.250	135.600	-	69.950	65.600	-	2.500
Margomulyo	2012	107.790	130.700	-	130.700	-	87.350	-
Talang Subur	2012	162.500	227.500	-	162.500	-	162.500	8.520
Sumber Rezeki	Semester I 2013	106.350	244.500	-	69.300	-	124.300	-
	Semester II 2013	92.550	244.500	-	-	-	46.900	-
Manunggal	Semester I 2013	53.150	91.450	-	62.550	-	41.350	-
	Semester II 2013	53.150	91.450	-	-	-	4150	-
Tunas Harapan	Semester I 2013	54.900	64.900	58.000	250	-	6.400	980

Note \* weight measurement in kg.

**Status: Full Compliance**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

Oil palm cultivation management reference for partnership farmers is *manual good agriculture practices* of Nucleus Estate (MCAR May 2007). In the MCAR for land conservation for lands with 5° - 8° slopes, a conservation terrace is made and the ones with 9° - 22° slopes, a contoured terrace is made.

Based on the Indra Sakti Plasma Land Review Map (1: 90.000 scales) slope interval of 0 - 21% (0° - 12°) and Land Suitability Class of S2 (medium) and S3 (marginal) are identified. According to information from the manager of Indrasakti Plasma, evidence of land conservation on partnership farmers' land is in the form of Individual Terrace. There are artificial trench with width of ± 1.5 meters on the border of plasma area (North of SPT 46), the type of conservation among other things is by not cutting down forest plants with mixed type (rubber tree dominates) along the river/ditch (± 3 meter). Meanwhile in Indralestari Plasma, according to the information of Cooperative's Chairperson, the plasma areas (i.e. at 18, 19, 20, 21, 22, and 12 Farmers Group) are bumpy. Soil and water conservation measures that have been undertaken are Individual terrace, contour terrace, and frond drafting to minimize the rate of soil erosion.

Protective measures on riparian area are done by not using any chemical at the area of at least 50 meters (right – left)

from the river. The types of vegetation bordering the rivers are bushes and wild plants. The distance from river to oil palm plants on average is 9-10 meters and the treatments on plantation area are done manually. Other efforts are by planting a number of Vertifer grass to prevent erosion. 'Tunas Harapan' Cooperative planted 100 vertifer grass clumps in Block D20 on July and August of 2012. On 2013 Planting Plan, 60 vertifer grass clumps are planned to be planted by March. In field trip, the conserving effort of river borders is seen by planting vertifer grass in Kilan River.

The making and maintenance of road is referring to MCAR manual, i.e. creating trench at the sides of main roads and collection road in form of side drain, as well as planting vertifer grass at specific locations to avoid erosion and soil degradation.

Right now all of the oil palm has generated (Talang sukajadi, Hidup baru, Sumber Rezeki, Manunggal, Margo Mulyo, Talang Subur, and Tunas Harapan Cooperative). The youngest plant was sowed on 2001. The type of soil covering plant used in the beginning of plantation construction: *Calopogonium caroleum* (Cc), *Pueraria javanica*.

**Status: Full Compliance**

**4.4**

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

The company has socialized the presence of HCV and the methods of land protection, and riparian area management to the public and farmers. Publication is done gradually to farmers, farmer groups, and Cooperative committees.

- On 1 September 2012 at 'Hidup Baru' Cooperative office.
- On 3 September 2012 to 'Sumber Rezeki' Cooperative farmers.
- On 13 September 2012 for the 'Tunas Harapan' Cooperative committees and spraying labors. Training involved an environmental team (Yosephat, Dede M, Agus Gunawan, Des Adonis, dan Adeputra, Muliono). The company provides an understanding on HCV to spraying team (Edi, Bogiran, Budi and Rasimin).
- On 15 October 2012 to 'Margo Mulyo' Cooperative farmers.

The practice in maintaining surface water quality and minimizing erosion of riparian involved the company and cooperative committees.

- Ekok and Banyakikan Rivers crosses Margomulyo plasma plantation. In the riparian *vertifer* grass and bamboos were planted. In the Ekok River borders, 50 clumps of *vertifer* grasses and 6 bamboo groves were planted. Meanwhile in the Banyakikan Riparian, planted 40 clumps of *vertifer* grasses and 4 bamboo groves. Cooperative/Company urges that there is no spraying in the riparian area. The oil palms in the riparian area are given marks of spraying limit in form of red paint. Installation is done in the i10, i11, i12, H5, and H6 blocks.
- In the Putih River riparian which crosses 'Sumber Rezeki' Cooperative area were planted 50 clumps of *vertifer* grasses on February 2013. *Vertifer* grass planting target on 2013 period is as much as 200 clumps along the Putih River.
- Conservational effort in Kilan River riparian is by planting a number of *vertifer* grasses to prevent erosion. Planting on July and August reached 100 clumps of *vertifer* grasses in D20 Block. . The 2013 Planting Plan targeted to sow 60 clumps of *vertifer* grasses by March 2013.

Cooperative committees record the usage of pesticides and fertilizers used. All pesticides are commonly used in oil palm plantations such as *Paraquat*, *metil metsulfuron* dan *glifosat*. The use of *Paraquat* has been reduced from year to year.

Cooperative	Year	Glifosat (litre)	Paraquat (litre)	Metil metsulfuron (kg)
Hidup baru	2010	305,2	610	45,78
	2011	228,9	457,8	34,34
	2012	180	360	28,5
Sumber Rezeki	2013	-	100	5,25 kg
Tunas Harapan	2013	-	40	2

**Status: Full Compliance**

**4.5**

**Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated**

**Pest Management (IPM) techniques.**

The pests attack is usually dominated by bagworms (*Clania tartia*) and rat. Early detection of the pest attack was carried out by Cooperative's committees assisted by The Company's assistant. Census on "Manunggal" Cooperative bag moth caterpillar pest was done on February and March 2013 given the high rate of attacks. Chemical pest controlling (Aseptat) by stem injection on areas with higher level of attacks. In addition, a census on rat attacks was conducted on January 2012. The result of census shows that the rat attack is below economic threshold. There are not enough evidences of integrated pest control with planting beneficial plant in accordance with the program arranged

**Verification of 21 March 2013**

In addition to chemical controlling, the company also performs natural controlling by utilizing Yellow Alder (*Tumera subulata*) as biological agent. *Tumera subulata* planted as much as 189 crops in 120 ha land of Division 05 Cooperative Manunggal. Workers were Anis, Rusmiani, Sulasmi and Suparmi. The news event of planting ang pyment of workers wages is available. The company is recommended to be consistent with sowing beneficial plant that has been arranged.

Early warning system by detection of bagworms (*Clania tartia*) and rats are done every 2 or 3 months. Gupon (house of owls) are provided at the garden to stimulate the increase in number of owls. Result of caterpillars and rats detection on 2012 shows the level of attacks are still within the limit of tolerance. The number of owls and the condition of its nest are continued to be monitored.

- Observation result in Cooperative Talang Sukajadi in December 2012, from 9 gupons there are 18 broodstock and 2 tillers
- Observation result in Cooperative Hidup Baru in December 2012, from 19 gupons there are 6 broodstock and 2 tillers
- Observation result in Cooperative Talang Sukajadi in December 012, from 23 gupons there are 22 broodstock, 4 eggs, and 2 tillers
- Observation result Cooperative Margo Mulyo in December 2012, fom 20 gupons there are 20 broodstocks

Farmers/cooperative committees involve research team and spray from main plantation to control pest attacks and diseases that attack oil palm. The company promotes ways to cope in case of pests and diseases attacks. The identified types of pests are bag moth caterpillars (*Claria tartia*) and rats. Considering the high attack of bagworms in Cooperative Manunggal on 2012 period, research team initialized socialization of integrated pests control on 20 February 2013 involving farmers and a number of farmer groups. This meeting discussed the need for ongoing census after the application therefore the spread of bagworms can be known, the critical point of 5 bagworms/stem must be maintained, the lifetime of bagworms must be known in order to control it effectively. The meeting was attended by a member of Cooperative namely Masroni.

Additionally, socializations are also done to other Cooperatives in accordance to IPM, such as:

- Socialization in Cooperative Talang on 11 January 2012 attended by farmer group members.
- Socialization in Cooperative Hidup Baru on 7 January 2012 attended by farmer group members.
- Socialization in Cooperative Talang Subur on 18 September 2012 attended by farmer group members.
- Training in Cooperative Margomulyo on 5 November 2012 attended by farmer group members

**Status: Full Compliance**

**4.6**

**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.**

The plasma farmers have compiled a list of pesticides that provides information about target pests or weeds, doses, time and manner of their uses. All of the chemicals commonly used in oil palm plantations. There is no usage of ropilaktik except for pesticides. The chemicals have distribution license in accordance with national regulations. Group 1 B chemical which still in use is Paraquat dichloride. The use of Paraquat has declined sine 2010 until 2013. The full list of

pesticides:

Sprayer labors were trained by pesticides and fertilizer Control Commission of Riau Province on 17 April 2012, attended by 5 participants from Cooperative 'Hidup Baru', 5 participants from Cooperative 'Talang Subur', 7 participants from Cooperative 'Margomulyo', and 15 participants from Cooperative 'Talang Sukajadi' which included employees and

No	Trade Marks	Active Components	Percentage (%)	Properties	Authorization Number	Targeted Weed	Dosage
1.	Ally 20 WG	<i>Methyl metsulfuron</i>	20	Sistemic	RI. 837/4-2009/T	Wide leaf	0,013 kg/ha
2.	Gramoxone 276 SL	<i>Paraquat dichloride</i>	27,6	Contact	RI. 010301197436 1548/Kpts/SR. 1403/2011	Narrow and wide leaves, and juvenile oil palm	0,25 l/ha
3.	Round-up 486 SL	<i>Isopromil amina Glyphosate</i>	48.6	Sistemic	RI. 010301200011 560 1548/Kpts/SR. 143/3/2011	Grass and wide leaf	0,25 l/ha
4.	Erkafuron	<i>Methyl metsulfuron</i>	47.98	Sistemic	RI. 010301200624 05	Wide leaf	0,013 kg/ha

members of plasma. Training certificate can be shown as Wardi no 800/ketSet-KP3 546/2012.

Sprayer labors of each Cooperative were checked by Company's doctors every year. Sumber Rezeki Cooperative's spraying labors has been checked on June 2012 by internal doctors. Health examination including physical examination and blood pressure. The next examination will be done on June 2013.

**Status: Full Compliance**

**4.7**

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

Cooperatives have a policy to reduce hazards that could cause injury, illness, damages of goods, fires, and explosions as well as the disruption of the process that inhibit the production and damage to the environment.

Responsibilities of Cooperative committees:

- Include health and work safety in the workplace
- Disseminate communication safety and occupational health as part of work
- Plan, develop, execute and monitor OSH programs
- Carry out effective actions to provide and create safer, more secure, and healthy workplace.

Responsibilities of Members.

- Perform work by motivating workpartners to do their work safely.
- Work together to support and promote OSH in the workplace.
- Report and correct way of work or activities which is not in accordance with working standard.
- Perform the work correctly according to the procedures.

A guideline in handling OSH partnership farmers refers to provisions drafted by main <kabun>. Periodic meeting related to OSH is performed each month. The meeting discussed the instruction that self protective tool should be used in the working environment for harvesting and spraying employees. Guiding Committee on OSH meeting involves the

chairman, field coordinator, foreman, and farmer groups.

The meeting between assistants, farmer groups, and lots owners is conducted at least once every one month with different material phases of work. Application of safe working practices for each management of oil palm cultivation activities are documented in cooperative offices, including the training/socialization.

**Example 1.** Working stages of chemical pathway maintenance. Standard result: PPE used perfectly; Work tools: cups, funnels, water jerry can, plastic pad; Environmental aspects and OSH: water pollution, exposed to solution spill; PPE: masks, goggles, rubber gloves, boots, and apron.

**Example 2.** The material quality and FFB quality (11 June 2012) is housed in the Hidup Baru Cooperative's office with participants of 16 farmer groups. The meeting result was that each lots owner has to perform control to their harvesters; and obligation to wear personal protection equipments.

**Example 3.** Training on safe work practices especially for spraying labors was held on February 12<sup>th</sup> 2012, involving employees of the company. Socialization discusses how to spray in the field, obligation to use protective equipment and how to wash the knapsacks. Guiding Committee on OSH held routine meeting every month involving Cooperative officers, foreman, and farmer groups.

**Example 4.** Training on accidents management held on 4 October 2012.

**Example 5.** Simulation of Land Fire emergency response on 25 August 2011 located at Indrasakti Mills.

Related to work safety equipments:

- Cooperative has a checklist of first aid box and drugs monitoring with the composition of the first aid contents according to the rules applied (Permenaker No. 15 in 2008). The last monitoring result on 10 December 2012 is the first aid box has the right composition and in good condition.
- Monitoring of spraying PPE (10 October 2012): gloves, masks, aprons, glasses, shoes, each of 4 units with good condition and complete. Sumber Rezeki Cooperative provides PPE equipment such as rubber gloves, protective footwear, masks and apron for 7 sprayer labors. Meanwhile harvesters are provided plastic helmets, goggles, safety cover, protective footwear and gloves of fabric. Protective devices for harvesters and spray labors are always checked whether is it worth using or are ready to be replaced.
- Light Fire Extinguisher-Monitoring (in 2012) with good conditions are placed on the Office of the Cooperative

**Status: Full Compliance**

**4.8**

**All staff, workers, smallholders and contractors are appropriately trained.**

Cooperative committees are cooperating with PT Meganusa Inti Sawit in arranging a program to improve the ability of employees, farmers and Cooperative committees. Training generally leads to increase of cultivation technical ability and how to work safely for farmers

The following training programs related to safe work in Cooperative Manunggal 2013, namely:

- Taking of leaf samples
- Emergency preparedness
- The usage and maintenance of fire extinguishers.
- Handling waste packaging used pesticides
- Work phases socialization and MSDS (Material Safety Data Sheets)
- The wearing of protective equipment

Below are the counseling program related to technical work stages in cultivating "Milik Bersama" Cooperative by 2013, include:

- Harvest, picking of oil palm fruit bunches of January, was held on 14 January 2013
- Transport of of FFB in February
- Maintenance of the circle weed, loads, and pathways of March, was held on 11 March 2013
- Fertilizing of April, was done on 11 March 2013
- Washing and cleaning of used pesticides packages in May
- First aid on accidents in June



- Road maintenance and manufacture of spray solution in July, was held on 18 February 2013
- Pest control disease in November

**Realization of counseling in 2012 and 2013**

**Cooperative Manunggal**

- The technical training of leaf sampling units (LSU) on 8 February 2013 by Smart Research Institute. Members of the Cooperative who followed training namely Yusmidi, Masroni, Amir and Amiruddin.
- First aid training on accident at work (first aid) in the workplace. Cooperative pointed Yusmidi to follow training. Training held by working with PT Arpindo and the Ministry of Manpower and Transmigration on 1 – 2 March 2013

**“Milik Bersama” cooperative**

- Socialization on fertilization and RSPO on 14 March 2012 discusses the introduction of the RSPO, fertilizing technique, technical importance of why fertilizer should be applied so as not to damage due to prolonged storage, the manual fertilizer application at least on 1.5 of the stem of the plant. Socialization involves farmers, farmer groups and foreman
- Socialization of harvesting, picking of oil palm fruit bunches fertilization, and pests and plant disease control on 5 April 2012. Socialization involves farmers, Cooperative managers and foreman.
- Counseling discusses picking of oil palm fruit bunches, invocation at the time of harvesting the fruit, and the procedures for compiling stem of palm oil.
- Counseling on controlling pests and diseases of plants covered rat pest control by owl (*Tyto alba*) on 13 January 2012.
- Counseling on controlling pests and diseases of plants by planting beneficial plant and *Tyto alba* on 7 July 2013.
- Analysis of risk discussed on 16 January 2012..

**Status: Full Compliance**

**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

**5.1**

**Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

There is a copy of the documents on analysis on environmental impact (EIA) incorporated in EIA Document of PT MNIS in each Office of the Cooperative in accordance with the Minister of agriculture Chiefs Agribusiness approval number 22/RELIABLE/RKL/RPL-BA/VI/98 8 June 1998.

Possible social Impact management plan have been socialised to surrounding people in conjunction with the public consultation document preparation, as an example of the socialization on 27 August to 3 September 2012 to Cooperative Manunggal, Hidup Baru, Jaya Bersama, Harapan Maju, Karya Bersama, Milik Bersama, Rahayu Makmur, Setia Kawan, Tunas Harapan, Sejahtera Jaya, Anggrek, Usaha Manunggal, Sumber Rejeki dan Talang Suka Jadi.

Builders of the partnership has compiled a report on the implementation of the environmental management plan and Environmental Monitoring Plan period II in 2012 and has been submitted to the relevant agencies (Environmental Agency of Indragiri Hulu District) correspond to the Receipt Document, dated 8 March 2013 is signed by the officer concerned (Mr. Oryhanang/EIA head).

**Status: Full Compliance**

**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.**

Based on the results of interviews with a sample Board of Cooperative (Hidup Baru, Talang Sukajadi, Margo Mulyo, Talang Subur, Manunggal, Sumber Rejeki dan Milik Bersama), it is shown that they have been able to mention the kinds of endangered, threatened, or endangered wildlife (for example: Root, Cucuk Urang Tiger, wild boar, Monkeys, long-tailed Monkey, Pangolin, Rangkok) and be able to describe the kinds of High conservational value which are located in their respective territories

Farmers' institutions (Cooperative) have conducted monitoring of the fauna species in their working areas carried out by officers who have been appointed by their respective Cooperative as responsible for HCV

Based on information from the Cooperative committee stating that the unprecedented conflict between wildlife and humans occurred in their region, it is also supported by the location of the plasma that are very far from the area of the conservation of the habitat of animals-animals that have potential conflicts for example, Tiger, elephant, orang utan and there are no unprecedented information about the encounter with the wildlife species.

**Status: Full Compliance**

**5.3**

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

Every Cooperative has the "Workflow of the washing and cleaning of Former Pesticide Packaging" which is provided by the main Company, confirmed that the former packaging of pesticides washed and handed to the main Company. As for the order of management processes:

- The collection of used packaging of pesticides
- Washing is done in the cap washing by putting water into the packaging of pesticides, and washed to clean
- The wash water is dumped in shelters for reuse on subsequent spraying.
- Former packaging of pesticides is returned to the supplier (main Company) which features a minutes

Examples of implementation:

- News Event of ex pesticides packaging submission on 2 March 2013 from 'Milik Bersama' Cooperative to The main plantation (Indragiri estate), consisting of ex herbicides jerry can 8 items and used bottles of pesticides 32 items. The former packaging has been washed clean.
- 'Tunas Harapan' Cooperative. The number of admissions and the reduction of used pesticide packaging are recorded in the Log Book of the used packaging, and with each delivery a submission News event was made. Up to March 23, 2013, the number of used packaging left in the landfill is ZERO, the last delivery (BAP) to the main plantation (Indragiri plasma) on 2 March 2013, consisting of 8 items and round up jerry can 2 items.

Waste destruction is done by the main plantation, and in the period of the last 3 years it is not recorded whether there were public complaints related to pesticide use in the working area of the Cooperative.

Cooperative has a system to ensure that no group of farmers would buy pesticides by themselves and throw away used packaging without the knowledge of the former Cooperative, i.e. through the annual PKD (Divisional work programme) associated with spraying (control) of pests, diseases, and weeds on the whole area of plasma; Monthly rat pest census activities; nettle catrpillar pest detection. Through this program, levels of pesticide use can be monitored by the Cooperative. When the census results showed quite nuisance pest attack, then the instructions on use of pesticides can be done.

**Status: Full Compliance**

**5.4**

**Efficiency of energy use and use of renewable energy is maximized.**

Almost all activities are done manually. A number of farmers as the Cooperative members breed cattle, for example in Margo Mulyo and Talang Cooperative, but none make use of cow manure for biogas as a replacement to fossil-fueled energy. Partnership supervising company has not been able to consider towards it because the farmers' cattles are kept by releasing them in the garden but farmers can benefit from organic fertilizer from their cattle's manure.

Cooperative Tunas Harapan has been using 2 units of solar cells for electrical input for 3 computers units in the Office. It is as a form of implementation of energy and water-saving suggestion that proclaimed by the partnership supervising Company.

**Status: Full Compliance**

**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.**

Based on the age of the plant, plans for replanting will be conducted on 2022. Company and Cooperative are drafting a "replanting safe" program to members of the farmers group that started from December 2011. Technical implementation of replanting will be done in by the Plasma partner (PT Mega Nusa palm kernel).

In accordance with the Technical guidelines on Aquaculture crops, Sinar Mas oil palm (Management Committee and Agronomic research) point 5 of the opening of the land and planting document no SMA/MCAR /05/05-07 stated that in order to open new lands only Zero Burning PRINCIPLE should be used.

Available is flowchart on Handling land fire with the procedures: each employee who knows the point of fire directly perform initial fire-fighting, if it is not successful the they should report to the Cooperative committees, contact the emergency response team and the relevant agencies, emergency response team prepared the team and equipment directly to the site, team coordinating about the area, extinguishing fire method, division of personnel, then after the fire was extinguished, the team perform investigation and make a report to relevant agencies.

In case of small scale land fires, farmers use the stem of a palm tree as a simple tool to extinguish the fire

Equipment owned by each Cooperative (list of Inventory and equipment, fire extinguisher Checklist) per February 2013, consisting of:

- Fire ram – 2 pieces
- Kep – 2 pieces
- Hoes – 2 pieces
- Axes – 2 pieces
- Buckets – 2 pieces
- Pole hooks - 2 pieces

Stages of fire control was simulated on August 25, 1995 in Block H-41, followed by 92 participants including 3 personnel from the Milik Bersama Cooperative, which is Bukhori, Suparno, and Tarmuji (from absent), and 12 participants from Tunas Harapan Cooperative, among others: Supriyono (Chairman), Hagli (Krani production), Suparno (Krani Transport), etc.

In each Cooperative, There are the Attendance List of Zero Burning Socialization - dated 22 October 2012 and was attended by 11 members of Milik Bersama Cooperative committees. Socialization was carried out at the Office of Division 4 of Milik Bersama Cooperative.

Zero burning systems training material has been shown, the implementation was conducted 9 October 2012, located in the Mess INDA followed by 33 participants including 4 members of Milik Bersama Cooperative, namely: Ajid, Nanang Sugara, Subroto, Wasmo.

**Status: Full Compliance**

**5.6**

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

There is a list of the identification of environmental aspects and for the potential impact on environment and its control method. The potential impacts identified in the form of pollution of the soil and the use of natural resources (fuel, electricity) including it's control method, as well as the impact of air pollution (dust) as a result of the activities of FFB transport.

Types of sources of pollution and the type of pollution that is identified by the type of activity, as follows:

- (1) Spraying activities – droplets of herbicides, used packaging,

- (2) Laundering spraying tools - washing waste spray tools,
- (3) Fertilization activities - former fertilizer packaging,
- (4) Use of water and electricity Office - a waste of water and electricity,
- (5) Harvesting activities - drops of fuel and dust.

Some measures to reduce pollution, as follows:

- (1) Spraying - droplets of herbicide, used packaging - ensure kep is not leaking, the tool immediately replaced when leaks;
- (2) Laundering spraying tools - spray tools wash waste - accommodated in a waterproof container,
- (3) Fertilization – fertilizer used packaging - traces are collected and sent to the Toxic and hazardous material warehouse at the nucleus,
- (4) Office water and electricity - a waste of water and electricity - using solar power, recommending the use of electricity and water as necessary
- (5) Harvest - drops of fuel and dust - ensure tanks are not leaking and stored using a waterproof container; put up warning the maximum speed (30 km/h) when the truck passed over di inhabitants' residential.

The location of the plasma Talang Sukajadi is 2 km from the settlement, so that transportation of FFB does not pass the Office of Cooperative/community. The risk of air pollution (dust) is small. While the location of the Hidup Baru plasma is + 100- 200 metres away from the settlement. The FFB transport activities have always passed through the Office and residential, the potential impacts of air pollution in the form of dust and exhaust gas of FFB transport vehicles is present.

**Status: Full Compliance**

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**6.1**

**Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.**

There is environmental and social impact identification due to plantations/plasma management. Those identifications were poured in the main company's environmental documents, including:

- a. Plantation's EIA document on behalf of Meganusa Intisawit LLC has been approved by Agrobusiness Agency, Department of Agriculture conform to the letter no. 22 /ANDAL/RKL-RPL/BA/VI/1998 dated 8 June 1998 with the Nucleus Study Scope as wide as 6.000 ha and plasma as wide as 14,000 ha. The capacity of a mill that was planned in EIA consisting of factory I with the capacity of 60 tons FFB/ hours and factory II with the capacity of 60 tons FFB/ hours. The essential social impacts that needs to be monitored are;
  - 1. Tackling of Social Anxiety on changes of LU 1 and LU II is carried out every 3 months.
  - 2. Tackling Social Anxiety because of the dispute over the ownership of land is carried out every month.
  - 3. Tackling Social Anxiety because of the existence of indigenouse forest in the nucleus areal is done every month.
  - 4. Tackling social Anxiety because of the continuity of food crop farmer's effort are done every 6 months.
  - 5. The response of the social anxiety because of the disruption of public health performed every 3 months.
  - 6. Increase in employment opportunities is done every 6 months.
  - 7. Increase in revenue is done every 3 months.
  - 8. Increase in the presence of cooperatives conducted each year once

Of the 6,000 Ha that will be planned as the main plantation of the EIA study was only carried out 875,158 Ha.

- b. Documents of Environmental Management Efforts/Environmental Monitoring Efforts factory on behalf of Buana Wira Lestari have been approved by Environmental Impact Control Agency of the Indragiri Hulu District in accordance with Letter No. 794/Bapedalda-Inhu/IX/2003 dated September 30, 2003 on approval of Environmental Management Efforts/Environmental Monitoring Efforts of Buana Wiralestari Mas LLC factory. Plant capacity in the Amdal was 60 Tons FFB/hour. The Environmental Management Efforts/Environmental Monitoring Efforts has identified social impacts that may occur as a result of the operation of the factory

- including;
- Labor Deployment activities (the absorption of local labor, social Jealousy, the level of unemployment, income level)
  - Purchase and transport activities the FFB (FFB Marketing Collateral, the establishment of business opportunities)
  - Plant operations (the people’s anxiety, the creation of job opportunities, social jealousy)
  - Transporting the CPO (positive as well as negative perceptions from community)
- c. The company has also arranged a Study to identify the social impact with the scope of study of factory study, Main plantations and the Plasma plantations drawn up in November 2012 by Environment and Sustainability Division of PT SMART Tbk. The company has compiled a social impact management plan based on the results of a study to identify the social impact in November of 2012 consists of various impacts are;
1. Pollution and decline of air quality due to the activity of the processing factory.
  2. Pollution and decline of air quality due to dust on the road due to FFB delivery activities as well as CPO by the factory on the dry season.

Social Impact management plan have been made public to the people around the same time as the public consultation Document, for example the preparation of socialization on 27 August to 3 September 2012 to Manunggal, Hidup Baru, Jaya Bersama, Harapan Maju, Karya Bersama, Milik Bersama, Rahayu Makmur, Setia Kawan, Tunas Harapan, Sejahtera Jaya, Angrek, Usaha Manunggal, Sumber Rejeki and Talang Suka Jadi cooperatives

Partnership Supervisors has compiled a report on the implementation of the environmental management plan (EME) and Environmental Monitoring Plan (EME) period II in 2012 and has been submitted to the relevant agencies (Environmental Agency Indragiri Hulu District) correspond to the Receipt Document, dated 8 March 2013 is signed by the officer concerned (Mr. Oryhanang/EIA head).

**Status: Full Compliance**

**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.**

Also available are the communication mechanism workflows in each cooperative started from the request of entry information which later noted, the process of giving responses, giving feedback and their recordings. Recording of communications are documented in the communication book of Sumber Rejeki cooperative describing any information entered and is monitored any information status that entered whether it is already actionable or not.

It is available the document of regular meetings records carried out by each cooperative with the farmer groups which called by the Operational Work Plan Meeting and with all members of a cooperative in Annual Members Meeting. All records of the meeting were documented well in any cooperative offices that become a sample.

There are recordings of communication and consultation with the community that is documented in each cooperative’s communication book and has appointed officers responsible for conducting consultation and communications with stakeholders.

**Status: Full Compliance**

**6.3**

**There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.**

Every cooperative has drafted Conflict and Complain Handling Flow that explains the mechanism of filing the complaint, the process of handling complaints and recording. In this mechanism complains can be delivered via oral through farmer groups or the opinion box provided in the front of office and based on monitoring of opinion box from January 2013 to ST 2 did not find any complains submitted by the parties to each cooperative. Based on management’s information, they mentioned that complains are submitted by members more via the oral to the farmers group and the Palm Units which then discussed at the Operational Work Meeting. Any complaints received by the cooperative institutions recorded in

communication document.	
	<b>Status: Full Compliance</b>
<b>6.4</b>	
<b>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.</b>	
Acquisition of rights over the land was directly come from the Government, not through a process of negotiations concerning compensation for loss of legal rights. The process of acquisition of land described as follows:	
<ul style="list-style-type: none"> <li>a. Ex-General Transmigration area implemented by the government with composition 20% of participants from local village and 80% from outside the region (Java) who follows the oil palm plantation development program with Cooperative Credit Scheme (CCS) pattern. Initially, each and every participant of General Transmigration has received Land Ownership Right from the Government in fom of Ownership Certificate yet since there were rearrangements on plantation arrangement in the beginning of Cooperative Credit Scheme Pattern Plasma development therefore the certificates were withdrawn by NLA of Indragiri Hulu District and a number of those certificates has not completely launched by the NLA</li> <li>b. Local village land areal which citizen took oil palm plantation development in CCS Pattern program and on this case the process of land ownership certificate launching by National Land Agency is not entirely finished.</li> </ul>	
	<b>Status: Full Compliance</b>
<b>6.5</b>	
<b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b>	
There is a list of employee wages and Employment Agreement Letter (SPK) for every employee in cooperatives. Working hours of employees of cooperatives averaging at 4 hours/day.	
Upon proof of payment of the employee wages, cooperative showed that cooperative waging standards have met the standard in accordance to Riau Governor regulations No. 67 dated December 19 <sup>th</sup> 2012 on the Minimum Wage of Indragiri Hulu District which is minimum wage value of Indragiri Hulu District t is Rp1,548,888.00/month.	
	<b>Status: Full Compliance</b>
<b>6.6</b>	
<b>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.</b>	
Cooperative institutions have made a circular letter stating that the policy provides for freedom to Assemble and Associate, to issue opinions to the entire workforce, members of each group of farmers and employees in the work environment.	
	<b>Status: Full Compliance</b>
<b>6.7</b>	
<b>Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.</b>	
Based on work Agreement document verification and Employees wages list also interview with employees in each cooperative shows that here are no underage cooperative employees (below 18 years old).	
	<b>Status: Full Compliance</b>
<b>6.8</b>	
<b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>	
Cooperative institutions have made a Circular letter which states the existence of a policy subject to the same Recognition and Treatment in work, namely:	
<ul style="list-style-type: none"> <li>b. implementation of the same recognition and treatment without discriminating ethnic, religious, racial and gender in all kinds of jobs</li> <li>c. fair treatment without coercion and in any case in any Cooperative work environment.</li> </ul>	

	<b>Status: Full Compliance</b>	
<b>6.9</b>	<b>Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.</b>	
	Circular letter are available from each Cooperative about policy of sexual abuse prevention and various forms of violence against women and to protect women's Reproductive Rights states that cooperative prohibit all forms of sexual harassment and violence against women in the Cooperative as well as protect the reproductive rights of women.	
	<b>Status: Full Compliance</b>	
<b>6.10</b>	<b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>	
	<p>The FFB pricing Mechanism carried out in the meeting that resulted in Pricing Decisions is available, for example; news event of team meeting result in oil palm FFB Pricing Purchase oil palm production of planters in Riau Province No. 01/TPH FFB-I/2013 dated 03 January 2013 for the prices in period of Wednesday - Tuesday from 2 – 14 January 2013. In every decision always included pricing method by using the formula of <math>HFFB = K \{(HCPO \times RCPO) (HIs \times RIs)\}</math>. FFB Pricing meeting carried out once each week by Pricing Team consisting of representatives of the Company, Palm farmers and local governments of every Tuesday at the offices of the Department of Plantation in the province.</p> <p>The available letter from IDSE Manager dated 27 September 2013 notifying FFB price period February 27, 2013 - March 5, 2013, for example, FFB of Palm Aged 8 years is Rp1.383,78/kg and FFB of Palm Aged &gt;10 years is Rp1.467,92/kg</p> <p>The Cooperation Agreement Letter evidence document on FFB transportation services from between each cooperative with FFB transport contractor is stored properly in the office.</p> <p>All members of the Plasma Farmers have been paying off Palm development credit however there is another loans, to Bank loans (credit Business) or to the main company (fertilizer, heavy equipment) paid by way of installment each month by cutting the FFB results. All payments are outlined in each FFB Purchase payment of each cooperative by PT MNIS.</p>	
	<b>Status: Full Compliance</b>	
<b>6.11</b>	<b>Growers and millers contribute to local sustainable development wherever appropriate.</b>	
	<p>There are contributions of cooperative institution towards the local development such as;</p> <ol style="list-style-type: none"> <li>The division of the results of routine cooperative effort towards local development stipulated in each cooperative's articles of association.</li> <li>Agreement of members upon premium for the construction of an outside village that has been regulated in the articles of association for example the construction of public/worship places.</li> </ol>	
	<b>Status: Full Compliance</b>	
<b>PRINCIPLE #7 Responsible development of new plantings</b>		
<b>7.1</b>	<b>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.</b>	
	The company did not carry out any new development after November 2005.	
	<b>Status: Full Compliance</b>	
<b>7.2</b>	<b>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.</b>	
	The company did not carry out any new development after November 2005.	
	<b>Status: Full Compliance</b>	

<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	
	The company did not carry out any new development after November 2005.	
	<b>Status: Full Compliance</b>	
<b>7.4</b>	<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
	The company did not carry out any new development after November 2005.	
	<b>Status: Full Compliance</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
	The company did not carry out any new development after November 2005.	
	<b>Status: Full Compliance</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
	The company did not carry out any new development after November 2005.	
	<b>Status: Full Compliance</b>	
<b>7.7</b>	<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
	The company did not carry out any new development after November 2005.	
	<b>Status: Full Compliance</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>	<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
	Cooperatives have shown evidence of corrective action on audit findings RSPO stage 1, so the results of verification by the auditor, all potential non conformances can be declared closed.	
	<b>Status: Full Compliance</b>	



**3.2. Summary of Assessment Report of Supply Chain**

Clause	(Module E) CPO Mills - Mass Balance Requirements
<b>1</b>	<b>Documented Procedures</b>
1.1	<p>The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements in these requirements.</li> <li>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</li> </ul>
	<p>The documents of SOPS Identification and Trackability (SOP/BWLM/SIK) is available with revision 1 dated 10/01/2013. The procedure include the explanations:</p> <ul style="list-style-type: none"> <li>a) Duties and responsibilities <ul style="list-style-type: none"> <li>– Weigh porter: separating and noting the FFB/CPO claim certified dannon-certified product documents.</li> <li>– Assistant: Conducting surveillance on the entire process.</li> <li>– Administrative chief: Performing calculations of mass balance based on the number of products that can be claimed as certified product</li> <li>– Manager: Responsible for the entire process and ensure calculation of mass balance as well as providing information to the related parties about amount of certified products.</li> <li>– Production Controller: Ascertaining and ensure that a product produced can be tracked to the the source, product delivery acceptable according to the quality and quantity.</li> </ul> </li> <li>b) Flow diagram of <i>supply chain</i>.</li> <li>c) Explanation (flow diagram of <i>supply chain</i>) <ul style="list-style-type: none"> <li>– The reception of FFB: main plantation, plasma plantation, suppliers (independent smallholders). Including the separation and codefication of documents.</li> <li>– The processing of FFB: monitoring the quantity and quality</li> <li>– Product delivery: weighing CPO, printing CPO weight tickets, the delivery of CPO, supervision, the administration of FFB, claiming RSPO certified CPO.</li> <li>– Mass Balance calculations: record keeping and reporting of the quantity and quality of the product; calculating the Mass Balance; The Certified Product information on related parties.</li> <li>– Maintenance of documents: Documents storage; Products are produced according to the procedure of identification and trackability.</li> </ul> </li> <li>d) References <ul style="list-style-type: none"> <li>– National Interpretation on Principle and Criterias of Continuous Palm Oil Production Republic of Indonesia May 2008.</li> <li>– ISCC 204 Mass Balance Calculating Methodology, April 2010.</li> <li>– RSPO SCCS, November 25<sup>th</sup> 2011.</li> <li>– Oil Palm Factory Processing SOP PT. SMART, Tbk, 2010 (MCMD#1)..</li> </ul> </li> </ul>
	<b>Status: Full Compliance</b>
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>
	<p>The Identification and trackability SOP document (SOP/BWLM/SIK) revision 1 dated 10 / 01 / 2013. In the reception of FFB explained that FFB suppliers certified as sustainable products therefore can be identified or the given a distinguishing information with uncertified suppliers. There are three FFB identified suppliers</p> <ul style="list-style-type: none"> <li>– FFB Main Plantation: the examination of the SPB origin that contains origin division, vehicles police number, the</li> </ul>

	<p>number of fruit bunches, weight, block, the date and time of the receipt of FFB for RSPO SCCS added “mass balance/segregation stamp.</p> <ul style="list-style-type: none"> <li>– FFB Plasma Plantation: checkings the origin of SPB containing the name of farmer group, vehicles police number, the number of fruit bunches, weight, and date/time of the receipt of FFB for RSPO SCCS added the “mass balance / segregation” stamp.</li> <li>– FFB Supplier (the Independent Smallholder): examination of origin based on SPB signed by supplier and using SPB supplier form without “Mass Balance/Segregation” stamp.</li> </ul>
	<b>Status: Full Compliance</b>
<b>2</b>	<b>Purchasing and goods in</b>
<b>2.1</b>	
The facility shall verify and document the volumes of certified and non-certified FFBs received.	
<p>The Identification and trackability SOP document (SOP/BWLM/SIK) revision 1 dated 10/01/ 2013. In the reception of FFB explained that FFB suppliers certified as sustainable products therefore can be identified or the given a distinguishing information with uncertified suppliers. There are three FFB identified suppliers;</p> <ul style="list-style-type: none"> <li>– FFB Main Plantation: the examination of the SPB origin that contains origin division, vehicles police number, the number of fruit bunches, weight, block, the date and time of the receipt of FFB. For RSPO SCCS added “mass balance / segregation stamp.</li> <li>– FFB Plasma Plantation: checkings the origin of SPB containing the name of farmer group, vehicles police number, the number of fruit bunches, weight, and date/time of the receipt of FFB. For RSPO SCCS added the “mass balance / segregation” stamp.</li> <li>– FFB Supplier (the Independent Smallholder): examination of origin based on SPB signed by supplier and using SPB supplier form without “Mass Balance/Segregation” stamp.</li> </ul> <p>The Data of weight results from the FFB main plantation stored in the Weighbridge computer system and printed on weigh tickets that contain certified and uncertified FFB volume in accordance with clause 1.2 mechanism</p>	
	<b>Status: Full Compliance</b>
<b>2.2</b>	
The facility shall inform the CB immediately if there is a projected overproduction.	
<p>In the identification and trackability (SOP/BWLM/SIK) revision 1 dated 10/01/2013 document, it has specifically mentioned statement to inform the certification agencies when there is excessive production projected (page-9, 2.4.2 Counting Mass Balance).</p>	
	<b>Status: Full Compliance</b>
<b>3</b>	<b>Record keeping</b>
<b>3.1</b>	
The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	
<p>In the identification and trackability (SOP/BWLM/SIK) revision 1 dated 10/01/2013 SOP explains:</p> <ul style="list-style-type: none"> <li>– Document storage: the recording of identification and trackability are kept at least for a period of 10 years at the factory’s office.</li> <li>– The products are produced according to the procedure of identification and trackability.</li> <li>– Document control: If there are missing, damaged, or changed in documents, then should be immediately coordinated with representatives of management and approved by the top management.</li> </ul>	
	<b>Status: Full Compliance</b>
<b>3.2</b>	
Retention times for all records and reports shall be at least five (5) years.	

	<p>In the identification and trackability (SOP/BWLM/SIK) revision 1 dated 10/01/2013 SOP explains:</p> <ul style="list-style-type: none"> <li>– Document storage: the recording of identification and trackability are kept at least for a period of 10 years at the factory’s office.</li> <li>– The products are produced according to the procedure of identification and trackability.</li> <li>– Document control: If there are missing, damaged, or changed in documents, then should be immediately coordinated with representatives of management and approved by the top management</li> </ul>
	<p><b>Status: Full Compliance</b></p>
<p><b>3.3</b></p>	<p>(a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p> <p>(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>(c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.</p>
	<p>a. The company has not yet certified with RSPO, but Mass Balance calculation procedure is readily available and has put the number of the processing results production from certified sources in a given period of time.</p> <p>b. Mass Balance calculation System through the Volume Credit Option approach. (Identification and trackability SOP page 9, 2.4.2 Calculating Mass Balance).</p> <p>c. System of the Mass Balance calculation with Volume Credit Option approach is the calculation of the amount of the processing result products from certified sources in a certain period of time regarding to the number of certified product that can be claimed each month.</p>
	<p><b>Status: Full Compliance</b></p>
<p><b>3.4</b></p>	<p>The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.</p>
	<p>In the identification and trackability (SOP/BWLM/SIK) revision 1 dated 10/01/2013 SOP, any receipts and expenditure of the products, the company must put the product name and stamps it with “mass balance / segregation..</p>
	<p><b>Status: Full Compliance</b></p>
<p><b>3.5</b></p>	<p>In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>
	<p>The company is not using any contractor service in the management of palm kernel.</p>
	<p><b>Status: Full Compliance</b></p>
<p><b>4</b></p>	<p><b>Sales and goods out</b></p>
<p><b>4.1</b></p>	<p>The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information:</p> <ul style="list-style-type: none"> <li>(a) The name and address of the buyer</li> <li>(b) The date on which the invoice was issued</li> <li>(c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)</li> <li>(d) The quantity of the product delivered</li> <li>(e) Reference to related transport documentation</li> </ul>
	<p>In the identification and trackability SOP (SOP/BWLM/SIK) revision 1 dated 10/01/2013, point 2.3. Product Delivery (page 7) describes the delivery of certified product was done based on the Delivery Order received by Sales Department.</p>

- CPO Weigh Ticket Printing include: date and time, the type of product, Weigh, Contract Number, Weigh Tickets number, The driver's name, DO number, the recipient (name and address), the name of Transportir. As well as the added Mass Balance/ Segregation stamp
- Mail delivery of products contains the following information: date and time of Weighing, product type, destination, and driver's name, Vehicle police number, Transportir's name, DO number, Contracts cumber, Product Quality, Weigh ticket number, Weight, Seal number, information of product certified with Mass Balance/Segregation.

The company only sends the products to the bulking set by buyer.

**Status: Full Compliance**

**5 Training**

**5.1**

The facility shall specifies and provides the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.

The company has been doing socialization related to RSPO SCCS on 3 October 2012 that was attended by Assistants, managers, porter and certification staffs (9 people).

SCCS training was held on September 8, 2012 at the Indrasakti factory and was attended by assistants, Assisstant, Administrative chief, Mill Manager, and Coordinator of the SPO totalling 14 persons. Proof of training attendance is in the form of a Letter Of Proof of Training (Form: FP-04-04) following the SCCS training materials.

**Status: Full Compliance**

**6 Claims**

**6.1**

The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.

In the Identification and Trackability SOP (SOP/BWLM/SIK) revision 1 dated 10/01/2013, point 2.3.6 on Claim of RSPO-certified CPO (hal 8) States that claims on palm oil or RSPO-certified CPO are following the communications and claims guide (RSPO SCCS-Nov 2011).

Item 3 Scope (SOP/BWLM/SIK) explains that the applied certification system is the mass balance and segregation.

**Status: Full Compliance**

**3.3. Conformity Checklist of Certificate and Logo Use** *(Only apply for Surveillance Assessment Report)*

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>S-1</b>	-	
	<b>Status:</b>	<b>NA</b>
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>S-1</b>	-	
	<b>Status:</b>	<b>NA</b>
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>S-1</b>	-	
	<b>Status:</b>	<b>NA</b>
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>S-1</b>	-	
	<b>Status:</b>	<b>NA</b>

**3.4. Summary of RSPO Partial Certification.**

<p>There are 5 management unit are included in Ivomas tunggal, Management units belonging to the Ivomas Tunggal are:</p> <ol style="list-style-type: none"> <li>1. PT. Ivomas Tunggal</li> <li>2. PT. Buana Wiralestari Mas</li> <li>3. PT. Meganusa Intisawit</li> <li>4. PT. Bumipalma LestariPersada</li> <li>5. PT. Sawitkarya Manunggal</li> </ol> <p>Total company that used for sample are <math>(0.5 \sqrt{Y})</math> where Y is the number of companies incorporated into the same holding. Location sample for assessment are: PTBumipalma LestariPersada</p> <p>Verification Date: 14 May 2013</p>		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	<p>Companies comply with the law and regulations related to the environment and prevailing land tenure. No complaints from stakeholders to the company. Based on the results of verification on unit is an example of the assessment, there were no non-compliance with regulations.</p> <p>The company has evaluated the implementation of legal compliance every year. It is available the results of an evaluation of regulatory compliance:</p> <ol style="list-style-type: none"> <li>1. Occupational Health and Safety (173 rule, 9 Not Applicable and 100 % comply )</li> <li>2. Plantation licenses (51 rule, 9 Not Applicable and 100 % comply)</li> <li>3. Environment (59 rule, 2`1 Not Applicable and 100 % comply)</li> <li>4. Labor (100 rule, 2 Not Applicable and 100 % comply).</li> </ol>	√
	<b>Status: Full Compliance</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	<p>There is available documents of :</p> <ul style="list-style-type: none"> <li>- Location Permit and Permit of Exemption Rights / Purchase of Land in the Sub district of Peteh, Emok and Keritang, Indragiri Hilir District for Palm Oil, Coconut Hybrid and cacao on Behalf PT Bumipalma LestariPersada. were issued by the Regional Investment Agency-Pekanbaru through Riau Governor's Decree Number: KPTS.40/IL-X/1990, dated October 22, 1990. There are also Appendix Location Map, Area ± 8,200 Ha Scale 1: 100,000.</li> <li>- Decree of the Minister of Forestry Number: 136/Kpts-II/92, dated November 10, 1995 about Release of Some Forests area in Forests Group, Reteh-S, excavation, Indragiri Hilir District, Riau Province, Covering an area of 11,562.5 Hectares for palm oil Cultivation on Behalf of PT Bumipalma LestariPersada.</li> <li>- Land use title No. 01 covering area 6.690 Ha, certificate of registry dated 30 March 1995 No 02/1995 and map (scale 1 : 25,000), based on decree of Agraria Ministry/ Head of National Land Agency. Number: 73/HGU/BPN/95/ dated 10 November 1995 were issued by Head of National Land Agency dated 20 April 1996. Location in Mumpa, Pusaran, Baganjaya, Sungai Rukam, Pengalihan, Pebenaan, Sungai Gergaji. Land use title is valid until 31 December 2030.</li> <li>- Building permits of factory covering 3,645.5 m based on decree of Indragiri Hilir Regent Number : B-0/HK/1995, dated 30 November 1995.</li> </ul>	√
	<b>Status: Full Compliance</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>

	Company have SOP grievance and complain (SOP/NP/SMART/XII/MCAR001), Revised July 1, 2010, and have been socialized on 9 February 2013 and March06, 2013	√
	<b>Status: Full compliance</b>	
<b>6.4</b>	<b>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.</b>	<b>X or√</b>
	Company have SOP/NP/SMART/VII/D&L002 about Land Compensation, revised July 1, 2010  Some land restitution process has been done and recorded. The process of land acquisition was conducted through mapping, land owners identifying, negotiations between land owner and involving community representatives for land compensation.	√
	<b>Status: Full compliance</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	<b>X or√</b>
	There are no new planted in primary forest area since November 2005 or every areal which required for maintain or improve the one or more HCV).	√
	<b>Status: Full compliance</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	There are no new planted in primary forest area since November 2005 or every areal which required for maintain or improve the one or more HCV).	√
	<b>Status: Full compliance</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	<b>X or√</b>
	There are no new planted in primary forest area since November 2005 or every areal which required for maintain or improve the one or more HCV).	√
	<b>Status: Full compliance</b>	

**3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.**
**3.5.1 Identification of Findings, Corrective Actions and Observations at ST-1 Assessment for Nucleus**

CAR No	Ref Std	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closed date
2013.01	Major 2.1.1 Major 5.6.2	<p><b>Regular emissions test of Stationary sources-</b> Occupational Health and Safety Center, Medan has taken samples of stationary sources emissions testing in November 2012 (Semester II), but there is not enough evidence that the company show the test results.</p> <p>This is not in accordance with Permen LH No.7 of 2007 about Quality standards on immobile emissions for boiler, and Permen LH No.21 of 2008 concerning the emission quality standards for stationary sources of business Article 9.</p>	Mills	NC	Stage 2	The company must be able to demonstrate the results of stationary sources emission testings that have been carried out every 6 months.	<p>Results of laboratory analysis for stationary sources emissions testing semester II of 2012 are available</p> <p>Tests conducted by the Occupational Safety and Health Center, Medan in November 2012. All results of this analysis indicate that all test parameters do not exceed environmental quality standard that has been set.</p>	Closed	11 January 2013
2013.02	Major 4.6.4	<p><b>Balance sheet of used pesticide containers</b></p> <p>In Indrasakti Estate document of 2012, there was the difference between the amount of used pesticide package, and the package being transferred to the supplier.</p>	Estate	NC	Stage 2	The company must be able to show evidence for the use of the pesticide package	<p>The company has shown evidence that the used pesticide containers are not entirely sent to the supplier. Some packages are used as container in pesticide dilution at the indrasakti estate.</p> <p>The used package was used in November 2012.</p>	Closed	11 January 2013
2013.03	Minor	<b>Employee Health Examination</b>	Mills	NC	Stage	Companies must be able to	The company has shown the	Closed	20 March 2013



	<b>4.7.4</b>	Examination of employees health and work environment was done by Occupational Safety and Health Center, Medan in November 2012. The examination is related with hearing and respiratory using spirometry method. But there is not enough evidence that the results of the examination are available			<b>2</b>	show results of examination on health and working environment.	<p>results of audiometric examination and spirometry for the 15 employees who worked at the station with a high risk level (Mills).</p> <p>The analysis result shows that seven employees are known to have hearing-impaired and five employees have impaired lung function</p> <p>Companies should perform an evaluation of the health examination results done by Occupational Safety and Health Center, Medan.</p> <p><b>11 January 2012</b> <b>NC2013.03 Closed, issuance of OFI</b></p> <p><b>Verification on 20 March 2013</b> The Company has evaluated the results of audiometry and spirometry health that by doing further tests at RS Syafira with results that the employees were still allowed to work with doctor's recommendation to use of PPE.</p>		
<b>2013.04</b>	<b>Major 5.1.2 &amp; Minor 6.1.4</b>	The company has not shown reporting on impelementation on Environment Management Unit/ Environment Supervision Unit (EMU/ESU) period II of 2012 to the	<b>Mills &amp; Estate</b>	<b>NC</b>	<b>Stage 2</b>	The company must show proof of EMU and ESU reporting to the related institution.	Documents report on the implementation of the EMU/ESU has been shown and there is evidence that it had been submitted to the Indragiri Hulu	Closed	18 March 2013

		related institution.					Environment Agency dated 8/3/2013.		
<b>2013.05</b>	<b>Minor 5.3.3</b>	<b>Management of Toxic and Hazardous Materials (THM) waste</b> a. Monitoring, documentation and management are adequate, there is lack of monitoring of THM waste before October 2012 b. THM estate waste is stored exceeding the shelf life of 90 days. This is not in accordance with Government Regulation 18 of 1999. c. There is not enough evidence that THM waste estate has been delivered to the licensed collector estate.	<b>Estate</b>	<b>NC</b>	<b>Stage 2</b>	The company ensures that THM waste is managed and delivered in accordance with applicable regulations	There have been records of THM waste Monitoring before October 2012.  There is proof of THM estate waste delivery manifest on 13 September 2012 and 23 February 2013  The company uses a third party (PT Binasamsurya Mandalaputra) as THM transporters and gatherers who has obtained permission from the relevant authorities, namely Permit on the collection of THM from the Ministry of Environment No. 294 of 2010 on Collection of Toxic and Hazardous Material Waste Permit by PT. Binasamsurya Mandalaputra dated December 9, 2011 and is valid for 5 years.	Closed	19 March 2013
<b>2013.06</b>	<b>Major 6.5.2</b>	<b>Collective labor Agreement</b> The Company has had a collective labor agreement for employees but the validity period had expired as of August 2012.	<b>Mills &amp; Estate</b>	<b>NC</b>	<b>Stage 2</b>	The company must show the Coolective Labor Agreement which is still valid.	Referring to Collectve Labor Agreement (CLA) between Sumatran Plantation Entepriises with Labor Union article 25, the CLA is still valid until new agreement is made. The company is able to show the document..	Closed	12 January 2013
<b>2013.07</b>	<b>3.3.a</b>	The company has identification and traceability procedures, one of	<b>Mills</b>	<b>NC</b>	<b>Stage 2</b>	The company needs to specifically explain in SOP	Identification and traceability procedures document (No.:	Closed	12 January 2013

		which related to the Mass Balance calculation, but the procedure has not been specifically stated that the recording of certified products will be carried out every 3 months..				related to recording of certified products every 3 months	SOP/BWLMarden/SIK) Revision 01, dated 10 January 2013 has included the recordings of number of production processing results from certified sources within a certain time: Monthly, Quarterly and Yearly.		
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**3.5.2 Identification of Findings, Corrective Action, and Observation at Stage 1 for Smallholders**

CAR No	Ref Std	Findings	Location	Grade	Batas Waktu	Tindakan Koreksi	Observasi	Status	Tanggal Closed
2013.01	Minor 5.1.1 & Minor 6.1.1	<b>Report on Environmental Management Plan/Environmental Supervision Plan (EMP/ESP)</b> The company has not been able to show the report on the implementation of EME/ESP two-year period 2012 to the relevant agencies	Estate	NC	Stage 2	Partnership patrons must show proof of EME and ESP reporting to relevant agencies.	Partnership patrons has prepared a report on the implementation of the environmental management plan (EMP) and environmental supervising plan (ESP) for Period II of 2012 and has submitted them to the relevant agencies (Environment Agency district of Indragiri Hulu) according to a document receipt dated 8 March 2013 received by related officers (Oryhanang / Head of EIA).	Closed	19 March 2013
2013.02	Minor 5.6.1 & Minor 5.6.2	<b>Identification pollution sources</b> There is a list of environmental aspects identification and control for the potential impact on plantation activities, but these documents have not listed the impact of air pollution (dust) caused by activities of FFB transport.	Estate	NC	Stage 2	The company must identify overall environmental impact including, air pollution (dust) due to activities of FFB transport.	List of identification of environmental aspect and its control has included the distribution of as included the distribution of FFB haul trucks dust as pollution.	Closed	20 March 2013
2013.03	Major 6.5.1	<b>Payment of Wages</b> Not enough evidence of the wages payment for the security workers of Margo Mulyo cooperatives.	Estate	NC	Stage 2	The cooperative should be able to show proof of wages payment to employees including security workers.	Margo Mulyo cooperative has shown evidence of wages payment to security worker (Herman) that has been realized in October 2012-February 2013 as much as Rp 1,100,000 per month.	Closed	19 March 2013
2013.04	Minor 6.10.1	a. Margo Mulyo cooperative has shown evidence of cooperation on FFB transportation services	Estate	NC	Stage 2	a. Margo Mulyo cooperative must show evidence of cooperation with the FFB	a. Margo Mulyo cooperative has shown evidence of cooperation on FFB	Closed	19 March 2013

		<p>with Mr. Nursid, but the validity period of the agreement letter had expired as of 31 December 2012.</p> <p>b. The cooperative has not been able to show evidence of partnership with main cooperative (Sumber Rejeki)</p>				<p>transport services contractor.</p> <p>b. Margo Mulyo cooperative must show evidence of partnership with main cooperative (Sumber Rejeki).</p>	<p>transportation services with Mr. Nursid in accordance with letter of agreement No.001/KUD/Margomulyo/2013/Trans FFB dated 5 January 2013 which includes 27 units of FFB transport.</p> <p>b. Cooperative whose document of Autonomous Business Units (ABU) are missing (10 cooperative) had made a statement on February 11, 2013 which stated that the cooperatives, with their respective ABUs, had signed a Cooperation Agreement as the renewal of the agreement on 23 June 1997 and 29 October 1999 which served as the basis of cooperation between plasma cooperative members with PT MNIS as the core company. As for the the 10 cooperatives, they are: Manunggal, Sejahtera, Hidup Baru, Usaha Manunggal, Talang Sukajadi, Rahayu Makmur, Tunas Harapan, Harapan Maju, Talang Subur and Margo Mulyo.</p>		
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**3.5.3 Identification of Findings, Corrective Actions and Observations at ST 2 Assessment**

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

**3.5.4 Opportunity for Improvement**

No	Ref Std	Descriptions
1	Major 1.2.1	Cooperative management has the opportunity to further improve the monitoring process of issuing land titles owned by members which are issued by National Land Agency of Indragiri Hulu District, coordinating with management of PT MNIS.

**3.5.5 Noteworthy Positive Components**

No	Ref Std	Descriptions
1	-	The company's commitment to apply the principles of sustainable oil palm management indicates the seriousness in supporting the corrective action on all audit results indicating discrepancies at Stage 1.
2	-	The entire cooperatives demonstrate seriousness in supporting RSPO standard compliance and are open to undertake continuous improvement.
3	-	Personal competences in their respective fields.

**3.6 Summary of Arising Issues from Public, Management and Auditor Response**

Issue from Public (Institution/ NGO / Community)	Response of Management	Response of Auditor
<p><b>Plantation Agency Indragiri Hulu District</b></p> <ul style="list-style-type: none"> <li>• <b>Positive Issue :</b> <ul style="list-style-type: none"> <li>– Cooperatives institution is already powerful.</li> <li>– The company did not report the development of the plantation business to local office, in order to meet the obligations set out in the Plantation Business Permit (PBP)</li> <li>– Farmers Group of Petaling Jaya Village has settled the payment obligations on managed lands and the certificate has been published, but the company did not submit these certificates to the farmers.</li> </ul> </li> <li>• <b>Negative Issue:</b> <ul style="list-style-type: none"> <li>– There is no negative issue about the company.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>– Cooperatives institution is already powerful because it has a legal entity and legal support. Fostering is still being done by the company on an ongoing basis.</li> <li>– Regular reporting is performed in accordance with applicable regulations. The last delivery of the report (in 2012) was received by the Plantation Agency (by Mr. Robi) dated 20 March 2013 (the minute of evidence is attached).</li> <li>– In accordance with the results of the meeting with the core cooperative Sumber Rezeki, the deliveries of certificates to all cooperatives which are included in the cooperative Sumber Rezeki are done simultaneously (Minutes of meeting attached). Certificate is still awaiting the completion of the others</li> </ul>	<ul style="list-style-type: none"> <li>– The company and cooperative institutional are partners who need each other. Fostering to the management from the company to group of farmers/growers is important to be continuously improved. The company actively provide counseling/socialization/training to them.</li> <li>– The Company has reported the plantation business report for 2012 on 20 March 2013 (the minutes attached).</li> <li>– The company/cooperative need to actively communicate with the National Land Agency dealing with some land titles which have not been published</li> </ul>
<p><b>Agency of Social, Labor and Transmigration of Indragiri Hulu District.</b></p> <ul style="list-style-type: none"> <li>• <b>Positive Issue :</b> <ul style="list-style-type: none"> <li>– Team of Guiding Committee for Occupational Safety and Health for estate and mill has been formed, where the caretakers are OSH Experts.</li> <li>– All employees enrolled as members of Labor Social Assurance.</li> <li>– The company regularly reports the improvement of Guiding Committee for Occupational Safety and Health.</li> <li>– In relation to social issues, the company needs to deliver programs and improvement of community</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>– The positive assessment becomes records to observe and implement the applicable provisions.</li> <li>– same as above</li> <li>– same as above</li> <li>– Implementation of CSR in PT MNIS refers to the CSR Strategic Plan that has been defined by management focusing on aspects of education, health and social culture. As for the aspect of community economic empowerment is done by developing plasma plantation</li> </ul>	<p>Based on the observation of documents, field visits and interviews with workers, it is known that the company has provided facilities such as wages, housing, infrastructure, personal protective equipment for workers optimally.</p>



Issue from Public (Institution/ NGO / Community)	Response of Management	Response of Auditor
<p>development activities to the department.</p> <ul style="list-style-type: none"> <li>- There is no issue of discrimination for workers.</li> <li>- The 2013 District Minimum Wage has been agreed, but the official has not disseminated it to the estates in the district. The 2013 District Minimum Wage is Rp. 1,548,888.</li> <li>- Labor unions have been formed.</li> </ul> <p>• <b>Negative Issue:</b></p> <ul style="list-style-type: none"> <li>- There is no negative issue about the company.</li> </ul>	<ul style="list-style-type: none"> <li>- The positive assessment becomes records to observe and implement the applicable provisions.</li> <li>- The company always maintain a harmonious relationship with labor unions.</li> </ul>	
<p><b>National Land Agency, Indragiri Hulu District</b></p> <p>• <b>Positive Issue :</b></p> <ul style="list-style-type: none"> <li>- Up to now, ± 700 ha of nucleus plantation has not obtained land used title (LUT). Submission/application process of the land is running.</li> <li>- Community land is land that is designated as a resettlement area by the government. District National Land Agency has issued a certificate of ownership for farmers who engage with companies.</li> </ul> <p>• <b>Negative Issue:</b></p> <p>There is no negative issue about the company.</p>	<ul style="list-style-type: none"> <li>- Land Use Title endorsement is awaiting approval processes by RTRWP Riau</li> <li>- Certificate of Ownership is almost complete (approximately 80%). The rest is in the making by National Land Agency of Indragiri District</li> </ul>	<ul style="list-style-type: none"> <li>- The company has applied for land use permits to the National Land Agency for the area 771 ha on 9 March 2007. Certificate has not been published because it is still constrained by Spatial Riau Province which has not been approved by the government.</li> <li>- The company/cooperatives need to accompany the process of issuing land titles owned by farmers</li> </ul>
<p><b>Environment Body, Indragiri Hulu District</b></p> <p>• <b>Positive Issue :</b></p> <ul style="list-style-type: none"> <li>- Reporting on corporate environmental management activities are delivered periodically.</li> <li>- The Company has licensed for THM (Toxic and Hazardous Material) waste temporary storage area which is located in the mill</li> <li>- The company has licensed the use of wastewater for land application.</li> </ul> <p>• <b>Negative Issue:</b></p>	<ul style="list-style-type: none"> <li>- The positive assessment becomes records to observe and implement the applicable provisions</li> <li>- The company has licensed for THM (Toxic and Hazardous Material) in the Mill and Nucleus Estate.</li> <li>- The positive assessment becomes records to observe and implement the applicable provisions</li> <li>- Waste analysis is performed routinely every month and the results meet the quality standards of waste in accordance with Environment Ministerial Decree</li> </ul>	<ul style="list-style-type: none"> <li>- The company is committed to maintain and sustain the quality of the surrounding environment.</li> <li>- Qualities of river water, monitoring wells, and wastewater are monitored regularly. Parameter that exceeds the threshold is COD. COD parameter test results in the last six months has always been above quality standards set by Riau Governor Regulation No.35 of 2007 (COD maximum of 10,000 mg/L). Example: test results for November 2012 - COD reached 13 367 mg/L; February</li> </ul>



Issue from Public (Institution/ NGO / Community)	Response of Management	Response of Auditor
<p>There is an issue of environmental pollution from wastewater management, the Department responded to this in the formation of environmental monitoring verification team which will visit in April 2013. Test parameters are generally below the threshold, only some certain parameters are above the threshold of environmental quality..</p>	<p>No. 29 of 2003. The company has always facilitated any visits carried out by the Environmental Body of Indragiri Hulu District.</p>	<p>2013 test results - COD reached 13 625 mg/L. – The interview with the Head of Sub-division of Water, Air and Land Pollution Control from the Environment Body of Riau Province reveals that naturally, in normal COD content is able to reach 2-3 times of BOD so that COD reached by PT MNIS is stated to be within tolerance threshold.</p>
<p><b>Regional Board AMAN (Alliance of Indigenous Peoples of Nusantara) Indragiri Hulu</b></p> <ul style="list-style-type: none"> <li>• <b>Positive Issue :</b> In general, up to now there is no negative information is presented to the Indigenous Peoples Alliance of Nusantara (AMAN) Indragiri Hulu district from the parties related to the management of PT MNIS palm plantations oil.</li> <li>No negative incoming reports related to conflict/ land claim by the public or otherwise made by the company.</li> <li>No reports on the indigenous conflict between the companies of PT MNIS with the surrounding community.</li> <li>• <b>Negative Issue:</b> There is no negative issue about the company.</li> </ul>	<p>The positive assessment becomes records to observe and implement the applicable provisions</p>	<p>Company while maintaining the existence of indigenous peoples around the company and maintain good relationship so there is no conflict.</p>
<p><b>Head of Pematang Manggis Village</b></p> <ul style="list-style-type: none"> <li>• <b>Positive Issue :</b> – There has been a positive interaction between the company and a community where the existence of plasma program is increasing community's standards of living.</li> </ul>	<p>The existence of the company is also expected to lead to benefits for the surrounding community. PT MNIS hope that relationship with community keeps running mutually and harmoniously.</p>	<p>The company consistently maintaining good relations with the communities surrounding the company.</p>

Issue from Public (Institution/ NGO / Community)	Response of Management	Response of Auditor
<ul style="list-style-type: none"> <li>- The company routinely provides assistance to the village, such as road repair, religious aid, medical treatment for rural communities and other social assistance.</li> <li>• <b>Negative Issue:</b> There is no negative issue about the company.</li> </ul>		
<p><b>Community leader of Bukit Lingkar Village</b></p> <ul style="list-style-type: none"> <li>• <b>Positive Issue :</b> Some of the assistances given by the company include the development of plasma plantations and oil palm cultivation training. The community, represented by village chief said that the existence of plasma program is increasing community's welfare. The company also regularly provides assistance to the village, such as road repair, religious aid, medical treatment for rural communities and other social assistances.</li> <li>• <b>Negative Issue:</b> There is no negative issue about the company</li> </ul>	<p>The existence of the company is also expected to lead to benefits for the surrounding community. PT MNIS hope that relationship with community keeps running mutually and harmoniously.</p>	<p>The company consistently maintaining good relations with the communities surrounding the company.</p>
<p><b>Traditional leader and Head of Talang Sukajadi Village</b></p> <ul style="list-style-type: none"> <li>• <b>Positive Issue :</b> <ul style="list-style-type: none"> <li>- Cooperation with the company has been well established since 2002, especially since the foundation of plasma plantation.</li> <li>- The company does not undertake coercion during the development of plasma which can be proven by the existence some the rubber plantation owned by people which are enclaved because they do not want to join plasma program.</li> <li>- At the beginning of the construction of the estate, i.e. plasma and nucleus estates, the company has involved traditional leaders, village government,</li> </ul> </li> </ul>	<p>The existence of the company is also expected to lead to benefits for the surrounding community. PT MNIS hope that relationship with community keeps running mutually and harmoniously.</p>	<p>The company consistently maintaining good relations with the communities surrounding the company.</p>

Issue from Public (Institution/ NGO / Community)	Response of Management	Response of Auditor
<p>scholars and intellectuals in the Talang Sukajadi village.</p> <ul style="list-style-type: none"> <li>- In the development process of plasma and nucleus estates, the company respects the existence of communities and customary norms prevailing in the Talang Sukajadi village.</li> <li>- Talang Sukajadi Villagers are included in Talang Mamak sub-ethnic who owns indigenous forests containing 3 forests such as Panca Larang, Rimba Tembun and Rimba Sungkup. The Company does not interfere with the existence of the three indigenous forests.</li> </ul> <ul style="list-style-type: none"> <li>• <b>Negative Issue:</b> There is no negative issue about the company.</li> </ul>		
<p><b>Traditional leader and Head of Talang Sukajadi Village</b></p> <ul style="list-style-type: none"> <li>• <b>Positive Issue :</b> <ul style="list-style-type: none"> <li>- The greatest contribution for the community associated with the existence of PT MNIS was plasma plantation development in rural communities Padang Bandar managed by Manunggal Village Cooperative Unit.</li> <li>- Until now, the relationship between the community and the company has always run well.</li> <li>- The company has implemented a CSR program such as assistance for flood victims, health programs, and the construction of public facilities, education and support heavy equipment for road repair.</li> </ul> </li> <li>• <b>Negative Issue:</b> There is no negative issue about the company,</li> </ul>	<p>The existence of the company is also expected to lead to benefits for the surrounding community. PT MNIS hope that relationship with community keeps running mutually and harmoniously.</p>	<p>The company consistently maintaining good relations with the communities surrounding the company.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>PT Meganusa Intisawit Head of Environmental Health &amp; Safety Department</p>  <p><b><u>Ismu Zulfikar</u></b> Monday, 27/May/2013</p> </div> <div style="width: 45%;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Deni A. Novendi</u></b> Friday, 30/May/2013</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Contact	Date of Contact
1	Plantation Agency	District of Indragiri Hulu	-	Mail and Focus discussion group	19 March 2013
2	Ina Mulyani	Kasubdit pengendalian pencemaran air udara dan tanah BLH province of Riau	-	By phone	19 March 2013
3	Labor Agency	District of Indragiri Hulu	-	Mail and Focus discussion group	19 March 2013
4	National Land Agency	District of Indragiri Hulu	-	Mail and Focus discussion group	19 March 2013
5	Environmental Agency	District of Indragiri Hulu	-	Mail and Focus discussion group	19 March 2013
6	Head of Viilage	Village Of Bukit Lingkar	-	Focus discussion group	19 March 2013
7	Head of Viilage	Village Of Pematang Manggis	-	Focus discussion group	19 March 2013
8	Head of village and Traditional Leader Village Of Legok (Etnic Talang Mamak)	Village Of Legok	-	Focus discussion group	19 March 2013
9	Head of village and Traditional Leader Village Of Bandar Padang (Etnic melayu)	Village Of bandar Padang	-	Focus discussion group	19 March 2013
10	Regional Board AMAN (Alliance of Indigenous Peoples of Nusantara) Indragiri Hulu	Indragiri Hulu	-	By phone	19 March 2013

**Appendix 2. Assessment Program**

DATE	18 – 23 March 2013	
ACTUAL PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 18 March 2013</b>		
06.00 - 08.00 08.00 - 15.00  15.30 – 16.00  -	<b>Jakarta – Pekanbaru</b> <b>Pekanbaru - Site</b>  <b>Opening Meeting</b>  <u>Document Observation</u>	<b>All Team</b>
<b>Tuesday, 19 March 2013</b>		
08.00 – 12.00	<b>Konsultasi Publik</b> <ul style="list-style-type: none"> <li>Indragiri Hulu District (Labour Agency, Environmental Agency, National Land Agency, NGO)</li> <li>Villages</li> </ul> <u>Document observation</u>	<b>MM</b>  <b>DN/ NM/ MY/ NK</b>
15.00 – 17.00	<u>Document observation</u>	<b>DN/ NM/ MY/ NK</b>
<b>Wednesday , 20 March 2013</b>		
08.00 - 12.00      14.00 – 17.00	<u>Field Observation (Indra Lestari Estate):</u> <ul style="list-style-type: none"> <li>Legal boundaries, housing complex and facilities (clean water, electric, worship buildings, health clinic, school, landfill and emergency response), harvesting activity, spraying activity, conservation area, IPM implementation, chemical storage (mixing and handling mechanism), workshop and interviews (payments, sexual and racial harassment, child labour, religious, complaints procedures)</li> <li>Documentation, workers interview (payment, training, facilities, racial harassment), safe working practices, safety and health equipments, fuel, water usage, process station, waste water treatment plant, workshop, hazardous waste storage and handling,</li> </ul>	<b>All Team</b>
<b>Thursday, 21 March 2013</b>		



**Appendix 3. Glossary**

AMDAL (SEIA)	:	Analisis Mengenai Dampak Lingkungan ( <i>Social and Environmental Impact Assessment</i> )
APD (PPE)	:	Alat Pelindung Diri ( <i>Personal Protective Equipment</i> )
B3	:	Bahan Beracun dan Berbahaya ( <i>Hazardous Material Waste</i> )
BOD	:	Biological Oxygen Demand
BTGE	:	Bukit Tiga Estate
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
HCV	:	High Conservation Value (Nilai Konservasi Tinggi)
HGU	:	Hak Guna Usaha. ( <i>Land Use Permit</i> )
IDLA	:	Indralestari Plasma
IDSA	:	Indrasakti Plasma
IDSE	:	Indrasakti Estate
INKM	:	Indrasakti Mill
INDA	:	Indragiri Plasma
IPAL (WWTP)	:	Instalasi Pengelolaan Air Limbah ( <i>Wastewater Treatment Plant</i> )
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja ( <i>Social Assurance of Labor</i> )
Jankos / EFB	:	Janjangan Kosong / Empty Fruit Bunch
K3 (OHS)	:	Keselamatan dan Kesehatan Kerja. ( <i>Occupational Health and Safety</i> )
KER	:	Kernel Extraction Rate
LA	:	Land Application
LC	:	Land Clearing
OER	:	Oil Extraction Rate
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja (Guiding Committee of Occupational Safety & Health)
PHT (IPM)	:	Pengendalian Hama Terpadu ( <i>Integrated Pest Management</i> )
PK	:	Palm Kernel
PKS (POM)	:	Pabrik Kelapa Sawit (Palm Oil Mill)
POME	:	Palm Oil Mill Effluent
PT MNIS	:	PT Meganusa Intisawit
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan. ( <i>Environmental Management Plan/ Environment Monitoring Plan</i> )
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Suply Chain Certification Sistem
SEL	:	Studi Evaluasi Lingkungan (Environment Evaluation Study document)
SIA	:	Social Impact Assessment
SMARTRI	:	SMART Research Institute
SOP	:	Standard Operating Procedure
ST-1	:	Stage 1
ST-2	:	Stage 2



S1	:	Surveillance 1
TBS (FFB)	:	Tandan Buah Segar ( <i>Fresh Fruit Bunch</i> )
UKL/UPL	:	Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan. ( <i>Environmental Management Efforts/ Environmental Monitoring Efforts</i> )