



PUBLIC SUMMARY REPORT

RSPO FIRST ANNUAL SURVEILLANCE ASSESSMENT (ASA1)

PT Agro Muko (SIPEF Group) Located in Bengkulu Province INDONESIA

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SUMMARY

BSi has conducted the first Annual Surveillance Assessment (ASA1) of PT Agro Muko located in Bengkulu Province, Indonesia operations comprising two mills, eight oil palm estates, support services and infrastructure. BSi concludes that PT Agro Muko operations comply with the RSPO requirements [RSPO P&C NI-INAWG 2008; RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; and Supply Chain Certification Standard: November 2011, Module E – CPO Mills: Mass Balance]

BSi recommends the continuation of the approval of PT Agro Muko as a producer of RSPO Certified Sustainable Palm Oil.

ABBREVIATIONS USED

ABE	Air Buluh Estate
ABKE	Air Bikuk Estate
AMDAL	Analisis Mengenai Dampak Lingkungan (Environmental Impact Assessment)
AMTT	Agro Muko Tank Terminal
B3	Chemical waste store
BPDLD	Provincial Environmental Agency
BOD	Biological Oxygen Demand
BPN	Badan Pertahanan Nasional (National Land Authority)
BPS	Badan Pusat Statistik Central Statistical Office
BTE	Bunga Tanjung Estate
BTM	Bunga Tanjung Mill
CD	Community Development
CLA	Collective Labour Agreement
COD	Chemical Oxygen Demand
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
EM	Estate Manager
EMS	Environmental Management System
ERT	Endangered, Rare and Threatened
ESIA	Environmental Social Impact Assessment
FFB	Fresh Fruit Bunch
FSC	Forestry Stewardship Council
GMO	General Managers Office
HCV	High Conservation Value
HGU	Hak Guna Usaha (Land) title for commercial use
HO	Head Office
IPM	Integrated Pest Management
IRCA	International Registration of Certified Auditors
ISO	International Standards Organisation
ISPO	Indonesia Sustainable Palm Oil Foundation
IUCN	International Union for Conservation of Nature
IUP	Izin Usaha Perkebunan (Plantation Licence)
KMD	Kebun Masyarakat Desa (Village Estate)
LPM	Lembaga Pemberdayaan Masyarakat (Population Development Office)
MME	Mukomuko Estate
MMM	Mukomuko Mill
MSDS	Material Safety Data Sheet
NGO	Non-Government Organisation
NKT	Nilai Konservasi Tinggi (HCV)
OHS	Occupational Health and Safety

PCD	Pollution Control Device
PKB	Perjanjian Kerja Bersama (Collective Labour Agreement)
PMP	Project Management Plan
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PPKS	Pusat Penelitian Kelapa Sawit (IOPRI Indonesian Oil Palm Research Institute)
PT AM	PT Agro Muko Indonesia
PT TTI	PT Tolan Tiga Indonesia
QMS	Quality Management System
RAB QSA	Quality Society of Australia
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
SBE	Sungai Betung Estate
SEIA	Social & Environmental Impact Assessment
SEL	Studi Evaluasi Lingkungan (Environmental Assessment)
SEMDAL	Studi Evaluasi Mengenai Dampak Lingkungan (Environmental Impact Evaluation Assessment).
SKE	Sungai Kiang Estate
SPAM	Serikat Pekerja Agro Mandiri (Agromuko Autonomous Labour Union)
SOP	Standard Operation Procedure
TPE	Talang Petai Estate
TRE	Tanah Rekah Estate
TSS	Total Suspended Solids
UKL-UPL	Upaya Kelolalaan Lingkungan-Upaya Pemantauan Lingkungan (Environmental Management and Monitoring Measures)

1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 Identity of Certification Unit

The AGRO MUKO Mills and Estates are located in Bengkulu Province, Indonesia (Figure 1). The GPS location of the mills is shown in Table 1 (Figure 1). The scope of Certification covers 2 (two) Palm Oil Mills and the supply base comprising 8 (eight) company owned oil palm Estates, and 1 (one) unit estate of KMD project.

Table 1: Mills GPS Locations

MILL	EASTING	NORTHING
Mukomuko	E101°16'	S02°36'
Bunga Tanjung	E101°22'	S02°43'

1.2 Production Volume

The estimated tonnages reported for the Initial Certificate and the actual production since Certification are detailed in Table 2. It should be noted that the Actual tonnages are for only part of a year from the date of Initial Certification on 22 February 2011 to 21 February 2012. The projected tonnages for the 2012–2013 period of the Certificate are based on the annual budget of three yearly basis.

Table 2: Production tonnages

Mill	Estimate at Initial Certification 22/02/2011	Actual 22/02/2011–21/02/2012	Projected 22/02/2012–21/02/2013
MM POM:			
CPO	52,000	56,194	52,559
PK	12,000	12,396	11,504
BT POM:			
CPO	27,000	30,773	28,764
PK	6,000	6,668	6,276

1.3 Certification details

SIPEF RSPO Membership No: 1-0021-05-000-00
 BSI RSPO Certificate No: SPO 556042
 Initial Certification Assessment: 27/09/2010–3/10/2010
 Date of Certification: 22/02/2011

1.4 Description of Supply Base and Supply Chain

In the last 2011 to 2012 The FFB processed at Muko Muko Mill is sourced from the 5 (five) Company Estates (98.3%) and a KMD Project (1.7%). Since the Initial Certification, no FFB from adjacent Agro Muko Estates or outgrowers have been diverted or processed at Muko Muko Mill. Thus, Muko Muko Mill is declaring as Supply Chain Segregation. Mean while the FFB processed at Bunga Tanjung Mill 3 (three) Company Estates (92.1%) and a KMD Project (3.1%), and small number of outgrowers (4.8%). Bunga Tanjung mill interested receiving FFB from outgrowers during period February – December 2011 in just one month; this in order to test out acceptance of the fruit as their supply base. But after review on the results, the company has decided and committed to no longer receive the fruit from outgrowers since January 2012. Thus during this ASA1, Bunga Tanjung Mill was declaring as Supply Chain Mass Balance, while in the next future it will become Supply Chain Segregation. The FFB Production of Muko Muko Mill and Bunga Tanjung Mill are listed in Table 3.

Table 3. Estate FFB Tonnages Processed

Source	Estimate at initial Certification 22/02/2011	Actual Production 22/02/2011 - 21/02/2012	Projected 22/02/2011 - 21/02/2012
MM POM:			
1. Muko Muko	66,000	62,260	56,700
2. Sungai Betung	39,000	38,791	74,106
3. Tanah Rekah	75,000	76,466	31,950
4. Talang Petai	19,000	23,591	26,042
5. Sungai Kiang	25,000	29,378	31,822
Sub Total	224,000	230,486	220,621
6. Kebun Masyarakat Desa (KMD)	0	3,944	4,955
Sub Total	224,000	234,430	225,576

Source	Estimate at initial Certification 22/02/2011	Actual Production 22/02/2011 - 21/02/2012	Projected 22/02/2011 - 21/02/2012
BT POM:			
1. Bunga Tanjung	44,000	46,224	46,471
2. Air Bikuk	30,000	26,400	28,350
3. Air Buluh	40,000	46,343	43,708
Sub Total	114,000	118,967	118,529
4. KMD	0	3,942	4,536
Sub Total	114,000	122,909	123,065
Total MM + BT POMs	338,000	357,339	348,641
5. Outgrowers*	-	6,382	-
Overall Total	338,000	363,721	348,641

* The production from the outgrowers is excluded from the Certificate of PT Agro Muko

The projected figures show a reduction compared with estimation at initial assessment and also with the actual productions, this is due to enter the year of 2012 there will be replanting programme in some areas that can lead reducing production area so that FFB production will also decrease. The company owned Estates were developed in the timely 1980s where Oil palms were first planted in the 1988 and are in the age of replanting programme. The age profile of the palms is shown in Table 4a.

Table 4a. Age Profile of Company Estate Planted Palm

Year	Ha Planted Mature	Ha Planted Immature	% of Planted Area
1988	419	-	2.29
1989	1491	-	8.16
1990	3478	-	19.03
1991	259	-	1.42
1992	142	-	0.78
1993	217	-	1.19
1994	872	-	4.77
1995	257	-	1.41
1996	496	-	2.71
1997	844	-	4.62
1998	2293	-	12.44
1999	1608	-	9.19
2000	1034	-	5.56
2001	475	-	2.60
2002	81	-	0.44
2003	101	-	0.55
2004	696	-	3.81
2005	525	-	2.87
2006	1083	-	5.72
2007	149	251	2.19
2008	-	434	2.37
2009	-	663	3.63
2010	-	412	2.25
TOTAL	16,520	1,760	100

FIGURE 1. LOCATION OF PT AGRO MUKO ESTATES

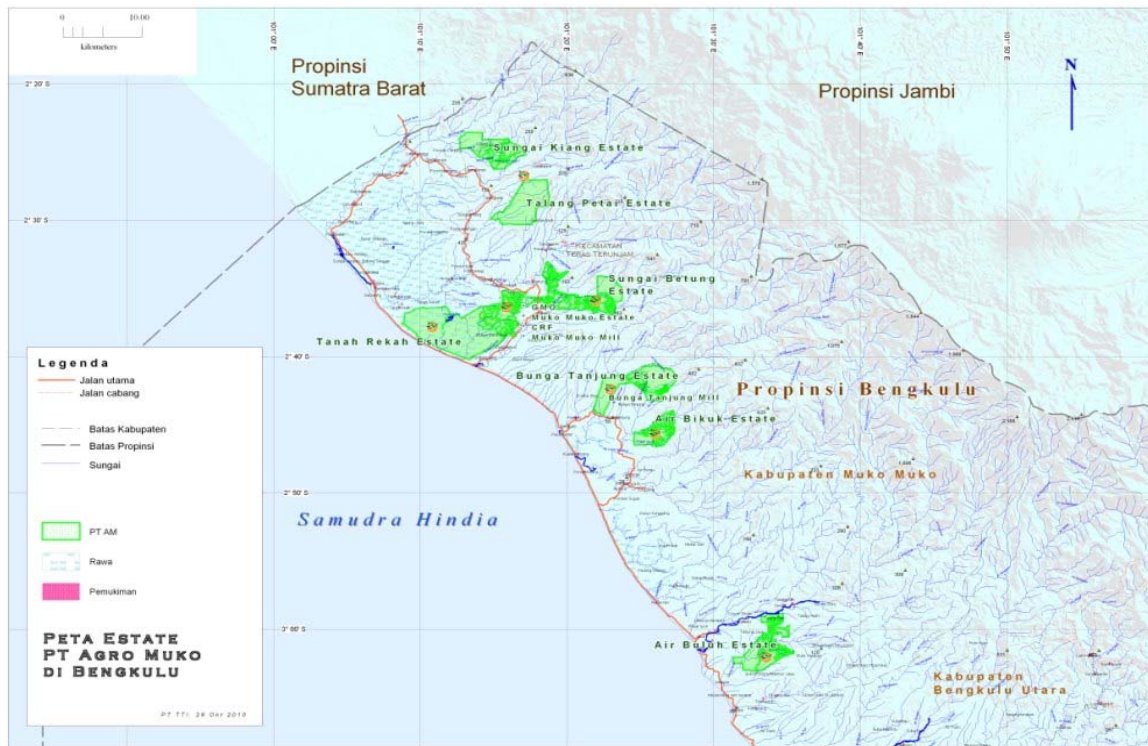
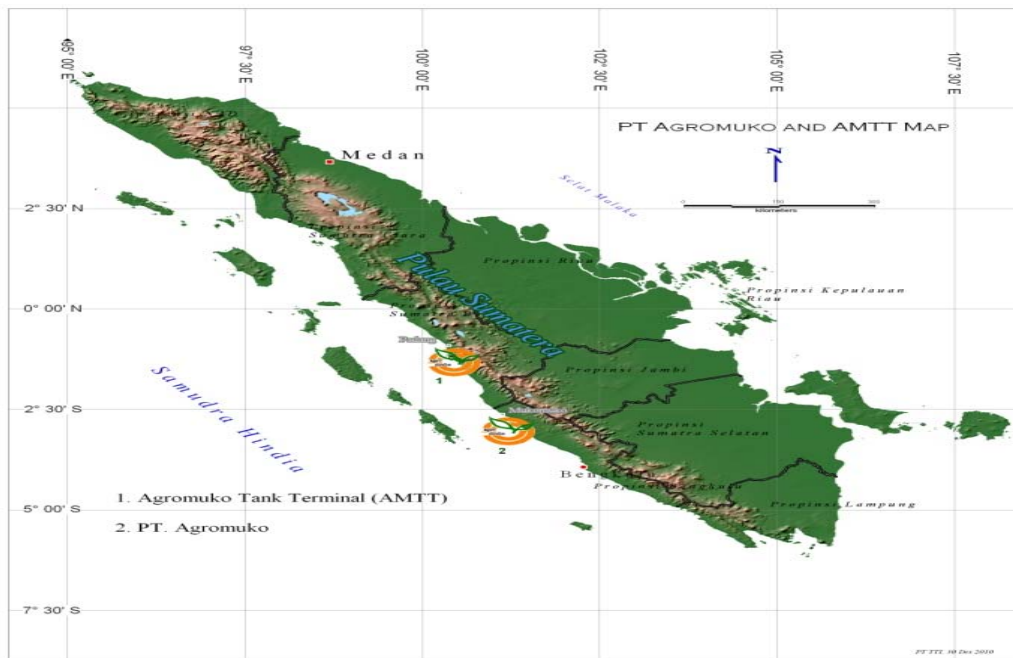


FIGURE 2. LOCATION OF PT AGRO MUKO ESTATES IN RELATION TO SUMATRA



The hectare statement for the company owned Estates is shown in Table 4b, and total area of Agro Muko Operations area Table 4c.

Table 4b: Estates and Areas Planted

<i>Estate</i>	<i>Mature (ha)</i>	<i>Immature (ha)</i>
Bunga Tanjung Estate (BTE)	2,384	84
Air Bikuk Estate (ABKE)	1,149	71
Air Buluh Estate (ABE)	2,011	327
Mukomuko Estate (MME)	2,799	-
Tanah Rekah Estate (TRE)	3,086	9
Sungai Kiang Estate (SKE)	1,764	285
Talang Petai Estate (TPE)	1,215	918
Sungai Betung Estate (SBE)	2,112	66
TOTAL	16,520	1,760

Table 4c: PT Agro Muko hectares statement

Mature area	16,520
Immature	1,760
Total area for oil palm	18,280
Nurseries	41
Emplacement, Roads, Mills, Compounds etc	622
Unplanted reserve, incl. underwater lease	3,971
Total leased area	22,914

1.5 Other Certifications Held

PT Agro Muko has achieved ISO 14001 and ISO 9001 for its Palm Oil Mills.

1.6 Organisational Information / Contact Person

PT Agro Muko is wholly owned by the SIPEF NV Group of Belgium.

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1.7 Time Bound Plan for Other Management Units

Other management units of SIPEF :

- Hargy Oil Palms Ltd., in PNG
- PT Agro Muko, in Bengkulu
- Jabelmalux group : PT Umbul Mas Wisesa, PT Toton Usaha Mandiri, and PT Citra Sawit Mandiri, in North Sumatra, and PT Melania in South Sumatra
- PT Mukomuko Agro Sejahtera, in Bengkulu.

Hargy Oil Palms has been certified on 09 April 2009. A first surveillance audit has been carried out in April 2010, by BSI, and a second surveillance audit in April 2011, by BSI. Hargy is planning to build a new mill which will come with the first certification in 2013.

Sipec submits and shown the progress of the time-bound plan to achieve RSPO certification for the mature majority-owned Indonesian operations within three years of HOPL certification. As described in the clarification letter sent to the RSPO in 2008, and confirmed in 2009, Sipec have divided the Indonesian operations into three groups:

Group 1 : PT Tolan Tiga Indonesia, including 2 mills and 4 estates in North Sumatra, RSPO certified in May 2010. The annual surveillance will be carried out in May 2011.

Group 2 : PT Agro Muko, including 2 mills and 8 estates and a tank farm in Padang, RSPO certified in February 2011.

Group 3 : Jabelmalux Group.

PT Umbul Mas Wisesa, PT Toton Usaha Mandiri and PT Citra Sawit Mandiri are still in development. As communicated to the RSPO, two of the estates, PT Umbul Mas Wisesa and PT Toton Usaha Mandiri, are currently placed under the RSPO compensation mechanism, based on a cautionary approach. Their situation will be reviewed at time of certification (early 2013). For the third operation, PT Citra Sawit Mandiri, a solution compatible with the RSPO P&C is still under implementation despite delays encountered in 2011. Sipec are complying with local laws and regulations for these three estates, and there are no unresolved disputes.

The fourth estate in the Jabelmalux Group with a significant oil palm area (170 ha) is PT Melania, in South Sumatra. The oil palm area is currently being converted into rubber, and this is almost totally completed and will be completed by early 2013.

At this point review on the documentation of Sipec group which are included in the time bound plan that there are no known legal non-compliances, land or unresolved labour disputes at its other operations. BSI considers Sipec's Time Bound Plan to conform to the RSPO requirements for Partial Certification.

The hectare statement for the company owned Estates is shown in Table 4(a), and Agro Muko Indonesia Operations area Table 4(b).

2.0 ASSESSMENT PROCESS

2.1 Certification Body

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BSi is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSi Standards is the UK's National Standards Body. BSi provides independent, third-party certification of management systems. BSi has a Regional Office in Singapore, and an Office in Kuala Lumpur and Jakarta.

2.2 Qualifications of the Lead Assessor and Assessment Team

Aryo Gustomo - Lead Assessor

He holds degree in Agriculture science majoring on Agronomy in the subject of oil palm plantation management; He graduated from Bogor Agriculture University. He had more than 5 (five) years working experienced related to oil palm industries i.e. as a Plant breeder/agronomist in one of the Malaysian oil palm seed producer and as a field assistant in oil palm Plantation Company in Indonesia. He had been involved in several number of RSPO certification audits as a lead auditor/auditor since he was at the previous RSPO approved certification body. Several training he has completed were ISO 9001, 14001 and RSPO Lead auditor courses as well as training on HCV identification and management. Currently, he works for BSi Group as a RSPO scheme manager for ASEAN and a RSPO lead auditor/auditor. During this assessment, he assessed on the aspect of Legal, environment, mill and estate best practices, working safety and emergency preparedness, HCV identification and Management, and supply chain requirement for CPO mill.

Senniah Appal Sammy – Assessor (Team member)

He holds degree in Resource Economics from Agriculture University of Malaysia and Master in Business administration from University of Rockhampton majoring in Human Resource Management. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS and RSPO NPP in Malaysia and Indonesia. He has completed ISO 9001:2008 and ISCC lead auditor training. Beside RSPO, he is also qualified as ISCC lead auditor. He have experience in other standards i.e.

Global Gap (Fruit, vegetable and aquaculture) and GMP B+ as team member. Currently he works for BSi Group Singapore Pte Ltd as a RSPO lead auditor/auditor. During this assessment, he assessed on the aspect mill and estate best practices, Social and community engagements, Stakeholders consultation, workers welfare, and supply chain requirement for CPO mill.

Iman Nawireja – Social Auditor

Iman Nawireja graduated with Bachelor of Agriculture Science from the Bogor Agricultural University in 1997 and a Masters Degree in Communications from University of Indonesia. Currently, he is PhD Candidate in Rural Sociology from Bogor Agricultural University. He has a lecture in general sociology, intercultural communications, and social statistic at the Bogor Agricultural University and has more than 10 years' experience in conducting social impact assessments of agriculture, mining and forestry projects. He has assisted with field studies on the effect of resource development projects on farmer and community incomes, health status and household division of labour. He has completed Lead Auditor training in ISO 9001 Quality Management Systems. He has assisted in conducting environmental and social assessments of oil palm projects during the past 7 years. He has assisted with conducting audits of oil palm plantation companies against the RSPO P&C in Indonesia and in Malaysia. During this assessment, he assessed on the aspect of Social and community engagements, Stakeholders consultation, and workers welfare.

2.3 Assessment Methodology, Programme, Site Visits

A pre-audit to RSPO Principles and Criteria was conducted between 19th and 24th July 2010 to determine progress PT Agro Muko Indonesia has made towards certification.

The Initial Certification Audit was conducted between 27th September and 3rd October 2010.

The first Annual Surveillance Assessment was conducted between 5th and 11th February 2012. The audit programme is included as Appendix C.

The approach to the audit was to treat each mill and its supply base as an RSPO Certification Unit. Each mill was audited together with the plantations of its supply base. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The Nonconformities that were assigned and the Observations that were identified during the Initial Certification Assessment were followed up to check the effectiveness of corrective actions. The ASA1 findings are detailed in Section 3.2 Page 24.

This report is structured to provide a summary for each Principle, together with details for selected indicators. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

Mr Soon Leong Chia, BSi Certification reviewer, has reviewed this report for conformance with BSi Procedures and the RSPO Certification System requirements.

2.4 Stakeholder Consultation and List of Stakeholders Contacted

Internal and external stakeholders were consulted to obtain their views on PT AM environmental and social performance and any issues of concern that they may have. External stakeholders were interviewed at their premises where practical or they were invited to the Mill or the Estate. Internal stakeholders were interviewed in groups in the workplace or at their housing. Company officers were not present at any of the meetings. A list of stakeholders contacted is included at Appendix E.

2.5 Date of Next Surveillance Visit

The date of next surveillance visit will be approximately scheduled on February 2013

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

As outlined in Section 2.3, objective evidence was obtained separately for each Principle, together with details for selected indicators for the Mills and the Estates. The results for each selected indicator from each of these operational areas have been aggregated to provide an assessment of overall conformance of the Company's operations with each Criterion. A statement is provided for each of the Indicators to support the finding of the assessment team.

During the ASA1, there were 1 (one) Major NC, 5 (five) Minor NC, and 7 Observation/Opportunities for improvement were found during the assessment. The Major NC and one Observation were closed during the closing meeting. PT Agro Muko has prepared a Corrective Action Plan (Appendix D) for addressing the identified nonconformities that was reviewed and accepted by BSi.

Two (2) Nonconformities were assigned during the Initial Certification Assessment against Minor Compliance Indicators 5.2.5 and 6.5.4 and the twelve (12) observations that were identified were also followed up

to check the effectiveness of corrective actions – Refer Section 3.3 Page 25 for details.

BSi recommends continuation of Certification for PT Agro Muko as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

PT AM has continued to operate in a transparent manner and has responded to requests for information in a timely manner. The Mill and Estates have kept their filing systems updated with copies of correspondence from external parties and the company's reply. Copies of policies and management plans are available to the public on request.

Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

Any requests for information that are received in a suitable media are kept by the relevant department. If information cannot be made available by officers they must refer to a higher authority. With regards to verbal requests by either phone or in person these will be asked to be made in writing. PT AM will maintain a register of internal requests.

PT AM ensures that responses to information requests are maintained if not already completed. Each request that is received is registered in the correct format and stamped and identified and sent to relevant person. PT AM maintains a record of responses and the time taken to respond to each request. PT AM monitors the development and progress of all requests even if the response is negative. They also give a reason why request was rejected.

Follow up on the Observation 01 (1.1.1) at the initial assessment: Review to the "Rekaman Informasi dan Tanggapan (Record of Information and Respond)" period of January and December 2011 at the GMO confirmed that the government return was no more on the list.

Senior management has now decided which documents are to be made available to the public. These are in the form of a register which can be updated as more documents are requested and made available.

The procedure now states clearly how long different types of requests will be kept, where and in what medium. This is generally from 3-5 years depending on the type of record.

Inspection to indicate that all operating unit has prepared "Buku Informasi dan Jawaban (Book of Information (Request) and Respond)". At the estates and AMTT no information request was received so far. Inspection of the PT AM records found that responses to information requests are made promptly. Each request

received is registered and stamped and identified and sent to relevant person. A matrix to monitors the progress of request also already maintained. Verbal request is recorded at the same register.

Observation 01 (1.1.1): *The Company should ensure the Request information register will only record the subject on the request information. Company need to prepare a separate request of information, as currently record to the request of information was mix up with other request, e.g. request of assistance and list of guest. The list also can be improved by consistently record date of respond to the request so that the promptness of the respond can be determined and for future references.*

Criterion 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.

PT AM has maintained the Policy to make documents available upon request and in accordance with Government regulations, unless the information is of commercial confidential nature; where all stakeholders are able to request information on operation permits and SEIA documents such as Ijin Lokasi, HGU, IUP, AMDAL – UKL/UPL – RKL/RPL Reports, Hazardous Waste Storage, OHS Policy and Procedures, CSR/CD Program, and other information. All requests and grievances are considered confidential. PT AM will provide feedback within a maximum of 15 days from date of receipt.

Copies of the four HGU's are held in each Estate and originals are in Medan HO. Information on land titles is discussed in detail in 2.2.1. The HGU's are available for all estates and were sighted during this audit. These are long term leases on Government land and therefore land use titles are readily available.

SEIA has been conducted for estates and mills – and can be made available on the discretion of a senior company official. The information which will be made available will depend on the sensitivity of the information with regards to potential negative effects on the environment.

The policy which is now widely available so as to be accessible in all work areas and achieving the widest possible circulation to all employees and contractors.

There is a continuous improvement plan prepared as a result of all internal audits and inspections which are monitored to determine progress against set targets - All records of requests for information are kept for a minimum of three years.

PT AM has maintained a register matrix indicating the records to be kept and the period or retention times for these records. All records are dated to allow times to be kept to be determined accurately.

Documents pertaining to financial information can only be shared upon the discretion of the President Director with approval from the SIPEF Board.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Inspection of records showed the Mills and Estates complied with all of their respective permit conditions and legal requirements. This confirmed that the internal audits and checks were effective for monitoring compliance. PT AM holds a site permits land use (HGU) and no major land issues were sighted, however small number of land compensations are being conducted. The boundary stones were maintained at each of the Estates visited as sampling.

Criterion 2.1 – There is compliance with all applicable local, national and ratified international laws and regulations.

PT AM has maintained a policy and procedure of legal compliance and up to date. For the environmental matter in term of ISO 14001 EMS Procedure, while for other related regulations were kept in the form of Matrix of Legal Compliance PT Agro Muko.

At ASA1 there is no evidence of critical non-compliance.

Hard copies are received of any changes to regulations. This is then circulated to relevant departments within PT AM who need to know of any changes.

Head Office has maintained a SOP “Prosedur Pemberitahuan Undang-Undang, Peraturan Pemerintah, Peraturan Daerah” to keep legal requirements current and to make employees aware of any changes. This procedure is disseminated to operational units to ensure that current regulations are implemented.

There is a list of legal requirements to which PT AM must comply. This includes national and local laws as well as conventions to which PT AM subscribes such as RSPO. For example, at November 2011, PT AM received enactment of Decree of Minister of Agriculture No 19/Permentan/OT.140/3/2011 on the implementation of Indonesia Sustainable Palm Oil (ISPO) certification scheme.

PT AM ensures staffs attend workshops where applicable with regards to laws changes in each area - e.g. Labour laws, education and others.

Follow up on the previous Observation 02 (2.1.3): Head Office has prepared a SOP No CA/SOP/01 on “Prosedur Informasi Perubahan Undang-Undang dan Peraturan Pemerintah (Procedure to Inform Changes in Laws and Government Regulation)” on 01 November 2010 to keep legal requirements current and to make employees aware of any changes. It is confirmed during visit to sample of estate that this procedure has been disseminated to operational units.

There is a rigorous internal audit process which includes a review of laws and their compliance.

There is a corporate affairs department in Medan HO which is responsible for legal compliance. The system for ensuring currency of permits is included in the Legal Compliance Procedure; however review on the document confirmed there are some local regulations in terms of Governor Decree or others were not kept and implemented properly, and also no clear mechanism on how to comply with. This caused Minor NC has been raised against Criteria 2.1.4

Minor NC against Criteria 2.1.4 (ref. Number: A675812/1) : *The procedure for legal compliance has been developed into formal SOP, however although the compliances are found relevant to legal requirements but the mechanism to ensure some local regulation are still not well implemented because during interview the staff are not aware. Example: Keputusan Gubernur No.92 Tahun 2001 (Bengkulu Governor Decree 92/2011) regarding Waste Water Standards; Peraturan Daerah Provinsi Bengkulu 6 Tahun 2005 (Bengkulu Province Regulation 6/2005) regarding of River Water Quality Standard*

Criterion 2.2 – The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.

PT AM has maintained and kept all documents related to land use title i.e. Location Permit, Plantation Business Permit, and HGU Certificate. Copies of land use title documents held in GM Office for each estate and the originals were held in Medan Head Office. In each estate there is a sign board (which is required by law) which states PT AM is a foreign investment company and lists the number of the relevant HGU and the area of the operations and land title.

During documentation review it is confirmed that all copies of HGUs certificates were sighted for all concessions and all were currently and readily available showing area and length of land tenure. In all cases these were for a period of 30 years and all would be expired from 2018 and beyond depending on the date of original lease (HGU).

For example, this was demonstrated by the following some of the HGU certificates: TPE: 31/HGU/BPN/1989 dated 27-06-1989; MME/TBE/MRE: 31/HGU/BPN/1989 dated 27-06-1989; ABKE: 4/HGU/BPN/94 dated 02-02-1994; BTE: 4/HGU/BPN/94 dated 02-02-1994; SKGE/SBE/TRE: 9/HGU/BPN/93 dated 08-03-1993; ABE: 07/HGU/BPN/90 dated 03-05-1990; and SBE: 01/Year of 1991 dated 18-02-1991.

However review on the current legitimate SPUP (Plantation Business Permit) of PT AM, it was found unmatched mill capacity written in the permit compare to the actual condition; whilst the actual mill capacity is 90 ton/hour for each mill instead of 45 ton/hour stated in the permit. This caused observation was raised against

indicator 2.2.1 - **Observation 02 (2.2.1):** *the company must review the current SPUP (Plantation Business Permit) in accordance to the current increase of the mill capacity.*

All legal boundaries are clearly demarcated and maintained in the form of boundary pegs. These pegs are photographed showing the number of the peg. The boundary markers are also indicated on maps of the estates. The boundary pegs are also recorded with the detail GPS coordinates.

A large number of boundary pegs were sighted during this assessment and were easily located and prominently displayed. For example some boundary pegs at the boundary between Sungai Buluh estate and Talang Baru village. PT AM are now ensuring that all operating units consistently undertake monitoring of boundary stones regularly and record the conditions of these boundary markers.

PT AM has not acquired any new land for the previous 15 years. There have been no major disputes with regards to land tenure in recent memory.

Since the planting did not take place at once some part of the land were occupied by local people inside the legitimate HGU area of PT AM. Company has a program to take back the land by paying compensation for any improvement of the land. Currently approximately 23 ha inside the boundary have not yet been compensated, but the "owner" is not willing to "sell". PT AM has committed not to plant the land until the owner agrees to sell the land and the proper compensation process is carried out.

The same case also happened at Air Buluh Estate where about 84 hectare occupied by 40 settlers of local village. Bumi Kakao Lestari (BKL) take over by PT AM at 1998, since the land have been abandoned by previous company, some of the areal have been occupied by local people. From 2,500 ha only 150 ha been planted to cacao, the rest in uncultivated. At the first stage of planting around 1,500 ha already been occupied by local people. PT AM later compensated to settlers following negotiation, as per February 2012 (at the time of surveillance visit) around 84 (Block V, X, R, Q, P & N) by approximately 40 ha still occupied by local people. Each person holds up 1 to 6 ha. Attempt to negotiate land compensation have fails for un-agreed compensation--the land is now on status quo.

According interview to local people, even though an occupation prevail, however, no land dispute areas since at this time PT AM always pay compensation to the settlers following negotiation by paying ex-gratia compensation.

This Air Buluh Estate also committed no planting will be carried out upon completion of land improvement compensation. Inspection to the record indicated that the estate has proper land release mechanism. Records of all negotiations are maintained although all

occupations are illegal with regards to HGU as the land is legally owned by PT AM.

Criterion 2.3 – Use of the land for oil palm does not diminish the legal rights of other users without their free, prior and informed consent.

PT AM development is wholly on Government land (or leased from other parties), which is lease under HGU's term and conditions – see Criteria 2.2 above. Confirmed during interview of local community there is no customary land in or around the PT AGM estate. Confirmed during interview with local community, all of the land initially forest area belongs to government. Some of the plots were acquired from local communities, following land release process. No dispute during land acquisition process.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

PT AM still hold up a working plan for at least three years – this includes crop projection for up to 10 years, Oil Extraction Rate, Cost of Production, Price forecasts, financial indicators, includes running mean since inception which includes trend forecasts.

There was also in place an annual replanting programme which includes forecasts for the next ten years. This plan is reviewed monthly. Any amendments are to the programme are evident. During year of 2012, there will be a replanting activity would be carried out.

The cost of production has been reviewed and compared against expenditure each year with projects in place for future years. This includes production costs per tonne of Crude Palm Oil. The plan is reviewed on a yearly basis at least.

PRINCIPLE 4: Use of Appropriate Best Practices by the Growers and Millers

PT AM SOPs for the Mills and for Agriculture are controlled documents under document control and integrated with ISO 14001 Management Systems. The SOPs cover all aspects of oil palm management from land development through to maintenance and harvesting. The implementation of field practices is checked daily by the Assistant Managers and the Estate Manager and monthly by the General Manager. The Internal audit and EHS department were done inspected field conditions twice yearly. The Estate Managers keep records of the corrective actions carried out in response to the internal audit visits. The BSi Assessors inspected samples of field practices and field conditions at each of the three estates and found that SOPs were being

implemented consistently and in accordance with the Group Agricultural Advisor recommendations.

The Mill Engineers and Mill Managers monitor implementation of SOPs daily and any abnormal operating conditions are noted on the shift log sheet.

Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.

There are Standard Operating Procedures for the estates from land clearing to harvesting. This is in the form of the “blue book” which includes all relevant SOP's as required. This “blue book” is available to all managers and assistants in each estate office.

Records are maintained of implementation in the form of upkeep records, pruning, fertiliser application, harvesting method and all pertinent applications of these SOP's.

There are Standard Operating Procedures (SOP's) in place within all operational areas of the mills. They are strategically placed in the specific work areas. These SOP's include all operational areas from reception to dispatch of CPO.

The SOP's are further supported by routine regular scheduled preventive maintenance. This is planned and carried out under the Mechanical and Electrical Engineering divisions to ensure on going production capability is maintained and that operating machinery is safe. Any deviation from standard procedures is to be reported and followed up to ensure documented practices are being followed. Any breakdowns, stoppages or major services are recorded in both the log books for each area and in the maintenance records.

There are records maintained of inspections and audits. The record of actions taken place is also recorded and available. Inspection logs of Mill operations indicate the routine monitoring of performances within each area. The EMS/QMS system requires that records of monitoring are kept. E.g. drain and PCD's as well as use of PPE etc - any actions taken such as cleaning these areas is recorded.

The estates are similar to the mills in that scheduled field inspections take place within an inspection programme. These are further supported by an Internal Audit Programme.

The estate managers carry out regular field inspections to ensure SOP's are being followed and supervisors issue instructions at each morning muster and follow up to determine the quality of work and that procedures are being followed. This is further supported by the Director of Estates (D-ESD), Senior Manager of Estates (SM-ESD) and Senior Field Manager (SFM), who carry out regular field inspections which are further supported by the

issuing and circulating of an inspection report to the relevant managers. Any non-conformances are recorded and followed up in a specified time frame.

Records of all inspections are maintained with copies with actions being given to the respective Divisional Managers. Areas of non-compliance are reported and followed up by the Estate Manager.

Records of the results of monitoring of operations are captured in the monthly progress report (MPL) which is reported and includes all mills, estates and other support areas. This includes inspections undertaken, extraction rates, tonnes per hectare, fertiliser applied, areas harvested, FFB milled, CPO produced etc.

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility, to a level that ensures optimal and sustained yield.

PT AM still carry on the Leaf analysis sampling been conducted annually and results are maintained by the Agronomy department. This analysis is used to determine fertiliser applications for the following year and this includes the type of fertiliser, amount, block and date of placement. Each estate of PT AM was included in this leaf analysis. The record shown the result of leaf sampling analysis conducted on 2011 for being used to fertilizer recommendation in 2012.

The most recent soil analysis of the plantations was in 2011. Records are available for this exercise. This was carried out by a recognised authority. Maps have been produced indicating soil types on each estate Further Soil Analysis is planned for 2012.

There are also some records of fertiliser applications for all areas including amounts and types as determined by agronomy based on leaf analysis and soil type.

Cover crops are in place and checked during visual inspection for coverage. PT AM also plans to use Land Application of POME from both mills in future. EFB is also applied. This was the case in all estates visited.

All palm by-products including fronds, EFB, compost, effluent and expeller are recycled. These are used as nutrients and are put in place to improve organic matter and to substitute or supplement inorganic fertiliser. Fronds are also used to prevent erosion following pruning and after harvesting of FFB.

Criterion 4.3: Practices minimise and control erosion and degradation of soils.

There have been no plantings since 2007 on slopes in excess of 25 degrees. There is in fact only a small percentage of planting on sloped land throughout PT AM.

There are no fragile soils a part planted area on peat as reported in the most recent soil survey carried out 2011 by a reputable specialist. Recent maps are available of all soils in all estates.

In steeper areas for most recent plantings properly constructed terracing is used. In former plantings dated from 1998 and earlier planting was completed on areas where terraces were not well formed. There is a plan to reform these terraces properly at replanting.

There is in place a road management plan which is completed for each estate. The programme is monitored including the availability of road plant. The plan includes roads throughout each estate. The plan indicates areas to be graded or have other work completed. Records are kept of the amount of metres maintained in each estate and when this took place. PT AM has this area in hand and is compliant.

The plans include also stoning programmes, drain placement and fixing road camber as well as grading. Grading and other road maintenance is completed on schedule however demand following heavy rain or other disruptions always takes precedence. This assessment was conducted following recent heavy rains and all roads were in surprisingly good condition given the circumstances.

Follow up on the previous Observation 03 (4.3.3): PT AM has provided a plan to inventories all bridges and culverts which might have any potential washed away following heavy rains. These were included in the road maintenance program. During surveillance visits, some of it was being implemented.

Follow up on the previous Observation 04 (4.3.4): Field inspection to Tanah Rekah Estate confirmed now PT AM has just begun built water gates in some channels in require depth 50-75 cm. However it will be continuously constructed during yearly budget.

Criterion 4.4: Practices maintain the quality and availability of surface and groundwater.

The company has maintaining the implementation on a policy of buffer zones and riparian areas - including establishing buffers along rivers in accordance with Indonesian laws of President Decree 32/1990 - a 50 metre buffer for rivers less than 30 metres wide. Field inspection e.g. Sungai Jernih and sungai Bantal; the river and streams in the estate appear very clean and well managed and relatively free from pollution.

There are some water courses which need to be re-established to restore riparian areas at replant. A plan is in place for this.

A number of lowlands have been set aside as riparian zones and maintained in good condition. There are also a number of smaller wet lands set aside as reserves and

more signs have now been put in place to indicate the status of these areas.

There is one large lake (namely Danau Lebar) of some 700 ha which crosses into Tanah Rekah estate. Interview with the manager during surveillance visit was PT AM is still maintaining this area in a pristine condition by preserving it and preventing any hunting or miss use. However as a large number of banks and approaches are not on PT AM property the placement of HCV and other signs to prevent miss use may not be enforceable. However the intent is good and would help educate local people who use the area for leisure activities.

An implemented water management plan is in place for each mill of Muko Muko and Bunga Tanjung. This has included the treatment on waste water before discharging to the natural streams in accordance to the Governor of Bengkulu Decree No.92/2001; monitoring of river water quality test upstream and downstream according to Local Regulation of Bengkulu Province No.6/2005; and testing on quality of treated waste water every month as refer to Governor of Bengkulu Decree No.92/2001.

PT AM has monitoring mill water use per tonne of FFB – this is the case for both mills. For Muko Muko Mill, during 2011 the rate is 1.02 M3/tonne FFB, while Bunga Tanjung Mill is about 0.94 M3/tonne FFB

PT AM has routinely taken action to ensure use of water does not have an adverse effect on downstream users by checking water quality in the lab including checking for e.Coli as well as Ph and Oil and Grease in all streams/rivers/water courses which pass through PT AM property into downstream users which they already monitor. This is further supported by reports from independent approved labs which are completed monthly for all major water ways running through PT AM property. The records showed during period of January to December 2011 all those parameters are complied with Governor of Bengkulu Decree No.92/2001.

Mill Effluent is treated appropriately and appears effective. The records of monitoring of effluent are in place - testing is now following a controlled methodology to ensure results are consistent and are within allowable legal limits.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

The Integrated Pest Management plan has been documented for all estates – this includes all Integrated Pest management techniques used in each estate. Example: The IPM Plan is available in Air Bikuk Estate, Air Buluh Estate, and Sungai Betung Estate. This includes use of barn owls for rat control, planting of beneficial plants as well as use of pesticides. PT AM are planning to

minimise the use of chemicals and pesticides by these biological methods.

An IPM Program is documented for relevant pests that set out techniques or chemicals to be used, locations and timeframe for implementation.

There are training records for training of staff in regards to IPM however and are formally recorded on all occasions.

Field Inspection to Air Bikuk and Sungai Betung Estates are confirming there have been no large/major infections of Oryctes, Ganoderma or other disorders at this stage. PT AM will be monitored and is ongoing and progress continues to be monitored through the IPM.

Follow up on the previous Observation 05 (4.5.2): PT AM has taken action on the regular monitoring of rat infections although there were no rats have been detected. This has included in IPM program.

The progress and success of the implementation of the IPM are regularly reported on a regular basis in a formal manner to GMO.

The use of all chemicals is justified and a plan to reduce usage has been presented. This includes chemicals used, dosages, and frequency of use. The reason for use of a particular pesticide is always recorded on the pesticide application records. This may include herbicide spraying of palm circles, chemical weeding and upkeep among other reasons.

Criterion 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 categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives and this is documented.

PT AM has a register of approved and registered agro chemicals – this has been distributed to each estate and management are instructed that they are not allowed to use chemicals not on this list. There were no agro chemicals being used which were not on this register during this assessment.

Field inspection confirmed that the estates are recording pesticide use including active ingredients used, area treated, amounts used per ha and number of applications for each area. Example in Air Bikuk, Sungai Betung, and Air Buluh Estates

PT AM has a policy in place which prevents pregnant or breastfeeding women from working with pesticides and it is enforced. Interview with some women spraying workers in Air Bikuk and Sungai Betung estates, they have understood the policy and are aware to not involve

in the spraying team during pregnancy or on the period of lactations.

Records of training are kept in each estate of the following: Pesticide Mixers and Sprayers

These records are kept in each estate office. The training data is also maintained to show what the training covered.

PPE for sprayers is supplied and use demonstrated in the “blue book” and further demonstrated in training material. The company supplies two sets of overalls so that one can always be considered clean. Overalls are washed at the pesticide mixing areas in specially constructed wash areas so that sprayers and mixers do not need to take them home and therefore the risk of cross contamination with family members is eliminated.

Material Safety Data Sheets (MSDS) are obtained for all chemicals used and are available at the areas of mixing. No concentrates are taken into the field as all spray solutions are pre-mixed in a designated area. MSDS are translated in Bahasa Indonesia. Interview with some spraying workers, they are understood on how to use chemical in safety hand as well as handling first aid to chemical poisoning.

Field inspection confirmed the storage of chemicals is in locked areas with limited access. All areas where chemicals are stored appear to be adequately ventilated through cross flow ventilation. This will be further improved as PT AM has designed a standardised pesticide store which is to be in place in each estate.

Follow up from previous Observation 06 (4.6.6): The Estates has shown evidence for medical health checks for pesticide handlers (i.e. warehouse operators) was done in 2011. PT AM committed to carry out in a yearly basis.

Observation 03 (4.6.3): *There is a documented evidence that usage of limited agrochemical is appropriate for the target species given at correct dosage and applied by trained personnel in accordance with product label. However, the trained personnel must attend formal training by Pesticide Commission.*

Action taken by the Company: During closing meeting, company has shown complete sets of certificate of trained personnel to use limited pesticide for spraying operator. The training was conducted on 2008 by Bengkulu Province of Pesticide Commission. This finding was considered to be closed out on 10 February 2012.

Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.

There is a documented Occupational Safety and Health Policy dated on 30 April 2009 in all the following areas: Estates, Mills, Workshops, Clinics, and Stores.

Observation 04 (4.7.1): *There is a safety and health policy; however the documented procedure as mentioned in the policy is not in place.*

All areas have implemented and monitor the Occupational Safety and Health plan. This has consistently considerably since the Initial assessment. Control of Occupational Safety and Health has improved throughout each operational area and awareness of safety and health requirements has risen considerably in this period. Management and workers are to be commended on reaching this high level of compliance.

A responsible OHS person has been identified for PT AM and for each estate and each mill – these people are identified to all staff and workers for each mill and estate in term of Structure of P2K3 (Committee on Occupational Health and Safety) PT Agro Muko. This structure has been registered in Department of Labour and Transmigration of Muko Muko District.

PT AM is carried out a regular safety meetings held in all operational areas every month – they are using the same agenda for each meeting – and includes discussion of any accidents/incidents as well as any potential issues. A workplace health and safety inspection takes place before any meetings to ensure meetings are worthwhile and meaningful. Any requirements are made known to workers during pre-shift musters and records are kept in the assistants diaries.

All workers including staffs are covered by Accident Insurance, e.g. JAMSOSTEK – this is company policy and a legal requirement.

Regular Health checks are performed of workers who handled pesticides and all exposed to high risk work at the estates and mills. The records are maintained by the company doctor – these checks are carried out at least annually. The latest records of health checks was carried out on 3rd may 2011 which is done with collaboration of the Clinic Anugerah Ibu – Muko Muko District.

Review on the record it was found the results of the health checks for boiler and engine room operators there are abnormalities and hearing loss.

Observation 05 (4.7.4): *Regular health examination by a doctor for workers in the station expose to high noise level was carried out in general. However a specific audiometric test is also required for those working in the high noise level area. E.g. boiler and engine room operators at both mills.*

All hazard and risk assessments have been updated at least annually and at times more often. The latest update was on 1st September 2011.

Employees are made aware of precautions attached to all products including hazardous substances, plant, machinery, equipment, tools, and vehicles through provision of MSDS, training and experience.

Therefore all potentially hazardous operations, such as pesticide application, land preparation, harvesting has

been included in hazard/risk assessments. The overall risk control has improved markedly in the following areas highlighted at the Initial assessment. This is an example only and is not complete.

- **All sprayers now using appropriate PPE e.g. masker, gloves, APRON, boots, protection glasses.**
- **Correct signage of Health and Safety in place e.g. at the workshop, store.**
- **Welders now using protection**
- **Gas bottles restrained**
- **Open drains covered**

Follow up from the previous Observation 07 (4.7.5): PT AM now was providing and implementing the Risk control as highlighted in the Initial assessment as follows:

- *All pesticide mixers are now included in health checks (Mandor and chemical store operators have been checked)*
- *No more stairway in the mil was blocked by the sandbags.*
- *The large hole in the drain cover at the Muko Muko Mill was being constructed properly.*
- *During this audit there is no contractors involves on housing project)*

In many areas since the Initial assessment a number of improvements in regards to safety have been consistently made. Not least the use of Tyre Cages to protect workers from exploding tyres and rims and also the use of flash back arrestors on gas bottles when welding. The positive activities are still being implemented as below:

- Chemical mixing areas were clean, secure and well ventilated. They had adequate signage and well stocked first aid kits.
- The incidence of HIV is low and awareness activities are undertaken by polyclinic staff.
- Medical waste from the polyclinics is placed in separate, clearly labelled bins (sharps are separated from other waste) and disposed of by government medical authorities on a periodic basis. Records are maintained recording the disposal of waste.
- There is a high level of cooperation between government health officials and the polyclinics (for example, government officials visit each polyclinic each month to immunise children).
- Malaria remains a health issue in Muko Muko. PT AM undertakes fogging in the emplacements. Bed nets have been issued by government in some if not all emplacements.
- Each emplacement sorts green waste from other household rubbish. Waste collection is undertaken 2 to 3 times per week.

There is evidence in place that all workers have been adequately trained in safe working practices as complete records are in place. Example: Training of PPE held on 29th December 2011, 46 participants were attended; Training on First Aid held on 27th December 2011, 15 participants were attended.

There are in place emergency procedures and these are mainly with regards to fires and evacuation drills. There are phone numbers listed in each estate and mill of emergency contact numbers. Also includes training in use of spill kits. It was noted that the estates are also undertaking fire emergency accident drills and records are being kept. The results of any emergency drills are evaluated to ensure that activities are effective.

The control and management of fire extinguishers is excellent throughout all areas. Several Fire extinguishers start immediately when tested and sampled fire hydrants tested were operational with impressive water pressure maintained.

Minor NC against 4.7.7 (ref. number: A675812/2): *It is noted accident emergency preparedness procedure available; however the simulation training of fire drills in both mills have not been carried out. It is must also undertaken in the estates.*

First Aid equipment is largely available in all operational areas including first aid kits which are strategically placed and subject to regular inspection to ensure that they are adequately stocked.

There is evidence of workers being trained in First Aid in all areas – records are available of first aid training by external body – training certificates were sighted.

PT AM ensure that First Aid trained workers are known to all staff by placing photographs of first aiders in work areas. They have also introduced a system whereby trained First Aiders are also identified by wearing an emblem on shirts which shows a recognised First Aid logo.

There are in place records of all accidents which are reported – there is evidence of work accidents being fully investigated to prevent recurrence. A report is prepared and forwarded to the relevant Government department of all accidents on a monthly basis. Example: Report on the accident on 7 January 2012 which includes investigation report.

Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

PT AM has provided an annual training program which includes both internal and external training. Internal training is generally identified and delivered by the estate/mill managers and field/mill assistants, while external training is generally prepared and organised by the HR Manager, in consultation with Head Office (Medan), including the Company Doctor, and

government officials, as well as the Department of Manpower and Transmigration. Internal training focuses on basic skills and safety. External training focuses on a wider range of health, safety and labour topics, including for example, safe handling of chemicals.

In addition to periodic training, the morning muster is used as an opportunity to provide awareness to employees on topics such as company policies, health and safety aspects, health and hygiene promotion, etc. In addition to direct company employees (commonly referred to as *estate or mill labour*) the morning muster includes the employees of many of the contractors (who for example, work in the nursery or undertake weeding, and are commonly referred to as *free labour*).

The field/mill assistants are required to provide induction training for new staff. The induction includes information on company policies and regulations. Following induction training new staff are placed under close supervision of foremen until the foreman are satisfied with their competency.

It appears that training is supplied to all employees and contractors when appropriate and records of this training are still maintained.

A training programme is in place for 2011/2012 for all areas.

Specialised training courses are also planned as the need arises and this includes group or in house training. Some training is carried out on demand.

There are also formal training records for all supervisory staff up to the level of Senior management. This includes recording of external courses attended or skills attained – these records are maintained by the Human Resources & Administration Department (HRAD).

There are training records in place at each operational site recording skills and training and these were sighted at all estates and mills visited as well as other areas such as workshops and clinics.

Some of these records are in the form of attendance at training which is given in the field or formal skills such as plant operators, driver's licenses, boiler operators and Red Cross First Aid.

Observation 06 (4.8.1): *Lack understanding of MSDS by the chemical store operators. During interview with two operators in the mill and one in the estate indicated they are not able to explain content of MSDS properly although they have been trained previously.*

Criterion 5.1: *Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored to demonstrate continuous improvement.*

All environmental impact assessments (AMDAL, UKL/UPL) as previous Initial assessment have been carried out and approved by appropriate government body. In 2005, the company took a step to unite several estates into one management and prepared the AMDAL document to cover overall operating units (oil palm mills and their supply base and rubber mill and rubber estate), which was approved by Government of Bengkulu Province on 14 November 2005 (letter No. 425/2005). During ASA1 Inspection found that a copy of the report was available in each operating unit. All environmental impact assessments cover both on site and off site activities. Details of chronology on the environmental document were readily available. Information on chronology of previous environmental documents such as AMDAL, UKL/UPL was also available.

All internal environmental impact assessments have been also carried when and where appropriate. Records of all impact assessments carried out are readily available. The latest review was undertaken in early September 2010 and will be again reviewed at least annually.

There are two environmental documents for PT AM properties as similar to Initial assessment. i.e.:

(1) Studi Evaluasi Lingkungan (SEL) for Oil Palm, Rubber, and Cacao Plantation and its processing unit of PT Bengkulu Plantation (Tanah Rekah Project) approved by Department of Agriculture on 06 July 1992 (RC.220/986/B/VII/92). This SEL covers Tanah Rekah Estate (2,244.36 ha) – (1988 – 2003); Sei Jerinjing (2,198.33 ha) and Lubuk Pinang Estate (1,336.81 ha) are currently divided into three estate: Sei Betung Estate; Talang Petai Estate (1997-2006), and Sei Kiang (Estate 1996 – 2007).

(2) SEL of PT AM (Muko-Muko Estate), for Oil Palm, Rubber, and Cacao Plantation and its processing unit totalling 14,755 ha on 24 September 1999 No. RC.220/1601/B/IX/92, Department of Agriculture, currently divided into Muko-Muko Estate 3,731 ha (planting 1988 – 2007), Talang Petai Estate (2,270 ha – planting 1997 – 2006), Air Bikut Estate (1,140 ha planted 1991 – 1998), and Bunga Tanjung Estate 2,903 ha (planting 1998 – 2006).

Following company expansion plans from initial planting of 11,830 ha and conversion of crops from cacao as covered by the two SELs into 22,928 hectare of estate, a new revised AMDAL was prepared in 2005 as replacement for both SEL's in 2005. Company has an approved AMDAL document to cover overall operating units (oil palm mills and their supply base and rubber mill and rubber estate), approved by Government of Bengkulu Province on 14 November 2005 (letter No. 425/2005).

PT Agro Muko also hold an approved UKL/UPL document for Air Buluh Estate (2,500 ha) approved on 16 January

1999 (planting year 1998 – 2007) by Bupati of Bengkulu Utara. Later as advise by Local Government on the status of UKL/UPL for above mention unit, estate has prepared DPLH (Dokumen Pengelolaan Lingkungan Hidup)—inline with Ministry of Environment Decree No. 14/2010—approved by Environmental Office of Muko-Muko Regency on 29 September 2011 letter No. 660/237.2/F.4/IX/2011. The last document is UKL/UPL for Bulking station (AMT) approved by PBDL Padang. As such currently, currently there are three environmental documents in effect, that are an approved AMDAL document and a separated UKL/UPL documents for AMT and DPLH for Sungai Buluh Estate.

Follow up from the previous observation 08 (5.1.1): PT AM has revised the Environmental Aspect and Impact Register for all operation on 12 August 2011. Inspection to the document confirmed that now impact on flora and fauna, sacred sites and contractors have been included.

All environmental impact assessments cover both on site and off site activities. Whenever there are changes made to operations and changed impacts are updated to reflect these changes

There are regular reports with regards to environmental management as required by regulatory authorities. This includes the RKL-RPL reports which are submitted six monthly. There is also reporting and testing smoke emissions on a six monthly basis.

Inspection of the document found that GMO has prepared and submitted a report to the appropriate government agency on 31 December 2011. Any revisions are evident. The next report will be due on 15 June 2012.

Follow up from previous Observation 09 (5.1.2): PTAM have prepare three RKL/RPL report consists of "PT Agro Muko that consist of two mills and seven estates", "Air Buluh estate", and "Agro Muko Tank Terminal". RKL/RPL report for PT Agro Muko been submitted to appropriate Government Office at 31 December 2011, Air Buluh at 30 January 2012, and for Tank Terminal at 30 June 2011. Review of the document indicated that all required aspect have been monitored including social and economic aspect as required.

Observation 07 (5.1.2): *Review to the RKL/RPL for PT Agro Muko operation that consist of two mills and supply base indicated improvement is required as the current report has not properly follow Ministry of Environmental Decree No. 45/2005 guidance. For example, the report did not include trend analysis, critical point analysis and compliance analysis as required by above mention decree.*

Criterion 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.*

An HCV Assessment of PT AM has been undertaken on January 2010 by the appropriately qualified and experienced expert from Yayasan Sawit Berkelanjutan (Indonesia Sustainable Palm Oil Foundation – ISPO Foundation) using the guidance of Indonesia HCV Toolkit 2008 to monitor the possible extent of HCV inside the estates as well as area adjacent to it. All HCV's area are mapped and identified.

ISPO Foundation concluded that PT AM has already set aside conservation areas as called the HCV areas of a total of 2,857.06 ha (2,170.82 ha are existing HCV areas; 686.24 ha are potential HCV areas which has been planted with oil palm). These areas consisting of natural vegetation in between palm planting to provide habitat and corridors for wildlife.

Indications from the HCV Assessment report (as above) indicates that a number of HCV areas were identified including HCV 1, 2, 3, 4 and 6 in some Estates. All HCV are mapped and identified. The map is detailed and supported by a management plan developed by the Estate. The HCV report identified HCV areas and the proposed management plan.

PT AM established the conservation status, legal protection, population status and habitat requirements of rare, threatened or endangered species that could be significantly affected by the grower or miller.

HCV areas identified are sign posted and this is effective and more signs are being erected to clearly identify areas as HCV's – there are signs on all boundaries of HCV stating the type of HCV and status. Measures taken currently include the exclusion of HCV's from plantation activities. There are already sign posts in place warning outsiders that hunting, logging and fire use are prohibited and inform others about the HCV areas. The signs are informative about what is designated as HCV.

The management of sensitive HCV areas including some historical grave sites is well controlled although not identified in the environmental aspects/impact register. The management are aware of these areas and need to add them to the environmental aspects register.

PT AM has established appropriate measures to protect riparian reserves, such as conducted awareness training for "conservation cadets", socialization to field workers, and regular inspection by security to prevent hunting and disturbance.

A PT AM working plan on the HCV management and monitoring of 2012 has been provided while the HCV management plans are available in each estate. For the previous done, these will be reported every month with recapitulation in one year in term of Report of Management and Monitoring on the HCV area 2011.

Inspection to field on Block D4/D3, it was sighted some adults Gibbon (*siamang*) were live freely and undisturbed habitats around the area defined as HCV 1.

PT AM have appointed a Manager who amongst other responsibilities is responsible for RSPO - and also have in place a dedicated Conservation auxiliaries team which supports the implementation of RSPO P&C requirements.

The appointed officers are nominated for each estate to monitor the plan and activities to manage HCV specifically. Overall Estate managers are responsible for ensuring the Estate protects HCVs in their respective estates.

Corrective action taken from the previous Minor NC (5.2.5) during ASA1: *PT AM has provided regularly monitoring of HCV areas in each estate by the delegated trained officers. The officers were trained as collaboration with BKSDA (Forestry Dept. of Muko Muko District) in December 2011. The monitoring was done every month where it was reported in the monthly basis. Review on the report, some activities were adequately implemented in accordance to the plan such as handling *Mucuna sp* that threatened to buffer zone and conservation areas; monitoring on the threatened and protected species; and also Patrol for a routine inspection to the related activities inside the HCV area. This finding has considered to be closed on 10 February 2012.*

Criterion 5.3: Waste is reduced recycled, re-used and disposed of in an environmentally and socially responsible manner.

There is a waste management plan in place and it is current in term of Environmental Aspect & Impacts register, for the version of August 2011. The waste management plan is covered in the EMS and includes pesticide contaminated waste.

PT AM has built a hazardous waste store at each estate and mill which and holds a License for the storage waste, issued by the Head of Muko Muko District, License Number 228, dated on 1 July 2010. PT AM has routinely monitored the hazardous waste every month in term of Matrix Sheet of Hazardous Waste Storage. PT AM continued to engage the licensed contractor namely is PT NIRMALA for collection and disposal of hazardous wastes.

Field inspection confirms PT AM has consistently implementing the waste management plans to recycle all the waste wherever possible. Including batteries, aluminium, waste oil, chemical containers, half drum is used for spill kits and rubbish bins. Recycling includes information as to types of wastes, prohibited wastes, recycling guides, re-use of nutrients, management of effluent ponds, increasing the efficiency of mill extraction etc. All waste streams have been identified in the waste management plan and they are handled appropriately in all areas. Waste control at present is compliant with household waste being controlled adequately in all placements.

However, based on the site visit to the mills, it was found there are small amount of used chemical containers were not kept in the proper hazardous waste storage. E.g. NALCO used chemical containers. Thus Minor NC raised against indicator 5.3.3.

Minor NC against 5.3.3 (ref. number A675812/3): *Empty chemical container must be kept in the temporary hazardous waste storage, or reused in accordance to the product label and existing regulation.*

PT AM has maintained records of the quantities of mill solid wastes that are recycled to the field (EFB, nutshell, fibre, and boiler ash).

Landfill sites are still included in monthly estate inspections. Waste collectors have been trained to be more efficient in the use of the landfills – for example fill from one end and compact as they go rather than fill in all areas and also exclude green waste from landfills.

Visit to the Clinic of Air Bikuk Estate, found that Medical waste from clinics is still managed properly. All clinic officers said the clinic wastes were collected by regular waste collector to be sent to central clinic in Muko Muko Mill, then dispose to RSUD Muko Muko (District Hospital).

Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.

In both mills provide records of monitoring of kilowatt hours per tonne of palm product and Kilogram of steam per tonne FFB. These records are taken on monthly basis. Based on their self analysis of the use of renewable energy in this case would be almost 90% efficient under normal operating conditions compare to the use of diesel as fossil fuel.

PT AM mills also monitor the use of non-renewable energy (diesel) and these were monitored in the form of data which records use of diesel per tonne of FFB. Example: records shown at the Muko Muko Mill the use of diesel fuel in monthly average is 2.06 litres per tonne FFB. This is lower than expected budget 2.5 litres per tonne FFB, means show reducing use of non-renewable energy.

Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.

PT Am has implemented a zero burning policy since the start of the oil palm development. Burning is not allowed by PT AM and there is no evidence of burning.

Visit to the workers housing complex in Air Bikuk and Sungai Betung Estates, there were no sighted of the burning of domestic waste by workers and families. Burning of domestic waste is against company policy and

is strictly monitored to ensure these remains the case and is part of the inspection regime.

PT AM has a procedure in place with regards to land burning emergencies and records are maintained of training in response to fire. Records are kept if at any time PT AM has to respond to illegal fires or outbreaks.

Inspection during audit to the Air Bikuk Estate Workshop area, all the land burning equipments are kept properly in the special building. It was also sighted all equipments were appropriately maintained. Fire Extinguishers are regularly checked and inspected and are widely available in all areas such as workshop, housing etc; and are appropriate. All fire hydrants checked worked effectively.

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.

Assessments have been carried out on all recognised polluting activities and include gas and smoke emissions, particulate and soot emissions, effluent control, treatment and discharge. Any significant pollutants and emissions have been identified. There is a plan in place to reduce pollution – this is included in the environmental aspects/impacts register.

Boiler stack emissions are measured by a 6 monthly check as required by Government regulations and reported to related institution twice a year in term of RKL/RPL reports. – Evidence of these inspections is available for both mills.

PT AM also identified POME which is used for land application (although not at the present time) and BOD is monitored. Records indicate the results are well below thresholds as set by government. PT AM also monitor any water courses which could be affected by operations to ensure there are no pollution effects from the operations of the mill. There are also checking the purity of drinking water including testing for e.coli and faecal coli forms. These are completed at an outside lab and confirm ongoing water quality is acceptable.

Minor NC against indicator 5.6.3 (ref. number A675812/4): *Inspection to the diesel storage area at Bunga Tanjung and Air Buluh Estates indicate a minor crack on the containment wall which it could potentially cause pollution during emergency situation. While at Muko Muko Estate inspection was indicated empty fuel container were placed in the open area which can cause pollution during rain. Pollution control device at the generator room area also was not effectively to prevent pollution.*

PT AM representatives inform to auditor that for the strategy to reduce pollution such as: Muko Muko Mill will work closely with the Knowledge Integration Services Singapore in the development of CDM plant to capture and burn methane gas produced from

wastewater. Methane gas produced will be used as a fuel gas burner that is processed in the boiler combustion chamber as an alternative renewable energy. Planned in 2012 this project will be readily started.

Criterion 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 continuous improvement.

Social impact assessments are undertaken by both PT AM and independent consultants depending on the situation. Items considered which could have potential social impacts include: Building of new roads, new mills, planting expansions, mill effluent disposal and clearing of natural vegetation.

In all EIA documents the major emphasis is on the physical/environment impact such as soil, air, water, wastes, fauna, flora and human activities).

All mills and estates have a copy of an approved revised AMDAL document and UKL/UPL documents depending on the requirement of each operating unit. In May 2010, PT AM in line with the RSPO certification preparation, has supplemented the AMDAL and UKL/UPL information with regards to negative and positive impacts with additional Social Impact Assessment carried out between 15 April and 5 May 2010 by ISPO foundation which included consultation with the local community in form of Focused Group Discussion (FGD) with stakeholders including government representatives, mills and estates, and surrounding local communities (38 villages overall). It was confirmed with local communities that they were involved during the AMDAL preparation.

The Management of PT AM has taken into account a number of social impacts and these include: Access and use rights, economics, subsistence activities, cultural values, Health and education. These have been thoroughly documented through the Social Impact Assessments.

The criteria specifically required that unit's management review documented environmental and social impacts. Currently all estates have prepared RKL (environmental management plan and UPL (environmental monitoring plan). These documents are applied as environmental impact assessment (EIA).

Regular RKL/RPL reports are available. PT AM submit Environmental Monitoring Report / Environmental Management (RKL/RPL) every three months. Inspection of the document found the GMO has prepared and submitted the report to appropriate government agency on 31 December 2011. Any revisions are evident. The next report will be due on 15 June 2012.

Criterion 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.

PT AM has documented a procedure of communication with internal and external stakeholders on “Prosedur Keluh Kesah dengan Pihak Internal” (SOP/025/HRA date 23 December 2009) for all operating unit within PT AM that has been socialized to workers and “Prosedur Keluh Kesah dengan Pihak Eksternal” available publicly in company website <http://www.tolantiga.co.id/v1/wp-content/uploads/2010/03/Prosedur-Keluh-Kesah-Pihak-Eksternal.pdf>. Interviews with local communities, NGO, suppliers, and government officials confirmed effective communication with PT AM. Inspection of PT AM documents confirmed that all operating units have already socialized the procedures and maintained a record of communication with external stakeholders, including actions taken in response to input from stakeholders. These records were available at audit for the Social Auditor.

All stakeholders consulted during the audit commented favourably on their relationship with PT AM, which indicated that PT AM maintained a good rapport with stakeholders. The labour union, emplacement residents, KMD committees and company employees indicated that they had good access to managers when they wished to raise or discuss issues, and generally received a quick response.

Records are kept of all community requests/proposals of activities and management unit responses which include follow up to ensure actions are complete. The responses to the community responses/requests need to be consistent throughout estates.

Follow up from previous Observation 10 (6.2.2): All community/stakeholders communication is responded to by Estate Managers - who nominates a responsible person to undertake the task if he is not available. All operating unit visited maintained a good list of stakeholders and is updated. For example, at the SBE the list was updated early this month and include local government body, local community leaders, workers union, contractors, and suppliers. All are complete with contact address and phone numbers “Daftar Pemangku Kepentingan/Stakeholders”.

Follow up from previous Observation 11 (6.2.3): Inspection to the request of assistant book at GMO confirmed that the company has now keep tracking the progress of any request received. For example, GMO received a request of oil palm seed from local farmer on 27 December 2011. On 06 January 2012, upon review, the company agreed on the request and the seed was provided to the farmer at 10 January 2012. Record held on file “Voucher”.

Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

A procedure is available for handling complaints. Records of the handling of complaints is documented and managed. Each unit manager is responsible for the management of complaints. There is a documented system aimed to resolve disputes. A grievance book is kept in all estate and mill offices. Items are dealt with on a local level unless they cannot be resolved and then referred to more Senior Management for further consideration.

The procedure includes land dispute handling procedures. An external grievance procedure was issued on 23 December 2009 and is available to the public in <http://www.tolantiga.co.id/v1/wp-content/uploads/2010/03/Prosedur-Keluh-Kesah-Pihak-Eksterna.pdf>.

Another procedure dealing with internal stakeholders has also been issued. Inspection of all operating units confirmed the procedure is already in effect and has been socialized to staff and workers. Interviews with workers and external stakeholders indicated understanding of grievance process. Each operating unit is responsible for the record keeping of grievances and outcomes. Any disputes which are resolved and are agreed are signed off by the grieving party.

Follow up for previous Observation 12 (6.3.3): Review to the Tanah Rekah Estate Complaints Book (Buku Keluh Kesah)” confirmed that now the complaints book has included complaints on housing as raised by harvesters.

Minor NC against indicator 6.3.3 (ref. number A675812/5): *the procedure for identification and calculation of fair compensation for land dispute settlement with the involvement of local community representatives and relevant agencies is not available.*

Criterion 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.

PT AM has a procedure “Prosedur Tata Cara Perolehan Hak atas Tanah”. The procedure requires involvement of local communities and government officials for identification and assessment for compensation and witnessing payment. Information on compensation is publicly available.

Records of people identified and entitled to compensation are in place. Records of all compensation issues are retained. The process and outcome of any negotiated agreements and compensation claims are documented and publicly available. However records will

not be made publicly available unless agreed by affected parties. The outcomes to any settlements are not made public although information quickly becomes known.

Although PT AM is not acquiring or utilising land which is legally or customary owned by other entities, it is planting oil palm on village land for the benefit of the village. The Kebun Masyarakat Desa (KMD) or mini-estate program is one in which PT AM establishes and manages a 10 to 15 hectare mini-estate on village land for the benefit of the village. At present, the KMD income greatly surpasses other sources of income available to the village.

As it has been mentioned in 2.2, some parts of the HGU area were occupied by local people. PT AM has a program to take back the land by paying compensation for any improvement of the land. For example: at Air Buluh Estate, approximately 84 hectares of HGU area occupied by 40 settlers of local village. As per February 2012 (at the time of surveillance visit) around 84 (Block V, X, R, Q, P & N) are still occupied by local people. Each person held around 1 to 6 ha.

According to local people, even though an occupation prevails, however, no land dispute areas since at this time PTAM always pay compensation to the settlers following negotiation by paying ex-gratia compensation.

This estate also committed no planting will be carried out upon completion of land improvement compensation. Inspection to the record indicated that the estate has proper land release mechanism. Records of all negotiations are maintained although all occupations are illegal with regards to HGU as the land is legally owned by PT AM. For example, on 18 February 2010 PT MA paid land compensation to M. Subandi for 3.01 ha for IDR 150,000,000. Receipts and photo of the persons receiving the money is kept by estate. However, this transaction was not witnessed by "stakeholders" as no local people representative assigned as witness. Also, the transaction was yet been endorsed by local authority (Camat and village head).

Criterion 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.

PT AM has approximately 100 staff (managers and other senior positions) and 2,200 direct employees.¹ Pay rates for estate/mill employees are agreed to annually in consultation with the labour union, after considering the

¹ Contractors are also used to provide labour for a range of services on the estates, including for example, nursery operations, weeding, fertilizer application, emplacement upkeep and housing maintenance. The employees of these contractors are referred to as 'free labour' rather than estate or mill labour, and number around 1,800.

minimum wage set by government. The minimum wage is currently IDR 930,000 /month (approximately US\$104 for 2012) but currently PTAM still refer to 2011 minimum wage of IDR 815,000/month (US\$91). At the time of audit, basic wage IDR900,000 (US\$101) but often adds overtime and includes the provision of a range of other benefits (housing, water, electricity, etc.) and additional three months basic salary bonus per year. Interview of harvester, sprayers, and SPAM representatives in average they are able to earn approximately between IDR 1,000,000 (US\$111) and IDR 1,500,000 (US\$168) during high FFB yield. Over the past three years PT AM has increased the basic wage from IDR 732,000 (2008) to IDR 780,000 (2009) to IDR 840,000 (2010), to IDR 900,000 (2011). This represents an increase of 7.7% and 7.1% respectively. Following the enactment of new minimum wage for 2012 of IDR 930,000 (US\$104) since January 2012, PTAM and SPAM will hold meeting between 14 and 17 February 2012 to negotiate basic salary for 2012. Upon agreement PTAM will pay the discrepancy of wage since January 2012.

Employment conditions are specified in the Perjanjian Kerja Bersama (PKB) or collective labour agreement, which is again finalised in consultation with the labour union and reviewed every second year.

GMO advised pay rates every new fiscal year to every operating unit in accordance to the regional minimum wage. The company is applying The Decision of Minimum Wage set by Provincial Government. Company and Serikat Pekerja Agro Mandiri (SPAM) later held meetings to negotiate minimum wages. As per 01 March 2010, it was agreed that the minimum wage agreed is IDR 900,000 for daily workers (or 37,000 per day, 4,657 per hour). Workers are advised verbally of the daily or piece rate at time of hiring. When a daily rated person moves to permanent employment, pay rates are advised in a letter of appointment. Staffs are similarly advised of salary rates in letters of appointment. All new hires are provided with a copy of their employment contract. Health and safety is also documented. Housing and public facilities condition has been documented well. Payment and conditions include - working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, dismissal reasons, period of notice and these were viewed at audit and were clearly indicated in Collective Labour Agreement (CLA).

Wage levels exceed the minimum government requirement. In addition, PT AM provides a range of additional benefits, free of charge, including housing and utilities (water, electricity and garbage collection), medical support, a kindergarten in each estate/mill, and school buses for children to get to and from primary and secondary school.

While salaries are paid into bank accounts, pay slips are provided to each employee every fortnight. Pay slips are generated by each estate/mill and provide adequate detail, including the basic wage, the value of rice provided (as required by law), overtime and any other allowances, tax and any other deductions, and the net

pay. Workers interviewed said that the pay slips were clear and easy to understand. Furthermore, a local bank visits each estate/mill every fortnight to enable employees to withdraw some cash, as needed.

PT AM has less than 1% annual turnover among staff and estate/mill labour. Given the rapid development of oil palm in Sumatra, this is a reasonable indication that employment conditions at PT AM are relatively good.

Working conditions have been agreed with the labour union (refer Criterion 6.6) and are specified in the PKB. The PKB is reviewed by SPAM and PT AM every two years. The previous review, conducted in late 2008, resulted in changes to a range of working conditions and entitlements, including, for example, scholarships for children to attend school, travel allowance rates, rice allowance eligibility, the quantity of safety shoes issued, etc. Therefore working conditions are documented in the Collective Labour Agreement (CLA). CLA is the document of agreement between workers represented by Labour Union (Pengurus Serikat Pekerja Agro Mandiri (SPAM)) and the company dated 21 October 2008, for period of 21 October 2008 to 20 October 2010. The CLA is produced in a form of booklet which is currently distributed to employee representatives only, but accessible to all workers. The CLA is in line with regulatory requirements approved by the Manpower District Agency. Inspection of record and sample of pay slips confirmed pay and conditions are in accordance with the Minister of Manpower Decree No Kep 102/MEN/Year 2004 and CLA agreement between Labour Union and PT AM.

The Company provides housing, water, electricity, medical support, kindergarten and school bus services for all 2,300 staff and employees and some free labour. The houses are relatively spacious and have electricity (generally from 5 pm and 7 am), plus water, showers, toilets, etc. The houses and surrounding areas appear clean and tidy. Each estate/mill generally has a kindergarten and polyclinic. Both provide free services for the employees and their families. The polyclinics provide a range of inpatient and outpatient services and are staffed by qualified personnel. The Company provides a free bus service for children to attend school.

Each estate/mill emplacement has a regular maintenance program (generally targeting around 1/3 of the houses each year). Other requests for more immediate repairs are made to the foreman and passed onto the estate/mill managers. The response to these requests are said to be adequate.

PT AM provided SPAM with a loan of approximately R1.1 billion. While the loan is to be repaid over a 20 year period, it has been used to help SPAM provide services to its members. This includes the establishment of the Koperasi Serba Usaha – Agro Muko (a cooperative run by the labour union). The Koperasi buys goods in bulk and sells to the members at comparably low prices. In addition, the Koperasi maintains a schedule of visits to all estate/mill emplacements to sell the goods (avoiding

the need to travel to buy store goods), and members can deduct the cost of goods from their salary for the next fortnight. A receipt for all sales is printed electronically and provided to the buyer (employee), with a copy kept on file by the Koperasi. The Koperasi informs the estate/mill pay officers of the amount of goods bought on credit and deductions are made from the following wage payment.

The Company currently has agreements with 37 contractors. The agreements stipulate that contractors must abide by the law, including wage rates and employment conditions for staff. PT AM undertook socialisation of this requirement in February 2010. Any contractor not participating is required to complete socialisation prior to the commencement of work.

Corrective action taken from the previous Minor NC (6.5.4) during ASA1: PT AM had stopped quarry operation in September 2010. Inspection to field confirmed that no more activities at the quarry. As such this NC is not applicable, and NC is closed on 10 February 2012.

PT AM has decided to directly employ sprayers and some other positions rather than engage them as free labour. This will increase the benefits provided to these employees and give PT AM more direct control of the workplace.

Criterion 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.

The Pengurus Serikat Pekerja Agro Mandiri (SPAM) is an independent union for all estate/mill labour and free labour working for PT AM. SPAM was established in 2006. Prior to this time workers were represented by a national union. SPAM has around 2,200 members with no membership fee.

AS the same case from Initial assessment, SPAM branches have been established in each estate/mill. The union committees generally meet each month, while they meet with the estate/mill management every 2 or 3 months.

PT AM has maintained a policy as similar as Initial assessment on the Freedom of Association. The policy is still clearly displayed on notice boards in the estate and mills. The vast majority of estate/mill employees are members of SPAM. The policy has been socialised during morning muster.

Minutes of each meeting between SPAM and PT AM are documented; signed by both parties; and recorded on file by SPAM and the HR Manager (on behalf of PT AM). Minutes between SPAM and the estate/mill managers also appear to be well documented, signed by both

parties and records kept on file. The last meeting was held on 18 October 2011 attended by 31 persons. Record held on file "Notulen Rapat LKS Bi-Partit".

Criterion 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 programmes. Children are not exposed to hazardous working conditions.

PT AM does not knowingly employ workers under the national legal age limit.

The policy does not allow for any employees lower than 18 years old. This minimum age policy is also reflected in all agreements with contractors. The policy is clearly displayed on notice boards (e.g. in polyclinics, offices, other work areas).

Review on the workers document records, each direct employee has an individual contract with PT AM. The contract records the date of birth, which is taken from the employee's identify card. The awareness of the minimum age requirement has been raised during meetings at the GMO and with the estate/mill managers.

Criterion 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.

PT AM has an equal opportunities employment policy. The policy is clearly displayed on notice boards (e.g. in polyclinics, offices, other work areas). The awareness of the equal opportunities policy has been raised during meetings at the GMO and with the estate/mill managers.

There was no evidence or allegations of discrimination during the audit. Males and females have equal opportunity and receive equal wages, although male employment far exceeds female employment. Employment preference is given to local people, when they have similar qualifications and/or experience to candidates from other areas.

There is no indication of discrimination. Female and male has the same opportunity in job and payments. Local people also have opportunity for employment.

Criterion 6.9: A Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

There is evidence that PT AM is still maintaining the implementation of policy on the Sexual Harassment and is documented and available to Managers, assistants and all stakeholders via notice boards although could be more widely distributed.

There is also a documented policy in the CLA on the protection of reproductive rights available on subheading of Maternity Leave. Women who are pregnant or breastfeeding are not allowed to work in a dangerous environment. It is PT AM policy not to assign pregnant or breast feeding workers as sprayers, and will be transferred to other duties once confirmed pregnant by the company doctor. Interview with some women workers (example: Spraying and manuring workers of Air Bikuk Estate) are confirmed their understanding and implementation of the policy.

As similar during Initial assessment, PT AM provides 3 months paid maternity leave and pregnant women or breastfeeding mothers are not permitted to undertake jobs which may put their babies in danger, such as spraying or anything involving heavy lifting. In addition breastfeeding mothers are permitted a 30 minute break each morning and each afternoon to breast feed their babies. If the mothers are not in close proximity to the emplacement, the company provides transport and additional time, if necessary, to allow the mother to breast feed.

There is documented procedure of the grievance mechanism, which included internal and external stakeholders. Management has provided training to manager and staff. Women's groups were established to facilitate grievance of women.

A sexual harassment grievance mechanism has also been established – there have been no reports received or documented of sexual harassment. Interview of female workers at the Air Bikuk and Sungai Buluh Estates confirmed understanding and willingness to use the procedures if they need to.

There is proof implementation of reproductive rights and it is written in detail in the PKB documents to guarantee leave and medical treatment.

Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.

At the time of audit, PT AM does not buy FFB from smallholders but has entered into agreements with 51 local villages for the establishment of KMD (mini-estates) on their land. Each KMD varies from 10 to 15 hectares in size, but provides a long term source of income for the village. There is a short term outside grower (around 1 month only), but have been stopped last year.

The price of FFB used in the calculation of payments to villages under the KMD scheme is calculated by PT AM in Medan and publically displayed at each mill. According to several KMD committees, the price is generally higher than that paid by other mills in the Muko Muko area. The prices paid are also sent to the KMD committees each month.

The Marketing Department of Medan HO advised FFB price to the GMO every week by email according to the agreed formula. The GMO later advised the FFB price to Estates, Mills, and KMD officials, who are handed a copy of latest information which is made available to KMD representative. An example was that on 29 September 2010, GMO received FFB price from Medan HO. GMO later issued letter to inform the price to Estates, Mills, and KMD and advised the KMD on the same day. A record of FFB price is publicly available in each estate office and publicly accessible. It is sighted on the noticeboard close to the weighbridge

Agreements for the KMD specify the need for inputs, but the cost is not estimated in the KMD agreements. Rather, the quantity of inputs and cost are recorded by PT AM, along with deductions and the outstanding debt, and this information is sent to each KMD committee periodically but at least monthly.

PT AM uses a range of contracted services, including the provision of labour for some field activities (e.g. spraying, fertilizing, nurseries), building construction and maintenance, production of gravel, etc. [Truck drivers are contracted by PT Agro Muko]. Contracted services are clearly documented and the cost of inputs or services clearly stated

PT AM have a template for contractual agreement of contractors indicating term and condition of the contract. Engagement of contractors follows certain steps, e.g. pre-qualification program, selection criteria and explanation of contract terms and conditions.

KMD villages and contractors appear to have a full understanding of the contracts they enter and the contracts appear to be fair, legal and transparent.

KMD villages and contractors appear to be paid on time. Sub-contractors also appear to be paid adequately and on time – there have been no complaints of late payments received or recorded. Interview of contractors, suppliers, and KMD confirmed there have been no complaints of late payment.

There is an induction process carried out which includes contractors prior to work commencement, which includes safety and PPE. Interviews with contractors confirmed that all contractors understand the contractual agreements they enter into, and consider that contract agreements are fair, legal and transparent.

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

The company has budgeted CD and CSR activities without any programmatic plan/advanced plan of activities. All CD/CSR activities are dependent on the community requests. Most of the requests related to the road improvement, contribution to schools, mosques/churches, and village administration facilities.

PT AM still maintain a regular financial and in-kind assistance to government agencies, NGOs, other organisations and local communities. Requests for assistance are recorded, along with the Company's response. Detailed records are maintained showing the amount (or value) of each contribution. The most common types of assistance are materials for the construction of public buildings (classrooms, village offices, mosques, etc.) and grants to help celebrate festivals or public holidays.

Women's groups have been formed in each emplacement and receive support from both PT Agro Muko and the sub-district women's group, headed by the wife of the Bupati. The sub-district women's group provides training and awareness while PT Agro Muko provides assistance in materials and supplies. Some of the more recent activities have included emplacement beautification, which will in some cases help limit dust problems, promotion of hygiene and sanitation, and training in sewing, embroidery and production of handicrafts, which can provide opportunities to generate additional income.

Therefore GMO coordinates PT AM contributions to local development – records of all consultative arrangements are clear and open. Contributions to local development take place in the following sequence: firstly community requests for donation to mills or estates. Then, the requests will be decided by management (HO). The contribution among others includes sporting activities, religious activities, education, and other donation.

The most notable company contribution is KMD (Kebun Masyarakat Desa (Village Estate) Program where company developed 10 to 15 hectare of oil palm estate per village in its surrounding (as of July 2010, company already run KMD program in 38 villages and 501 ha). Additional 12 villages planned until end of 2010 totalling 124 hectare.

Under this program, company firstly approached the village. Village head later held a general meeting to decide company's offer and provide the requested land. Company later developed and maintains estate under KMD program. A committee was established in each village to monitor KMD estate program. The committee also manages money from FFB selling. Most of the money was used for village development or other usage decided by village meeting.

While the land is usually provided by the village², all inputs and management are provided by PT AM, although the inputs are recorded and valued and a debt

² PT Agro Muko purchased land on which to establish 13 oil palm blocks under the KMD program in 2010, but this practice will be discontinued in favour of the village providing the land. The primary reason for buying land in 2010 was the problem that villages had in identifying a suitable, contiguous area in which to plant oil palm.

incurred (although only 'on paper'). Once the palms commence production, a proportion of the value of FFB produced is deducted from the outstanding debt (usually 15% of the value of FFB each month) while the remaining value of FFB produced is paid to the village. Each participating village establishes a committee to manage the KMD and establishes a bank account in their name.

The first KMD site was established in 2001, and of the 51 established to date, 12 have repaid the initial debt, 20 are repaying their debt, and 6 are yet to commence production. In addition, PT AM has entered agreements or has commenced discussions with another 21 villages for additional mini estates. This will bring the total KMD villages to 72 (or around 48% of villages in Muko Muko sub-district). Not surprisingly, the KMD program is now very popular and PT AM regularly receives requests for new or expanded sites.

The villages appear to be using the benefits for a range of purposes: paying the salaries of teachers, improving roads, buying land on which to build public facilities/officers, and building or renovating mosques or other public buildings.

To enhance the transparency of the KMD program, PT AM is publicising the payments to all KMD committees in a local newspaper, and in all future agreements, will stipulate that regular reports must be submitted to PT AM summarising expenditure from the KMD account.

Criterion 7.1 A comprehensive and participatory social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

There are no new plantings included in PT Agro Muko plantation and supply base areas

Criterion 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.

There are no new plantings included in PT Agro Muko plantation and supply base areas

Criterion 7.3 New plantings since November 2005 have not replaced primary forest or any area containing one or more high Conservation Values. ARYO

There are no new plantings included in PT Agro Muko plantation and supply base areas

Criterion 7.4 Extensive plantings on steep terrain, and/or on marginal and fragile soils, is avoided.

There are no new plantings included in PT Agro Muko plantation and supply base areas

Criterion 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 own representative institutions.

There are no new plantings included in PT Agro Muko plantation and supply base areas

Criterion 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.

There are no new plantings included in PT Agro Muko plantation and supply base areas

Criterion 7.7 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 practices.

There are no new plantings included in PT Agro Muko plantation and supply base areas

Criterion 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.

The company has maintained the implementation of the environmental Management System that is certified to the ISO 14001:2004 Standard.

Objectives and Targets have been developed and an improvement plan prepared as referred to the ISO 14001 documents. The third party ISO 14001 Certification Audit checks the achievement of the objectives and targets annually for continuous improvement, the latest EMS audits was done last year and will be carried out during this 2012 as well.

A continuous improvement plan for the daily activity (Mill and estates) has been prepared which contains a number of social activities (e.g. improving housing conditions and health levels in the emplacements, raising the awareness of company policies, providing support to women for home industries in the emplacements).

Meanwhile, for the continuous improvement plan of RSPO assessment findings is also in place. A Continuous Improvement Plan is attached (Appendix D).

3.2 Detailed Identified Nonconformities, Corrective Actions and Auditor Conclusions

The areas assessed during the course of the visit were generally found to be effective. However there are 1 (one) Major NC, 5 (five) minor NC, and 7 observation were found during this First Annual Assessment. The major NC and one observation were closed during the closing meeting.

Major Nonconformity

There is 1 (one) Major NC was found during the assessment in relation to the Supply Chain requirement; The Major NC was closed during the closing meeting on 10 February 2012.

A675812/1: (D.6.1 and E.5.1 SCC Standard) The facility shall provide the training for all staff as required to implement the requirement of Supply Chain Certification System as per final document 25 November 2011.

Action taken by the company: During closing meeting, company has showed a programme of Supply Chain Standard requirements for all staff of both Mills. The training will be carried out immediately on February 2012. **This finding was closed on 10 February 2012.**

Minor Nonconformities

Five (5) Nonconformities were assigned against Minor Compliance Indicators 2.1.4; 4.7.7; 5.3.3; 5.6.3; and 6.3.3. PT AM has prepared corrective action plan for addressing the non conformities which BSi has reviewed and accepted. Progress towards resolution on the action taken will be followed up at the subsequent surveillance assessment. The details of these Nonconformities are provided below:

A675812/1: (2.1.4) The procedure for legal compliance has been developed into formal SOP, however although the compliances are found relevant to legal requirements but the mechanism to ensure some local regulation are still not well implemented because during the interview the staff are not aware. Example: Keputusan Gubernur No.92 Tahun 2001 (Bengkulu Governor Decree 92/2011) regarding Waste Water Standards; Peraturan Daerah Provinsi Bengkulu 6 Tahun 2005 (Bengkulu Province Regulation 6/2005) regarding of River Water Quality Standard.

A675812/2: (4.7.7) It is noted accident emergency preparedness procedure available, however the simulation training of fire drill has not been carried out. It is must also undertaken in the estate.

A675812/3: (5.3.3) Empty chemical container must be kept in the temporary hazardous waste storage, or reused in accordance to the product label and existing regulation.

A675812/4: (5.6.3) Inspection to the diesel storage area at Bunga Tanjung and Air Buluh Estates indicate a minor crack on the containment wall which it could potentially cause pollution during emergency situation. While at Muko Muko Estate inspection was indicated empty fuel container were placed in the open area which can cause pollution during rain. Pollution control device at the generator room area also was not effectively to prevent pollution.

A675812/5: (6.3.3) the procedure for identification and calculation of fair compensation for land dispute settlement with the involvement of local community representatives and relevant agencies is not available.

Observation/Opportunity for improvement

There are Seven (7) Observations/Opportunities for improvements were identified. The progress with the Observations/Opportunities for Improvement will be checked at the next Annual Surveillance Assessment (ASA2). The Details are of below:

OBS01 (1.1.1): the company should ensure the Request information register will only record the subject on the request information.

OBS02 (2.2.1): the company must review the current SPUP (Plantation Business Permit) in accordance to the current increase of the mill capacity.

OBS03 (4.6.3): There is a documented evidence that usage of limited agrochemical is appropriate for the target species given at correct dosage and applied by trained personnel in accordance with product label. However, the trained personnel must attend formal training by Pesticide Commission.

Action taken by the Company: During closing meeting, company has shown complete certificate of trained personnel to use limited pesticide for spraying operator. The training was conducted on 2008 by Bengkulu Province of Pesticide Commission. This finding was considered to be closed out on 10 February 2012.

OBS04 (4.7.1): There is a safety and health policy, however the documented procedure has mentioned in the policy is not in place.

OBS05 (4.7.4): Regular health examination by a doctor for workers in the station expose to high noise level was carried out in general. However a specific audiometric test is also required for those working in the high noise level area.

OBS06 (4.8.1): Lack understanding of MSDS by the chemical store operators. During interview with two operators in the mill and one in the estate indicated they are not able to explain content of MSDS properly although they have been trained previously.

OBS07 (5.1.2): the regular of RKL-RPL report do not fully follow guidance (Ministry of Environment Decree

45/2005). Example: trend, critical, and compliance analysis

Noteworthy Positive Components

- ✓ It is fine planning developed plantation since beginning by maintaining Conservation and HCV areas exist (more than two thousands hectares). PT AM also has been highly committed to protect that areas and remain well managed. Field inspection confirmed, some protected species were still alive in their habitat, e.g. *Maccaca sp* and Siamang were sighted in the original habitat beside the guest house.
- ✓ Some others, PT AM has been consistently contributed for their internal and external stakeholders as similar during initial assessment such as providing company facilities and infrastructure that can be used by the local communities e.g. health clinics, basic education, school bus transportation, and sports facilities are open for local community around the plantation. In addition some company infrastructures such as road access and bridges are also used by local community in connecting between villages. There also some activities such as mosque renovation, village infrastructures, sporting activities, etc. There are two kinds of company aid: first, routine aid such as contributions towards local communities basic needs (“*sembako*”) on the eve of Islamic holidays; second, the contribution based on proposals projected by local communities. In general, local communities are also satisfied with the management and staff in responding to proposals.
- ✓ The company has set up women’s groups to better represent their needs. There are regular meetings held where the women are encouraged to state their views. This is encouraged by PT AM Management.

3.3. Status of Nonconformities (Major and Minor) Previously Identified

Corrective Actions for 2 (two) Nonconformities identified during the Initial Certification Assessment have been effectively and consistently implemented and the nonconformity remains closed.

5.2.5 Minor NCR. There is no regular monitoring of HCV areas in each estate by the delegated conservation officers. Inspection of the buffer zone and conservation area found some spots of *Mucuna bracteata* invading the buffer zone and conservation area. Review of the monitoring checklist found that the *Mucuna bracteata* was not considered as a threat to buffer zone and conservation area; as such it was not monitored.

ASA1 Findings: PT AM has provided regularly monitoring of HCV areas in each estate by the delegated trained

officers. The officers were trained as collaboration with BKSDA (Forestry Dept. of Muko Muko District) in December 2011. The monitoring was done every month where it was reported in the monthly basis. Review on the report, some activities were adequately implemented in accordance to the plan such as handling *Mucuna sp* that threatened to buffer zone and conservation areas; monitoring on the threatened and protected species; and also Patrol for a routine inspection to the related activities inside the HCV area.

This finding was closed on 10 February 2012.

6.5.4 Minor NCR: Contractors working at the quarry did not appear to be getting one day off in seven as required by the labour laws of Indonesia and this needs to be monitored by company management to ensure these laws are adhered to.

ASA1 findings: PT AM had stopped quarry operation in September 2010. Inspection to field confirmed that no more activities at the quarry. As such this NC is no more applicable, and NC is closed on 10 February 2012.

Review of progress with Observations/Opportunities for improvement identified during Initial Certification assessment

OBS01 (1.1.1): Government returns which are mandatory such as manpower reports should not be treated as request for information as a reply to these requests is nonnegotiable.

ASA1 findings: Review to the “*Rekaman Informasi dan Tanggapan (Record of Information and Respond)*” period of January and December 2011 at the GMO confirmed that the government return was no more on the list.

OBS 02 (2.1.3): The procedures for legal compliance have not yet developed into a formal SOP which has been socialized to every operating unit.

ASA1 findings: Head Office has prepared a SOP No CA/SOP/01 on “*Prosedur Informasi Perubahan Undang-Undang dan Peraturan Pemerintah (Procedure to Inform Changes in Laws and Government Regulation)*” on 01 November 2010 to keep legal requirements current and to make employees aware of any changes. It is confirmed during visit to sample of estate that this procedure has been disseminated to operational units.

OBS 03 (4.3.3): There is a recommendation that PT AM include the inspection of bridges and culverts in line with Road Maintenance plan following heavy rains. This will ensure any potential wash aways are noted and rectified prior to becoming an issue with regards to access.

ASA1 findings: PT AM has provided a plan to inventories all bridges and culverts which might have any potential washed away following heavy rains. These were included in the road maintenance program. During surveillance visits, some of it was being implemented.

OBS 04 (4.3.4): There are around 200 ha of peat on Tanah Rekah estate. There are some channels in place however they do not appear to all be within the nominated required depth of between 50-75 CM and need to be reviewed and some more effective water gates constructed – it is acknowledged that there is a plan in place to complete this and this will be viewed in the Continuous Improvement Plan

ASA1 findings: Field inspection to Tanah Rekah Estate confirmed now PT AM has just begun built water gates in some channels in require depth 50-75 cm. However it will be continuously constructed during yearly budget.

OBS 05 (4.5.2): There is a need to indicate that monitoring of all IPM components are continually monitored – for example of two estates (BTE/TPE) after there were no rats for a month monitoring stopped – this should be continued even though numbers are low to ensure the threat does not reappear.

ASA1 findings: PT AM has taken action on the regular monitoring of rat infections although there were no rats have been detected. This has included in IPM program.

OBS 06 (4.6.6): As health checks for workers are not carried out for pesticide handlers until they have been employed for 1 year – records should indicate the start date for each pesticide handler tested to confirm this is in place effectively.

ASA1 findings: The Estates has shown evidence for medical health checks for pesticide handlers (i.e. warehouse operators) was done in 2011. PT AM committed to carry out in a yearly basis.

OBS 07 (4.7.5): Risk control requires improvement as a number of Unsafe acts and Unsafe Conditions were noted including but not limited to the following:

- All pesticide mixers to be included in health checks
- One stairway in one mill was blocked
- Large hole in drain cover which could cause serious injury
- Contractors on housing project not using PPE

ASA1 findings: PT AM now was providing and implementing the Risk control as highlighted in the Initial assessment as follows:

- All pesticide mixers are now included in health checks (Mandor and chemical store operators have been checked)
- No more stair way in the mil was blocked by the sandbags.
- The large hole in the drain cover at the Muko Muko Mill was being constructed properly.
- During this audit there is no contractors involves on housing project)

OBS 08 (5.1.1): There are Environmental impact assessments carried out for all operational areas. However some impacts were not documented or assessed including impacts on flora and fauna, sacred sites, contractors.

ASA1 findings: PT AM has revised the Environmental Aspect and Impact Register for all operation on

12 August 2011. Inspection to the document confirmed that now impact on flora and fauna, sacred sites and contractors have been included.

OBS 09 (5.1.2): PT AM to ensure that when mill or estates submit RKL/RPL reports that all sections are completed.

ASA1 findings: PT AM have prepare three RKL/RPL report consists of “PT Agro Muko that consist of two mills and seven estates”, “Air Buluh estate”, and “Agro Muko Tank Terminal”. RKL/RPL reports for PT Agro Muko been submitted to appropriate Government Office at 31 December 2011, Air Buluh at 30 January 2012, and for Tank Terminal at 30 June 2011. Review of the document indicated that all required aspect have been monitored including social and economic aspect as required.

OBS 10 (6.2.2): There is a list of stakeholders, which is amended as required when new stakeholders are introduced, or others leave. While most of the operating units has prepared a complete list of external stakeholders, such as local government body, local community leaders, workers union, contractors, suppliers, and NGO, however with several operating units a number of stakeholders were not in the list.

ASA1 findings: All community/stakeholders communication is responded to by Estate Managers - who nominates a responsible person to undertake the task if he is not available. All operating unit visited maintained a good list of stakeholders and is updated. For example, at the SBE the list was updated early this month and include local government body, local community leaders, workers union, contractors, and suppliers. All are complete with contact address and phone numbers “Daftar Pemangku Kepentingan/Stakeholders”.

OBS 11 (6.2.3): When any grievance or request for assistance is resolved to the satisfaction of both parties the records in place should be updated accordingly.

ASA1 findings: Inspection to the request of assistant book at GMO confirmed that the company has now keep tracking the progress of any request received. For example, GMO received a request of oil palm seed from local farmer on 27 December 2011. On 06 January 2012, upon review, the company agreed on the request and the seed was provided to the farmer at 10 January 2012. Record held on file “Voucher”.

OBS 12 (6.3.3): Complaints on housing raised by harvesters in Tanah Rekah Estate was not recorded in the log book, of file “keluh kesah”.

ASA1 findings: Review to the Tanah Rekah Estate Complaints Book (Buku Keluh Kesah)” confirmed that now the complaints book has included complaints on housing as raised by harvesters.

3.4 *Issues Raised By Stakeholders and Findings with Respect To Each Issue*

- **Internal Stakeholders**

SPAM representatives raised issues on the two-roomed house that posing difficulties to the workers family of more than two children of different sexes as they are growing mature and need more privacy.

Company response: PT AM acknowledge the situation and new three roomed houses is on the process of completion and will resolved this problem.

- **External stakeholders And the Contractors and suppliers**

Labour Supplier contractor complaining that currently less opportunity to supply field labour.

Company response: PTAM is on the process of employed direct workers, and this situation is unavoidable.

- **Government officials**

Government officials interviews did not raised any issue of concern. They are supporting PT AM to hold RSPO certification.

- **NGO**

Interview of NGO indicated issues with the HCV 6 at Sungai Betung Estate. Company has set aside and maintained this old long grave in the HGU area as HCV 6. In November 2011 a group of local villages claimed as the descendants trying to clear up the trees at the surrounding grave for oil palm planting for their own.

Company Response: It is PTAM commitment to maintained and preserve any HCV at the concession area. In this case, PTAM has stopped attempt to clear up the area and contacting government official for help. This situation is now under control, no more land claim at this HCV area.

Several NGO has raised issues on possible overlapping PTAM HGU with forest area.

Company Response: PTAM has always follow proper procedure of land acquisition. The land was under HGU Certificate U31 for 1,515 ha at Sei Jerinjing. Ministry of Forestry has issues Decree No. SK643/Men-hut II/2011 at 10 November 2011 on decision to release a 31,013 forest area for other usage including Sei Jerinjing area.

- **Local communities**

Local community representative interviewed did not raised any issue of concern.

4.0 **CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

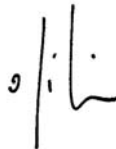
4.1 **Date of Next Surveillance Visit**

The next surveillance visit will be scheduled within twelve months of the ASA1.

4.2 **Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings**

Please sign below to acknowledge receipt of the assessment visit described in this report and confirm the acceptance of the assessment report contents including assessment findings.

Signed for on behalf of
PT Agro Muko Indonesia



.....
Mr Olivier Tichit
Environment and Conservation General Manager
Date: 10.02.2012

Signed for on behalf of
BSi Group Singapore Pte Ltd



.....
Mr Aryo Gustomo
Lead Auditor
Date: 10.02.2012

Appendix “A”

Supply Chain Certification Audits

Main Report Details

Standard: Supply Chain Certification requirement for CPO Mills – Module D Segregation

Location: Muko Muko Mill, Date: 07/02/2012

D.1. Documented procedures

D.1.1 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:

a) Complete and up to date procedures covering the implementation of all the elements in these requirements.

Complies – Procedures are current and include all elements of the Supply Chain for controlling the receipt, sale and dispatch of palm products.

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. *Complies – The Mill Manager has responsibility for the Supply Chain aspects of FFB receipts, processing and shipping of palm products. Interview confirmed their knowledge of the RSPO Supply Chain requirements for the respective areas of the operations.*

D.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFB.

Complies – the Mills Weighbridge SOP covers the receiving of FFB and recording details of the Supplier and Transporter. All deliveries of FFB are subject to verification of documentation and quality checks.

D.2. Purchasing and goods in

D.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received. *Complies – the Mill records tonnages received at the weighbridge and these are reported daily to Head Office.*

D.2.2 The facility shall inform the CB immediately if there is a projected overproduction. *Complies – the company has a mechanism for advising the CB of production variations, which are monitored internally.*

D.3. Record keeping

D.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements. *Complies – Inspection of records at the Mill confirmed these were updated daily.*

D.3.2 Retention times for all records and reports shall be at least five (5) years. *Complies – Records are archived and stored for > 5 years.*

D.3.3 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. *Complies – these are updated monthly and reported to Head Office.*

D.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregation. The supply chain model used should be clearly indicated. *Complies – The company uses the prefix MB on the Product Code.*

D.4. Sales and good out

D.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:

a) The name and address of the buyer;

b) The date on which the invoice was issued;

c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)

d) The quantity of the products delivered;

e) Reference to related transport documentation.

Complies – all of these items (a-e) are included in the company's invoices to buyers

D.5. Processing

D.5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed. *Complies – The company has owned mechanism on the processing facility in term of working instruction and procedure. Review and site visit confirms all mechanisms are available for each station in the mill, and most of the mill workers are aware.*

D.5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material. *Complies – Muko Muko Mill has owned several procedure which might be easily traced back, e.g. Daily report, monthly progress report. The content of these documents showed FFB receipt and processed, CPO and PK produced.*

D.5.3 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 operator conforms to these requirements for segregation; The crush is covered through a signed and enforceable agreement. *Not Applicable – The mill is not equipped with palm kernel crushing plant.*

D.6. Training

D.6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems. *Complies – The company maintains records of training. For this Supply chain requirement, the company has just started to conduct training even though in general all staffs are understandably. Major NC (ref. Number: A675812/1) was raised before closing meeting; while during closing meeting, company has showed a programme of Supply Chain Standard requirements for all staff of both Mills. The training will be carried out immediately on end of February 2012. This finding was closed on 10 February 2012.*

D.7. Claims

D.7.1 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. *Complies – As of the Assessor's knowledge, the company has not made claims outside of the RSPO rules for Communications and Claims.*

Main Report Details

Standard: Supply Chain Certification requirement for CPO Mills – Module E Mass Balance

Location: Bunga Tanjung Mill, Date: 08/02/2012

E.1. Documented procedures

E.1.1 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:

a) Complete and up to date procedures covering the implementation of all the elements in these requirements.

Complies – Procedures are current and include all elements of the Supply Chain for controlling the receipt, sale and dispatch of palm products.

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. *Complies – The Mill Manager has responsibility for the Supply Chain aspects of FFB receipts, processing and shipping of palm products. Interview confirmed their knowledge of the RSPO Supply Chain requirements for the respective areas of the operations.*

E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFB.

Complies – the Mills Weighbridge SOP covers the receiving of FFB and recording details of the Supplier and Transporter. All deliveries of FFB are subject to verification of documentation and quality checks.

E.2. Purchasing and goods in

E.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received. *Complies – the Mill records tonnages received at the weighbridge and these are reported daily to Head Office.*

E.2.2 The facility shall inform the CB immediately if there is a projected overproduction. *Complies – the company has a mechanism for advising the CB of production variations, which are monitored internally.*

E.3. Record keeping

E.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements. *Complies – Inspection of records at the Mill confirmed these were updated daily.*

E.3.2 Retention times for all records and reports shall be at least five (5) years. *Complies – Records are archived and stored for > 5 years.*

E.3.3 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. *Complies – these are updated monthly and reported to Head Office. The mill only produces CPO and PK.*

E.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Mass Balance. The supply chain model used should be clearly indicated. *Complies – The company uses the prefix MB on the Product Code. Example: written in the Delivery note as identity for the transports.*

E.3.5 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. *Not Applicable – The mill is not equipped with palm kernel crushing plant.*

E.4. Sales and good out

E.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:

- a) The name and address of the buyer;
- b) The date on which the invoice was issued;
- c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)
- d) The quantity of the products delivered;
- e) Reference to related transport documentation.

Complies – all of these items (a-e) are included in the company's invoices to buyers

E.5. Training

E.5.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems. *Complies – The company maintains records of training. For this Supply chain requirement, the company has just started to conduct training even though in general all staffs are understandably. Major NC (ref. Number: A675812/1) was raised before closing meeting; while during closing meeting, company has showed a programme of Supply Chain Standard requirements for all staff of both Mills. The training will be carried out immediately on end of February 2012. This finding was closed on 10 February 2012.*

E.6. Claims

E.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. *Complies – As of the Assessor's knowledge, the company has not made claims outside of the RSPO rules for Communications and Claims.*

Appendix “B”

RSPO Certificate Details

PT Agro Muko (SIPEF Group)
 Gedung Bank Sumut Lt.7
 Jl. Imam Bonjol 18
 20152 MEDAN NORTH SUMATRA
 INDONESIA
 Website: www.tolantiga.co.id

Certificate Number: SPO 556042

Applicable Standards: RSPO Principles & Criteria: 2007; RSPO INA-NIWG May 2008; Supply Chain Certification Requirements for CPO Mills November 2011.

Muko Muko Palm Oil Mill and Supply Base				
Location Address		Teruntung, Kec.Teras Terunjam, Kab. Mukomuko, Bengkulu, Indonesia		
GPS Location		E101°16' – S02°36'		
CPO Tonnage Total		52,559 mt		
PK Tonnage Total		11,504 mt		
Own estates FFB Tonnage		220,621 mt		
Non-company Suppliers FFB Tonnage (Kebun Masyarakat Desa - KMD)		4,955 mt		
Agro Muko estates	Mature (ha)	Immature (ha)	Total land-use titles (ha)	Annual FFB Production (mt)
1. Muko Muko Estate	2,799	0	3,731	56,700
2. Sungai Betung Estate	3,086	9	3,849	74,106
3. Tanah Rekah Estate	1,764	285	2,171	31,950
4. Talang Petai Estate	1,215	918	2,270	26,042
5. Sungai Kiang Estate	2,112	66	4,080	31,822
TOTAL	10,976	415	16,101	220,621

Bunga Tanjung Palm Oil Mill and Supply Base				
Location Address		Berangan Jaya, Kec.Teramang Jaya, Kab.Mukomuko, Bengkulu, Indonesia		
GPS Location		E101°22' – S02°43'		
CPO Tonnage Total		28,764 mt		
PK Tonnage Total		6,276 mt		
Own estates FFB Tonnage		118,529 mt		
Non-company Suppliers FFB Tonnage (Kebun Masyarakat Desa - KMD)		4,536 mt		
Agro Muko estates	Mature (ha)	Immature (ha)	Total land-use titles (ha)	Annual FFB Production (mt)
1.Bunga Tanjung Estate	2,384	84	2,903	46,471
2.Air Bikuk Estate	1,149	71	1,410	28,350
3.Air Buluh Estate	2,011	327	2,500	43,708
TOTAL	5,544	482	6,813	118,529

Appendix “C”

1st Annual Surveillance Assessment Programme

Assessment Programme February, 5th – 11th, 2012

Date	Time	Subjects	Aryo	Senniah	Iman
Sunday, February 5 th	06.00 – 09.00	Senniah travelling from KL to Padang	-	√	-
	06.00 – 08.00	Aryo and Iman travelling from Jakarta to Padang	√	-	√
	08.00 – 12.00	Auditor Team visit to Agro Muko Tank Terminal (AMTT) in Teluk Bayur port of Padang	√	√	√
	13.40 – 14.30	Flight from Padang to Muko-Muko	√	√	√
	14.30 – 15.30	Travelling to Site	√	√	√
Monday, February 6 th	08.00 – 08.30	Opening Meeting e.g.: <ul style="list-style-type: none"> • Confirmation on the scope • Presentation by the Estate and mill managers (Estate and mill activities, Supply Chain related to the FFB supplied to the mill, progress of time bound plan). • Finalize Audit schedule (including stakeholders consultation) • Other business 	√	√	√
	08.30 – 12.00	Document review (General Documentation e.g. Legal, Manual and Procedure, HCV identification, SEIA documents, Health and Safety, Time bound plan verification etc)	√	√	√
	12.00 – 13.00	Break/lunch/pray	√	√	√
	13.00 – 17.00	Continuing Document review	√	√	√
Tuesday, February 7 th	08.00 – 12.00	Muko Muko Mill – Review on the documents, Inspection, warehouse, workshop, mill wastes, working safety, Supply chain for CPO mill, etc	√	-	-
	08.00 – 12.00	Review on SEIA documents and records	-	√	-
	08.00 – 12.00	Meeting and interview with stakeholders from Local government, head of village, NGO, etc)	-	-	√
	12.00 – 13.00	Break/lunch/pray	√	√	√
	13.00 – 17.00	Continuing Muko Muko Mill – Inspection, warehouse, workshop, mill wastes, working safety, Supply chain for CPO mill, etc	√	-	-
	13.00 – 17.00	Continuing Review on SEIA documents and records including estates and mill	-	√	-
	13.00 – 17.00	Continuing meeting and interview with stakeholders from Local government, head of village, NGO, etc)	-	-	√
	Evening	Auditor meeting	√	√	√
Wednesday, February 8 th	08.30 – 12.00	Bunga Tanjung Mill – Review on the documents, Inspection, warehouse, workshop, mill wastes, working safety, Supply chain for CPO mill, etc	√	-	-
	08.00 – 12.00	Estate 1 (Bunga Tanjung Estate) – Inspections e.g. Office, worker housing, Clinic, Landfill, Chemical store and mixing, Fertiliser, field spraying & harvesting, etc.	-	√	-

Date	Time	Subjects	Aryo	Senniah	Iman
Wednesday, February 8th	08.00 – 12.00	Estate 2 (Muko Muko Estate) - Inspect area around Estates i.e. Social issues etc	-	-	√
	12.00 – 13.00	Break/lunch/pray	√	√	√
	13.00 – 17.00	Continuing Bunga Tanjung Mill – Review on the documents, Inspection, warehouse, workshop, mill wastes, working safety, Supply chain for CPO mill, etc	√	-	-
	13.00 – 17.00	Continuing Estate 1 (Bunga Tanjung Estate) – Inspections e.g. Office, worker housing, Clinic, Landfill, Chemical store and mixing, Fertiliser, field spraying & harvesting, etc.	-	√	-
	13.00 – 17.00	Estate 2 (Muko Muko Estate) - Inspect area around Estates i.e. Social issues etc	-	-	√
	Evening	Auditor meeting	√	√	√
Thursday, February 9th	08.00- 12.00	HCV areas (Air Buluh and Air Bikuk Estates) – inspection of HCV implementation and management on the estates	√	-	-
	08.00- 12.00	Estate 3 (Sungai Betung Estate) – Inspections e.g. Office, worker housing, Clinic, Landfill, Chemical store and mixing, Fertiliser, field spraying & harvesting, etc.	-	√	√
	12.00 – 13.00	Break/lunch/pray	√	√	√
	13.00 – 17.00	Estate 4 (Air Bikuk Estate) – Inspections e.g. Office, worker housing, Clinic, Landfill, Chemical store and mixing, Fertiliser, field spraying & harvesting, etc.	√	-	-
	13.00 – 17.00	Continuing Estate 3 (Sungai Betung Estate) – Inspections e.g. Office, worker housing, Clinic, Landfill, Chemical store and mixing, Fertiliser, field spraying & harvesting, etc.	-	√	√
Friday, February 10th	08.00 – 11.30	Verification on outstanding issues (audit feedback meeting)	√	√	√
	11.30 – 13.30	Break/lunch/pray	√	√	√
	13.30 – 15.00	Audit team preparing report	√	√	√
	15.00 – 16.00	Closing meeting	√	√	√
Saturday, February 11th	10.50 – 11.35	Flight from Muko-Muko to Bengkulu	√	√	√
	15.00 – 17.00	Flight from Bengkulu to Jakarta	√	√	√
	20.00	Senniah travelling from Jakarta to KL	-	√	-

Appendix “D”

Corrective Action Plan of the ASA1 findings

**CONTINUOUS IMPROVEMENT PLAN - PT AGRO MUKO
(SIPEF Group)**

16 February 2012
Olivier TICHIT – GM-ENC

FINDINGS and CORRECTIVE ACTIONS	LOCATION	IN CHARGE	SUPPORT	TIME TARGET	STATUS
RSPO SCCS Training on Supply Chain management and traceability Conduct training about RSPO requirement, for mill and estates employees in charge of implementing and controlling supply chain integrity.	all	ENC	GMO	February 2012	planned
RSPO P&C 1.1.1 Ensure that Information requests registers are used only for information requests. 1- Memo to remind operations of proper use of the register. 2- Refresher courses for relevant employees.	GMO GMO	ENC ENC	GMO GMO	March 2012 March 2012	planned planned
RSPO P&C 2.1.4 Improve system for updating government regulations. Clarify responsibility of person in charge of updates, introduce regular reporting (every three months in writing and presented to managers meeting).	GMO	GM-AM	ENC	February 2012	completed (memo GM-AM issued to SMA-AM for immediate implementation).
RSPO P&C 2.2.1 Update SPUP to reflect current actual processing capacity. Consultation with authorities for review of the SPUP/IUP.	GMO	SMA-AM	CA	August 2012	planned
RSPO P&C 4.7.1 Document safety and health procedures. Draft full SOP on safety and health to comply with 4.7.1.	GMO	ENC	GMO	April 2012	in progress
RSPO P&C 4.7.4 Include audiometric test in annual medical check-up for workers in noisy areas. 1- Consult with local authorities (Disnaker/Hiperkes) for possibility of audiometric tests by government services. 2- If audiometric tests cannot be performed by government services, arrange for the tests to be conducted in-house.	all all	Co.Doctor Co.Doctor	ENC ENC	medical check-up 2012 medical check-up 2012	planned planned
RSPO P&C 4.7.7 Improve training for emergency situations. Conduct combined emergency drills (fire and first aid), including fire drills in conditions similar to actual operations (fires placed in heights).	all	HR-AM	EM/MM/ENC	drills planned in 2012	planned, except for Mukomuko Mill (completed on 11 february 2012).
RSPO P&C 4.8.1 Improve understanding of chemicals risks and characteristics by stores clerks and pesticides handlers. Renew training for employees handling chemicals in stores and pesticides sheds, including understanding of MSDS, appropriate use of PPE, first response in case of incident (health, environmental contamination, fire), and reporting of incidents.	all	ENC	EM/MM	continuous in 2012	planned
RSPO P&C 5.1.2 Use correct format for RKL/RPL reports. Follow prescribed format for RKL/RPL reports (as per decree 45/2005 from Environment Ministry of Indonesia).	GMO	ENC	SMA-AM	continuous	planned

FINDINGS and CORRECTIVE ACTIONS	LOCATION	IN CHARGE	SUPPORT	TIME TARGET	STATUS
RSPO P&C 5.3.3 Store or re-use empty chemicals containers as prescribed. 1- Identify empty chemical containers stored or re-used incorrectly and issue relevant instructions to all operations for proper storage. 2- Consult with local authorities on possible exemptions (considering isolation of operations). 3- Contact vendors to return empty containers whenever possible.	all all all	ENC SMA-AM Purchasing	EM/MM ENC ENC	April 2012 April 2012 continuous	in progress planned planned
RSPO P&C 5.6.3 Improve prevention of pollution measures related to leaks of potential pollutants. Instruct all operations to increase checks of all double-containment bunds and other devices critical for pollution prevention, and report in the monthly OHS/environmental/social management meeting (rapat P2K3LHS).	all	EM/MM	ENC	continuous	Completed : memo issued by GM-ENC on 15 February 2012.
RSPO P&C 6.3.3 Finalise and issue SOP for land rights acquisition in Agromuko. Review current practices and formalise in a SOP for land rights acquisition, including involvement of representatives of the local communities and local government. The SOP will include a dispute resolution mechanism.	all	SMA-AM	ENC/CA	March 2012	in progress

GMO : General Manager Office ; SMA-AM : Senior Manager Administration, PTAM ; GCo : Gender Committee ; ENC : Environment & Conservation dpt.; ESD : Estates dpt.; ENG : Engineering dpt.
 EM : estate manager ; MM : mill manager.

Appendix “E”

List of Stakeholders Contacted

LIST OF STAKEHOLDERS CONTACTED

INTERNAL STAKEHOLDERS

<p><i>Muko Muko Mill</i> Mill manager and staffs 2 boiler operators 1 engine room operators 2 female administration staffs 1 warehouse officer 1 female gender committee member 2 grading operators 1 chief of central workshop 2 Clinic/hospital assistants</p>	<p><i>Bunga Tanjung Mill</i> Mill manager and staffs 2 boiler operators 1 engine room operators 1 female administration staffs 1 warehouse officer 1 female gender committee member 1 grading operator</p>	<p><i>Air Buluh Estate and Muko Muko Estate</i> Estate manager and staffs 2 field supervisor/mandor</p>
<p><i>Air Bikuk Estate</i> Estate manager and staffs 2 upkeep supervisor/mandor 2 female spraying operators 2 male workers harvesters 1 warehouse operator 2 Clinic/hospital assistants</p>	<p><i>Bunga Tanjung Estate</i> Estate manager and staffs 2 field supervisor/mandor 1 security personnel 2 female spraying operators 2 male harvesters</p>	<p><i>Sungai Betung Estate</i> Estate manager and staffs 3 male harvesters 2 female spraying operators 1 warehouse operator</p>

EXTERNAL STAKEHOLDERS

<p><i>GOVERNMENT DEPARTMENTS</i></p> <ul style="list-style-type: none"> • Cooperative and Trade Department of Muko Muko • Environmental Department of Muko Muko • Department of Agriculture, Livestock, Estates, and Forestry Muko Muko • National Land Agency of Muko Muko • Labour and Transmigration Department Muko Muko 	<p><i>NGOs and others</i></p> <p>Genesis LP3M FFB Transporter contractors SPAM (workers union)</p>	<p><i>Local Communities</i></p> <p>Talang Baru village Muko Muko village</p>
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