



HEALTH, SAFETY & ENVIRONMENT REPORT 2009

Merak, Indonesia

PT Nufarm Indonesia formulates and repacks a range of crop protection products, primarily for use within Indonesia, and exports to Vietnam, Myanmar, Papua New Guinea and Puerto Rico.

The plant

The plant was built in 1993 to synthesise glyphosate acid, followed by amination to formulate and package the end product. At the beginning, our only product was Glyphosate 480 AS (480 g/ltr IPA-Glyphosate).

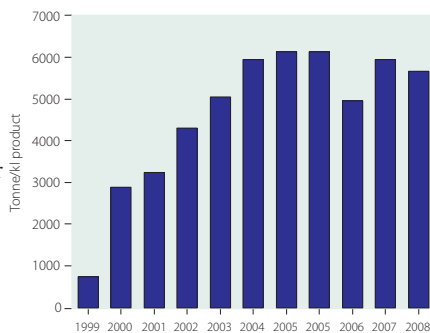
Due to economics, glyphosate acid synthesis was discontinued and the plant only formulated Glyphosate AS, with glyphosate IPA salt (62%) sourced from PT Monsanto Indonesia.

After Nufarm acquired the company, the plant again started aminating glyphosate and added 2,4-D amine to the product list. The portfolio grew quickly with the addition of mixed glyphosate and 2,4-D, diuron, metsulfuron, insecticide and fungicide products. With the expansion of the product range, we faced the challenge of increasing production while operating the plant safely. Since the area of the plant is only 10,205 m², product contamination was our major concern. Starting four years ago, we relocated and improved our product facility, and then some of the insecticide and fungicide products were moved one by one to a third party for tolling.

Now the plant only focuses on

producing herbicide formulations of glyphosate, 2,4-D and triclopyr, with each formulation tank dedicated for one active ingredient. Other herbicide products are received fully formulated ready for sale or as bulk for packaging into small containers.

Formulation/ Repacking

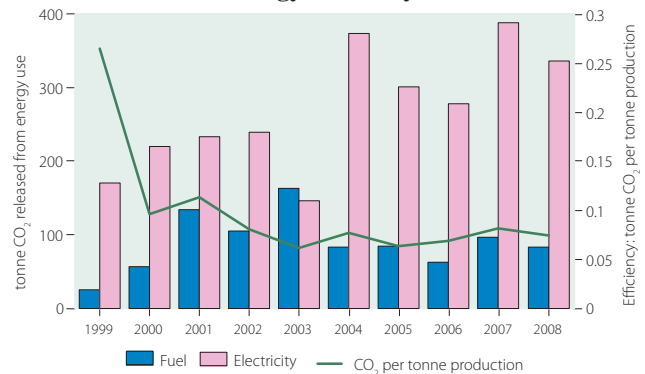


Energy use

Starting in mid 2007, the price of glyphosate acid tech soared uncontrollably and the market dropped significantly. The price of glyphosate based products could not meet the buying capability of our farmers. The glyphosate market situation in 2008 was the same as last year, so our sales depended on small size 2,4-D amine products which influenced our working hours and usage of electricity.

We still support the Government program that for two days each month we do not use PLN for electricity, but use our diesel generator and minimise our production for packaging activities only. The program to shut off all unused lights or electrical equipment continues.

Energy efficiency



Health and safety performance

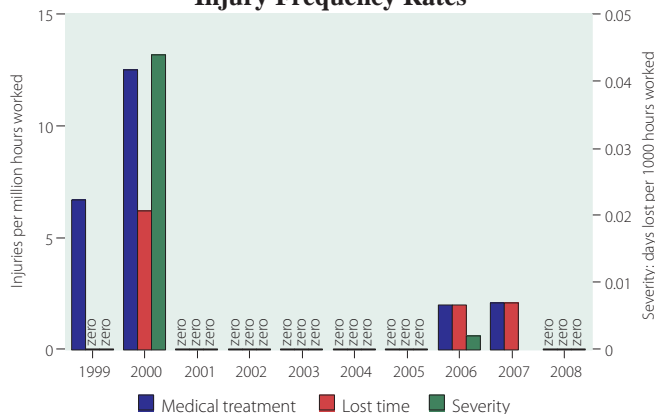
We have now worked in the factory for twelve years without serious injury, having recorded 2,270,000 hours of work by the end of 2008, which earned us a Nufarm Safety Award.

We are very proud of this achievement and will continue to make every effort in the way that does not harm our people at work. We are fully aware that the longer we work without a serious accident, the risk increases that people will become complacent.

In 2008, we received the Bupati Safety Award (good category) for community safety training.

The injuries involving lost time in the performance graph below were traffic accidents suffered by our commercial people.

Injury Frequency Rates



Note: All lost time injuries are also counted as medical treatment injuries

Expenditure

Tight budgets have been in place for a few years which have limited our plant facility improvement plans. We will focus on maintaining the current facility, with capital budgets used only for necessary replacement items.

Major items this year included a more modern welding machine for our workshop, overhaul of the compressor, replacement of our incinerator roof and improvements to our label warehouse.

\$A	Safety	Environment
2001	205,286	13,636
2002	182,483	32,208
2003	45,552	5,396
2004	231,588	14,470
2005	37,246	66,718
2006	72,961	23,027
2007	26,014	8,740
2008	25,776	5,683

Wastes

To reduce waste, especially drums, a few years ago we stopped buying surfactants in 200 L drums and installed surfactant storage tanks using spare plastic tanks from our past glyphosate synthesis. We have now improved our Plant facility further by replacing these with two mild steel storage tanks, each of 22 tonne capacity, to store our surfactants. We need another 22 tonne storage tank for the surfactant which we use specifically for our mixed glyphosate and 2,4-D products; we hope to have it approved in next year's budget. Not only do we avoid generating waste drums, but being able to pump surfactants from the tanks avoids the hazards involved in people manipulating 200 L drums, weighing more than 200 kg.

Tonne	2002	2003	2004	2005	2006	2007	2008
Landfill	0.2	1.6	1.47	1.00	0.89	1.45	0.76
Recycling	94	22.4	153.6	232.2	163.2	220.5	182
Sea	0.06	0.11	0.16	0.135	0.131	0.099	0.179



Environmental activity

This year again the plant received a Blue Award from the Ministry of the Environment as an environmentally friendly plant.

Some tests were carried out by an external laboratory regarding plant environment conditions, including legionella tests, ambient atmosphere tests (in the yard, office and production) and thermographic test of electrical installations.

All results for those tests showed that the plant is in good shape environmentally.

Community

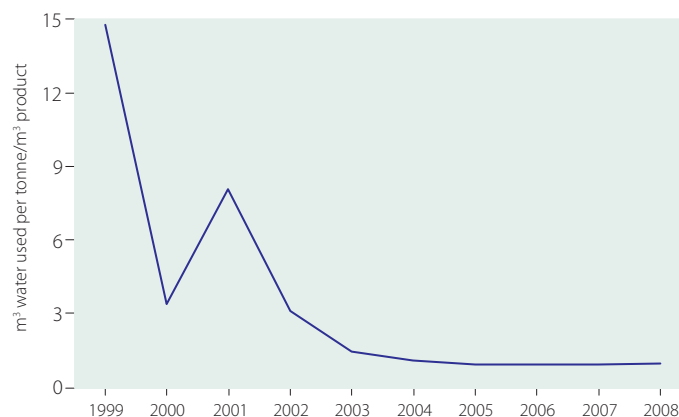
We continue to support the GPL program, which supports scholarships for elementary to high school students. Also this year, we participated in renovation of the office of the chief of Mangunreja village, and were active in collecting donations to build a classroom of Al-Quran TPA (Islamic playground).

Another community activity was to support Al-Quran reading competitions to select a Pulo Ampel representative (Pulo Ampel is the area which our plant is located) for the yearly National Al-Quran reading competition.



Water efficiency

In our formulation operations, we recycle all of our wash water to the next formulation. Our scrubber water is also re-used in the formulations. Apart from the water used for domestic purposes, most of the additional water is sold as part of our formulated products. Our efficiency of 0.89 m³ in 2007 is similar to last year's use 0.92 m³ per tonne/kL of product.



Safety

Joining the Government program for 'Bulan K3', or Safety Month, the plant conducted a fire drill competition which included hydrant and hose drill, dry chemical extinguishers and the use of breathing apparatus. The participants on Safety Day were drawn from all employees, so everybody had to be prepared to join in the competition.

The champions of the competition were :

Hydrant/hose: Production Contract Worker group

Men - Dry Chemical extinguisher: Maintenance Operator

Woman - Dry Chemical extinguisher: Plant Secretary

Breathing apparatus: Production and Laboratory Operator

The photos show both the men and women in action during the competition.



Address: Plaza Aminta, Suite 802, 8th Floor
Jl. TB Simatupang Kav. 10, Jakarta 12310

Telephone: (62 21) 7590 4844

Facsimile: (62 21) 7590 4846

Website: www.nufarm.com