

**Roundtable on Sustainable Palm Oil Certification  
R S P O**

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : **Sungai Pinang POM – PT Bina Sains Cemerlang, subsidiary of Sime Darby Plantation Sdn. Bhd**  
 Plantation Name : **PT Bina Sains Cemerlang – Sungai Pinang Estate and Bukit Pinang Estate**  
 Location : **Village of Sungai Pinang, Sub district of Muara Lakitan, District of Musi Rawas, Sumatera Selatan, Indonesia**  
 Certificate Code : **MUTU-RSPO/020**  
 Date of Certificate Issue : 29 November 2017      Date of License Issue : 29 November 2017  
 Date of Certificate Expiry : 28 November 2022      Date of License Expiry : 28 November 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	07 – 11 August 2017	Sandra Purba (Lead Auditor), Moh Arif Yusni, Brigitta Prita, Yohanes Hardian	Ganapathy Ramasamy	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	29 November 2017

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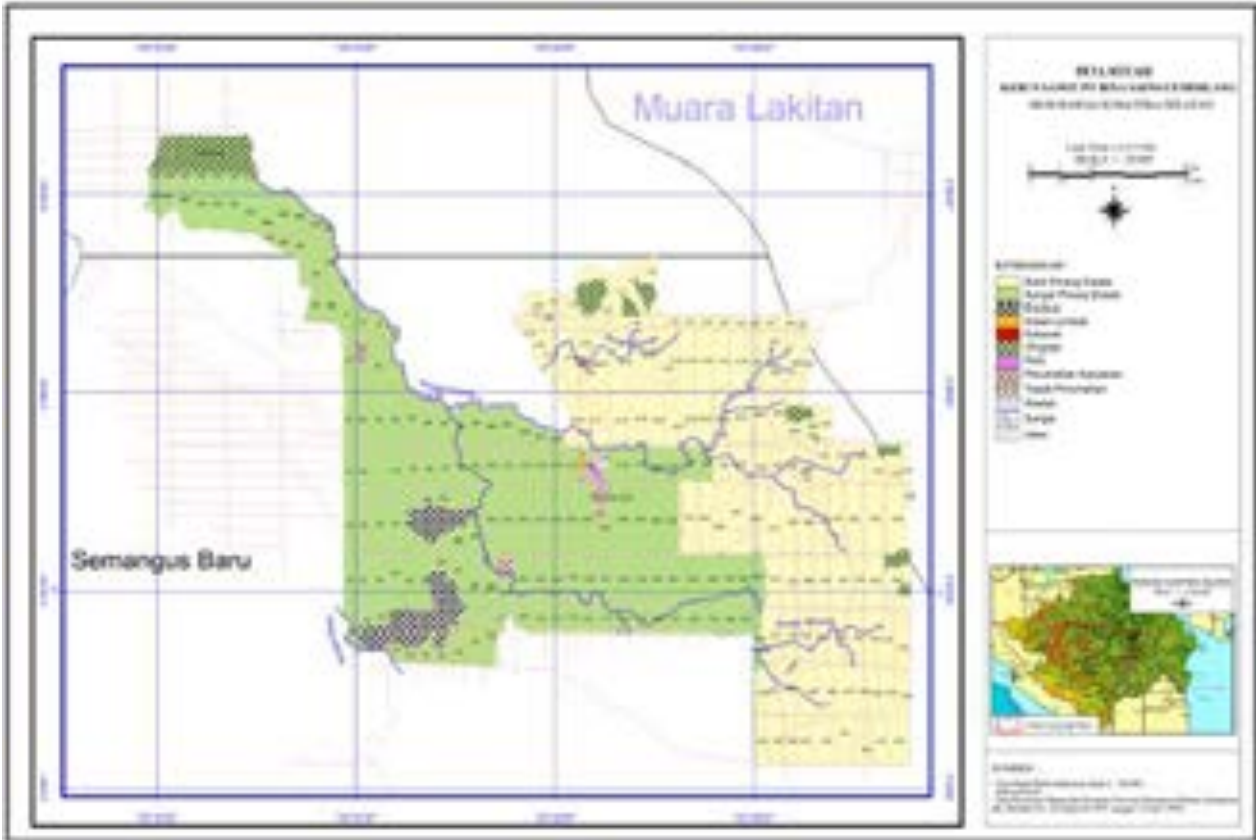
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Figure 1. Location Map of PT Bina Sains Cemerlang



**Figure 2. Operational Map of PT Bina Sains Cemerlang**



Abbreviations Used

ASA	:	Annual Surveillance Assessment
BPE	:	Bukit Pinang Estate
BSC	:	Bina Sains Cemerlang
CPO	:	Crude palm oil
EIA	:	Environmental Impact Assessment
EWS	:	Early warning system
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gasses
HCV	:	High Conservation Value
HGU	:	Land Use Title
HIRARC	:	Hazard identification Risk Assessment Risk and Risk Controlling
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rate
LCC	:	Legume Cover Crop
LUCA	:	Land Use Change Analysis
MRC	:	Minamas Research Centre
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and safety
PIC	:	Person In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
PPE	:	Personal Protective equipment
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
RaCP	:	Remediation and Compensation Procedure
RKL	:	Rencana Pengelolaan Lingkungan ( <i>Environment Management Plan</i> )
RPL	:	Rencana Pemantauan Lingkungan ( <i>Environment Monitoring Plan</i> )
RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rare, Threatened or Endangered
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedure
SOU	:	Strategic Operating Unit
SPE	:	Sungai Pinang Estate
SPF	:	Sungai Pinang Factory
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1 Assessment Standard Used</b>			
	<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30<sup>th</sup> September 2016.</i></li> <li>• <i>RSPO Supply Chain Certification Standart for Organization seeking for holding certification adopted by the RSPO Board of Governor on 21 November 2014 (Modul D/E for CPO Mill)</i></li> <li>• <i>RSPO certification System (Approve by RSPO Executive Board 26 June 2007)</i></li> <li>• <i>RSPO Supply Chain Certification System, November 2014.</i></li> </ul>		
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Bina Sains Cemerlang – Sime Darby Plantation Sdn. Bhd.	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301.  Liaison Office: The Plaza Lt. 36, JL. MH Thamrin Kav. 28-30, Jakarta 10350  Site: Village of Sungai Pinang, Sub District of Muara Lakitan, District of Musi Rawas, Sumatera Selatan Province	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	<a href="http://www.simedarby.com">www.simedarby.com</a>	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Plantation Minamas Indonesia)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 7 September 2004	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Sungai Pinang Palm Oil Mill; Sungai Pinang Estate and Bukit Pinang Estate.	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Sungai Pinang	Village of Sungai Pinang, Sub District of Muara Lakitan, District of Musi Rawas, Sumatera Selatan Province	<b>S 02° 59' 05"</b> <b>E 103° 24' 21"</b>
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Sungai Pinang Estate	Village of Sungai Pinang, Anyar, Semangus Lama, Semangus Baru and Muara Lengas, Sub District of Muara Lakitan, District of Musi Rawas, Sumatera Selatan	S 02° 59' 13"	E 103° 24' 25"
	Bukit Pinang Estate	Village of Sungai Pinang, Anyar, Semangus Lama, Semangus Baru and Muara Lengas, Sub District of Muara Lakitan, District of Musi Rawas, Sumatera Selatan	S 02° 59' 14"	E 103° 24' 20"
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State		<b>6,513.00</b>	Ha
	• Community			Ha
1.5.2	<b>Area Statement</b>			
	• Total Area		<b>6,513.00</b>	Ha
	• Planted Area :		<b>6,142.66</b>	Ha
	- Mature		3,837.48	Ha
	- Immature		2,305.18	Ha
	• Nursery		18.45	Ha
	• Road		160.99	Ha
	• Building		82.58	Ha
	• Mill		14.78	Ha
	• HCV		44.07*	Ha
	• Other (Occupation, enclave, ceremetry)		49.47	Ha
*Total identified HCV area is 492 ha and most of the area is included in the plantation area, the difference between ASA-4 and RC an area of 22.59 Ha, because there is HCV area (riparian) that already excluded from planted area at the time of replanting.				
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Sungai Pinang	Bukit Pinang	Total
	1992	558.71	-	558.71
	1993	60.80	225.38	286.18
	1994	282.35	-	282.35
	1996	146.45	512.72	659.17
	1997	102.43	122.04	224.47
	1998	380.90	574.54	955.44
	2000	-	177.46	177.46
	2005	180.69	-	180.69
	2009	20.29	-	20.29
	2010	51.72	-	51.72
	2013	206.04	130.24	336.28
	2014	104.72	-	104.72
	2014	48.21	226.48	274.69
	2015	348.09	194.43	542.52



	2016	375.97	662.12	1,038.09	
	2017	312.12	137.76	449.88	
	<b>TOTAL</b>	<b>3,179.49</b>	<b>2,963.17</b>	<b>6,142.66</b>	
1.6.2	New Planting area after January 2010		-	Ha	
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle		
<b>1.7</b>	<b>Description of Mill and Supply Base</b>				
1.7.1	Description of Mill				
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>	
				<b>Out put (tonnes)</b>	
				<b>Extraction (%)</b>	
	Sungai Pinang Mill	30	63,716.99**	13,287.44	
				20.85	
				3,209.80	
				5.03	
	<i>*Production data source from Agustus 2016 – Juli 2017</i> <i>**the differences between FFB supplied to mill on 1.7.2 and FFB processed on 1.7.1 is due to mill maintenance and unripe FFB.</i>				
1.7.2	Description of Certification Scope of Supply Base				
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	
				<b>Yield (tonnes/ ha/year)</b>	
				<b>Supplied to Mill</b>	
				<b>FFB (tonnes/year)</b>	<b>%</b>
	Sungai Pinang Estate	3,424.36	3,179.49	37,151.90	11.66
	Bukit Pinang Estate	3,088.64	2,963.17	26,773.68	9.04
	<b>Total</b>	<b>6,513.00</b>	<b>6,142.66</b>	<b>63,925.58</b>	<b>10.39</b>
	<i>*Production data source from August 2016 – July 2017</i> <i>*Based on the latest delimitation</i>				
1.7.3	FFB description from other source*				
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>
					<b>FFB (tonnes/year)</b>
	-	-	-	-	-
	<b>TOTAL</b>				
	-				
	<i>*there is no FFB that processed from other sources</i>				
1.7.4	Product categories			FFB, CPO, PK	
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>				
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 11 September 2016 to 10 September 2017 (tonnes/year)	Actual certified product 11 Nov 2016 – 31 Jul 2017 (tonnes/year)	
	• FFB Production		69,308	42,659.32	
	• CPO Production		15,594	8,958.26	
	• Palm Kernel (PK) Production		3,465	2,221.61	
<b>1.8.2</b>	<b>Product selling</b>				
	Tonnage of selling product		Actual selling product period 11 Nov 2016 – 31 Jul 2017		
	• CSPO		-		
	• CSPK		749.17 MT		



	<ul style="list-style-type: none"> <li>CPO under other scheme trading (e.g ISCC, RFS) -</li> <li>CPO under conventional trading (if any) 9,714.34 MT</li> <li>PK under other scheme -</li> <li>PK under conventional trading (if any) 1,657.07 MT</li> </ul>																																																																								
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PT. Bina Sains Cemerlang		Bukit Pinang	2012	District – South Sumatera	Certified
Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Kawan Batu	2011		Certified
		Hatan Tiring	2011		Certified
		Batang Garing	2011		Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011		Certified
		Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011		Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011		Certified
		KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013	Mustika		Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013		Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
		SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtea Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasan	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
		KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011		Certified
		KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		Certified
		Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	Selabak	2012	Kotabaru District – South Kalimantan	Certified
		Randi	2012		Certified
		Sangkoh	2012		Certified

		Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
		Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
		Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012		Certified
		Karang Ringin	2012		Certified
		Napal	2012		Certified
		Mangun Jaya	2012		Certified
		Sungai Jernih Estate and GPI KKPA	2017		-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013		Certified
		Blang Simpo-01	2013		Certified
		Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018	Sanggau District – West Kalimantan	-
		MAS 1	2018		-
		MAS 1	2018		-
		Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
		Awatan	2014		Certified
		Karya Palma	2018		-
		KKPA SNP	2020		-
		Pelanjau (PT BAL)	2018		-
		Sungai Putih (PT BAL)	2018		-
		Baturus (PT BAL)	2018		-
		KKPA BAL	2020		-
<b>MALAYSIA</b>					
Sg Dingin SOU 1	2010	Bukit Hijau	2010	Kerangan, Kedah	Certified
		Padang Buluh	2010		Certified
		Bukit Selangor	2010		Certified
		Sg Dingin	2010		Certified
		Jentayu	2010		Certified
		Anak Kuli	2010		Certified
		Somme	2010		Certified
Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
		Holyrood	2011		Certified
		Kalumpong	2011		Certified
		Tali Ayer	2011		Certified
Elphil	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified

SOU 3		Elphil	2011		Certified
		Kamuning	2011		Certified
Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
		Bagan Datoh	2011		Certified
		Sabak Bernam	2011		Certified
		Sg Samak	2011		Certified
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
		Sabrang	2011		Certified
		Sg Wangi	2011		Certified
		Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
		Bikam	2011		Certified
		Clumy	2011		Certified
Tennamaram SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011		Certified
		Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011	Kapar, Selangor	Certified
		Bkt Cherakah	2011		Certified
		Bkt Rajah	2011		Certified
		Bkt Lagong	2011		Certified
		Elmina	2011		Certified
East SOU 8	2010	East	2010	Carey Island, Selangor	Certified
		Dusun Durian	2010		Certified
		Sepang	2010		Certified
West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
Kerdau SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
		Jentar	2011		Certified
		Mentakab	2011		Certified
		Sg Mai	2011		Certified
		Chenor	2011		Certified
Jabor - SOU 12	2011	Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
		New Labu	2011		Certified
		Bradwall	2011		Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010		Certified
		Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014	Salak	2014	Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014		Certified
		Siliau	2014		Certified
		PD Lukut	2014		Certified
		Sungai Baru	2014		Certified

		Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
		Kok Foh	2011		Certified
		Muar River	2011		Certified
		St. Helier	2011		Certified
		Pertang	2011		Certified
		Sg Gemas	2011		Certified
		Sg Sebaling	2011		Certified
		Sg Senarut	2011		Certified
Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
		Kemuning	2010		Certified
		Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
		Diamond Jubilee	2011		Certified
		Serkam	2011		Certified
Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
		Lanadron	2014		Certified
		Pengkalan Bukit	2014		Certified
		Welch	2014		Certified
Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
		Cha'ah	2010		Certified
		Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
		Kempas Klebang	2010		Certified
		Bukit Paloh	2010		Certified
		Yong Peng	2010		Certified
Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
		CEP Niyor	2011		Certified
		Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011	Pekan	2011	Layang-layang, Johor	Certified
		Sembrong	2011		Certified
		Tun Dr. Ismail	2011		Certified
		Ulu Remis	2011		Certified
		Bukit Badak	2011		Certified
		Cenas	2011		Certified
Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
		Kulai	2011		Certified
		Layang	2011		Certified
		Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
		Tunku	2008		Certified
		Tigowis	2008		Certified
		Sentosa	2008		Certified
		Saguliud	2008		Certified
Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
		Sapong	2011		Certified
Binuang	2009	Tingkeyu	2009	Kunak, Sabah	Certified

SOU 28		Sungang	2009		Certified
		Jelata Bumi	2009		Certified
		Binuang	2009		Certified
Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
		Giram	2009		Certified
Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
		Merotai	2009		Certified
		Table	2009		Certified
		Tiger	2009		Certified
Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
		Kelida	2011		Certified
		Lavang	2011		Certified
		Lavang (SE)	2011		Certified
		Rasan	2011		Certified
Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
		Samudera	2011		Certified
		Semarak	2011		Certified
		Bayu	2011		Certified
Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
		Damai	2011		Certified
		Derawan	2011		Certified
		Sahua	2011		Certified
Pekaka SOU 34	2011	Chartquest	2011	Bintulu, Serawak	Certified
		Dulang	2011		Certified
		Peroh	2011		Certified
		Pekaka	2011		Certified
		Ruai	2011		Certified
<p>Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	The smallholder scheme under PT BSC currently in the process of obtaining legality and permit and also the mill does not bound any contract with outside suppliers.				



<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>RC</b>	<p>1. <b>Sandra Purba (Lead Auditor).</b> Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering as land Legality, Worker Welfare, OHS, transparency, long term economic aspect and Supply chain for palm oil mill. In this audit activity conducted on Legal requirement, SCCS, land dispute, OHS aspect and continuous improvement on OHS aspect.</p> <p>2. <b>Moh Arif Yusni (Auditor).</b> Indonesian citizen, bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection) Faculty of Agriculture. He has a working experience for 2 (two) years since 2010 as Operational staff in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. Training attended: ISO 19011, ISO 9001; ISPO 14001, RSPO Lead Auditor, ISPO Lead Auditor, OHS Expert, OHS Auditor based on National Government No 50 year of 2012. Since 2012 has been following many audit as auditor for ISPO and RSPO Scheme for several aspect, such as land Legality, Worker Welfare, OHS, transparency, long term economic aspect and Supply chain for palm oil mill. During the assesment the auditor Best Management Practices, Integrated Pest Management, Process, long term management plan and continuous improvement on best practices aspect</p> <p>3. <b>Yohanes Hardian (auditor).</b> Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA bu Remakr Asia 2016, Training Lead Auditor RSPO by Proforest- Daemeter 2016. Experience audit RPO and ISPO since 2014. On this audit he assessed HCV, transparency and social aspect as well as continuous improvement on HCV and environment aspect.</p> <p>4. <b>Brigitta Prita (Auditor).</b> Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, Training Lead Auditor RSPO by Daemeter &amp; Proforest, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System. She has audit experience ISPO &amp; RSPO since April 2013 in the environmental, conservation, waste management and GHG aspects. At this activity she assess aspect of environment, waste management, GHG, worker welfare and continuous improvement on workers welfare and waste management aspect</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>RC</b>	<p>Number of auditors : 4 auditors          Number of days for <b>RC</b> at site : 4 days          Number of working days for <b>RC</b> at site : 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT



Bina Sains Cemerlang to the requirements of RSP0 Principles and Criteria for Sustainable Palm Oil Production of Sustainable Palm Oil 2013 for Indonesia July 2016, approve RSP0 Governors September 30,2016- and RSP0 Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSP0 Board of Governors on 21 November 2014 (Module D for CPO Mill)

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) *interview*, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **RC** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase **ASA-1-1**.

Improvement of findings from main assesment findings were observed by auditors at this **RC** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **RC report**.

The assessment program please find Appendix 2

**2.2.3 Locations of Assessment**

**RC** Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the  $0.8\sqrt{y}$  formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one (1) palm oil mill (**Sungai Pinang Mill**) and two (2) estates (**Sungai Pinang Estate and Bukit Pinang Estate**).

**Sungai Pinang Mill**

1. **Grading/sortation.** Interview with worker related to worker contract, medical examination, PPE, complaint mechanism, work accident, and worker welfare (wage, medical dan worker insurance).
2. **All processing station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier).** Observation on FFB processing and interview with worker related to medical examination, PPE, complaint mechanism, and worker welfare.
3. **Generator and Kernel Station.** Observation and interview on OHS implementations and working mechanism.
4. **Workshop.** Observation on maintenance activities and interview with foreman related understanding of working procedure.
5. **Hazardous Waste Temporary Warehouse.** Observation on hazardous waste management.
6. **Emergency Response at Mill.** Observation on emergency response facilities (hydrant hose reel) and drill.
7. **WTP Station.** Observation and interview related on WTP activities, worker medical check-up, worker welfare, complaint mechanism.
8. **Boiler Station.** Observation of renewable fuel using fibers and shell, and interview of OHS implementation with key personnel. It is known boiler operator wearing PPE while working.
9. **Hazardous waste storage.** Observation related condition and management of hazardous waste.
10. **WWTP.** Observation and interview related management of liquid waste.
11. **Security and weigh-bridge.** Observation on FFB reception and SCCS implementation.
12. **CPO and PK despatch.** Observation on CPO and PK delivery.

**Sungai Pinang Estate**

13. **Harvesting in division 3, Block F10.** Observation and interview related on harvesting, PPE, first aid kit, complaint mechanism, and worker welfare.
14. **Spraying Activity Block H13 Division 1.** Observation and interview with worker related to maintenance activities, medical examination, complaint mechanism, worker welfare and PPE.
15. **Replanting area Block H17, Division 1.** Observation on replanting area, management of slope area at counter area.
16. **Road Maintenance Block H13 Division 1 (Main Road 111).** Observation and interview with worker related to road maintenance activities, medical examination, complaint mechanism, worker welfare and PPE.

17. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, provision of PPE, training, emergency response facilities.
18. **Health Units.** Observation and interview with paramedic related to first aid mechanism, medical waste management and work accident record monitoring.
19. **Block Spraying System (BSS) Warehouse.** Observation and interview with employee related to conditions PPE of warehouse and PPE handling.
20. **Agrochemicals Warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
21. **Worker Housing Division III.** Observation and interview with residents related to employee facilities, management of domestic waste, emergency response facilities, provision of clean water and electricity.
22. **Conservation areas (HCV 4.1) Sungai sising block I 18-19.** Observation of river buffer zone (there was any sign board any natural vegetation and several plant was planted by the company).
23. **Water Intake Block J15.** Observation and interview related management of water for domestic and process.
24. **Land Application Block F11 Division 2.** Observation and interview related management of liquid waste.
25. **Well Monitor Block F12-13 Division 2.** Observation related monitoring of well monitor.
26. **Occupation area Block E11-12 Division 2.** Observation related occupation area by villagers.
27. **Block I06 Division 2.** Observation on HGU boundary, BPN poles no. XIX
28. **Block C06, Division 3.** Observation on HGU boundary, BPN poles no. VI
29. **Block C05, Division 3.** Observation on HGU boundary, BPN poles no. VII

#### **Bukit Pinang Estate**

30. **Harvesting in division 2, Block F019.** Observation and interview related on harvesting, PPE, first aid kit, complaint mechanism, and worker welfare.
31. **Spraying Activity Block F21 Division 2.** Observation and interview with worker related to maintenance activities, medical examination, complaint mechanism, worker welfare and PPE.
32. **Replanting area Block K019, Division 1.** Observation on replanting area, management of slope area at counter area and integrated pest management.
33. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, provision of PPE, training, emergency response facilities.
34. **Health Units.** Observation and interview with paramedic related to first aid mechanism, medical waste management and work accident record monitoring.
35. **Block Spraying System (BSS) Warehouse.** Observation and interview with employee related to conditions PPE of warehouse and PPE handling.
36. **Agrochemicals Warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
37. **Worker Housing Division I & II.** Observation and interview with residents related to employee facilities, management of domestic waste, emergency response facilities, provision of clean water and electricity.
38. **Block C11, Division 1.** Observation on HGU boundary, BPN poles no. IV
39. **Block C14 Div 1.** Observation on HGU boundary (un-identified BPN Pole)

#### **Stakeholder Visit**

40. **Environment Agency Musi Rawas District.** Interviews related to environmental documents, environmental permits, environmental management and monitoring reporting, emission source management and environmental pollution issues, etc.
41. **Labour and Transmigration Agency Musi Rawas District.** Interviews related to Occupational Safety and Health, Employment and Industrial Relations.
42. **Plantation Agency Musi Rawas District.** Interviews related to the assessment of plantation business; Owned business license (capacity and area of the estate), partnership with the community, corporate obligations of existing business licenses, peatland management, regional status, land use change, overlapping areas, land fires, etc.
43. **Anyar village and semangus baru villange:** Interviews related to Partnership Company with the community, CSR program, land dispute, environment issue.

	<p><b>Internal stakeholder</b></p> <p>44. <b>Gender committee.</b> Interview with committee board as much as 4 participant (chairman and unit representative)</p> <p>45. <b>Labor union.</b> Interview with union chairman.</p> <p>46. <b>Harvester.</b> Interview with 10 workers (male) on field</p> <p>47. <b>Spraying.</b> Interview with 7 female workers in SPE and 9 in BPE, include 1 foreman.</p> <p>48. <b>Mill operator.</b> Interview with 7 workers including boiler, engine room and sterilizer.</p>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Bina Sains Cemerlang was held by:</p> <p>Public Notification on RSPO web site and Website mutucertification.com dated on 3 July 2017.</p> <p>Public consultation meeting with local government district of Musi Rawas was conducted on 7 August 2017.</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages (Semangus Baru &amp; Nyar) and interviews with local peoples on 8 August 2017.</p> <p>Public consultation with NGO by email dated on 1 August 2017.</p> <p>Numbers of input from stakeholders were clarified by PT Mutuagung Lestari.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit <b>ASA-1</b> will be determined one year after this <b>RC</b> (August 2017).

**3.0. ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of Sungai Pinang POM – PT Bina Sains Cemerlang, Sime Darby Sdn Bhd operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were three (3) Nonconformities were assigned against Major Compliance Indicators one (1) nonconformity were assigned against Minor Compliance Indicators and five (5) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Sungai Pinang POM – PT Bina Sains Cemerlang, Sime Darby Sdn Bhd complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30<sup>th</sup> September 2016, RSPO Supply Chain Certification Standart for Organization seeking for holding certification adopted by the RSPO Board of Governor on 21 November 2014 (Modul D/E for CPO Mill), RSPO certification System (Approve by RSPO Executive Board 26 June 2007) and RSPO Supply Chain Certification System, November 2014.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1.</b>	The Company shows list of stakeholders for 2017 consists of Local government (22 stakeholders), Central Government (6 stakeholders), NGO (6 Stakeholders), Community Leaders (8 communities), Partner Contractors (21 Stakeholders), School (6 stakeholders), Hospitals, Insurance and Banking (7 stakeholders).  Based on interviews with stakeholders (Village communities, Environmental agency, Manpower and Transmigration agency, plantations agency, and others), known that stakeholders already know regarding the types of information that can be accessed by the public.	
<b>1.1.2.</b>	The company has the SOP information request SPO / 001 / BSC / 2012 valid from 1 November 2012 in which the SOP explained that all requests for information addressed to the manager and then manager review the requisition to be made the response. Head of administartion makes the draft of written response, then signed by the Unit Manager before sent to the parties, time of response is 3-15 days. For e.g. letter on April 11, 2016 (Letters number 560/355/Nakertrans/2016). This letter has been responded on April 14, 2016 by sending employees to attend the event.	
	<b>Status: Comply</b>	
<b>1.2</b>	<b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>	
<b>1.2.1.</b>	There are documents accessible to public or stakeholders PT BSC for 2017 and it's has been approved by estate & factory Manager such as: <ul style="list-style-type: none"> <li>• Land Use Title</li> <li>• Plantation Business Permit</li> </ul>	

- Agreements
- Document HCV
- Document SIA
- Document Waste/application.
- EIA
- Environmental Management Plan / Environmental Monitoring Plan
- Guiding Committee of Occupational Safety & Health.
- Employee data
- Data FFB production
- Data production CPO and PK
- Data Hazardous Waste
- Specification plant machinery
- Specifications vehicle engine
- Document of sustainable plantation management guidelines.
- Human rights policy
- Non-discrimination policy.
- Prohibition of employing children

**Status: Comply**

**1.3**

**Growers and millers commit to ethical conduct in all business operations and transactions.**

**1.3.1**

The Company has a policy No. 440 / HRM-COC / 07 dated May 24, 2007 about Code of Conduct, which aims to:

- Realizing the vision of company in a professional and ethical to draw attention to professionalisme all stakeholders who ultimately towards the improvement of the reputation and image.
- Reduce the risk of conflicts of interest and lawsuits due to negligence committed by individual companies.

Based on interviews with harvesting employees, applicator pesticide, warehouse officers, labor union it's known they already know regarding the code of conduct policy.

**Status: Comply**

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

**2.1**

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

**2.1.1; 2.1.2**

The company has a mechanism to identify and evaluate the compliance with the law described in the SOP of Law Terms. PIC who is responsible for identifying the regulation and for evaluating the regulations was legal team and manager. The company has list of regulation consist of international regulation, national regulation, regional regulation and local regulation. Based on list of regulation update on 10 July 2017, there are 337 regulation and all files of regulation was saved in softcopy and hard copy.

Sighted the evidence of compliance with regulations, for example:

- OHS Act No 1/1970 and Permenakertrans No 1/2010, the entire employees has been use the appropriate PPE during work, has been trained regarding to the working in noise area and regularly conduct audiometry test for workers who exposed to noise, spirometry test for workers who exposed to dust and cholinesterase /blood test for workers who exposed to chemical.
- Has been comply with South Sumatra Governor's Decision Number: 726/KPTS/DISNAKERTRANS/2016 about the minimum wage regency of Musi Rawas in 2017 set 30 November 2016.
- Regulation of the Minister of Manpower no. 6 of 2016 concerning religious holiday allowance for company workers / laborers
- Regulation of the Minister of Manpower no 9 tahun 2016 about OHS Working in high places
- Plantation Act 39/2014 on plantation and Law No. 5 of 1960 on Main Agrarian Regulations, the entire managed



area is in the HGU and already has IUP

**2.1.3 & 2.1.4**

The company has a mechanism for evaluating regulatory compliance. Evaluation is done periodically at least 6 months and in monthly meeting its fulfillment has been reviewed and evaluated, the latest audit for the legal compliance conducted on June 2017 and latest updating in 10 July 2017, audit result shows that the company has been implementing the regulation which relevant to its operational activities. In updating the regulations the company conducts consultations with relevant agencies. All regulations are noted in the list of rules which are always evaluated regularly at least once a year or if there are regulatory/latest requirements referenced by Legal Team. The Estate Manager is responsible to communicating the regulatory summary and monitoring of its implementation. Based on the interviews with relevant agencies (Plantation Agency, Labor Agency and Environmental Body) known that the management unit has fulfilled the regulations related to the plantation, employment and the environment.

**Status: comply**

**2.2**

**The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.**

**2.2.1**

Land ownership document showed in Decree of BPN No. 17/HGU/BPN/99 and HGU certificate No 7 date on 12 June 1999 valid until 11 June 2034, for an area of 6,513 Ha on behalf of PT Bina Sains Corporation. The transfer of rights and name changes to the name of PT Bina Sains Cemerlang was done on September 29, 2004, BPN registered no. DI.307, 1996/2004, based on notarial deed No. 3 dated October 2, 2000.

Based on field observations and hectare statement document known that the company has managed the land in accordance with the rights owned.

**2.2.2**

In the situation map no. 36/1991, scale of 1:25000 issued by Head of Measurement and Terrestris Mapping, as many as 193 poles. Boundary poles maintenance program described in SOP No RSPO/6-1/PPB, evidence of actual implementation can be shown in document of HGU boundary monitoring report.

PT BSC has not been able to show clear and well-maintained borders and coordinate point locations in accordance with BPN provisions.

Based on field observation to Block I06, SPE known that the identity HGU pole no. BPN XIX is not readable and its color has faded, the poles of BPN VI and BPN VII are not available in the field but replaced with auxiliary markers with unequal numbering and shape not in accordance with the old poles.

Field observation to HGU boundary of BPE, known that there are 3 auxiliary poles between the poles no IV and V which are not available in the field. In addition, there is no list of coordinates of the poles to ensure the compatibility of the point marks in the field. **NCR No. 2017.1**

**2.2.3, 2.2.4, 2.2.5, 2.2.6**

The evidence of land compensation process has been verified in the previous assessment (ST2-ASA4), the entire compensation process was completed in 1990-2005.

All land conflicts that occurred after the transfer of rights to PT BSC have been resolved through legal way and won by the PT BSC. The current open land conflict of 10.5 Ha (which is not included in the Supreme Court decision) is in the process of completion by the company. Evidence of process can be shown in the form of minute of deliberation with related parties, for example with Mr. Herman Eng conducted on August 6, 2017, with Mr. Ibrahim on 21 September 2016 and Mr. Burian (heir) made on 19 October 2016.

Based on interviews with surrounding communities, for example, community leaders from Semangus Baru and Desa Anyar mentioned that currently there is no land conflict with PT BSC. It also said that the company does not engage in violence and involving paramilitaries in maintaining operational security.

**Against the Minor NCR No 2016.01, was verified on 8 August 2017,**

Land conflict settlement and its mapping in participatory way has been explained in the SOP No 056 / BSC-PK / C12, clause 5.1 that PSD personnel are assigned to handle mediation and deliberation with the affected parties or its representative, recording the conflict, field verification and mapping the area. In the clause 5.13 explained that if such settlement is unacceptable then may proceed to the law.

Can be shown layout and map of disputed area since 2016 and the process of its resolving. In the BPE map 2016 there are 54 ha and SPE 42.73 Ha (has been resolved through legal process). There is an open conflict area of 10.5 ha in the SPE which has been mapping in the land claims map 2017. Notes related to its process of completion are described in 2.2.3. Minor Non-compliance has been met.

<b>Minor 2.2.2</b>	<b>Status:</b>	
<b>Minor 2.2.5</b>	<b>NCR No. 2017.1</b>	
	<b>NCR No 2016.01 stated closed</b>	

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

**2.3.1, 2.3.2, 2.3.3, 2.3.4**  
 There is no traditional and/or customary right in the HGU of PT BSC, it has been confirm through public consultation with communities around (Semangaus Baru Village, Anyar Village and Board of AMAN Foundation) and related institution.  
 In the HGU Decree as well as EIA and HCV assessment documents, mentioned that the land of 6.513 Ha is state land (consisting of: directly controlled by country 3,600 Ha; 2,188 Ha is a forest area released under Minister of Forestry Decree No 456 / Kpts-II / 90 dated 24 August 1990; and under decree of Menhut No. 36 / Kpts-II / 1998 covering an area of 731 Ha dated January 14, 1998).  
 Can be shown Occupational Land Acquisition SOP No Policy 343 / PSD-OKUP / 11 authorized by HPUI, HPO, GM and Head in Charge on February 23, 2012.

	<b>Status: Comply</b>	
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**PRINCIPLE #3 Commitment to long-term economic and financial viability**

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

**3.1.1**  
 PT BSC has had long-term plan that is stated in budget document 2017/2018- 2021/2022. This document points out the budget estimation for estates and mill operation, that covers FFB’s production, maintenance cost, fertilization, harvesting and collection, transport, fix budget (salary, office operation cost, training, road and bridge maintenance), cost of productions, projected mill productions and other financial parameters such as profitability and revenue. PT BSC develops the long-term plan to be approved by top management and the accomplishment over the plan will be annually evaluated.

**3.1.2**  
 Company has a plan for replanting activity that is stated in *Long Range Replanting Program* (LRPP) document in 2012/2013 – 2025/2026 in Bukit Pinang Estate and 2012/2013 – 2031/2032. This document is completed with a map of replanting plan. Moreover, company can present the implementation over its replanting activity. PT BSC has conducted replanting over the 360.50 Ha in Bukit Pinang Estate and 330.33 Ha in Sungai Pinang Estate in 2016/2017. Based on interviewed with management it is known if replanting program annually evaluated.

	<b>Status: Comply</b>	
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**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

**4.1**  
**Operating procedures are appropriately documented and consistently implemented and monitored.**

**4.1.1**  
 PT BSC has Standard Operational Procedure (SOP) for Plantation Operational, from Land Clearing to harvesting. The SOP covers the agronomic manual reference for palm oil manual cultivation No. Policy; 110/EST-ARM/13, which consists of 18 chapters/parts on palm oil cultivation technic based on memorandum from Head of Plantation Upstream Indonesia on 16<sup>th</sup> September 2013. The policy describes of pesticide application, type of pesticide and etc. in other that



the SOP's on safe working practices and application of pesticides is mentioned on SOP Block Spraying Systemen (PM 0800 dated 01 April 2017). Meanwhile, there are also work instruction at POM which contains work instruction for entire POM operational started from FFB receipt until CPO and PKO dispatch and the produced production quality *Head Plantation Operations* (HPO) approved this procedure on 26<sup>th</sup> July 2010.

The company has SOP of safe working practices for mill and estate for example

- Hazard Identification Risk assessment procedure (Policy No. 703/TQEMS-P2K3/07 (31/5/2007).
- Specific PPE per each activity and station is described in the OSH SOP no. Doc. 723 / PSQM-PSS / 12 no. doc. 722 / PSQM-PSS / 10.

SOP is available on audit site and written in bahasa so that is easily understandable for workers and relevant with company situation. Based on interviews with workers in the estate and mill, it is known that the socialization of SOP has been carried out through the safety briefing or morning roll call which are done before begin the operational activities.

The results of a field visit to Sungai Pinang Estate and Bukit Pinang Estate its known if procedure have been well implemented at the premise, such as the fact that the company's operational activities have complied with the established procedure. As for the harvesting activities in Block F010 Division II SPE and F019 Division 2 BPE, the results of field visit and interviews with harvesters have pointed out that they have proper knowledge and comprehension towards the procedures for harvesting activity, meanwhile based on interview with sprayers in Blok H013 Division I SPE and Blok F21 BPE this was evidenced when the employee can demonstrate how to work correctly and appropriately in accordance with the procedures. During assessment conducted there was no manuring activity. But based on interviews with 4 (four) manuring workers in Blocks F10 Division 1 SPE, it is known that worker has understood the safe working practices, including the use of PPE. Field visit in di loading ramp Sungai Pinang Factory shows that sortation/grading officers have understood the sortation/ grading procedure and they could demonstrate the procedure.

**4.1.2**

In order to ensure the operation procedure has been implemented, company periodically conducted internal audit. The company has a mechanism to check the implementation of operational procedures and monitored regularly in accordance with SOP TQMS Department No. document 721/TQEMS-SOP/2007 dated 31 October 2007 in the form of internal audits conducted by the department PSQM. The lists of all the procedures for operational activities are available in every estates and mill. If any SOP revise must be submitted to the head plantation to consider revisions. Some form of internal audits have been conducted under Sime Darby Group, such as internal audit agronomy, processing, environment, safety and health and so on and so forth. The last internal audit conducted on 16 -23 May 2017 in SPF; 14 – 20 October 2016 in SPE and 07 – 12 October 2016 in BPE. All nonconformities has been followed up and closed by the management units. The result is reported to top management as internal evaluation reference.

**4.1.3**

In order to ensure the entire operation activity is well documented, company has a daily report system for its entire operation activity. The daily work recapitulation is documented every month in estate unit report, which stated estate report, such as areal statement, organogram, human resources and communities, housing and infrastructure, rain fall, FFB's production, productive plantations, nursery, traction/transport, general cost, production cost, material stock, capital, security and personnel's social and environment aspect. The result of field visit and interviews with the harvesting supervisor indicated that they also record all operational activities in the Supervisor's Daily Report (*Laporan Harian Mandor*) and submit such report on a daily basis. The daily report describes types of work, numbers of workers, usage of materials, and employee's individual achievement.

**4.1.4**

The company only received and processed FFB from its own estates, namely Sungai Pinang Estate and Bukit Pinang Estate.

<b>Status: Comply</b>	
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**4.2**

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

**4.2.1 and 4.2.2**

Company possess fertilization procedures on agronomic manual reference for palm oil manual cultivation No. Policy; 110/EST-ARM/13 chapter 8, that demonstrate that fertilization technique in Immature area, mature Area, recommendation is created based on leaves sample analysis by considering soil capability in providing nutrients, lost nutrients due to washing, plant condition, climate as well as fertilization implementation last year. The study documents results indicate that management unit had performed fertilization by using chemical fertilizers, effluent and bunch ash. . All activities are monitored and well documented at the time of the assessment performed, based on documents verifications and interview with Manager of SPE and BPE obtained information if the realization of manuring on the period of July 2016 – June 2017 already completed 100 percent's. During the assessments there was no fertilizer application activity across the operational area of the estate because it has not entered the schedule.

**4.2.3**

Company has conducted leaf analysis activity periodically every year. Leaf analysis activity-record, which is issued by Minamas Research Center is available leaf analysis result highlights recommendation that become a guideline and planning for PT. BSC to apply fertilizer with a certain doze. According to document review, soil analysis in has been taken in October 2014 and reported on the documents of Semi detail survey and Feasibility study 2015 -2020

**4.2.4**

The Company has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent and utilization of crop residues after replanting, empty fruit bunches application and mill effluent application All activities are monitored and well documented. Based on field observation on replanting area in Block H17 Division 1 Sungai Pinang Estate and Block K019 Division 3 Bukit Pinang Estate its known if the crop residues after planting are utilization by the company.

**Status: Comply**

**4.3**

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

**4.3.1; 4.3.4 and 4.3.5**

Based on documents of semi detail soil survey and Feasibility study 2015 – 2020 mentioned are the distribution maps of slope and fragile soil in the operational area with scale 1:50000. Semi detailed soil survey indicated type of soil in PT BSC are 4,779.9 Ha is moderately suitable, 1,562.5 Ha is Suitable and 132.10 Ha currently unsuitable. Based on semi detail was not identified peat area.

**4.3.2**

Moreover, according to Slope Map, it is revealed that the slope of Sungai Pinang Estate is about 0 -4 % (flat) for 579.10 ha, 4 – 12 % (undulating) for 182,20 ha, 12 – 24 % (rolling) for 2,042.80 ha, 24 – 38 % (hilly) for 188.70 ha, and in Bukit Pinang Estate is about 0 -4 % (flat) for 49.30 ha, 4 – 12 % (undulating) for 36,10 ha, 12 – 24 % (rolling) for 2,176.60 ha, 24 – 38 % (hilly) for 984.40 ha and 38 – 50 % for 138.20 ha.

Based on field observation in Blocks H13 Division I SPE and block K019 Division 3 BPE the company has had strategy to manage the slope area like holding the erosion back as well as the surface run off by maintaining vegetation with selective weeding, creating siltpit, EFB application to increase the soil fertility and LCC planting.

According to the result of field visit to the replanting area Blocks H17 Division 1 SPE and, there is an implementation on the slope area management. For example, the construction of terrace, EFB application and LCC planting. The EFB application on the replanting area is functioned as the organic mulche and to increase the soil nutrient, especially at the terrace area due to the lack of soil nutrient and organic ingredient.

**4.3.3**

Company has road and bridge maintenance program, which stated in annual work plan. Estate manager is person in charge to develop the annual work plan. For instance, heavy equipment (*road grader*) for road construction, road and bridge manual maintenance. Based on field observation in Main Road, there was an on-going road maintenance activity by using *road grader* to ensure road in a good condition as well as to make the transportation for FFB easier.

**4.3.6**

Based on semi detail soil survey and Feasibility study 2015 – 2020 there is the area consist of currently unsuitable covering 132.10 Ha and moderately suitable with covering 4,779.9 Ha. The limitation factor are topography and soil fertility. -All area if get the maximal input will be Suitable for the area who moderately suitable and moderately suitable for ther area who unsuitable area. Based on field observation and interview with management the effort that conducted by company to minimize the limitation factor are:

1. Soil Fertility Management
  - Planting legume cover crop
  - EFB mulching in the circle of new planted
2. Fertilizer management
  - fertilization according to the analysis of nutrient (nutrient balance)
  - maximizing fertilizer use efficiency (type of fertilizer and application time)
3. Minimize erosion, nutrient bleaching, and enrichment of water stock
  - The manufacture of silt pit,
  - Cultivation terrace system in hilly areas.

**Status: Comply**

**4.4**

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

**4.4.1**

The Company has identified the water sources contained in the HCV area identification documents and SEIA documents. The source of clean water for the community (washroom bath) is from rivers but for drinking water is obtained by making wells. In addition, the company has built water bodies to collect rainwater in low-lying areas as a source of water in the event of a long dry season.

**4.4.2**

The company has SOP for riparian area protection and SOU Memorandum no. The SOP covers the determination of riparian zone and its demarcation. Further, the company has a policy on steep and riparian area protection. The company has mapped the water bodies/river which crossing the company operational area in situation map with scale of 1:50000 covering Pinang River, Durian River, Slingsing River and Air Hitam River.

Based on field observation to riparian area in Sungai Pinang, division 3 SPE, plant upkeep is manually conducted without chemical. There are also marking on palm oil stands as a border of no chemical application in riparian area and planting hardwood tree. The riparian is left over, no replanting activity on that site.

**4.4.3**

PT BSC has managed its effluent of FFB processing as regulated. Document review shows there is monthly effluent quality against national regulation for waste that is discharge to land application. The company has a permit no 436/KPTS/DLH/2017 to discharge treated effluent onto land application. The effluent quality test result by accredited laboratory shows that the effluent quality especially BOD, pH and COD has met the national regulated threshold, for period July 2016 – May 2017 the quality BOD has range 637-2600 mg/l from stardart 5000 mg/l. Field visit to Waste Water Treatment Plant (WWTP) shows that the facility is well managed.

**4.4.4**

The company has recorded its actual water use. The average water use per tonne FFB for period of July 2016 – June 2017 is 1.06 m3/FFB from budget 1.25 m3/FFB.

	Status: Comply	
<p><b>4.5</b>  <b>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</b></p>		
<p><b>4.5.1</b>          Company has a mechanism to prevent pests and disease through <i>Early Warning system/EWS</i>, which was conducted by personnel in the field. EWS result will become the basis for census activity, in order to determine the necessary actions. The results of detection indicated in Mature area that there were no pest attacks and symptoms of any diseases that were over the control threshold. However there is pest infestation above economic threshold such as <i>apogonia</i> and rats. Company's efforts on this issue is by conducted pesticide application using <i>cypermethrin</i> with concentrate 5% for apogonia and using warfarin for rats.</p> <p>Integrated pest management program was implemented by the company are monitored and evaluated every month. The evaluation is in the form of a Matrix of pest attack that describes the type of pest; attack average; analysis of the attack level to the threshold; conclusion to determine control techniques if needed. As an anticipation measure to prevent the attack of <i>UPDKS</i> (Oil Palm Leaf-Eating Caterpillars), the company conducted the planting and maintenance of beneficial plants (<i>Antigonon leptopus</i> and <i>Turnera subulata</i>. Moreover, in order to prevent rat infestation, company has monitored owl barn every month.</p> <p><b>4.5.2</b>          The Company has records of the training implementation for staff who are involved in the implementation of integrated pest management, for example, Integrated Pest Management training on 19 January 2017 In Sungai Pinang Estate with 11 participants and 28 December 2016 Estate with 18 participants s. Interviews with officers of integrated pest management in Block H13 Sungai Pinang Estate confirmed that workers has understood on IPM aspect i.e.: methodology census, type of pests and diseases and management controlling and based on field observations, it is known that the management unit has implemented an integrated pest management plan and well documented.</p>		
	Status: Comply	
<p><b>4.6</b>  <b>Pesticides are used in ways that do not endanger health or the environment</b></p>		
<p><b>4.6.1</b>          Based on documents verifications and observation to chemical storage has shown evidence that the used pesticides have received permission from the government. To ensure pesticide used are in accordance with the target the company conducted study on selecting an effective pesticide to control disease and weed. The study on narrow spectrum selection of pesticide in order to minimize the negative impact apart from the targeted species. Document's review and field observation at pesticide warehouse showed that company used registered-pesticide. In order to reduce the utilization of pesticide, company has combined the control mechanism by using mechanic, biology and chemical approach. Mechanic control was conducted by using manual method, the biology control was using natural predators and chemical control was using</p> <p><b>4.6.2</b>          Company documented the pesticide toxicity monitoring result in the documents of recapitulation of pesticide used in each estate. The documentation explains the type of pesticide, active material, and number of utilization per hectare, number of utilization per ton FFB. There is a personnel updated the monitoring report over pesticide toxicity every month.</p> <p>Based on documents verification obtained information if the company has had implemented the program to reduce the use of pesticide, for Example In Bukit Pinang Estate the total pesticide reduced in period 2016/2017 are 94% than the period of 2015/2016 and in Sungai Pinang Estate the total pesticide reduced in period 2016/2017 are 79% than the period of 2015/2016.</p>		

**4.6.3**

Integrated pest management program was implemented by the company are monitored and evaluated every month. The evaluation is in the form of a Matrix of pest attack that describes the type of pest; attack average; analysis of the attack level to the threshold; conclusion to determine control techniques if needed. Pesticide only used for last option to control pest and disease

**4.6.4**

The result of document review, field visit and observation on pesticide storage, it is known that the company does not use pesticide with active ingredient of paraquat, WHO 1A and WHO 1B

**4.6.5; 4.6.7; 4.6.9**

Pesticide usage is applied by trained personnel which is in accordance with pesticide usage best practices. Company already had MSDS (*Material Safety Data Sheet*) for each agrochemical substance (Pesticide) that describes handling and storage guidance, treatment when accident occurs (First Aid Measures), hazard identification, measures against spillage and leakage, personal protection equipment, physical and chemical characteristics, reactivity and stability, Toxicology information, Ecology information, waste disposal and transport.

Related to pesticide usage doses, company refers to recommended doses which are described on the label of each pesticide type. Result of document inspection reveals that usage doses applied by company is in accordance with its recommendation

Based on field observation of spraying interrow in Block H13, Division 1 SPE it is revealed that pesticide operator have been equipped with safety equipment such as mask, gloves, apron and safety shoes that are appropriate with incurred hazard identification and MSDS. After work, the sprayer and PPE are stored in a special storehouse at the Estate.

Result of interview with workers finds information that the workers already have knowledge of potential hazard that may arise and its compulsory preventive measures and all workers have been trained, and have understood safe work practices, including prohibition of spraying on river or water bodies, and understanding emergency response in the event of an accident.

Based on field observations and interview with foreman and manager in SPE and BPE obtained information's Pesticide are mixed in pesticide warehouses and transported by special vehicles. Based on field observation known that the company provided facility for chemical mixing, cleaning/washing after work and space for PPE keeping are provided in the each estate Sungai Pinang and Bukit Pinang Estate. Chemical mixing are conducted in the mixing area. All precautions have been implemented to reduce the possibility of pollution and risks to workers, such as provide the chemical trap and bund-wall.

**4.6.6**

Based on field visit to agrochemical warehouse in SPE and BPE, it is known that the entire used-agrochemicals have been separately stored from other materials. Moreover, warehouse agrochemical has been completed with PPE, occupational health and safety symbols, *emergency shower*, *eye washer* and MSDS. Material arrangement in agrochemical warehouse has separated solid and liquid material. Used-pesticide package is managed by washing the used package, making a hole in the package, furthermore putting the used-packaged inside the hazardous waste warehouse. Based on explanation from senior assistant in Bukit Pinang Estate and Sungai Pinang Estate, it's known that used-pesticide containers, which are still in good condition, are being used to carry poison or other chemical materials before land application. Interview with residence and sprayers in housing in BPE and SPE showed that residents are prohibited and understood that used-pesticide packages cannot be used for other utilization apart from carry other poisonous material. The company has been carry out training of pesticides handling on 21 September 2016 in Bukit Pinang Estate and 14 January 2017 in SPE



**4.6.8**

Based on document's review and interview with estate operation's personnel, there were no pesticide applications from air within PT BSC

**4.6.10**

There is SOP of Management hazardous waste and Nonhazardous waste (document of hazardous waste & hazardous material management No.revisi 00) dated March 4, 2016. There are manifest of hazardous waste on August 31, 2016 to PT Gema Putra Buana (Party of Collecting hazardous waste) with vehicle number B 9050 BYY with manifest number AAT 0010958 pesticides packaging amount to 152.8 kg.

Interview with residence and sprayers in housing in BPE and SPE showed that residents are prohibited and understood that used-pesticide packages cannot be used for other utilization apart from carry other poisonous material. The company has been carry out training of pesticides handling on 21 September 2016 in Bukit Pinang Estate and 14 January 2017 in Sungai Pinang Estate.

**4.6.11, 4.6.12**

Medical examinations are conducted routinely to verify the level of exposure and early detection of occupational diseases in high-risk jobs, checks are conducted at PT GPI's central clinic, and type of checks is phisical surveillance and cholinesterase test. For example, the last check conducted in April 2017 as many as 22 pesticide operators in the SPE and 9 people in BPE.

Based on field observations and interviews on spraying chemical activities for example in block H13, Div 1 SPE (application of methyl-metsulfuron), the number of employees 7 female workers, known that no employees are indicated exposure to chemicals such as skin irritation and other itches/diseases, and no found spraying operator that is pregnant or breast-feeding. Also confirmed that the workers has been informed the result of the last examination.

**Status: Comply**

**4.7**

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

**4.7.1, 4.7.2**

The Company has an OH & S policy endorsed by CEO Minamas Plantation April 1, 2013 in Sustainable Plantations Management Manual No. 1. Policy 724 / TQEM-SPMS / 09, stating that SimeDarby Plantation Upstream Indonesia is committed to effective OSH improvement. Also sighted OSH program for the period 2016/2017 for SPE, BPE and SPF.

Can be shown the results of hazard and risk assessments for plantation and mill in HIRAC documents, which is describes the type of activity, hazard, effect, risk (E, P, R), risk control, residual risk and PIC. The control plan to reduce the risk be undertaken by the company, among others, the establishment of SOP, training, LOTO System, supervision and use of PPE. Specific PPE per each activity and station is described in the OSH SOP no. Doc. 723 / PSQM-PSS / 12 no. doc. 722 / PSQM-PSS / 10. In addition, PPE have considered the recommendation of MSDS and the packaging of materials, for example PPE for agro-chemical spraying for circle weed-spraying are using nose mask while for chemical-spraying for leaf-pest control are using nose mask and face-shield. Both policy and hirac has been displayed in the strategic location such as division offices, estate offices, and storages notice board, it also confirmed during interview to workers that the socialization has been done during morning roll-call. Both mill and estates are conduct medical checks verify the level of exposure and early detection of occupational diseases in high-risk jobs, the latest are done at PT GPI's central clinic, and type of checks is physical surveillance, audiometry, spirometry / thorax scan and cholinesterase test. For example, the last check conducted in April 2017. Based on checks report and company's doctor evaluation result conclude that there is no indication of occupational diseases against workers.

Monitoring of OSH program and HIRAC are done routinely through SIME CARD system with daily and monthly checks. For example can be shown recapitulation of SIMECARD period of July 2017, as many as 27 SIME Card (inspector), there are 2 sampled cases observed as safe, 21 cases as unsafe actions and 4 cases as unsafe conditions. In the recapitulation report has described actions taken, PIC and time target of implementation.

**4.7.3**

Training and socialization related to OSH aspect and safe working has been done to employees especially employees whos is working in high risk areas, such as pesticide operators and mill employees. Records of training are shown in the form of minutes and/or competency certificates. Example, competence certificate of boiler operator No. Reg. 14.6166-OPK3-PUBT-B.II / IV / 2014, class II and license number Reg.P.01.7111.OPK3-PUBT-B.I / V / 2016 (boiler operators

class I); Electrical competency certificate no. 00401 2143 0003575 2014. Sighted a training record of SPE spraying-team dated March 18, 2017 (the number of participants 13 workers), as well training record of PPE use are sighted during audit such as the training of the use ear-muff and ear -plugs for mill employees who work with exposure to noise such as boiler stations, engine rooms and sterilizers. Based on interview (mill operators as much as 5 workers and BSS team 7 workers) known that they are aware regarding to the noise risk, noise level at station and PPE function. The workers also able to demonstrate safe working aspect and work risk.

SPE and BPE have not been able to show the mechanism that regulate the provision/replacement of damaged PPE due to work activities as well as its implementation.

Observation and interviews with road maintenance employees on SPE (main road 3, block H13) and harvesting (block F10 Division 3) mentioned that the PPE (safety shoes) provided once a year and if damaged will be replaced by the employees themselves to wait for the next quota. Interview with the harvesters on block F19, Division 2 BPE mentions that safety shoes have been damaged and have been reported but there is no replacement (currently the workers wear self-purchased general shoes). Document review on OSH guidelines-PPE, no. Doc. 10 / BSC-PSQM-ESH / 16 dated September 20, 2016, describes relating to the life-time of PPE (eg. safety shoes apply for 12 months) and if any damage due to employee negligence becomes the responsibility employees. **NCR No 2017.3**

**4.7.4**

Each unit has established an OSH committee and appoints a secretary who has been certified as OSH General Expert, namely: Agus Winaryo (certificate Reg No. 15968 / PK3 / AJ / 62/2014 / P0) for SPF, Arief Rusdinata (certificate Reg No. 7622 / AK3 / AJ / 14/09 / P-1) for SPE and Warimin (certificate no reg. 9923 / PK3 / AJ / 31/2016 / P1) for BPE. Periodic meetings were held to discuss OSH issues, such as the last SPF's meeting on 26 June 2017, SPE's meeting was held on July 14, 2017 and BPE' meeting on July 11, 2017. These meetings include discussing related to the use of PPE, evaluation of work accidents that occurred during the last 3 months and HIRAC review.

**4.7.5**

Emergency procedures and work accident handling mechanisms written in Bahasa, described in the document: SOP of Preparedness, Response and Recovery (No. 013 / BSC-ESH / 10) August 2, 2010; SOP Fire prevention and combating (Doc. No. 014 / BSC-ESH / 10) August 2, 2010; SOP of Handling of Work Accidents No. 02 / BSC KKS / IV / 09 dated April 2, 2009; and SOP of Earthquake (013 / BSC-ESH / 10) dated August 2, 2010. PT BSC assigns its respective foreman as a first-aider on the work-site. First aid training for supervisors and foreman is done by company' paramedic (doctor) on 2 Nov 2016. Standard first-aid kits are available in the field, responsible officers can demonstrate first-aid measures in the event of an accident.

**4.7.6, 4.7.7**

All company's employees have been covered in health services and employment insurance (including accident insurance) in collaboration with PT BPJS. Evidence of membership and activeness can be shown in the form of monthly dues payment receipt, for example payment of period of July 2017 transfered through Bank Mandiri as many as 896 employees (SKU and PKWT). There are no accidents that require insurance claims during the period of 2016/2017.

Medical examinations are conducted routinely to see the level of exposure and early detection of occupational diseases in high-risk jobs, namely audiometry test to mill employees, blood and cholinesterase test to BSS-team and spirometry test to fertilizer team. Checks are conducted at PT GPI's central clinic. For example, the last check conducted in April 2017, result of checks stated that the entire employee are fit for work and there is no indication of exposure to risk such as hearing loss and/or skin diseases.

The recording of occupational accidents and monitoring is done using LTA metric, can be shown the accident monitoring report for FY2016 / 2017, with details of: SPF Nil, SPE 9 cases (23 working days lost) and BPE 7 cases (16 working days lost).

<b>Major 4.7.3</b>	<b>Status: NCR No 2017.3 with Minor Category.</b>
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**4.8**  
**All staff, workers, smallholders and contractors are appropriately trained.**

**4.8.1**

There are employee training programs for the period 2017-2018 such as; HSE Management, Hirarc& risk Assessment,



review & update MSDS, Implementation PPE, Occupational Health program, pruning technique, Palm harvesting technique, fertilization technique, integrated control pest training and others.

**4.8.2**

The company has records and maintain the recording training and employees socialization, for 2016-2017 can be shown:

- Harvesting and pruning techniques on October 5, 2016 and May 15, 2017 were 16 & 19 people.
- Fire-fighting training on July 2, 2016 and April 19, 2017 (17 people and 19 persons) are located at the BPE & Housing Division II Traction Office.
- Spray Training on 21 September 2016 and 10 March 2017 is located in Block D015-F019 (16 people & 18 persons).
- Socialization of OHS as many as 97 people (Divisions I, II, III, IV and V are located in the Office of BPE Division dated October 24, 2016.
- Socialization of HCV on July 19, 2017, participants as many as 26 participants.
- Socialization of hazardous waste officers at Sungai Pinang Factory dated 29 July 2017 participants 7 people.
- And others.

**Status: Comply**

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

**5.1**

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

**5.1.1**

The company has EIA document (AMDAL) covering 24,000 ha with mill capacity of 30 ton/hour. The document is legalized by Agribusiness Division of Agriculture Department no. No. 005/ANDAL/RKL-RPL/BA/X/94 dated 18 October 1994. The study include impact analysis on air quality reduction, soil fertility, erosion and sedimentation, water quality, change in vegetation cover and wildlife disturbance, community recklessness, job opportunity and the development of local business and income.

The Revised Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) of Plantation and Palm Oil Processing Plant have been approved by the Regent of Musi Rawas 128B / KPTS / IV / 2007 dated 30 October 2007. The estate area is 6,513 ha with 24,000 ha of reserve area, Capacity 30 to 60 Ton FFB/Hour. In addition, this document was created by the Center for Environmental Research Institute, Sriwijaya University. The team of Amdal Ir. H.M Idris Naning (Team Leader, AMDAL 1 & B).

Social and Environmental Impact Assessment for replanting activities of PT Bina Sains Cemerlang for 2015-2018 covering 1,774.23 ha consists of 865.90 ha (Bukit Pinang Estate) and 908.33 ha (Sungai Pinang Estate).

**5.1.2 & 5.1.3.**

There are environmental management and monitoring plans for plantation development activities and palm oil processing plant PT Bina Sains Cemerlang include: Public perception, Flora and fauna, Water quality and Aquatic Biota

The company has been review monitoring environmental management plans and environmental monitoring plan every 6 months and it's has been reported to Environmental Agency.

**Status: Comply**

**5.2**

**The status of rare, threatened or endangered species and other 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 operations managed to best ensure that they are maintained and/or enhanced**

**5.2.1**

The company has identified HCV area within its operational area. The identification was conducted by independent consultant of CV POLLITO. The HCV area present in PT BSC are HCV 1.1; HCV 4.1 and HCV 5 in form of riparian

area of Pinang River, Durian River, Selinsing River and Air Hitam River for 492 ha that is included in the plantation area (potential HCV Area). The river border area that has been settled into the HCV area of 72 ha and is not in the planting area statement

The identified RTE of wildlife species are *Felidae*, *Hylobatidae*, *Ursidae*, *Manidae*, *Hytridae*, *Cercopithecidae*, *Viverridae*, *Bufo* *Bufonidae*, *Macaca nemestrina*, *Alcedo atthis*, *Anthreptes malacensis*, *Chloropsis sonnerati*, *Ictinaetus malayanensis*, *Varanus nebulosus*, and *Naja sp* and RTE species of vegetation species are *Ficus fistulosa*, *Picus*, *Rhodamnia cinerea* and seedling of *Aglaia tomentosa*.

**5.2.2**

In accordance with the identified RTE species in PT BSC operational area, the company has developed HCV management plan to protect the species. The related program are the development of flora and fauna protection procedure, monitoring on HCV area and RTE species and socialization of HCV and RTE species protection. However, the management plan shall include target and PIC. Management HCV are done in the form of installation of signs. Delineate and map the boundaries of the HCV area and perform HCV boundary markers by giving red paint on the palm stand and the installation of HCV signboard. It aims to avoid disruption to HCV areas. Based on field visit at Sinsing River at block I 18-19 know at the river buffer zone there was any sign board and several plant was planted by the company. the company does not undertake replanting activities in the area defined as HCV

**5.2.3**

PT BSC programs regular education for the worker and has a policy on harm, capture, hunt or kill RTE species. The regular education on HCV and RTE species to the worker can be found in company HCV management plan and the policy of RTE protection is in form of Internal Memorandum of SOU 22 dated 3 August 2015. The policy has referred to the applied national regulation on protected species. The Company also puts a sign bord in the HCV area regarding the prohibition of protected wildlife hunting and sanctions if it violates the applicable laws. Examples of HCV socialization of protected species and plants and the prohibition of animal hunting among others

- February 16, 2017 held in the third division of SPE. Socialization activities were followed by all 3 division employees totaling 54 people
- June 19, 2017 held at Sungai Pinang Mill. Socialization activities were followed by 12 employees

Based on field visit to the housing complex of Division III Sungai Pinang Estate there is no found any employees who capture and keep protected wildlife.

**5.2.4**

Monitoring results have been documented and reported in RKL and RPL. The Company has undertaken a flora and fauna conservation program in PT BSC. Activities carried out in the form of direct monitoring of the field and the installation of sign bord in the river buffer. Type found in HCV area type leopard cat, porcupine, *Macaca fascicularis*, wild pig, black hawk (*Ictinaetus malayensis*), white-breasted waterhen bird (*Amaurornis phoenicurus*), lizard (*Varanus salvator*), javan coucal bird (*Centropus nigrorufus*).

Based on the results of monitoring evaluation of the existence of flora and fauna in the second semester of 2016 period showed that the disruption to flora and fauna tends is decreased. This is due to the prohibition and socialization to employees and surrounding communities to not do the hunting of animals and logging that causes disturbance of flora and fauna.

**5.2.5**

Based on interview with the villagers and community figures of Sungai Pinang and Semangus Villages is informed that there is no HCV area containing local rights. And based on HCV map and company operational area map seen that all HCV area is in company HGU area. Based on presented evidence and the actual condition during the field visit, the company has complied with criterion 5.2 on HCV identification and its management.

**Status: Comply**

**5.3**

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

**5.3.1.**

Identification of waste and pollution sources in Sungai Pinang Factory for 2017 include:

- Boiler Station: SO<sub>2</sub>, NO<sub>2</sub>, HCL, NH<sub>3</sub>, HF (Pollution) and solid waste ash.
- Genset Station: SO<sub>2</sub>, NO<sub>2</sub> and CO (Pollution) and Battery Used; Oil filters, diesel and oil filters.
- Waste liquid (WWTP): Ammonia (NH<sub>3</sub>), CH<sub>4</sub>, and CO<sub>2</sub>.
- Factory operations: worker gloves, cloth rags.

In addition, the identified waste and pollution source in estate are manuring activity, clinic, workshop, spraying activity, office, warehouse and housing complex, generator use and transportation.

In the document of waste and pollution identification has been describes the plans to avoid or reduce the pollution. For example: liquid waste generated from mill managed in the WWTP to reduce the BOD and conduct the quality test in monthly basis and then applied to plantation area.

### 5.3.2.

The Company shows Temporary storage permit hazardous waste PT BSC according to Decree of Regent of Musi Rawas number 444 / KPTS / BLHD / 2014. The temporary storage location (TPS) of hazardous waste is located at LS: 02°59'3.00 "and BT: 103°24'15.7" which is valid for 5 years since June 13, 2014. There is a recommendation for temporary storage extension of hazardous waste with letter number 503 / 168 / III / BLHD / 2016 dated May 19, 2016 from environmental agency of Musi Rawas Regency.

There are hazardous waste manifest on August 31, 2016 to PT Gema Putra Buana (Collecting Party Hazardous waste) with vehicle number B 9050 BYY include:

- a. Manifest number AAT 001960 battery used of 87.5 kg.
- b. Manifest number AAT 0010955 Drigen of 49 kg.
- c. Manifest AAT 0010958 Toxic ex cans of 152.8 kg.
- d. Manifest AAT 0010959 Medical waste of 2.3 kg.
- e. Manifest AAT 0010957 used oil of 1,090 liters.
- f. Manifest AAT 0010956 gloves of 7 kg.
- g. Manifest AAT 0010954 toner e fotocopy of 40 kg.

Vehicle No. B 9050 BYY has been granted a license to carry a special freight transport from the Ministry of Transportation of the Directorate General of Land Transportation (SK 3716 / AJ.309 / DJPD / 2016 / 310730185BB-0088). Cooperation Agreement between PT Bina Sains Cemerlang with PT Gema Putra Buana & PT Wastec International on Cooperation of hazardous Waste Transportation and Utilization Service (Number 01 / PT BSC / VII / 2016).

### Medical Waste.

The Company shows a Cooperation Agreement Between PT BSC - Sungai Pinang Estate and Dr. Sobirin District Musi Rawas on the management of Solids and Toxic waste (No. 095 / BSC / Agr-SPE / X / 2016 / No.445 / 2600 / RSDS / X / 2016). This Agreement is valid from October 27, 2016 until October 27, 2017. There is an official report on the destruction of medical waste (No. 027/14 / IV / RSDS / K3S / 2017 dated April 8, 2017).

### 5.3.3.

#### Liquid waste.

The liquid waste produced by Factory consists of the liquid waste from the processing of FFB and the wastewater from the washing of the factory (domestic) all the waste product of the factory is disposed to WWTP. The liquid waste then sterilized and clarification / purification process until the parameter of BOD, COD produced can't exceed the threshold/ standards and it's can be streamed to land application

#### Domestic waste

Domestic waste is collected and transported weekly to the Landfill twice a week.

#### Solid waste

Solid waste is not burned, empty fruit bunch is used as mulch & fertilizer on palm oil plants, fiber & shells are used and managed for fuel as well as boiler ash used for road and fertilizer piles.

#### Medical Waste.

The Company shows a Cooperation Agreement Between PT BSC - Sungai Pinang Estate and Dr. Sobirin District Musi Rawas on the management of Solids and Toxic waste (No. 095 / BSC / Agr-SPE / X / 2016 / No.445 / 2600 / RSDS / X / 2016). This Agreement is valid from October 27, 2016 until October 27, 2017. There is an official report on the destruction of medical waste (No. 027/14 / IV / RSDS / K3S / 2017 dated April 8, 2017).

**Status: Comply**

**5.4**

**Efficiency of fossil fuel use and the use of renewable energy is optimised.**

**5.4.1.**

The company showed an average FFB is 5,294,314 Ton CPO; Shell Usage is 289,686 kg; Fiber usage is 658,378 kg, the efficiency of shell is 5,46 ton / FFB and the efficiency of Fiber is 12,41 Ton / FFB. The average electricity usage of generator and turbine is 201,893 Kwh.

**Status: Comply**

**5.5**

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

**5.5.1 & 5.5.2**

The Company does not have the development of new areas, it's currently conducting replanting. The Company is committed to open land without burning (zero burning) during land clearing as stipulated in the policy of protection of the environment on 30 April 2013 and described in the SOP Reference Manual Agronomy planting oil palm on 1 September 2013. Based on the field visit in replanted areas are not found replanting activity with burn method.

**Status: Comply**

**5.6**

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

**5.6.1**

Identification of waste and pollution sources in Sungai Pinang Factory for 2017 include:

- Boiler Station: SO<sub>2</sub>, NO<sub>2</sub>, HCL, NH<sub>3</sub>, HF (Pollution) and solid waste ash.
- Genset Station: SO<sub>2</sub>, NO<sub>2</sub> and CO (Pollution) and Battery Used; Oil filters, diesel and oil filters.
- Waste liquid (WWTP): Ammonia (NH<sub>3</sub>), CH<sub>4</sub>, and CO<sub>2</sub>.
- Factory operations: worker gloves, cloth rags.

In addition, the identified waste and pollution source in estate are manuring activity, clinic, workshop, spraying activity, office, warehouse and housing complex, generator use and transportation.

Based on interview with workers in mill such as boiler operator, engine room operator and sterilizer known that the the workers has been understood regarding to the risk on noise and appropriate PPE has been provided such as ear-muff and ear-plug.

The SPF has been tested the noise level on mill station, as follows:

Location	units	Test result
Boiler station	dB	92.6
Engine room		98.1
Sterilizer		88.5
Clarification		91

In addition, The warning signs are posted at high noise areas. Example: Use of PPE, compulsory ear protection, and entry ban for unauthorized persons.

**5.6.2.**

The Company shows plans to reduce or minimize GHG emissions for 2017, such as

GHG Sources	Reduction efforts

Land Clearing	The application of zero burning in the land clearing process by tumbling minced method and CECT.
	Conducting cover crop such as LCC.
	Reforestation or re-planting of buffer zone and HCV areas
Use of pesticides	Reduce pesticide use by developing biological control for pest such as beneficial plan, Barn Owl Box (BOB) and selective weeding.
Application of fertilizer	Conducting FFB as fertilizer alternative to reduce the amount of inorganic fertilizer.
Emissions from motor vehicles	Restrict the speed of motor vehicles in the estate, conduct routine vehicle maintenance, and ensure all roads are in good condition with a road maintenance program.

In addition, the mill has done training to workers routinely regarding to the safe working in noisy area, and the way to use PPE to avoid and reduce noise exposure. Based on field visit to mill known that the workers has use the appropriate PPE such as earplug/ear-muff, during the interview confirmed that the operator in the noisy location no more than 8 hours. The mill has conducted noise testing at stations such as boiler and sterilizer and known that noise level not exceeding 85dBA.

**5.6.3.**

The Company show calculations Palm GHG Version 3.0.1 for 2016 year include:

Emissions per Product	tCO2e/tProduct
CPO	5.16
PK	5.16

Production	t/yr
FFB processed	63,716.99
CPO Produced	13,287.44

Extraction	%
OER	21.25
KER	4.83

Land use	ha
OP Planted area	6154.41
OP planted on peat	0
Conservation (forested)	72.29
Total	6,226.7

Summary of field emissions and sinks

	Own Crop			Group		3 <sup>rd</sup> Party	
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha
Emissions				0	0	0	0
Land conversion	60784.82	9.88	0.99	0	0	0	0
*CO2 Emissions fertiliser	56833.47	9.23	0.93	0	0	0	0
**N2O Emissions	3871.88	0.63	0.06	0	0	0	0

Fuel Consumption	1606.61	0.26	0.03	0	0	0	0
Peat Oxidation	0	0	0	0	0	0	0
Sinks							
Crop sequestration	-52609.66	-8.55	-0.86	0	0	0	0
Conservation Sequestration	-662.9	-0.11	-0.01	0	0	0	0
<b>Total</b>	<b>69824.22</b>	<b>11.35</b>	<b>1.14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Summary of Mill Emissions and Credits

	tCO2e	tCO2e/tFFB
<b>Emissions</b>		
POME	12041.4	0.2
Fuel consumption	778.81	0.01
Grid electricity	0	0
Utilization	0	0
<b>Credits</b>		
Export of grid electricity	0	0
Sales of Mill	0	0
Sales of EFB	0	0
<b>Total</b>	<b>12820.21</b>	<b>0.21</b>

Palm oil Mill Effluent (POME) Treatment

Divert to compost	%
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion

Divert to anaerobic pond	100 %
Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	0 %

The mil has monitored the smoke emission regularly per 6 months, the result are reported in RKL/RPL report. Based on interview with management representative mentioned that the mill has been installed the Ringleman Smoke Observation Chart.

**Status: Comply**

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

**6.1**

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

**6.1.1**

PT BSC has conducted a social impact assessment of oil palm plantation management in July 2011 conducted by CV POLLITO. The report includes about community involvement that aims to solicit inputs related to environmental and social aspects of society.



PT BSC has conducted a SEIA Replanting Plan summary study in October 2015 for the reposting period 2015-2018 by Aksenta. This review is intended to review the possible environmental and social impacts of the intended activity, and provide suggestions and guidelines for managing those impacts. On social and worker aspects, replanting contractors recruit local workers and seek to increase people's incomes.

The Company already has SIA program for the period 2016-2017, among others:

- Job vacancies for surrounding communities
- Improvement of economic empowerment through utilization of local contractor
- Scholarship program
- Road maintenance program for the community
- CSR program: flood victims assistance, lebaran grocery aid, qurban animal support, mosque building assistance, road repair assistance

Based on interview with communities in Anyar Village and Villager representatives of communities Semangus Baru Village confirmed that all issue has been identified and covered in SIA programme.

**6.1.2**

The communities involved at SIA Aesment in July 2011 conducted by CV POLLITO has documented in the list of public hearing presentations at 10 januari 2010 i.e Forestry Service, Regional Environment Agency, Plantation Service, Social Service, Local NGO, Community Leaders, Customary Leaders, Youth Groups, etc. The form of stakeholder involvement is done by discussions, interviews, and field checking and telephone contacts. And SEIA Replanting Plan has been consultation publik with stake holder with employee and villager Sungai Pinang, Semangun Baru, Anyar Village.

**6.1.3 and 6.1.4**

The Company has conducted a social impact evaluation conducted on 25 July 2017 from new villages, pinang river and new semangus villages. The method used to use questionnaires with 19 participants. The follow up of the study are delivered into social impact management plan which are company's environmental management and monitoring plan (RKL-RPL document), social impact management plan that refers to replanting. Several social impact management plan are concerning on job opportunity for surrounding villagers, CSR program, internship program, scholarship program, community participation in evaluation on social impact mitigation. The evaluation is conducted regularly every semester for social impact mitigation in RKL-RPL report and yearly for such as CSR and scholarship program.

**6.1.5**

At current, the company is processing smallholder plantation (scheme smallholder for the surrounding community.

	<b>Status: Comply</b>	
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**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.**

**6.2.1.**

The Company has a procedure of communication and consultation with the public with the document number 000/BSC-KKM/IV/010 I dated on April, 2 2009. In this procedure is explained that if there is something that want to consult with the community, the manager gave a letter through the village chief and manager unit provides maximum limit of ten days for the public to respond to the letter. Manager unit reanalyzed letter of response from the public. When required manager unit invited community representatives to communicate directly.

Interviews with nyar and Semangus Baru villages they have been socialized related to Communication and Consultation SOP.

**6.2.2.**

There is a PIC assignment letter for social workers on behalf of Hilman Pribadi and Ahmad Yani dated December 1, 2016 who have duty to respond the requests for information and social issues at PT BSC. This Appointment Letter is approved by PT BSC Manager.



**6.2.3.**

The Company shows list of stakeholders for 2017 consists of Local government (22 stakeholders), Central Government (6 stakeholders), NGO (6 Stakeholders), Community Leaders (8 communities), Partner Contractors (21 Stakeholders), School (6 stakeholders), Hospitals, Insurance and Banking (7 stakeholders).

**Status: Comply**

**6.3**

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

**6.3.1**

Associated with open systems, which is accepted by all parties affected, to receive complaints and resolve disputes in an effective, timely and correct way, the company has had:

- Public Grievance Redress SOP (No.005 / BSC-PKM / IV / 09 dated 2 April 2009); where every complaint is addressed to the manager through the Head of Section, Head of the complaints recorded in the register book.
- SOP / 006 / GPI / 2012 dated 1 November 2012 concerning the handling of employee complaints where employees take the discourse complaint to assistant through supervision respectively. Complaints are recorded in the register book and if it is still within the limits of the authority of an assistant, then assistant to immediately provide a response to the complaint.
- The Company is committed to protecting each complainant if the complainant feels threatened. It is set in the code of conduct with policy No. 440 / HRM-COC / 07 Chapter VI on enforcement of the code of conduct section B points three (3) management is required to provide protection against the complainant

Based on interviews with workers at the Division III SPE and surrounding communities (villages Semangus Baru and Anyar Village), they have to understand the grievance mechanism to the company.

**6.3.2**

Based on interviews with employees' families in the division III BPE, and division 1 SPE it is known that if there is a complaint then the complaint is submitted to the foreman and recorded on the employee complaint book while for complaints from the village recorded in the loog book letter. Some examples of complaints that has responded and documenting as follows

- Complaints of employees' kitchen door damage on June 4, 2017 and the company responded with preparations for improvement in the form of proof of material purchase for housing improvement is available.
- The company shows evidence of road Maintenance documentation in Anyar village in June 2017.

**Status: Comply**

**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.**

**6.4.1, 6.4.2, 6.4.3**

There is no traditional and/or customary right in the HGU of PT BSC, it has been confirm through public consultation with communities around (Semangaus Baru Village, Anyar Village and Board of AMAN Foundation) and related institution.

In the HGU Decree as well as EIA and HCV assessment documents, mentioned that the land of 6.513 Ha is state land (consisting of directly controlled by country 3,600 Ha; 2,188 Ha is a forest area released under Minister of Forestry Decree No 456 / Kpts-II / 90 dated 24 August 1990; and under decree of Menhut No. 36 / Kpts-II / 1998 covering an area of 731 Ha dated January 14, 1998).

Can be shown Occupational Land Acquisition SOP No Policy 343 / PSD-OKUP / 11 authorized by HPUI, HPO, GM and Head in Charge on February 23, 2012.

**Status: Comply**

**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.**

**6.5.1**

There is South Sumatra Governor Decision Number 669 / KPTS / DISNAKERTRANS / 2016 regarding Minimum Wage Province of South Sumatra Year 2017. Minimum Wage of South Sumatra Province Year 2017 is IDR 2,388,000, - per month with standard 7 working hours or 40 working hours per week.

There is South Sumatra Governor Decree Number 726 / KPTS / Disnakertrans / 2016 concerning Minimum Wage of Musi Rawas Regency Year 2017. Minimum Wage of Musi Rawas Regency Year 2017 is IDR 2,507,400, - per month with standard 7 working hours a day or 40 working hours a week. This decree is effective from January 1, 2017.

In addition, there is Inter-Office Mail from HRM General Manager 059/ RSPi2 / IV / 2017 dated 25 April 2017. Regarding Daily and Monthly bassist permanent worker for 2017 for South Sumatera region (PT BSC). From January 1<sup>st</sup>, 2017 the wage paid for the Daily bassist permanent worker is IDR 2.430.000, - / month. Plus rice worth IDR 135.000, -.

There is Inter-Office Mail from HRM General Manager with 071 / RSP-i2 / VIII / 2017 number dated 1 August 2017 regarding Daily and Monthly bassist permanent worker minimum wage of May 1, 2017 wages paid for Daily bassist permanent work IDR 2,507,400 / Month plus rice.

This provision applies to all plantation units of PT BSC. The daily bassist permanent worker wage increases will be effective starting May 1, 2017. With this provision, the wage is IDR 2,430,000 / month are no longer valid.

There is a joint agreement between the company and labor union PT BSC dated July 27, 2017. The conclusion are:

- The Company and the workers agree on the application of daily Workers' Wages PT BSC minimum wage of Musi Rawas Regency amounted to IDR 2.507.400, -. This agreement is valid on May 2017.
- Wage determination for Daily workers PT BSC wage from January to April 2017 shall be applied in accordance with wages of IDR 2,430,000 plus Rice is amounted to IDR 135,000.

This Agreement has been signed by the company and labor union.

Based on the Decree of the Governor of South Sumatra No 669 / Kpts / Disnakertrans / 2016 it is known that the minimum wage of 2017 is IDR 2,388,000 / month (25 working days), but based on document review on employee recapitulation of Contract workers BPE period of May 2017 shows that employee wage payment Contract workers Based on wages 2016 for example for employees of Div 1 BPE is 8 people and Div 3 is 14 people paid IDR 2,281,300. In addition there is no payment evidence of adjustment of wage standard to employees of Contract workers BPE since Jan-April 2017. Based on the above explanation, **indicator 6.5.1 is declared Non-conformity No.2017.03 with major category.**

**6.5.2.**

The Company showed the CLA of BKS PPS (Cooperation Agency of Sumatran Plantation Company) with the Central Executive of the Federation of Agricultural and SPSI Agriculture Workers Union No. Decision by the Director General of Industrial Relations and insurance Development No.Kep.88 / PHIJSK-PKKAD / PKB / VI / 2015. The CLA explains among others: Working Time, Wages, Overtime working hours and paytime, Working Equipment, Occupational Safety and Health and Social Security and social assistance.

Based on the employee list in 2017 there are no non-permanent daily workers, however there are contract workers which has an employment contract. For example: Agreement Letter (SPK 001/Factory Cleaning/BSC-SPF/VII/2017) between company and contractor for cleaning activities with terms of agreement dated 24 July 2017 until 24 January 2018. This agreement is signed by the contractor and Mill Manager.

**6.5.3.**

Based on document review in 2017, there are housing for employees 88 unit include 47 unit (Factory Sungai Pinang), 15 unit (Sungai Pinang Estate), 24 Unit (Bukti Pinang Estate) and 2 unit (SPF Contractor). The company has also provided daycare, kindergarten, elementary and junior high school and school bus facilities.

Based on field visits to the SPE & BPE housing areas, the company has provided power sources and water sources. Health facilities are also close to the residential area so employees can take treatment and it's no cost.

**6.5.4.**

Based on the results of the visit and interviews with employees in the housing that employees can easily obtain a source of food with the stalls in the housing and sellers of vegetables and fish that come to sell to the housing location. Employees also can buy groceries and daily necessities in traditional market of Muara Rengas village that operates every Sunday.

<b>Major 6.5.1.</b>	<b>Status: Non-conformity No.2017.03 with Major category.</b>
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**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.**

**6.6.1.**

The company's policy that gives the freedom of workers to organize is described in the Guidelines for Sustainable Plantation Management-Social Policy at points 5 (No.Policy 724 / TQEM-SPMS / 09 dated 27/08/2010). At that point explained that the Company is expected to respect the rights of all employees to form and join a community of trade unions of their choice and negotiate together.

Decision Letter Number: 10-100 / SK / L / XII / 2016 regarding approval / inauguration of composition and personnel of work unit of SPPP-SPSI BPE PT BSC period from 2016-2021 year.

**6.6.2.**

There is Records of labor union PT BSC (SPE, BPE & SPF) with BSC-SPE / Srt / 2017 / IV / 003 letter number dated April 19, 2017. The number of participants are 7 employees consists of Labor union board and managers (the company). This meeting discussed the minimum wage increase of Musi Rawas 2017 regency amounted to IDR 2,507,400; Difference from January to April 2017 to be paid on salary of August 2017 and others.

	<b>Status: Comply</b>
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**6.7  
Children are not employed or exploited.**

**6.7.1.**

PT Bina Sains Cemerlang has a policy regarding age requirements for workers. These policies are listed in:

- Guidelines for Sustainable Plantation Management is the sub Social Policy, point 6 (No. Policy: 724 / TQEM-SPMS / 09, dated 27/08/2010). Plantation Upstream explained that Indonesia does not utilize manpower minors (children).
- Collective Labor Agreement in 2015-2017 article 16 point 1.2 of the general requirements that must be met in the reception Labor candidate, in sub-point 1.2.2 explained that prospective employees at least 18 years old at the time of admission.

Based on field visits in plantation and mill area (BPE, SPE & Factory), there is no child labor was found. Based on data of employees of Sungai Pinang Factory for July 31, 2017, there are no child laborers aged 15 or 18 years. The youngest employee work as Maintenance date of birth on 28 September 1992.

	<b>Status: Comply</b>
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**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.**

**6.8.1, 6.8.2 & 6.8.3.**

PT Bina Sains Cemerlang has had a policy of equal opportunity and treatment in employment, which is contained in the Guidelines for Sustainable Plantation Management, sub Social Policy in point 1 (No.Policy 724 / TQEM-SPMS / 09 dated 27/08/2010). At that point made clear that all staff / employees should be treated properly and fairly in matters relating to recruitment, advancement, conditions and job description, regardless of race, degree, ethnicity, gender, skin color, imperfections (defects), sexual orientation, company membership, political views, religion and age.

Based on field visits in harvesting, spraying, Sungai Pinang Factory and employee list there is no discrimination among employees. Every employee gets the same opportunities to work.

**Status: Comply**

**6.9**

**There is no harassment or abuse in the work place, and reproductive rights are protected.**

**6.9.1, 6.9.2 and 6.9.3.**

Sustainable Plantations Management Manual-Social Policy Sub (No. Policy 724 / TQEM-SPMS / 09 dated 27/08/2010), concerning the protection of women workers from crime and sexual harassment and protecting rights relating to female reproduction. There is socialization of sexual harassment treatment conducted in June 2017. The organizational structure of PT BSC Gender Committee is valid from 1<sup>st</sup> of January to 31<sup>st</sup> December 2017.

The Company has a Memorandum of Chairman SOU 22 employees related to the treatment of pregnant and breastfeeding were circulated throughout the operating unit management. This memo contains about:

- Female employees who are pregnant or breast-feeding pregnant and prohibited from dealing directly with chemicals (spraying and fertilizer).
- Prohibited to employ pregnant women workers, who according to doctors harmful to the health and safety of her pregnant when working s.d 23:00 until 07:00 (Law No. 13 clause 76, paragraph 2).
- Workers who are still breastfeeding their children should be given the opportunity to breastfeed her child if it should be done during work (Law No. 13 clause 83).

In the CLA also explained about mechanism that contains complaints if any complaints of workers cultivated settlement between workers and their supervisors directly. And paragraph 3: if it cannot be resolved can continue the complaint through the labor Union.

Interview with Applicator pesticide block H13 Division 1 SPE & block F21 Division 2 BPE, workers get menstruation leave (H1). In addition, they already know the representatives of the gender committee and the reporting mechanism.

**Status: Comply**

**6.10**

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

**6.10.1 and 6.10.2**

At present, PT BSC neither purchase nor process FFB from other smallholders or other sources. The entire processed FFB in Sungai Pinang Mill came from own estate in PT BSC.

**6.10.3 and 6.10.4**

The company unit has been working with local contractors, contract that has been signed by both parties is available such as agreement letter No: 009/Replanting/BSC-SPE/VIII/2016 dated 01 August 2016 for replanting activity. The contract are written in Bahasa and sign by both party. Based on auditor's observation, the payment has been in line with work agreement and both parties were satisfied with the payment. According to interviews with the contractors shows that the company has paid every month (as agreed) and have never experienced delays.

**Status: Comply**

**6.11**

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

**6.11.1**

The company has CSR program and this program is developed referring to proposal of activity that is delivered by local community/villages to the company. However, there is a CSR proposal recapitulation from the local government of Musi Rawas Regency in 2017 explains about the type of activity , location of activity, volume and financing

- a. CSR activities that have been running among others (based on the results of public consultation):
  - Development of cattle (Semangus).
  - Assistance of animal sacrifice.

- Assistance of heavy equipment for the repair and construction of village facilities.
  - Help of Multipurpose Building Building of Muara Rengas Village.
  - Road maintenance and maintenance program.
  - Help for mosques and mosques.
  - Assistance of village activities proposal.
- b. Based on interview with village secretary of Anyar Village and public figure in Semangus Baru village there are some people from surrounding village who work in PT BSC and there is with cooperation's as a local contractors. Furthermore the company also informed to the surrounding village if there is job vacancy.

**6.11.2**

Related to the development of scheme smallholder, currently has obtained the location permit. However, based on the results of the document verification, interviews with the community and management representative known that the development of smallholders in PT BSC is delayed due to:

- ✓ The value of compensation has not been agreed.
- ✓ The identification process is not appropriate.
- ✓ Unspecified borders of the village.

Status: Comply

**6.12**

**No forms of forced or trafficked labour are used.**

**6.12.1, 6.12.2 and 6.12.3.**

Based on document review and field observation in spray, harvest, and Sungai Pinang Faactory activities, no labor is traded in any form. And there are no foreign workers working in PT BSC.

Based on field observation and interview with workers for example in block F19 Div 2 BPE as much as 5 harvesters known that there is no found any illegal workers (such as harvester wife or other familiy members) for loose-fruit picker activities. Stated that the workers has been understood regarding to company' policy.

Status: Comply

**6.13**

**Growers and millers respect human rights**

**6.13.1.**

The Company has a policy related to the protection of human rights in the form of a memorandum of respect for human rights policy Number: ist/int/ VI/ 2015, dated June 25, 2015. The document was signed by SOU-22 Chairman of Sungai Pinang.

There is socialization of human rights, which was held on April 25, 2017 to employees of BPE. Participants as many as 46 Employees (Evidence photo and attendance list) and socialization of human rights policy for SPE employees on 14 May 2017. Located in Division 1 BPE. Attendees were 42 employees (evidence photos and attendance list).

Status: Comply

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

**7.1**

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

**7.1.1; 7.1.2 and 7.1.3**

The company does not conducted new planting after Nov 2005 and the replanting was started in 2010 and the company has conducted SEIA for social impact of the replanting activity by Aksenta. SEIA focus on environmental impacts from replanting that affects the surrounding community including the company worker and job opportunity for local people in



replanting activities. Evidence of community participation is available for each social impact study.

Status: Comply

**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.**

**7.2.1 & 7.2.2**

The Company does not have the development of new areas after Nov 2005, It's currently conducting replanting. The company has a land suitability map by the document Semi- Detailed Soil Survey and Feasibility Study 2015 - 2020. In general, topography of the company area is undulating with elevation 10-200 meters above sea level. The type of soil found in the area is Ultisol.

Moreover, according to Slope Map, it is revealed that the slope of Sungai Pinang Estate is about 0 -4 % (flat) for 579.10 ha, 4 – 12 % (undulating) for 182,20 ha, 12 – 24 % (rolling) for 2,042.80 ha, 24 – 38 % (hilly) for 188.70 ha, and in Bukit Pinang Estate is about 0 -4 % (flat) for 49.30 ha, 4 – 12 % (undulating) for 36,10 ha, 12 – 24 % (rolling) for 2,176.60 ha, 24 – 38 % (hilly) for 984.40 ha and 38 – 50 % for 138.20 ha

Based on field observation in Blocks H13 Division I SPE and block K019 Division 3 BPE The company has had strategy to manage the slope area like holding the erosion back as well as the surface run off by maintaining vegetation with selective weeding, creating silt pit, EFB application to increase the soil fertility and LCC planting

According to the result of field visit to the replanting area Blocks H17 Division 1 SPE and, there is an implementation on the slope area management. For example, the construction of terrace, EFB application and LCC planting. The EFB application on the replanting area is functioned as the organic mulche and to increase the soil nutrient, especially at the terrace area due to the lack of soil nutrient and organic ingredient.

Status: Comply

**7.3**

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

**7.3.1 ; 7.3.2**

Document review and interview showed that the company is performed land clearing after November 1, 2005 without preceded by the identification of HCV. Sime Darby Plantation Sdn Bhd, as the parent of PT BSC has conducted disclouser of liability in accordance with the letter from the Head of PSQM Department on July 15, 2015 which explained that PT BSC is performed land clearing in the period of November 2005 to November 2007 and land clearing in the period of December 2007 to December 2009. The validation progress of Remediation and Compensation Plan (RACP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP. Based on a letter from RSP0 August 10, 2017 is known PT Bina Sains Cemerlang is currently in the process of the LUCA submission. The company is expected to complete its RaCP by the next surveillance audit.(OFI)

**7.3.3; 7.3.4 & 7.3.5**

The results of document review and field visit show that the company does not perform new expansion since ASA-3 until ASA-4. The oldest planting year in PT BSC is 1991. Areas defined as HCV has been managed by the management unit as described in Criterion 5.2.

Status: Comply

**7.4**

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

**7.4.1 & 7.4.2**

The Company does not have the development of new areas after Nov 2005, It's currently conducting replanting. Based on semi detail soil survey and Feasibility study 2015 – 2020 there is the area consist of currently unsuitable covering 132.10 Ha and moderately suitable with covering 4,779.9 Ha. The limitation factor are topography and soil fertility. -All



area if get the maximal input will be Suitable for the area who moderately suitable and moderately suitable for ther area who unsuitable area. Based on field observation and interview with management the effort that conducted by company to minimize the limitation factor are:

1. Soil Fertility Management
  - Planting legume cover crop
  - EFB mulching in the circle of new planted
2. Fertilizer management
  - fertilization according to the analysis of nutrient (nutrient balance)
  - maximizing fertilizer use efficiency (type of fertilizer and application time)
3. Minimize erosion, nutrient bleaching, and enrichment of water stock
  - the manufacture of silt pit,
  - cultivation terrace system in hilly areas

Status: Comply

**7.5**

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

There is no new planting since 1 January 2010.

There is no traditional and/or customary right in the HGU of PT BSC, it has been confirm through public consultation with communities around (Semangaus Baru Village, Anyar Village and Board of AMAN Foundation) and related institution.

In the HGU Decree as well as EIA and HCV assessment documents, mentioned that the land of 6.513 Ha is state land (consisting of directly controlled by country 3,600 Ha; 2,188 Ha is a forest area released under Minister of Forestry Decree No 456 / Kpts-II / 90 dated 24 August 1990; and under decree of Menhut No. 36 / Kpts-II / 1998 covering an area of 731 Ha dated January 14, 1998).

Can be shown Occupational Land Acquisition SOP No Policy 343 / PSD-OKUP / 11 authorized by HPUI, HPO, GM and Head in Charge on February 23, 2012.

Status: Comply

**7.6**

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

There is no new planting since 1 January 2010.

There is no traditional and/or customary right in the HGU of PT BSC, it has been confirm through public consultation with communities around (Semangaus Baru Village, Anyar Village and Board of AMAN Foundation) and related institution.

In the HGU Decree as well as EIA and HCV assessment documents, mentioned that the land of 6.513 Ha is state land (consisting of directly controlled by country 3,600 Ha; 2,188 Ha is a forest area released under Minister of Forestry Decree No 456 / Kpts-II / 90 dated 24 August 1990; and under decree of Menhut No. 36 / Kpts-II / 1998 covering an area of 731 Ha dated January 14, 1998).

Can be shown Occupational Land Acquisition SOP No Policy 343 / PSD-OKUP / 11 authorized by HPUI, HPO, GM and Head in Charge on February 23, 2012.

Status: Comply

**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 practice.**

<b>7.7.1 &amp; 7.7.2</b>	
<p>The Company does not have the development of new areas, it's currently conducting replanting. The Company is committed to open land without burning (zero burning) during land clearing as stipulated in the policy of protection of the environment on 30 April 2013 and described in the SOP Reference Manual Agronomy planting oil palm on 1 September 2013. Based on the field visit in replanted areas are not found replanting activity with burn method.</p>	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>7.8.1 and 7.8.2</b>	
<p>The company does not conducted new planting after Nov 2005 and the replanting was started in 2010. However the company has calculated its significant GHG emission using Palm GHG calculator version 3.1 in which the source of GHG emission and emission generated from company operational activities is detected. The mitigation plan is developed and the implementation is in place (refer to 5.6). However, HCS assessment is not a mandatory since there is no new expansion for palm oil planting, HCS assessment is not a mandatory. But stil the GHG calculation conducted informs the emission released to the atmosphere and the sequestration in the palm oil plantation.</p>	
	<b>Status: Comply</b>
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<p>At ASA-4, has been issued an NCR related to the mechanism of replacement of PPE that is damaged due to work, namely NCR No. 2016.2, evidence of corrective action has been sent by the company, verified and declared fulfilled by auditors on September 23, 2016, by sending SOP No RSPO / B .5.11 / BSC stating that PT BSC will provide PPE to employees and replacement will be made if the PPE are not protective or damaged.</p> <p>At the time of the Resertification, the auditor has issued the similar nonconformity on the indicator namely NCR No. 2017.3.</p> <p>In this case PT BSC has not been able to show evidence that the established system has been implemented consistently, monitored and evaluated. <b>Based on the explanantion it raised as Non-conformity No.2017.04 with Major Category.</b></p>	
<b>Major 8.1.1.</b>	<b>Status: Non-conformity No.2017.04 with Major Category</b>

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module D) CPO Mills – Identity Preserved Requirements																				
D1	Definition																				
D.1.1	<p><b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</b></p> <p>Based on observation on FFB reception process in security and weighing station is known that Sungai Pinang POM receive and process the FFB only from its own certified estates namely SPE and BPE. There is no reception and processing of FFB from other sources for the last 12 months. In the SAP system used on weigh-bridge station, suppliers who can deliver FFB to the mill have been locked in the coding system i.e. only their own estates and other estates under the group/holding (which is certified). In this case, Sungai Pinang POM can use Module-D (IP) in supply chain implementation.</p>																				
	Status: Comply																				
D.2	Explanation																				
D.2.1	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>In the annex of previous license certificate period of Nov. 11, 2016 - October 10, 2017, the following certified products have been stated:</p> <ul style="list-style-type: none"> <li>- FFB : 73,703.64 MT</li> <li>- CSPO : 15,594 MT</li> <li>- CSPK : 3,650 MT</li> </ul> <p>The SPF has established product estimates that can be generated for the next licensing period 11 Nov 2017 - 10 Oct 2018, namely:</p> <ul style="list-style-type: none"> <li>- FFB : 67,122</li> <li>- CSPO : 14,431</li> <li>- CSPK : 3,356</li> </ul>																				
	Status: Comply																				
D.2.2	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>SPF has registered and fulfilled supply chain reporting requirements through the RSPO IT Platform with sub-license id: CB43010 and member registration number: RSPO_PO1000000316.</p> <p>CSPO and CSPK sales records during the license period of Nov. 11, 2016 - 31 July 2017 can be shown:</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Date</th> <th>Buyer</th> <th>CSPO Volume</th> <th>CSPK Volume</th> </tr> </thead> <tbody> <tr> <td>CSPO</td> <td>11 Nov 2016 – 31 Juli 2017</td> <td>No sales</td> <td>No sales</td> <td></td> </tr> <tr> <td>CSPK</td> <td>22 Feb 2017</td> <td>PT Sinar Alam Permai</td> <td></td> <td>200.46 MT</td> </tr> <tr> <td>CSPK</td> <td>6 May 2017</td> <td>PT SAP</td> <td></td> <td>200.02 MT</td> </tr> </tbody> </table>	Product	Date	Buyer	CSPO Volume	CSPK Volume	CSPO	11 Nov 2016 – 31 Juli 2017	No sales	No sales		CSPK	22 Feb 2017	PT Sinar Alam Permai		200.46 MT	CSPK	6 May 2017	PT SAP		200.02 MT
Product	Date	Buyer	CSPO Volume	CSPK Volume																	
CSPO	11 Nov 2016 – 31 Juli 2017	No sales	No sales																		
CSPK	22 Feb 2017	PT Sinar Alam Permai		200.46 MT																	
CSPK	6 May 2017	PT SAP		200.02 MT																	

CSPK	15 June 2017	PT SAP	150.39 MT
CSPK	18 July 2017	PT SAP	198.3 MT
<b>TOTAL</b>		-	749.17 MT

Based on the record, there is no CSPO sales during the license period, it also has been verified on e-trace.

**Status: Comply**

**D.3 Documented procedures**

**D.3.1**

**The site 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;**
- 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 site procedures for the implementation of this standard.**

Procedures to ensure the implementation of all elements of supply chain requirements are described in the Supply Chain SOP No Doc. 028 / BSC-SCC / 15 dated March 9, 2017.

In section 6 explained:

- Factory Manager: keeps and maintains all documents and records, verifies the status of the products shipped, provides adequate training to all personnel involved, and is responsible for the entire implementation of the SOP
- PSQM Assistant: checks the quality of FFB, delivery and loading / unloading supervision, performs analysis and quality testing, stores and maintains the results of the analysis test
- Assistant / Sr. Assistant / Bulking / Logistic Manager: CPO and PK product transportation, CPO and PK handling storage in bulking and third party areas, monitoring on product quotas, coordinating with marketing.

**Status: Comply**

**D.3.2**

**The site shall have documented procedures for receiving and processing certified and non-certified FFBs.**

Procedures to ensure the implementation of all elements of supply chain requirements are described in the Supply Chain SOP No Doc. 028 / BSC-SCC / 15 dated March 9, 2017. In the SOP includes explaining the identification of raw materials sources that can be accepted and processed in the mill, such as the delivery receipt checks (seal number, estate, division, delivery date, no of delivery receipt, vehicle number, route number, number of FFB, harvest date and planting year). Only receipt is complete and acceptable by the system to be weighed and will get the ticket weigh.

Based on the observation at the time of receiving FFB and the verification result of FFB acceptance and processing document, known that SPF only receive and process FFB certified from their own estates.

Based on an interview with PT BSC MR there is an area outside the certification scope which is currently in the process of taking over (an area of 308 Ha). In this case the SPF needs to establish a FFB separation mechanism from certified and non-certified sources (separation from the beginning is blocked by harvest) and inform CB when processing FFB from the non-scope area.

**Status: Comply**

**D.4 Purchasing and goods in**

**D.4.1**

**The site shall verify and document the volumes of certified and non-certified FFBs received.**

Certified and non-certified FFB received period of 11 Nov 2016 to 31 Jul 2017 has been recorded by the mill, as below:

Periode	FFB received (Ton)
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	Cert	Non	Total
11 - 30 Nop 16	4,674.60	-	4,674.60
Dec 16	6,979.20	-	6,979.20
Jan 17	5,799.40	-	5,799.40
Feb 17	4,484.08	-	4,484.08
March 17	3,642.06	-	3,642.06
Apr 17	3,648.57	-	3,648.57
May 17	3,863.80	-	3,863.80
June 17	3,288.23	-	3,288.23
July 17	6,279.38	-	6,279.38
	<b>42,659.32</b>	-	<b>42,659.32</b>

Status: Comply

**D.4.2**

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

There is no excess production of the estimates specified during the license period. Estimation and actual production can be seen in the following table:

	FFB	CSPO	CSPK
Estimation 11 Nov 2016 – 10 Sept 2017	73,703.64 MT	15,594 MT	3,650 MT
Actual 11 Nov 2016 – 31 Jul 2017	42,659.32	8,958.26	2,221.61

Status: Comply

**D.5**

Record keeping

**D.5.1**

The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.

Recording of all receipts of certified FFB and shipment of CPO and PK has been done on a quarterly basis:

**CPO**

Period	FFB Received (Ton)		FFB Processed (Ton)		CPO produced (Ton)		CPO Shipment (Ton)		
	Cert	Total	Cert	Total	Cert	Total	Certified	Non-Certified	Total
11 - 30 Nov 16	4,674.60	4,674.60	4,640.32	4,640.32	952.47	952.47	-	838.78	838.78
Dec 16	6,979.20	6,979.20	7,057.39	7,057.39	1,523.50	1,523.50	-	1,669.97	1,669.97
Jan 17	5,799.40	5,799.40	5,717.52	5,717.52	1,273.26	1,273.26	-	2,065.34	2,065.34
<b>Total Q-I</b>	<b>17,453</b>	<b>17,453.20</b>	<b>17,415.23</b>	<b>17,415.23</b>	<b>3,749.23</b>	<b>3,749.23</b>	-	<b>4,574.09</b>	<b>4,574.09</b>
Feb 17	4,484.08	4,484.08	4,572.86	4,572.86	965.32	965.32	-	405.01	405.01
Mar 17	3,642.06	3,642.06	3,635.99	3,635.99	751.39	751.39	-	1,368.48	1,368.48
Apr 17	3,648.57	3,648.57	3,368.63	3,368.63	718.10	718.10	-	728.27	728.27
<b>Total Q-II</b>	<b>11,775</b>	<b>11,774.71</b>	<b>11,577.48</b>	<b>11,577.48</b>	<b>2,434.81</b>	<b>2,434.81</b>	-	<b>2,501.76</b>	<b>2,501.76</b>
May 17	3,863.80	3,863.80	4,158.02	4,158.02	851.45	851.45	-	583.73	583.73
June 17	3,288.23	3,288.23	3,251.25	3,251.25	655.22	655.22	-	1,047.30	1,047.30

Jul 17	6,279.38	<b>6,279.38</b>	6,032.89	<b>6,032.89</b>	1,267.56	<b>1,267.56</b>	-	1,007.46	<b>1,007.46</b>
<b>Total Q-III</b>	<b>13,431.41</b>	<b>13,431.41</b>	<b>13,442.15</b>	<b>13,442.15</b>	<b>2,774.22</b>	<b>2,774.22</b>	-	<b>2,638.49</b>	<b>2,638.49</b>

**PK**

Period	FFB Received (Ton)		FFB Processed (Ton)		PK produced (Ton)			PK Shipment (Ton)		
	Cert	Total	Cert	Total	Cert	Un-cert	Total	Cert	Un-cert	Total
11 - 30 Nov 16	4,674.60	<b>4,674.60</b>	4,640.32	<b>4,640.32</b>	238.95	-	<b>238.95</b>	-	350.34	<b>350.34</b>
Dec 16	6,979.20	<b>6,979.20</b>	7,057.39	<b>7,057.39</b>	371.82	-	<b>371.82</b>	-	246.03	<b>246.03</b>
Jan 17	5,799.40	<b>5,799.40</b>	5,717.52	<b>5,717.52</b>	327.65	-	<b>327.65</b>	-	356.31	<b>356.31</b>
<b>Total Q-I</b>	<b>17,453</b>	<b>17,453.20</b>	<b>17,415.23</b>	<b>17,415.23</b>	<b>938.42</b>	-	<b>938.42</b>	-	<b>952.68</b>	<b>952.68</b>
Feb 17	4,484.08	<b>4,484.08</b>	4,572.86	<b>4,572.86</b>	300.95	-	<b>300.95</b>	-	200.39	<b>200.39</b>
Mar 17	3,642.06	<b>3,642.06</b>	3,635.99	<b>3,635.99</b>	204.33	-	<b>204.33</b>	-	204.36	<b>204.36</b>
Apr 17	3,648.57	<b>3,648.57</b>	3,368.63	<b>3,368.63</b>	150.29	-	<b>150.29</b>	125.32	299.64	<b>424.96</b>
<b>Total Q-II</b>	<b>11,775</b>	<b>11,774.71</b>	<b>11,577.48</b>	<b>11,577.48</b>	<b>655.57</b>	-	<b>655.57</b>	<b>125.32</b>	<b>704.39</b>	<b>829.71</b>
May 17	3,863.80	<b>3,863.80</b>	4,158.02	<b>4,158.02</b>	183.11	-	<b>183.11</b>	176.51	-	<b>176.51</b>
June 17	3,288.23	<b>3,288.23</b>	3,251.25	<b>3,251.25</b>	148.42	-	<b>148.42</b>	108.61	-	<b>108.61</b>
Jul 17	6,279.38	<b>6,279.38</b>	6,032.89	<b>6,032.89</b>	296.09	-	<b>296.09</b>	138.27	-	<b>138.27</b>
<b>Total Q-III</b>	<b>13,431.41</b>	<b>13,431.41</b>	<b>13,442.15</b>	<b>13,442.15</b>	<b>627.62</b>	-	<b>627.62</b>	<b>423.39</b>	-	<b>423.39</b>

**Status: Comply**

**D.6**

**Processing**

**D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage**

SPF only accepts and processes FFB from its own estates (certified), no receipt and processing of FFB from other sources.

**Status: Comply**

**D.6.2**

**The objective is for 100 % segregated material to be reached**

SPF only receives and processes FFB from its own estates (certified), no receipt and processing of FFB from other sources, so the target of 100% separated material has been achieved.

**Status: Comply**



**3.3. Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>Recer-tification</b>	PT BSC has a logo and a certificate of approval numbers No. MUTU-RSPO/020	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>Recer-tification</b>	PT BSC was no use RSPO Logo.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>Recer-tification</b>	PT BSC was no use RSPO Logo on product	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>Recer-tification</b>	PT BSC was no use RSPO Logo.	√
	<b>Status: Comply</b>	

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Sdn Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative’s office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit’s subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p><b>Auditor Verification:</b> Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June 2016. The companies ensuring reporting of disclosure of liability</p>

		progress to RSPO and according to the CB's correspondency with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul>
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>Company Group/Holding Statement:</b> Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a> PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> <li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li> <li>• PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</li> </ul>
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of</p>

		above the company statement. There are no labour dispute in company unit.
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b> None noted. No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for PT Budidaya Agro Lestari waiting for land title process.</p>

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at **ASA-4** Assessment

<b>NCR No.</b>	: 2016.01	<b>Issued by</b>	: Tim Auditor ASA-4
<b>Date Issued</b>	: ASA-4	<b>Time Limit</b>	: Recertification
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 8 August 2017.
<b>Standard Ref. &amp; Requirement</b>	: 2.2.5 Mapping the area of land claims		
<b>Non-Conformance Description :</b>			
The management unit has not been able to demonstrate the procedure area mapping land that claims participatory			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Data on land claim location (persil) still can not be shown yet.			
<b>Correction</b> <i>(filled by organization audited):</i>			
It would be informed to PSD department			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Each issue related to land claim will be finished by PSD Department.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verification NCR No 2016.01 onl 8 August 2017.</b>			
The Company has explained in SOP No 056 / BSC-PK / C12 on land conflict settlement, mentioned in clause 5.1 that PSD Dept are responsible to handling mediation and deliberation with all parties or representatives, recording process, field verification and mapping the area.			
In clause 5.13 it is explained that if the settlement is unacceptable to the parties then it may proceed to the law.			
Can be shown layout and map of disputed area since 2016 and the process of its resolving. On the map of 2016 in the SPE there are 54 Ha and BPE 42.73 Ha, has been resolved through legal process (won by PT BSC through supreme court decision). Currently, there is an open conflict area of 10.5 ha in the SPE which has been indicating in the land claims map of 2017. Notes related to the process of completion are described in 2.2.3. <b>Non-compliance has been met.</b>			
<b>Verified by</b>	: Sandra		

**3.5.2 Identification of Findings, Corrective Actions and Observations at *Re-Certification* Assessment**

<b>NCR No.</b>	<b>: 2017.1</b>	<b>Issued by</b>	<b>: Sandra Purba</b>
<b>Date Issued</b>	<b>: 11 August 2017</b>	<b>Time Limit</b>	<b>: ASA 1.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.2.2 Legal boundaries are demonstrated clearly and maintained.</b>		
<b>Non-Conformance Description :</b>			
<p>PT BSC has not been able to show a clear and well-maintained border poles and coordinate points according to the BPN determination.</p> <p>Based on field observation on BPN pole XIX (Block I06, SPE), known that the pole number is not readable and its color has faded, the pole of BPN No. VI and VII are not available in the field but replaced with auxiliary blocks with unequal numbering and the shape is not in accordance with the old pole. Field observation to the boundary of HGU in BPE known that there are 3 of additional BPN pole between the no IV and V which are not available in the field. In addition, there is no list of coordinates of the poles to ensure the suitability of the actual point marks in the field.</p>			
<b>Root Cause Analysis</b> (filled by organization audited):			
<b>Correction</b> (filled by organization audited):			
<b>Corrective Action</b> (filled by organization audited):			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):			
<b>Verified by</b>	<b>:</b>		

<b>NCR No.</b>	<b>: 2017.2</b>	<b>Issued by</b>	<b>: Sandra Purba</b>
<b>Date Issued</b>	<b>: 11 August 2017</b>	<b>Time Limit</b>	<b>: 1 Year (10 August 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 8 Nov 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</b>		
<b>Non-Conformance Description :</b>			
<p>SPE and BPE have not been able to show the mechanism that regulate the provision/replacement of damaged PPE due to work activities as well as its implementation.</p>			



Observation and interviews with road maintenance employees on SPE (main road 3, block H13) and harvesting (block F10 Division 3) mentioned that the PPE (safety shoes) provided once a year and if damaged will be replaced by the employees themselves to wait for the next quota. Interview with the harvesters on block F19, Division 2 BPE mentions that safety shoes have been damaged and have been reported but there is no replacement (currently the workers wear self-purchased general shoes). Document review on OSH guidelines-PPE, no. Doc. 10 / BSC-PSQM-ESH / 16 dated September 20, 2016, describes relating to the life-time of PPE (eg. safety shoes apply for 12 months) and if any damage due to employee negligence becomes the responsibility employees.

**Root Cause Analysis (filled by organization audited):**

Investigation regarding to the PPE replacement is already underway but not well documented, currently has been documented by the PIC

**Correction (filled by organization audited):**

Provide the mechanism of PPE damage investigation in all unit (estates and mill) and evaluate the PPE damage caused by the jobs activity or other activity (outside jobs)

**Corrective Action (filled by organization audited):**

Monitored the SOP implementation and increase budget for the availability of PPE

**Assessor Evaluation and Conclusion (filled by auditor):**

**Verification on 19 Oct 2017,**

The Company has demonstrated the correction : SOP of PPE mo.: 10 / BSC-PSQM-ESH / 16 issued on Sept 20, 2017 describing the types of PPE for each activity, the investigation report of damaged PPE for the process of replacing the PPE of Div 1 employees (road maintenance activities) 1 person and socialization of mechanism of PPE replacement in Estate BPE and SPE.

**Verification on 31 Oct 2017,**

The Company has presented evidence of revision in SOP No. 10 / BSC-PSQM-ESH / 16 dated 30 Oct 2017 which describes the person in charge of SOP implementation, the obligation for the replacement of the non-functioning PPE provides protection guarantee based on the report from the user / competent person (division assistant) and investigation mechanism for replacement of damaged PPE in clause 3.4.

**Verification on 8 Nov 2017,**

The Company has shown evidence of corrective action in the form of identification and checks report of the condition of PPE in BPE for period of July - October 2017 on fertilization and spraying activity, supplemented with evidence of investigation of cause of PPE damages that is found during monitoring as well purchase document of PPE (purchase order document) July 29, 2017.

Submitted the PPE inspection report at spraying activities in the SPE division III, which based on investigation report found PPE damaged as much as 12 employees. There is a request document for the purchase of PPE type of gloves, masks, apron shirts and cloth hand shirts dated November 2, 2017.

Based on these evidences the nonconformity is declared fulfilled.

**Verified by** : **Sandra**

<b>NCR No.</b>	<b>: 2017. 3</b>	<b>Issued by</b>	<b>: Brigitta Prita</b>
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<b>Date Issued</b>	: 11 Agustus 2017	<b>Time Limit</b>	: 1 Year (10 August 2018)
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 31 October 2017
<b>Standard Ref. &amp; Requirement</b>	<b>6.5.1</b> <b>Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  Based on the Decree of the Governor of South Sumatra No 669 / Kpts / Disnakertrans / 2016 it is known that the minimum wage of 2017 is IDR 2,388,000 / month (25 working days), but based on document review on employee recapitulation of Contract workers BPE period of May 2017 shows that employee wage payment Contract workers Based on wages 2016 for example for employees of Div 1 BPE is 8 people and Div 3 is 14 people paid IDR 2,281,300.  In addition there is no payment evidence of adjustment of wage standard to employees of Contract workers BPE since Jan-April 2017.			
<b>Root Cause Analysis (filled by organization audited):</b> The existence of industrial relations disputes related to the determination reference to be used between Provincial Minimum Wage and District Minimum Wage, so that the Tripartite between the company and PT.BSC labor union are done which the result is: the wages follow District Minimum Wage of Musi Rawas for PT BSC.			
<b>Correction (filled by organization audited):</b> For Contract workers will be done wages adjustment from January 17 to Apr 17 payments of IDR 2,430,000 and May 17 to July 17 payments of IDR 2,507,400 in accordance with the results of the Labor Union tripartite negotiation agreement and the Company.			
<b>Corrective Action (filled by organization audited):</b>  The Company always makes wages payment of workers in accordance with applicable laws and regulations.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification, 19 October 2017</b> The company has shown evidence of improvement: <ul style="list-style-type: none"> <li>- IOM from Sr Manager BPE no BPE / EM-AGR / 017 / VII / 2017 dated August 12, 2017 which explains regarding to the approval of the wages increase such as for contract workers BSC-BPE period from Jan-March of 20 workers and Feb-April of 15 workers.</li> <li>- IOM No BPE / EM-AGR / 018 / VII / 2017 dated August 12, 2017 on the approval of the wages increase for contract workers of BSC-BPE period May-July 2017 of 56 workers.</li> <li>- The evidence of wages adjustments Div 1 period Feb-Apr 2017 and period of May - July 2017, there is not yet available payment period April 2017.</li> <li>- The evidence of wages adjustments contract workers for Div 2 period of Jan - April 2017 and period of May – July 2017.</li> <li>- The evidence of wages adjustments contract workers for Div 3 period of Jan-March 2017, Feb-Apr 2017 and May-Jul 2017</li> </ul> <b>Verification, 31 October 2017,</b> The Company has showed evidence of improvements in the form of an explanatory document for BPE' contract			

workers payment for the period of April 20, 2017 which explains that in the period of April there was no contract workers in Div I due to the contract expired and not renewed.

**PEMBAYARAN RAPEL UPAH KARYAWAN PKWT BUKIT PINANG ESTATE**

BPN	Jumlah PKWT PERBULAN							Bukti Pembayaran Rapel		KETERANGAN
	JANUARI	FEBRUARI	MARET	APRIL	MAY	JUN	JUL	ADA	TIDAK ADA	
I	0	0	0	0	22	22	22	✓		1. Jumlah PKWT periode Rapel Januari s/d April 2017 sebesar 66.000 2. Jumlah PKWT Periode Rapel Mei s/d Juli 2017 sebanyak 66 orang
II	0	0	0	0	22	22	22	✓		
III	0	0	0	0	0	0	0	✓		
IV	0	0	0	0	0	0	0	✓		
TOTAL	0	0	0	0	44	44	44	✓		

KEY :

- 1. Periode pembayaran rapel I : bulan Januari 2017 s/d April 2017 (66PKWT Rp 3,480,000).
- 2. Periode PKWT Januari 2017 s/d April 2017
- 1. Periode pembayaran rapel II : bulan Mei 2017 s/d Juli 2017 (66PKWT Rp 3,500,000).
- 2. Periode PKWT Mei 2017 s/d Juli 2017

Based on the above explanation **this non-conformance has been closed.**

Verified by : **Brigitta Prita**

NCR No.	: 2017.4	Issued by	: Sandra Purba
Date Issued	: 11 August 2017	Time Limit	: 1 Year (10 August 2018)
NC Grade	: Major	Date of Closing	: 13 November 2017
Standard Ref. & Requirement	<p>8.1.1 The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of certain chemicals (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of FFB production (Criterion 4.2)</li> </ul>		
<b>Non-Conformance Description :</b>			
<p>At ASA-4, has been issued an NCR related to the mechanism of replacement of PPE that is damaged due to work, namely NCR No. 2016.2, evidence of corrective action has been sent by the company, verified and declared fulfilled by auditors on September 23, 2016, by sending SOP No RSP0 / B .5.11 / BSC stating that PT BSC will provide PPE to employees and replacement will be made if the PPE are not protective or damaged.</p> <p>At the time of the Resertification, the auditor has issued the similar nonconformity on the indicator namely NCR No. 2017.3.</p> <p>In this case PT BSC has not been able to show evidence that the established system has been implemented consistently, monitored and evaluated.</p>			
<b>Root Cause Analysis</b> (filled by organization audited):			

Investigation regarding to the PPE replacement is already underway but not well documented, currently has been documented by the PIC

**Correction (filled by organization audited):**

Provide the mechanism of PPE damage investigation in all unit (estates and mill) and evaluate the PPE damage caused by the jobs activity or other activity (outside jobs)

**Corrective Action (filled by organization audited):**

Monitored the SOP implementation and increase budget for the avialability of PPE (reverse 10% of number of requirements)

**Assessor Evaluation and Conclusion (filled by auditor):**

**Verification on 19 Oct 2017,**

The Company has demonstrated the correction : SOP of PPE mo.: 10 / BSC-PSQM-ESH / 16 issued on Sept 20, 2017 describing the types of PPE for each activity, the investigation report of damaged PPE for the process of replacing the PPE of Div 1 employees (road maintenance activities) 1 person and socialization of mechanism of PPE replacement in Estate BPE and SPE.

**Verification on 31 Oct 2017,**

The Company has presented evidence of revision in SOP No. 10 / BSC-PSQM-ESH / 16 dated 30 Oct 2017 which describes the person in charge of SOP implementation, the obligation for the replacement of the non-functioning PPE provides protection guarantee based on the report from the user / competent person (division assistant) and investigation mechanism for replacement of damaged PPE in clause 3.4.

**Verification on 8 Nov 2017,**

The Company has shown evidence of corrective action in the form of identification and checks report of the condition of PPE in BPE for period of July - October 2017 on fertilization and spraying activity, supplemented with evidence of investigation of cause of PPE damages that is found during monitoring as well purchase document of PPE (purchase order document) July 29, 2017.

Submitted the PPE inspection report at spraying activities in the SPE division III, which based on investigation report found PPE damaged as much as 12 employees. There is a request document for the purchase of PPE type of gloves, masks, apron shirts and cloth hand shirts dated November 2, 2017.

**Verification on 13 November 2017,**

The Company has presented the plan and action documents to avoid repeating nonconformities in subsequent audits:

- Conduct PPE usage checks every month by assistant
- Conducting an investigation in case of damage to PPE
- Provide stock of PPE Inventory in warehouse about 10% of existing requirement (shown through warehouse card informing stock of PPE in warehouse at present).

Based on the evidence submitted, the discrepancies are met and will be observed in subsequent audits.

**Verified by** : **Sandra**

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description Deskripsi
1	Minor 2.2.3	PT BSC considered to involve local governments in discussions / deliberations to resolve existing land conflicts
2	Minor 4.7.5	Evaluation of first aid kit provided at the work site.
3	Major 6.5.2	<ul style="list-style-type: none"> <li>✓ Evaluation of the completion of the temporary-worker contract extension.</li> <li>✓ Improved control / supervision to ensure the prohibition of taking family members to work sites</li> </ul>
4	SCCS D.3.2 SCCS 6.2	During the previous license (ASA-4 to RC) SPF does not receive and process FFB from uncertified sources (implementing the module D), based on an interview with PT BSC Management there is an area outside the certification scope which is currently in the process of taking over an area of 308 Ha. In this case the SPF needs to establish a FFB separation mechanism from certified and non-certified sources (separation from harvest block) and inform the CB when start to process FFB from the non-scope area.
5	Major 7.3.1	Completion of the RaCP for areas opened without HCV assessment since 1 November 2005 prior to ASA 1.1

3.1.1. Noteworthy Positive Components Re-Certification

No	Description
1.	Teamwork and good document presentation.
2.	The company's commitment to implement sustainable palm oil plantation standards.

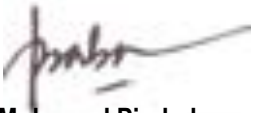
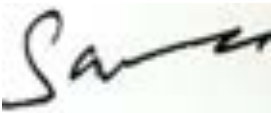
**3.6 Summary of Arising Issues from Public, Management and Auditor Response**

Issue from Public	Auditor Response
<p><b>Manpower and Transmigration of Musi Rawas District</b></p> <ul style="list-style-type: none"> <li>• Communication with the company are good</li> <li>• There is no complaints related to industrial relations or labor issues.</li> <li>• Minimum wage has followed Musirawas Regency Rp 2.507.400,-</li> <li>• Company has reported labor required to report on a regular basis.</li> <li>• Employees of the company have formed a union and have been listed in the Department of Employment</li> <li>• Supervision function as legality P2K3 structure and other reporting has been take over by Local technical implementation unit (UPTD) supervision Provinsi South Sumatra and not informed to Manpower and Transmigration of Musi Rawas District</li> <li>• The company has operators that have been certified, such as lift aircraft carrier transporters, steam etc.</li> </ul>	<p>The company has follow minimum wage and has explain criterion 6.5 and The company has operators that have been certified, such as lift aircraft carrier transporters, steam ant criterion 4.7</p>
<p><b>Department of Plantations of Musi Rawas District</b></p> <ul style="list-style-type: none"> <li>• Communication with PT BSC are good, the company is technically agronomy already meet the applicable laws and regulations.</li> <li>• There should be good communication with the public in order to avoid conflicts</li> <li>• Report progress on the plantation business routinely reported per semester</li> <li>• There is no issue of land disputes</li> <li>• the company reported replanting activities to Department of Plantations</li> <li>• CSR activities is enhanced so that the relationship with the surrounding community better</li> <li>• The company has a development plan for smallholder and is currently still in process prepare land area.</li> </ul>	<p>The company has a development plan for smallholder and is currently still in process prepare land area and has been explain at 6.1. There is no issue of land disputes and has explain 2.2 and about CSR program has been explain at criterion 6.11</p>
<p><b>Environment Agency of Musi Rawas District</b></p> <ul style="list-style-type: none"> <li>• There is no change in operations and changes to the environmental document Communication with PT BSC are good</li> <li>• The Company has conducted regular reporting related to environmental management such as Environmental Management Plan / Environmental Monitoring Plan every 6 months, as well as waste management Quarterly Report.</li> <li>• There is no the issue of environmental pollution.</li> <li>• Permit of LA and Temporary Hazardous Waste has owned and is still within the validity period</li> </ul>	<p>The Company has conducted regular reporting related to environmental management and waste management Quarterly Report has been explain at criterion 5.1 and 5.3</p> <p>The companies has planted of trees on the river banks and leave 50 meter from river bank did not replanting with palm oil tree and it has been explain criterion 4.4 and 5.2</p>



<ul style="list-style-type: none"> <li>• Facilities and infrastructure of firefighting is quite adequate</li> <li>• The companies has planted of trees on the river banks and leave 50 meter from river bank did not replanting with palm oil tree.</li> </ul>	
<p><b>Anyar Village</b></p> <ul style="list-style-type: none"> <li>• Communication between the company and the village has been better than in previous years.</li> <li>• Currently the company is in the process of development community plantations (plasma) involving four villages namely Sungai Pinang, Village Semangus, Anyar village and Village Rengas.</li> <li>• There is local people has been work at PT BSC.</li> <li>• CSR provided by the company include the provision of cows for sacrificial animals, mosques operational charity and food aid, road maintainance. Assistance is generally given after the submission of proposals from the village. Proposal of activity or submission aid from the community to the company has responded quickly enough by the Vendor to the period the average response time is less than 7 days, although sometimes there are grants awarded after such activities completed.</li> <li>• There is no issue of land disputes in anyar village.</li> <li>• The company has been involved in the process of developing program (musrebang) at Musirawas regency for prepare CSR program</li> <li>• The Company has been socialized as related to the management of HCV in the areas of the company.</li> </ul>	<p>CSR program has been explain at criterion 6.11 no issue of land disputes and has explain 2.2</p>
<p><b>Villager representatives of communities Semangus Baru Village</b></p> <ul style="list-style-type: none"> <li>• Generally, the relations between the company and the villagers Semangus goes well.</li> <li>• The CSR program provided by the company are still physical assistance. There is one the village economic development program in the form of ranch program for sakai community in semangus baru village</li> <li>• In the village Semangus local contractors that work with the company for transporting CPO.</li> <li>• The Company has been socialized as related to the management of HCV in the areas of the company</li> <li>• Currently the company is in the process of development community plantations (plasma) involving four villages namely Sungai Pinang, Village Semangus, Anyar village and Village Rengas. Currently still in process prepare land area.</li> <li>• There is local people has been work at PT BSC. Societal expectations, the company can absorb more labor from the Semangus Baru village for economic improvement of society.</li> </ul>	<p>CSR program has been explain at criterion 6.11 no issue of land disputes and has explain 2.2</p>
<p><b>Labor Union PT BSC</b></p>	

<ul style="list-style-type: none"> <li>CLA of PT BSC valid from 2015-2017, but interview with head of Labour union The CLA still valid until the new CLA published.</li> <li>There is meeting minutes between the company and labor union was conducted on 19 April 2017. This meeting discussed the minimum wages and others.</li> <li>The board of Labor union stil since 2016-2021 with number of letter decision 10-100/SK/L/XII/2016 valid from 19 December 2016.</li> <li>There are no issues regarding labor child, discrimination, industrial relations and others.</li> <li>The company participate in facilitating labor union activities.</li> </ul>	<p>This is in accordance with criterion 6.6.</p>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>A policy to prevent abuse and sexual violence have been informed by gender committee.</li> <li>There is representative gender committee in Factroy and estates.</li> <li>The socialization was conducted every Saturday in estate dan every Monday in Factory.</li> <li>The Committee has submitted gender reproductive rights for women workers including the pain of menstruation and pregnancy. For menstrual ache were given the right to two days and medics give recommendations. Given the right to get pregnant 1.5 months 1.5 months before and after. For the provision of reproductive rights inspected by a medical team.</li> <li>The gender committee received reporting from female employees in 2016, but this problem has been resolved by finding agreement between the reported party and the complainant and signed by the reporting party on November 9, 2016.</li> </ul>	<p>This in accordance with criterion 6.9.</p>
<p><b>Local Contractor</b></p> <ul style="list-style-type: none"> <li>There is agreement between contractor and the company for transport FFB.</li> <li>Fixed FFB pricing is determined by the company and local contactor.</li> <li>Every hazardous waste is transported by the contractor example filters and used batteries.</li> <li>Payments are paid on time every month.</li> <li>Every 2 weeks there is an evaluation of the work by assistant estate.</li> </ul>	<p>This in accordance with criterion 6.10.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Bina Sains Cemerlang Management Representative</p>  <p><b><u>Mohamad Pirabaharan</u></b> <b>Monday, 13 November 2017</b></p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Sandra Purba</u></b> <b>Monday, 13 November 2017</b></p> </div> </div>

Appendix 1. List of Stakeholder Contacted in the RSP0 Certification Process

No	Institution / NGO / Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Environment Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	7 August 2017	√	-
2.	Manpower and Transporataion Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	7 August 2017	√	-
3.	Plantationand Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	7 August 2017	√	-
4.	Labor Union PT Bina Sains Cemerlang.	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	8 August 2017	√	-
5.	Gender Committee of PT Bina Sains Cemerlang	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	8 August 2017	√	-
6.	Village leaders and representatives of communities Semangus village and Nyar Village.	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	8 August 2017	√	-
7.	Local Contractor	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	8 August 2017	√	-
8.	<i>Wahana Lingkungan Hidup Indonesia (Walhi)</i>	Jakarta, Indonesia	informasi@walhi.or.id	Email	1 August 2017	-	√
9.	<i>Aliansi Masyarakat Adat Nusantara (AMAN)</i>	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	1 August 2017	-	√
10.	Pengembangan Masyarakat Madani (PM2)	South Sumatra	<a href="mailto:pm@palembang.wasantara.net.id">pm@palembang.wasantara.net.id</a>	Email	1 August 2017	-	√
11.	Pusat Studi SDA dan Pembangunan Abdi Nusa (PSSA & PASBDINUSA)	South Sumatra	<a href="mailto:bantaya@palu.wasantara.net.id">bantaya@palu.wasantara.net.id</a>	Email	1 August 2017	-	√
12	Internal stakeholders: <ul style="list-style-type: none"> <li>• 7 Female spraying workers in SPE</li> <li>• 10 harvester in SPE and BPE</li> <li>• 2 boiler operators, 1 WTP operator, 2 weighing operator, 3 security in SPF</li> </ul>	South Sumatra		Interview		√	

**Appendix 2. Assessment Program**

DATE		7 – 11 July 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 7 July 2017</b>			
06.00 – 08.00	06.00 – 08.00	• JAKARTA → LUBUK LINGGAU	• SP / MAY / BP / YHR
09.00 – 11.00	09.00 – 11.00	• LUBUK LINGGAU → PT. BSC	• SP / MAY / BP /YHR
10.00 - .....	10.00 – 15.00	• Public consultation to relevant institution (BPN, DISNAKER, DISBUN, BLH)	• YHR
14.00 – 14.30	14.00 – 14.30		
14.30 – 17.00	14.30 – 17.00	• Opening Meeting: Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)	• SP/MAY/BP
		• Verification of : - Basic Info (Actual Production, areal statement, operational Map) - Parsial certification - Time bound Plan - Previous nonconformity	
<b>Tuesday, 8 July 2017</b>			
08.00 – 12.00	08.00 – 12.00	Stakeholders consultation to Surrounding Villages and local NGO.	
08.00 – 12.00	08.00 – 12.00	Villages: • Semangus Lama Village • Muara Lengas Village Local NGO's	• YHR
		Field observation to SUNGAI PINANG POM • Supply Chain verification (FFB Receiving, Weighbridge, Despatch CPO) • FFB Sorting, Processing Activity, WTP, Occupational Health & Safety Aspec • Environmental aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)	• SP • MAY • BP
<b>12.00 – 14.00</b>	<b>12.00 – 14.00</b>	<b>BREAK</b>	
14.00 – 17.00	14.00 – 17.00	• Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier • RSP0 Document Review and Review of Previous Visit Non-conformance (ASA-4)	• BP • SP/MAY/BP/YHR

DATE		7 – 11 July 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> <li>• Clarification of Public Consultation</li> </ul>	
<b>Wednesday, 9 July 2017</b>			
08.00 – 12.00	08.00 – 12.00	Field Observation to SUNGAI PINANG Estate <ul style="list-style-type: none"> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries); HCV/conservation</li> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Employment Procedure and Mechanism Aspect</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<ul style="list-style-type: none"> <li>• SP/BP</li> <li>• MAY</li> <li>• YHR</li> <li>• MAY</li> <li>• YHR</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>• RSPO Document Review and Review of Previous Visit Non-conformance (ASA-4)</li> <li>• Fulfilled Checklist</li> </ul>	SP/MAY/BP/YHR
<b>Thursday, 10 July 2017</b>			
08.00 – 12.00	08.00 – 12.00	Field Observation to BUKIT PINANG Estate <ul style="list-style-type: none"> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries); HCV/conservation</li> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Employment Procedure and Mechanism Aspect</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<ul style="list-style-type: none"> <li>• SP</li> <li>•</li> <li>• MAY/BP</li> <li>• YHR</li> <li>• MAY/BP</li> <li>• BP/MAY</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	
14.00 – 16.00	14.00 – 16.00	<ul style="list-style-type: none"> <li>• RSPO Document Review and Review of Previous Visit Non-conformance (ASA-4)</li> </ul>	SP/MAY/BP/YHR
16.00 – 17.00	16.00 – 17.00	<ul style="list-style-type: none"> <li>• Fulfilled Checklist</li> </ul>	
<b>Friday, 11 July 2017</b>			
07.00 – 08.00	07.00 – 08.00	Closing meeting preparation (internal discussion)	SP/MAY/BP/YHR



DATE		7 – 11 July 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 09.30	08.00 – 09.30	Closing meeting	
09.30 – 12.30	09.30 – 12.30	PT BSC – Lubuk Linggau	
13.00 - -----	13.00 – 15.00	Lubuk Linggau - Jakarta	