

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

**[✓] Recertification**

Name of Management : Sungai Pinang Palm Oil Mill PT Bina Sains Cemerlang subsidiary of Sime Organization  
Darby Plantation Berhad

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, Province of Sumatera Selatan, Indonesia.

Certificate Code : **MUTU-RSPO/020**

Date of Initial Registration : 11 September 2012

Date of Certificate Issue : 20 October 2022                      Date of License Issue : 11 December 2022

Date of Certificate Expiry : 10 September 2027                      Date of License Expiry : 10 September 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	18 to 22 July 2022	Briyogi Shadiwa (Lead Auditor), Erika Lucitawati, Sentot Adi Subandono and Sabiah Dhiningtyas Utami	Harso Yuli Antena	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	20 October 2022

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Figure 1. Location Map of PT Bina Sains Cemerlang

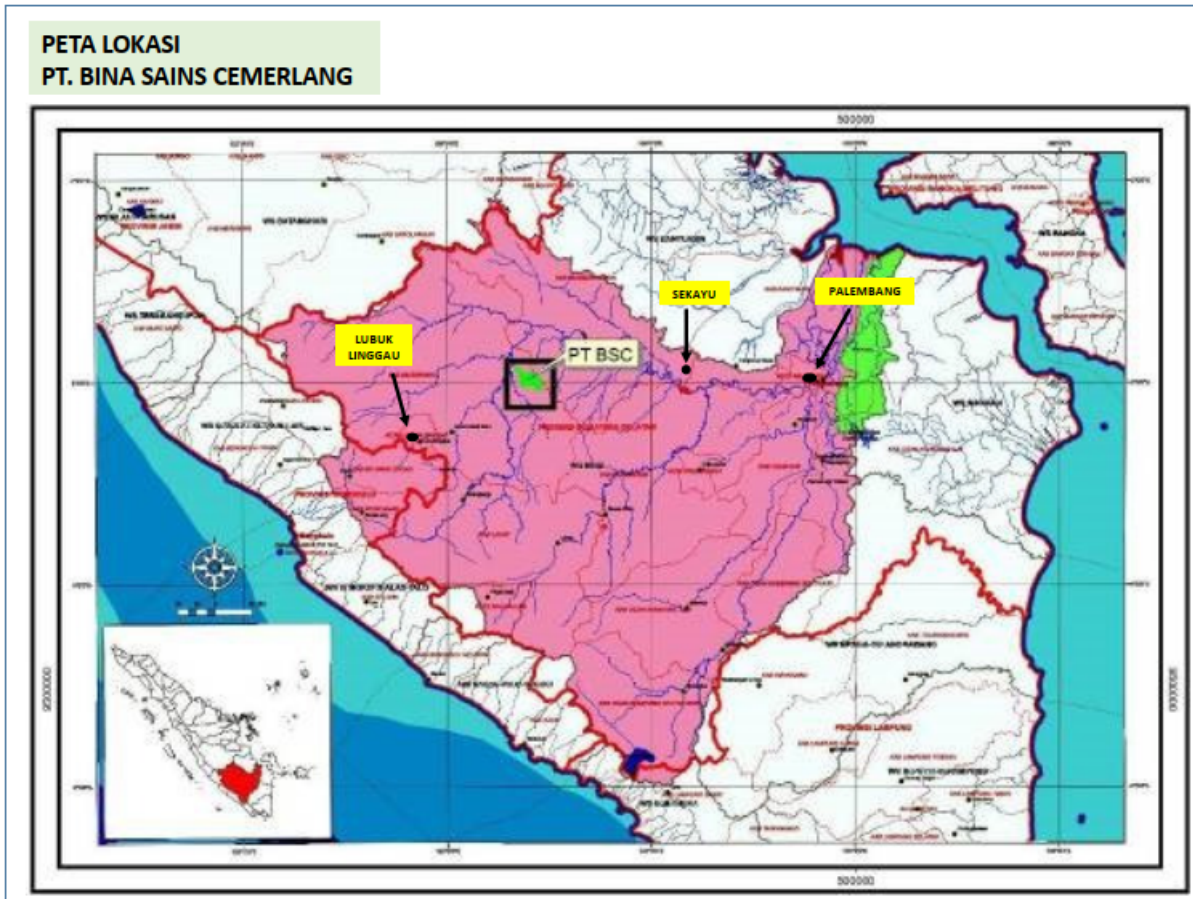
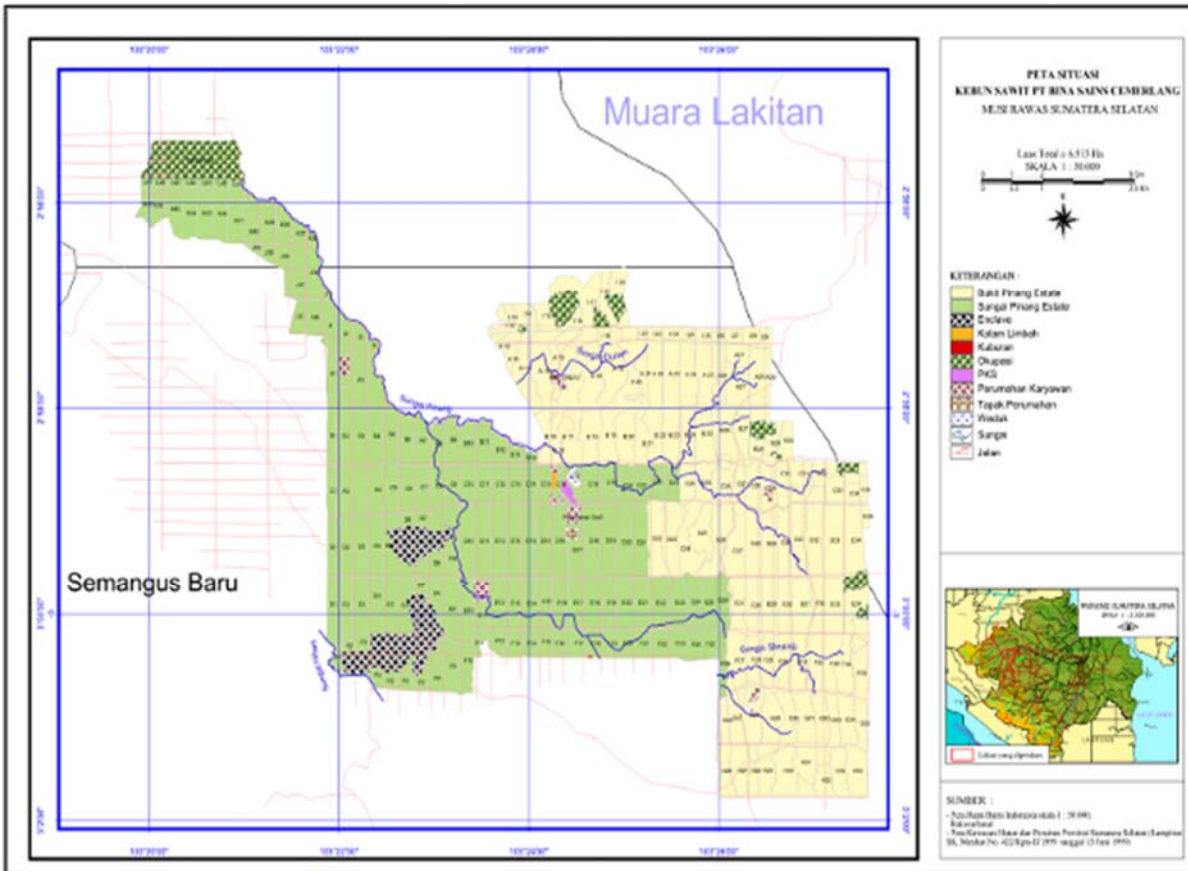


Figure 2. Operational Map of PT Bina Sains Cemerlang



Abbreviations Used

ASA	:	Annual Surveillance Audit
BAPP	:	<i>Berita Acara Pemeriksaan Pekerjaan</i> (Contractor Work Inspection Minutes)
BMP	:	Best Management Practices
BMS	:	Block Manuring System
BSC	:	Bina Sains Cemerlang
BSS	:	Block Spraying System
BPE	:	Bukit Pinang Estate
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Administrative Body)
BSC	:	Bina Sains Cemerlang
CEO	:	Chief Executive Officer
CHC	:	Central Housing Complex
CLA	:	Collective Labour Agreement
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
ESH	:	Environment, Safety, and Health
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
GCAD	:	Group Corporate Assurance Department
HCS	:	High Carbon Stock
HCV	:	High Conservation Value
HCVA	:	High Conservation Value Area
HGU	:	<i>Hak Guna Usaha</i> (Land Use Rights)
HIRAC	:	Hazard Identification Risk Assessment and Control.
IDR	:	Indonesian Rupiah
IP	:	Identity Preserved
ISO	:	International Organization for Standardization
ISPO	:	Indonesian Sustainable Palm Oil
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Permit)
K3/OHS	:	<i>Keselamatan dan Kesehatan Kerja</i> (Occupational Health & Safety)
KKKPA	:	<i>Koperasi Primer Untuk Anggota</i> (Primer Cooperation for Member)
LPUP	:	<i>Laporan Perkembangan Usaha Perkebunan</i>
LTA	:	Loss Time Accident
LCC	:	Leguminose Cover Crop
MB	:	Mass Balance
MRS	:	Minamas Research Center
NGO	:	Non-Government Organization
NPWP	:	<i>Nomor Pokok Wajib Pajak</i> (tax ID number)
OHSAS	:	Occupational Health and Safety Assessment Series
OHS	:	Occupational Health and Safety
PAA	:	<i>Pesawat Angkat Angkut</i> (such as Tractor, Mini Grabber, etc)
P&C	:	Principle & Criteria
PHL	:	<i>Pekerja Harian Lepas</i> (Daily Worker)
PIC	:	Person In Charge
PJK3	:	<i>Perusahaan Jasa K3</i> (Company that provides OHS services such as OHS license certification for Tractor Operators, Welders, etc.)
PK	:	Palm Kernel
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> (Contract Worker)
PKWTT	:	<i>Perjanjian Kerja Waktu Tidak Tertentu</i> (Permanent Worker)

POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluents
PP	:	<i>Peraturan Pemerintah</i>
PPE	:	Personal Protective Equipment
PSD	:	Plantation Services Department
PSQM	:	Plantation Sustainability and Quality Management
PUK	:	<i>Pimpinan Unit Kerja</i>
RC	:	Recertification
RSPO	:	Roundtable on Sustainable Palm Oil
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management Plan/ Environment Monitoring Plan)
RKS/RPS	:	<i>Rencana Kelola Sosial/ Rencana Pemantauan Sosial</i> (Social Management Plan/ Social Monitoring Plan)
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SIO	:	<i>Surat Izin Operasional</i> (Operational License)
SKU	:	<i>Syarat Kerja Umum</i>
SKU-B	:	<i>Syarat Kerja Umum – Bulanan</i>
SKU-H	:	<i>Syarat Kerja Umum - Harian</i>
SOP	:	Standard Operational Procedure
SPE	:	Sungai Pinang Estate
SPF	:	Sungai Pinang Factory
SPL	:	<i>Surat Perintah Lembur</i> (overtime order)
SPPP	:	<i>Serikat Pekerja Pertanian Perkebunan</i>
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i>
SR	:	Severity Rate
TBP	:	Time Bound Plan
WLTK	:	<i>Wajib Lapo Tenaga Kerja</i> (Employment Report)

<b>1.0</b>	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>		
		<ul style="list-style-type: none"> <li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li> <li>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organization name listed in the certificate	<b>PT Bina Sains Cemerlang subsidiary of Sime Darby Plantation Berhad</b>	
1.2.2	Contact person	Alagendran Maniam	
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 Office Tower, 36 <sup>th</sup> Floor Jl. MH Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	<a href="mailto:alagendran.maniam@simedarbyplantation.com">alagendran.maniam@simedarbyplantation.com</a>	
1.2.7	Web page address	<a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>	
1.2.8	Management Representative who completed the application for certification	Alagendran Maniam (Head Sustainability & Quality Management)	
1.2.9	Registered as RSPO member	07 September 2004 (1-0008-04-000-00)	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	One Palm Oil Mill and supply bases: Sungai Pinang Factory (SPF), Sungai Pinang Estate (SPE) and Bukit Pinang Estate (BPE)	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	<b>Location of Mill</b>		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Sungai Pinang	Sungai Pinang Village, Muara Lakitan Sub-District, Musi Rawas District, Sumatera Selatan Province, Indonesia	S 02° 59' 08"      E 103° 24' 22"
1.4.2	<b>Location of Certification Scope of Supply Base</b>		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Sungai Pinang Estate	Sungai Pinang, Anyar, Semangus Lama, Semangus Baru and Muara Lengas Village,	S 02° 59' 14"      E 103° 24' 20"



	Muara Lakitan Sub District, Musi Rawas District, Sumatera Selatan Province, Indonesia		
Bukti Pinang Estate	Sungai Pinang, Anyar, Semangus Lama, Semangus Baru and Muara Lengas Village, Muara Lakitan Sub District, Musi Rawas District, Sumatera Selatan Province, Indonesia	S 02° 59' 12"	E 103° 24' 25"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	• State	<b>6,513 Ha</b>
	• Community	<b>- Ha</b>

**1.5.2 Area Statement**

Description	Sungai Pinang Estate	Bukit Pinang Estate	Total (Ha)
<b>TOTAL AREA</b>	<b>3,374.42</b>	<b>3,138.58</b>	<b>6,513.00</b>
Mature Area	2,561.25	2,539.15	5,100.40
Immature Area	618.50	466.74	1,085.24
Mill	14.78	-	14.78
Emplacement	41.17	41.70	82.87
Infrastructure	91	69.99	160.99
Nursery	18.45	-	18.45
Others area (public facilities, <i>kampong</i> )	0.003	-	0.003
HCV	23.07	21	44.07
Occupation	6.20	-	6.20

**1.6 Planting Year and Cycles**

**1.6.1 Age profile of planting year**

Planting Year	Sungai Pinang Estate	Bukit Pinang Estate	TOTAL (Ha)
1996	146.45	223.13	369.58
1997	52.61	122.04	174.65
1998	313.37	471.50	784.87
2000	-	177.46	177.46
2005	190.61	-	190.61
2009	14.00	-	14.00
2010	51.72	-	51.72
2013	206.04	130.24	336.28
2014	279.61	228.84	508.45
2015	393.82	505.81	899.63
2016	496.02	324.54	820.56
2017	198.33	212.69	411.02
2018	218.67	142.90	361.57
<b>Total Mature</b>	<b>2,561.25</b>	<b>2,539.15</b>	<b>5,100.40</b>
2019	160.08	150.50	310.58
2020	-	166.72	166.72
2021	330.93	149.52	480.45
2022	127.49	-	127.49



	<b>Total Immature</b>	<b>618.50</b>	<b>466.74</b>	<b>1,085.24</b>			
	<b>TOTAL</b>	<b>3,179.75</b>	<b>3,005.89</b>	<b>6,185.64</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	<b>Description of Mill</b>						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>	<b>Palm Kernel</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Sungai Pinang Factory	30	67,775.80	14,293.99	21.09	2,906.36	4.28
	<i>* Production data source from July 2021 to June 2022</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>	<b>FFB (ton/yr)</b>	<b>Yield (ton/ha/yr)</b>	<b>Supplied to Mill</b>	
						<b>FFB (ton/year)</b>	<b>%</b>
	Sungai Pinang	3,374.42	2,561.25	36,231.76	14.14	36,231.76	100
	Bukti Pinang	3,138.58	2,539.15	31,122.43	12.25	31,122.43	100
	<b>TOTAL</b>	<b>6,513.00</b>	<b>5,100.40</b>	<b>67,354.19</b>	<b>13.20</b>	<b>67,354.19</b>	<b>100</b>
	<i>* Production data source from July 2021 to June 2022</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organization (RSPO certified / non-certified)</b>	<b>Type of Organization</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>		
					<b>FFB (tones/year)</b>		
	KKPA PT BSC (RSPO Non-Certified)	Subsidiary of Sime Darby (Plasma on progress)	21	163.75	110.16		
	PT Daya Agro Lestari (RSPO Non-Certified)	Outgrower	-	-	609.45		
	<b>TOTAL</b>				<b>719.61</b>		
	<i>* Production data source from July 2021 to June 2022</i>						
1.7.4	Product categories			<b>FFB, CPO, PK</b>			
<b>1.8</b>	<b>Tonnage of Product</b>						
1.8.1	<b>Past Annual Claim Certified Product</b>		<b>Last Year Projected Certified Volume (Ton)</b>		<b>Last Year Actual Certified Volume (July 2021 to June 2022) (Ton)</b>		
	FFB Processed		70,000		67,354.19		
	CPO Production		16,000		14,044.00		
	Palm Kernel (PK) Production		3,200		2,876.68		
1.8.2	<b>Product selling</b>						
	<b>Type of selling product</b>			<b>Actual selling product for last year (July 2021 to June 2022) (MT)</b>			
	CSPO sold as RSPO certified product			0			
	CSPK sold as RSPO certified product			0			
	CSPO sold under another scheme			0			

	CSPK sold under another scheme		0			
	CSPO sold as conventional		12,506.68			
	CSPK sold as conventional		2,359.32			
<b>1.8.3</b>	<b>Estimate of Certified FFB Claim</b>					
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>			
			<b>FFB (tones/year)</b>			
			<b>Yield (tones/ha/year)</b>			
	Sungai Pinang	3,374.42	2,561.25			
	Bukit Pinang	3,138.58	2,539.15			
	<b>TOTAL</b>	<b>6,513.00</b>	<b>5,100.40</b>			
			<b>73,900</b>			
			<b>14.49</b>			
	<i>*Projected FFB production for 12 months of certificate</i>					
<b>1.8.4</b>	<b>Estimate of Certified Palm Product Claim</b>					
	<b>Name of Mill</b>	<b>Capacity (tones/ hour)</b>	<b>FFB Processed (tones/year)</b>			
			<b>CPO</b>			
			<b>Out put (tones)</b>			
			<b>Extraction (%)</b>			
			<b>Palm Kernel</b>			
			<b>Out put (tones)</b>			
			<b>Extraction (%)</b>			
			<b>Supply Chain Module</b>			
	Sungai Pinang	30	73,900			
			15,500			
			20.97			
			3,600			
			4.87			
			MB			
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>					
<b>1.9</b>	<b>Other Certifications</b>					
	ISO 9001:2015		-			
	ISO 14001: 2015		-			
	ISO 45001:2018		-			
	ISCC		-			
	ISPO		MUTU-ISPO/090 valid until 03 August 2027			
<b>1.10</b>	<b>Time Bound Plan</b>					
<b>1.10.1</b>	<b>Time Bound Plan for Other Management Units</b>					
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>
	<b>Mill</b>	<b>Time bound</b>				
	<b>INDONESIA</b>					
1	Sekunyir. PT. Indotruba Tengah	2010	Sekunyir	2010	Seruyan and Kotawaringin Barat District – Kalimantan Tengah	Certified
			Seruyan	2010		Certified
2	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified
			Manggala 2	2010		Certified
			Manggala 3	2010		Certified
3	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District – Kalimantan Barat	Certified
			West (HGU on process)	2023		-
			East	2010		Certified
			East (HGU on process)	2023		-
			East Plasma	2010		Certified
			West Plasma	2010		Certified
			Sei Mawang	2023		-
4	Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	Siak District – Riau	Certified
			Pinang Sebatang	2011		Certified
			Aneka Persada	2011		Certified
5	Sungai Pinang. PT. Bina Sains	2012	Sungai Pinang	2012	Musi Rawas District – Sumatera Selatan	Certified
			Sungai Pinang (HGU on	2023		-

	Cemerlang		process)			
			Bukit Pinang	2012		Certified
			Bukit Pinang (HGU on process)	2023		-
6	Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and Kotawaringin Timur District – Kalimantan Tengah	Certified
			Kawan Batu	2011		Certified
			Hatan Tiring	2011		Certified
			Batang Garing	2011		Certified
7	Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
8	Teluk Bakau. PT. Bhumireksa Nusasejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
			Nusa Perkasa	2011		Certified
			Nusa Lestari	2011		Certified
9	Mandah PT. Bhumireksa Nusasejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
			Rotan Semelur	2011		Certified
10	Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – Kalimantan Selatan	Certified
			Gunung Sari	2011		Certified
			Pantai Bonati	2011		Certified
			KKPA-1 PT.SHE	2013		Certified
			KKPA-4 PT.SHE	2013		Certified
11	Mustika. PT Sajang Heulang	2013	Mustika	2013	Tanah Bumbu District – Kalimantan Selatan	Certified
			KKPA-2 PT.SHE	2013		Certified
			KKPA-3 PT.SHE	2013		Certified
			KKPA-5 PT.SHE	2013		Certified
			SAP 1	2023		-
12	Gunung Aru. PT Bersama Sejahtea Sakti	2011	Gunung Aru	2011	Kotabaru District – Kalimantan Selatan	Certified
			Gunung Kemasan	2011		Certified
			Laut Timur	2011		Certified
			Pantai Timur	2011		Certified
			KKPA BSS	2023		-
13	Bebunga. PT. Langgeng Muaramakmur	2011	Bebunga	2011	Kotabaru District – Kalimantan Selatan	Certified
			Bakau	2011		Certified
			Sungai Cengal	2011		Certified
14	Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and Kotawaringin Timur District – Kalimantan Tengah	Certified
			Sapiri	2011		Certified
			Barasdanum	2011		Certified
			Kuala Kuayan	2011		Certified
15	Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – Kalimantan Selatan	Certified
			Pondok Labu	2012		Certified
			Rampa	2012		Certified
			Sesulung	2012		Certified
16	Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – Kalimantan Selatan	Certified
			Matalok	2012		Certified
			KKPA Sungai Cengal (1,382 SH)	2014		Certified
			Selabak (PT SAA)	2012		Certified
			Randi (PT SAA)	2012		Certified
			Sangkoh (PT SAA)	2012		Certified
			Lanting (PT LMR)	2012	Certified	
17	Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – Kalimantan Selatan	Certified
			Sekayu	2012		Certified
18	Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified

19	Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
			Ladang Panjang (HGU on process)	2023		-
20	Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – Sumatera Selatan	Certified
			Rantau Panjang (HGU on process)	2023		-
			Bumi Ayu	2012		Certified
			Karang Ringin	2012		Certified
			Napal	2012		Certified
			Napal (HGU on process)	2023		-
			Mangun Jaya	2012		Certified
			Mangun Jaya (HGU on process)	2023		-
			Sungai Jernih	2023		-
			GPI KKPA	2023		-
21	Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Aceh	Certified
			Batang Ara (PT PSK)	2013		Certified
			Blang Simpo-01	2013		Certified
			Blang Simpo-02	2013		Certified
22	Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – Kalimantan Barat	Certified
			Awatan	2014		Certified
			Karya Palma	2023		-
			KKPA SNP	2023		-
			Pelanjau (PT BAL)	2019		Certified
			Sungai Putih (PT BAL)	2023		-
			Baturus (PT BAL)	2023		-
			KKPA BAL	2023		-
<b>MALAYSIA</b>						
1	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
2	Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
			Holyrood	2011		Certified
			Kalumpang	2011		Certified
			Tali Ayer	2011		Certified
3	Elphil SOU 3	2011	Kinta Kelas	2011	Sg Siput, Perak	Certified
			Elphil	2011		Certified
			Kamuning	2011		Certified
4	Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
			Bagan Datoh	2011		Certified
			Sabak Bernam	2011		Certified
			Sg Samak	2011		Certified
5	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
6	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
7	Tennamaram SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
			Sungei Buloh	2011		Certified
			Bkt Talang	2011		Certified
8	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
9	East SOU 8	2010	East	2010	Carey Island, Selangor	Certified
			Dusun Durian	2010		Certified
			Sepang	2010		Certified
10	West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
11	Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
12	Kerdau SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
			Jentar	2011		Certified
			Mentakab	2011		Certified
			Sg Mai	2011		Certified
			Chenor	2011		Certified
13	Jabor - SOU 12	2011	Jabor	2011	Kemaman, Trengganu	Certified
14	Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
			New Labu	2011		Certified
			Bradwall	2011		Certified
15	Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
			Sua Betong	2010		Certified
			Bukit Pelandok	2010		Certified
16	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
17	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
18	Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
			Kemuning	2010		Certified
			Tangkah	2010		Certified
19	Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
			Diamond Jubilee	2011		Certified
			Serkam	2011		Certified
20	Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
			Lanadron	2014		Certified
			Pengkalan Bukit	2014		Certified
			Welch	2014		Certified
21	Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
			Cha'ah	2010		Certified
			Sg Simpang Kiri	2010		Certified

22	Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
			Kempas Klebang	2010		Certified
			Bukit Paloh	2010		Certified
			Yong Peng	2010		Certified
23	Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
			CEP Niyor	2011		Certified
			Lambak / Elaeis	2011		Certified
24	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
25	Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
			Kulai	2011		Certified
			Layang	2011		Certified
			Seri Pulai	2011		Certified
26	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
27	Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
			Sapong	2011		Certified
28	Binuang SOU 28	2009	Tingkayu	2009	Kunak, Sabah	Certified
			Sungang	2009		Certified
			Jelata Bumi	2009		Certified
			Binuang	2009		Certified
29	Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
			Giram	2009		Certified
30	Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
			Merotai	2009		Certified
			Table	2009		Certified
			Tiger	2009		Certified
31	Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
			Kelida	2011		Certified
			Lavang	2011		Certified
			Lavang (SE)	2011		Certified
			Rasan	2011		Certified
			Chartquest	2011		Certified
			Dulang	2011		Certified
			Peroh	2011		Certified
			Pekaka	2011		Certified
			Ruai	2011		Certified
32	Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
			Samudera	2011		Certified
			Semarak	2011		Certified
			Bayu	2011		Certified
33	Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
			Damai	2011		Certified
			Derawan	2011		Certified
			Sahua	2011		Certified
<b>P &amp; G (New Britain Palm Oil)</b>						

1	Poliamba	2012	Kara	2012	Kevieng, New Ireland Province, P&G	Certified
			West Coast	2012		Certified
			Nalik	2012		Certified
			Noatsi	2012		Certified
			Madak	2012		Certified
			North (Smallholders)	2012		Certified
			South (Smallholders)	2012		Certified
			West (Smallholders)	2012		Certified
2	Tetere	2011	Tetere	2011	Gudaicanal, Slomon Island	Certified
			Ngalimbiu	2011		Certified
			Mbalisuna	2011		Certified
			West Zone (Smallholders)	2011		Certified
			Central Zone (Smallholders)	2011		Certified
			MBA East (Smallholders)	2011		Certified
			MBA West (Smallholders)	2011		Certified
3	Sangara, Sambiripa & Mamba	2013	Sangara	2013	Higaturu, Popondetta, Oro, P&G	Certified
			Sumberipa	2013		Certified
			Ambogo	2013		Certified
			Embi	2013		Certified
			Mamba	2013		Certified
			Sorovi (smallholders)	2013		Certified
			Igora (smallholders)	2013		Certified
			Saiho (smallholders)	2013		Certified
			Aeka (smallholders)	2013		Certified
			Ilimo (smallholders)	2013		Certified
4	Gusap	2010	Dumpu	2010	Madang, P&G	Certified
			Surinam	2010		Certified
			Jephcott	2010		Certified
			Gusap	2010		Certified
			Paddox	2010		Certified
			Ngaru	2010		Certified
			Madang VOP (smallholders)	2010		Certified
			Morobe VOP (smallholders)	2010		Certified
5	Hagita	2013	Giligili	2013	Milne Bay, P&G	Certified
			Hagita	2013		Certified
			Waigani	2013		Certified
			Sagarai	2013		Certified
			Padipadi	2013		Certified
			Mariawatte	2013		Certified
			East Gurney	2013		Certified
			West Gurney	2013		Certified
			East Sagarai	2013		Certified
			West Sagarai	2013		Certified
6	Mosa Kumbango Kapiura Namumdo Waraston	2008	Bebere	2008	West New Britain	Certified
			Kumbango	2008		Certified
			Togulo	2008		Certified
			Dami	2008		Certified
			Waisisi	2008		Certified
			Kautu	2008		Certified
			Karaisu	2008		Certified
			Morua	2008		Certified



			Bilomi	2008	Certified
			Loata	2008	Certified
			Haella	2008	Certified
			Garu	2008	Certified
			Daliavu	2008	Certified
			Sapuri	2008	Certified
			Malilimi	2008	Certified
			Rigula	2008	Certified
			Nomundo	2008	Certified
7			Navarai / Karato ME	2008	Certified
			Volupai . Lotomgam / Natupi / Goruru	2008	Certified
			Lolokoru	2008	Certified
			Silovoti	2008	Certified
			LSS Hoskin (1,877 Smallholders)	2008	Certified
			VOP East (1,815 Smallholders)	2008	Certified
			VOP Central (1,958 Smallholders)	2008	Certified
			VOP West (1,277 Smallholders) Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008	Certified
			LSS Kapiura (847 Smallholders)	2008	Certified
			VOP Kapiura (551 Smallholders)	2008	Certified
	<p>TBP on January 2022.</p> <p>Sime Darby has achieved 34 management units in Malaysia, 25 management units in Indonesia, 10 management units in P&amp;G that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 10 in P&amp;G. There is change of time bound plan, with detail:</p> <ol style="list-style-type: none"> <li>1. Uncertified area in PT Sime Indo Agro: postpone become 2023 due to HGU process</li> <li>2. Uncertified area in PT Bina Sains Cemerlang: postpone become 2023 due to HGU process</li> <li>3. Uncertified area in PT Bahari Gembira Ria: postpone become 2023 due to HGU process</li> <li>4. Uncertified area in PT Budidaya Agro Lestari: postpone become 2023 due to HGU process</li> <li>5. For Liberia operations: As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI).</li> </ol> <p><a href="https://www.simedarbyplantation.com/media/pressreleases/sime-darby-plantation-completesdivestment-of-its-liberia-operation">https://www.simedarbyplantation.com/media/pressreleases/sime-darby-plantation-completesdivestment-of-its-liberia-operation</a></p>				
1.10.2	<p><b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b></p> <p>The company has developed a plasma plantation program, with a planned plasma area of 1,350 ha in accordance with the location permit issued on 6 April 2015. Due to the expiry date of the location permit on 6 April 2018, the company re-apply for the extension of the plasma location permit on 20 April 2022. The latest information, the application for the extension of the plasma location permit has been submitted through the OSS system on July 16, 2022. The smallholders is ex plasma that not finish yet the agreement with CH (still process).</p>				

2.0	<b>ASSESSMENT PROCESS</b>
2.1	<b>Assessment Team</b>
RC	<p>1. <b>Briyogi Shadiwa (Lead Auditor)</b>. Associate Expert in Oil Palm Plantation, Bogor Agricultural University. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: ISPO Auditor Training by LPP, RSPO Lead Auditor Course by Checkmark Training, SCCS Course by Checkmark Training, ISO 9001:2015 Lead Auditor, ISO 14001:2015 Lead Auditor, SMK3 Awareness, OHSAS 18001:2007 Awareness General OHS Expert Training and Awareness SA 8000. During this audit, he was assigned to verify labor, legal, social, partial and SCCS aspect.</p> <p>2. <b>Erika Lucitawati (Auditor)</b>. Indonesian citizen, Bachelor of Engineering, Diponegoro University. The trainings he has attended include Lead Auditor ISO 14001:2015; IHT ISO 19011:2018, ISO 17021:2015, ISO 17065:2012, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018; ISPO Auditor and Candidate General OHS Expert. Has carried out several audit activities on environmental, conservation, and social aspects. During this audit, she was assigned to verify environment, GHG and HCV aspect.</p> <p>3. <b>Sentot Adi Subandono (Auditor)</b>. Indonesia citizen, Bachelor of Agriculture, Department of Agricultural Cultivation. He has five years of experience working since 2005 as Plantation Operational Staff and nine years as Internal Auditor in private oil palm plantations in Indonesia. The training that has been attended includes the Basic Management Development Program of Palm Oil Plantation, Use of Limited Pesticides, Best Practices in Internal Auditing, Fraud Auditing: Prevention, Detection, and Investigation, Operational Risk Approach in Internal Auditing, General Occupational Health and Safety Expert, ISPO Auditor Training in 2016, ISO 9001: 2015, RSPO Lead Auditor Training in 2020. During this audit, he was assigned to verify Best Management Practices and OHS aspect.</p> <p>4. <b>Sabiah Dhiningtyas Utami (Auditor Trainee)</b>. Indonesian Citizen. Bachelor of Agriculture, Department of Agrotechnology, Padjadjaran University. Has attended training on <i>Awareness</i> ISO 9001:2015, <i>Awareness</i> ISO 19011:2018, <i>Awareness</i> ISO 14001:2015, <i>Awareness</i> ISO 45001:2018, <i>Awareness</i> ISO 17021:2015, <i>Awareness</i> ISO 17065:2012 dan <i>Awareness</i> RSPO. She has participated in several simulations of audit activities related to the certification system for sustainable palm oil plantations with labor and social aspects. During this audit, he was assigned to verify labor and transparency aspect under supervision by the Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
2.2.1	<b>Figure of person days to implement assessment</b>
RC	<p>Number of auditors: 3 auditors and 1 auditor trainee          Number of days for <b>Onsite Recertification</b>: 5 days          Number of working days for <b>Onsite Recertification</b>: 15 Working days</p>
2.2.2	<b>Assessment Process</b>
RC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Bina Sains Cemerlang to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020 and RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, 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.</p> <p>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-2.1.</p>

Improvement of findings from ASA-1.3 + ASA-1.4 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.

The opening meeting was held on 18 July 2022. As for the participants who attended the opening meeting included the General Manager, Estate and Mill Managers, Support Team from Jakarta and other staff. Closing meeting was held on July 22<sup>nd</sup>, 2022 attended by the same participants as the opening meeting. The management of PT Bina Sains Cemerlang accept all the onsite RC audit results.

The assessment program please find Appendix 2.

2.2.3	<b>Locations of Assessment</b>
RC	<p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b><u>Sungai Pinang POM</u></b></p> <ul style="list-style-type: none"> <li>• <b>Security Post.</b> Field observation and interview related to technical work according to procedures, ethical code, OHS, employment, environment, and social aspects.</li> <li>• <b>Weighbridge.</b> Field observation and interview related to technical work according to procedures, ethical code, OHS, employment, environment, and social aspects.</li> <li>• <b>Grading Station.</b> Field observation related technical work according to procedures.</li> <li>• <b>Engine Room.</b> Field observation and interview related to technical work according to procedures, OHS, employment, environment, and social aspects.</li> <li>• <b>Boiler Station.</b> Field observation and interview with contractor worker related OHS, employment, and environment aspects.</li> <li>• <b>Kernel Station.</b> Field observation related station condition.</li> <li>• <b>Chemical warehouse.</b> Field observation and interview related chemical management, OHS, and environmental aspect.</li> <li>• <b>Hazardous Waste Temporary Warehouse.</b> Field observation and interview related hazardous waste management, OHS and environmental aspect.</li> <li>• <b>Workshop.</b> Field observation related workshop activity, OHS, environmental and worker welfare aspect.</li> <li>• <b>Hydrant Simulation.</b> Field observation related emergency preparedness.</li> <li>• <b>Laboratory.</b> Field observation related laboratory activity, OHS and environmental aspect.</li> <li>• <b>WWTP.</b> Field observations and interview related ban entry to WWTP, run-off, and testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent.</li> <li>• <b>WTP.</b> Observations related to water management, recording of water used, OHS aspect, and waste management.</li> <li>• <b>Empty Bunch, Shell, and Fiber Area.</b> Observations related to aspects of OHS, and waste management.</li> <li>• <b>Housing Complex.</b> Observations related to house condition, public facility, OHS aspect, and waste management.</li> </ul> <p><b><u>Sungai Pinang Estate</u></b></p> <ul style="list-style-type: none"> <li>• <b>Harvesting, Block F13, Division 1.</b> Field observation and interview related to technical work according to procedures, OHS, employment, and social aspect.</li> <li>• <b>Harvesting, Block F7, Division 3.</b> Field observation and interview related to technical work according to procedures, OHS, employment, and social aspect.</li> <li>• <b>Spraying, Block E6, Division 3.</b> Field observation and interview related to technical work according to procedures, OHS, employment, and social aspects.</li> <li>• <b>Manuring, Division 3.</b> Field observation and interview related to technical work according to procedures, OHS, employment, and social aspects.</li> <li>• <b>Nursery Area, Block H11, Division 2.</b> Field observation and interview related to technical work according to procedures, OHS, employment, and social aspects.</li> <li>• <b>Replanting Area, Blok D7, Division 3.</b> Field observation related replanting activity, soil managements and work procedure.</li> <li>• <b>Barn Owl Box, Block F7, Division 3.</b> Field observation regarding Owl activities in IPM.</li> </ul>

- **Beneficial Plant.** Field observation about maintenance the beneficial plant (*Cassia cobanensis*, *Turnera subulata* and *Antigonon leptopus*)
- **Division 3 Emplacement Facilities.** Field observation to emplacement facilities such as assembling points, fire extinguisher, sanitation system, housing quality, playground, and mosque.
- **Daycare Division 3.** Field observation and interview with worker related OHS, employment, environment, and social aspects.
- **Elementary/Junior High School/Kindergarten.** Field observation related to facilities and infrastructure.
- **Division 3 Block EO7 Landfill.** Field observation related landfill condition.
- **Fertilizer Storage.** Field observation and interview related health, safety and environment aspect.
- **Pesticide Storage.** Field observation and interview related towards health, safety and environment aspect.
- **Oil Storage.** Field observation and interview related OHS and environment aspect.
- **Tank Fuel.** Field observation and interview related OHS and environmental aspect.
- **Workshop.** Field observation and interview related hazardous waste management, OHS, and environmental aspect.
- **Clinic.** Field observation and interview related facility chemical management, OHS, and environmental aspect.
- **BMS & BSS.** Field observation related chemical management, OHS, and environmental aspect.
- **Block I010 Division 2: HGU Pole No. 17 and 18.** Observation of conditions and position of legal boundary.
- **Block I008 Division 2: Auxiliary Pole No. 150.** Observation of conditions and position of legal boundary.
- **Block G10 Division 2: Sungai Pinang River (Potential HCV Area).** Observation of HCV management.
- **Enclave area Block I008 Division 2.** Observation of conditions and position of enclave area.
- **Replanting Area Block I10 Division 2.** Observations related to aspects of OHS and environment.
- **Land Application Block F12 Division 2.** Observations related to aspects of OHS and environment.
- **Monitoring Well of Land Application Block F12 Division 2.** Observations related to aspects of BMP, worker welfare, OHS and environment.
- **Monitoring Well of Non-Land Application Block E11 Division 2.** Observations related to aspects of BMP, worker welfare, OHS and environment.

#### **Bukit Pinang Estate**

- **Fertilization, Block G17, Division 2.** Field observation and interview related to technical work according to procedures, OHS, employment, environment, and social aspects.
- **FFB Transportation, Block F17, Division 2.** Field observations and interview related to technical work according to procedures and OHS aspects.
- **Beneficial Plant.** Field observation about maintenance the beneficial plant (*Cassia cobanensis*).
- **Pinang River Border in Block F/G 18, Division 2.** Field observation regarding spray boundary markings and no chemical application.
- **Spraying and Immature Area, Block J19, Division 3.** Field observation and interview related to technical work according to procedures, land conservation, OHS, employment, environment, and social aspects.
- **Barn Owl Box, Block J19, Division 3.** Field observation regarding Owl activities in IPM.
- **Harvesting, Block I18, Division 3.** Field observation and interview related to technical work according to procedures, OHS, employment, environment, and social aspects.
- **HGU Pole No. 4.** Observation of conditions and position of legal boundary.
- **Fire Tower, Block H19, Division 3.** Field observation about fire emergency response condition.
- **Fertilizer Storage.** Field observation and interview related to health, safety and environment aspect.
- **Pesticide Storage.** Field observation and interview related to health, safety and environment aspect.
- **Oil Storage.** Field observation and interview related to OHS and environment aspect.
- **Fire Fighting Warehouse.** Field observations and interview related to the completeness of firefighting equipment, as well as checking the condition of the pump engine.
- **Division 1 Emplacement Facilities.** Field observation to emplacement facilities such as assembling points, fire extinguisher, sanitation system, housing quality, playground, and mosque.
- **Division 3 Emplacement Facilities.** Field observation to emplacement facilities such as assembling points, fire extinguisher, sanitation system, housing quality, playground, and mosque.
- **Day-care Division 1.** Field observation and interview with worker related OHS, employment, environment, and

	<p>social aspects.</p> <ul style="list-style-type: none"> <li>• <b>Day-care Division 3.</b> Field observation and interview with worker related OHS, employment, environment, and social aspects.</li> </ul>
<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            Consultation of stakeholders for PT Bina Sains Cemerlang was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on MUTU and RSPO website on June 9<sup>th</sup>, 2022.</li> <li>• Public consultation with NGOs (by email) such as WALHI, AMAN, and Sawit Watch on 11 July 2022.</li> <li>• Public consultation via telephone with government institution 19-21 July 2022.</li> <li>• Public consultation via telephone with communities on 19 July 2022.</li> <li>• Public consultation via telephone with internal stakeholders and contractor 19 July 2022.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Bina Sains Cemerlang</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit <b>ASA-2.1</b> will be conducted eight (8) months to twelve (12) month after months after date of annual license.

**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, subsidiary of Sime Darby Plantation Berhad operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were one (1) Nonconformities were assigned against Major Compliance Indicators; one (1) Nonconformities were assigned against Minor Compliance Indicators; and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that Sungai Pinang POM – PT Bina Sains Cemerlang subsidiary of Sime Darby Plantation, Berhad operation complied with the requirements of RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, endorsed by the RSPO Board of Governors on 12 November 2020 and Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification									
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>										
<b>1.1</b>	<b>The unit of certification provides 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>	Company showed SOP information request No. 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 administration makes the draft of written response, then signed by the Unit Manager before sent to the parties, time of response is 3-15 days. There are documents accessible to public or stakeholders PT BSC for 2019 and it's has been approved by estate & factory Manager such as Land Use Title, Plantation Business Permit, HCV document, SIA document, EIA document, Committee of Occupational Safety & Health document, FFB production data, sustainable plantation management guidelines, human rights policy, non-discrimination policy, and prohibition of employing children. These documents can be accessed by sending a request to the management. Other than that, the SOP explains the types of information that may be accessed in public or provided in general and information that is confidential and requires approval from company management. The SOP also explains the person responsible for providing information both internally and externally, namely the Human Resources Officer or External Affairs Officer. Documents can be accessed publicly through website <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a> , including sustainability policy, human rights policy, ethical code, sustainability report, etc.									
<b>1.1.2</b>	Company has also mandatory report of environmental, manpower, legality and other aspects to the government agency which are available in Bahasa and in accordance with applicable regulations. Company has shown examples of receipt of mandatory report to government agency which has been summarized in the following table:									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">No</th> <th style="width: 30%;">Mandatory Report</th> <th style="width: 30%;">Relevant Agency</th> <th style="width: 35%;">Date</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Environmental Monitoring Report First</td> <td>Environmental Agency of Musi Rawas Regency</td> <td style="text-align: center;">17 May 2022</td> </tr> </tbody> </table>	No	Mandatory Report	Relevant Agency	Date	1	Environmental Monitoring Report First	Environmental Agency of Musi Rawas Regency	17 May 2022	
No	Mandatory Report	Relevant Agency	Date							
1	Environmental Monitoring Report First	Environmental Agency of Musi Rawas Regency	17 May 2022							



	Quarter 2022	Environmental Agency of Sumatera Selatan Province	
2	Environmental Monitoring Report Second Quarter 2022	Environmental Agency of Musi Rawas Regency Environmental Agency of Sumatera Selatan Province	14 July 2022
3	Hazardous Waste Management Report of First Quarter 2022	Environmental Agency of Musi Rawas Regency Environmental Agency of Sumatera Selatan Province	17 May 2022
4	Hazardous Waste Management Report Second Quarter 2022	Environmental Agency of Musi Rawas Regency Environmental Agency of Sumatera Selatan Province	14 July 2022
5	Report on Implementation of Management and Monitoring Plan (RKL-RPL) of Second Semester 2021	Environmental Agency of Musi Rawas Regency Environmental Agency of Sumatera Selatan Province Ministry of Environment and Forestry	8 January 2022 1658374487-2002
6	Report on Implementation of Management and Monitoring Plan (RKL-RPL) of First Semester 2022	Environmental Agency of Musi Rawas Regency Environmental Agency of Sumatera Selatan Province Ministry of Environment and Forestry	14 July 2022 1658156629-2002

Based on the description above, it can be concluded that the company has routinely reported mandatory reports which are the provision of information to stakeholders on a regular basis in accordance with the timeframe. This is also reinforced by the results of interviews with representatives from Agencies in Musi Rawas Regency who stated that the company routinely reports all required information according to the time frame.

### 1.1.3

Company showed SOP information request No. 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 administration makes the draft of written response, then signed by the Unit Manager before sent to the parties, time of response is 3-15 days. All information is provided in Bahasa.

Record of information requested and its response traceability is presented in document of Logbook of Incoming and Outgoing Letter of PT Bina Sains Cemerlang. Company has shown Incoming and Outgoing Letter in 2021-2022. Based on document verification, there is request for information from stakeholders in 2022 period. For example, record of information request in 2022 showed in document of Letter No. 560/394/IV/Nakertrans/2022 on 12 July 2022 from Manpower and Transmigration Agency of Musi Rawas Regency related to request to prepare documents for manpower coaching and evaluation on 20 July 2022. This has been responded by company through Letter No. 033/BSC-UMUM/VII/2022 on 21 July 2022. This has been in accordance with time frame stated in company's procedure.

Based on result of interview with surrounding village representative (Village of Semangus Baru, Sungai Pinang, Sukamaju, etc), it was found that company had conducted socialization to surrounding village regarding the mechanism for requesting information from company and the representative has been understood related to mechanism. If there is a request for information, village representative will send letter or tell request orally to company and company will respond to it. In addition, the representative also said that in the past year there had never been a letter of request for information to company.



**1.1.4**

Company also showed the record of the socialization regarding the SOP mentioned in 1.1.1 on 20 September 2021 attended by every stakeholder such as: factory manager, assistant, contractor, and safety officer and communities. In addition, based on the interviews with local government, village representatives, labor union and gender committee, it is known that they had a good understanding of communication and consultation procedures.

**1.1.5**

Company has shown PT Bina Sains Cemerlang Stakeholder Register document, updated December 2021. Based on this document, there are stakeholders related to company which include government stakeholders (province, regency, sub-district and village), the public facilities, partner cooperatives, village organizations, corporations, internal stakeholders, contractors, FFB suppliers, etc. The stakeholder register explains the name, agency/position, location, category and contact person number. Based on sampling for interviews with stakeholders referring to the stakeholder list document, it can be concluded that all contacts listed in the document are still active and in accordance with the data provided.

**Status: Comply**

**1.2**

**The unit of certification commits to ethical conduct in all business operations and business transactions.**

**1.2.1**

The unit of certification is committed to integrity and ethical behavior in all operational activities. This commitment is stated in the Code of Business Ethics which refers to the August 2020 edition of Sime Darby Plantation's Code of Business Conduct Handbook. The policy states that the management unit develops business ethics by taking into account the expectations of the certification unit and stakeholders on how to enforce ethics including monitoring, reporting, and sanctions for violations of the code of ethics. In addition, the policy also explains the work ethic that regulates individual basic attitudes and individual behavior inside and outside the certification unit, including respecting human rights, non-discrimination, absence of harassment/violence/criminals, prohibiting the use or trading of drugs/illegal substances, pay attention to the environment, occupational safety and health, and protect the privacy/confidentiality of personal data. The code of business ethics policy also explains the prevention of bribery and corruption. It states that the Sime Darby Plantation group will not tolerate bribery and corruption practices, and is committed to being professional, fair and full of integrity in all business dealings and relationships wherever the Group operates, and implementing and enforcing effective systems to fight bribery and corruption. The Sime Darby Plantation Group has also adopted a No-Gift Policy and prohibits any form or use of corporate hospitality to influence business decisions.

Based on the review of work agreement documents with workers and/or third parties (for example: contractors), it is known that the points related to the code of ethics policy have been stated in the work agreement. The results of interviews with workers and representatives of contractors also revealed that they already understand the code of ethics policies that apply in the certification unit for all operations and business transactions.

**1.2.2**

The unit of certification has a mechanism to monitor compliance and the implementation of ethical business policies and practices through compliance checks and evaluations. For example, the certification unit conducts periodic internal audits to ensure operational units comply with policies and SOPs. The scope of the internal audit is the compliance of each unit in the plantation and mill to all aspects contained in the RSPO P&C such as aspects of employment, environment, BMP and other aspects.

The unit of certification ensures that its contractors and suppliers know and understand the Code of Business Ethics applicable to the unit of certification. Based on the results of interviews with contractors, it is known that the policy has been socialized at the signing of the contract. Then, the informant also stated that the certification unit has evaluated compliance once a year with applicable labor laws such as providing PPE for contractor workers, absence of child labor, protection of contractor workers through the *BPJS* program, prohibiting acts of corruption/bribery, etc.

In addition, based on interviews with workers in factories and plantations, information was obtained that they are aware of the Code of Business Ethics to respect human rights and commitment to ethical behavior in all work operations. This is in line with the socialization that has been carried out to workers in the SPF unit on July 20, 2022. The unit of certification

shows a statement letter document signed by security with the initials MU on July 20, 2022. The letter states that workers will not receive compensation or bribes from any party while on duty at PT BSC and are willing to accept sanctions if they violate these regulations.

**Status: Comply**

**PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS**

**2.1**

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

**2.1.1**

The Sungai Pinang Factory certification unit is under the unit of certification PT Bina Sains Cemerlang, in compliance with the terms the unit of certification has complied with all relevant laws and regulations, namely by having the following documents:

**Employment Regulations**

- Employment Report (*WLTk*) of unit SPF PT BSC with register number 00001/01/2022, reporting date on January 16<sup>th</sup>, 2022, obligation to report back on January 16<sup>th</sup>, 2023.
- Employment Report (*WLTk*) of unit SPE PT BSC with register number 52/06/2022, reporting date on June 27<sup>th</sup>, 2022, obligation to report back on June 27<sup>th</sup>, 2023.
- Employment Report (*WLTk*) of unit BPE PT BSC with register number 53/06/2022, reporting date on June 27<sup>th</sup>, 2022, obligation to report back on June 27<sup>th</sup>, 2023.
- The company has complied with the implementation of minimum wages for all employees in accordance with applicable regional regulations (Sumatera Selatan Governor's Decree on District/City Minimum Wages in Musi Rawas Regency, Sumatera Selatan Province year of 2022).
- All employees have been registered in *BPJS* Health and *BPJS* Employment social security.

**Social and Environmental Regulations**

- Environmental Impact Analysis (*AMDAL*) document for Oil Palm Plantations and Palm Oil Mills with a reserved area of 24,000 Ha and an installed production capacity of 30 tons of FFB/hour (can be increased to 45 tons of FFB/hour). Agribusiness Agency of Ministry of Agriculture has approved this document No. 005/ANDAL/RKL-RPL/BA/X/94, dated October 18, 1994.
- Revised Environmental Management Plan (*RKL*) and Environmental Monitoring Plan (*RPL*) for Palm Oil Plantations and Processing Mills were approved by Musi Rawas District Head 128B/KPTS/IV/2007 on October 30, 2007. Plantation area is 6,513 ha with reserved area of 24,000 ha, capacity of 30 to 60 tons FFB/hour. In addition, this document was prepared by Center for Environmental Research Institute, Sriwijaya University. *AMDAL* drafting team Ir. H.M Idris Naning (Team Leader, *AMDAL* 1 & B).
- Social and Environmental Impact Assessment for PT Bina Sains Cemerlang replanting activities for the 2015-2018 period covering an area of 1,774.23 ha consisting of 865.90 ha (Bukit Pinang Estate) and 908.33 ha (Sungai Pinang Estate)
- Decree of the Head of the Musi Rawas District Investment and One-Stop Service Office Number 503/05/LB3/DPM-PTSP/VI/2019 dated May 31, 2019, regarding the Extension of Hazardous Waste Temporary Storage Management Permit at PT Bina Sains Cemerlang. The validity period is five years from the date of this decision.
- Decree of the Regent of Musi Rawas District Number: 436/KPTS/LDH/2017 dated June 7, 2017, concerning the permit for liquid waste for land application activities which is valid for five years from the date of stipulation. Based on this permit, it is known that the land application area is 83.64 ha (Sungai Pinang Estate), located in blocks F11 and E12.
- Decree of the Minister of Public Works and Public Housing Number. 782/KTSP/M/2021 dated June 16, 2021, regarding granting a water resource exploitation permit to PT Bina Sains Cemerlang for palm oil and domestic processing in Sungai Pinang, valid for five years from the date of stipulation

**Legal Regulation**

- The company also showed *HGU* certificate No. 7 for a land area of 6,513 Ha which was issued on June 12, 1999 by the Head of the Land Office of Musi Rawas Regency based on the Letter of Measurement No. 3/MURA/1999. The

certificate is valid until June 11, 2034.

- Company also has business permit in form of Plantation Business Registration Letter No. 105/Mentanhut-VII/2000 from the Ministry of Forestry and Plantations of the Republic of Indonesia issued on October 9, 2000. The permit cover 6,135 ha of company operational area and mill capacity 30 ton/hour.

**2.1.2**

The certificate holder has a documented system to ensure legal compliance listed in the Legal Requirements Procedure, dated on May 1, 2017. The procedures include explaining that regulations can be obtained and updated by contacting government and non-government agencies to ensure that the latest regulations apply, including international, national and local and actively visit related websites. Regarding the implementation of regulations, the company ensures that the regulations are in force in the company units, both those applied by the company and third parties who cooperate with the company by carrying out operational internal audit activities. For third parties (contractors), to ensure legal compliance is stipulated in the Contractor's Work Regulations Procedure, February 28, 2019, which among others explains that all contractor employees must follow all OHS regulations applicable in the company, must pay workers' wages in accordance with applicable provisions, is required to register all workers with the social security program (BPJS Employment). In addition, the management unit also monitors the number of contractors, the list of names of contractor workers, the validity period of the employment agreement, legal entity status, social security and wages of contractor workers, and special licenses for work that require these requirements.

The company has shown the latest regulatory compliance document which was carried out in 30 June 2022. The document describes the company's compliance with the regulations in force in the Republic of Indonesia, for example the fulfillment of the latest regulations such as the Decree of the Governor of Sumatera Selatan regarding the Provincial Minimum Wage.

**2.1.3**

The company has a map that showing the location of the boundary poles in each estate. The company has also monitored HGU boundary pole in 2022 by showing the results of monitoring, in accordance with the HGU Pole Maintenance SOP (PM 3001) on 10 January 2010. The results of field observations on the boundary pole for example in HGU Pole No.4 (Bukit Pinang Estate) and Pole No. 17 and No. 18 (Sungai Pinang Estate) is found and that the condition of the boundary poles is well maintained. related to OFI in the previous assessment, the auditor reaffirmed in the field related to the laying of HGU boundary markers. From the results of observations and cadastral maps of the boundary markers, the location of the stakes has been adjusted to the proper position.

**Status: Comply**

**2.2**

**All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.**

**2.2.1**

The certification unit has a list of contractors that informs the contractor's name, tax ID number (NPWP), legality owned by the contractor, address, telephone number, job description and others. The list of contractors at PT BSC for the period 2021 – 2022, for example:

- CV *Ropal Maju* Group for FFB transport work
- CV *Duta Bumi Abadi* for heavy equipment rental
- PT *Mitra Karya Jaya Perdana* for replanting work
- CV *Saudara Serasan Jaya* for FFB transport work
- CV *Semangus Indah* Express for FFB transport work
- PT Technindo Controminda for boiler repair work.

The unit of certification shows the work agreement contract documents, for example:

- Work agreement number SPE/SPK-BRG/V/2022/024 with contractor PT *Mitra Karya Jaya Perdana* to lease heavy equipment for replanting activities. The agreement is valid from June 1, 2022 and is valid until July 31, 2022.
- Award Letter (temporary work agreement) No. 041/RTS-RSS/AWD-SPF/VII/2022 with contractor PT Technindo Contromatra for boiler repair at Sungai Pinang Factory. The agreement is valid for 7 weeks since the work agreement was agreed, starting from 5 July – 23 August 2022.

**2.2.2**

In monitoring the use of contractors for plantation and mill activities, the unit of certification has properly documented the list of contractors, the number of workers they have, contact persons, work agreements, and ensured other matters relating to compliance with laws and regulations in Indonesia. Indonesia. The following are some examples of evidence of compliance by third parties with applicable regulations:

- Payment of *BPJS* workers for contractors, for example:
  - Payment of *BPJS* Employment for 9 PT MKJP contractor workers on July 8<sup>th</sup>, 2022 through Bank Mandiri.
  - Payment of *BPJS* Employment for 12 contractor workers of PT Technindo Contromatra on July 19<sup>th</sup>, 2022 via bank transfer.
- Contract workers' pay slips, for example:
  - PT MKJP operator with initials AW who receives a salary of IDR 5,389,500, - in June 2022. The salary components are basic salary, premiums and deductions.
  - PT MKJP operator with the initials RYNT who receives a salary of IDR 6,094,500, - in June 2022. The salary components are basic salary, premiums and deductions.
- Operational License (*SIO*) PT MKJP lift-and-transport aircraft, for example:
  - Workers with initials JS number 155249-OPK3-LT/PAA/IX/2020 which is valid until October 15<sup>th</sup>, 2025.
  - Workers with initials SHR number 189578-OPK3-EXC/PAA/X/2021 which is valid until October 22<sup>nd</sup>, 2026.
- Class 1 Welder Certificate for contractor workers with the initials JK at PT Technindo Contromatra from the Directorate General of Labor Supervision and Occupational Safety and Health.

Evaluation of legal compliance to contractors has also been carried out by the certification unit once a year. The unit of certification shows the Summary of Evaluation on Contractors Adherence to Safety Procedures for year 2021. For example, evaluations for replanting contractors obtained good results in providing *SIO* and *BPJS* to their workers, operators have also used PPE when working and are competent in operating heavy equipment.

**2.2.3**

There are clauses regarding the fulfillment of applicable legal requirements in the contractor agreement as shown in the work agreement contract document, including:

- The second party (contractor) complies with the wage payment regulations
- The second party (contractor) will be responsible for ensuring the safety and health of all workers, such as providing PPE when carrying out work.
- The second party (contractor) is required to register its workforce in the *BPJS* program.
- The second party (contractor) does not employ children under 18 years old.

Then the company also shows the Vendor Code of Business Ethics for third parties which was issued in February 2019. The document describes several requirements that must be complied with by third parties, for example complying with legal rules regarding reasonable working hours (including holidays and leave) and committing to eradicate all forms of forced labor, slavery and human trafficking.

Based on interviews with contractors, it is known that contractors can explain some of the prohibitions in accordance with the labor law, for example, will not accept workers under 18 years of age, do not perform forced labor, do not accept workers from human trafficking, etc.

**Status: Comply**

**2.3**

**All FFB supplies from outside of the unit of certification are from legal sources.**

**2.3.1**

The company has a list of direct FFB suppliers for the period 2021/2022 with details as follows:

Supplier	Status	Width (ha)	Location	Coordinate
Bukit Pinang Estate	SimeDarby Group	3,138.58	Village Sungai Pinang, Sub-District Muara	S S 02° 59' 14" E 103° 24' 20"

			Lakitan, District Musi Rawas, Province Sumatera Selatan	
Sungai Pinang Estate	SimeDarby Group	1,796.19	Village Sungai Pinang, Sub-District Muara Lakitan, District Musi Rawas, Province Sumatera Selatan	S 02° 59' 13" E 103° 24' 25"
KKPA. PT BSC	SimeDarby Group	381.02	Village Sungai Pinang, Sub-District Muara Lakitan, District Musi Rawas, Province Sumatera Selatan	S 04° 58' 00" E 103° 25' 11"
PT Daya Agro Lestari (PT DAL)	Outgrower	1,093.29	Village Sungai Pinang, Sub-District Muara Lakitan, District Musi Rawas, Province Sumatera Selatan	S 02° 56' 44" E 103° 24' 9.3"

The supplier list recording also explains details regarding the legality of the land owned by the supplier, for example for PT Daya Agro Lestari which already has land rights based on the Decree of the Minister of Agrarian and Spatial Planning No.: 4/HGU/KEM-ATR/BPN/II/ 2020 Regarding the Granting of Cultivation Rights on behalf of PT Daya Agro Lestari, on land in Musi Rawas Regency, Sumatera Selatan Province. FFB suppliers other than own estate are suppliers who have not been RSPO certified.

**2.3.2**

From the results of a review of production documents for the period 2021/2022 along with interviews with weighing operators at the Sungai Pinang POM, the company does not accept FFB from collecting agents.

**Status: Comply**

**PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE**

**3.1**

**There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.**

**3.1.1**

The CH shows PT Bina Sains Cemerlang Business Plan document for the period 2022 – 2026 signed by the Head of Sustainability & Quality Management. The document has explained, among others, seedling projections, production FFB, OER, KER, CPO and PK price projections, revenue and cost projections including the replanting program. For example, assessments for 2023 include FFB 88,284 mt; with FFB quality so that OER 22.10% is achieved; KER 4.85%; CPO production 19,640 mt; PK production 4,310 mt; CPO price Rp 9,607,143/mt; PK price Rp 5,767,857/mt; income Rp 213,546,532,000; production cost Rp 6,751,595/mt; and a 505-ha replanting program.

**3.1.2**

The company representative explained the company's replanting plan. Such as in 2022 an area of 451.77 ha, in 2023 an area of 504.89 ha, in 2024 an area of 526.6 ha, and 2026 an area of 355.74 ha. Such as in 2022 an area of 451.77 ha, in 2023 an area of 504.89 ha, in 2024 an area of 526.6 ha, and 2026 an area of 355.74 ha.

For replanting evaluation, it is shown in the replanting Work Inspection Report (BAPP). The CH shows an example of BAPP for SPE dated 01 July 2022 from work agreement 003/Replanting/BSC/VI/2018, including uprooting, chopping, terrace construction, and road construction. The evaluation is carried out during the implementation of the RSPO internal audit which is carried out regularly. The results of the internal audit are discussed in the SQM Meeting, which is shown in the minutes of the SGM Meeting and the attendance list on 11-12 January 2022.

**3.1.3**

Management reviews are carried out regularly. One of them was shown in the SQM meeting held on 11 – 12 January 2022 which was attended by 32 participants consisting of Department Heads, Managers, and Assistants. During the meeting, discussions covered budget discussions, internal audit results, process performance and product conformity as feedback from customers, status of preventive actions and improvement plans, follow-up to improvement plans, management system reviews, and recommendations for improvement.

**Status: Comply**

**3.2**

**The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.**

**3.2.1**

The certification unit already has a system to improve existing practices, in accordance with the latest information and techniques as well as a socialization mechanism for all workers following current technological developments. The unit of certification also develops guidelines for farmers by providing systematic training for continuous improvement. Some of the evidence that has been applied for continuous improvement include:

**Internal Audit**

The CH has carried out internal sustainability audits on a regular basis. The last RSPO internal audit was carried out on 09 - 12 May 2022, with 9 findings, including the implementation of MCU for pesticide handling workers. The results of the study of documents and interviews with pesticide handling workers, it is known that the MCU has been implemented in July 2022.

**Employment aspect**

- There is the application of finger print technology to perform attendance.
- Unit of certification does not use contract labor for permanent work.

**Best Management Practice aspect**

- The CH does not use pesticides with the active ingredient paraquat dichloride
- The CH has implemented the IPM in order to reduce the use of pesticides.
- The CH has planted vetiver grass for soil conservation in the area.

**3.2.2**

The company has shown the metric template ver.2.1 which has been filled in according to the existing supporting data, for example related to the area of the certificate, the area of the conservation area, the details of the workforce, to the production of certified FFB according to the specified period.

**Status: Comply**

**3.3**

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

**3.3.1**

The company already has a Standard Operational Procedure for company operations. The displayed SOP has covered all plantation and processing operations in the mill. For plantation operations, it is stated in the Oil Palm Agronomic Planting Policy No. 110 / EST-ARM / 13 which consists of 18 chapters / sections on technical culture of oil palm cultivation was released based on the memorandum of the Plantation Head on 16 September 2013. Procedures for regulating such as land preparation, replanting, planting, maintenance of immature, maintenance of mature, harvesting, transporting and controlling IPM. CH also has FFB processing procedures in the Palm Oil Mill Technical Guidelines which consist of the basics of palm oil processing, oil and palm kernel stockpiling, mill wastewater control, water treatment and laboratory analysis and others. In the OHS aspect, operational activities also have LOTO procedures and work permits.

Based on field observations revealed that the workers had understood the technical work in accordance with the procedures they had. For example, field observations in the engine room show that the Operator has understood the aspects of work according to procedures. Likewise, observations at the Sungai Pinang Estate and Bukit Pinang Estate harvesting activities revealed that the harvesters had understood the harvesting techniques according to the company's



procedures

### 3.3.2

Mechanisms to check the implementation of procedures consistently, the company conducts internal audit activities. In addition, to examine the implementation of procedures for work carried out by contractors/third parties, the company evaluates contractors and conducts inspections when submitting minutes of work completion at each stage of payment. The company also evaluates the contractors that have been discussed in indicator 2.1.2.

For example, during field observations at POM it was known that every visitor who entered POM had to use PPE according to their activities. The inspection is carried out by POM security and safety officers.

### 3.3.3

The CH already has a record of the monitoring and follow-up that has been done, for example:

- PT BSC RSPO internal audit report conducted 9 – 12 May 2022
- BPE Operational Internal Audit Report dated 7 – 11 February 2022, shown in the LK3P document (Conclusion and Examination Worksheet)
- SPE Operational Internal Audit Report dated 12 – 17 February 2022.
- SPF Internal Audit Operation Report dated 18 – 22 February 2022.
- FFB Quality Inspection Report in Sungai Pinang POM.

However, based on the results of field visits, the following were found:

- Household waste piled up on vacant land around Housing Complex of Bukit Pinang Estate Division 3 Housing.
- Household waste scattered along the ditch beside the Housing Complex of Division 3 Sungai Pinang Estate housing estate.
- 3 units of ex-oil drum and 1 unit of ex-paint packaging cans behind the house at Housing Complex 3 of Sungai Pinang Estate Housing.
- Disposal of household waste in the vacant land in front of the house No. 5 and house No. 7 at CHC Sungai Pinang Mill Housing.
- 1 unit oil drum in the Iron and Building Warehouse, 4 oil drum in the Main Warehouse, and 1 unit of grease packaging at the Sungai Pinang Mill Security Post.
- 2 points of burning household waste located in the trash can in front of the house and vacant land in front of the house No. 5 at CHC Sungai Pinang Mill Housing.

The results of interviews with 3 residents of the Sungai Pinang Mill CHC Housing stated that waste transportation is carried out every 1-2 times a week and there is a prohibition on burning household waste. In addition, waste that is dumped in the vacant land in front of the house and burned because wet household waste causes odors if stored in the trash can provided in front of the house.

Based on result of field visits, the following were found:

- Domestic waste piled up on vacant land around Division 3 Housing Complex of Bukit Pinang Estate
- Domestic waste scattered along the ditch beside Division 3 Housing Complex of Sungai Pinang Estate.
- 3 units of ex-oil drum and 1 unit of ex-paint packaging cans behind Division 3 Housing Complex of Sungai Pinang Estate.
- Disposal of domestic waste in vacant land in front of the house No. 5 and house No. 7 at CHC Housing Complex Sungai Pinang Mill.
- 1 unit of oil drum in Iron and Building Material Warehouse, 4 units of oil drum in Main Warehouse, and 1 unit of grease packaging at Security Post of Sungai Pinang Mill.
- 2 points of ex burning household waste located in trash bin in front of house and vacant land in front of house No. 5 at CHC Housing Complex of Sungai Pinang Mill.

Results of interview with 3 residents of Sungai Pinang Mill CHC Housing stated that waste transportation is carried out every 1-2 times a week and there is a prohibition on burning household waste. In addition, waste that is dumped in the vacant land in front of the house and burned because wet domestic waste causes odors if stored in the trash can provided



in front of the house.

Based on this field observation result, company has presented the following documents:

- Decree of Hazardous and Toxic Waste Storage Officer No. 0201.MGR/PT. BSC-SPF/I.2022 dated 3 January 2022 which contains appointment of the Hazardous and Toxic Waste Storage Officer at PT BSC-SPF who is Personnel Division personnel.
- Decree of Head of Environment CHC SPF No. 202/MGR/PT. BSC-SPF/VII/2022 dated 21 July 2022 issued by Mill Manager SPF. Based on the document, there was a decision to appoint mechanical personnel as Head of the Environment CHC SPF with the task of ensuring that there is no burning and disposal of waste in any place, ensuring that waste is transported and collected according to schedule, conducting a checklist of waste bins, coordinating mutual cooperation once a month in the first week, and report conditions that are not in accordance with the regulations in CHC housing complex to Acting Sr. Assistant.
- Documents for transferring 1 unit of oil drum packaging at Iron and Building Material Warehouse, 4 oil drums in the Main Warehouse, and 1 unit of grease packaging at the Security Post on 20 July 2022 to the Hazardous and Toxic Waste Storage.
- Goods Delivery Note No. 07/SPE/B3/6/2022 dated 21 July 2022 regarding the transfer of 3 units of ex-oil drum @209 liters and 1 unit of ex-paint packaging cans @20 kg behind the house at Division 3 Housing Complex of Sungai Pinang Estate to Hazardous and Toxic Waste Storage. This has been recorded in the Hazardous and Toxic Waste Logbook and Balance Sheet for July 2022.
- Warning Letter 1 (one) No. 01/SPE/DIV 3/Reprimand 1/Jul/2022 dated 20 July 2022 regarding a warning against a.n. SSW Employees at Division 3 Sungai Pinang Estate regarding the discovery of an ex-oil drum in the house in question. The employee gave a statement that the ex-oil drum did not belong to PT BSC but had to be purchased by himself.

Company has also procedures to manage its domestic and hazardous waste as follow:

- SOP for Hazardous Waste Management No. 5.3/BSC-PLB3/V16 Revision 03 dated 20 July 2022 which was approved by the Estate Manager and Factory Manager. The procedure states in point 7.a that, "Hazardous and toxic waste generated by each operational unit is transported to a licensed temporary hazardous and toxic waste storage area at the beginning of every month."
- SOP for Waste Management No. 33/PS/VII/2014 Revision 1 dated September 1, 2014 which was approved by the Estate Manager and Factory Manager. The procedure states the following:
  - Point V.1 states that, "Domestic waste is collected in trash bins that have been provided in the housing or work location."
  - Point V.8 states that, "Trash is only disposed of in the place provided. It is not allowed to throw garbage indiscriminately."
  - Point V.9 states that, "It is not permissible to burn the collected household waste."

Based on the explanation above, company has not shown evidence that the monitoring system and follow-up on procedures, particularly those related to waste management, have been fully operational. This has been **Nonconformity No. 2022.05 with Minor Category**.

**Status: Nonconformity Number 2022.05 with minor category.**

**3.4**

**A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.**

**3.4.1**

Company already has several documents related to social and environmental impact studies carried out independently or participative by involving affected stakeholders in collaboration with accredited independent experts. Some of the records held by company are as follows:

**Environmental Impact Assessment (EIA)**

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. 005/ANDAL/RKL-RPL/BA/X/94 dated 18 October 1994. The study

includes 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.

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 Centre 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).

In the document above, information related to environmental aspects and parameters must be monitored and managed, along with information on targets and implementation times contained in Management and Monitoring Plan (RKL-RPL) matrix. The document has also covered all aspects of plantation and mill activities and their changes throughout the operational activities. The sampling methodology used is participatory, involving external stakeholder groups to identify impacts. Based on the verification of these documents, it can be concluded that all environmental impacts from plantation activities have been identified, and their management recommended relevant regulations and laws.

Company has also identified HCV area within its operational area. The identification was conducted by independent consultant of CV POLLITO. Activities that have involved the community are shown by Minutes of Implementation of Consultation Activities on HCV Identification (No. 04/ BAP/Pollito/05/2011) dated May 12, 2011. The public consultation was attended by 16 people consisting of consultants, community, academics (students), relevant agencies, NGOs, village heads and company management. Identification result shows that HCV area including Pinang River, Durian River, Selingsing River, and Black River; with a total river length of  $\pm$  49.2 km; Based on Presidential Decree 32 of 1990, a protected area (buffer zone) is set as wide as 50 m on the left and right of the river or equivalent to  $\pm$  492 ha. Further explanation of HCV assessment is contained in 7.12.2.

### **Social Impact Assessment (SIA)**

Company has conducted social impact assessment of oil palm plantation management in July 2011 conducted by CV POLLITO. The report about the involvement of which contain the public to ask for input related to environmental and social aspects of society. Communities involved include (documented in the public hearing event attendance list): Forest Agency, Environment Agency, Plantation Agency, Social Agency, local NGOs, Community Leaders, Customary Leaders, Youth Groups, etc. The form of stakeholder involvement is carried out through discussions, interviews, field checking and telephone contacts.

The form of stakeholder involvement is through discussions and interviews. There is recorded evidence in the form of the attendance list of activities public hearing on January 6, 2010. The event was attended among others by: Community leaders, customary leaders, youth groups, Forest Agency, Environmental Agency, Agriculture Agency, Social Agency, local NGOs, and other.

The types of data collected are primary data and secondary data. Primary data collection for monitoring the management of social impacts is obtained from relevant stakeholders, affected parties, and local village officials who represent the community and as verifiers. Secondary or indirect data collection is carried out through literature studies through various references such as environmental assessment documents, HCV study results in documents, local government literature, CSR implementation records, company internal data, correspondence between companies and affected parties, local news, and information. National and so on. These data sources are used as consideration for social impact management recommendations. Based on the verification of these documents, it can be concluded that all social impacts of plantation activities have been identified, and their management recommended relevant regulations and laws.

### **3.4.2**

Company has managed and monitored social and environmental impacts that are carried out independently by involving affected stakeholders. Some evidence of documentation of activities that have been carried out are as follows:

### **Social Impact Assessment (SIA)**

Social monitoring and management plan included The Social Impact Assessment conducted in 2011. Based on document verification, the management plan and monitors the social impact that the company has implemented based on participatory results with affected parties. The program has included an issues management schedule and PIC. Social and environmental management and monitoring plan has been developed with the participation of affected stakeholders. The form of stakeholder involvement is through discussions and interviews. There is recorded evidence in the form of the attendance list of activities public hearing on January 6th, 2010. The event was attended, among others, by Community leaders, customary leaders, youth groups, Forest Agency, Environmental Agency, Agriculture Agency, Social Agency, local NGOs, and others. Based on the interviews with the surrounding community, relevant agencies, and internal stakeholders, the company has identified and managed environmental and social impacts such as social assistance, infrastructure improvements, surface water management, land ownership licensing processes, etc. During the audit, the company has shown a document of social impact management and monitoring plan activities for the period 2021-2022.

Based on the results of consultations with workers' representatives, there is no form of discrimination against workers, no underage workers were found, the company has also fulfilled the rights of its employees, and the company has provided several critical facilities for employees. Such as housing, water, electricity, places of worship, public facilities, educational infrastructure (schools), and other facilities. The company also allocates resources for the maintenance of the entire facility. The resource persons also stated that they could voice their views through their representative institution or a spokesperson they choose in the evaluation activities to review and develop mitigation plans and monitor the success of the implemented projects.

Based on the results of field visits and external stakeholder interviews related to the management of social impacts carried out by the company for 2021, it can also be concluded that there are no issues related to the social effects that the company has not identified. All potential social impacts have been managed and included in the management plan, which is still being collected. For example, the land ownership permit process is still under management by the community.

#### **Environmental Impact Assessment (EIA)**

Implementation of environmental monitoring and management plan are documented on periodical report of environmental monitoring and management implementation report (RKL-RPL) report for PT Bina Sains Cemerlang. Company is consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per semester regularly. This is one of effort of the company to develop its management and monitoring plan by participatory manner with affected party. This report described the realization of monitoring and management of the environment in accordance with environmental parameters in monitoring and management implementation report (RKL-RPL) report based on document verification Second Semester 2021 and First Semester 2022.

Company established an HCV management plan to maintain the HCV areas in operation are listed on the Management plan HCV 2021 documents. HCV management and monitoring implemented that taken by the management unit such as maintaining HCV attributes (HCV boundary, signboard), HCV socialization (community and worker), keeping HCV area, regular patrols for maintaining HCV security, species monitoring, enrichment in riparian. Further explanation of HCV management and monitoring plan is contained in 7.12.4. HCV Management Plan 2022 has also been participatively reviewed and developed based on result of 2021 evaluation management plan which is carried out by involving the surrounding community in December 2021 which was attended by 13 participants such as representatives of Semangus Baru Village, Desa Anyar, Sungai Pinang Village, Muara Rengas Village, Sindanglaya Village, and Sukamaju Village.

Besides, company has also evidence of implementing environmental and social impact management and monitoring plan, reviewed, and updated in a participatory manner with affected stakeholders. This review has been conducted annually. Based on results of Socialization/Consultation document regarding the action plan and monitoring of social and environmental impacts in 2022, which was carried out on December 12, 2021, to surrounding community such as Semangus Baru Village, Desa Anyar, Sungai Pinang Village, Muara Rengas Village, Sindanglaya Village, and Sukamaju Village. Based on this document, the implementation of monitoring and management of social and environmental impacts have been reviewed.

#### **3.4.3**

Company has made efforts to implement the management and monitoring of social and environmental impacts as described in indicator 3.4.2. In addition, company also periodically updates the administration in a participatory manner.

Some documentary evidence of the actions that have been made are as follows:

#### **Social Impact Assessment (SIA)**

Company has shown evidence of implementing the social impact management plan, reviewed, and updated in a participatory manner with affected stakeholders. This review has been conducted annually. Based on the results of the Socialization/Consultation document regarding the action plan and monitoring of social and environmental impacts in 2022, which was carried out on December 12, 2021, to the environment around the community such as Semangus Baru Village, Desa Anyar, Sungai Pinang Village, Muara Rengas Village, Sindanglaya Village, and Sukamaju Village. Based on this document, management and monitoring of social plan of 2022 which has been reviewed, such as social aspect (land conflict, public facility, land fire handling socialization), economic aspect (plasma construction), educational aspect, health aspect, religious aspect, and environmental aspect.

#### **Environmental Impact Assessment (EIA)**

Company involves Environment Service and the Ministry of Environment and Forestry to monitor the results of environmental management by presenting Management and Monitoring (RKL-RPL) reports and other environmental management documents that are sent every certain period, which can be proven in indicator 1.1.2. Company also does not block access to all environmental agencies if they carry out field verification in their management areas. It aims to obtain advice and advice in carrying out environmental management by the vision, mission, and government programs so that they can run synergistically. Monitoring and updating related to environmental impact management are also carried out in conjunction with an evaluation of HCV management described in more detail in indicator 7.12.4. However, in general, all recommendations from the assessment of HCV management carried out in a participatory manner will be carried out in line with the management and monitoring of environmental impacts.

Company established an HCV management plan to maintain the HCV areas in operation are listed on the Management plan HCV 2021 documents. HCV management and monitoring implemented that taken by the management unit such as maintaining HCV attributes (HCV boundary, signboard), HCV socialization (community and worker), keeping HCV area, regular patrols for maintaining HCV security, species monitoring, enrichment in riparian. Further explanation of HCV management and monitoring plan is contained in 7.12.4. HCV Management Plan 2022 has also been participatively reviewed and developed based on result of 2021 evaluation management plan which is carried out by involving the surrounding community in December 2021 which was attended by 13 participants such as representatives of Semangus Baru Village, Desa Anyar, Sungai Pinang Village, Muara Rengas Village, Sindanglaya Village, and Sukamaju Village.

Based on the verification results of the Management and Monitoring (RKL-RPL) Implementation Report document for Second Semester of 2021 and First Semester of 2022, it can be concluded that all the management and monitoring parameters requested in the environmental document matrix have been implemented. Several things can be concluded from the results of the review of the RKL-RPL document for Second Semester of 2021 and First Semester of 2022, including:

- Preventing soil, water, and air pollution by reducing the use of chemicals, managing waste properly, and complying with proper waste disposal in each area.
- Carry out efforts to save the environment by protecting areas important for environmental sustainability, such as river borders.
- Manage and monitor the impact of potential land and land fires.
- Manage and monitor the quality of soil, air, water, and other disturbances.
- Utilizing solid waste from palm oil mills as a substitute for fertilizers and fossil fuels.

Company has shown the RKL-RPL Implementation Reports for Semester 2 of 2021 and Semester 1 of 2022 which have included all the parameters included in the RKL-RPL matrix in the 2007 AMDAL document. environmental monitoring test results are as follows:

RKL-RPL Implementation Report for Semester 2 of 2021:

- Results of surface water quality testing that exceed the quality standards set out in Government Regulation (PP) No. 22 of 2021 Annex VI Class I at upstream point of Pinang River (color, ammonia, and dissolved iron), downstream of Pinang River (color, DO, TSS, ammonia, dissolved iron), upstream of Durian River (color, BOD, ammonia, dissolved iron, and dissolved manganese), as well as downstream of Durian River (color, DO, BOD, COD, ammonia, dissolved iron, and dissolved manganese).
- Results of monitoring well water quality testing that exceed the quality standards set out in Health Minister Regulation

(Permenkes) No. 32 of 2017 at the point of land application monitoring wells, non-land application monitoring wells, and resident wells with pH and fecal coliform parameters.

Report on Implementation of Management and Monitoring (RKL-RPL) Semester 1 of 2022:

- Results of surface water quality testing that exceed the quality standards set out in Government Regulation (PP) No. 22 of 2021 Appendix VI Class I at upstream point of Pinang River (color parameters, DO, TSS, BOD, ammonia, dissolved iron, and free chlorine), downstream of Pinang River (color, DO, TSS, ammonia, dissolved iron, and free chlorine), upstream of Durian River (pH, DO, BOD, ammonia, manganese, and free chlorine), and downstream of Durian River (pH, DO, ammonia, and free chlorine).
- Results of monitoring well water quality testing that exceed the quality standards set out in Health Minister Regulation (Permenkes) No. 32 of 2017 at the point of land application monitoring wells, non-land application monitoring wells, and resident wells with pH and fecal coliform parameters.

Based on Decree of Minister of Environment No.45 of 2005 concerning Guidelines for Writing *RKL-RPL* Reports, company compiles report document on the implementation of management and monitoring (*RKL-RPL*) with minimum requirements containing an evaluation form which can be included Evaluation of Trends, Critical Levels and Compliance which are discussed for monitored aspects. Based on results of the document review, those two reports of implementation of management and monitoring (*RKL-RPL*) above have not included an evaluation of the test results that exceed these quality standards. Company has not shown evidence of having compiled reports in accordance with applicable regulations. This has been **Nonconformity No. 2022.06 with Major Category**.

**Status: Nonconformity No. 2022.06 with Major Category**

**3.5**

**A system for managing human resources is in place.**

**3.5.1**

The unit of certification has procedures for recruitment, promotion, retirement, and termination of workers which are contained in:

- SOP No. Policy 410/EGM-TA/HRM regarding Procedures for Admission of Staff, Non-Staff, *SKU* and *PHL*.
- *SKU* recruitment is stated in Memorandum Number 0057/PRS-i2/X/12 concerning Procedures for Recruitment of *SKU* Workers dated October 22<sup>nd</sup>, 2012.
- *PKWT* recruitment is listed in Inter-Office Mail Number 017/CEO-RSS/VI/2021 regarding Procedures for Recruitment of *PKWT* Workers dated June 19<sup>th</sup>, 2021.
- Memorandum of Head Plantation Upstream Indonesia, Number: 287-HRM-i1-V-11. This procedure consists of carrying out a performance appraisal carefully, carefully and objectively, the final score and value of the evaluation, an appraisal letter and the submission of the results of the performance appraisal.
- CLA for the period of 2021 – 2022 which has been ratified by the Head of Manpower and Transmigration Office on February 23<sup>rd</sup>, 2021. The document explains all aspects of labor regulations related to worker recruitment, promotion, transfer, demotion, retirement and termination of employment.

In the procedure, it is explained that the minimum age for workers is 18 years, recruitment information is carried out openly, recruitment is free of charge, there is no retention of workers' personal documents, and the mechanism for employee recruitment through the administrative selection stage, written test/field practice, interviews, and medical examination results. Likewise, employee promotions are assessed through the stages of performance evaluation based on ability, knowledge, cooperative initiative, work ethic, responsibility, etc. In addition, pensions and layoffs for workers are carried out based on the applicable labor laws and regulations.

Based on the results of interviews with workers, there is no recruitment process that burdens workers with recruitment fees and the certification unit also does not hold documents. The recruitment process has been carried out based on applicable procedures, workers send job applications and will then be selected based on the administrative selection stage, interviews, etc. Then the resource person added that the promotion/appointment of contract workers to permanent workers was assessed through performance evaluation. Then, if there are layoffs for workers, for example absent from work, the certification unit will provide a warning letter periodically before the end of their working period.



**3.5.2**

The unit of certification always documents all labor procedures that have been carried out correctly such as recruitment, promotion, performance appraisal, and others. The following are some examples of labor procedures that have been well implemented and documented by the certification unit, for example:

- Documents of acceptance of workers in 2022, for example the recruitment of workers with initials AS who have sent an application letter on March 10<sup>th</sup>, 2022 by attaching their identity (e-KTP, photo and family card), certificate of graduation (diploma), results of medical examination as well as other prerequisite documents. The worker has been accepted as a compounded worker at the SPF unit through the stages of acceptance determined by the procedure, for example: administrative selection, interview, etc.
- Performance evaluation document with initial name RN for the period January – December 2021 which informs the assessment criteria (work ability, knowledge, work initiative, cooperation, work ethic, responsibility, etc.), the results of the assessment and follow-up on the results of the assessment.
- Employee promotion document in the form of Decree Number 040/SK-PROM/SKU-SPF/III/2022 dated March 1<sup>st</sup>, 2022. Based on the results of the performance evaluation for the period January – December 2021, workers with the initials RN were promoted from contract workers (*PKWT*) to workers fixed (*SKU-H*).
- Retirement with initials AG listed in the document Inter-Office Mail Number 198/BSC-SPF/VI/2022 on June 7<sup>th</sup>, 2022 and Decree Number 188/BSC-SPF/SK-PN/VI/2022 on June 23<sup>rd</sup>, 2022. The certification unit has provided compensation for employee rights in the form of severance pay, award money and money from the remaining annual leave whose calculations have been adjusted to chapter 55 of *PP* 35 of 2021.

The explanation above proves that the unit of certification has implemented labor procedures properly and is documented for each employee.

**Status: Comply**

**3.6**

**An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.**

**3.6.1**

The CH has OHS policies and OHS Procedures, that have not changed from the previous audit. The company also shows HIRAC documents for each Estate and Mill unit which is available in Indonesian. The document informs the type of work, potential hazards, effects, risks, risk control, risk after control, and PIC.

The results of the housing visit at *Pondok* 3 SPE found wells, water pumps, and drainage installations to the house. The results of field observations revealed that the company has a fire tower and boundary markers. The results of the HIRAC study, it is known that activities related to this have not been included in HIRAC.

Based on this, companies are encouraged to identify risks and implement plans according to existing conditions in the company. **OFI.**

Based on review of the SQM Meeting document revealed that the work accident that had occurred had been evaluated to prevent the accident from happening again. It was informed that one of the EHS programs that became the evaluation material was a visit to work accident victims during recovery and when working again as an evaluation of follow-up repairs after work accidents. Based on interviews with workers, both in the mill and plantations, it is known that workers have understood the work risks that can occur and the implementation of mitigation such as the use of PPE and the application of LO-TO.

**3.6.2**

Relevant PPE is available for all workers in accordance with the identification of potential hazards in these work activities such as pesticide application, machine operations, manuring, harvesting, and etc. Discussions related to the results of field visits are contained in indicator 6.7.3.

The CH representative explained that management reviews are conducted periodically. For example, the January 2022 management review is shown in the SQM (Sustainability & Quality Management) Report, which was attended by the HOD

(Head of Department), Managers, and related Assistants. The results of the document review, it is known that the agenda of the meeting includes discussing the budget and the results of the internal audit sustainability.

Based on field observations in Division 2 BPE, Block F17, it is known that there is a grabber tractor operator with the initials AR who does not yet have an SIO. In addition, from the results of interviews with representatives of BPE, it is known that there are 6 tractor grabber operators in the unit that do not yet have an SIO.

The results of interviews with SPE representatives, it is known that SPE has 6 tractor grabber units, 1 tractor unit, 1 roar grader, and 1 loader. Currently, the SPE unit has 6 operators who are conducting PAA training through PJK3 on 19 – 22 July 2022, with details of 4 tractor grabber operators, 1 tractor operator and 1 loader operator. Currently there are 3 operators who do not have an SIO. The company has shown the PAA operator SIO training plan from PJK3 for 3 SPE and 6 BPE operators which will be implemented in 2022.

Regarding OFI on ASA 1.4 verification has been carried out, as follows:

Based on document review revealed that a special medical examination had been carried out, with the results coming out in July 2022, with the following results:

- SPE with 99 participants: sprayers, fertilizers, mechanics, and operators. The examination carried out was a cholinesterase examination, with recommendations for 12 mutations and 1 consul to an ENT specialist.
- SPF with 27 participants sample boy, lab, WTP, boiler, warehouse. The examination carried out was a cholinesterase examination, with the recommendation of 4 mutations and 5 consuls to an ENT specialist.
- BPE with 65 participants: sprayers, fertilizers, mechanics, and operators. The examination carried out was a cholinesterase examination, with recommendations for 10 mutations and 4 consuls to an ENT specialist.
- The company has followed up on the results of special MCUs, such as IOM Manager SPF no 217 of 2022 dated 21 July 2022 regarding temporary mutations and follow-up for further examinations for those who are recommended to ENT specialists facilitated by the Head of Division. There is also IOM Manager BPE No. 34 of 2022 dated July 20, 2022 regarding temporary mutations and follow-up for further examinations for those who are recommended to ENT specialists facilitated with the Head of Section.

Based on review of PT BSC's 2022 MCU Schedule, it is also known that the planning for Health checks for all employees in 2022 will be carried out in October 2022.

**Status: Comply**

**3.7**

**All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.**

**3.7.1**

PT Bina Sains Cemerlang has identified the need for a training program for all staff and workers according to their position and type of work based on aspects of the RSPO P&C. Training programs that will be implemented in 2022, for example training on spray, harvesting, fertilizer, electrical competence, first aid worker training, class 1 and class 3 boiler operator training, fire emergency response simulation, socialization of process operator work instructions, dissemination of certification unit policies , etc.

The unit of certification has identified training programs for farmers around the plantation as stated in the Inter-Office Mail document number 007/PSD/II/2022 dated January 5<sup>th</sup>, 2022, including:

- Training/socialization of Registration Certificate (*STD*) with Musi Rawas District Plantation officers
- Training on oil palm planting procedures, plate cleaning, pest spraying and correct FFB harvesting.

In addition, the certification unit has also identified training/socialization programs for contractors and local communities in 2022. For example, socialization of PPE, OHS and certification unit policies such as business ethics and human rights policies.

**3.7.2**

The unit of certification shows the official document of the realization of the training program in 2021-2022, for example:



- Harvest training at the Bukit Pinang Estate unit on June 6<sup>th</sup>, 2022 attended by 22 harvest workers.
- Spray team training at the Bukit Pinang Estate unit on June 14<sup>th</sup>, 2022 attended by 11 spray workers.
- Lifting and transport training (grabber operator) on July 19<sup>th</sup> – 22<sup>nd</sup> 2022.

Based on the results of interviews with workers and stakeholders around the certification unit, it is known that the certification unit has provided training related to the activities carried out. For example, during a field visit to the spray team at block E6 division 3, workers can explain the technical aspects of spraying based on the 67 principle (right target, right quality, right type of pesticide, right time, right dose/concentration and right method of use).

Based on the description above, the certification unit has proven that there are training activities for all staff, workers, and stakeholders. Records of the training activities have been maintained in the official report document.

**3.7.3**

The unit of certification also presented Memorandum Number 002/PSQM-UM/II/2013 dated February 27<sup>th</sup>, 2013 regarding the RSPO Supply Chain System. The document describes the supply chain system for all Minamas Plantation management including PT BSC. In addition, it is also explained regarding the labeling of supply chain raw materials (FFB), supply chain products of CPO, PK and Shell.

In implementing the policies contained in the memorandum, the certification unit conducts training for personnel who perform important tasks for the effective implementation of SCCS such as weighing clerks, production clerks, bookkeepers, analysts, maintenance, grading foreman, security guards, etc. The SCCS training activity was held on March 14<sup>th</sup>, 2022 and was attended by 13 workers by discussing several materials related to understanding procedures related to SCCS such as:

- Sources of FFB entering the certified and uncertified Sungai Pinang mills
- Provide certified and uncertified fruit stamps on the fruit delivery letter, and
- Conduct quality grading, processing and storage according to the SCCS model

From the description above, it can be concluded that the unit of certification has provided adequate training for personnel who perform important tasks for the effectiveness of SCCS implementation.

**Status: Comply**

**3.8**

**Supply Chain Requirements for Mills**

**3.8.1, 3.8.2**

The mill is receiving and processing FFB from certified and uncertified sources, hence, the RSPO SCCS Module E (MB) are applied.

**3.8.3**

Estimates of CPO and PK produced by Sungai Pinang POM obtained from the projection based on actual data of 12 months before audit activities, here's the detail:

	<b>Last Year Projected Certified Volume (MT)</b>	<b>Actual production in last 12 months (MT)</b>	<b>Estimation for the next 12 months</b>
FFB Processed	70,000	67,354.19	73,900
CPO Production	16,000	14,044.00	15,500
Palm Kernel (PK) Production	3,200	2,876.68	3,600

**3.8.4**

The Mill have been registered in RSPO IT platform for license period (16 May 2022 – 10 September 2022), with license id CB133649, RSPO member id: RSPO\_PO1000000316, member name: PT Sime Darby Plantation – Sungai Pinang POM, PT BSC.

All transactions also have been registered on RSPO IT Platform, including CSPK dan CSPO volume removed. Based on

document verification, there's no certified product transaction on license period.

**3.8.5**

Sungai Pinang POM has had procedure for SCCS with MB or IP model in SOP Supply Chain (SCCS-Std/RSPO/PSQM/03 rev04 dated on 1 June 2020) which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. The procedures have explained related to the duties and responsibilities of each part. The manager has the highest authority to approve this manual which is integrated with the policy (policy). Policies and procedures written and / or referenced in this document must be followed in order to achieve, maintain and ensure the quality of products produced by unit management, and meet customer requirements. Department of PSQM are responsible to conduct internal audit annually for SCCS and the Marketing Dept are responsible to validate the supplier/buyer and reporting/announce all the transaction to RSPO IT Platform. The company's procedures have been revised in accordance with the latest RSPO SCCS system reference (Revised 01 February 2020).

Auditors conduct interviews with workers who are responsible for the delivery of certified products, namely weighing operators. Operator are able to explain the technical acceptance of certified FFB, sales of CPO/PK and also the reporting mechanism if there is an error in recording information.

**3.8.6**

Internal Audit procedure has been included on SOP of RSPO SCCS Manual - RSPO Supply Chain Certification Standard SCCS-Std/RSPO/PSQM/02 rev.01 dated on July 2<sup>nd</sup>, 2020 which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents.

The latest audit of SCCS is conducted on 9 to 12 May 2022, there are no non-conformities related to supply chain aspect.

**3.8.7**

Sungai Pinang POM only received FFB from certified and uncertified, here's the detail:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Jul-21	5,980.02	-	5,980.02
Aug-21	5,944.40	-	5,944.40
Sep-21	5,686.81	-	5,686.81
Oct-21	4,696.82	-	4,696.82
Nov-21	5,301.63	-	5,301.63
Dec-21	4,312.71	-	4,312.71
Jan-22	4,210.13	-	4,210.13
Feb-22	3,338.78	-	3,338.78
Mar-22	6,551.88	155.58	6,707.46
Apr-22	7,811.53	383.79	8,195.32
May-22	6,202.39	144.90	6,347.29
Jun-22	7,317.09	35.34	7,352.43
<b>Total</b>	<b>67,354.19</b>	<b>719.61</b>	<b>74,840.91</b>

The auditor has verified FFB received records over the last 12 months, the total FFB certified received was 67,354.19 MT.

**3.8.8**

Based on document verification, there's no certified product transaction on license period.

**3.8.9, 3.8.10, 3.8.11**

Processing operations are managed by the company itself, while third parties are given responsibility for the transportation of PK and CPO products. The company cooperates with third parties on behalf of CV Semangus Indah Express in the context of product transport activities to the buyer. The contractors and certified holder also agreement with period 1 June 2022 to 31 May 2024 related to transparency of contractor operational mechanism, so the certification bodies can audit the contractors.

**3.8.12**

Sungai Pinang POM has record of all CSPO and CSPK information, as well as presented in the table bellows:

**Crude Palm Oil**

Period	CPO Production (MT)		CPO Delivery (MT)			Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	
<b>Stock Opening</b>						272.00
Jul-21	1,311.86	-	-	-	1,400.00	184.00
Aug-21	1,258.87	-	-	-	700.00	743.00
Sep-21	1,224.66	-	-	-	1,506.00	462.00
Oct-21	1,002.12	-	-	-	1,243.00	222.00
Nov-21	1,190.75	-	-	-	1,199.00	214.00
Dec-21	943.80	-	-	-	994.00	163.86
Jan-22	901.90	-	-	-	914.72	151.05
Feb-22	653.23	-	-	-	585.28	218.99
Mar-22	1,413.30	33.56	-	-	906.26	759.59
Apr-22	1,690.16	83.04	-	-	1,500.00	1,032.79
May-22	1,162.17	27.15	-	-	-	2,222.10
Jun-22	1,291.21	6.24	-	-	1,708.40	1,811.15
<b>Total</b>	<b>14,044.00</b>	<b>149.99</b>	<b>-</b>	<b>-</b>	<b>12,656.66</b>	

There's no CSPO sold as certified product for 12-month period.

**Palm Kernel**

Period	PK Production (MT)		PK Delivery (MT)			Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	
<b>Stock Opening</b>						117.69
Jul-21	259.33	-	-	-	198.00	179.47
Aug-21	262.65	-	-	-	205.00	236.70
Sep-21	252.62	-	-	-	195.00	294.61
Oct-21	212.42	-	-	-	203.00	20.43
Nov-21	246.89	-	-	-	195.00	73.60
Dec-21	202.42	-	-	-	200.00	75.13
Jan-22	182.32	-	-	-	216.59	40.85
Feb-22	124.96	-	-	-	131.69	34.12
Mar-22	279.10	6.63	-	-	46.80	273.05
Apr-22	324.81	15.96	-	-	439.36	174.46

May-22	245.04	5.73	-	-	62.52	362.70
Jun-22	284.12	1.37	-	-	296.04	352.16
<b>Total</b>	<b>2,876.68</b>	<b>29.68</b>	<b>-</b>	<b>-</b>	<b>2,389.00</b>	

There's no CSPK sold as certified product for 12-month period.

**3.8.13; 3.8.14; 3.8.15**

The mill has been defined the extraction rate dividing CPO or PK production by the total FFB process. Based on that explanation, extraction rate calculated by industry average. The implementation based on company procedures (Policy No. RSO/1.1/PD SOP, date 27 November 2017). The sounding process for quantity product calculation done by clerk administration every morning. Currently, the implemented model is The RSPO SCCS Module E (MB).

**3.8.16**

Sungai Pinang POM has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Sime Darby Plantation – Sungai Pinang POM, PT BSC
- Membership No.: 1-0008-04-000-00 (Sime Darby Plantation Berhad)
- Member ID: RSP0\_PO1000000316
- License ID: CB133649

All transactions also have been registered on RSPO IT Platform, including CSPK dan CSPO volume removed, such as:

- CSPK removed from certified stock with amount as 1,193 ton on 19 July 2022.
- CSPO removed from certified stock with amount as 5,615 ton on 19 July 2022.

Based on document verification, there's no certified product transaction on license period.

**3.8.17**

Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims.

Based on management representative interview and document review, the mill not use trademark on its sales activities and communication.

**Status:**

**PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS**

**4.1**

**The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.**

**4.1.1**

The unit of certification has a policy to respect human rights which includes preventing retaliation against human rights defenders. The human rights policy is stated in the Sime Darby Plantation Code of Business Ethics policy document August 2020. The policy states that the certification unit is committed to human rights which includes the right to provide equal opportunities, the right to respect freedom of association, eliminate all forms of exploitation, ensure working conditions appropriate measures, improve occupational safety and health, respect community rights and indigenous peoples' rights, protect the rights of vulnerable people, protect children's rights and eliminate sexual violence and abuse. The policy applies to all people within the scope of work of the certification unit, which includes all workers, partners of the certification unit, and the community/community around the business operations.

The policy has been socialized in each plantation and mill unit, for example in the Sungai Pinang Estate unit on March 16<sup>th</sup>, 2022, which was attended by 84 workers. The policy has also been socialized to local stakeholders, for example to teachers and elementary school students on February 18<sup>th</sup>, 2022 which was attended by 20 people.

Based on interviews with representatives of labor unions, contractors, and village community leaders (Sungai Pinang

Village), it was found that there were no incidents of human rights violations in the certification unit, no workers were intimidated and/or subjected to violent treatment by the certification unit. The human rights policy also explains that the unit of certification does not tolerate retaliation against someone who discloses violations or allegations with good intentions.

**4.1.2**

The unit of certification has no record related to the use of force/mercenaries/paramilitary in resolving existing conflicts/problems between the unit of certification and workers or stakeholders. This is in line with the commitment of the certification unit as stated in the Sime Darby Plantation Code of Business Ethics Policy.

Based on the results of interviews with workers, representatives of labor unions, gender committees, contractors, local community leaders (Sungai Pinang Village) and the Manpower and Transmigration Office of Musi Rawas Regency, it is known that there was no intimidation by the certification unit to workers or stakeholders. Then, the informant also added information that the certification unit did not use paramilitaries or mercenaries in the operational area of the certification unit. If there are problems, they will be resolved by deliberation without using violence. The resolution of conflicts/problems using this deliberation has been quite effective.

**Status: Comply**

**4.2**

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

**4.2.1**

The unit of certification has a mutually agreed system that is open to all parties which is listed in the complaint handling procedure as follows:

- SOP for handling employee complaints number SPO/006/BSC/2012, revision number 01/Rev/RSPO/6.5/PKK, dated November 1<sup>st</sup>, 2012 which was approved by plantation and mill managers. The procedure explains that public complaints can be submitted by telephone at the contact number provided by the assistant at each emplacement location.
- SOP for handling complaints for stakeholders' number 005/BSC/2016, dated November 1<sup>st</sup>, 2016 which was approved by the plantation and mill managers. This procedure explains that public complaints can be submitted by telephone at the contact numbers provided in each unit.
- SOP for Handling Stakeholder Complaints No.001 revision 0 dated October 31<sup>st</sup>, 2020. The procedure aims to make the stakeholder complaint handling system (internal and external) understandable to stakeholders, including those who are illiterate. In the procedure it is explained that the unit of certification provides an overview of information regarding the submission of complaints.

The above procedure has explained the person in charge of receiving and resolving complaints (external and internal officials including HRD), response period, confidentiality of the reporter and the reporter, so that further complaint handling can be carried out at the tripartite level (mediation and settlement by the government). Procedures are available in Indonesian and if there is a complaint for which a resolution is not found together, the complainants can bring the compliance to the RSPO Complaints System. The procedure has been socialized to all parties, for example to workers and local stakeholders

**4.2.2**

The certification unit has a complaint handling procedure listed in the SOP for handling employee complaints and the SOP for handling complaints for stakeholders. The following is the flow of complaints listed in the SOP:

- Any complaints from workers/stakeholders are submitted in writing to the unit manager through the Head of Section and can also be made by telephone at the contact numbers provided in each unit.
- The Head of Section records the complaint in the register book.
- Complaints will be responded to in accordance with the limitations, for example the response from the unit manager, department head and/or operational unit management.
- Operational unit management will send a letter of response/complaint response to the complainant
- Incoming and outgoing letters from workers/stakeholders will be kept and recorded.

Based on the results of interviews with representatives of labor unions, information was obtained that the Union held regular meetings with workers, one of the agendas of which was to accommodate issues and complaints which would later be addressed to the certification unit. Workers who cannot read/write can submit complaints through the union or superior verbally. Then, from interviews with local stakeholders, information was obtained that the certification unit has appointed staff who function as companions & communicators for stakeholders, so that people who cannot read/write can submit information or complaints to the communicator

**4.2.3**

Based on the review of the complaint documents from the surrounding community, no complaints were found from external parties. For complaints from internal parties, there are several well-documented complaints and their responses. Complaints that are submitted and recorded are complaints related to the housing conditions of workers who are damaged. The following is an example of a record of workers' complaints and complaints for the last 1 year, namely the application for home repairs submitted by workers with the initials KR on November 15<sup>th</sup>, 2021. Then, the certification unit provides responses via Inter-Office Mail regarding the minutes of the handover of materials for housing repairs. workers on December 21<sup>st</sup>, 2021 as approved by the Mill Manager. The unit of certification also shows a receipt for goods requested for employee home improvement on January 7<sup>th</sup>, 2022.

All complaints from workers have been completely resolved by the certification unit by showing proof of completion in the form of documentation and direct responses to complaints received from external or internal parties. This is supported by the results of interviews with workers who stated that the certification unit always records all complaints submitted by workers and within a reasonable period of time these complaints have been properly resolved. From the description, it is known that the certification unit has informed the progress of handling complaints and the results have been communicated to the parties.

**4.2.4**

The conflict resolution mechanism is listed in the SOP for Conflict Resolution No. 056/BSC-PK/C12 dated May 1<sup>st</sup>, 2012. The SOP describes the conflict resolution mechanism and the person in charge of conflict resolution. In addition, the SOP also states that if there is a conflict that is unacceptable to the parties, then to obtain justice, the matter will be forwarded to the competent authorities (Police and Courts).

The results of interviews with management obtained information that if there is a conflict, the complainant can seek legal assistance from an independent party or appoint a mediator to mediate. In addition, interviews with government agencies, local communities, and workers, it was found that they had understood the person in charge and the complaint mechanism protected by the identity of the complainant and could obtain legal assistance from an independent party or appoint a mediator to meditate.

**Status: Comply**

**4.3**

**The unit of certification contributes to local sustainable development as agreed by local communities.**

The company has a CSR program in the "CSR Program Period 2021/2022" document. In this program, the company plans social programs that support the welfare of the surrounding community, for example:

- Road Repair in Anyar Village.
- Giving Sacrificial Cows (*Qurban*)
- Providing assistance for religious celebrations
- Providing scholarships to the local community

These programs are also equipped with documentary evidence of realization, for example the activity of giving sacrificial cows (*Qurban*) in Sungai Pinang Village, Anyar Village and Semangus Village on July 17, 2021 and also road repairs in Sungai Pinang Village in August 2021.

The results of interviews with local village heads also stated that the need for assistance and CSR could be submitted if needed by submitting a proposal to the company

The company has also developed a plasma plantation program, with a planned plasma area of 1,350 ha in accordance



with the location permit issued on April 6, 2015. Due to the location permit having expired on April 6, 2018, the company re-applied for the extension of the plasma location permit on April 20, 2022. The latest information, the application for extension of plasma location permit has been submitted through the OSS system on July 16, 2022.

**Status: Comply**

**4.4**

**Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).**

**4.4.1**

The CH has had documents showing legal ownership in form of Land Use Right (HGU). Currently, the operational area that has HGU is 6,513 hectares in accordance with the Decree of the Minister of State for Agrarian Affairs/Head of the National Land Agency No. 17/HGU/BPN/99 concerning the Granting of HGU on Land Located in Musi Rawas Regency, Sumatera Selatan Province, which was issued on February 23, 1999. The company also showed HGU certificate No. 7 for a land area of 6,513 Ha which was issued on June 12, 1999 by the Head of the Land Office of Musi Rawas Regency based on the Letter of Measurement No. 3/MURA/1999. The certificate is valid until June 11, 2034.

In addition, company also has business permit in form of Plantation Business Registration Letter No. 105/Mentanhut-VII/2000 from the Ministry of Forestry and Plantations of the Republic of Indonesia issued on October 9, 2000. The permit cover 6,135 ha of company operational area and mill capacity 30 ton/hour. Based on throughput records to date June 2022 is 20.75 ton/hour (below permit).

**4.4.2**

The company can show documentary evidence of land acquisition that has been carried out in the HGU area of PT Bina Sains Cemerlang, for example:

- The company shows a recapitulation of compensation in the Sungai Pinang area for the period 1990 to 1999. For example, the compensation dated October 15, 1999 covering an area of 203.5 ha and has been paid with a total compensation of Rp. 161,350,000, - and signed by the Head of Sungai Pinang Village, Head of Anyar Village, PT Bina Sains Cemerlang and the Head of Muara Lakitan Sub-district. A map of the area and the names of the landowners located in Sungai Pinang are available.
- Decree of the Minister of Forestry No. 456/KPTS-II/1990, August 24, 1990, concerning the Release of Part of the Sungai Jernih – Sungai Pinang Besar Forest Group located in the Level II District of Musi Rawas, Sumatera Selatan Province covering an area of 10,600 Ha for Oil Palm Cultivation Business on behalf of PT Bina Sains Cemerlang.

**4.4.3**

Based on the Musi Rawas District Consensus Forest Use Map, the oil palm plantation area of PT BSC is included in the Convertible Production Forest and part of the Other Use Area (APL). Then based on the weighing section on the Decree of the Head of BPN concerning the Granting of HGU No. 17/HGU/BPN/99, it is known that the land area of 6,513 Ha consists of land controlled by the State outside the forest area of ± 3,600 Ha and an area of ± 2,919 ha is land of former forest area which has been released to the State based on the Decree of the Minister of Forestry dated 24 August 1990 No. 456/Kpts-II/90 covering an area of ±2,188 Ha (part of the area released is ±10,600 ha) and based on the Decree of the Minister of Forestry dated January 14, 1998 No. 456/Kpts-II/90. 36/Kpts-II/1998 covering an area of ±731 ha. Nothing comes from customary/ulayat land from customary law communities.

The results of the consultation with the District BPN (*Badan Pertanahan Nasional*) also obtained information that the company's location was in accordance with the local RTRW (*Rencana Tata Ruang Wilayah*).

**4.4.4**

In the records of land compensation that was carried out before 1999, all records were made in Indonesian, clear proof of payment and signed by both parties between the company and the land seller (local community) without coercion.

**4.4.5**

The company tries to provide examples of latest land acquisition activities that have followed FPIC procedures, for



example the company can show documentary evidence of land acquisition that has been carried out in the HGU area of PT Bina Sains Cemerlang, for example recapitulation of compensation in the Sungai Pinang area for the period 1990 to 1999. For example, the compensation dated October 15, 1999 covering an area of 203.5 ha and has been paid with a total compensation of IDR 161,350,000, - and signed by the Head of Sungai Pinang Village, Head of Anyar Village, PT Bina Sains Cemerlang and the Head of Muara Lakitan Sub-district. A map of the area and the names of the landowners located in Sungai Pinang are available. From the evidence above, the community is not represented by any party in the land sale process and is witnessed by the relevant agencies.

**4.4.6**

The company has not cleared any new land right now, the latest acquisition done on 1999. Currently, what the company is doing is replanting in the existing area. Related to the annual review contained in the social impacts report 2021, where there is information related to processes and settlements related to pre-stakeholders, one of which is related to the development of plasma plantations which are currently still in the process of legality management.

**Status: Comply**

**4.5**

**No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.**

**4.5.1, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7 & 4.5.8**

There is no change from the previous assessment. The company has not carried out any new planting's activities. Based on document review and field observations, plants with planting years above 2010 are replanting.

**Status: Comply**

**4.6**

**Any negotiations concerning compensation for loss of legal, customary or user 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.**

**4.6.1,**

In order to identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, the company using "SOP Penyelesaian Konflik (RSPO/2.2/PPK)" dated 1 November 2012, which is the process for resolution available in flow chart. FPIC process is described in the procedure. The procedure compiled by PSD with reference to the land compensation standards issued by local Government.

The mechanism to identify and compensation procedure were carried out by forming team consisting of community leaders, company and government representative and price were determined based on negotiations. Based on document review (same evidence with summary of indicator 4.4.5) Land conflict resolution has been settled and completed with evidence, such as:

- Invoice of compensation payment
- Land release agreement
- Acknowledgement letter that states no conflict
- Photos of compensation handover

Based on interviews with Village Representatives (Sungai Pinang, Anyar and Semangus), information was obtained that there is no company plantation land originating from customary land rights.

**4.6.2**

Based on the management's explanation and a review of the land compensation procedure, the company always refers to the local government regulations and will update it in accordance with the existing office regulations in government.

Same as indicators 4.6.1 statement, the mechanism to identify and compensation procedure were carried out by forming team consisting of community leaders, company and government representative and price were determined based on negotiations.

**4.6.3**

Currently there are no scheme or independent smallholders in the of the company. The company has developed a plasma plantation program, with a planned plasma area of 1,350 ha in accordance with the location permit issued on 6 April 2015. Due to the expiry date of the location permit on 6 April 2018, the company re-apply for the extension of the plasma location permit on 20 April 2022. The latest information, the application for the extension of the plasma location permit has been submitted through the OSS system on July 16, 2022.

The company has developed a plasma plantation program, with a planned plasma area of 1,350 ha in accordance with the location permit issued on 6 April 2015.

**4.6.4**

Based on interview with Community Leader in Sungai Pinang Village who was also one of the previous land owners, information is obtained that he has received compensation for the land he has claimed and all the files for the settlement process are also kept by the person concerned. All land claim settlement processes, from identification, negotiation to compensation, are carried out through the agreement of the parties without any coercion or pressure from other parties.

**Status: Comply**

**4.7**

**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 FPIC and negotiated agreements.**

**4.7.1**

The procedure for compensation for the purchase of land is also contained in the SOP for Conflict Resolution (054/BSS-SOP)\* dated 8 May 2015. The procedure also explains the identification, calculation and compensation for the loss of legal rights and traditional rights for each landowner who is entitled to be compensated.

**4.7.2**

The procedure also explains that the payment of compensation is fair without harming one party. Based on that procedure verification, that during the compensation process for growing plantings for community arable areas, the company carried out a mechanism of negotiation without coercion, joint measurement, deliberation on price fixing involving the relevant agencies and payments to the direct owner or a designated group representative. The procedure has implemented FPIC principles, where the compensation process will not be carried out without the agreement of both parties.

**4.7.3**

The company can show recapitulation of previous landowners who have been compensated. Compensation is only made for the area within HGU areas owned by the company and was completed. The certificate holder has no expansion area for new planting area (no compensation for area outside HGU).

Based on public consultation with village representatives from Semangus Baru Village and Sungai Pinang Village, the communities that have lost access and rights to land also provided opportunities to benefit from plantation development such as benefit in the form of CSR program, become employee and become a contractor in the company.

**Status: Comply**

**4.8**

**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.**

**4.8.1**

Currently there is a land dispute in the company's operational area, which has not been resolved. The conflict between the company and the community of SP 5 Suka Maju Village in Block E17 since October 15, 2019. According to the company, the land has been acquired through the compensation process in accordance with procedure, and the evidence has been shown. The two parties mediated with the government of the Plakat Tinggi and Muara Lakitan Sub-districts, but because there was no agreement, both parties took legal action, and are currently under investigation by the Musi Banyuasin Police. Follow-up related to this will be observed in the next assessment.

Based on the explanation above, it can be proven that the company previously had legal land rights and was recognized by the government, in good faith the company tried to accommodate the claims of the plaintiffs and involved the government to prove that land rights were clean and clear.

**4.8.2**

Regarding the conflict described in indicator 4.8.1, it has referred to a government regulation which is still waiting for confirmation from the Musi Rawas and Musi Banyuasin Regency Governments regarding the overlay of the HGU map with the plaintiff's SHM.

**4.8.3**

Based on the company's explanation as well as the Head of Land Procurement Section of BPN Musi Rawas, the company has carried out the previous land compensation process according to government regulations and is proven by the acquisition of land rights recognized by the government.

**4.8.4**

Regarding the participatory map, it is currently still under review by the relevant agencies, because there are differences in maps between the plaintiff and the company.

**Status: Comply**

**PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

**5.1**

**The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.**

**5.1.1**

Currently the company only accepts FFB from PT DAL and KKPA PT BSC. For FFB purchased from PT DAL, the price value determined refers to the Cooperation agreement letter in the "Sales and Purchase Agreement for Oil Palm Fresh Fruit Bunches" (No. 01/OCP/BSC-DAL/III/2022). FFB pricing is calculated based on a formula that has been mutually agreed upon by considering the value of OER, KER and also the selling price of CPO/PK. The price of FFB is paid according to the market price set by the first party on a weekly basis not exceeding the price issued by the Plantation Service of the Province of Sumatera Selatan for the age of 10-20 years of oil palm in accordance with the month of delivery of FFB. For the smallholder, the determination of the price of FFB purchased refers to the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price of Fresh Fruit Bunches for Palm Oil Production by Smallholders

The auditor verified the proof of FFB payment for the May 2022 sample, it was found that the FFB price paid did not exceed the May FFB price for Planters (Period II) issued by the Plantation Service of Sumatera Selatan Province on 19 May 2022, which was IDR 2,642.21 /kg.

**5.1.2**

Based on the results of interviews with FFB suppliers (PT Daya Agro Lestari), it is known that the company as the FFB buyer always informs the FFB price to the supplier on a regular basis, either via telephone or multimedia message.

**5.1.3**

Based on the explanation in indicator 5.1.1, the FFB price is paid following the market price set by the first party on a weekly basis, not exceeding the price issued by the Sumatera Selatan Province Plantation Service for the age of 10-20 years of oil palm in accordance with the month of FFB delivery.

**5.1.4 & 5.1.8**

The company has developed a plasma plantation program, with a planned plasma area of 1,350 ha in accordance with the location permit issued on 6 April 2015. Due to the expiry date of the location permit on 6 April 2018, the company re-apply for the extension of the plasma location permit on 20 April 2022. The latest information, the application for the extension of the plasma location permit has been submitted through the OSS system on July 16, 2022.

**5.1.5**

Based on the results of interviews with contractors PT Techindo Contromatra (Boiler repairing), it is known that the company has provided opportunities for the community around the company to cooperate in the company's operational activities by becoming a contractor. In addition, it is known that the cooperation with the company has been well established and transparent. So far, it is also known that there are no problems with j the term of the agreement, as well as an agreement that does not benefit either party.

**5.1.6**

The auditor verified the proof of FFB payment for the May 2022 sample, it was found that the FFB price paid did not exceed the May FFB price for Planters (Period II) issued by the Plantation Service of Sumatera Selatan Province on 19 May 2022, which was IDR 2,642.21 /kg. Based on consultation with PT Daya Agro Lestari (FFB Supplier), there's no negative issue related to contractor agreement realization.

**5.1.7.**

The certification unit showing certificate test result number 398/DISDAGIND/IV/2021 dated 2 December 2021 with a validity period until November 2022 for weighbridges type Avery Weigh-Tronix / E1205, with serial number 171450664 from the Department of Commerce and Industry of Lubuklinggau City. The third party stated the test results, "*Legally on 2021 according to the law of Republic Indonesia No. 2 of 1981 concerning Legal Metrology*". With the calibration evidence, the company has shown evidence that the weighing equipment used to weigh FFB from outsiders is minus indications of fraud.

**5.1.9**

The company has had SOP related to complaint mechanism in SOP *Mekanisme Penanganan Keluhan/Konsultasi Bagi Semua Pihak & Masyarakat*, established on 7 October 2015. The purpose of the SOP is to complete every internal and external complaint both quickly and well and to create a safe and prosperous atmosphere within the company and surrounding communities. In the SOP it explains objectives, responsibilities, procedures, documentation and exceptions. The period of complaint settlement is 2 weeks for each part. Based on document review of complaint book, there is no complaint from contractor or vendors, this is in line with the results of interviews with stakeholders.

**Status: Comply**

**5.2**

**The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.**

**5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5**

The company has a program related to increasing the knowledge of local farmers on sustainable palm oil management which is contained in the PT Bina Sains Cemerlang Social Impact Management Plan for the 2022 Period. The document informs the activity plan by conducting socialization and education to farmers around the plantation which aims to provide benefits and advantages to those related knowledge and implementation of plantation management. sustainable management, such as maintenance management, harvesting, waste management and also land legality. The activity plan is scheduled twice a year with the target of farmers in Sungai Pinang Village, Anyar Village, Muara Rengas Village and Semangus Baru Village. This program also involves affected parties based on meetings with representatives from each village.

The company has developed a plasma plantation program, with a planned plasma area of 1,350 ha in accordance with the location permit issued on 6 April 2015. Due to the expiry date of the location permit on 6 April 2018, the company re-apply for the extension of the plasma location permit on 20 April 2022. The latest information, the application for the extension of the plasma location permit has been submitted through the OSS system on July 16, 2022. Related to the development of plasma plantations which are currently still in the process of legality management has been reviewed on social and environmental impacts reports in 2022.

**Status: Comply**

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**

**6.1****Any form of discrimination is prohibited.****6.1.1; 6.1.2 and 6.1.3**

PT Bina Sains Cemerlang already has a policy regarding equal opportunity and treatment in employment opportunities, which is listed in the SOP for Sustainable Management Guidelines, Sub-Chapter on Social Policy at point 1 (Policy 724/TQEM-SPMS/09 dated 27/08/2010). At this point it is explained that all staff/workers must be treated fairly and fairly in matters relating to recruitment, advancement, conditions and job descriptions, regardless of race, degree, ethnicity, gender, skin color, physical (disability/imperfection), sexual orientation, organizational membership, political views, religion and age.

The results of the study of labor documents prove that the unit of certification does not discriminate and treats all workers equally, the following evidence can be shown by the unit of certification:

- Composition of workers consisting of various ethnicities, religions, genders and origins of workers. The existing workforce does not only come from one area but comes from several areas spread throughout Indonesia such as Java, Sumatera, Kalimantan and others.
- During the audit, the certification unit did not have *AKAD* (Inter-Regional Workforce) workers.
- Recruitment of workers based on selection results based on administrative selection, interviews, results of medical examinations, etc.
- Placement and training of workers is carried out according to their expertise/type of work, such as prospective sprayer workers being placed as sprayer workers and receiving training on handling and managing pesticides on a regular basis.
- Female workers are given the same rights, wages and opportunities for promotion as male workers of the same type of work, for example there are several foremen for spray and fertilizer work who are female workers.

The results of interviews with workers (harvesters, sprayers, and factory operators) during field visits in each unit, interviews with representatives of labor unions and representatives of the gender committee also obtained information that there were no indications of acts of discrimination based on religion, ethnicity, gender and regional origin in job acceptance process.

The unit of certification shows a job vacancy document in a factory unit for the period March 2022 in which no conditions that indicate discrimination are found. The job vacancy document informs the requirements that must be complied with by prospective workers, for example related to the minimum age limit for prospective workers, which is 20 years. This is in line with the results of interviews with workers which stated that the certification unit does not discriminate against workers, including in the recruitment or promotion process. The unit of certification also never incurs recruitment fees and retains identity documents in the worker recruitment process.

Based on the results of the verification of worker recruitment documents, it is known that the recruitment of workers is based on their skills, abilities and records of health examination results. Likewise, promotions are carried out in accordance with the results of the assessment on performance evaluation. The results of interviews with management representatives, obtained information that the recruitment process for all workers is carried out through the same process where prospective workers must meet requirements in the form of administrative selection (application letter, graduation letter, photocopy of self and family identity), psych test (for certain positions), interviews and health check results. To increase the career path, responsibility, authority and scope of an employee, the certification unit provides promotions that are carried out on the basis of ability, knowledge, work initiative, work ethic, responsibility, etc.

**6.1.4**

Pregnancy tests for female workers are only to ensure that pregnant workers are not allowed to work with chemicals, not as a basis to discriminate against workers. Then, based on the results of a review of the latest employee recruitment documents, it was found that there was no obligation for prospective female workers to take a pregnancy test when recruiting workers. For example, as stated in Memorandum Number 0057/PRS-i2/X/12 dated October 22<sup>nd</sup>, 2012 concerning Procedures and Procedures for Recruiting SKU Employees, it is explained that the requirements for recruiting workers must pass a health check by a company doctor or company medical staff.

This is made clear by the results of interviews with female spray workers and representatives of the gender committee in each plantation and mill unit who stated that female workers were not tested for pregnancy during recruitment. However, monthly pregnancy tests are required at the clinic to ensure that none of the pregnant/breastfeeding female workers who work are exposed to chemicals. If declared pregnant, the worker will be transferred to a safer job but remain the same in terms of wages and other benefits, so there is no discriminatory action.

**6.1.5**

The unit of certification has established a gender committee in each unit which has functions including gender equality, protection of women's rights, protection from incidents of harassment, and others.

The unit of certification shows the document for determining the Organizational Structure of the PT BSC Gender Committee for the period 2022 which consists of representatives of each gender (male and female). The organizational structure consists of protector, chairman, vice chairman, secretary, complaint section, social section, OHS and well-being section.

The work program of the gender committee in 2022 for all units at PT BSC, including socialization of women's human rights, socialization of harassment/violence against women, complaint reporting mechanisms, socialization of the gender committee to stakeholders (informing on menstrual leave, maternity leave and work system for female workers during pregnancy/breastfeeding), reproductive health socialization, improving nutrition for pregnant women and toddlers, etc.

The certification unit shows the realization of the program and the results of the gender committee meeting listed in the work program document and the realization of the PT BSC gender committee in 2021 – 2022, one of which is the minutes of socialization of the gender committee on July 20<sup>th</sup>, 2022, which was attended by female workers in the SPF unit. One of the agenda items discussed was the complaint mechanism through the gender committee.

Based on interviews with representatives of the gender committee, information was obtained that the work program in 2021 – June 2022 has been carried out without any problems. And for the past year, there have been no complaints from workers regarding sexual harassment/violence.

**6.1.6**

In the policy of Sime Darby Plantation's Code of Business Ethics for the August 2020 edition, it is explained that the unit of certification will ensure decent living and working conditions, one of which is the provision of fair wages for all workers. Fair wages have been paid by the unit of certification correctly, taking into account ability, performance, expertise, length of service, and other factors as the basis for remuneration. So that the payment of wages given is in accordance with the burden, task and type of work of each. This is stated in the Inter-Office Mail Document No. 045/HRM-i6.1/XII/2021 dated December 30<sup>th</sup>, 2021, which informs the structure of the wage scale for workers with the lowest *SKU-B* status starting from group G1 and the highest wage being in group A8.

Based on the results of interviews with harvesters with the same years of service and status (*SKU-H*), it is known that the basic wages and benefits they receive are the same. However, it is different from workers who have *SKU-B* status.

From the description above, it can be concluded that the unit of certification has proof of payment of equal wages for the same scope of work.

**Status: Comply**

**6.2**

**Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).**

**6.2.1**

The unit of certification shows the procedure/policy of wages and work requirements in accordance with the labor provisions that have been contained in the national language (Indonesian) which is contained in several documents, namely:



- The determination of the minimum wage from the government is contained in the Decree of the Governor of Sumatera Selatan Number 856/KPTS/DISNAKERTRANS/2021 concerning the minimum wage of Musi Rawas Regency in 2022. It is known that the minimum wage applicable in Musi Rawas Regency in 2022 is IDR 3,299,758, -
- Inter Office Mail No. 045/HRM-i6.1/XII/2021 dated December 30<sup>th</sup>, 2021 concerning Daily SKU Wages and Wage Scale Structure in 2022 for PT Bina Sains Cemerlang. Where the minimum wage has been set at IDR 3,299,758, -/month, while the smallest wage scale structure is in the G1 group and the highest wage is in the A8 group.
- CLA for the period of 2021 – 2022 which has been ratified by the Head of Manpower and Transmigration Office on February 23<sup>rd</sup>, 2021. The wage mechanism is regulated in chapter V.

Based on the above document, it is known that the unit of certification already has and has set a minimum wage for its workers. However, the results of interviews with management representatives, obtained information that the structure of the pay scale applies to workers with *SKU-B* status. Meanwhile, workers with *SKU-H* status only get a minimum wage in accordance with the Decree of the Governor of Musi Rawas Regency in 2022.

Then, based on the results of field visits and interviews with several *SKU-H* status workers with different tenures, for example, harvest workers with the initials AMP (4 years of service) and fertilizer workers with the initials AS (8 years of service) and daycare workers with initials YDH (24 years of service) has the same basic salary, which is IDR 3,299,758, -

Based on the Minister of Manpower Regulation Number 1 of 2017 Chapter II Article 2 Paragraph 1, it is stated that "*The Wage Structure and Scale must be prepared by the entrepreneur by taking into account the class, position, years of service, education and competence.*". From the description above, the company has the opportunity to implement a pay scale structure for employees with *SKU-H* status with different years of service. **OFI.**

### 6.2.2

The unit of certification can show an example of a work agreement document, for example as follows:

- Statement Letter of Extension of the Three Months Probationary Period to become *SKU-H*, workers with the initials TY who signed a work agreement on May 6<sup>th</sup>, 2022.
- Work agreement contract workers (*PKWT*) number 130/PKWT/SPF/VI/2022 on May 7<sup>th</sup>, 2022. Workers with the initials TLMBNG are accepted as compound workers in factory units from May 7<sup>th</sup>, 2022 – May 6<sup>th</sup>, 2023.

As for the SPK document shown, it contains information including the name acting as a management representative and the address of the certification unit, worker information in the form of names and other personal information, employee positions, employee work locations, reporting, work duties and responsibilities, work agreement period, period of employment, trial, salary and other benefits. The work agreement document has been signed by representatives of management and workers.

The certification unit also shows supporting evidence that the certification unit has provided 1 (one) copy of the work agreement document to the worker. This is shown in the form of a receipt for the submission of a copy of the work agreement.

Based on interviews with harvest workers in Block F7 of the SPE unit, it is known that a copy of the employment relationship document has been given at the beginning of the worker's acceptance. The contents of the employment contract were explained at the time of signing the contract. And based on the document review, it is known that the employment contract has been signed by the Manager. Then, workers also understand and can explain the labor regulations listed in the work agreement such as those related to working hours, deductions, overtime, sick leave, leave rights, etc.

### 6.2.3

The unit of certification shows evidence of legal compliance related to the fulfillment of labor rights to workers, for example:

- Harvesters with the initials MSN get a basic wage in June 2022 which is in accordance with the applicable UMK, which is IDR 3,299,758, -
- The daycare officer with the initials PBU gets a 2-day pay cut for not being absent from work (absenteeism), so the basic wage in June 2022 received by the worker is IDR 3,035,777, -



- Wages of workers with the initials JK (security) who get a wage of IDR 5,534,415, which has wage components in the form of basic wages, allowances, deductions (*BPJS*, pension guarantees, loans, etc.), overtime and others. The overtime pay earned by workers is IDR 2,307,752, with details of the hourly overtime pay of IDR 19,073, the overtime hours earned is 60.5 hours.
- SPL documents for workers with the initials JK (security) who have a total of 60.5 hours of overtime in June 2022. The document has been signed by the relevant worker and approved by the manager.
- An employee's annual leave application form with the initials ES requesting leave of 5 days out of the total remaining 1 day leave entitlement. The application was filed on April 22<sup>nd</sup>, 2022 and was approved by the SPE Estate Manager on April 23<sup>rd</sup>, 2022.
- Menstrual leave documents listed in the Clinical Menstrual Leave Logbook. For example, workers with the initials WTN apply for 2 days of menstrual leave on 9<sup>th</sup> – 10<sup>th</sup> May 2022 and have been approved by the BPE Estate Manager.
- Maternity leave application form from workers with the initials SM listed in the Maternity Leave Certificate document. The worker applies for maternity leave of 45 days before giving birth and 45 days after giving birth starting from May 4<sup>th</sup> – August 1<sup>st</sup>, 2022 and has been approved by the SPE Estate Manager.
- Has provided work accident and health protection for every employee. For example: Enrolling all workers in the *BPJS* Employment and *BPJS* Health programs (explanations regarding *BPJS* can be seen in indicator 6.7.4).

From the description above, the certification unit has documented evidence of legal compliance related to the fulfillment of labor rights to its workers.

#### **6.2.4**

The certification unit has a list of facilities and infrastructure documents for the 2022 period, which consists of employee housing types G1, G2 and G6, mess, houses of worship (mosques and churches), sports fields, schools (kindergarten, elementary and junior high schools), employee halls, clinics, canteen, ambulance, school bus, electricity in the form of generators, clean water, children's playground, etc.

The certification unit also has a maintenance program for workers' welfare facilities, for example, it is stated in the Checklist for workers housing CHC document on July 4<sup>th</sup>, 2022 which describes the conditions around the employee housing area, for example the condition of fire extinguishers, waste burning, drainage channels, trash cans, used paint containers/oil in residential areas, etc. The document describes the inspection of the condition of facilities and infrastructure around the employee housing area which is carried out once a month. However, the assessment of the condition of the employee's house being occupied was not explained.

Then, based on the results of a field visit to an employee housing for workers of the SPE division 3 unit, it was found that the employee's house with the initials HP was in a damaged condition, such as a leaky roof, the walls between the rooms were perforated with cardboard, the floor was eroded and the septic tank overflowed. In addition, the results of interviews with daycare officers in division 1 of the BPE unit, obtained information that the condition of the house he was occupying was a non-permanent house (wooden boards) in a damaged condition (leaking roof and walls). When it rains, the condition of the house is wet and uncomfortable to live in. Then based on the result of the document review, is known that workers have submitted complaints to the company regarding housing conditions and have been recorded in the complaint logbook.

Based on the results of interviews with management representatives, it is known that the certification unit has plans to renovate employee housing with permanent housing types. The unit of certification shows the budget for the 2022 period for employee home repairs such as the cost of repairing damage, painting and procuring employee home furnishings, for example in a factory unit of IDR 30,705,816, -. However, the unit of certification has not been able to show the commitment and budget for the permanent house construction plan.

The unit of certification has the opportunity to ensure the realization of the construction of permanent houses for the welfare of workers. **OFl.**

#### **6.2.5**

Based on interviews with workers, it is known that access to food or daily necessities is very easy to reach because the market location is not too far from the unit of certification. In addition, there is a weekly market and there are traveling traders every day to the employee housing.

**6.2.6**

Currently the certification unit uses a wage calculation based on the Musi Rawas District Minimum Wage in 2022 in accordance with the Decree of the Governor of Sumatera Selatan Number 856/KPTS/DISNAKERTRANS/2021 which is set on December 28<sup>th</sup>, 2021, which is IDR 3,299,758, -.

Independent calculation of Prevailing Wages & Inkind Benefit shown in PT Bina Sains Cemerlang's 2022 Prevailing Wage Calculation document. Applicable wages include basic wages, allowances such as rice for workers and their families (wife and children), house, water, electricity, work transport/school, medication, and insurance. Allowances in the calculation of prevailing wages will be given in kind.

**6.2.7**

Based on the results of the review of the employee list document in June 2022, there are a total of 814 workers in the plantation and factory units. Of the total workers, there are 2 contract workers (*PKWT*) in the factory unit. The contract workers (*PKWT*) employed is in the compound work section. In addition, it is known that all permanent work is carried out by permanent workers (*SKU-H/SKU-B*).

The certification unit has reported the use of *PKWT* workers in the factory unit to the Musi Rawas Regency Manpower and Transmigration Office which is shown through the *PKWT* Reporting document in the mill unit (compound workers) on May 7<sup>th</sup>, 2022. The document was approved by the Disnakertrans representative on June 17<sup>th</sup>, 2022.

Based on the results of interviews with the Manpower and Transmigration Office of Musi Rawas Regency, it is known that the certification unit has reported the use of contract workers (*PKWT*) on a regular basis. The unit of certification can also show evidence for all permanent work not carried out by contract workers (*PKWT*) or daily workers (*PHL*).

**Status: Comply**

**6.3**

**The unit of certification respects the rights of all personnel to form and join labor 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.**

**6.3.1; 6.3.2; 6.3.3**

The certification unit has a policy related to the formation of an organization or labor union which is stated in the Social Policy document in the SOP for Sustainable Plantation Management No. Policy: 724/TQEM-SPMS/09 No. Revision 00 dated 27 August 2010 approved by the CEO. In point 5 of the policy, it is explained that the unit of certification is committed to respecting the rights of every staff/employee to form and join labor unions of their choice and to negotiate collectively.

The certification unit has a labor union as a forum for workers to convey their aspirations to the certification unit. The following is a document for the formation of a Labor union that has been reported to the Manpower and Transmigration Office of Musi Rawas Regency, namely:

- Proof of registration of *PUK SPPP SPSI* SPE unit of PT Bina Sains Cemerlang with registration number 560/58/Nakertrans/SP/2014 dated August 4<sup>th</sup> 2014.
- Proof of registration of *PUK SPPP SPSI* unit BPE of PT Bina Sains Cemerlang with registration number 590/19/Nakertrans/SP/2012 dated January 12<sup>th</sup>, 2012.
- Proof of registration of the *PUK SPPP SPSI* SPF unit of PT Bina Sains Cemerlang with registration number 560/70/Nakertrans/SP/2016 dated January 26<sup>th</sup>, 2016.

Based on the results of interviews with representatives of labor unions, it is known that the union holds regular internal and bipartite meetings with the certification unit, one of which is to discuss the resolution of complaints from workers. In addition, the informant also stated that workers can submit complaints through the labor union. If there is a dispute in terms of the working relationship between workers and the certification unit involving the union, the union will be responsible for resolving the issue.

The certification unit also shows documents of the internal labor union meetings as well as Bipartite meetings with the certification unit which are presented in Indonesian, for example contained in the minutes of the Bipartite meeting on June 7<sup>th</sup>, 2022 which was attended by representatives of labor unions and staff of the certification unit. The activity discussed the calculation of bonus formulas, leave entitlements and premiums for workers.

Based on the document verification of the organizational structure of the unions in each plantation and mill unit, it is known that the management of the *PUK SPPP SPSI* union in all plantation and mill units are workers at PT BSC and there are no management representatives/staff of the certification unit. Then, based on the results of interviews with representatives of labor unions and union members, it was found that there was no intervention from the certification unit regarding the structural selection of labor unions.

**Status: Comply**

**6.4  
Children are not employed or exploited.**

**6.4.1; 6.4.2; 6.4.3; 6.4.4**

The unit of certification has a formal policy for child protection and a prohibition on child labor which is indicated in the Social Policy in the SOP for Sustainable Plantation Management No. Policy: 724/TQEM-SPMS/09 No. Revision 00 dated August 27<sup>th</sup>, 2010 approved by the CEO. In chapter I a Social Policy, specifically point 6 stating that Plantation Upstream Indonesia does not utilize underage (children) workers. The certification unit also has the August 2020 edition of the Sime Darby Plantation Code of Business Ethics. In point 5.7 on Human Rights, it is explained about the rights of children, namely the unit of certification will support the welfare of children and protect them from all forms of inappropriate treatment, including sex to children, child trafficking, child labor and child pornography.

In addition to having a policy that regulates the minimum age of workers for workers, the unit of certification also contains clauses on child protection and a prohibition on employing workers under the age of 18 in work agreements with contractors. The policy is socialized to all workers and contractors at the time of signing the work agreement.

Based on the list of workers for the period of 2022, it is known that none of the workers were less than 18 years old when they first started working. Then, the results of field visits and interviews with workers in the field, did not find any child labor or workers under the specified minimum age.

The unit of certification can show examples of socialization of Social Policy related to the prohibition of employing minors to the parties, for example the socialization at the SPE unit on March 16<sup>th</sup>, 2022 which was attended by 84 workers. In addition, the certification unit has warnings regarding the prohibition of child labor and the prohibition of children being installed around plantation and mill areas.

Based on this, it can be concluded that the certification unit has a child protection policy including the prohibition of child labor and has been well documented and known to all workers.

**Status: Comply**

**6.5  
There is no harassment or abuse in the workplace, and reproductive rights are protected.**

**6.5.1**

Social Policy in SOP for Sustainable Plantation Management No. Policy: 724/TQEM-SPMS/09 No. Revision 00 dated August 27<sup>th</sup>, 2010 approved by the CEO. In Chapter I, there is a Social Policy, specifically point 4, which explains that the unit of certification will develop and implement policies to protect female workers from crime and sexual harassment and protect rights related to women's reproduction.

To ensure that the policy is implemented, the certification unit has a reporting mechanism in case of harassment in the workplace. Dissemination of the complaint flow if there is a case of harassment in the workplace has been conveyed to all workers, for example socialization in the BPE unit on October 7<sup>th</sup>, 2021 and in the SPE unit on March 16<sup>th</sup>, 2022. In

addition, based on interviews with female workers, it is known that socialization related to harassment/routine threats/maltreatment carried out every morning circle before starting work.

Based on the recapitulation of employee complaints and complaints for the last one-year period, there were no complaints related to harassment. Then, based on the results of interviews with representatives of the gender committee and the Manpower and Transmigration Office of Musi Rawas Regency, information was obtained that in the last one-year period no information regarding incidents of harassment had been submitted.

#### **6.5.2**

The certification unit has a Gender Policy which was signed by the Head Plantation Upstream Indonesia in April 2011. The policy explains that the certification unit will pay special attention to the protection of the rights of women workers as follows:

- Strive to prevent sexual harassment and other forms of crime against women, workers and society
- Establish special procedures and mechanisms for complaints and grievances, which are acceptable to all parties for issues related to gender
- Provide adequate training and development for staff/workers to increase awareness, capacity and understanding of gender policy
- Provide and provide opportunities for women to improve their leadership skills at every level/level
- Ensure that women participate effectively in the decision-making process by taking an active role as members of the various committees that have been established, such as the occupational safety and health committee
- Establish a gender committee to implement and monitor gender policies
- Communicate and explain the gender policy so that it can be understood and understood by every staff/employee, including contractors and/or other related parties.

Evidence of the implementation of the policy is contained in the document recapitulation of menstrual leave and maternity leave in 2022. Then, based on the results of interviews with female workers, information was obtained that these workers were aware of reproductive rights related to the rights to menstrual leave and maternity leave rights. The mechanism of giving menstruation is done by checking at the clinic first. The resource person also added information that during the past year there were no cases of sexual harassment or other forms of crime within the certification unit.

#### **6.5.3**

The certification unit through the gender committee has identified the needs for pregnant women/new mothers during the gender committee socialization activity which was held on July 20<sup>th</sup>, 2022. During the socialization, several agendas were discussed, one of which was related to meeting the needs of pregnant women/new mothers. Based on the review of the minutes of socialization documents and the results of interviews with the gender committee management, information was obtained that the identification of needs needed by new mothers, including the following:

- Pregnant women/new mothers are given jobs that do not use chemicals.
- Breastfeeding mothers are given certain rest periods so that they can breastfeed their children.
- New mothers are provided with facilities for pre- and post-natal health checks along with Integrated Healthcare Center activities.
- New mothers are provided with Integrated Healthcare Center facilities for routine health checks and child development every month.
- Socialization related to sexual harassment, the rights of women workers, and nutrition improvement activities for new mothers are routinely carried out as a reminder to implement the applicable policies.

Based on interviews with representatives of the gender committee and field observations, it is known that the certification unit has provided a special place for breastfeeding in the daycare center. There is no prohibition from supervisors in the field regarding this matter and especially workers in the field who do not bring vehicles will be delivered/picked up by the foreman at these times.

#### **6.5.4**

The certification unit has an SOP related to handling employee complaints, document number SPO/006/BSC/2012 revision 01/rev/RSPO/6.5/PKK issued on November 1<sup>st</sup>, 2012 and approved by each unit manager. The SOP describes

guidelines for handling employee complaints addressed to each operational unit. Then, the certification unit also has a policy of the August 2020 edition of the Sime Darby Plantation Code of Business Ethics, in point 5.8 regarding the protection of personal data it is explained that the certification unit respects the privacy and confidentiality of all parties. In the document it is explained that if requested, the unit of certification guarantees the confidentiality of the identity of the reporter and disclosure of disgrace or incident (whistleblower).

Based on interviews with workers and contractor workers, it is known that workers already have a sufficient understanding of the complaint mechanism. Complaints regarding sexual harassment can be submitted to the gender committee.

**Status: Comply**

**6.6**

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

**6.6.1**

Based on the review of the employee list document for the period of June 2022, there are no migrant workers working in the operational area of the certification unit. All workers come from within one country (albeit from various regions). In addition, each worker has been given a clear employment contract. The rights and obligations of workers are also clearly regulated in collective labor agreements and work agreements. Each worker has an employment agreement that describes a specific job description, there is no replacement of the contract without prior consultation and approval from the worker, for example:

- There is no identity retention, because all labor documents for individuals are photocopies and not original items such as ID cards, diplomas, family cards and others.
- There is no substitution of contracts, because all existing contract workers are currently working in accordance with the existing contracts, such as contract workers for maintenance activities only carrying out maintenance activities and not employing workers other than those stated in the contract.
- Freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the certification unit to the worker concerned. This is evidenced by the existence of workers who resigned to change jobs and the certification unit gave all their rights as workers who completely resigned without any drawbacks.
- There is no coercion in doing overtime work, workers who work overtime in the certification unit can refuse if ordered to do overtime activities because overtime is not the obligation of workers and the certification unit also does not prohibit it.

Based on field visits and interviews with workers, it is known that most of the workers come from the surrounding community. They have a recruitment process in the certification unit and are in accordance with the applicable recruitment procedures. Based on the results of interviews with workers in plantations and factories, it is known that there are currently no migrant workers, identity retention, payment of recruitment fees, contract substitution, forced overtime, lack of freedom for workers to resign, punishment for termination of employment, debt bondage, and deductions. slavery. This is because the certification unit has carried out its operations in accordance with applicable regulations.

There are no significant obstacles related to employment or violations of the certification unit regulations. For example, for harvesters work every day based on 7 hours of work. The unit of certification provides a target output that can be obtained in less than 7 working hours. If the harvester earns more in time or more than 7 working hours, the harvester will get a harvest premium payment. No penalty is given to harvesters if they do not get results due to natural factors such as rain. Based on the pay list, the harvesters have earned above the minimum wage.

**6.6.2**

The results of the verification of the labor register document, it is known that there are no foreign workers working at PT BSC. The company shows the CLA for the period 2021 – 2022 which explains policies related to worker recruitment, working time, wages, overtime, leave, BPJS programs, benefits, etc., which are intended for all workers at PT BSC including contract workers (*PKWT*). As proof of implementation, the company shows a work agreement letter for contract workers (*PKWT*) Number 130/PKWT/SPF/V/2022 on May 7<sup>th</sup>, 2022. The work agreement letter explains the fulfillment of rights to workers in accordance with the CLA and applicable laws and regulations (PP Number 35 of 2021). Then based on interviews with spray workers in Block E006 Division 3, information was obtained that the company has implemented applicable policies related to compliance with labor regulations, for example, has enrolled workers in the *BPJS* program.



From the following description, it can be concluded that employment procedures have been implemented in accordance with applicable policies.

**Status: Comply**

**6.7**

**The unit of certification ensures that the working environment under its control is safe and without undue risk to health.**

**6.7.1**

The company already has an OHS Committee for Sungai Pinang Estate, Bukit Pinang Estate, and Sungai Pinang POM which are approved by the authorized agency. Regarding the transfer of Head Assistant Sungai Pinang POM, the company showed a letter of submission for changes to the OHS Committee structure dated January 3, 2022 to the Musi rawas Manpower Office. In July 2022, there has been an organizational change, namely the change of Area Controller from Mr. Lifton to Mr. Luhut.

Based on this, companies are encouraged to update their OHS organization in accordance with applicable laws and regulations. **OFl.**

The Secretary of the OHS Committee as the person in charge of OHS in the company, has attended the General OHS Expert Training for Certification of the Indonesian Ministry of Manpower which was held on 15 – 24 April 2013 organized by *PJK3*. The company also shows evidence related to the Letter of Authority and Appointment of the OHS Committee Secretary with the initials A in the Decree of the Minister of Manpower regarding the Extension of the Appointment of AK3 number 5/221/AS.02.04/2020 dated January 20, 2020, and is valid for 3 years.

Meetings between the person in charge and the workers have been routinely held every month with discussions on OHS issues and their follow-up. For example, the OHS Committee meeting on 10 June 2022 with discussions related to, among other things, Covid alerts, OHS documentation archiving, the importance of submitting SOPs, and monitoring the use of PPE.

**6.7.2**

The CH representative explained that there have been no changes to the emergency response procedures and work accidents. The documents for emergency preparedness and response procedures are available in Indonesian, including:

- Accident First Aid Procedure, AMF/SOP.ESH/07, April 9, 2010.
- Emergency Response Procedure, AMF/SOP.ESH/14, April 8, 2010.
- Fire control No. 727/TQEM-ESH/10 dated 01 April 2010.
- Identification and evaluation of potential emergency 724/TQEM-ESH/10 dated 01 April 2010.
- Earthquake 746/TQEM-ESH/10 April 01, 2010.
- Evacuation 726/TQEM-ESH/10 April 01, 2010.
- Response to the explosion of 728/TQEM-ESH/10 April 01, 2010.
- Emergency drill 733/TQEM-ESH/10 April 01, 2010.
- Emergency preparedness and response and recovery 725/TQEM-ESH/10 dated 01 April 2010.

The results of field observations revealed that the company had provided a first aid kit in the building based on the identification of potential hazards and risks, besides that the company also appointed a foreman as the officer in charge of carrying the first aid bag. For example, in the Fertilization activity in Block G17 Division 2 BPE, based on the results of interviews with the foreman it was found that the personnel concerned could briefly explain the function of the contents of the first aid bag they carried, such as the use of povidone iodine to clean germs in new wounds. From the results of field observations, it was also known that the first aid kit was provided for a fertilization team of 5 fertilizers and 1 foreman, which was in accordance with the Regulation of the Minister of Manpower and Transmigration number 15 of 2008 concerning first aid in the workplace, which is less than 26 workers with the type of first aid kit. type A.

Based on review of the OHS Committee Report for the 2nd Quarter of 2022 are also known that the first aid kit has been checked regularly. It is also known that the contents of the first aid kit have referred to the Regulations of the Minister of Manpower and Transmigration number 15 of 2008.

The results of field visits at Estate and Mill revealed that the company has provided warnings of evacuation routes and assembly points that are placed in places that are easily seen and known by workers.

There was a work accident in Division 1 of BPE with the initials SN on April 13, 2022 which has been reported in the Quarter 2 P2K3 report to the relevant agencies. The results of observations and interviews with the person concerned, it is known that currently they are still in the process of treatment (outpatient). The results of the study of the certificate document at the Bunda Lubuk Linggau Hospital were known to be diagnosed with a closed fracture at the right of the tibia Scarzher V and were recommended for evaluation and treatment.

Based on this, companies are encouraged to treat workers according to the advice of the hospital, and grant the rights concerned if there is an impact from the work accident. **OFl**.

### 6.7.3

Based on field observations at circle path spray work in Block J19 Division 3 BPE, it is known that workers have used PPE according to PPE standards, such as head protection, google, chemical masks, long sleeves, apron, rubber gloves, and boots. The results of interviews with workers revealed that PPE is provided by the company, boots are given twice a year, but if it is damaged before the replacement period it can be replaced. The results of the document review, it is known that the replacement of the PPE of the spray team was carried out in March 2021, December 2021, and the company has shown a purchase request for PPE in 2022. The results of observations at the SPE rinse house, it is known that the rinse house has been equipped with PPE washing facilities, self-cleaning, PPE storage, and there have been warnings of hazardous materials and emergency response facilities such as first aid kits. The results of the visit to POM, it is known that workers at the engine room station use PPE according to PPE standards such as safety helmets, ear muffs, and safety shoes.

### 6.7.4

The certification unit has a policy to include workers in the social security program listed in the 2021 – 2022 PKB which has been approved by the Head of Manpower and Transmigration Office on February 23<sup>rd</sup>, 2021. As an implementation of this policy, the certification unit has included all its workers in the *BPJS* Employment and *BPJS* Health.

The unit of certification shows the list of workers for June 2022 and proof of payment of *BPJS* Employment and *BPJS* Health for the same period via bank transfer, which are as follows:

- Sungai Pinang POM:
  - The unit of certification shows the list of mill workers for the period of June 2022, which is 84 people.
  - Proof of payment of *BPJS* Employment for the period of June 2022 for 82 permanent workers on June 22<sup>nd</sup>, 2022 through BRI bank.
  - Proof of payment of *BPJS* Employment for the period of June 2022 for 2 contract workers on June 22<sup>nd</sup>, 2022 through BRI bank.
  - Proof of payment of *BPJS* Health for the period of June 2022 for 84 permanent workers on July 6<sup>th</sup>, 2022 through BRI bank.
- Sungai Pinang Estate:
  - The unit of certification shows the list of workers for the SPE unit for the period of June 2022, which is 394 people.
  - Proof of payment of *BPJS* Employment for the period of June 2022 for 394 workers on June 7<sup>th</sup>, 2022 through BRI bank.
  - Proof of payment of *BPJS* Health for the period of June 2022 for 394 workers on June 7<sup>th</sup>, 2022 through BRI bank.
- Bukit Pinang Estate:
  - The unit of certification shows the list of workers for the BPE unit for the period of June 2022, which is 336 people.
  - Proof of payment of *BPJS* Employment for the period of June 2022 for 332 workers on July 6<sup>th</sup>, 2022. There is a



difference of 4 workers who are not paid by *BPJS* Employment. The management stated that the employee had retired in June 2022.

- Proof of payment of *BPJS* Health for the period of June 2022 for 321 workers on June 7<sup>th</sup>, 2022. There is a difference of 15 workers who are not paid by *BPJS* Health. The management has shown documents stating that the worker is a participant in contribution assistance recipient (*PB*).

Based on the results of interviews with spray workers in Block E006 Division 3, information was obtained that the certification unit has provided health insurance to workers and their families (wife and children) and employment insurance to all workers. The workers know the *BPJS* registration number and have their cards in hand. The informant also stated that if a family member is sick, the *BPJS* card can be used.

**6.7.5**

The CH has recorded work accidents based on LTA. For example, in April 2022, there were 2 cases that caused 10 working days to be lost. In April 2022 there were 154,850 working hours, with FR 12.9 and SR 64.58.

**Status: Comply**

**PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT**

**7.1**

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

**7.1.1**

Procedures related to pest monitoring and control are contained in the Agricultural Reference Manual (ARM) document No. Policy 110/EST-ARM/13 Section 15 on crop protection. These procedures include explaining:

- Oryctes on oil palm tree
- Control of bag worms and needle worms
- Use of beneficial plants for natural leaf pest control
- Rat control in oil palm plantations
- Utilization of owls for rat pest control
- Control of root rot and stem end rot caused by Ganoderma.
- Best practice certification to minimize Ganoderma Inoculum in oil palm replanting.
- The use of Arvuscular mychorrhizal fungus for controlling root rot disease.

Based on review of the ARM document also revealed the threshold for pest attack for chemical control, such as:

- Fire caterpillars, 5 per frond for *Mahasena corbetii* and *Setora nitens*
- Rats for 5% attack.
- Specifically, for the Oryctes Beetle, the Head of MRC (Mianamas Research Center) issued an Internal Memo number MRC/Head MRC/RCEO/0195/VII/2018 dated 14 July 2018 regarding the prevention of Oryctes beetle attacks on IMMATURE using Cypermethrin and Karbosulfan insecticides. Insecticide spraying has been arranged with an interval of 14 days, if the situation is severe, it is carried out up to 24 months (Immature 2), if the population area is low, guided by a census.

The results of the study of census documents, for example as follows:

- The results of the rat census in Block J19 Division 3 BPE on 10 June 2022 did not find any rats.
- The results of the Oryctes census in Block J19 Division 3 BPE on 09 May 2022 showed an attack of 0.74%.
- Oryctes census results in G14 Div 1 SPE on census 7 June 2022, amounted to 3%.
- The results of the Block G15 Division 1 caterpillar census on 6 June 2022 showed no attacks.

Based on field observations, the company has planted beneficial plants such as *Turnera subulata* and *Cassia cobanensis* along the roadside of the block, as well as *Antigonon leptosus* at the corner of the block. The results of field observations in Block J019 also found that there was an active Barn Owl Box. This shows that the company has monitored and implemented the IPM.

**7.1.2**

Based on field observations at SPE and BPE, it is known that the company does not have invasive species which refers to the Regulation of the Minister of Environment and Forestry No. 94/MENLHK/SEKJEN/KUM.1/ 12/2016. From the results of field observations, it is also known that the company uses *Turnera subulata*, *Antigonon leptosus*, *Cassia cobanensis*, and Owls for IPM.

**7.1.3**

Based on the results of field visits and interviews with company representatives, it was found that there was no use of fire for pest control purposes. For example, the results of the visit in Block J19 Division 3 BPE, weed control using pesticides by spraying.

**Status: Comply**

**7.2**

**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.**

**7.2.1**

Based on the review of ARM documents chapters 15 and 16 on crop protection and weed control, there is justification for the use of pesticides and herbicides. For example, Cypermethrin is recommended for Nettle Caterpillars and Oryctes. For weed control, glyphosate and methyl metsulfuron are generally used.

**7.2.2**

The CH already has a record of pesticide use. For example, the use of Ammonium glyfosinate until June 2022 in SPE is 668 liters for an area of 322.26 ha. Ammonium glyfosinate in the Basta brand has an acute oral LD50 of 1,730 mg/kg and an acute dermal LD50 of 593 mg/kg, with an active ingredient per ha of 5.2 liters/ha.

**7.2.3**

The CH has used *Turnera subulata*, *Antigonon leptosus*, and *Cassia cobanensis* for the control of Nettle Caterpillar. Likewise for rats, using Owls. The use of beneficial plants and owls has a positive effect, as shown from the results of the census of the Nettle Caterpillar and Rat pests that are below the economic threshold and therefore do not require chemical control. The results of field observations in Block G17 Division 2 of BPE during fertilization activities were found to have no signs of attack by Nettle Caterpillar and Rats.

From the results of the document review, it is known that the use of cypermethrin in BPE until June 2022 is 1,511 liters, while in 2021 it is 1,698 liters. This is due to the increase in the area of IMMATURE from 317 ha to 466 ha. For the Oryctes Beetle, the Head of MRC (Minamas Research Center) issued an Internal Memo number MRC/Head MRC/RCEO/0195/VII/2018 dated 14 July 2018 regarding the prevention of Oryctes beetle attacks on IMMATURE using the insecticides Cypermethrin and Karbosulfan. Insecticide spraying has been arranged with an interval of 14 days, if the situation is severe, it is carried out up to 24 months (Immature 2), if the population area is low, guided by a census. For example, the results of the Oryctes census in Block J19 Division 3 BPE on May 09, 2022 contained an attack of 0.74% and on June 6, 2022 it was 0.99%.

Based on this, it is known that the company has minimized the use of pesticides, in accordance with the IPM plan.

**7.2.4**

The CH has an internal memo from the Head of MRC numbered MRC/Head MRC/RCEO/0195/VII/2018 dated 14 July 2018 regarding the prevention of Oryctes beetle attacks on immature using the insecticides Cypermethrin and Karbosulfan. Insecticide spraying has been arranged with an interval of 14 days, if the situation is severe, it is carried out up to 24 months (Immature 2), if the population area is low, guided by a census.

The results of interviews with company representatives, it is known that there is use of cypermethrin in the immature area, such as in Block J019 Division 3 BPE, with planting year 2021. The results of the Oryctes census in Block J19 Division 3 BPE on May 09, 2022 contained an attack of 0.74% and on June 6, 2022 it was 0.99% so it was sprayed using capture

in May and June 2022.

Based on the results of document review and interviews, it is known that the company does not use pesticides preventively without prioritizing the census.

#### **7.2.5**

There is no use of pesticides listed in the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat. The results of field observations in the spraying activity of Block J019 Division 3 BPE, it is known that the herbicide used is Basta, with the active ingredient Ammonium Glyfosinate, and belongs to WHO class III. The results of the document review also show that the pesticides and herbicides used in 2022 include glyphosate (WHO class O category) and methyl metsulfuron (WHO class III category).

#### **7.2.6**

Based on the results of interviews with the PT BSC spray team, it is known too that all workers have received training related to handling pesticides on a regular basis, besides that workers can briefly explain the procedures for spraying and handling pesticides and spray equipment after work.

The company has identified the need for training programs for all staff and workers according to their positions and types of work. For example, the spray training held at the Bukit Pinang Estate on June 14, 2022, which was attended by 11 spray workers.

Based on the results of interviews with the spray team in block E6 division 3 of SPE, it was found that workers could explain the technical aspects of spraying based on the 6T principles (right target, right quality, right type of pesticide, right time, right dose/concentration and right way of use). It is also known that the use of pesticides is in accordance with product labels, and workers have used PPE that is in accordance with the company's HIRAC. It is also known that if the PPE is damaged, it will be replaced by the company.

#### **7.2.7**

Based on the results of the field visit at the pesticide storage warehouse in SPE and BPE, it was found that the storage area was in accordance with Government Regulation No. 74 of 2001 concerning the Management of Hazardous and Toxic Materials, including the pesticide storage warehouse equipped with the OHS hazard symbol, emergency response facilities in the form of fire extinguishers, first aid kits, ventilation and adequate lighting.

#### **7.2.8**

Company has and shows SOP for handling pesticide waste which is listed in the SOP document for Storage of Pesticide Packaging, document number RA 012 revision number 00 dated April 1, 2017, which includes, among others, the safety and health of personnel working with hazardous waste and the control of temporary storage of packaging waste. Pesticides until the deadline for submission to the competent authorities. Procedures related to the storage of pesticide waste include packaging requirements, storage procedures, storage building requirements, and requirements for submitting hazardous waste to third parties. The company only manages pesticide packaging waste by storing the waste temporarily before being given to licensed collectors.

Based on field observations at Sungai Pinang estate and Bukit Pinang estate, it was found that all used pesticide containers were washed/rinsed in the available washing places, then recorded by warehouse staff, and then sent to the temporary hazardous waste warehouse in each estate. Used pesticide packaging is stored and collected at the temporary hazardous waste warehouse that is licensed, documented (log book). The company shows last hazardous waste was transported on January 6, 2022, through report no. 11/BSC/B3/I/2022, which PT Gema Putra Buana did as a licensed hazardous waste transporter.

Based on interview with worker and pesticide warehouse officer of Sungai Pinang Estate and Bukit Pinang Estate, they understand the mechanism well. In housing complex, ex pesticide waste has been handled well and observation on plantation block and workshop show that there is no agrochemical ex-container in the plantation working area.

**7.2.9**

Based on the results of field observation and interviews, it is known that there is no air spraying activity.

**7.2.10**

Health Checks for high-risk workers such as pesticide handlers at SPE and BPE have been carried out in July 2022, and for MCU for all employees it is planned for October 2022. For unfit results, follow-up actions have been carried out according to the doctor's advice, namely by moving jobs that are not related to pesticides and several including in the process of referral to a specialist.

Based on document review revealed that a special medical examination had been carried out, with the results coming out in July 2022, with the following results:

- SPE with 99 participants: sprayers, fertilizers, mechanics, and operators. The examination carried out was a cholinesterase examination, with recommendations for 12 mutations and 1 consul to an ENT specialist.
- SPF with 27 participants sample boy, lab, WTP, boiler, warehouse. The examination carried out was a cholinesterase examination, with the recommendation of 4 mutations and 5 consuls to an ENT specialist.
- BPE with 65 participants: sprayers, fertilizers, mechanics, and operators. The examination carried out was a cholinesterase examination, with recommendations for 10 mutations and 4 consuls to an ENT specialist.
- The company has followed up on the results of special MCUs, such as IOM Manager SPF no 217 of 2022 dated 21 July 2022 regarding temporary mutations and follow-up for further examinations for those who are recommended to ENT specialists facilitated by the Head of Division. There is also IOM Manager BPE No. 34 of 2022 dated July 20, 2022 regarding temporary mutations and follow-up for further examinations for those who are recommended to ENT specialists facilitated with the Head of Section.

Based on review of PT BSC's 2022 MCU Schedule, it is also known that the planning for Health checks for all employees in 2022 will be carried out in October 2022.

**7.2.11**

Based on interviews with spray workers at BPE and SPE, it is known that there are no underage workers, nor workers who are pregnant and breastfeeding who handle pesticides. Working who are pregnant and breastfeeding will be transferred to other jobs that are not related to chemicals, apart from a mechanism to ensure that there are no pregnant and lactating workers, one of which is monitoring H1 leave every month.

**Status: Comply**

**7.3**

**Waste is reduced, recycled, reused and disposed of in ways that are environmentally and socially responsible manner.**

**7.3.1**

All waste products and sources of pollution have been identified and documented in the waste management and identification document period of 2021. Based on document verification, company has done waste source identification and management plan for examples are:

- Estates
  - Waste source: chemist activities, waste type: ex pesticides containers (toxic and hazardous waste), managed by stored in optimization store and sent to related transporters.
  - Waste source: pruning activities, waste type: oil palm frond (organic waste), managed by frond stacking
- Mill
  - Waste source: FFB process, waste type: shell and fiber (non-toxic/hazardous waste), managed by renewable energy usage for boiler
  - Waste source: FFB process, waste type: palm oil mill effluent, managed by the effluent pond and land applications as nutrient cycle.

Company already has temporary hazardous waste storage area permit through Decree of Head of One-Stop Service and Investment Office of Musi Rawas Regency Number 503/05/LB3/DPM-PTSP/V/2019 dated 31 May 2019, regarding the extension of the hazardous Waste Management Permit for PT Bina Sains Cemerlang's Temporary Hazardous Waste

Storage Activities. Validity period: 5 years from the date of this decision. Document review shows that the company has sent hazardous waste to PT Gema Putra Buana (licensed collector by the national environmental minister). Manifests are available and checked by auditors. Observation during audits at temporary hazardous waste storage shows that all hazardous waste is compliant with the periods in the permit. Submission of the last hazardous waste was carried out on 6 January 2022.

Based on field observation in Sungai Pinang Mill, solid waste management such as empty bunch is disposed in empty bunch storage before being applied to land, shells and fiber are used as boiler fuel, and boiler ash is stored in boiler ash storage before being used as stockpile. Meanwhile, POME from mill is processed through WWTP until it has been fulfilled quality standard before it is streamed to land application.

Based on field observation to Hazardous Waste Storage in Sungai Pinang Mill and estates, hazardous waste from each unit has been stored to hazardous waste storage which has been equipped with emergency response facilities such as fire extinguisher, alarm, spill kit, emergency shower, secondary containment and first aid kit. Hazardous waste has been stored based on toxicity and hazardous characteristics, e.g., clinical and chemical storage waste are stored in different containers. Based on interview with management representative, solid waste management, e.g., in housing area, is collected by waste management officer and delivered to the landfill. Based on interview result with residents of housing complex, there is prohibition of burning for waste disposal in the company.

Besides, based on result of field visits, the following were found:

- Domestic waste piled up on vacant land around Division 3 Housing Complex of Bukit Pinang Estate
- Domestic waste scattered along the ditch beside Division 3 Housing Complex of Sungai Pinang Estate.
- 3 units of ex-oil drum and 1 unit of ex-paint packaging cans behind Division 3 Housing Complex of Sungai Pinang Estate.
- Disposal of domestic waste in vacant land in front of the house No. 5 and house No. 7 at CHC Housing Complex Sungai Pinang Mill.
- 1 unit of oil drum in Iron and Building Material Warehouse, 4 units of oil drum in Main Warehouse, and 1 unit of grease packaging at Security Post of Sungai Pinang Mill.
- 2 points of ex burning household waste located in trash bin in front of house and vacant land in front of house No. 5 at CHC Housing Complex of Sungai Pinang Mill.

Results of interview with 3 residents of Sungai Pinang Mill CHC Housing stated that waste transportation is carried out every 1-2 times a week and there is a prohibition on burning household waste. In addition, waste that is dumped in the vacant land in front of the house and burned because wet domestic waste causes odors if stored in the trash can provided in front of the house. This has been nonconformity in indicator 3.3.3.

### **7.3.2**

Company routinely socializes waste management directly and indirectly; for example, the direct socialization of hazardous and toxic waste management was carried out on November 7, 2021, to all staff and employees at SPE and BPE. In addition, based on interviews related to management and disposal of waste, managers in estates and mills have known about the proper disposal of waste, including domestic waste management disposal to landfill, hazardous waste management In Hazardous Waste Storage, and POME in WWTP.

However, based on the results of field visits there are domestic waste piled up on vacant land around Division 3 Housing Complex of Bukit Pinang Estate, domestic waste scattered along the ditch beside Division 3 Housing Complex of Sungai Pinang Estate, and disposal of domestic waste in vacant land in front of the house No. 5 and house No. 7 at CHC Housing Complex Sungai Pinang Mill. There has been nonconformance in 3.3.3 indicator.

### **7.3.3**

The company has provided a landfill as a final waste disposal site. Organic waste from housing and inorganic waste is disposed of in the bins that have been provided, then transported every two times a week and disposed of in landfills, and then buried when it is complete. Observations also found these landfills are located far away (> 1 km) from housing and

situated in flood-free areas. The results of field observations in employee housing areas also show many warnings to prohibit waste burning activities and the dangers of burning actions. However, based on field visits, there is 2 points of ex burning household waste located in trash bin in front of house and vacant land in front of house No. 5 at CHC Housing Complex of Sungai Pinang Mill. These have been nonconformance in the 3.3.3 indicator.

**Status: Comply**

**7.4**

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

**7.4.1**

There is no change in the company's fertilization procedure. The procedure related to fertilization activities contained in the Agricultural Reference Manual (ARM) document (No. Doc. 110 / EST-ARM / 13) Section 8 concerning the Fertilization of Oil Palm Crops which includes technical fertilization, empty fruit bunch application and compost application on Immature plants and mature plants, fertilizer placement and fertilizer application of 'focal feeding' on marginal soils. The implementation of the SOP is monitored periodically with an operational audit or Plantation Advisory. In addition, the implementation of fertilization supervised by the foreman, assistant and re-evaluation by the manager.

**7.4.2**

The results of interviews with management representatives and document review revealed that the company had carried out a soil and leaf tissue analysis to develop fertilizer recommendations. The CH shows IOM MRC/Head-MRC/Mgr Est/0329/XII/2021 regarding Report on Soil Fertility and Land Suitability Survey for PT BSC Oil Palm Plantation in 2021 on 18 December 2021. This report is valid for 2021 – 2026. Parameters tested include pH, organic C, N Total, P, CEC (Cation Exchangeable Capacity). The type of soil owned is ultisol, with groups paleaquult, hapludult, kandudult, paleudult. The CH also shows records of SPE and BPE Leaf Analysis, dated October 15, 2021, conducted by the Minamas Research Center with a total sample of 82 pieces from BPE and SPE. The parameters analyzed were: ASH, P, K, Mg, Ca, N, and B.

**7.4.3**

Nutrient recycling strategies have been available, including the application of POME and the application of EFB. Based on the document review are known for the period January – June 2022 that 20,574.97 m<sup>3</sup> has been applied in the SPE. Based on field observations of the land application area in the Block F12 Division 2 SPE, it is known that it is true that POME has been applied and there is no overflow to water bodies.

Based on field observations also found that EFB was applied as mulch at circle points in immature areas. This treatment has been regulated in the ARM chapter of fertilization in IMMATURE. The results of the study of the EFB SPE application document, it is also known that the company has applied 2,552-ton EFB until June 2022.

**7.4.4**

The CH has documented records of fertilizer use in the field which are part of the Company's Agronomy Report. For example, the Recommendation and Realization of BPE fertilization documents in 2022, with information including the application of MOP in Block B24 Division 1 to be carried out in April 2022 according to the recommendation of 13,649 kg for an area of 30 ha.

**Status: Comply**

**7.5**

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

**7.5.1**

Based on the results of the study of the Soil Fertility Survey document and Land Suitability for Oil Palm Plants at PT Bina Sains Cemerlang for the period 2021 – 2026, it is known that there is no marginal soil. The soil types are all of the order Ultisol. The land slope class is between 0° – 25°, the dominance is hilly with an area of 898.81 Ha (14.01%), besides that there is a steep slope land with an area of 129.59 Ha (2.02%).



**7.5.2**

The results of the field visit in the Immature area for the 2021 planting year, for example block J19 Afdeling 3, Estate BPE, it was found that there were no extensive replanting activities on land with steep slopes. Vetiver grass and LCC have been planted for soil conservation.

**7.5.3**

Based on the results of the study of the area statement documents and field visits, it was found that the company did not carry out new plantings but only carried out replanting activities.

**Status: Comply**

**7.6**

**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.**

**7.6.1**

Based on the results of the study of the Soil Fertility Survey and Land Suitability Survey document for Oil Palm Plants at PT Bina Sains Cemerlang for the period 2021 – 2026, it is known that there is no marginal soil, while all soil types are of the order Ultisol. The land slope class is between 0° – 25°, the dominance is hilly with an area of 898.81 Ha (14.01%), besides that there is a steep slope land with an area of 129.59 Ha (2.02%).

**7.6.2**

Based on the results of field observations and document studies, it is known that the company does not carry out any new land development activities.

**7.6.3**

Based on the results of field observations and document studies, it is known that the company does not carry out any new land development activities.

**Status: Comply**

**7.7**

**No new planting on peat, regardless of depth after November 15<sup>th</sup>, 2018 and all peatlands are managed responsibly.**

**7.7.1; 7.7.2; 7.7.3; 7.7.4; 7.7.5; 7.7.6; 7.7.7**

Based on the results of the study of the Soil Fertility Survey document and Land Suitability for Oil Palm Plants at PT Bina Sains Cemerlang for the period 2021 – 2026, it is known that there are no types of peat soils, while all soil types are of the order Ultisol.

**Status: Comply**

**7.8**

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

**7.8.1**

Company identifies water flows within its operational areas in the HCV document. There is also a water management plan included in the HCV management plan, environmental management, and monitoring plan (AMDAL) record. Based on the document, it is also known that the water source management plan is to test the quality of surface water (Pinang River and Durian River) every six months and drill/resident wells every one year. All tests were carried out by accredited laboratory (LP-1148-IDN). Related to this, company shows the results of testing surface water quality for second semester of 2021 and first semester 2022, which was carried out on 5 November 2021 and 18 March 2022. Company carried out surface water tests with 27 indicators at 4 sample points. Company also does not limit access to clean water, and all workers also have access to adequate clean water. Based on the results of field observations in the permanent housing area of CHC (Central Housing Complex) Sungai Pinang Estate and interviews with fertilizer workers, spraying workers, and harvest workers. Information was obtained that clean water facilities for housing were obtained from drilled wells provided by the company and factory workers. Who live in factory housing, the water source comes from a reservoir that has been treated in the WTP. The company also conducts water testing to see the quality of water taken from drilled wells by accredited laboratory (LP-1148-IDN) on 5 November 2021 and 18 March 2022. Based on document verification, result

of surface water and well water quality testing showed below:

- Results of surface water quality testing that exceed the quality standards set out in Government Regulation (PP) No. 22 of 2021 Annex VI Class I at upstream point of Pinang River (color, ammonia, and dissolved iron), downstream of Pinang River (color, DO, TSS, ammonia, dissolved iron), upstream of Durian River (color, BOD, ammonia, dissolved iron, and dissolved manganese), as well as downstream of Durian River (color, DO, BOD, COD, ammonia, dissolved iron, and dissolved manganese).
- Results of monitoring well water quality testing that exceed the quality standards set out in Health Minister Regulation (*Permenkes*) No. 32 of 2017 at the point of land application monitoring wells, non-land application monitoring wells, and resident wells with pH and fecal coliform parameters.
- Results of surface water quality testing that exceed the quality standards set out in Government Regulation (PP) No. 22 of 2021 Appendix VI Class I at upstream point of Pinang River (color parameters, DO, TSS, BOD, ammonia, dissolved iron, and free chlorine), downstream of Pinang River (color, DO, TSS, ammonia, dissolved iron, and free chlorine), upstream of Durian River (pH, DO, BOD, ammonia, manganese, and free chlorine), and downstream of Durian River (pH, DO, ammonia, and free chlorine).
- Results of monitoring well water quality testing that exceed the quality standards set out in Health Minister Regulation (*Permenkes*) No. 32 of 2017 at the point of land application monitoring wells, non-land application monitoring wells, and resident wells with pH and fecal coliform parameters.

Based on explanation above, there are several parameters which has been exceeded standard in Government Regulation (PP) No. 22 of 2021 and Health Minister Regulation (*Permenkes*) No. 32 of 2017. This has been nonconformity in 3.4.3 indicator.

Company also has a river boundary management plan - a riparian belt, explained in the SOP for Watershed Protection (No.PM 0300, Rev 00 dated October 30, 2014). The SOP includes procedures that require watershed areas or buffer zones to be marked. No chemical application is allowed. (spraying & fertilizing), maintenance of oil palm plantations in the watershed is carried out manually; during tree rejuvenation which is approximately 50 meters left and right of the river, flow is allowed to grow naturally, and it is forbidden to take sand for residents. Based on the results of document verification and field observations of several sampling locations indicate that the company has carried out activities to improve water quality, including:

- Conduct socialization to all employees and the surrounding community not to use water for consumption activities.
- Maintain the cleanliness of the environment around water sources so that sources of pollution can be minimized.
- Create a program to improve water quality in stages with the provisions of the applicable laws and regulations.
- Report the examination results by the provisions of the applicable laws and regulations.
- Testing the quality of river water and drilled wells listed in the *RKL/RPL* report
- Management of erosion and surface water runoff, lowland water management, and monitoring of surface water quality as stated in the implementation of the semester *RKL-RPL*
- Management of riverbanks and water sources in the form of reservoirs.
- Wastewater management using WWTP and its utilization in licensed application areas as well as monitoring the quality of wastewater and monitoring wells
- Monitoring water use for palm oil processing and evaluating its usefulness.
- Flow meter logging in WTP
- Checking for leaks of water faucets at the factory and calibrating flowmeters
- Distribution control and maintenance of water distribution pipes to housing
- Production of water-saving posters and water-saving campaigns
- Socialization of water use savings in factories and housing.
- Planting of plant species on riverbanks such as Bamboo, Trembesi, etc.

#### **7.8.2**

Company has SOP for Watershed Protection (No.PM 0300) Rev 00 dated October 30, 2014. The SOPs stipulate that watershed areas or buffer zones must be marked, no chemical application (spraying & fertilization), and maintenance of oil palm plantations are allowed. The watershed is done manually; when rejuvenating, trees, approximately 50 meters left and right of the river flow, are allowed to grow naturally, and it is forbidden to take sand for residents.

In addition, company also explained the efforts to manage river borders and other water sources such as periodically monitoring the condition of river borders from disturbances and, pollution and fires every month testing surface water quality standards to ensure river water quality is still within normal limits. In addition, the company also conducted socialization with employees and the surrounding community in conservation efforts, which can be proven based on the minutes of socialization to workers on October 11, 2021, and to the community on December 7, 2021. Result of interview with spraying and fertilizing workers also stated that they had known rules related to chemical application limits, prohibition of washing goods contaminated with chemicals in rivers, and other activities that harm water sources.

Company has also planted woody plants on riverbanks. In 2021, it was known that 200 plants had been planted consisting of bamboo and vetiver grass. Based on the results of field visits to the HCV location, which is the Sungai Pinang River border area Block E010 Division 02 Sungai Pinang Estate and Sungai Pinang River border area Block F017 Division 02 Bukit Pinang Estate, it shows that the company has carried out several activities as a form of protection for the river border area, such as:

- Placing warnings on no hunting, HCV areas, and no application of chemicals or fertilizers.
- Do not apply chemicals in the HCV area with a distance of ± 100 meters
- Marking the boundaries of the managed area (chemical application) with a yellow mark on the tree
- Enrichment by planting mahogany plants
- The company has also disseminated the prohibition of spraying on the edge of water bodies to workers.

Based on result of the field visit, weed spray was found in river border area of Field D016 Division 1 Bukit Pinang Estate. Company already has SOP for Watershed Protection (DAS) No. PM 0300 dated October 30, 2014 which was approved by the Estate Manager and Mill Manager and contains watersheds with a radius of ±50 meters left and right, no chemical treatment is allowed. Company has shown a follow-up effort to this in the form of socialization to the spray team regarding the spray ban in the buffer zone area on July 20, 2022, which was attended by 11 participants. Companies are encouraged to ensure that the protection of the watershed (buffer zone) is carried out with reference to the procedures they have.

**(OFI)**

**7.8.3**

All palm oil mill effluent produced by the SPF Palm Oil Mill is processed at the wastewater treatment plant before being distributed to plantations as land applications. Monitoring is carried out every month regularly and reported to the Environmental Agency every three months. Company can show evidence regarding results of POME quality measurement in a document of the effects of tests carried out by accredited laboratory (LP-1148-IDN). The analysis of the test results for the period January-June 2022 shows that all parameters are by the applicable quality standards. This indicates that the liquid waste generated from FFB management activities can be applied to land applications. Company already has a Land Application Permit based on the Regent of Musi Rawas No 436/KPTS/DLH/2017 regarding extension of permit for use of palm oil industrial wastewater on the oil palm plantation land of PT Bina Sains Cemerlang. The application area of 83.64 ha is located in blocks F11 and F12, issued on June 7, 2017, valid for five years.

**7.8.4**

Company already has a water use/utilization permit based on Decree of the Minister of Public Works and Public Housing Number 782/KPTS/M/2021 dated 16 June 2021, concerning the Water Resources Concession Permit. This permit decision comes into effect from 8 June 2021, until five years from the date of stipulation. It is explained that the company must collect water with a quota that can be utilized of 12,000 m<sup>3</sup>/month.

The procedure of water use monitoring in the mill is available under the document Procedure of Water Treatment Plant. Water consumption is monitored by using flowmeters installed in the piping system of WTP. According to water use data in the last period, January to June 2021 average water used for processing is still below the budget (0.56 m<sup>3</sup>/ton FFB while the budget is 1.5 m<sup>3</sup>/ton). The widespread use of water under the budget of the company.

**Status: Comply**

**7.9**

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

7.9.1

Company uses shells and fiber as boiler fuel to generate turbine power, reducing the use of fossil fuels. There are the documentation of shells and fiber usage on document of "Efisiensi Pemakaian Bahan Bakar Fosil menggunakan Fibre & Cangkang" period January-December 2021. For example, the use of shells and fiber period January-December 2021 usage is 9,073 tons and 3,992 tons respectively, while electricity generated from diesel fuel 192,727 kWh. Based on document verification, there is escalation of renewable energy (shell and fiber) from previous audit period which are 11,095 ton to 13,065 ton.

Status: Comply

7.10

**Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.**

7.10.1

Company has carried out an inventory of GHGs in the Greenhouse Gas Mitigation Report document for 2021. Based on document analysis, it can be concluded that the company has identified the source of GHG produced by the SPF unit and its suppliers. Identification of significant sources of GHG emissions is placed, and the company has developed mitigation plans covering mills and plantations. Significant GHG emissions include:

- Land-use change.
- POME processing.
- Fertilizers and pesticides.
- Use of fossil fuels for operations and transportation.

The mitigation plans include, among other things, the correct dosage and application of fertilizers as recommended, reducing reuse and recycling, limiting the use of electricity, transportation, and machine maintenance, as well as periodic air quality tests. The company has reported the results of the GHG calculation, which was submitted to the RSPO GHG website.

Fossil fuel reduction in SPF has been carried out using fibers and shells for fuel substitution. The company also uses POME with test results from the monitoring period from January–to December 2021, which show that all wastewater testing parameters have met the applicable quality standards. Based on the review of documents, for example, monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs, and others, it is found that accurate data has been entered into the RSPO GHG Calculator version 4.0. The summary of GHG emissions for the period January – December 2021 is as follows:

**Summary Emissions**

Description	Value	Unit	Description	Value	Unit
CPO	1.75	tCOe2/tProduct	Oil palm planted on mineral soil	6185.64	Ha
PK	1.75	tCOe2/tProduct	Oil palm planted area on peat	0.00	Ha
PKO	0	tCOe2/tProduct	Total oil palm planted area	6185.64	Ha
PKE	0	tCOe2/tProduct	Conservation area (Forested)	44.07	Ha
OER	22.54	%	Conservation area (non-Forested)	0.00	Ha
KER	4.68	%	FFB Production per hectarage	11.29	t/ha

**Mill Emissions and Credits & Emissions from Palm Kernel Crusher**

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO2	tCO2e/t FFB	Emission Source	tCO2e
POME	13689.43	0.20	PK from own mill	0.00
Fuel Consumption	983.72	0.01	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		

Total	14673.15	0.21		
<b>Estate / Plantation Field Emissions and Sinks</b>				
Description	Emission (tCO <sub>2</sub> e)			TOTAL
	Own	Group	3rd Party	
<b>Emission Source</b>				
Land Conversion	59931.58	0.00	0.00	59931.58
CO <sub>2</sub> Emissions from Fertilizer	5283.56	0.00	0.00	5283.56
N <sub>2</sub> O Emissions from Peat	0.00	0.00	0.00	0.00
N <sub>2</sub> O Emissions from Fertilizer	4773.55	0.00	0.00	4773.55
Fuel Consumption	1688.47	0.00	0.00	1688.47
Peat Oxidation	0.00	0.00	0.00	0.00
<b>Sinks</b>				
Crop Sequestration	-52728.77	0.00	0.00	-52728.77
Sequestration in Conservation Area	-404.12	0.00	0.00	-404.12
<b>Total</b>	<b>18544.27</b>	<b>0.00</b>	<b>0.00</b>	<b>18544.27</b>
<b>FFB Supplier</b>				
Supplier Name	FFB Production by Estate/Plantation (t)	FFB Supplied by Estate/Plantation (t)	Percentage of FFB supplied by Estate/Plantation (%)	
Sungai Pinang Estate	37539.20	37539.20	100	
Bukit Pinang Estate	32298.79	32298.79	100	
<b>Palm Oli Mill Effluent Treatment</b>				
Description	Unit	Value		
Diverted to Compost	%	0		
Diverted to anaerobic digestion	%	100		
POME to anaerobic pond	%	100		
POME to methane capture (flaring)	%	0		
POME to methane capture (electricity generation)	%	0		
<b>7.10.2</b>				
Based on document verification, there are no additional new areas in the scope of certification; it is still the same as the previous audit activities. The company has identified pollution and emissions activities, including GHG. Pollution/emissions come from land clearing, fertilization and use of chemicals (spray activities), use of solar in transportation, lighting, and processing of FFB, and management of POME.				
<b>7.10.3</b>				
Based on document verification, there are no additional new areas in the scope of certification, and it is still the same as the previous audit activities. The company has identified pollution and emissions activities, including GHG. Pollution/emissions come from land clearing, fertilization and use of chemicals (spray activities), use of solar in transportation, lighting, and processing of FFB, and management of POME. The company has also implemented GHG emission management, including establishing a policy of zero burning in land clearing, fertilizer, and chemical use by recommendations, EFB and POME applications on land, routine emission testing, use of fibers and shells as boiler fuel, planting trees in the area riparian.				
<b>Status: Comply</b>				
<b>7.11</b>				
<b>Fire is not used for preparing land and is prevented in the managed area.</b>				
<b>7.11.1</b>				

Company is committed to clearing land without burning (zero burning) either during land clearing or replanting, as stated in the environmental protection policy dated April 30, 2013. Company also has SOP procedure. Policy; 110/EST-ARM/13 Memorandum of Head of Plantation Upstream Indonesia dated September 01, 2013, chapter Replanting. The procedure explains that land clearing or replanting also shows no zero-burning method. In addition, the company has a Fire Prevention and Handling Manual with No. M-077 / HPUI / VIII / 2014 from Head Plantation Upstream Indonesia dated August 07, 2017, which contained that the company implemented Zero Burning Policy in all Minamas plantation activities. Based on results of field observations of Block I10 Division 2 Sungai Pinang Estate, it was found that there was no indication of replanting activities using the burn method; the company carried out replanting actions manually (chipping).

**7.11.2**

Efforts to prevent and control fires in the managed area have been described in 2021 Fire Monitoring and Prevention Report, whose period is between January-December 2021. Based on document verification, there were no land fires in the company's operational areas in 2021-2022. Based on results of field observations of Block I10 Division 2 Sungai Pinang Estate, it was found that there was no indication of replanting activities using the burn method; the company carried out replanting actions manually (chipping). Based on interviews with management, they cleared the land using heavy equipment (manual).

**7.11.3**

Company has involved stakeholders at the border locations of the operational area to prevent and control fires through simulations and socialization of firefighters, which were attended by the surrounding community and several agencies around the company. The company has demonstrated evidence of stakeholder involvement in fire prevention and control, as shown below:

- Minutes of Fire Extinguisher Simulation on March 11, 2021, held at Sungai Pinang Estate and attended by representatives of Villages around PT BSC, the firefighting team at PT BSC, etc.
- Minutes of socialization on October 7, 2021, held in Anyar Village and attended by 15 participants.

**Status: Comply**

**7.12**

**Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

**7.12.1**

Based on the results of document verification, PT Bina Sains Cemerlang has done land clearing in period of November 2005 – November 2007 and December 2007-December 2009. HCV Identification activity was carried out in 2010, shown based on the HCVA Identification Report document, PT Bina Sains Cemerlang, carried out by an independent consulting agency (CV. POLLITO) in January 2010. Sime Darby Plantation Berhad, the parent of PT BSC, has made a disclaimer of liability according to a letter from the Head of PSQM Department on July 15, 2015, and has reported the results of Land Use Change Analysis (LUCA) in August 2015. Company shows evidence of follow-up communication with the RSPO regarding the LUCA review based on an email on 18 February 2022 from Indrawan Suryadi <[indrawan.suryadi@rspo.org](mailto:indrawan.suryadi@rspo.org)> to Nurul Hayati Ibrahim <[nurul.hayati@simedarbyplantation.com](mailto:nurul.hayati@simedarbyplantation.com)> which stated that "Please find the attached file of the final LUCA review result of PT Bina Sains Cemerlang from the reviewer. The LUCA status now is Pass, with Final Conservation Liability 0 ha, and Environmental Remediation Area 0 ha". Based on this email, PT Bina Sains Cemerlang's LUCA status was declared "Pass" by the RSPO with a Final Conservation Liability (FCL) of 0 ha and a remediation area of 0 ha. Until this recertification assessment, company did not conduct new land clearing activities or development of operational areas.

**7.12.2**

Company has identified HCV area within its operational area. The identification was conducted by independent consultant of CV POLLITO. Activities that have involved the community are shown by Minutes of Implementation of Consultation Activities on HCV Identification (No. 04/ BAP/Pollito/05/2011) dated May 12, 2011. The public consultation was attended by 16 people consisting of consultants, community, academics (students), relevant agencies, NGOs, village heads and company management.



Identification result shows that HCV area including Pinang River, Durian River, Selingsing River, and Black River; with a total river length of  $\pm 49.2$  km; Based on Presidential Decree 32 of 1990, a protected area (buffer zone) is set as wide as 50 m on the left and right of the river or equivalent to  $\pm 492$  ha. This area has been planted with oil palm from 1991 to 2006. This area is categorized as an HCV 1.1 area, namely an area that has or provides a biodiversity support function for a protected or conservation area; HCV 4.1 areas, namely Areas or Ecosystems that are Important as Water Providers and Flood Control for Downstream Communities, and HCV 5, namely Areas that Have Important Functions for Fulfilling Basic Needs of Local Communities.

Company already has an HCV map with a scale of 1:50,000 which informed riparian area of Pinang River, Durian River, and Selingsing River with an HCV area of 492 ha which is included in planting area. For replanting river border areas, land clearing is not carried out. HCV area present in PT BSC is HCV 1.1; HCV 4.1 and HCV 5 in form of riparian area of Pinang River, Durian River, Selingsing 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 44.07 ha and is not in the planting area statement.

Company has conducted research on protected, rare, rare, or endangered species, and habitats with high conservation value, which was carried out by a consulting agency in January 2010. Identified RTE of wildlife species are *Felidae*, *Hylobatidae*, *Ursidae*, *Manidae*, *Hytridae*, *Cercopithecidae*, *Viverridae*, *Bufo*, *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 *Aglai tomentosa*.

#### **7.12.3**

Indicator 7.12.3. currently irrelevant to Indonesia, until further decisions from the RSPO.

#### **7.12.4**

Company has developed a matrix for HCV management plan in 2020/2021 consisting of rare, threatened, or endangered species, rivers buffer zone, reservoirs buffer zone, and local identities. Company also has issued control of any illegal or inappropriate hunting, fishing, or collecting activities.

Company established an HCV management plan to maintain the HCV areas in operation are listed on the Management plan HCV 2021 documents. HCV management and monitoring implemented that taken by the management unit such as maintaining HCV attributes (HCV boundary, signboard), HCV socialization (community and worker), keeping HCV area, regular patrols for maintaining HCV security, species monitoring, enrichment in riparian.

Company also conducts a review of management and monitoring activities in 2021, as evidenced in the 2021 HCV Management Plan Review Report, which contains evaluation and management and monitoring recommendations to improve HCV management activities in 2022.

#### **7.12.5**

The company has identified HCV area within its operational area. The identification was conducted by independent consultant of CV POLLITO. The HCV areas present in PT BSC are HCV 1.1; HCV 4.1 and HCV 5 in form of riparian area of Pinang River, Durian River, Selingsing 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 44.07 ha and is not in the planting area statement. The company currently has a mutual agreement with the surrounding community; for example, for monitoring and patrol activities, the company has agreed with the community active in the company not to hunt and trade wild animals.

#### **7.12.6**

Company has a policy set out in procedures related to protecting endangered species with document number SPO/006/BSC/202 revision 01 concerning SOPs for Handling and Protecting Flora and Fauna, effective on November 1, 2012. The document generally describes preventive and repressive measures. Protect protected wild animals and plants, such as the principle of sustainability. All employees are advised not to hunt, catch, kill and sell protected animals and plants threatened with extinction and report any such activities. Maintain and not disturb the area designated as the HCV area and report any illegal acts. Employees who do not comply will be subject to sanctions by the applicable laws and

regulations. The company also put no hunting boards with photos of the species and sanctions for violating government regulations in all HCV areas.

Information also applies sanctions for employees in the form of disciplinary action following the provisions of national law, which are also listed on the HCV signboard, which explains that "anyone who violates will be reported to the authorities with criminal threats and fines following Law Number 41 of 1999". The company imposes the sanction by giving a first warning letter to employees who violate work rules, among others, such as: carrying out activities unrelated to work for personal gain within the company, such as hunting, trading animals, and logging forests. Based on interviews with company employees regarding animal protection, the company has committed to protecting animals within the scope of corporate governance, such as implementing a ban on hunting, killing, and keeping wild animals in the company environment. The procedure for animal protection also regulates the existence of sanctions or sanctions for those who violate these provisions.

In addition, the company has also carried out socialization about the existence of endangered plants and animals to all employees and the surrounding community, which is shown in the minutes of socialization documents, for example, carried out to employees on October 11, 2021, and carried out to the community and contractors on December 7, 2021. All activities can be proven by photos and the document's attached attendance list. Indirect socialization is also carried out by installing information boards and brochures with warning signs related to conservation areas and the presence of protected rare plants and animals in easily visible places, such as; area entrances, regional roads that are often crossed by the community, and other sites other strategic areas such as offices and other public facilities. The results of field visits to several conservation areas indicate that the company has managed protected areas. Such as; replanting local species, not logging, using no chemicals, installing HCV signboards, and prohibiting hunting and burning to avoid and prevent illegal hunting and encroachment of the area. HCV. Several warning signs have been posted regarding the prohibition of hunting and encroachment. Some personnel appointed by the company carry out routine monitoring of HCV areas. The results of field observations also show signs prohibiting hunting for protected animals, burning, and marking the boundaries of conservation areas.

#### **7.12.7**

Monitoring of protected areas in 2021 is carried out regularly every week to ensure the site's security. Monitoring activities were carried out in several locations on the river border and heath forest. This monitoring is carried out to see the progress of the results of HCV management from the initial stage to the current condition. The company also monitors the diversity of flora and fauna, which is routinely carried out every year by showing the results of HCV monitoring carried out in 2021. The results of observing fauna in the plantation area still found several protected species of animals included in the protection status according to IUCN, CITES, and Minister of Environment and Forestry Regulations No. 106 of 2018. HCV management and monitoring activities are contained in the HCV management and monitoring report. For example, the results of patrols in 2021 for conservation areas such as flora and fauna found were Meninting King Prawns, Cobras, Monitor Lizards, and Long Tailed Monkeys.

Based on the management and monitoring evaluation results in 2021, it is known that there are protected animals in the PT BSC area. Monitoring results were also reported to the Sumatera Selatan Nature Conservation Center (BKSDA) on January 5, 2022. Based on the 2021 HCV monitoring report, it is known that several protected species are still found in the company's management area. The results of the 2021 evaluation for the 2022 management plan will be carried out by involving the surrounding community in December 2021. Based on this evaluation, the company determines the management unit's management and monitoring, such as maintaining HCV attributes, socializing HCV, maintaining HCV areas, and routine patrols to maintain security. HCV, and species monitoring. In addition, based on interviews with employees and the surrounding community, it was found that they were aware of the presence of RTE species and HCV areas in the company's operational areas.

#### **7.12.8**

Based on the results of document verification, PT Bina Sains Cemerlang has done land clearing in period of November 2005 – November 2007 and December 2007-December 2009. HCV Identification activity was carried out in 2010, shown based on the HCVA Identification Report document, PT Bina Sains Cemerlang, carried out by an independent consulting agency (CV. POLLITO) in January 2010. Sime Darby Plantation Berhad, the parent of PT BSC, has made a disclaimer of liability according to a letter from the Head of PSQM Department on July 15, 2015, and has reported the results of Land

Use Change Analysis (LUCA) in August 2015. Company shows evidence of follow-up communication with the RSPO regarding the LUCA review based on an email on 18 February 2022 from Indrawan Suryadi <[indrawan.suryadi@rspo.org](mailto:indrawan.suryadi@rspo.org)> to Nurul Hayati Ibrahim <[nurul.hayati@simedarbyplantation.com](mailto:nurul.hayati@simedarbyplantation.com)> which stated that "Please find the attached file of the final LUCA review result of PT Bina Sains Cemerlang from the reviewer. The LUCA status now is Pass, with Final Conservation Liability 0 ha, and Environmental Remediation Area 0 ha". Based on this email, PT Bina Sains Cemerlang's LUCA status was declared "Pass" by the RSPO with a Final Conservation Liability (FCL) of 0 ha and a remediation area of 0 ha. Until this recertification assessment, company did not conduct new land clearing activities or development of operational areas.

<b>Status: Comply</b>
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**3.2 Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>RC-2</b>	The company didn't use logo and trademark of RSPO.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or √</b>
<b>RC-2</b>	The company didn't use logo and trademark of RSPO.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
<b>RC-2</b>	The company didn't use logo and trademark of RSPO.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
<b>RC-2</b>	The company didn't use logo and trademark of RSPO.	√
	<b>Status: Comply</b>	

**3.3 Summary of RSPO Partial Certification.**

Compliance of the uncertified management units of Sime Darby Plantation 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 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 Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Bhd Indonesian representative on January 2022 by the Head of Sustainability & Quality Management.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation 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:

- PT Budidaya Agro Lestari waiting for land title process to some of its operational area.
- PT Guthrie Pecconina Indonesia – Sungai Jernih Estate currently is in HGU process
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labor 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.
- There's extension scope of land use title on PT Bersama Sejahtera Sakti (previously uncertified unit) as amount as 240.12 ha.
- Based on social media verification related to uncertified unit, the issues are related to the issuance of land ownership which is still in process by the local agency.

<b>Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> The sustainability unit has conducted the internal audit for 9 units and updated in the compliance status of uncertified management unit. There is no replacement of primary forest or HCV area and no new planting after January 1st 2010. Other than that, land conflicts and land disputes also being audited and approved by Head of Sustainability-Indonesia.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit.</p>
2.1.2	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> </ul>	<p><b>Company Group/Holding Statement:</b> No replacement of primary forest or HCV or no new planting after Jan 1st 2010 for all uncertified units except for PT Sime Indo Agro, Bukit Ajong Mill East* Estate /Sei Mawang Estate which is currently under</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
	<ul style="list-style-type: none"> <li>Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p>RaCP. LUCA submitted and currently under review process by appointed reviewer by RSPO.</p> <p><b>Auditor Verification:</b> Sime Darby Plantation 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. Current status of LUCA report of SDP Bhd is having been sent the 19 reports of LUCA to RSPO on Aug 2018, responded by RSPO with need clarification. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p>
2.1.3	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> No new plantings. As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI).</p> <p><b>Auditor Verification:</b> Karya Palma Estate (PT Sandika Natapalma) and Beturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP it will be object of sanction.</p>
2.1.4	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> The group has land conflict procedure in place. No Land conflict registered with RSPO Complaints System. No outstanding complaints with the RSPO.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement and there is no conflict in uncertified area.</p>
2.1.5	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 above the company statement. There is no labor dispute in company unit.</p>
2.1.6	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></p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, i.e.:</p> <ul style="list-style-type: none"> <li>• PT Sime Indo Agro 5,815 Ha</li> <li>• PT Bina Sains Cemerlang 308.25 Ha</li> <li>• PT Bahari Gembira Ria 1,639 Ha</li> <li>• PT Guthrie Pecconina Indonesia 890 Ha</li> </ul>

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

**3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1.4 Assessment**

<b>NCR No.</b>	<b>: 2022.01</b>	<b>Issued by</b>	<b>: Rindu Galih Rezza Rachmansyah</b>
<b>Date Issued</b>	<b>: 21 January 2022</b>	<b>Time Limit</b>	<b>: Recertification</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 8 March 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.2.2 All contract, including those for FFB supply, contain specific clause on meeting relevant legal requirements and this can be demonstrated by the third party.</b>		
<b>Evidence observed (filled by auditor):</b>			
<ul style="list-style-type: none"> <li>The document review results show that the company has a list of 12 third parties (contractors and transporters) who cooperate with the company during the 2021-2022 period. The company also shows examples of 3 cooperation agreements with third parties, namely cooperation with PT Mitra Karya Jaya Perdana (Replanting), CV Semangus Indah Express (CPO-PK Transport), and Saudara Indrajaya (FFB Transport). The agreement has stated the obligations of third parties to comply with applicable laws and regulations such as the implementation of OHS, registration of workers in the Insurance and Social Security (BPJS) program, the obligation to pay taxes, and other provisions.</li> <li>The results of interviews with third parties (PT Mitra Karya Jaya Perdana and CV Semangus Indah Express) obtained information that the third palak had provided PPE to their workers and provided minimum wages to their workers but had not registered their workers in the Insurance and Social Security (BPJS) program. The company has not proven this related to the registration of workers in the Insurance and Social Security (BPJS) program, the provision of PPE, and the application of the minimum wage to its workers.</li> <li>The results of observations and interviews with contractor workers at SPE for replanting activities show that one worker does not use PPE at work (has been given but is not used), and one worker has not received PPE from the contractor.</li> <li>The company can show third party compliance for Indrajaya, which will be carried out in 2021 was the fulfillment of relevant laws and regulations such as the application of OHS (having used appropriate PPE such as helmets, safety shoes, etc.), Social Security and Healthcare ownership (because of individuals) and ownership of a driving license Dump Trucks. However, for other third parties (PT Mitra Karya Jaya Perdana and CV Semangus Indah Express), the results of monitoring compliance with the obligation to comply with laws and regulations have not been shown.</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b>			
The company has not shown that all third parties who cooperate in operational activities have fulfilled the relevant legal obligations and can be proven by the third party concerned.			
<b>Root Cause Analysis (filled by organization audited):</b>			
<ul style="list-style-type: none"> <li>There are no relevant legal requirements procedures for third parties working with the company</li> </ul>			
<b>Correction (filled by organization audited):</b>			
<ul style="list-style-type: none"> <li>Making procedures for legal requirements for third parties (SOP Attached)</li> <li>Identify all legal requirements relevant to third party activities by SQM Dept (List of regulatory identification on third parties attached)</li> <li>Make a list of third parties that cooperate with the Operational Unit by Head of section (List of third parties attached &amp; list of employees)</li> <li>Disseminate the list of regulations for compliance with relevant legal requirements to third parties by the Head of Section (evidence of Socialization of relevant legal requirements to third parties is attached)</li> </ul>			
<b>Corrective Action (filled by organization audited):</b>			

- Monitoring legal compliance with third parties according to their activities by the SQM Dept (Monitoring & monitoring schedule attached)
- Evaluating compliance with legal requirements of third parties in collaboration with the company by the Management unit (evaluation report attached)

**Assessor Evaluation and Conclusion** (filled by auditor):**Verify January 29, 2022**

The company has determined the root of the problem, corrective and corrective actions for non-conformities that arose during the audit activity, but still no evidence of improvement that supports this and some additional information needed, including:

- The determination of corrective action does not include the procedures used in carrying out monitoring and evaluation of legal compliance, where the procedure at least explains the PIC, timeline, things that need to be evaluated and so on.
- Document identification of legal requirements relevant to third parties.
- Document list of third parties in cooperation with operational units.
- Documentation of socialization of the list of regulations related to the fulfillment of third-party legal requirements.
- Document monitoring and evaluation procedures for third party compliance with legal requirements.
- Document monitoring and evaluation of third-party compliance with legal requirements.

**Based on the explanation above, the nonconformity in this indicator is stated to have not been fulfilled.**

**Verify March 08, 2022**

The company has improved the determination of the root of the problem's corrective and corrective actions for non-conformities that arose during the audit activity. In addition, some evidence of additional improvements is also shown as follows:

- Identification document of relevant legal requirements for third parties in 2022, ratified on January 23, 2022. It has identified as many seven relevant laws and regulations to be used as the basis for compliance with regulations by third parties when collaborating with the company.
- An updated list of third parties collaborating with the company as of January 25, 2022, as many as ten third parties cooperating with the company for FFB transport, replanting, EFB applications, and others. During the audit activity, a third-party list of 12 stakeholders was provided. Still, after being updated as of January 25, 2022, only ten stakeholders remained because the other two stakeholders had expired, and no extension was made.
- SOP for Legal Compliance with Third Parties (document No. 001/BSC-PPHK/I/22 dated January 22, 2022) describes the parties responsible for ensuring third-party compliance, compliance monitoring procedures, and evaluation of such monitoring.
- List of third parties at Bukit Pinang Estate updated as of January 25, 2022, along with their employees who collaborate with the company, where there are four third parties (FFB transporters) who cooperate with the company in 2022, and there are four workers (each third party has one employee). Of the four workers, an evaluation has been carried out. It can be shown that the age of workers who are not under the age of 18 years, the wages of workers in the previous month are by the minimum wage, have *BPJS*, have been given PPE, and have a driver's license as a condition for driving a vehicle.
- List of third parties at Bukit Pinang Estate updated as of March 01, 2022, along with their employees who cooperate with the company, where there are five third parties (FFB transporters, replanting, and maintenance) collaborating with the company in 2022 and there are 17 workers. Of all these workers, an evaluation has been carried out. It can be shown that the age of workers who are not under the age of 18 years, the wages of workers in the previous month are by the minimum wage, have *BPJS*, have been given PPE, have a driver's license as a condition for driving a vehicle and fulfilling other requirements.
- List of third parties at Sungai Pinang Factory updated as of March 01, 2022, along with their workers who cooperate with the company, where there is one-third party (CPO/PK transporter) collaborating with the company in 2022, and there are three workers. Of the three workers, an evaluation has been carried out. It can be shown that the age of workers who are not under the age of 18 years, the wages of workers in the previous month are by the minimum wage, have *BPJS*, have been given PPE, and have a driver's license as a condition for driving a vehicle.

- Document monitoring and evaluation of third-party compliance with statutory requirements for Bukit Pinang Estate dated March 01, 2022, where from 4 third parties in collaboration with the company monitoring legal compliance related to *BPJS* ownership, completeness of PPE, provision of first aid, license owner (SIM/ SIO depending on needs), remuneration and others. From the monitoring results, it is known that all these third parties have complied with the applicable laws and regulations.
- Document monitoring and evaluation of third-party compliance with statutory requirements for Sungai Pinang Estate dated March 1, 2022, where from 5 third parties in collaboration with the company monitoring legal compliance related to *BPJS* ownership, completeness of PPE, provision of first aid, license owner (SIM/ SIO depending on needs), remuneration and others. From the monitoring results, it is known that all these third parties have complied with the applicable laws and regulations.
- Document monitoring and evaluation of third-party compliance with statutory requirements for Sungai Pinang Factory dated March 1, 2022, where from 5 third parties in collaboration with the company monitoring legal compliance related to *BPJS* ownership, completeness of PPE, provision of first aid, license owners (SIM/ SIO depending on needs), remuneration and others. From the monitoring results, it is known that all these third parties have complied with the applicable laws and regulations.
- Socialization to third parties related to compliance with laws and regulations that must be adhered to while working with the company on January 27, 2022, at Bukit Pinang Estate, which 12 participants attended.
- Socialization to third parties related to compliance with laws and regulations that must be adhered to while working with the company on February 5, 2022, at Sungai Pinang Estate, which 11 participants attended.
- Socialization to third parties related to compliance with laws and regulations that must be adhered to while working with the company on January 31, 2022, at Sungai Pinang Factory, which 7 participants attended.

**Based on the explanation above, the nonconformity in this indicator is declared to have been fulfilled.**

Verified by : Rindu Galih Rezza Rachmansyah

NCR No.	: 2022.02	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 21 Januari 2022	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	: 8 March 2022
Standard Ref. & Requirement	6.2.7 Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.		

**Evidence observed** (filled by auditor):

- The results of the review of the workforce list document as of December 2021 revealed that PT Bina Sains Cemerlang still has 151 workers with PKWT status (BPE 72 people, SPE 73 people, and SPF 7 people). Of the total number of existing Fixed Time Employment Agreement, 51 PKWT workers work as harvesters in SPE and 33 people in BPE.
- Harvest work is a permanent job; this is because the criteria for harvesting work are included in the description of ongoing work in Law no. 13 of 2003 (explanation of article 59 paragraph 2), where it reads "*pekerjaan yang sifatnya terus menerus, tidak terputus-putus, tidak dibatasi waktu dan merupakan bagian dari suatu proses produksi dalam satu perusahaan atau pekerjaan yang bukan musiman*"
- There is an Inter-Office Memo No. 192/SPE-AGR/XII/2021 dated December 27, 2021, which explains the need for workers in SPE, where the need for harvest workers, which is determined based on the ratio of worker needs, still includes PKWT workers in it.
- There is an Inter-Office Memo No. 001/BSC/AGR-BPE/XI/2021 dated November 1, 2021, which explains the need for workers at BPE, where the need for harvest workers determined based on the ratio of worker needs still includes Fixed Time Employment Agreement workers in it.

- There is an Inter-Office Memo No. 017/CEO-RSS/VI/2021 dated June 19, 2021, regarding Procedures and Procedures for Recruiting PKWT Employees, which does not explain the types of work that workers can employ with Fixed Time Employment Agreement status.
- There is an Inter-Office Memo No. 017/HRM-i5/II/2019 dated January 25, 2019, regarding the Use of Temporary or Contract Employees in the Minamas Plantation Business Unit, which explains that the use of contracted/non-permanent employees is only intended for temporary work (project-based) and completed within a period. Such as replanting and harvesting at peak times.
- In Government Regulation No. 35 of 2021, the PKWT section explains that Fixed Time Employment Agreement (PKWT) cannot be held for permanent work. Fixed Time Employment Agreement can be controlled based on a period (work that is not completed for too long, seasonal work, work related to new products) or the completion of a particular job (once completed and temporary work).

**Non-Conformance Description (filled by auditor):**

The company has not been able to prove that the implementation of the Fixed Time Employment Agreement (PKWTT) on non-permanent work is by the applicable laws and regulations.

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

- There are no specific provisions from management related to the work that may be employed by the Fixed Time Employment Agreement (PKWT) and the work that may not be
- Lack of harvest workers Indefinite Time Employment Agreement available at operational unit BPE and SPE.

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

- Created a Memo related to the list of jobs that can be done by the Fixed Time Employment Agreement and those that cannot (attached memo)
- Collecting data on the needs of harvest workers and work at the factory according to the needs of the BPE, SPE operational units, and the requirements of TK at SPF (The data is contained in the proposal letter for the appointment of SKU employees for each team (Document attached)
- Selected Fixed Time Employment Agreement workers harvesting (BPE and SPE) and at the factory to be processed into Indefinite Time Employment Agreement (PKWTT) in operational units, all by Fixed Time Employment Agreement (PKWT) harvesting (SPE and BPE) are proposed to SKUs and shortages were recruited from the community around the company, then the Fixed Time Employment Agreement at SPF was not extended by one person on the grounds of lack of discipline in the workforce, especially the level of attendance and six people were proposed to SKU to fulfill the shortage of TK in SPF (Documents submitted by TK for SKU and approval The management of each unit is attached in the proposal letter for the appointment of SKU employees).

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

- Monitoring of the implementation of jobs that are not allowed to use the Fixed Time Employment Agreement in the field by the SQM Dept. on a memorandum of work that can be carried out by the Fixed Time Employment Agreement (PKWT) and which cannot (Monitoring schedule and monitoring results are attached).

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

**Verify January 29, 2022**

The company has determined the root of the problem corrective and corrective actions for non-conformities that arose during the audit activity, but still, no evidence of improvement that supports this; some additional information is needed, including:

- Determination of the root of the problem that has not been comprehensive; please also pay attention to corrective actions that can be the root of the main issue, namely related to the identification of types of permanent/non-permanent work and monitoring the implementation/use of the Fixed Time Employment Agreement by regulations/procedures.
- Determination of corrective actions that have not been explained related to the status of Fixed Time Employment

Agreement workers on harvest work that does not pass the selection, for example, being transferred or dismissed. Explanation, please.

- Determination of corrective actions that are still lacking about the status of other Fixed Time Employment Agreement workers who work in permanent jobs other than harvesting jobs.
- Documents for collecting data on the needs of harvest workers by the needs of operational units at SPE and BPE.
- Fixed Time Employment Agreement (PKWT) worker selection document for harvest along with the selection results.
- Follow-up documents for Fixed Time Employment Agreement (PKWT) workers who have passed the selection as Indefinite Time Employment Agreement (PKWTT) and who have not passed the selection.
- Memorandum documents related to the types of work that are permanent or non-permanent that can be done by Fixed Time Employment Agreement (PKWT) workers.
- Monitoring plan document by SQM Department to ensure Fixed Time Employment Agreement workers are only used for non-permanent work by related regulations and stipulated memorandums.
- Other supporting documents after being corrected/added to determine the root of the problem and corrective and corrective actions by the company.

Based on the explanation above, the nonconformity in this indicator is stated to have not been fulfilled.

**Verify March 08, 2022**

The company has improved the determination of the root of the problem's corrective and corrective actions for non-conformities that arose during the audit activity. In addition, some evidence of additional improvements is also shown as follows:

- Memorandum No. 01/PT BSC-AC/II/2022 dated January 31, 2022, from the Jambi Area Controller regarding the List of Permanent / Non-Permanent Jobs. The memorandum states that jobs classified as permanent are harvesting and product processing. In contrast, non-permanent jobs are scout harvesting, ablation, basal pruning, fertilization, chemist, compound mill, and vehicle operators/drivers.
- Inter-Office Mail No. 002/BSC-BPE/II/2022 dated February 2, 2022, from the Manager of Bukit Pinang to the CEO of Upstream Indonesia regarding the Application for Appointment of Daily SKU Employees. The letter explains that Bukit Pinang Estate proposes appointing all harvest workers (permanent workers according to the previous Memorandum and Government Regulation No. 35 of 2021) and all Fixed Time Employment Agreement (PKWT) workers who have worked for more than two years. -3 years with the last year rating Fairly Good. In the attachment to the letter, there are several critical supporting documents, namely:
  - Performance appraisal documents for as many as 78 Fixed Time Employment Agreement (PKWT) workers at Bukit Pinang Estate who have received performance appraisals over the past year with the results of "Enough," and these workers work as harvesters, maintenance, loaders, and others. For all Fixed Time Employment Agreement (PKWT) workers who work in harvest work, it has been proposed to be appointed permanent workers.
- Supporting manpower analysis documents to ensure that all workers whose planned needs in 2022 have been fully met so that there is no longer a shortage of workforce so that the company no longer employs Fixed Time Employment Agreement (PKWT) workers on permanent jobs and will only hire them for non-permanent work.
- Inter-Office Mail No. 003/AGR-SPE/II/2022 dated February 1, 2022, from Sungai Pinang Manager to CEO Upstream Indonesia regarding Application for Daily SKU Employee Appointment. The letter explains that Sungai Pinang Estate proposes appointing all harvest workers (permanent workers according to the previous Memorandum and Government Regulation No. 35 of 2021) and all Fixed Time Employment Agreement (PKWT) workers who have worked for more than two years. -3 years with the last year rating Fairly Good. In the attachment to the letter, there are several important supporting documents, namely:
  - Performance appraisal documents for as many as 68 Fixed Time Employment Agreement (PKWT) workers at Sungai Pinang Estate who have received performance appraisals over the past year with the results of "Enough," and these workers work as harvesters, maintenance, loaders, and others. For all Fixed Time Employment Agreement (PKWT) workers who work in harvest work, it has been proposed to be appointed as permanent workers.
  - Supporting manpower analysis documents to ensure that all workers whose planned needs in 2022 have been fully met so that there is no longer a workforce shortage so that the company no longer employs PKWT workers on permanent jobs and will only hire them for non-permanent work.
- Inter-Office Mail No. 017/BSC-SPF/II/2022 dated January 22, 2022, from Sungai Pinang Factory Manager to CEO Upstream Indonesia regarding Application for Daily SKU Employee Appointment. The letter explains that Sungai



<p>Pinang Factory proposes to appoint all processing/processing workers (permanent workers according to the previous Memorandum and Government Regulation No. 35 of 2021) and also all Fixed Time Employment Agreement (PKWT) workers who have worked more than 2-3 years with a rating of the last year Fairly Good. In the attachment to the letter, there are several important supporting documents, namely:</p> <ul style="list-style-type: none"> <li>• Performance appraisal documents for as many as 6 Fixed Time Employment Agreement (PKWT) workers at Sungai Pinang Factory who have received performance appraisals over the past year with the results of "Enough," and these workers work as harvesters, maintenance, loaders, and others. For all Fixed Time Employment Agreement (PKWT) workers who work in harvest work, it has been proposed to be appointed permanent workers.</li> <li>• Supporting workforce analysis documents to ensure that all workers whose planned needs in 2022 have been fully met so that there is no longer a shortage of workforce so that the company no longer employs Fixed Time Employment Agreement workers.</li> <li>• Monitoring schedule document for checking the use of Fixed Time Employment Agreement (PKWT) workers by the laws and regulations approved by the SQM Manager on January 25, 2022, where the monitoring schedule is planned to be carried out every three months, namely in February, May, August and November 2022 Supervision will be carried out by the RSQM PT Bina Sains Cemerlang.</li> <li>• Monitoring document on the use of Fixed Time Employment Agreement (PKWT) workers in the company by the laws and regulations in February 2022, the result of which is that all PKWTs included in permanent work have been submitted for appointment by the company so that in the future there will be no more Fixed Time workers Employment Agreement (PKWT) which violates the laws and regulations.</li> </ul> <p>Based on the explanation above, the nonconformity in this indicator is declared to have been fulfilled. It will be re-observed about the realization of the appointment of Fixed Time Employment Agreement (PKWT) workers and its monitoring.</p>	
<b>Verified by</b>	<b>: Rindu Galih Rezza Rachmansyah</b>

<b>NCR No.</b>	<b>: 2022.03</b>	<b>Issued by</b>	<b>: Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>: 21 Januari 2022</b>	<b>Time Limit</b>	<b>: 21 April 2022</b>
<b>NC Grade</b>	<b>: Minor raised to Major</b>	<b>Date of Closing</b>	<b>: 8 Maret 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.3.1</b> <b>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.</b>		
<b>Evidence observed (filled by auditor):</b>			
<ul style="list-style-type: none"> <li>• The results of field visits to several locations in the company's management areas, it was found that there was Waste that was not appropriately managed, such as: <ul style="list-style-type: none"> <li><b>Field Visit to SPF</b> <ul style="list-style-type: none"> <li>- Domestic Waste is scattered in the company area (old iron and Waste used for food and beverage packaging)</li> <li>- There are traces of burning Waste (EFB and Domestic Waste) in the Water Treatment Station Area</li> <li>- Former hazardous waste (motorcycle brake oil) packaging found around mill area</li> </ul> </li> <li><b>Field Visit to SPE</b> <ul style="list-style-type: none"> <li>- DIVISION 1-2 semi-permanent housing and CHC (Central Housing Complex) permanent housing found used hazardous waste packaging (used oil drums) and traces of domestic waste burning activities.</li> <li>- There is former hazardous waste (used oil packaging) in the chemical warehouse trash bin</li> <li>- There are 12 used drums (BBM and Oil) in the fertilizer warehouse</li> <li>- There is a used pesticide jerry can at the Final Disposal Site in block E07 Division 3</li> <li>- There are 212 pcs used pesticide packages in front of the chemical warehouse which has not been submitted to hazardous waste storage area.</li> </ul> </li> </ul> </li> </ul>			

**Field Visit to BPE**

- There is one used drum (Oli), one jerry can have used pesticide, and Waste burning at CHC (Central Housing Complex)
- Around the fertilizer warehouse, there is one used drum (Oli)
- The workshop area has an oil trap that is connected to drainage that flows into a body of water.
- The company has a hazardous waste management SOP No. 5.3/BSC-PLB3/V16 dated May 15, 2016, which explains that all hazardous waste must be managed appropriately and stored in hazardous waste storage area. In addition, this procedure does not explain the existence of a temporary storage period for hazardous waste before it is sent to a licensed hazardous waste storage area.
- The company also has an SOP for Handling Non-hazardous waste No. SOP/027/BSC/2019 No. The revision of the RSPO/P&C/PLNB-3 dated November 1, 2019, clarifies that any Non-hazardous waste must be managed and stored in a warehouse. However, an explanation regarding domestic Waste has not been included in the procedure.

**Non-Conformance Description (filled by auditor):**

Based on this evidence, the company has not fully implemented Hazardous waste management and Non-hazardous waste by its SOP.

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

1. Lack of awareness of employees in the management of domestic waste, Hazardous Waste, and Non-Hazardous Waste, so that there are still burning of EFB, domestic waste both in the factory area and in residential locations as well as Hazardous waste management that has not been by regulations
2. Hazardous waste management procedures and non-Hazardous waste management procedures do not contain complete methods for managing Hazardous waste and non-Hazardous waste generated and domestic waste management.

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

1. Providing factory and residential areas, burning domestic waste in residential areas, quoting Hazardous waste from household products both in the factory area, employee housing, and landfill to be stored in licensed Temporary storage of hazardous waste (Follow-up on improvements to findings in each attached unit).
2. Revise Hazardous waste management and non-Hazardous waste management (Revised SOP for Hazardous waste and Non-Hazardous waste management is attached).

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

1. socialization to employees about the management of domestic waste and Hazardous waste generated from household activities (Document for the socialization of domestic waste management, prohibition of throwing garbage, and management of Hazardous waste is attached)
2. increased supervision by the Assistant Division of each unit in waste management, Hazardous waste, and the implementation of a zero-burning policy.
3. Provide sanctions to educate employees to improve compliance in domestic waste management, Hazardous waste and the implementation of a zero-burning policy (memo attached)

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

**Verify March 29, 2022**

The company has completed root cause analysis and corrective actions but has not yet submitted proof of improvement for the non-conformities. In addition, there are still auditor questions in the root cause analysis column and disciplinary actions explained by the company. Please respond and send supporting evidence regarding the repairs made.

Based on this, this nonconformity has not yet been fulfilled.

**Verify April 19, 2022**

The company has sent proofs of repairs in the form of:

- SOP for Hazardous Waste Handling No.5.3/BSC-PLB3/V16 Revision 01 dated May 15, 2016
- SOP for Handling Non-Hazardous waste No. SOP/027/BSC/2019 No. Revision 01/RSPO/P&C/PLNB-3 dated November 1, 2019
- Documentation of Domestic Waste Management Activities, Hazardous Waste, and Socialization:

- For example, Monitoring of Domestic Waste Transportation in PT BSC Housing in January 2022
- Documentation of collection and disposal of waste to landfill at SPE
- Minutes of the meeting of domestic waste management and Hazardous waste on January 21, 2022, was held in the Sungai Pinang Factory area and was attended by 12 participants
- Minutes of the meeting of domestic waste management and Hazardous waste on January 21, 2022, was held in the Sungai Pinang Estate area and was attended by 24 participants
- Minutes of the meeting of domestic waste management and Hazardous waste on January 21, 2022, was held in the Bukit Pinang Estate area and was attended by 36 participants
- Minutes of housing domestic waste disposal on January 21, 2022, was carried out at the Bukit Pinang Estate housing
- Recap of monitoring waste transportation in 2021 at Sungai Pinang Estate, Bukit Pinang and Sungai Pinang Factory
- Recap of monitoring waste transportation in 2022 at Sungai Pinang Estate, Bukit Pinang and Sungai Pinang Factory
- Documentation of Garbage Collection and Disposal to landfill at Sungai Pinang Factory
- Documentation of Follow-up for Domestic Waste and Hazardous Waste Management at PT BSC
- Domestic Waste and Hazardous Waste Management Memorandum No. 012/ACJ-SKP//2021, dated January 20, 2021, Regarding the Affirmation of Domestic Waste and Hazardous Waste Management, the memorandum contains the management of domestic waste, Hazardous waste, and the implementation of the Zero Burning policy which the Jambi PIC area controller has approved.

The company has provided proof of improvement sent in the form of root cause analysis, the latest corrective and corrective actions, and has completed additional information and evidence related to management that has been carried out. Based on the verification of documents and information submitted, it can be concluded that the findings in the field have been managed and followed up to prevent the results from being repeated in the future by increasing supervision and providing sanctions if violations occur. Based on this, the nonconformity has been fulfilled.

**Verified by** : **Hasiholan Sihombing**

<b>NCR No.</b>	: <b>2022.04</b>	<b>Issued by</b>	: <b>Hasiholan Sihombing</b>
<b>Date Issued</b>	: <b>21 January 2022</b>	<b>Time Limit</b>	: <b>Open until next audit (Recertification)</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>22 July 2022</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>7.12.8 C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedures (RaCP) applies.</b>		
<b>Evidence observed (filled by auditor):</b>			
Based on the document review, several facts are known as follows:			
<ul style="list-style-type: none"> <li>• There was land clearing carried out after November 2005 at PT BSC without prior identification of HCV in the PT BSC management area, Sime Darby Plantation Sdn Bhd as the parent of PT BSC has made a disclosure of liability according to the letter from the Head of PSQM Department dated 15 July 2015 which explains that in PT BSC there was land clearing for the period Nov 2005 – Nov 2007 covering an area of 12 Ha and land clearing for the period Dec 2007 – Dec 2009 covering an area of 58 Ha.</li> <li>• Then when the previous ASA-1.3 audit was carried out remotely, this indicator became a Non-conformity because PT BSC's LUCA had not yet received approval from the RSPO and the non-compliance received the status of "OPEN until the next surveillance audit" based on an email from Aminang Ang (aminah.ang@rspo.org) on 7 September 2020 to alagendran.maniam@simedarbyplantation.com stating "Dear Alagendran, Following your email</li> </ul>			

dated 01 December 2020 and after reviewing the current LUCA progress, we agreed to allow the NC to remain open until the next Surveillance audits. We hope that the process can be completed by then"

- On April 6, 2021, there was an email from the RSPO (aryo.gustomo@rspo.org) regarding the RSPO Compliance Advisory Sime Darby Plantation Berhad which is valid for 6 months from the issuance of the Advisory Note (until October 2021) allowing units that are LUCA the review has not been completed to continue the certification.
- Then when the ASA-1.3 + ASA-1.4 onsite audit was carried out, the company showed a history of communication between the RSPO and the Company from March 2, 2021 until the latest on January 3, 2022 where dani.ikhshan@simedarbyplantation.com provided the data requested by the RSPO and the last reply was received by RSPO on January 5, 2022 via email indrawan.suryadi@rspo.org stating "We acknowledge receipt of the clarification data, thank you. It has been forwarded to the reviewer". Based on the last email, it was concluded that there was still no LUCA approval given to PT BSC.

**Non-Conformance Description (filled by auditor):**

Based on the explanation above, the certification unit has not yet been able to show the Land Use Change Analysis (LUCA) approval from the RSPO.

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

- SDP has completed LUCA for all affected operating units (19 PTs) that are subject to RaCP.
- Submission of nineteen (19) LUCA reports to RSPO completed in end Dec 2017 with full shapefiles submission in Aug 2018.
- SDP's Land Use Change Analysis (LUCA) review process is ongoing – LUCA report for seven (7) of nineteen (19) PTs have been approved and completed in 2021, three (3) in 2020, and one (1) in 2017. The rest eight (8) are in the clarification stage.
  - SDP's concern of slow progress of LUCA review and recommendation to expedite the progress was highlighted to the CEO of RSPO. A letter was sent on 3rd November 2020.
  - Since all the clarifications on LUCA is submitted on time to RSPO, RSPO issued an Advisory Note for SDP on 6 Apr 2021 for approval of Critical non-conformity raised under RaCP in the RSPO audits for 10 PTs with pending LUCA review, will be allowed to be open until the next surveillance/re-certification audits.
- SDP's first submission of LUCA resulted in a total final conservation liability of 1,640 Ha i.e., estimated compensation plan costing USD 4 million. SDP's Compensation Concept Note (Batang Ara Project) has been approved in December 2016.
- As reported in the Concept Note, SDP has no environmental remediation liability.
  - In SDP operation, areas, where clearing vegetation and planting of oil palm is prohibited by the RSPO Principle & Criteria (e.g., riparian zones, steep areas, fragile soils, and peat areas), are set-aside and maintained as per Company's policies.
  - Confirmation on zero environmental remediation for each PT is done during LUCA review process through verification of respective PT's audit reports and HCV reports.

vi. Process & Status of SDP LUCA Report Review:

No	PT	Status	Remarks
1	PT Guthrie Pecconina Indonesia		Received response from RSPO on 04 Jan 2022. 3rd clarification.
2	PT Paripurna Swakarsa		Clarification submitted on 30 Jun 2020-awaiting results from RSPO
3	PT Mitra Austral Sejahtera		Clarification submitted on 25 Oct 2020-awaiting results from RSPO
4	PT Budaya Agro Lestari		Clarification submitted on 25 Oct 2020-awaiting results from RSPO
5	PT Teguh Sempurna		Clarification submitted on 30 Dec 2020-awaiting results from RSPO
6	PT Bersama Sejahtera Sakti		Clarification submitted on 31 Jan 2021-awaiting results from RSPO
7	PT Bhumireksa Nusa Sejati		Received response from RSPO on 19 Nov 2021. 3rd clarification.
8	PT Bina Sains Cemerlang		Clarification submitted on 03 Jan 2022 (4th Clarification)-awaiting results from RSPO
9	PT Sajang Heulang		Approved (21 December 2021)
10	PT Lahan Tani Sakti		Approved (14 August 2017)
11	PT Langgeng Muaramakmur		Approved (10 June 2020)
12	PT Swadaya Andika		Approved (22 June 2020)
13	PT Kridatama Lancar		Approved (10 Dec 2020)
14	PT Bahari Gembira Ria		Approved (18 Jan 2021)
15	PT Sime Indo Agro		Approved (23 Jan 2021)
16	PT Aneka Inti Persada		Approved (04 May 2021)
17	PT Ladangrumpun Suburabadi		Approved (04 May 2021)
18	PT Laguna Mandiri		Approved (04 May 2021)
19	PT Tunggal Mitra Plantation		Approved (14 July 2021)

<p><b>Correction (filled by organization audited):</b> To obtain a time extension from RSPO on the NCR closure. This is to ensure that the LUCA for PT BSC is able to be completed. A request has been sent to RSPO and now awaiting an official advisory note from RSPO.</p>	
<p><b>Corrective Action (filled by organization audited):</b> To complete the LUCA for PT BSC. Fortnightly meeting is currently conducted to ensure no any further delay in response. Meeting has been conducted with RSPO by Indonesia Grower Committee (IGC) to discuss RaCP issue. RSPO will assign additional manpower to resolve the delay in RaCP.</p>	
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b></p> <p><b>Auditor Verification on February 19<sup>th</sup>, 2022</b> The company sent proof of improvement in the form of an updated email from the RSPO to Minamas Plantation via email Aryo Gustomo &lt;aryo.gustomo@rspo.org&gt; to Alagendran Maniam &lt;alagendran.maniam@simedarbyplantation.com&gt; on February 18, 2022 in which the email contains the following information: <i>"We take consideration to provide a Conditional Approval as referring to the previous Advisory Note that we had provided to you before. This considering that the Advisory Note was given for the first case that came to us, and when the continuation of the previous approval for the similar case, we only give you through the conditional approval.</i></p> <p><i>Now, this Conditional Approval would only be given for those Management Units that have been certified before to allow the Company to complete the RaCP process and continue the Annual Surveillance Assessment (ASA) and/or Recertification. And this will only be valid until the next 6 months from the date of this email. From time to time, we will review all the progress and status of the Certification and RaCP process for the particular certified management units, and we may revoke this conditional approval if any issues happen that may heavily threaten the integrity of RSPO standard requirements".</i></p> <p>Also attached to the email are the names of the certification units whose RaCP status is ongoing (LUCA) status, one of which is PT Bina Sains Cemerlang, the certification unit for this audit activity. On the Ongoing status, RSPO gave remarks, "Proceed with the continuation of audits; however, the NC will remain open until the next ASA and management unit must provide the update to the pending action/clarification to RSPO Secretariat within the next three months."</p> <p>With the <b>"conditional approval"</b> given by the RSPO, any nonconformity in indicator 7.12.8 is declared <b>OPEN</b> until the <b>following surveillance</b> and will be re-verified regarding the RSPO approval of the RACP in the following surveillance audit.</p> <p><b>Auditor Verification on July 22<sup>nd</sup>, 2022</b> The company shows evidence of follow-up communication with the RSPO regarding the LUCA review based on an email on 18 February 2022 from Indrawan Suryadi &lt;indrawan.suryadi@rspo.org&gt; to Nurul Hayati Ibrahim &lt;nurul.hayati@simedarbyplantation.com&gt; stating the following: <i>" Please find the attached file of the final LUCA review result of PT Bina Sains Cemerlang from the reviewer. The LUCA status now is Pass, with Final Conservation Liability 0 ha, and Environmental Remediation Area 0 ha."</i></p> <p>Based on this, the LUCA status of PT Bina Sains Cemerlang was declared "Pass" by the RSPO with a Final Conservation Liability (FCL) of 0 ha and a remediation area of 0 ha. Based on the explanation above, the discrepancy in this indicator is declared to have been fulfilled.</p>	
<p><b>Verified by</b></p>	<p><b>: Hasiholan Sihombing/Erika Lucitawati</b></p>



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

<b>NCR No.</b>	<b>: 2022.05</b>	<b>Issued by</b>	<b>: Erika Lucitawati</b>
<b>Date Issued</b>	<b>: 22 July 2022</b>	<b>Time Limit</b>	<b>: ASA-2.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 18 September 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>3.3.3</b> <b>Records of monitoring and any actions taken are maintained and available.</b>		
<b>Evidence observed (filled by auditor):</b>  <p>Based on result of field visits, the following were found:</p> <ul style="list-style-type: none"> <li>• Domestic waste piled up on vacant land around Division 3 Housing Complex of Bukit Pinang Estate</li> <li>• Domestic waste scattered along the ditch beside Division 3 Housing Complex of Sungai Pinang Estate.</li> <li>• 3 units of ex-oil drum and 1 unit of ex-paint packaging cans behind Division 3 Housing Complex of Sungai Pinang Estate.</li> <li>• Disposal of domestic waste in vacant land in front of the house No. 5 and house No. 7 at CHC Housing Complex Sungai Pinang Mill.</li> <li>• 1 unit of oil drum in Iron and Building Material Warehouse, 4 units of oil drum in Main Warehouse, and 1 unit of grease packaging at Security Post of Sungai Pinang Mill.</li> <li>• 2 points of ex burning household waste located in trash bin in front of house and vacant land in front of house No. 5 at CHC Housing Complex of Sungai Pinang Mill.</li> </ul> <p>Results of interview with 3 residents of Sungai Pinang Mill CHC Housing stated that waste transportation is carried out every 1-2 times a week and there is a prohibition on burning household waste. In addition, waste that is dumped in the vacant land in front of the house and burned because wet domestic waste causes odors if stored in the trash can provided in front of the house.</p> <p>Based on this field observation result, company has presented the following documents:</p> <ul style="list-style-type: none"> <li>• Decree of Hazardous and Toxic Waste Storage Officer No. 0201.MGR/PT. BSC-SPF/I.2022 dated 3 January 2022 which contains appointment of the Hazardous and Toxic Waste Storage Officer at PT BSC-SPF who is Personnel Division personnel.</li> <li>• Decree of Head of Environment CHC SPF No. 202/MGR/PT. BSC-SPF/VII/2022 dated 21 July 2022 issued by Mill Manager SPF. Based on the document, there was a decision to appoint mechanical personnel as Head of the Environment CHC SPF with the task of ensuring that there is no burning and disposal of waste in any place, ensuring that waste is transported and collected according to schedule, conducting a checklist of waste bins, coordinating mutual cooperation once a month in the first week, and report conditions that are not in accordance with the regulations in CHC housing complex to Acting Sr. Assistant.</li> <li>• Documents for transferring 1 unit of oil drum packaging at Iron and Building Material Warehouse, 4 oil drums in the Main Warehouse, and 1 unit of grease packaging at the Security Post on 20 July 2022 to the Hazardous and Toxic Waste Storage.</li> <li>• Goods Delivery Note No. 07/SPE/B3/6/2022 dated 21 July 2022 regarding the transfer of 3 units of ex-oil drum @209 liters and 1 unit of ex-paint packaging cans @20 kg behind the house at Division 3 Housing Complex of Sungai Pinang Estate to Hazardous and Toxic Waste Storage. This has been recorded in the Hazardous and Toxic Waste Logbook and Balance Sheet for July 2022.</li> <li>• Warning Letter 1 (one) No. 01/SPE/DIV 3/Reprimand 1/Jul/2022 dated 20 July 2022 regarding a warning against a.n. SSW Employees at Division 3 Sungai Pinang Estate regarding the discovery of an ex-oil drum in the house in question. The employee gave a statement that the ex-oil drum did not belong to PT BSC but had to be purchased by himself.</li> </ul> <p>Company has also procedures to manage its domestic and hazardous waste as follow:</p> <ul style="list-style-type: none"> <li>• SOP for Hazardous Waste Management No. 5.3/BSC-PLB3/V16 Revision 03 dated 20 July 2022 which was approved</li> </ul>			



by the Estate Manager and Factory Manager. The procedure states in point 7.a that, "Hazardous and toxic waste generated by each operational unit is transported to a licensed temporary hazardous and toxic waste storage area at the beginning of every month."

- SOP for Waste Management No. 33/PS/VII/2014 Revision 1 dated September 1, 2014 which was approved by the Estate Manager and Factory Manager. The procedure states the following:
  - Point V.1 states that, "Domestic waste is collected in trash bins that have been provided in the housing or work location."
  - Point V.8 states that, "Trash is only disposed of in the place provided. It is not allowed to throw garbage indiscriminately."
  - Point V.9 states that, "It is not permissible to burn the collected household waste."

**Non-Conformance Description (filled by auditor):**

Company has not shown evidence that the monitoring system and follow-up on procedures, particularly those related to waste management, have been fully operational.

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

- Domestic waste piled up on vacant land around Housing Complex of Division 3 Bukit Pinang Estate. This is caused by the slow transport of garbage to landfill by garbage trucks, so the waste is dumped on vacant land far from the house.
- Domestic waste scattered along the ditch beside the Housing Complex of Division 3 Sungai Pinang Estate was caused by the absence of a monitoring officer for managing waste in the cottage.
- 3 units of ex-oil drum and 1 unit of ex-paint cans behind the house at Housing Complex 3 of Sungai Pinang Estate caused by the residents not fully understanding the management of hazardous and toxic waste and the absence of monitoring related to hazardous and toxic waste in housing area.
- Disposal of domestic waste in the vacant land in front of the house No. 5 and house No. 7 at the CHC Housing of Sungai Pinang Mill due to the slow pace of waste being transported to landfill by garbage trucks, so that the waste is disposed of on an empty land far from the house.
- 1 unit oil drum in the Iron and Building Warehouse, 4 oil drum in the Main Warehouse, and 1 unit of grease packaging at the Sungai Pinang Mill Security Post due to no monitoring related to hazardous and toxic waste that is outside the temporary hazardous and toxic waste storage area.
- 2 points of burning domestic waste located in the trash can in front of the house and vacant land, and also in front of the house No. 5 in CHC Housing Sungai Pinang Mill caused by the slowness of the garbage being transported to landfill by garbage trucks, so that the residents of the house burn the garbage.

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

- Domestic waste piled on vacant land is transported to landfill (Documentation attached)
- Garbage scattered along ditch next to Housing Complex of Division 3 Sungai Pinang Estate is collected and transported to landfill (Documentation attached)
- 3 units of ex-oil drum and 1 unit of ex-paint cans behind the house at Housing Complex 3 of Sungai Pinang Estate are stored in licensed hazardous and toxic waste storage and recorded in hazardous and toxic waste logbook (Documentation attached)
- Domestic waste in vacant lot in front of the house No. 5 and house No. 7 at Sungai Pinang Mill CHC Housing collected and transported to TPSA (Documentation attached)
- 1 unit oil drum in Iron and Building Warehouse, 4 oil drum in Main Warehouse, and 1 unit of grease packaging at Sungai Pinang Mill Security Post stored in licensed hazardous and toxic waste storage and recorded in hazardous and toxic waste logbook (Documentation attached)

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

- An officer in charge of each housing complex is appointed to carry out monitoring related to domestic and hazardous waste and report to the Assistant Division for follow-up actions (Decree of monitoring officer for domestic and hazardous waste management, schedule of monitoring and activities and documentation of transporting waste to landfill is attached)

- Conduct socialization to householders, wives, and children of employees about waste management, prohibition of burning waste and management of domestic and hazardous waste produced by households (documentation of socialization activities is attached)
- Requesting commitment from all employees regarding compliance with domestic and hazardous in the form of a statement (employee statement attached)

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

**Auditor Verification (30 August 2022)**

Based on verification result, company has determined the root cause analysis, correction, and corrective actions against non-conformity in this indicator. However, the company has not attached supporting documents related to corrections and corrective actions that have been determined by the company. Thus, the non-conformity in this indicator is declared unfulfilled.

**Auditor Verification (18 September 2022)**

Based on verification result, company has shown the following documents:

**Bukit Pinang Estate**

- Documentation of Domestic Waste Transportation at Housing Complex of Division 3 BPE dated August 13, 2022.
- Documents for transferring 1 unit of oil drum packaging at the Iron and Building Warehouse, 4 oil drums in the Main Warehouse, and 1 unit of grease packaging at the Security Post on July 20, 2022, to Hazardous and Toxic Waste Storage.
- Results of Monitoring and Management of Domestic and Hazardous Waste that have been carried out every week at BPE (Housing Complex of Division 1, Division 2, Division 3, and Main Office/Traction) in August 2022 and show that trash cans are available, there is no garbage disposal outside the trash cans, and there is no burning of waste in all monitored points.
- Letter of appointment of PIC for domestic and hazardous waste monitoring, and prohibition of burning waste from BPE Manager dated August 1, 2022, for Housing Complex of Division 1 (No. Ist-02/BSC-BPE/VIII/2022), Housing Complex of Division 2 (No. Ist- 03/BSC-BPE/VIII/2022) and Housing Complex of Division 3 (No. Ist-04/BSC-BPE/VIII/2022).
- Socialization of Domestic and Hazardous Waste Management, and Prohibition of Burning Waste in BPE Employee Housing on 8-19 August 2022 to all BPE employees accompanied by photo documentation and attendance list.
- BPE Employee Statement Letter No. 04/BPE/VIII/2022 (Housing Complex of Division 1), No. 05/BPE/VIII/2022 (Housing Complex of Division 2), and No. 04/BPE/VIII/2022 (Housing Complex of Division 3) dated August 1, 2022, which was signed by each resident of the employee's house in each division. The document contains a statement that the householder will comply with the provisions for domestic and hazardous waste management in accordance with applicable procedures.

**Sungai Pinang Estate**

- Documentation of Domestic Waste Transportation at Housing Complex on August 13, 2022.
- Goods Delivery Note No. 07/SPE/B3/6/2022 dated July 21, 2022, regarding the transfer of 3 units of ex-oil drum @209 liters and 1 unit of ex-paint packaging cans @20 kg behind the house at Housing Complex 3 of Sungai Pinang Estate to Hazardous and Toxic Waste Storage. This has been recorded in the Hazardous and Toxic Waste Logbook and Balance Sheet for July 2022.
- Warning Letter 1 No. 01/SPE/DIV 3/Reprimand 1/Jul/2022 dated 20 July 2022 regarding warning against worker initial SSW at Division 3 Sungai Pinang Estate regarding the discovery of an ex-oil drum in the house. The employee gave a statement that the ex-oil drum did not belong to PT BSC but had to be purchased by himself.
- Letter No. Ist-01/BSC/Agr-SPE/VIII/2022 (Division 1), No. Ist-02/BSC/Agr-SPE/VIII/2022 (Division 2), No. Ist-03/BSC/Agr-SPE/VIII/2022 (Division 3), No. Ist-04/BSC/Agr-SPE/VIII/2022 (Traction), No. Ist-05/BSC/Agr-SPE/VIII/2022 (Main Office), and No. Ist-06/BSC/Agr-SPE/VIII/2022 (Nursery) from each assistant division dated August 1, 2022 regarding Appointment of PIC of Domestic and Hazardous Waste Management Monitoring Officer.
- Result of Monitoring Domestic and Hazardous Waste Management which have been carried out every week at SPE (staff emplacements, Housing Complex of Teras, Housing Complex of Asro, Housing Complex of Serumpun, and Housing Complex of Serasan) in August 2022 and show that trash cans are available, there is no garbage disposal outside the trash cans, and there is no burning of waste in all monitored points.
- Socialization of Domestic and Hazardous Waste Management, and Prohibition of Burning Garbage in Housing

Complex of SPE on August 1, 2022, to all SPE employees. This has been accompanied by photo documentation and attendance list.

- SPE Employee Statement Letter No. I/SPE/VOOI/2022 (Division 1, Division 2, Division 3, and Headquarters & Traction) dated August 1, 2022, signed by each resident of the employee's house in each division. The document contains a statement that the householder will comply with the provisions for domestic and hazardous waste management in accordance with applicable procedures.

**Sungai Pinang Mill**

- Documentation of Evacuation of Waste Burning in housing No. 05 & No. 07 CHC Housing Complex of SPF.
- Documentation for transferring 1 unit of oil drum packaging at the Iron and Building Warehouse, 4 oil drums in the Main Warehouse, and 1 unit of grease packaging at the Security Post on 20 July 2022 to Hazardous and Toxic Waste Storage.
- Letter No. 002/Pjs Sr Assistant-SPF/VIII/2022 from Pjs Sr Assistant SPF dated August 1, 2022, regarding Appointment of PIC of Domestic and Hazardous Waste Management Monitoring.
- The results of the Monitoring of Domestic and Hazardous Waste Management which have been carried out every week in the CHC Housing Complex of Sungai Pinang Mill in August 2022 and show that trash cans are available, there is no garbage disposal outside the trash cans, and there is no burning of waste at all monitored points.
- Socialization of Domestic and Hazardous Waste Management, and Prohibition of Burning Garbage in Housing Complex of SPE on August 3, 2022 to all Sungai Pinang Mill employees. This has been accompanied by photo documentation and attendance list.
- Sungai Pinang Mill Employee Statement Letter No. 001/BSC-SPF/VIII/2022 dated August 1, 2022, signed by each resident of the employee's house. The document contains a statement that the householder will comply with the provisions for waste management and LB3 in accordance with applicable procedures.

In addition, the company has established root cause analysis, corrections, and corrective actions against non-conformity in this indicator. Based on this explanation, the non-conformity in this indicator is declared to have been fulfilled and will be observed again in the next assessment.

**Verified by** : **Erika Lucitawati**

<b>NCR No.</b>	: 2022.06	<b>Issued by</b>	: Erika Lucitawati
<b>Date Issued</b>	: 22 July 2022	<b>Time Limit</b>	: 21 October 2022
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 18 September 2022
<b>Standard Ref. &amp; Requirement</b>	: 3.4.3 The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in participatory way.		
<b>Evidence observed (filled by auditor):</b>			
<p>Based on the verification results of the Management and Monitoring (RKL-RPL) Implementation Report document for Second Semester of 2021 and First Semester of 2022, it can be concluded that all the management and monitoring parameters requested in the environmental document matrix have been implemented. Several things can be concluded from the results of the review of the RKL-RPL document for Second Semester of 2021 and First Semester of 2022, including:</p> <ul style="list-style-type: none"> <li>• Preventing soil, water, and air pollution by reducing the use of chemicals, managing waste properly, and complying with proper waste disposal in each area.</li> <li>• Carry out efforts to save the environment by protecting areas important for environmental sustainability, such as river borders.</li> <li>• Manage and monitor the impact of potential land and land fires.</li> </ul>			

- Manage and monitor the quality of soil, air, water, and other disturbances.
- Utilizing solid waste from palm oil mills as a substitute for fertilizers and fossil fuels.

Company has shown the RKL-RPL Implementation Reports for Semester 2 of 2021 and Semester 1 of 2022 which have included all the parameters included in the RKL-RPL matrix in the 2007 AMDAL document. environmental monitoring test results are as follows:

RKL-RPL Implementation Report for Semester 2 of 2021:

- Results of surface water quality testing that exceed the quality standards set out in Government Regulation (PP) No. 22 of 2021 Annex VI Class I at upstream point of Pinang River (color, ammonia, and dissolved iron), downstream of Pinang River (color, DO, TSS, ammonia, dissolved iron), upstream of Durian River (color, BOD, ammonia, dissolved iron, and dissolved manganese), as well as downstream of Durian River (color, DO, BOD, COD, ammonia, dissolved iron, and dissolved manganese).
- Results of monitoring well water quality testing that exceed the quality standards set out in Health Minister Regulation (*Permenkes*) No. 32 of 2017 at the point of land application monitoring wells, non-land application monitoring wells, and resident wells with pH and fecal coliform parameters.

Report on Implementation of Management and Monitoring (RKL-RPL) Semester 1 of 2022:

- Results of surface water quality testing that exceed the quality standards set out in Government Regulation (PP) No. 22 of 2021 Appendix VI Class I at upstream point of Pinang River (color parameters, DO, TSS, BOD, ammonia, dissolved iron, and free chlorine), downstream of Pinang River (color, DO, TSS, ammonia, dissolved iron, and free chlorine), upstream of Durian River (pH, DO, BOD, ammonia, manganese, and free chlorine), and downstream of Durian River (pH, DO, ammonia, and free chlorine).
- Results of monitoring well water quality testing that exceed the quality standards set out in Health Minister Regulation (*Permenkes*) No. 32 of 2017 at the point of land application monitoring wells, non-land application monitoring wells, and resident wells with pH and fecal coliform parameters.

**Regulation Reference:**

Based on Decree of Minister of Environment No.45 of 2005 concerning Guidelines for Writing RKL-RPL Reports, company compiles report document on the implementation of management and monitoring (RKL-RPL) with minimum requirements containing an evaluation form which can be included Evaluation of Trends, Critical Levels and Compliance which are discussed for monitored aspects. Based on results of the document review, those two reports of implementation of management and monitoring (RKL-RPL) above have not included an evaluation of the test results that exceed these quality standards.

**Non-Conformance Description (filled by auditor):**

Company has not shown evidence of having compiled reports in accordance with applicable regulations.

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

It has not included evaluation of test results that exceed the quality standard in Implementation of Management and Monitoring Report due to the absence of a designated officer in the preparation of Implementation of Management and Monitoring Report. Implementation of Management and Monitoring Report currently is carried out by the SPF office admin who does not understand the preparation of reports in accordance with regulations applicable.

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

Evaluation of the test results that exceed the quality standard is carried out and reported back to the relevant agency (evaluation report has been submitted to relevant agency).

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

Appointed officers in the preparation of Implementation of Management and Monitoring Report to officers who understand the procedures for preparing Implementation of Management and Monitoring Report based on Minister of Environment Decree No. 45 of 2005 (Decree of PIC Appointment for Implementation of Management and Monitoring Report preparation is attached).

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

**Auditor Verification (30 August 2022)**

Based on verification result, the company has determined the root cause analysis, correction, and corrective actions against non-conformities in this indicator. The company has presented the following documents:

- Implementation of Management and Monitoring Report for Semester 2 2021 which has been evaluated. The evaluation includes the parameters contained in the Management and Monitoring Plan matrix owned, such as air and noise quality, surface water quality, local economic activities, community attitudes and perceptions, social processes, environmental sanitation, spread of infectious diseases, land fires, and flora and fauna. Result of document review shows that evaluation of the quality parameters of surface water and monitoring well water is still not in accordance with the results of the quality test of surface water and monitoring well water in Semester 2 2021 which has been carried out by the company as contained in the evidence observed by the auditor above.
- Implementation of Management and Monitoring Report for Semester 1 2022 that has been evaluated. The evaluation has covered surface water and wastewater quality parameters. The results of the document review show that the evaluation of the surface water quality parameters is still not in accordance with the results of the Semester 1 2022 surface water quality test that has been carried out by the company, namely the evaluation of parameters that exceed the quality standards and monitoring locations as contained in the observed evidence by auditor. In addition, there has been no evaluation of the quality of monitoring well water that has been carried out by the company in Semester 1 2022.
- Proof of sending revised Implementation of Management and Monitoring Report for Semester 2 2021 and Semester 1 2022 to Environmental Agency of Musi Rawas Regency on August 16, 2022.
- Letter No. Ist-02/BSC-SPF/VIII/2022 dated August 1, 2022, issued by the Mill Manager regarding the appointment of the PIC for Compiling Implementation of Management and Monitoring Report at PT Bina Sains Cemerlang, namely the Head of Administration for SPF.

Based on the explanation above, the non-conformity in this indicator has not been fulfilled.

**Auditor Verification (18 September 2022)**

Based on verification result, company has shown the following documents:

- Implementation of Management and Monitoring Report for Semester 2 2021 which has been evaluated. The evaluation includes the parameters contained in the Management and Monitoring Plan matrix owned, such as air and noise quality, surface water quality, local economic activities, community attitudes and perceptions, social processes, environmental sanitation, spread of infectious diseases, land fires, and flora and fauna. The results of the evaluation of the water quality parameters of the monitoring wells with pH and faecal coliform parameters that exceeded the specified quality standards were caused by the presence of water runoff from the vicinity that entered the well. The follow-up to this is to maintain ground cover around the well so that rainwater can be restrained and does not enter the well. The results of the evaluation of surface water quality parameters in the upstream and downstream of the Pinang and Durian rivers that exceed the quality standards set are caused by the flow of rainwater from clay soil in PT BSC plantations, rainwater runoff from community settlements to the river and the influence of the number of leaves and tree branches into the river. The follow-up to this is that the company maintains the boundaries on the right and left of the river, does not throw garbage into the river, and ensures that there is no leakage of wastewater from the WWTP.
- Proof of sending revised Implementation of Management and Monitoring Report for Semester 2 2021 and Semester 1 2022 to Environmental Agency of Musi Rawas Regency on August 16, 2022.
- Letter No. Ist-02/BSC-SPF/VIII/2022 dated August 1, 2022, issued by the Mill Manager regarding the appointment of the PIC for Compiling Implementation of Management and Monitoring Report at PT Bina Sains Cemerlang, namely the Head of Administration for SPF.

In addition, the company has established root cause analysis, corrections and corrective actions against non-conformities in this indicator. Based on this explanation, the discrepancy in this indicator is declared to have been fulfilled.

<b>Verified by</b>	:	<b>Erika Lucitawati</b>
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3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	3.6.1	<p><b>All operational activities risks assessed to identify the H&amp;S issues. Mitigation plans and procedures are documented and implemented.</b></p> <p>The results of the housing visit at Pondok 3 SPE found wells, water pumps, and drainage installations to the house. The results of field observations revealed that the company has a fire tower and boundary markers. The results of the HIRAC study, it is known that activities related to this have not been included in HIRAC.</p> <p>Based on this, companies are encouraged to identify risks and implement plans according to existing conditions in the company.</p>
2	6.2.1	<p><b>Documentation of pay and working conditions in accordance with applicable labour laws are available to the workers in national languages and explained to them in language they understand.</b></p> <p>The company shows:</p> <ul style="list-style-type: none"> <li>The determination of the minimum wage from the government is contained in the Decree of the Governor of Sumatera Selatan Number 856/KPTS/DISNAKERTRANS/2021 concerning the UMK of Musi Rawas Regency in 2022. It is known that the minimum wage applicable in Musi Rawas Regency in 2022 is IDR 3,299,758, -</li> <li>Inter Office Mail No. 011/HRM-i6.1/2021 dated January 08, 2021 concerning Daily SKU Wages and Wage Scale Structure in 2022 for PT Bina Sains Cemerlang. Where the minimum wage has been set at IDR 3,299,758, -/month, while the smallest wage scale structure is in the G1 group and the highest wage is in the A8 group.</li> </ul> <p>The results of interviews with management representatives, obtained information that the structure of the wage scale applies to employees with <i>SKU-B</i> status. Meanwhile, employees with <i>SKU-H</i> status only get a minimum wage in accordance with the Decree of the Governor of Musi Rawas Regency in 2022.</p> <p>Then, based on the results of field visits and interviews with several <i>SKU-H</i> status workers with different tenures, for example, harvest workers with the initials AMP (4 years of service) and fertilizer workers with the initials AS (8 years of service) and daycare workers. (TPA) with initials YDH (24 years of service) has the same basic salary of IDR 3,299,758, -</p> <p>Based on the Minister of Manpower Regulation Number 1 of 2017 Chapter II Article 2 Paragraph 1, it is stated that "<i>Struktur dan Skala Upah wajib disusun oleh pengusaha dengan memperhatikan golongan, jabatan, masa kerja, pendidikan dan kompetensi</i>". From the description above, the company has the opportunity to implement a pay scale structure for employees with <i>SKU-H</i> status with different tenures (<i>masa kerja</i>).</p>
3	6.2.4	<p><b>The unit of certification provides adequate housing. Sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure.</b></p>



No	Ref. Std.	Description
		<ul style="list-style-type: none"> <li>• The company shows a list of facilities and infrastructure for all plantation and mill units for the period of 2022.</li> <li>• The company also shows a checklist document for monitoring facilities and infrastructure for the period of 2022, in which the document explains the assessment of the condition of facilities and infrastructure in employee housing, such as the condition of fire extinguishers, waste burning, drainage channels, trash cans, used paint/oil containers in residential areas, etc. However, the assessment of the condition of the employee's house being occupied was not explained.</li> <li>• The results of a field visit to the housing hut for employees of the SPE division 3 unit, it was found that the house of the employee with the initials HP was in a damaged condition, such as a leaky roof, the walls between the rooms were perforated with cardboard and the floor was eroded.</li> <li>• The results of interviews with TPA officers in division 1 of the BPE unit, obtained information that the condition of the house he was occupying was a non-permanent house (wooden boards) in a damaged condition (leaking roof and walls). When it rains, the conditions are wet and uncomfortable to live in.</li> <li>• The results of a field visit to a residential cottage for employees of division 3 BPE units, there are G6 housing units that are already permanent, but the majority of the other houses are still non-permanent.</li> <li>• Based on the results of interviews with management representatives, it is known that the company has plans to renovate employee housing with permanent housing types.</li> <li>• The company shows the budget for the 2022 period for employee home repairs such as damage repair costs, painting and procurement of employee home furnishings. However, the company has not been able to show the commitment and budget for the permanent house construction plan.</li> </ul> <p>The company has the opportunity to ensure the realization of the construction of permanent houses for the welfare of employees.</p>
4	6.7.1	<p><b>The responsible person(s) for H&amp;S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</b></p> <p>The company already has a P2K3 organization for SPE and BPE which is legalized by the authorized agency. The company showed a letter of request for changes to the P2K3 structure dated January 3, 2022 to the Mura Manpower Office regarding the Head of Assistant mutation. In July 2022 there was an organizational change for the Area Controller from Mr. Lifton to Mr. Luhut.</p> <p>Based on this, companies are encouraged to update their OHS organization in accordance with applicable laws and regulations.</p>
5	6.7.2	<p><b>Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</b></p>

No	Ref. Std.	Description
		<p>There was a work accident in Division 1 of BPE with the initials SN (Division 3 Employee) on April 13, 2022 which has been reported in the Quarter 2 P2K3 report to the relevant agencies. The results of observations and interviews with the person concerned, it is known that currently they are still in the process of treatment (outpatient). The results of the study of the certificate document at the Bunda Lubuk Linggau Hospital were known to be diagnosed with a closed fracture at the right of the tibia Scarzher V and were recommended for evaluation and treatment.</p> <p>Based on this, companies are encouraged to treat workers according to the advice of the hospital, and grant the rights concerned if there is an impact from the work accident.</p>
6	7.8.2	<p><b>Water courses and wetlands are protected, including the maintenance and restoration of riparian zones and other buffer zones during or before replanting, in accordance with the “RSPO Manual on BMPs for the management and rehabilitation of riparian reserves” (April 2017) or Simplified Guide Management and Rehabilitation of Riparian Reserves (2018).</b></p> <p>Based on the results of the field visit, weed spray was found in the river border area of Field D016 Division 1. The company already has SOP for Watershed Protection (DAS) No. PM 0300 dated October 30, 2014 which was approved by the Estate Manager and Mill Manager and contains watersheds with a radius of ±50 meters left and right, no chemical treatment is allowed. The company has shown a follow-up effort to this in the form of socialization to the spray team regarding the spray ban in the buffer zone area on July 20, 2022, which was attended by 11 participants. Companies are encouraged to ensure that the protection of the watershed (buffer zone) is carried out with reference to the procedures they have.</p>

**3.4.4. Noteworthy Positive Components**

No	Description
1	Commitment to implement the principles of sustainable oil palm plantation management.
2	The company no longer uses pesticides with the active ingredient paraquat
3	The company has obtained a PROPER certificate for the period 2020-2021 with a blue rating.

**3.5 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Land Agency of Musi Rawas Agency</b></p> <ul style="list-style-type: none"> <li>• Company is currently applying for an extension of the location permit for plasma.</li> <li>• No complaints from the surrounding community were submitted to the Land Agency of Musi Rawas Regency.</li> <li>• The company has submitted regular reports regarding the use of HGU to the BPN of Musi Rawas Regency.</li> <li>• Communication between the company and the Land Agency of Musi Rawas Regency is going well.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Manpower and Transmigration Agency of Musi Rawas Regency</b></p> <ul style="list-style-type: none"> <li>• Wage is suitable with regional minimum wage of Padang Lawas Utara Regency of 2022.</li> <li>• All workers have been registered to <i>BPJS Ketenagakerjaan</i> and <i>BPJS Kesehatan</i>.</li> <li>• There are no workers under 18 years old.</li> <li>• Company has Bipartite Cooperation Institution.</li> <li>• There is no negative issue which reported to manpower agency related to employment.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Plantation Agency of Musi Rawas Regency</b></p> <ul style="list-style-type: none"> <li>• Company has sent regular reports to Plantation Agency such as Plantation Business Progress Report every semester.</li> <li>• Response from company was good enough to respond to requests for information.</li> <li>• So far, company area has no history of fire incidents, other than that infrastructure for fire prevention and control is considered adequate.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Environmental Agency of Musi Rawas Regency</b></p> <ul style="list-style-type: none"> <li>• Company already has a valid environmental permit, liquid waste utilization permit, and hazardous waste storage permit.</li> <li>• Company has regularly submitted mandatory reports such as management and monitoring implementation reports, Hazardous waste management reports, and liquid waste management reports to Environmental Agency</li> <li>• Environment Agency routinely conducts supervision at company. The control results have no negative issues or reports related to the environment from community, and up to time of this audit, there were</li> </ul>	<p>There are no negative issues that need further verification.</p>




Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>no negative complaints/issues from surrounding community.</p> <ul style="list-style-type: none"> <li>• Communication between the company and the Environment Agency of Musi Rawas Regency went smoothly.</li> </ul>	
<p><b>Local Contractor (PT Technindo Contromatra)</b></p> <ul style="list-style-type: none"> <li>• Contractor activities in the field of mechanical works.</li> <li>• Relationship with company is going well.</li> <li>• Contractor payments are made on time.</li> <li>• PPE is provided by the contractor, in the form of safety helmets and shoes</li> <li>• Contractor has enrolled their employees in <i>BPJS Ketenagakerjaan</i> and <i>BPJS Kesehatan</i> program independently.</li> <li>• Company conducts socialization related to OHS policies, environment, and technical procedures to contractors and will then be forwarded to members.</li> <li>• There are no complaints or suggestions for the company regarding operations.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>FFB Supplier (PT Daya Agro Lestari)</b></p> <ul style="list-style-type: none"> <li>• Contractor activities in the field of FFB supplier.</li> <li>• Relationship with company is going well.</li> <li>• Contractor payments are made on time.</li> <li>• Price of FFB is determined based on the price from the Plantation Agency and changes in the FFB price will be notified by PT Tapian Nadenggan via telephone or WhatsApp</li> <li>• Company conducts socialization related to OHS policies, environment, and technical procedures to contractors and will then be forwarded to members.</li> <li>• There are no complaints or suggestions for the company regarding operations.</li> </ul>	<p>There are no negative issues that need further verification.</p>
<p><b>Anyar Village, Sungai Pinang Village, Semangus Baru Village, and Sukamaju Village</b> Interviewee: Community Leader</p> <ul style="list-style-type: none"> <li>• Company has employed workers from Anyar Village.</li> <li>• There are no issues regarding environmental pollution for the past 1 year.</li> <li>• Company has socialized about protected animals and conservation areas and put-up signs prohibiting hunting of certain animals around the plantation area.</li> <li>• Socialization on prohibition of burning has been carried out for land clearing activities.</li> <li>• Company routinely provides assistance to villages in the form of CSR and direct assistance</li> </ul>	<p>There are no negative issues that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>Communication between village and company is not a problem and company always respond to requests from the village.</li> </ul>	
<p><b>Labour Union (SPSI) of PT Bina Sains Cemerlang.</b></p> <p>The communication relationship between the company and the union has been going well for the past few years. The union holds meetings to discuss issues/events and complaints that occur in the company's operational areas. Where the best solution will be sought together from the point of view of workers and employers. Since January 2021 until now (January 2022) the company has properly implemented government regulations related to employment and OHS such as providing minimum wages, calculating overtime, providing PPE, <i>BPJS</i> and other things that are the rights of workers and obligations that must be given. by the company has been implemented. There has never been any activity of harassment, violence, child labor, or human trafficking that has occurred since 2020 until the audit activity was carried out.</p>	<p>The company already in accordance related to minimum wages, overtime calculations, provision of PPE, <i>BPJS</i> and other things have been implemented so that there are no issues related to wages since 2021 until now.</p> <p>There were also no issues/incidents related to harassment, violence, child labor, or human trafficking that occurred since 2021 until audit activities were carried out within the company.</p>
<p><b>Gender Committee of PT Bina Sains Cemerlang.</b></p> <p>The gender committee has been formed with management from among workers and staff, where the management/members consist of male and female workers. Since 2021 there have been no issues related to gender, harassment, violence or serious violations of reproductive rights in the company's environment.</p>	<p>There are no negative issues that need further verification.</p>
<p>Related to issue of online media in the previous assessment, namely at <a href="https://onlinekoe.com/dipicu-sengketa-lahan-ratusan-warga-desa-sungai-pinang-lakukan-aksi-panen-masal/">https://onlinekoe.com/dipicu-sengketa-lahan-ratusan-warga-desa-sungai-pinang-lakukan-aksi-panen-masal/</a>, related to hundreds of residents of Sungai Village Pinang held mass harvesting action because the land area of 1,538 hectares which is now claimed by the PT BSC company belongs to the residents of Sungai Pinang Village so that residents are busy carrying out the action on August 16, 2021.</p>	<p>Regarding issue of online media, the area claimed by the community is within the PT BSC HGU which has been obtained by the company in accordance with legally correct procedures based on management verification, the company. The community's claim in the area (1,538 ha) was also sued by the parents of the residents in 1992 but could not be proven at the Lubuk Linggau District Court so their claim was rejected. This was actually known by the villagers, but was provoked by Mr. Hasrin Rahim's attorney to take action to the field.</p> <p>Therefore, regarding the provocation, the company has reported the attorney to the Sumatera Selatan Regional Police for causing social unrest in the community, which actually already knew that the area was legally owned by PT BSC. Until the recertification audit was carried out, the suspect in the provocation had been determined and there was an Arrest Warrant No. SP.KAP/150/VI/2022/Ditres krim dated 15 June 2022 from the Sumatera Selatan Regional Police Commissioner. Conditions when the audit took place, the atmosphere was conducive again and there was no more mass harvesting.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Related to the issue of online media in the previous assessment, namely on the page:</p> <ul style="list-style-type: none"> <li>• <a href="https://mubakab.go.id/berita/218-pemkab-muba-mediasi-sangketa-lahan-masyarakat-muba-dengan-pt-bsc">https://mubakab.go.id/berita/218-pemkab-muba-mediasi-sangketa-lahan-masyarakat-muba-dengan-pt-bsc</a>, related to the Musi Banyuasin Regency Government facilitating the Suka Maju Village community, Plakat Tinggi District regarding efforts settlement of conflict issues/Plantation Land Claims of PT Bina Sains Cemerlang (BSC) in Sungai Pinang Village, Muara Lakitan District, Musi Rawas Regency by residents of Suka Maju Village, Plakat Tinggi District. In the mediation, representatives of the people of Suka Maju Village, Plakat Tinggi District, said that the company could complete the compensation process for 300 landowners. In addition, the community expects the Musi Banyuasin Regency Government together with the BPN to ensure that the land in question is located above the Musi Banyuasin Regency area or over the Musi Rawas Regency area.</li> <li>• <a href="https://silamparipers.com/2021/07/24/masyarakat-suka-maju-menuntut-penyelesaian-lahan-di-pt-bsc/">https://silamparipers.com/2021/07/24/masyarakat-suka-maju-menuntut-penyelesaian-lahan-di-pt-bsc/</a>, related to hundreds of people from Sukamaju Village, Plakat Tinggi District, Musi Banyuasin Regency, Sumatera Selatan and residents Sungai Pinang Village, Muara Lakitan Subdistrict, Musi Rawas, on August 17, 2021, visited the oil palm plantation area of PT Bina Sains Cemerlang to ensure that the disputed land between the community and PT BSC was not used by the company because until now there is still no legal certainty regarding the status of their land under cultivation. alleged to have been controlled by PT BSC illegally.</li> </ul>	<p>Regarding the 2 online media news links, the company said that they were related news. Based on the verification to the management of PT BSC, information was obtained that the HGU of PT BSC is entirely within the area of Sungai Pinang Village, Muara Lakitan Sub District, Musi Rawas District as stated in the HGU Decree and HGU Certificate issued by BPN and in accordance with Minister of Home Affairs Regulation No. 13 of 2014. The entire area in the PT BSC HGU has been compensated as written in the reference letter from the Sungai Pinang Village Head known to the Muara Lakitan Sub-district Head and the Musi Rawas District BPN.</p> <p>This was also evidenced by the dispatch of a team from the Musi Rawas District Government and followed up with a letter from the Musi Banyuasin Regency Government No. 130/336/II/2020 dated July 20, 2020 regarding the facilitation of settlement of plantation land problems which essentially:</p> <ul style="list-style-type: none"> <li>• Whereas the area claimed by the residents of Suka Maju Village is within the administrative area of Musi Rawas District according to the Regulation of the Minister of Home Affairs No. 13 year 2014</li> <li>• Whereas the claimed area has been compensated to the land owners and has become an oil palm plantation planted by PT BSC.</li> <li>• Whereas the area that has been claimed already has legality, namely the HGU SK and the HGU Certificate issued by the BPN of Musi Rawas District.</li> <li>• Furthermore, the Musi Banyuasin Regency Government will coordinate with the Musi Rawas District Government to facilitate the resolution and request that the company temporarily not exploit the area to avoid social conflicts.</li> </ul> <p>In addition, there is the Decree of the Regent of Musi Rawas No. 145/KTPS/DISBUN/2022 dated February 7, 2022 regarding the formation of a plasma problem facilitation team at PT BSC consisting of district offices and the surrounding community. The facilitation was carried out by the relevant parties on February 22, 2022. However, until the recertification audit was carried out, there had been no minutes of the facilitation results from the district office as a facilitator, so the company was again waiting for a decision from the government in Musi Banyuasin Regency and Musi Rawas Regency.</p> <p>Regarding the news on August 17, 2021, the management of PT BSC said that this was due to a provocation by the</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>attorney and the Suka Maju village head to take action to the claim location, even though the problem is being handled by the Musi Banyuasin Regency Government and the Musi Regency Government. The current condition and condition of the area is that PT BSC has not managed it while waiting for a decision from the two regional governments. Therefore, regarding the provocation, the company has reported the attorney to the Sumatera Selatan Police for causing social unrest in the community, which has actually received a temporary decision from the two regional governments. Until the recertification audit was carried out, the suspect in the provocation had been determined and there was an Arrest Warrant No. SP.KAP/150/VI/2022/Ditreskrim dated 15 June 2022 from the Sumatera Selatan Regional Police Commissioner.</p> <p>At the time of the recertification audit, the location of the claim had not been reworked for the time being because it was waiting for the results of the decision from the Musi Banyuasin Regency Government and the Musi Rawas Regency Government.</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> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>PT Bina Sains Cemerlang Head Sustainability &amp; Quality Management</p>  <p><b><u>Alagendran Maniam</u></b> Monday, 19 September 2022</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Briyogi Shadiwa</u></b> Monday, 19 September 2022</p> </td> </tr> </table>	<p>PT Bina Sains Cemerlang Head Sustainability &amp; Quality Management</p>  <p><b><u>Alagendran Maniam</u></b> Monday, 19 September 2022</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Briyogi Shadiwa</u></b> Monday, 19 September 2022</p>
<p>PT Bina Sains Cemerlang Head Sustainability &amp; Quality Management</p>  <p><b><u>Alagendran Maniam</u></b> Monday, 19 September 2022</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Briyogi Shadiwa</u></b> Monday, 19 September 2022</p>		

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Land Agency	Musi Rawas District	-	Via phone	21 July 2022	✓	
2	Plantation Agency	Musi Rawas District	-	Via Phone	19 July 2022	✓	
3	Environmental Agency	Musi Rawas District	-	Via Phone	19 July 2022	✓	
4	Manpower Agency	Musi Rawas District	-	Via Phone	19 July 2022	✓	
5	Semangus Baru Village	Musi Rawas District	-	Via Phone	19 July 2022	✓	
6	Sungai Pinang Village	Musi Rawas District	-	Via Phone	19 July 2022	✓	
7	Anyar Village	Musi Rawas District	-	Via phone	19 July 2022	✓	
8	Sukamaju Village	Musi Rawas District	-	Via phone	19 July 2022	✓	
9	Local Contractor for FFB transport	Musi Rawas District	-	Via phone	21 July 2022	✓	
10	FFB Supplier (PT Daya Agro Lestari)	Musi Rawas District	-	Via phone	21 July 2022	✓	
11	Labor Union	PT BSC, Musi Rawas District	-	Direct Interview	19 July 2022	✓	
12	Gender Committee	PT BSC, Musi Rawas District	-	Direct Interview	19 July 2022	✓	
13	Bukit Pinang Estate: <ul style="list-style-type: none"> <li>• 1 generator operator</li> <li>• 2 daycare workers in division 3</li> <li>• 1 daycare workers in division 1</li> <li>• 5 manuring workers and 1 foreman</li> <li>• 1 operator FFB transporting</li> <li>• 6 spraying workers and 1 foreman</li> <li>• 1 harvest workers</li> <li>• 1 warehouse chairman</li> <li>• 1 workshop worker and firefighter</li> </ul>	PT BSC, Musi Rawas District	-	Direct Interview	19 July 2022	✓	
14	Sungai Pinang POM <ul style="list-style-type: none"> <li>• 1 WTP operator</li> <li>• 1 WWTP operator</li> <li>• 5 housing residents</li> <li>• 1 warehouse worker</li> <li>• 1 security</li> <li>• 1 weighbridge operator</li> <li>• 1 engine room operator</li> </ul>	PT BSC, Musi Rawas District	-	Direct Interview	19 July 2022	✓	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
15	Sungai Pinang Estate <ul style="list-style-type: none"> <li>• 1 land application operator</li> <li>• 11 spray workers</li> <li>• 6 manuring workers</li> <li>• 3 harvest workers</li> <li>• 1 nursery worker</li> <li>• 2 daycare workers</li> <li>• 1 warehouse chairman</li> <li>• 3 nurses at clinic</li> </ul>	PT BSC, Musi Rawas District	-	Direct Interview	20 July 2022	✓	
16	World Wide Fund	Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Via email	11 July 2022		✓
17	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@wahi.or.id">informasi@wahi.or.id</a>	Via email	11 July 2022		✓
18	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Via email	11 July 2022		✓
19	AMAN	Indonesia	<a href="mailto:rumahaman@aman.or.id">rumahaman@aman.or.id</a>	Via email	11 July 2022		✓

**Appendix 2. Assessment Program**

DATE	18 to 23 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 18 July 2022</b>		
10.40 – 12.00	<b>JAKARTA (CGK) → LUBUK LINGGAU (LLJ): ID-6820</b>	<b>All Auditor</b>
12.00 – 15.00	<b>LUBUK LINGGAU → PT BINA SAINS CEMERLANG</b>	<b>All Auditor</b>
15.30 – 17.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	<b>All Auditor</b>
<b>Tuesday, 19 July 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Public consultation with stakeholder to relevant agency in Indragiri Hilir Regency by Phone</li> <li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner.</li> </ul>	<b>ERL</b>
08.00 – 12.00	<b>Field Observation to Bukit Pinang Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</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> <li>Interview with related personnel during field observation</li> </ul>	<b>BSH &amp; SDU SET</b>  <b>BSH &amp; SDU</b>  <b>SET SET BSH, SDU &amp; SET</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Field observation to Sungai Pinang POM:</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Dispatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Presentation of Daily Progress</li> </ul>	<b>SET &amp; ERL</b>  <b>SET &amp; ERL</b>  <b>BSH &amp; SDU All Auditor</b>
<b>Wednesday, 20 July 2022</b>		
08.00 – 12.00	<b>Field Observation to Sungai Pinang Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> </ul>	<b>BSH &amp; SDU</b>

DATE	18 to 23 July 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <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> <li>Interview with related personnel during field observation</li> </ul>	<p><b>SET &amp; ERL</b></p> <p><b>BSH &amp; SDU</b></p> <p><b>SET &amp; ERL</b> <b>SET &amp; ERL</b> <b>BSH, SDU &amp; SET</b></p>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Presentation of Daily Progress</li> </ul>	<b>All Auditor</b>
<b>Thursday, 21 July 2022</b>		
08.0 – 12.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Presentation of Daily Progress</li> </ul>	<b>All Auditor</b>
<b>Friday, 22 July 2022</b>		
08.00 – 12.00	Document review and completing audit checklist.	<b>All Auditor</b>
12.00 – 15.00	Internal Auditor Team Discussion	<b>All Auditor</b>
15.00 – 17.00	<p><b>Closing Meeting:</b></p> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Nonconformities, OFI, Timeline of CAR's, Conclusion)</li> <li>Comments, Responses and Questions</li> </ul>	<b>All Auditor</b>
<b>Saturday, 23 July 2022</b>		
08.00 – 14.00	<b>PT BINA SAINS CEMERLANG → PALEMBANG</b>	<b>All Auditor</b>
15.45 – 17.00	<b>PALEMBANG (PLM) → JAKARTA (CGK): GA-113</b>	<b>All Auditor</b>