

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : **Sungai Pinang POM – PT Bina Sains Cemerlang, Sime Darby Plantation Sdn. Bhd**
 Plantation Name : **PT Bina Sains Cemerlang – Sungai Pinang Estate and Bukit Pinang Estate**
 Location : **Village of Sungai Pinang, Sub district of Muara Lakitan, District of Musi Rawas, Sumatera Selatan, Indonesia**
 Certificate Code : **MUTU-RSPO/020**
 Date of Certificate Issue : 11 September 2012 Date of License Issue : 11 September 2016
 Date of Certificate Expiry : 10 September 2017 Date of License Expiry : 10 September 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	01 – 05 August 2016	Ardiansyah (Lead Auditor); Yuniar Mitikauji; Leonada	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	5 October 2016

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FIGURE

Figure 1. Location Map of PT Bina Sains Cemerlang

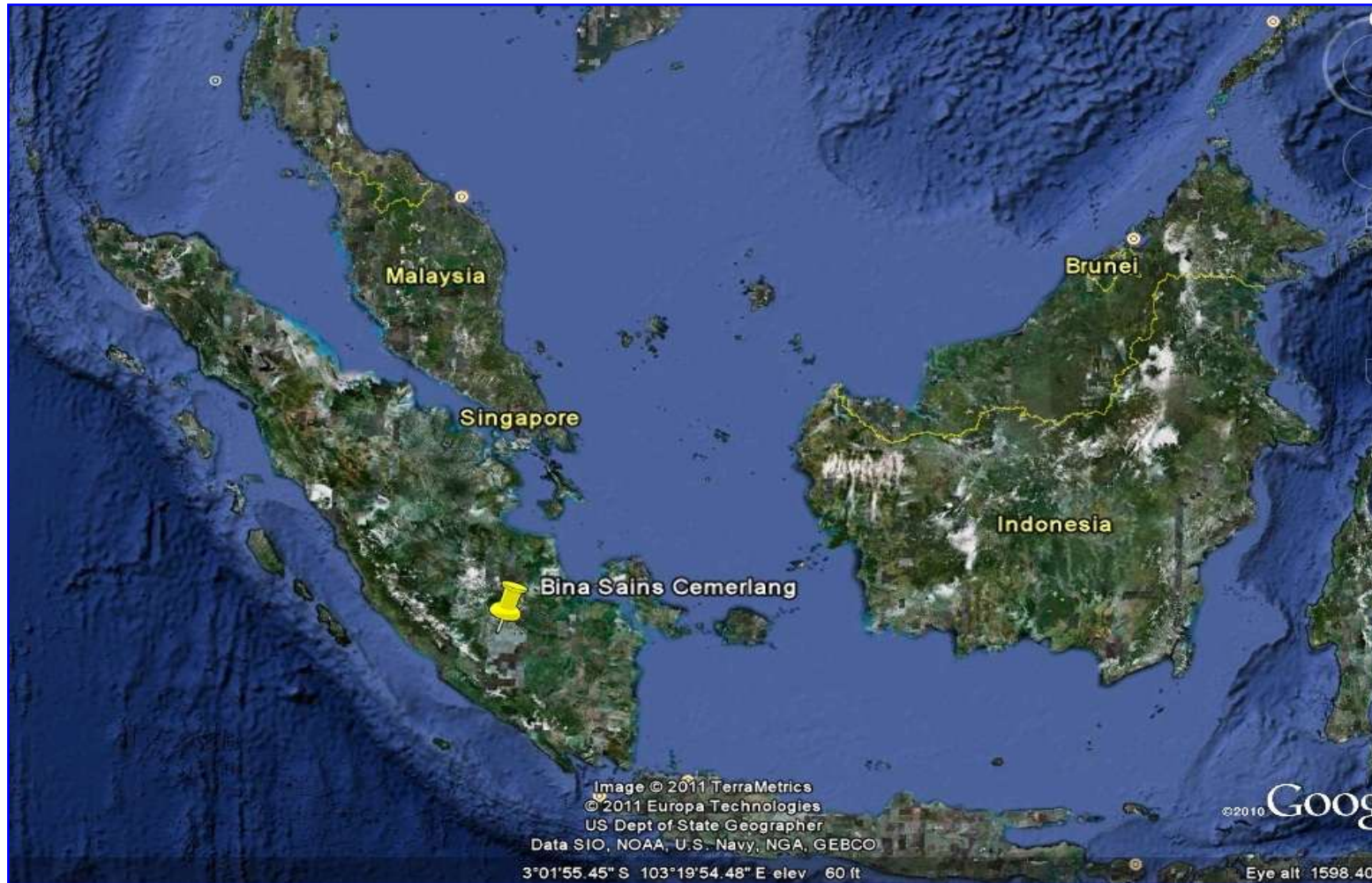
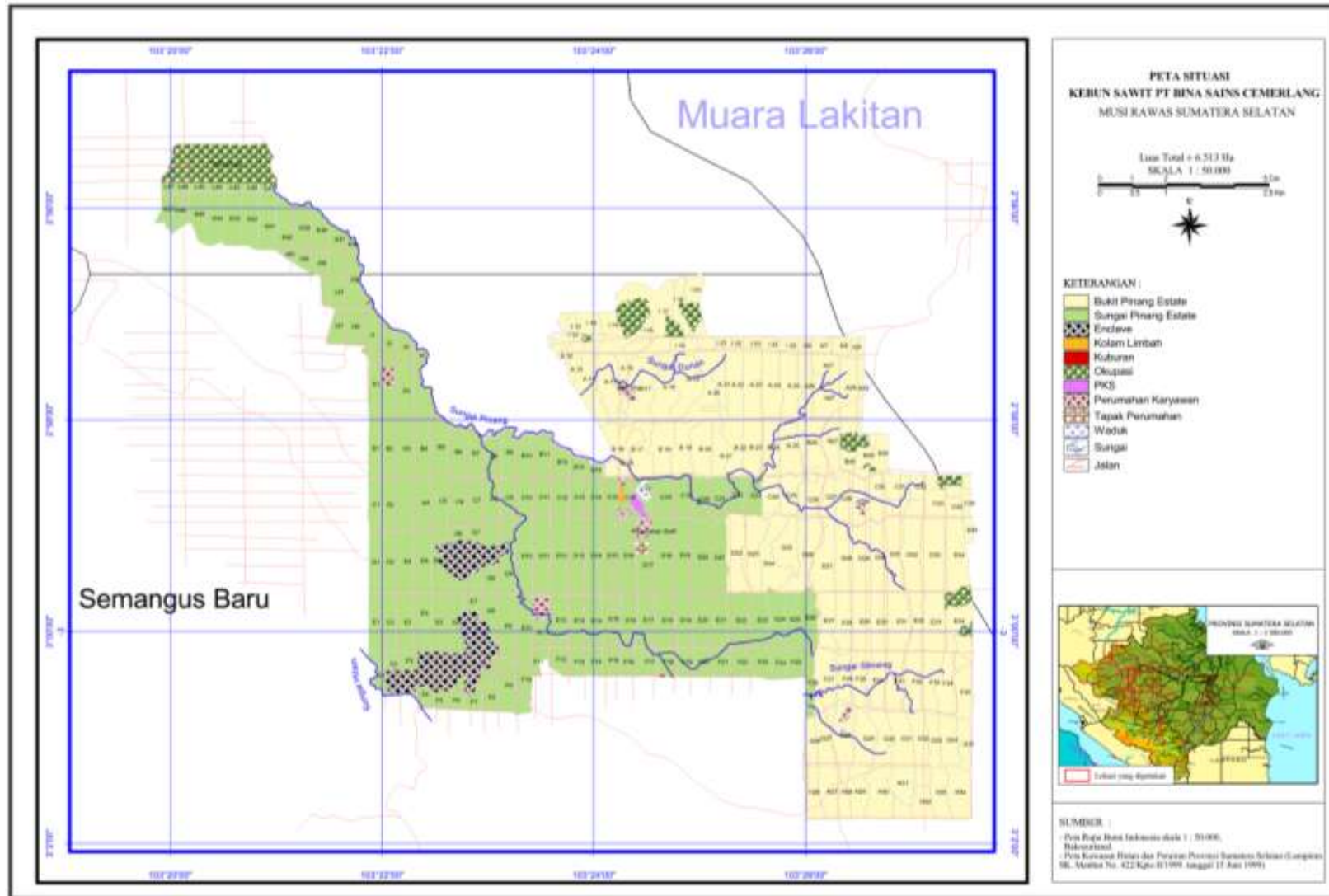


Figure 2. Operational Map of PT Bina Sains Cemerlang



Glossary

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

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used		<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</i> 	
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT Bina Sains Cemerlang – Sime Darby Plantation Sdn. Bhd.	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301. Liaison Office: The Plaza Lt. 36, JL. MH Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	www.simedarby.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Plantation Minamas Indonesia)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 7 September 2004	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Sungai Pinang Palm Oil Mill; Sungai Pinang Estate and Bukit Pinang Estate.	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude
			Longitude
	Sungai Pinang	Village of Sungai Pinang, Sub District of Muara Lakitan, District of Musi Rawas, Sumatera Selatan Province	S 103° 24' 21,7"
			E 02° 59' 08,6"

1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Sungai Pinang Estate	Village of Sungai Pinang, Anyar, Semangus Lama, Semangus Baru and Muara Lengas, Sub District of Muara Lakitan, District of Musi Rawas, Sumatera Selatan	S 103° 24' 21,7"	E 02° 59' 08,6"
	Bukit Pinang Estate	Village of Sungai Pinang, Anyar, Semangus Lama, Semangus Baru and Muara Lengas, Sub District of Muara Lakitan, District of Musi Rawas, Sumatera Selatan	S 103° 24' 21,7"	E 02° 59' 08,6"
1.5 Description of Area Statement				
1.5.1	Tenure			
	• State		6,513.00	Ha
	• Community		-	Ha
1.5.2	Area Statement			
	• Total area		6,513.00	Ha
	• Mature area		4,181.11	Ha
	• Immature area		1,961.12	Ha
	• Mill		14.78	Ha
	• Building and Emplishment		82.58	Ha
	• Infrastructure		160.99	Ha
	• Nursery		18.45	Ha
	• HCV		21.48*	Ha
	• Occupation		72.11	Ha
	• Others area		0.38	Ha
* Total identified HCV area is 492 ha and most of the area is included in the plantation area.				
1.6 Planting Year and Cycles				
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Sungai Pinang	Bukit Pinang	Total
	1991	3.95	-	3.95
	1992	623.83	-	623.83
	1993	88.50	319.40	407.90
	1994	430.33	-	430.33
	1995	51.51	-	51.51
	1996	146.45	618.79	765.24

	1997	102.43		221.84		324.27	
	1998	380.90		632.79		1,013.69	
	2000	-		177.46		177.46	
	2005	180.69		-		180.69	
	2009	20.29		-		20.29	
	2010	51.72		-		51.72	
	2013	206.04		130.24		336.28	
	2014	152.93		228.84		381.77	
	2015	348.09		293.11		641.20	
	2016	387.47		344.64		732.11	
	TOTAL	3,175.13		2,967.10		6,142.23	
1.6.2	New Planting area after January 2010			- Ha			
1.6.3	Planting Cycle			2 st Cycle			
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Sungai Pinang Factory	30	80,837.22	17,421.44	21.55	4,005.76	4.96
	<i>* Source: Production Data of mill period August 2015 – July 2016</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Sungai Pinang Estate	3,332.61	3,175.13	36,721.29	11.57	36,721.29	100
	Bukit Pinang Estate	3,180.39	2,967.10	30,192.81	10.64	30,192.81	100
	TOTAL	6,513.00	6,142.23	66,914.10	11.13	66,914.10	100
	<i>* Source: Production Data of Estate period August 2015 – July 2016</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Rantau Panjang (Certified RSPO)	PT GPI	Kab Musi Banyuasin	3,601.19			
	Bumi Ayu (Certified RSPO)	PT GPI	Kab Musi Banyuasin	2,203.48			
	Napal (Certified RSPO)	PT GPI	Kab Musi Banyuasin	3,392.85			
	Karang Ringin (Certified RSPO)	PT GPI	Kab Musi Banyuasin	2,451.88			
	Mangun Jaya (Certified RSPO)	PT GPI	Kab Musi Banyuasin	2,205.35			
	TOTAL			13,854.74			
	<i>* Source: Production Data of Sungai Pinang Factory period August 2015 – July 2016</i>						
1.7.4	Product categories			FFB, CPO, PK			

1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 11 September 2015 to 10 September 2016 (tonnes/year)		Actual certified product 11 September 2015 to 31 July 2016 (tonnes/year)		
	• FFB Production		73,703.64		62,794.17		
	• CPO Production		16,241.8		13,508.96		
	• Palm Kernel (PK) Production		3,316.66		3,147.27		
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Sungai Pinang Estate	3,332.61	3,175.13	38,102	12.00		
	Bukit Pinang Estate	3,180.39	2,967.10	31,206	11.00		
	TOTAL	6,513.00	6,142.23	69,307	11.53		
	<i>*Projected FFB production from 11 September 2016 – 10 September 2017</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Sungai Pinang Factory	30	69,307	15,594	22.50	3,465	5.00
	<i>*Projected FFB production from 11 September 2016 – 10 September 2017</i>						
1.9 Other Certifications							
	-						
1.10 Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Supply Base	Time Bound Plan	Location	Status	
	Mill	Time Bound Plan					
	Sekunzir. PT. Indotruba Tengah	2010	Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified	
			Seruyan	2010		Certified	
	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified	
			Manggala 2	2010		Certified	
			Manggala 3	2010		Certified	
	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District – West Kalimantan	Certified	
			East	2010		Certified	
			Sei Mawang	2010		Certified	
			East Plasma	2010		Certified	
			West Plasma	2010		Certified	
		2011	Teluk Siak	2011		Certified	

Teluk Siak. PT Aneka Inti Persada		Pinang Sebatang	2011	Pekanbaru, Siak District – Riau	Certified
		Aneka Persada	2011		Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin Distri ct – Central Kalimantan	Certified
		Kawan Batu	2011		Certified
		Hatan Tiring	2011		Certified
		Batang Garing	2011		Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011		Certified
		Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011		Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011		Certified
		KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013	KKPA-2 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
Gunung Aru. PT Bersama Sejahtea Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasam	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011		Certified
		KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin Distri ct – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		Certified
		Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Selabak. PT Swadaya	2012	Selabak	2012	Kotabaru District – South Kalimantan	Certified
		Randi	2012		Certified

Andhika		Sangkoh	2012		Certified
		Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
		Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
		Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012		Certified
		Karang Ringin	2012		Certified
		Napal	2012		Certified
		Mangun Jaya	2012		Certified
		Sungai Jernih Estate dan GPI KKPA	2016		-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013		Certified
		Blang Simpo-01	2013		Certified
		Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2020	Sanggau District – West Kalimantan	-
		MAS 1	2020		-
		MAS 1	2020		-
		Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
		Awatan	2014		Certified
		Karya Palma	2016		-
		KKPA SNP	2020		-
		Pelanjau (PT BAL)	2018		-
		Sungai Putih (PT BAL)	2018		-
		Baturus (PT BAL)	2018		-
<p>The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.</p> <p>Sime Darby has been certified on all 39 units Palm Oil Mill in Malaysia and 21 units Palm Oil Mill in Indonesia. The Time Bound Plan was revised, cause the company to delay certification process with the following explanation:</p> <ul style="list-style-type: none"> - PT. Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are on going. - PT. Budidaya Agro Lestari waiting for land title process 					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard.				
	The company does not have out-grower and smallholder scheme.				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-4	<ol style="list-style-type: none"> Ardiansyah (Lead Auditor). Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. Several times following audit activities related to sustainable palm oil certification system as a lead auditor and an auditor. During this audit, he assigned to verify of Legality, SCCS and Land Dispute. Yuniar Mitikauji (Auditor). Master Program in Environment from Melbourne University and Bachelor of Forestry with Silviculture Stream from Gadjah Mada University. She was working as a research assistant in Forestry Faculty, Gadjah Mada University. She played a role as a project manager of land rehabilitation project of Samboja Lestari in East Kalimantan. Currently she is working as an auditor in PT Mutuagung Lestari. She joined wildlife statistical analysis short course held by Cardiff University in cooperation with University of Sabah. She had joined ISPO training held by ISPO Committee, Ministry of Agriculture and RSPO Lead Auditor Training held by Daemeter Consulting and Proforest as well. Further she joined HCV Training held by Mutuagung Lestari. In this assessment, conducted the assessment on Environmental aspect, Transparency aspect, Social aspect and High Conservation Value. Leonada (Auditor). Bachelor of Agriculture, majoring of Agronomy and minor in Plant Breeder and seed technologies, Agriculture Faculty of Bogor Agricultural University. Over five years working experience at oil palm Plantation Company in Indonesia and followed several trainings namely: Auditor Indonesian Sustainable Palm Oil (ISPO), awareness RSPO, Lead Auditor ISO 9001:2008 (Management System Certification), ISO 14001:2005 (Environmental Management System Certification), Management Development Program Agronomy, analysis base solution for operation, Plantation Integrated Pest Management training, Training of the limited pesticide usage (pesticide commission), training of pesticide and fertilizer waste management, resolution conflict training, training of OHS Specialist and OHS Auditor (SMK3). Currently he worked as an auditor at Certification Body and During this audit, he assigned to verify of BMP and OHS Benli Manurung (Observer). Bachelor Degree of Agriculture, University of Sumatera Utara. He has 4 years of experience working as Agronomy Assistant in a private palm oil plantation company in Indonesia. He has been training RSPO Awareness, ISO 9001 Auditor training and ISPO Auditor training. During this audit, he assigned to be observer.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-4	Number of auditors : 3 auditor and 1 Observer Number of days for ASA-4 at site : 5 days Number of working days for ASA-4 at site : 15 Working days
2.2.2	Assessment Process
ASA-4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Sungai Pinang Factory of PT Bina Sains Cemerlang to the requirements of Principle and Criteria for The Production of Sustainable Palm Oil. Endorsed by RSPO Executive Board and Accepted at The Extraordinary General Assembly by RSPO Members on April 25th 2013 and RSPO Supply Chain Certification Standard for Organizations Seeking or Holding Certification Adopted by The RSPO Board or Governors on November 21st 2014 (Module E for CPO Mill).</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) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Opportunity for improvement of the results ASA-04 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment. Improvement of findings from main assesment findings</p>

	<p>were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-04.</p> <p>Auditors interviewed stakeholders' likely Plantation & Forest agency, Labour & Transmigration agency, Head of Semangus Baru village, Muara Rengas village, employee, Gender committee and Union labour. The assessment program please finds Appendix 2.</p>
<p>2.2.3</p>	<p>Location of Assessment</p>
<p>ASA-4</p>	<p>Scope Surveillance-4 is Sungai Pinang Factory, Sungai Pinang Estate and Bukit Pinang Estate. The sampling location is done by using the formula $(0.8 \sqrt{Y})$, Y is number of estate that is in the PT BSC. Total sampling at PT BSC is two (2) estate that is Sungai Pinang Estate and Bukit Pinang Estate. Then, in order to balance the information the auditor also visited villages around PT BSC.</p> <p>Sungai Pinang Estate:</p> <ol style="list-style-type: none"> 1. Harvesting activity Field D6. Observation harvesting procedures, aspect of safety and interviews of employment. 2. Spraying activity Field E15. Observation spraying procedures, aspect of safety and interviews of employment. 3. Nest box Field E8. Observation IPM 4. Replanting area Field G9. Observation implementation of replanting without burning methods and land conservation. 5. Beneficial plant Field D6, E8, E15 dan G9. Observation IPM 6. Road maintenance Field D6, E8, E15 dan G9. Observation land conservation 7. Field H010. Observation of HCV management in form of Pinang Riparian 8. Field C006. Observation of HGU boundary marker No. 18 9. Field I011. Observation of HGU boundary marker No. 13 10. Field F012. Observations related to effluent management and soil fertility improvement with the application of effluent and ensure appropriate monitoring wells with permission Land Application. 11. Field E011. Observation area that claims by community. <p>Bukit Pinang Estate:</p> <ol style="list-style-type: none"> 1. Harvesting activity Field G21. Observation harvesting procedures, aspect of safety and interviews of employment. 2. Spraying activity Field F20. Observation spraying procedures, aspect of safety and interviews of employment. 3. Fertilizing activity Field J20. Observation fertilizing procedures, aspect of safety and interviews of employment 4. Replanting area Field G19. Observation implementation of replanting without burning methods and land conservation. 5. Spraying equipment wash house and storage of PPE. Observation environment aspect and safety. 6. Beneficial plant Field F20, G19, G21 dan J20. Observation IPM 7. Road maintenance Field F20, G19, G21 dan J20. Observation land conservation 8. Field I018. Observation of HCV management in form of Selinsing Riparian 9. Near Field K018. Observation of HGU boundary marker No. 11 <p>Sungai Pinang Factory</p> <ol style="list-style-type: none"> 1. Security pos. Observation emergency procedures and interviews of employment 2. Weighbridge Station. Observation of supply chain procedure 3. FFB Grading Station. Observation procedure FFB grading and interviews of employment. 4. Press Station. Observation mill processing procedures, safety aspect and interviews of employment. 5. Boiler Station. Observation mill processing procedures, safety aspect and interviews of employment 6. Kernel Station. Observation mill processing procedures, safety aspect and interviews of employment 7. Hydrant. Observation emergencies equipment. 8. Engine room. Observation safety aspect and interviews of employment 9. Reservoir. Observations on the activities of the management and protection of water resources. 10. WTP. Observation of water treatment activities and the use of chemicals. 11. WWTP. Observations and interviews related to the management of effluent ponds, ponds conditions and delivery of effluent into the estate.

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Consultation of stakeholders for PT Bina Sains Cemerlang was held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com on 18 June 2016. 2. Consultation meeting and interview with government agencies in Musi Rawas District (Plantation, Agriculture and Forestry agency; Manpower agency; and Mining dan Environment agency) on 2 August 2016 3. Consultation meeting and interview with locals of the nearby village (Semangus and Sungai Pinang Village) on 2 August 2016. 4. Consultation meeting and interview with Internal Stakeholder (labour union, gender committee and contractor local) on 3 August 2016. 5. Consultation with NGO (WALHI and AMAN) on 8 June 2016 <p>Numbers of input from stakeholders were clarified by PT Bina Sains Cemerlang.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (Recertification) will be determined at least 12 months after this ASA-4(July -2017) .

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

Mutuagung Lestari has conducted an assessment of Sungai Pinang POM – PT Bina Sains Cemerlang – Sime Darby Plantation Sdn. Bhd. operation consisting of one mill and two estates.

During the assessment, there were two (2) Nonconformities were assigned against Major Compliance Indicators; one (1) nonconformity were assigned against Minor Compliance Indicators; and thirteen (13) 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. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic/etc). Those corrective actions taken that consist of two (2) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Sungai Pinang POM – PT Bina Sains Cemerlang - Sime Darby Plantation Sdn. Bhd with the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
<p>1.1.1 PT BSC has SOP No. 008 / BSC-PI / III / 2009 dated March 4, 2009 on a request for information (RSPO / 1.1 / PI) and procedures for communication and consultation with the document number 006 / BSC-KKM / IV / 010 in 2009. This procedure describes stakeholders asking for information and communications (complaints, requests and suggestions) were delivered to the company will be taken in accordance with company procedures and the company will respond as soon as possible or no later than 10 days.</p> <p>The type of information that can be accessed as follows:</p> <ul style="list-style-type: none"> • Land Use Title • Plantation Business Permit • Agreements • Document HCV • Document SIA • Document Waste • EIA • Environmental Management Plan / Environmental Monitoring Plan • Guiding Committee Of Occupational Safety & Health • Employee data • Data FFB production • Data production CPO and PK • Data Hazardous Waste • Specification plant machinery • Specifications vehicle engine 	

- Document of sustainable plantation management guidelines

1.1.2

The company has the SOP information request SPO / 001 / BSC / 2012 valid from 1 November 2012 in which the SOP imi explained that all requests for information went into operational units addressed to the manager and then manager learn the letter to be made the answer. Kasie makes the draft letters of the answer the demands of all stakeholders.

Companies storing recorded information in the file list incoming and outgoing mail and the list of expeditions incoming and outgoing mail. Here is an example of a request for information:

- On May 20, 2016 Regional Environmental Agency Government District of Musi Rawas requested information related Follow-Monitoring Operations PT BSC with letter No. 660.3 / 181 / BLHD / 2016. One of the content of the information request is PT BCS asked to immediately report the Environmental Management Plan / Environmental Monitoring Plan second half of 2015 to Regional Environmental Agency Government District of Musi Rawas. The document has been sent by PT BSC on May 26, 2016

Status: Comply

1.2

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

1.2.1

Documents accessible to the public are listed in the memorandum ist / int / IX / 2014 dated 19 September 2014 from the chairman of SOU-22 Sungai Pinang. The type of information that can be accessed as follows:

- Plantation Business Permit
- Agreements
- Document HCV
- Document SIA
- Document Waste
- EIA
- Environmental Management Plan / Environmental Monitoring Plan
- Guiding Committee Of Occupational Safety & Health
- Employee data
- Data FFB production
- Data production CPO and PK
- Data Hazardous Waste
- Specification plant machinery
- Specifications vehicle engine
- Document PMPB (sustainable plantation management guidelines)

Status: Comply

1.3

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

1.3.1

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

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

The company has been storing a copy of the code of conduct in each unit that SPE, BPE and SPF. The Company has communicated a code of conduct to workers who are evidenced by documents socialization photo code of conduct. From interviews, the workers have to know the code of conduct in the company, for example, the discipline of work and prohibition of corruption.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS	
2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	
<p>2.1.1; 2.1.2 The company has a mechanism to identify and evaluate the compliance with the law described in the SOP of Law Terms. PIC who is responsible for identifying the regulation and for evaluating the regulations was legal team and manager. The company has list of regulation consist of international regulation, national regulation, regional regulation and local regulation. Based on list of regulation update on 1 July 2016, there are 334 regulation and all files of regulation was saved in softcopy and hard copy.</p> <p>2.1.3 & 2.1.4 All regulations are noted in the list of rules which are always evaluated regularly at least once a year or if there are regulatory / latest requirements referenced. Based on the last evaluation which conducted on 1 July 2016 shows that some regulation is not comply such as Bipartite Cooperation Institution. The result of latest evaluation show that management unit has complied with the new regulation such as Government Regulations No. 46 Year 2015 about old age insurance. Based on the interviews with relevant agencies (Plantation Agency, Labor Agency and Environmental Body) known that the management unit has fulfilled the regulations related to the plantation, employment and the environment.</p>	
	Status: Comply
2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.	
<p>2.2.1 The company has had the land rights in the form of Land Use Title (HGU) for an area of 6,821.34 Ha which consist of one certificate. Based on document review shows that CH manage an area of 6,821.34 Ha which consist of 6,142.23 Ha planted of palm oil and 679.11 Ha for other area. There are 308.34 Ha which process of HGU and this area is not in certification scope.</p> <p>2.2.2 Management unit have conducted monitoring of boundaries marker every 6 months. The monitoring results for 2016 showed that the entire markers (21 poles) are in good condition. Field visit in Sungai Pinang Estate and Bukit Pinang Estate showed that Boundary Pole No. 11, 13 and 18 are in a well-maintained condition. The management unit opportunity to reevaluate the marker identity (OFI).</p> <p>2.2.3; 2.2.4 Document review, field visit and stakeholder consultation shows that there are land dispute/conflict. Document review shows that entire operation area of PT BSC has been compensated on 1990 – 2005. The compensation process participated by head of sub-districts, head of village and landowners. All compensation document stored by PSD. Based on interview with management representative known that mutually agreed with head of village all resolution for land dispute handled in legal recourse.</p> <p>2.2.5 The management unit can show the location of land dispute on the map, but management unit not yet have a procedure for participatory mapping of land dispute. Based on the explanation is found Nonconformity No. 2016.01 with minor category.</p> <p>2.2.6 The Company has had Conflict Resolution SOP which involves the stakeholder in the process. Besides that, The Company also has had a policy from General Manager on February 1, 2016 about prohibit the use of mercenaries and paramilitaries in their operation. Field visit and interview shows that the management unit did not used military in their operation.</p>	
2.2.5	Status: Nonconformity No. 2016.01 with minor category

2.3	
Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	
2.3.1; 2.3.2; 2.3.3 & 2.3.4	
Land tenure for the management unit within the scope of the audit was State land and community land that has been made compensation at the early of plantation project. The evidence of land compensation from community has documented completely and stored by Public Services Department (PSD).	
Document review, field visit and interview shows that since the ASA-3 until ASA-4, the company does not perform are expansion.	
	Status: Comply
PRINCIPLE #3 Commitment to long-term economic and financial viability	
3.1	
There is an implemented management plan that aims to achieve long term economic and financial viability.	
3.1.1	
The Company has a long term management plans for at least 3 years. The work plan include the following projections of production, replanting, the needs of seed, seed quality, operational cost and the cropping area, OER, Kernel, and price estimate. Program plans are evaluated periodically every year at the beginning of the annual book closing period (July) with the consent of the head plantation. Evaluation is done by considering the achievement of each annual plan as the responsibility of each manager unit, which will continue to be improved in subsequent years.	
3.1.2	
The Company has replanting program plan namely Long Range replanting program for the next 5 years. It's reviewed every year, for example memo number: POD - UM 017 / III / 2016 dated March 16, 2016 include a plan area planted, the allocations of costs and seedlings.	
	Status: Comply
PRINCIPLE #4 Use of appropriate best practices by growers and millers	
4.1	
Operating procedures are appropriately documented and consistently implemented and monitored.	
4.1.1	
The Company has a plantation procedures namely SOP Reference Manual Oil Palm Planting Agronomy No. Policy: 110/EST-ARM/13 which consists of 18 chapters/sections concerning technical culture cultivation of oil palm plantation released by memorandum Head Upstream Indonesia on 1 September 2013. The procedure of palm oil processing mill described in the Technical Guidelines adopted by the Group Head Plantation Indonesia in 2007, consists of three volumes, namely No. Policy 110/POD-FAC/07, No. Policy 120/POD-FAC/07 and No. Policy 130/POD-FAC/07. The procedures are using bahasa and stored in every eststes and mill including all operational activities. Based on the results of field visits in harvesting, fertilizing, spraying, FFB sorting, weighbridge and processing operator in the factory known that employees generally have a technical understanding of work in accordance with established procedures.	
4.1.2 & 4.1.3	
The company has a mechanism to check the implementation of operational procedures and monitored regularly in accordance with SOP TQMS Department No. document 721/TQEMS-SOP/2007 dated 31 October 2007 in the form of internal audits conducted by the department PSQM. The lists of all the procedures for operational activities are available in every estates and mill. If any SOP revise must be submitted to the head plantation to consider revisions. Monitoring the implementation of operational procedures and evaluation of achievement can be indicated in the monthly report provided in each estates and mill.	
4.1.4	
Sungai Pinang Factory only receive FFB from own estate and the other company in the same group (PT GPI) and also has	

been certified with RSPO standard.	
	Status: Comply
4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	
4.2.1 & 4.2.2 The Company has a procedure to manage soil fertility contained in SOP Reference Manual Oil Palm Planting Agronomy No. Policy: 110/EST-ARM/13. Fertilization takes appropriate fertilization program based on fertilizer recommendations which are recorded in the monthly reports and monitored by each Estates manager. The company also examine the implementation of the procedure regularly every year in the form of internal audits that conducted by PSQM department. Based on the results of field visits in Bukit Pinang Estate Block J20 known that workers has a technical understanding of fertilization in accordance with the procedures and the dose of fertilizer recommendations.	
4.2.3 The company has conducted sampling of leaves and soil analysis to monitor changes in soil nutrient status. Leaf analysis conducted once a year by the Laboratory Minamas Research Centre (MRC) to determine fertilizer recommendation 2016/2017 period. Soil analysis is done every 5 years conducted by MRC, outlined in a document Semi- Detailed Soil Survey and Feasibility Study 2015-2020.	
4.2.4 The Company applies recycling of nutrients include empty bunch and liquid waste. The company also utilizes residues from replanting activities to add organic material to the soil. It can be seen during a field visit in replanted areas in Estate SPE block G09 and and BPE block G19.	
	Status: Comply
4.3 Practices minimize and control erosion and degradation of soils.	
4.3.1, 4.3.2, 4.3.3 & 4.3.6 The Company showed a map that describes the type of soil and slope grade with scale of 1: 50,000. From the map known The marginal areas that needed special management such as hilly areas and areas with low nutrient. The company has had several strategies for the management of marginal land such as peatland, an area with a certain slope (6-25%) and the areas sandy includes the manufacture of silt pit, terrace, application U-shape frond stacking, planting <i>Nephrolepis</i> , cultivation terrace system in hilly areas, planting and water management in peat lands, the use of empty bunch, fertilization according to the analysis of nutrient and planting LCC. The company also has a road maintenance program in mechanical and manufacturing silpit and road side pit. Based on the results of field visits in replanted areas is known that the company implemented with terrace contour planting, planting LCC, applicated U-shape frond stacking and applicated empty bunch to minimize erosion. Supervision of the work is always monitored by a supervisor from the foreman and assistant to the manager who then progress of work is reported daily and monthly to evaluate the achievement.	
4.3.4 & 4.3.5 Based on the results of semi detail soil studies is known that there is no peat. The type of soil found in the area of the Company is Ultisol. Semi-detailed soil studies are set forth in the documents Detail Semi Soil Survey and Feasibility Study 2015-2020 issued by Minamas Research Centre.	
	Status: Comply
4.4 Practices maintain the quality and availability of surface and ground water.	
4.4.1 The company has a water management plan covering identification of water source, water efficiency for FFB process,	

water renewability, clean water access for company's employee, protection of surface water from contamination. The implementation of water management plan was observed during field visit and document review. Based on document review, there are record of water use and water efficiency, river water quality test, riparian area monitoring and mill's effluent quality monitoring and record of effluent discharge to land application. Based on interview with employee in housing complex, they have access to clean water. The clean water source is from well and water reservoir. The company has tested the water quality from some of the reservoir and well but not yet representative (OFI).

4.4.2

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

Based on field observation to riparian area in Sungai Pinang, Field H010 palm oil plantation in riparian area, plant upkeep is manually conducted without chemical. There are also marking on palm oil tree as a border of no chemical application in riparian area and planting hardwood tree. Field visit to replanting area in Bukit Pinang, Field I018 hows the riparian is left over, no replanting activity on that site.

4.4.3

PT BSC has managed its effluent of FFB processing as regulated. Document review shows there is monthly effluent quality against national regulation for waste that is discharge to land application. The company has a permit 530/KPTS/BLHD/2013 to discharge treated effluent onto land application The effluent quality test result by accredited laboratory shows that the effluent quality especially BOD, pH and COD has met the national regulated threshold. Field visit to Waste Water Treatment Plant (WWTP) shows that the facility is well managed.

4.4.4

The company has recorded its actual water use. The average water use per tonne FFB for period of January – June 2016 is 1.14 m3/FFB.

Status: Comply

4.5

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

4.5.1 & 4.5.2

Company are reduce the use of pesticides such as by applying integrated pest management and using early warning system to avoid the preventive use of pesticides in accordance with SOP Reference Manual Oil Palm Planting Agronomy No. Policy: 110/EST-ARM/13. An integrated control includes the use of natural predators of pests like rat with developing owls and also developed *Turnera subulata* as a host plant of a natural predator of caterpillar pests. Use of pesticides are adapted to the target weeds in the field and The company currently not using *paraquat* that evidenced from the results of field visits in spraying activities. During the field visit can also be found planting of beneficial plant and the owl nest box. Employees involved in the control of pests and diseases have also been given training on a regular basis as an example dated 25 June 2016.

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment

4.6.1, 4.6.2 & 4.6.4

The Company has procedures in pesticide use activities contained in the SOP Reference Manual Agronomy that explains the use of pestiisda selectively in accordance with the targets and objectives of weeds or pests in the field. Companies have a complete list of pesticides that are designated World Health Organization (WHO) classes 1A and 1B. The company also has established a policy not to use Paraquat is outlined in the memorandum of the Head Plantations Operation (number: POD-UM-127/X/2008, dated 4 November2008) it is also shown in the list of pesticides used per hectare for

2015/2016. Based on the results of field visits is known that spraying activities use the pesticides accordance with the target weeds in the field.

4.6.3

The Company has procedures in integrated pest and disease control in the form of SOP Reference Manual agronomy. In the procedure explained that the company implemented Early warning system (EWS) that not use a chemicals to control preventively, but by monitoring pests and diseases routinely before action is taken to control pests and diseases using chemicals. The Company also conducts biological pest control include making the installation owl nest box and the planting of beneficial plant.

4.6.5, 4.6.7 & 4.6.9

The Company has procedures in handling of chemicals/pesticides document No. 019/BSC-EHS/VIII/10. Such procedures become material in the training given to employees as an example training pesticide applicators chemical hazard control, spraying and fertilizing dated 14 April 2016 attended by 15 employees. Based on observations in the field can be found spray equipment washhouse, house of material mixing herbicides and storage of PPE with good condition and used washing water drains stored for subsequent reuse as water mixture to spray so that no potential to contaminate the environment. Based on the results of field visits in spraying activities known that all employees have earned spraying technical training and handling of pesticides. Employees also understand the technicalities spray and how to work the safe handling of pesticides and show the MSDS as a reference in the handling of pesticides.

The company has been providing PPE for workers associated with pesticides shown in the book handover of PPE for workers spray as examples dated 27 December 2015 handover gloves to 9 workers spray. The company also showed evidence PPE in field inspection checklist as an example dated 30 January 2016. The results of field visits in spraying activities are found disrepair such PPE shoes. The employees and spray foreman also states that PPE shoes distributed once a year and if PPE is damaged before it expired, the workers are required to provide their own PPE, it is also regulated in SOP Use of PPE (RSPO / B.5.11 / LSI) authorized by SOU chairman and manager on 5 April 2010. In this case the company could not show a mechanism to ensure the company provides PPE and replacement workers if PPE is damaged. It becomes nonconformity **Nonconformity 2016.2 with category Major**.

4.6.6

The unit management has SOP of hazardous waste handling No. 020/BSC-ESH/10 dated 02 August 2010 explaining the mechanism of hazardous waste storing started from hazardous waste source, temporary storing in estate hazardous waste storage for maximum 1 month period and the mechanism of its delivery to the permitted hazardous waste. There is a hazardous balance sheet to record the incoming and outgoing waste and there is no hazardous waste that is kept more than the permitted period. The company report its hazardous waste handling in three monthly report and report it to Environmental Agency of Musi Rawas District.

4.6.8

Based on interviews with management stated that the company did not conduct spraying by air. It is also in accordance with the results of field visits in spraying activities in the SPE block E15 and BPE block F20 are not identified through aerial spraying. From interviews with people in Sungai Pinang and Semangus villages also not obtained information the company made the application of pesticides from the air.

4.6.10

The SOP for waste handling is covered in SOP for hazardous waste handling. Based on interview with the employee in housing complex Division III of SPE and BPE, they have understand the mechanism well. The observation result in housing complex the domestic has been handled well and observation on plantation block shows that there is no agrochemical ex-container in the plantation working area.

Based on presented evidence and the actual condition during the field visit, the company has complied with criterion 4.4 on water source identification in company operational area and the management plant for the source protection from deterioration.

4.6.11

The company carries out health checks such as cholinesterase and spirometry for pesticide operators on a regular basis in accordance with the list of pesticide operators in the company. As an example of spirometry examinations in April 2016 to 58 employees of BPE and 82 employees of SPE. Employees who experience health problems will be moved to another job that is not related to chemicals and would then be monitored in the next medical examination. The company also shows the schedule for medical check-ups for high-risk employees such as additional checks by means of quantum magnetic resonance analyzer, respiratory monitors, audiometry, physical examination and cholinesterase. It is also recognized by the employee during a field visit to the spraying activities.

4.6.12

The Company has a policy of restrictions for pregnant or lactating women to work using pesticides. The company carries out routine checks every month to the women workers to ensure that female workers who work at a job that contains chemicals are not pregnant or breastfeeding. Each female worker related to chemicals reported if delayed menstruation or pregnancy to an assistant who then conducted probes by doctor. Based on the results of field visits in spraying activities not identified the presence of working women who are pregnant or breastfeeding. Employees also said that pregnant or nursing women are prohibited from doing work related to chemicals.

4.6.5 Status: Nonconformity NC 2015.2 with category Major

4.7

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

4.7.1

The Company has a policy of occupational safety and health adopted by CEO Minamas Plantation Date 1 April 2013 No. Policy 724/TQEM-SPMS/09 That stated commitment to improving the safety and occupational health. The Company has established safety and health program in 2016 which is generally aimed at improving health and safety. The program is regularly evaluated by the end of the year by the management were later taken into consideration to develop safety and health programs further. From interviews with employees in general have understood safety and health policy. But the company has an opportunity to improve socialization of occupational health and safety aspects to contractors or other workers. **OFI.4**

4.7.2

Hazard Identification Risk Assessment Control documents are available to covers all operational activities. One of the considerations in determining the risk analysis is the monitoring of workplace accidents and then to control this risk.

4.7.3

The Company has conducted socialization associated with safe work practices for all operational activities. This is shown in the example of training records dated 30 July 2016. The Company has also provided training for boiler operators, hoisting crane operator, welder, electrician and Hiperkes paramedic.

The company has been providing PPE for workers shown in the book handover of PPE as an example dated 27 December 2015 handover gloves to 9 workers. The company also showed evidence PPE field inspection checklist as an example dated 30 January 2016. The results of field visits at BPE Estate in spray activities are found disrepair such PPE shoes. The employees and spray foreman also states that PPE shoes distributed once a year and if PPE is damaged before it expired, the workers are required to provide their own PPE, it is also regulated in SOP Use of PPE (RSPO/B.5.11/LSI) authorized by SOU chairman and manager on 5 April 2010. In this case the company could not show a mechanism to ensure the company provides PPE and replacement workers if PPE is damaged. It becomes nonconformity **Nonconformity 2016.2 with category Major.**

4.7.4

The company has persons who are responsible in the field of occupational safety and health records along with the regular meeting to cover any of the Occupational health and safety, as an example safety and health structure organization of Sungai Pinang Estate was approved by the Government of Musirawas by Decree No. 560/542/IV/Nakertrans/2013 dated 23 August 2013. Secretary of organization has certified as general safety and health expert SKP No.7822/DJPKK-PNK3/14/2014.P.1. Quarterly reporting periods April - June 2016 was reported to labour and transmigration agency

Musirawas district on 27 July 2016. The latest meeting held on 8 June 2016 meeting with some results such as environmental and health.

4.7.5 & 4.7.7

The Company has procedures for handling accidents and Emergency Response including SOP preparedness and response and recovery situation, SOP Fire Prevention, Mitigation SOP fire extinguisher and hydrant, fire Countermeasures SOP land, Handling Accidents SOP, SOP Earthquake. In interviews with the mill employees at several locations such as postal security and grading station still do not understand emergency response procedures. The company has shown evidence of socialization to the employees on 4 August 2016. It became **OFl.05**

The company carries out monitoring of workplace accidents every month with an analysis of loss time accident, frequency rate and severity rate also conduct investigations in case of accidents. Monitoring of occupational accidents reported to the relevant agencies on a regular basis once every 3 months in conjunction with safety and health quarterly reporting. Foreman in the field have facilitated first aid box and have been trained in first aid to anticipate the accident at the field.

4.7.6

Company providing medical services to all employees and covered in a workplace accident insurance. It is based on the Labours work Agreement, the company provides medical services and involving employees in the Social Security program includes accident insurance, old age insurance, life insurance and pension guarantees. It is shown in the evidence of Employment Insurance payments in June 2016. The Company also involve employees in health program was shown in the proof of payment in June 2016.

4.7.3 | **Status: Nonconformity NC 2016.2 with category Major**

4.8

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

4.8.1 & 4.8.2

The company has a training program in 2016 for all employees in accordance with the list of staff and existing employees. The training program is based on training needs analysis covers all aspects and principles of the RSPO for example occupational health and safety, pesticide management and technical operational work. The Company evaluates the training of employees on 1 May 2016. The company currently has smallholders farmers so its training does not programmed. Employees also admitted to getting training organized by the company in the form of formal training or informal training such as technical work every day before work. Records of training can be given as examples of technical training fertilization dated 26 March 2016 was attended by 18 employees in Sungai Pinang Estate.

Status: Comply

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

5.1

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

5.1.1

The company has EIA document (AMDAL) covering 24,000 ha with mill capacity of 30 ton/hour. The document is legalized by Agribusiness Division of Agriculture Department no. No. 005/ANDAL/RKL-RPL/BA/X/94 dated 18 October 1994. The study include impact analysis on air quality reduction, soil fertility, erosion and sedimentation, water quality, change in vegetation cover and wildlife disturbance, community recklessness, job opportunity and the development of local business and income. There is a change in environmental management and monitoring plan in October 2006 and the revised document was legalized on 30 October 2007.

Regarding to the replanting activity conducted, the company has replanting impact assessment conducted by consultant. The replanting impact document study the replanting impact on both social and environment. The environmental impacts cover on issue of soil and water, HCV area and biodiversity, social and job opportunity. The document also recommends the mitigation action to reduce the potential impact.

Both impacts studies were conducted with participation of impacted community and related stakeholders. Based on document review, there is an evidence of questionnaire conducted to assess the impact of company operational according to RKL RPL report to the impacted stakeholders.

5.1.2 and 5.1.3

As part of the implementation, the company develops environmental management and monitoring plan that is reported to the relevant agency regularly every semester. Therefore, there is an evaluation of monitoring result taken place every semester as required in government regulation on RKL-RPL reporting. The plan is available in matrix.completed with the timetable of each activity. There is also the recommended for some of monitoring parameter in place. However, the management plan must informs the clear PIC. **(OFI)**.

Document review shows that RKL-RPL report for semester 1 year 2016 has been sent to Environment Agency of Musi Rawas District. The company has done monitoring on river water quality, air emission, air ambient, noise, odor, effluent quality and land application by testing the monitoring well. Evidence shows that the management plan is adaptive to change. The report also contains evaluation of the current operational by evaluating the impact monitored.

Based on presented evidence and the actual condition during the field visit, the company has complied with criterion 5.1 on identification of environmental impacts of company operations and the management plan and its implementation to reduce the negative impact and develop the positive ones.

Status: Comply

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1

The company has identified HCV area within its operational area. The identification was conducted by independent consultant of CV POLLITO. The HCV area present in PT BSC are HCV 1.1; HCV 4.1 and HCV 5 in form of riparian area of Pinang River, Durian River, Selinsing River and Hitam River for 492 ha that is included in the plantation area, HCV 1.2 and HCV 1.3 in form of rubber plantation area and other forest tree species stand for 365.58 ha (as an enclave area) and HCV 6 in form of cemetery area for 0.003 ha.

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

5.2.2 and 5.2.4

In accordance with the identified RTE species in PT BSC operational area, the company has developed HCV management plan to protect the species. The related program are the development of flora and fauna protection procedure, monitoring on HCV area and RTE species and socialization of HCV and RTE species protection. However, the management plan shall include taget and PIC **(OFI)**. Based on visit to block F009 revealed that riparian area as HCV area is left behind during the replanting activity. There a signboard on HCV area notification and prohibition on RTE species hunting. According to document review seen that record of protected species regular monitoring activity for BPE and SPE are available. The evaluation document of the monitoring result and the recommendation is in place.

5.2.3

PT BSC programs regular education for the worker and has a policy on harm, capture, hunt or kill RTE species. The regular education on HCV and RTE species to the worker can be found in company HCV management plan (refer to major 5.2.2) and the policy of RTE protection is in form of Internal Memorandum of SOU 22 dated 3 August 2015. The policy has referred to the applied national regulation on protected species. The sample of socialization was conduted on 1 June 2016 in Division III BPE that was attended by 22 participants from BPE and SPE worker.

5.2.5

Based on interview with the villagers and community elders of Sungai Pinang and Semangus Villages is informed that there is no HCV area containing local rights. And based on HCV map and company operational area map seen that all HCV area is in company HGU area.

Based on presented evidence and the actual condition during the field visit, the company has complied with criterion 5.2 on HCV identification and its management.

Status: Comply

5.3

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

5.3.1

PT BSC has identified its waste and pollution source and developed waste and pollution management plan. The identification is grouped based on estate and mill activity. Among the identified waste and pollution source in estate are manuring activity, clinic, workshop, spraying activity, office, warehouse and housing complex, genset use and transportation. Meanwhile, the source of pollution and waste identified in mill among others are processing activities, workshop, office, laboratorium, canteen, and WWTP.

5.3.2

All chemical waste and its ex-containers has been handling responsibly in accordance with national regulation. The company has permitted hazardous waste storage and letter No. 5031/68/III/BLHD/2016 dated 19 May 2016 from Government Environment Agency of Musi Rawas District about the extension period of hazardous waste storing period. The company as well has agreement with permitted hazardous waste transporter and processor. Procedure on hazardous waste handling is available and based on interview with employee in housing complex Division III of SPE and BPE, they have understand the mechanism well. The observation result in housing complex the domestic has been handled well and observation on plantation block shows that there is no agrochemical ex-container in the plantation working area. The record of the incoming and outgoing hazardous waste into and out of hazardous storage is available in form of hazardous waste balance sheet. The handling over to permitted hazardous waste transporter and processor is provided in term of hazardous waste manifest as legal document from the regulator.

5.3.3

Management plan of waste management and pollution reduction is available. It contains information on type of waste and pollution and the taken action to manage and to reduce it.

The implemented efforts are:

- The company has monitored and documented their hazardous waste in the hazardous waste balance sheet and stored in permitted hazardous waste storage. There is no keeping period exceeding the permitted one.
- The hazardous waste is disposed of to the licensed third party transported by licensed hazardous waste transporter. There are agreements between the company and both parties. The company has documentation of hazardous waste to the transporter in form of hazardous waste manifest.
- Reducing pollution from fossil fuel use, the company uses shell and fiber as boiler fuel
- Applying EFB as organic fertilizer by putting it to the plantation area
- Operates WWTP to treat effluent and use it for land application as one of organic fertilizer option
- Based on visit to housing complex, domestic waste has been well managed.
- Based on visit to estate's workshop, hazardous waste has been collected and kept in the allocated storage area before sent to permitted hazardous waste storage.
- During visit to mill area, the sanitation of the mill complex has not yet fully well managed (OFI).

Based on presented evidence and the actual condition during the field visit, the company has complied with criterion 5.3 on waste and pollution identification and its management and mitigation plan and action taken on the plan implementation.

Status: Comply

5.4

Efficiency of fossil fuel use and the use of renewable energy is optimised.		
<p>The company has been using renewable energy of shell for boiler fuel in order to reduce the use of fossil fuel. The use of shell per MT FFB processed is 0.06 kWh/ton FFB and the efficiency of the fibre use is 0.06 kWh/ton FFB. Other company effort to reduce the use of fossil fuel is by budgeting fossil fuel for vehicle and machinery operation. The fossil fuel budget will control the fossil fuel use. The record of fossil fuel use is recorded both in mill and estate. Further, there is also routine engine maintenance to increase engine efficiency intended to reduce the use of fossil fuel.</p>		
	Status: Comply	
5.5		
Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
5.5.1 & 5.5.2		
<p>The Company does not have the development of new areas, it's currently conducting replanting. The Company is committed to open land without burning (zero burning) during land clearing as stipulated in the policy of protection of the environment on 30 April 2013 and described in the SOP Reference Manual Agronomy planting oil palm on 1 September 2013. Based on the field visit in replanted areas are not found replanting activity with burn method.</p>		
	Status: Comply	
5.6		
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1		
<p>The company has identified the source of pollution and has assessed the pollution resulted from the company activity. The identified source of pollution in estate are manuring activity, clinic, workshop, spraying activity, office, warehouse and housing complex, genset use and transportation. Meanwhile, the source of pollution and waste identified in mill among others are processing activities, workshop, office, laboratory, canteen, and WWTP. The regular quality test have been conducted for monitoring well for land application monitoring, soil in land application area, air emission, air ambient, water quality of Durian and Pinang Rivers, odour level, noise level and effluent test.</p>		
5.6.2		
<p>The company has listed the significant GHG emission both from mill and estate. The identified significant GHG emission source are vehicle/transportation, genset, boiler, AC, fertilizer (manuring activity), pesticide application, fossil fuel use, land clearing on peatland, boiler, effluent and EFB application. The mitigation plan to reduce GHG emission develop by the company are routine engine maintenance such as ,boiler and genset, waste disposal management, planting trees and its upkeeping, fertilizer application in accordance with dosage recommendation, SOP socialization on BMP practice, The plan shall has clear timeline, PIC and target. The implanted ones are emission level test for air emission, noise, ador and air ambient, POME treatment in WWTP, fertilizer applied as its recommendation, routine engine maintenance proven by record of the activity, EFB application in block And recycle shell and fibre as boiler's fuel.</p>		
5.6.3		
<p>The company has calculated its GHG emission using RSPO Palm GHG calculator version 2.1.1 and has sent it to RSPO secretariat by email on 3 August 2016.</p>		
	Status: Comply	
PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills		
6.1		
Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.		
6.1.1 and 6.1.2		

The company has assessed its social impact on the surrounding community which documented in AMDAL report in 1994, social assessment of HCVA in 2010 and social impact from replanting activity in 2012. AMDAL report focus on air impact of air quality, water quality and job opportunity to the villagers surrounding the company operational area; social impact by Pollito in 2010 focuse on actual impacts affected the community therefore the study is more on impacts evaluation by the surrounding community and SEIA focus on environmental impacts from replanting that affects the surrounding community including the company worker and job opportunity for local people in replanting activities. Evidence of community participation is available for each social impact study.

6.1.3 and 6.1.4

The follow up of the study are delivered into social impact management plan which are company's environmental management and monitoring plan (RKL-RPL document), social impact management plan that refers to replanting. Several social impact management plan are concerning on job opportunity for surrounding villagers, CSR program, internship program, scholarship program, community participation in evaluation on social impact mitigation. But for CSR development, more intensive community participation is required (**OFI**). Based on interview with the management, the PIC for social impact management is Public Relation Division and it is supported by interview with community in Semangus Village and Sungai Pinang Village. The evaluation is conducted regularly every semester for social impact mitigation in RKL-RPL report and yearly for such as CSR and scholarship program. Refer to interview result with Villagers of Sungai Pinang and Semangus Estate, the most significant impact of company operational is on income/economic issue.

6.1.5

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

Status: Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1

The Company has a procedure of communication and consultation with the public with the document number 006 / BSC-KKM / IV / 10. In this procedure is explained that if there is something that want to consult with the community, the manager gave a letter through the village chief and manager unit provides maximum limit of ten days for the public to respond to the letter. Manager unit reanalyzed letter of response from the public. When required manager unit invited community representatives to communicate directly. These are forms of corporate communications with stakeholders:

- Meeting invitations Hut. RI to 71 PT BSC SPE-BPE dated July 18, 2016 where a meeting will be held in the junior high school Bina Ilmu BSC.

From the results of consultation with local communities (villages Semangus and Sungai Pinang), they have to understand the mechanisms and where they communicate and consult.

6.2.2

In SOP 006 / BSC-KKM / IV / 010, dated April 29, 2009 on communication and consultation with the community has been set up that is responsible for communication and consultation is a Unit Manager.

6.2.3

The Company has updated the list of stakeholders on July 1, 2016 consisting of:

- Local government
- Central government
- NGOs
- Public figure
- Supplier and Customer PT BSC
- General Contractor PT BSC
- School
- Hospitals, Insurance and Banking

Companies have indicated acceptance of the list of documents that are publicly available to stakeholders for example; Environment Bodies, PT Bank Mandiri, Plantation Agency, Labour Agency, and Indonesian Workers Union

	Status: Comply	
<p>6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
<p>6.3.1 Associated with open systems, which is accepted by all parties affected, to receive complaints and resolve disputes in an effective, timely and correct way, the company has had:</p> <ul style="list-style-type: none"> Public Grievance Redress SOP (No.005 / BSC-PKM / IV / 09 dated 2 April 2009); where every complaint is addressed to the manager through the Head of Section, Head of the complaints recorded in the register book. SOP / 006 / GPI / 2012 dated 1 November 2012 concerning the handling of employee complaints where employees take the discourse complaint to assistant through supervision respectively. Complaints are recorded in the register book and if it is still within the limits of the authority of an assistant, then assistant to immediately provide a response to the complaint. The Company is committed to protecting each complainant if the complainant feels threatened. It is set in the code of conduct with policy No. 440 / HRM-COC / 07 Chapter VI on enforcement of the code of conduct section B points three (3) management is required to provide protection against the complainant <p>Based on interviews with workers at the Division III SPE and surrounding communities (villages Semangus and Sungai Pinang), they have to understand the grievance mechanism to the company.</p> <p>6.3.2 The company has responded and documenting the employees complaints, for example on 29 April 2016 employees of Div. III SPE complaint to the company about repair of damage a generator. The company has demonstrated a response through the appointment of third parties (contractors) to do its, where the contract is explained the repairs that generator will start on 12 July 2016.</p>		
	Status: Comply	
<p>6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
<p>6.4.1 PT BSC has had SOP of Occupancy Land Acquisition which described about the mechanisms to identify and calculate the land compensation. In this procedure was explained that the process of land identification is involved the community and the village government.</p> <p>6.4.2 & 6.4.3 The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4.</p>		
	Status: Comply	
<p>6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p>6.5.1 Company applying wage refers to the decision of the Governor of South Sumatra No. 117/KPTS/Disnakertrans/2016 on the minimum wage sector of agriculture, forestry and fisheries. According to verification on payroll in June 2016 was not identified that employee's wages below the minimum wage set by the government. The Company also implemented The payment of overtime according to The regulations. It's shown based on payroll in June 2016. 1 hour wage calculation is the basic wage divided by 173 with payment for the first hour payed 1.5 of one hour wage and next hours payed 2 of one hour wage (for a normal working day). Based on interviews with employees known that the company has been giving wages to the employees in accordance with the provisions of the existing minimum wage.</p>		

6.5.2

The company showed Labour Work Agreement for period 2015 to 2017 between Sumatra Plantation Company Cooperation Agency and the central committee of the union Indonesia which have been authorized by the government on 18 June 2015. In the Labour Work Agreement governing the rights and obligations of employers and employees were related to the provisions applicable wage refers to the applicable legislation. The company also showed a sample letter local labor agreements and employment agreements who have mentioned the conditions of employment, wages, obligations of each party, a prerequisite of employment such as not hiring under age workers, the provision of PPE , included in the Social Security program etc.

Based on the results of interviews with the union and harvesters identified that harvesting help by harvester's wives and stated that the company allows it without a labor agreement. In this case the company could not show a mechanism to ensure any work is done by workers who have employment agreement with the company. It becomes a non conformity **Nonconformity No. 2016.3 with category Major**

Sungai Pinang mill have 30 contract worker (employment agreement for certain time). 12 employees have been proposed to be appointed as permanent employees based Inter Office Mail from GM Mill No. 8 March 2016 023/GM-RS/SS/JBI/III/2016 and is currently in the approval of the Head Plantation Upstream Indonesia. This company had the opportunity to always ensure contract worker employees to be appointed as permanent. **OFI.10**

6.5.3

Based on the results of field visits and interviews with workers Division 3 SPE that housing they occupy has been regarded as sufficient. And when there are reports of damage, the company will immediately respond. Employees who are sick will go to the company clinic with no pay and when should be addressed further, the company referred to the district hospital. The company also has been providing child care, educational facilities kindergarten, elementary and junior high schools and school buses.

6.5.4

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

6.5.2 Status: Nonconformity No 2016.3 with category Major

6.6

The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

6.6.1

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

The company has had unions called PUK.SPPP-SPSI.SPE. PT BSC passed by Labour Agency of Distric Musirawas, Muara Beliti with testimonial letter No. 34-100 / SK / L / XI / 2011 on 4 November 2011 with the registration number: 560/18 / Nakertrans / SP / 2012 dated January 12, 2012.

6.6.2

The Company has documented the meeting and the results of a meeting with workers' representatives. For example: a meeting on 25 April 2016 that a meeting between the Management Unit of PT BSC - SPE with PUK F. SPPP-SPSI PT BSC - SPE discuss about Fitriyah severance pay in accordance with clause 162, paragraph 2 and BKS-PSS 2005-2007 signed by the parties the company and the workers. The conclusions of the meeting were:

- The company in this case PT BSC SPE shall comply with the provisions of Law No. 13 of 2003, clause 6, paragraph

2 and BKS-PPS 2015-2017 employees regarding payment Fitriyh rights will be resolved as soon as possible.

- The worker and the company agree with this agreement have resolved all disputes.

From the results of the study documents and receipts affidavit severance payment made in May 2016 the company has paid Fitriyah severance pay amounting to RP 3.352.500.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

PT Bina Sains Cemerlang has had a policy on age requirements for workers. The policy is set out in:

- Guidelines for Sustainable Plantation Management is the sub Social Policy, point 6 (No. Policy: 724 / TQEM-SPMS / 09, dated 27/08/2010). At that point Plantation Upstream explained that Indonesia does not utilize manpower minors (children).
- Collective Labor Agreement in 2014-2016 article 16 point 1.2 of the general requirements that must be met in the reception Labour candidate, in sub-point 1.2.2 explained that prospective employees at least 18 years old at the time of admission.

Based on the results of the study document is known number of employees of PT BSC is as follows:

- BPF: 69 people, not indicated the existence of workers who are at an age under 18 years old at the time of the initial acceptance.
- BPE: 406 people, not indicated the existence of workers who are at an age under 18 years old at the time of the initial acceptance.
- SPE: 401 people, not indicated the existence of workers who are at an age under 18 years old at the time of the initial acceptance.

Status: Comply

6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

6.8.1

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

Based on the study of documents SPO No: 431 / HRM / RCT / 07 Procedure Recruitment CHAPTER IV: General Information explained that prospective employees can be sought by way of advertisements in newspapers, electronic media (internet) in cooperation with educational institutions or reference from someone and use outside consultant.

6.8.2

Data on employees of companies indicate that there is no discrimination in employment. This was seen in the number of employees following:

- BPF: 69 people
- BPE: 406 people
- SPE: 401 people

From the results of studies that document, it is known that workers in each unit, derived from a variety of ethnic backgrounds that exist in Indonesia (there are no migrant workers from other countries). Ethnic background of these workers, among others: Javanese, Batak, Malay, Sundanese and more and came from various religious background, among others: Islam and Christianity.

6.8.3

The company has had a memorandum No. 0056 / PRS-i2 / X / 12 issued October 22, 2012 about the procedure and the procedure of adding permanent employees. In this memorandum is set:

- Manager to analyze compliance with the actual number of workers in the field with Manpower planning
- Assistant to analyze a labor shortage in the field and then discuss with manager
- Manager create additional demand for labor memorandum and asked for approval of the GM area, SGM and HPO
- HRM perform verification of data in the field with a manpower shortage planning employee to employee requests consideration and discuss with manager unit
- Kasie / KTU with the approval of the manager making job vacancies in accordance with the request shortages and position required
- After the recruitment process conducted by administration and the result is informed to the GM area.

Based on the results of interviews with workers are known head that the job information in the PT BSC obtained from the information circulating around the company.

Status: Comply

6.9

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

6.9.1 & 6.9.2

To protect the rights of women the company has had a gender committee with Mrs. Susilawati (Div III maintenance foreman SPE) as the chairman with the letter of appointment of board committees gender PT BSC No: 001 / SP-KG / BSC / 06/13.

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

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

This was communicated in the form of socialization to workers where gender committee has been making annual work program and one of the contents of the program is socialization. From the results of the study document on March 24, 2016 have been conducted gender sensitization and socialization health followed by 46 employees with training materials:

- Policies that protect women
- The importance of environmental cleanliness
- Improved nutrition of pregnant women

Based on interview with workers spray the field is known that workers understand their company rules prohibiting women who are pregnant or breastfeeding working with chemicals. There is no pregnant women who are working and when they're have menstruating or pregnant, they are entitled to the leave.

6.9.3

PT Bina Sains Cemerlang already had a policy on handling employee complaints (Policy Document: 004/BSC-PKK/IV/09 dated 2 April 2009). In the Collective Labor Agreement 2014 - 2016, clause 58, paragraph 1, that any complaints or complaints of workers attempted settlement between workers and their immediate superior, and paragraph 3: in case if unresolved can continue the inquiry by the Worker Union.

Based on interviews with workers and document review known that they have to know where to complain in the event that family violence or sexual abuse. Information obtained from the chairman of the gender committee Mrs. Susilawati that until now there are no complaints related to sexual abuse or violence against women in PT BSC.

Status: Comply

6.10

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

6.10.1 and 6.10.2

At current, the company is processing smallholder plantation (scheme smallholder for the surrounding community and the mill does not receive/buy FFB from other sources other than company owned estate which are BPE and SPE.

6.10.3 and 6.10.4

Based on interview with replanting contractor named CV Dewa Sawit Mandiri, the working agreement is kept also by the contractor and the contractor understand of what stated in the contract. The agreement details information on working volume, type of activity, value of the contract, right and obligation of each party, payment and force major clause. The contractor informs that the payment is usually delivered on time unless for invoice of replanting activity in 2014 since the actual work volume is bigger than the one stated in the contract therefore it has to go through contract addendum contract that take quite a while. The current payment process in contract addendum approval in HQ office (OFI).

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The company has CSR program and this program is developed referring to proposal of activity that is delivered by local community/villages to the company. Consultation is conducted such as for smallholder scheme program where the process is actively involved community. Most program is in form of aid support such as oblation cattle, fund for mosque construction. There is a long term economic scheme which is cow farming in Semangus Village and it is still on development process. Based on interview with ex Head of Village in Semangus Village, the company has widely open job vacancy for local people but the lesson learn from the past. many of Villagers who had been recruited were not stay long working in the company. However, they still the access is still open.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1

The company has recruited worker from other province but the recruitment process was involving the Manpower and Transmigration Agency of Government from the worker origin to the manpower and transmigration agency where the company operate. The company arrange this mechanism in their procedure of SKU AKD (between province worker) recruitment.

6.12.2 and 6.12.3

In accordance to interview with worker, the type of job is suit between the one stated in the working agreement and the actual work they are working on.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The company has a policy on human right in form of Memo No. ist/int/VI/2015 sated 25 June 2015 and legalized by Chairman of SOU-22 Sungai Pinang. The socialization has been conducted to the worker.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1; 7.1.2 and 7.1.3

The company does not conducted new planting after Nov 2005 and the replanting was started in 2010 and the company has conducted SEIA for social impact of the replanting activity by Aksenta. SEIA focus on environmental impacts from

replanting that affects the surrounding community including the company worker and job opportunity for local people in replanting activities. Evidence of community participation is available for each social impact study.

Status: Comply

7.2

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

7.2.1 & 7.2.2

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

Replanting activities carried out on the basis of physiographic study of the land and carried out several strategies for the management of certain areas with a slope. That is as shown on the results of field visits in replanted areas is known that the company implemented with terrace contour planting. And also planted LCC and applicated U-shape frond stacking to minimizing erosion.

Status: Comply

7.3

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

7.3.1

Document review and interview showed that the company is performed land clearing after November 1, 2005 without preceded by the identification of HCV. Sime Darby Plantation Sdn Bhd, as the parent of PT BSC has conducted disclouser of liability in accordance with the letter from the Head of PSQM Department on July 15, 2015 which explained that PT BSC is performed land clearing in the period of November 2005 to November 2007 and land clearing in the period of December 2007 to December 2009. The validation progress of Remediation and Compensation Plan (RACP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP Procedure will be observed again on the next visit (**OFI**).

7.3.2

The letter also explained that the Land Use Change Analysis (LUCA) report of PT BSC has been reported in August 2015. The progress of LUCA validation for the area opened since November 1, 2005 without preceded by the identification of HCV will be observed in the following activities (**OFI**).

7.3.3; 7.3.4 & 7.3.5

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

Status: Comply

7.4

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

7.4.1 & 7.4.2

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

Replanting activities carried out on the basis of physiographic study of the land and carried out several strategies for the management of certain areas with a slope. That is as shown on the results of field visits in replanted areas is known that

the company implemented with terrace contour planting. And also planted LCC and applicated U-shape frond stacking to minimizing erosion.	
Status: Comply	
7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
7.5.1 The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4.	
Status: Comply	
7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
7.6.1;7.6.2; 7.6.3; 7.6.4; 7.6.5 & 7.6.6 The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4.	
Status: Comply	
7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
7.7.1 & 7.7.2 The Company does not have the development of new areas, it's currently conducting replanting. The Company is committed to open land without burning (zero burning) during land clearing as stipulated in the policy of protection of the environment on 30 April 2013 and described in the SOP Reference Manual Agronomy planting oil palm on 1 September 2013. Based on the field visit in replanted areas are not found replanting activity with burn method.	
Status: Comply	
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.	
7.8.1 and 7.8.2 The company does not conducted new planting after Nov 2005 and the replanting was started in 2010. However the company has calculated its significant GHG emission using Palm GHG calculator version 2.1.1 in which the source of GHG emission and emission generated from company operational activities is detected. The mitigation plan is developed and the implementation is in place (refer to 5.6). However, HCS assessment is not a mandatory since there is no new expansion for palm oil planting, HCS assessment is not a mandatory. But stil the GHG calculation conducted informs the emission released to the atmosphere and the sequestration in the palm oil plantation.	
Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
8.1.1 The company showed some sustained improvement especially in terms of best management practices plantations such companies do not conduct land clearing by burning methods, the company also conducted replanting of the hilly area with terrace system, and the company efforts to reduce the use of pesticides such as applying integrated pest management and using early warning system also establish a policy not to use Paraquat. Continuous improvement efforts that have been made by the management unit are:	

- The Company has conducted an internal audit of RSPO on 22 to 30 July 2016, with the scope of PT BSC. These activities are carried out directly by the internal team who has been trained sustainable palm oil.
- The Company has committed to no longer use paraquat since 2008 and does not use pesticides with active ingredient Brodifakum since 2011.
- The company has been monitoring and evaluating continuously plantation and mill operations, such as:
 - The quality of emissions from the generator in the mill.
 - The quality of emissions from the boiler in the mill.
 - The quality of ground water in the area around land application.
 - The quality of ambient air in the settlements around the mill.
 - The social conditions in the villages around the company.

The company consistently manages its environmental document referring to environmental management and monitoring plan matrix. Further the company has reassessed its replanting activity in social by actively engaging local

	Status: Comply	
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements																		
D1	Definition																		
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p> <p>Sungai Pinang Factory use RSPO supply chain module Identity Preserved (D) because only receives FFB from own estate and the other company in the same group, which has RSPO certificate.</p>																		
	Status: Comply																		
D.2	Explanation																		
D.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimates of CPO and PK produced by Sungai Pinang Factory obtained from the data of 12 months before the audit activities and have been described in this ASA-4 report.</p>																		
	Status: Comply																		
D.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> RSPO IT Platform member registration number: RSPO_PO100000316 Certified CPO sold to each buyer period of 11 September 2015 to 10 September 2016 via greenpalm <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>30 Maret 2016</td> <td>Nestrade</td> <td>5,706</td> </tr> <tr> <td colspan="2">Total</td> <td>5,706</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Certified Palm Kernel sold to each buyer period of 11 September 2015 to 10 September 2016 <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>18 Juni 2016</td> <td>Dalli</td> <td>700</td> </tr> <tr> <td colspan="2">Total</td> <td>700</td> </tr> </tbody> </table>	Date	Buyer	Volume	30 Maret 2016	Nestrade	5,706	Total		5,706	Date	Buyer	Volume	18 Juni 2016	Dalli	700	Total		700
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Total		700																	
	Status: Comply																		
D.3	Documented procedures																		
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>																		

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

Sungai Pinang Factory has had SOP of Supply Chain Products which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. Based on interview and procedure known that the PIC for monitoring RSPO certified product is head of administration and the person having overall responsibility is factory manager.

The results of interviews with security and the weighbridge operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS.

Status: Comply

D.3.2

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

Sungai Pinang Factory has had SOP of Supply Chain Products which described the procedures for receiving and processing. Based on document review and interview known that all FFB is came from estate which has RSPO certificate.

Status: Comply

D.4 Purchasing and goods in

D.4.1

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

- Certified and non-certified FFB received period of 11 September 2015 to 31 July 2016**

Month	FFB		Total
	RSPO Certified	Non Certified	
11 – 30 September 2015	4,016.240	-	4,016.24
Oct 15	10,789.260	-	10,789.26
Nov 15	11,748.170	-	11,748.17
Des 15	7,503.810	-	7,503.81
Jan 16	6,859.720	-	6,859.72
Feb 16	4,382.340	-	4,382.34
Mar 16	4,021.920	-	4,021.92
April 16	3,193.330	-	3,193.33
May 16	2,797.490	-	2,797.49
June 16	3,923.260	-	3,923.26
July 16	3,558.630	-	3,558.630
TOTAL	62,794.170	-	62,794.170

Status: Comply

D.4.2

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

- CPO and PK production for period 11 September 2015 – 31 July 2016**

Month	Certified Product (Ton)	
	CPO	PK
11 - 31 Sept 15	929.089	199.183
Okt 15	2,361.366	582.556
Nov 15	2,449.682	608.474
Dec 15	1,519.310	385.717
Jan 16	1,611.114	398.864
Feb 16	940.907	234.211
Mar 16	881.389	178.294
Apr 16	666.845	133.577

May 16	538.029	107.390
June 16	878.366	172.196
July 16	732.87	146.81
Total	13,508.963	3,147.272

Based on the attachment of RSPO ASA-3 certificate, its known that the projected production of CSPO was 16,214.8 Ton and CSPK was 3,316.66 Ton. Meanwhile CSPO and CSPK production from 11 September 2015 to 31 July 2016 was 13,508.963 Ton CSPO and 3,147.272 Ton CSPK.

Status: Comply

D.5 Record keeping

D.5.1

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

Sungai Pinang Factory has recorded the entire FFB with RSPO certificate, which enter mill. However, until audit ASA-4 (31 July 2016) there was neither delivery nor sale on CSPO and CSPK (in a physical form).

No	Periode	despatch CPO (Ton)			despatch PK (Ton)		
		Certified	Non-Certified	Total	Certified	Non-Certified	Total
1	Sept 15	-	1,351.49	1,351.49	-	425.53	425.53
2	Okt 15	-	3,800.75	3,800.75	-	514.17	514.17
3	Nov 15	-	1,585.93	1,585.93	-	730.29	730.29
4	Des 15	-	1,652.29	1,652.29	-	321.32	321.32
5	Jan 16	-	2,562.33	2,562.33	-	476.11	476.11
6	Feb 16	-	870.05	870.05	-	233.10	233.10
7	Mar 16	-	141.97	141.97	-	285.44	285.44
8	Apr 16	-	1,104.84	1,104.84	-	158.75	158.75
9	Mei 16	-	834.24	834.24	-	142.11	142.11
10	Juni 16	-	912.48	912.48	-	134.97	134.97
11	Juli 16	-	400.72	400.72	-	165.34	165.34

Status: Comply

D.6 Processing

D.6.1

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

PT BSC only processes FFB from RSPO certified estate, subsequently, the entire product is CSPO and CSPK

Status: Comply

D.6.2

The objective is for 100 % segregated material to be reached

Sungai Pinang Factory only processes FFB from RSPO certified estate.

Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	
ASA-4	Since POM Sungai Pinang obtained RSPO certification dated September 11, 2012, did not use the logo or symbol of the RSPO Certified in trading activities.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	
ASA-4	Since POM Sungai Pinang obtained RSPO certification dated September 11, 2012, did not use the logo or symbol of the RSPO Certified in trading activities.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	
ASA-4	Since POM Sungai Pinang obtained RSPO certification dated September 11, 2012, did not use the logo or symbol of the RSPO Certified in trading activities.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	
ASA-4	Since POM Sungai Pinang obtained RSPO certification dated September 11, 2012, did not use the logo or symbol of the RSPO Certified in trading activities.	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

Name of organization: PT Guthrie Pecconina Indonesia (Sungai Jernih Estate and KKPA GPI).		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>There is some evidence compliance with laws that include:</p> <ol style="list-style-type: none"> 1. Control over the land legally in accordance with Law No. 5 of 1960, Agrarian, namely in the form of HGU Certificate No. 664/2003, 552/2003 to 10139.91 ha area. 2. Provide social security workers, such as BPJS workers. 3. Provide program equipment Occupational Health and Safety for all employees in accordance with Law No. 1 1970. 4. Have the environmental document 5. Not clearing land by burning in accordance with Law No. 18 of 2004. 6. Providing wages above the minimum wage. <p>Related to the company's compliance with the legality of land tenure, the implementation of environmental governance and social, labor protection, as well as the submission of the report, several relevant agencies (Environment Agency Musi Banyuasin, Government of Musi Banyuasin, and the Department of Forestry and Plantations Banyuasin) District) states that GPI is quite obedient and consistent rules.</p>	√
	Status: Comply	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	<p>Sungai Jernih Estate and KKPA GPI has shown the right to control and use the land in the form:</p> <ul style="list-style-type: none"> • Location permit appropriate Banyuasin Regent Decree No. 262 Year 2011 dated February 14, 2011 for an area of 4,000 ha. • Location permits appropriate Banyuasin Regent Decree No. 0217 Year 2010 dated February 8, 2010 for an area of 2,000 ha. • Determination of Smallholders Candidates for KUD in accordance with the Sinar Delima Banyuasin Regent Decree No. 0258 Year 2010 dated February 17, 2010 which explained that there are 262 candidates for smallholders with an area of 524 hectares from the village Gajah Mati. • Cooperation Agreement with KUD Sinar Delima No. 001/Plasma/GPI-KUD//2012 on the development of Palm Oil Partnership KKPA (Primary Cooperatives Members). • Determination of Smallholders Candidates KUD Mudah Rasan Jaya accordance MUBA Regent Decree No. 1191 of 2012 dated October 30, 2012 explaining that there 622 smallholder's candidates with an area of 1,244 Ha derived from Serasan Jaya Village and Gajah Mati. • Cooperation Agreement with KUD Mudah Rasan Jaya No. 008/kemitraan/GPI-MRS//IX/2014 on the development of Palm Oil Partnership KKPA (Primary Cooperatives Members). • There are news handover of land from land owners and board Individual Business Rights and Rights Recognition Letters. Such as news handover of land in the name of Aziz Ali with pedestal Individual Business Rights and Recognition of Rights Letter dated July 9, 2007 for a land area of 2.8 ha is known by the Head of Gajah Mati Village and acknowledgment of Rights on behalf of Aziz Ali for an area of 2.8 ha Gajah Mati Village dated February 24, 2008 and registered at the District Office No. 593/126/2009/XII/2008 dated December 3, 2008. • IUP Smallholders based Regent Decree 0265 in 2010 to 800 ha Owner Estate and smallholder's plantation area of 1,200 ha in the village Gajah Mati, Sungai Jernih district. • IUP Smallholders based Regent Decree 282/KPTS/IUP/Disbun/2011 for Owner Estate area of 1,600 ha and smallholder plantation area of 2,400 ha. 	√
	Status: Comply	

6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	The Company has a procedure Consultation and Communication with Society (RSPO/6.2/KKM), Handling Complaints from Society (RSPO/6.3/PKM), Handling Complaints from Workers (RSPO/6.5/PKK) and Handling Conflict (RSPO/2.2/PK) is implemented participate to the surrounding community estate, among others: (1) Talang Piase Village; (2) Dusun III Talang Ilo; (3) Napal Village; (4) Karang Ringin II Village; (5) Rantau Kasih Village. Technical settlement of disputes in an effective, timely, and the correct way is set in the mechanism (flow chart) handling of complaints, with the following picture: Complaints of internal/external accepted by Haed of Section noted, and then delivered to the manager to make a decision or if necessary consult to head the department and the last to a decision. Complaints of workers can be completed for about two days (calculated from complaints go into management to the realization of the settlement), while the time for handling complaints from the public depending on the type of complaints submitted, if the complaint is light and the existing facilities available can be completed less than three days, will but if complaints rather large/significant and need consultation invitation central management, approximately one week. Complaints from communities have been documented in the complaint Log Book society.	√
	Status: Comply	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	The procedure to identify and calculate compensation for loss of legal or customary rights over the land covered by the procedure (SOP) Conflict Resolution (RSPO/2.2/PK).	√
	All the evidence of conflict resolution is available on site, including news handover of land from land owners and board Individual Business Rights and Rights Recognition Letters.	
	Status: Comply	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	The management unit has identified HCV conducted in July 2011 by the RSPO Approve assessor.	√
	Status: Comply	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	The procedure to identify and calculate compensation for loss of legal or customary rights over the land covered by the SOP Conflict Resolution (RSPO/2.2/PK). No changes (revisions) to the contents or compensation calculation mechanism - the same as the results of previous audits.	√
	Smallholder's development is done by agreement between KUD Sinar Delima PT GPI accordance with the Cooperation Agreement No. 001/Plasma/GPI-KUD/II/2012 on the development of Palm Oil Partnership KKPA (Primary Cooperatives Members).	
	Status: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	The procedure to identify and calculate compensation for loss of legal or customary rights over the land covered by the procedure (SOP) Conflict Resolution (RSPO/2.2/PK).	√
	All the evidence of conflict resolution is available on site, including news handover of land from land owners and board Individual Business Rights and Rights Recognition Letters.	
	Status: Comply	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at [ASA-3](#) Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.1	2.1.1	<p>Regulatory Compliance The Company has not fully complied with national regulations. Based on a visit in SPE and BPE, it is known that the installation of the hazardous material symbols has not been carried out in accordance with regulation 14 in 2013 and pallet storage area of hazardous waste.</p>	Estate And Mill	Major	60 days (25 August 2015)	The Company must comply with the legal requirements that are relevant both locally and nationally.	<p>Root Cause: There was hazardous waste which was not yet given to the permitted hazardous waste storage (Sungai Pinang POM).</p> <p>Corrective Action: Sending the generated hazardous waste to the licensed hazardous waste and supporting the storage with the spray equipments in division based on the applied law.</p> <p>Preventive Action: Monitoring of hazardous waste storage Officer by updating the book of hazardous waste monitoring for the generated waste and its dispatch.</p> <p>Observation on August 25th 2015 Hazardous waste symbols and pallet have been installed on the hazardous waste storage.</p>	Closed	25 August 2015
2015.2	5.2.2	<p>The management plan related to the protection of RTE species. The company could not demonstrate management plans</p>	Estate	Major	60 days (25 August 2015)	Company must be able to demonstrate management plans (management and monitoring) related to the presence of wildlife or RTE	<p>Root Cause: The company was not able to show the management plan (monitoring and management) for the wildlife on the PT BSC area</p>	Closed	24 August 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		(management and monitoring) related to the presence of wildlife or RTE wildlife in the area.				wildlife in the area	<p>Corrective Action: Composing management and monitoring plan program for the wildlife in PT BSC</p> <p>Preventive Action: Monitoring all composed and implemented programs based on schedule.</p> <p>Observation on August 25th 2015. The company has composed management plan (management and monitoring) over the wildlife existence or RTE status wildlife on the company area. According to the wildlife monitoring in several block in July and August 2015, Macan akar (<i>Felis bengelendis</i>), siamang (<i>Hylobates syndactylus</i>), hedgehog, civet, crab-eating macaque and hogs. The wildlife monitoring program is conducted by preserving the habitate and allocate the conservation area on riparian and attempt to coserve it if needed.</p>		
2015.3	5.2.3	<p>Programs to educate the workforce on a regular basis on the status of RTE species, and disciplinary measures against employees of the company that captures, hurt, collect or kill species RTE</p> <p>a. PT BSC has not been able to demonstrate a program to educate the workforce on</p>	Estate	Minor	ASA-4	Company must be able to demonstrate a program to educate the workforce on a regular basis on the status of RTE species and establish disciplinary measures for employees that captures, collects hurt or kill wildlife.	<p>Root Cause: Not well documented program to educate the workforce on a regular basis. There is no prohibition memorandum.</p> <p>Corrective action: Creating training programs and the dissemination and issued a memorandum prohibition of chairman SOU to capture, hurt, collecting or killing animals RTE</p>	Closed	3 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>a regular basis on the status of RTE species.</p> <p>b. PT BSC has not set disciplinary measures for the capture, collect hurt or kill wildlife / RTE.</p>					<p>Preventive Action: Documenting and monitoring the realization of programs to educate the workforce on a regular basis.</p> <p>Observation Auditor August 3, 2016 The management unit has had a work plan for the socialization of RTE species on a regular basis and there have been memoranda and the procedures to explain the sanctions for violations of the HCV.</p>		
2015.4	5.2.4	<p>RTE and HCV species monitoring and reporting PT BSC has not been able to show the monitoring report to the RTE species and the overall recommended HCV in the HCV report.</p>	Estate	Minor	ASA-4	Company must be able to show the monitors report to the RTE species and the overall recommended HCV in the HCV report	<p>Root Cause: The company was not able to show the result of wildlife management and monitoring within PT BSC operational area.</p> <p>Corrective Action: Monitoring and composing wildlife management program and reporting it to conservation agency (BKSDA).</p> <p>Preventive Action: Monitoring the wildlife each semester and implementing the composed programs</p> <p>Observation on August 24th 2015 The monitoring RTE Fauna and Flora. The first monitoring was conducted on July 31st 2015, the location for the monitoring program was on block D7 and E8. The</p>	Closed	24 August 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>second monitoring was conducted on August 6th 2015 on block I15, I17,I18 and B28.</p> <p>The result of the wildlife monitoring has been reported to the South Sumatera Conservation Agency on August 12th 2015.</p>		
2015.5	5.4.1	<p>Efficiency increasing in the use of fossil fuels and renewable energy optimization</p> <p>PT BSC has not been able to show the results of the calculation of the efficiency in the use of fossil fuel / diesel.</p>	Estate and Mill	Minor	ASA-4	PT BSC must be able to show the results in the calculation of the fossil fuel efficiency.	<p>Root Cause: Calculation of fuel efficiency has not been well documented.</p> <p>Corrective Action: Calculating the efficiency of fossil fuel use per month</p> <p>Preventive Action: Doing the calculation of each month as well as recapitulated every year and sets PIC Environmental Team to do so.</p> <p>Observations Auditor August 3, 2016 The management unit has demonstrated efficiency calculations use fossil fuels for the period 2015-2016.</p>	Closed	3 August 2016
2015.6	5.6.3	<p>Reporting of Greenhouse Gases</p> <p>The company could not demonstrate evidence of reporting the GHG calculation to the RSPO working group.</p>	Estate and Mill	Minor	ASA-4	Company must be able to show evidence of reporting GHG to the RSPO working group.	<p>Root Cause: Calculation and reporting of GHG done by PSQM center in Jakarta.</p> <p>Corrective Action: Sends data to PSQM Jakarta and send the results of calculation of GHG to the RSPO</p>	Closed	3 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							secretariat Preventive Action: Menetapkan PIC Environmental Team and coordinate with PSQM center in Jakarta Observations Auditor August 3, 2016 The management unit has shown the results of calculation of GHG by using Palm GHG Calculator Version 2.1.1 and reporting evidence to the RSPO secretariat.		
2015.7	6.1.4	Plans to reduce negative impacts and enhance positive impacts must be reviewed at least two years and updated through the participation of affected parties. There is a document Implementation Report of EM-MP 2014 Semester 2 (July s / d in December 2014), but not enough evidence that it has carried out a review of the plan involving the participation of affected parties.	Estate and mill	Minor	ASA-4	Company must show evidence that it has carried out a review of the plan involving the participation of affected parties	Root Cause: Not well documented related to the review plan that involves the community Corrective Action: Conduct a review of the society about the company by distributing questionnaires and make the study results. Preventive Action: Routine conduct a review of the social impact to the community 1 times a year. Observations Auditor August 3, 2016 Based on the evidence of improvements that have delivered above concluded that the company has done in a participatory evaluation of the social impact of the company's operations to the public around	Closed	3 August 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							the operational areas of the company. NC 2015.17 otherwise be closed.		
2015.8	6.13.1	<p>Policy to respect human rights. PT BSC has had document related to policy to respect human rights (No.ist / int / VI / 2015, dated June 25, 2015) and has been disseminated on June 26, 2015. It is not yet enough evidence that the policy document has been disseminated to all existing operational units.</p>	Estate And Mill	Minor	ASA-04	There shall be evidence that the policy is to respect human rights has been disseminated to all existing operational units.	<p>Root Cause: Evidence of socialization has not been well documented</p> <p>Corrective Action: To socialize back to employees and documented as well as the memorandum put up on the bulletin board in each division</p> <p>Preventive Action: Social Team pointing to document the event.</p> <p>Observations Auditor August 3, 2016 The company has shown evidence of human rights policy dissemination recording to employees for example in Division I and Division II BPE, in SPF and BPE. Evidence of socialization supported by attendance list of participants and activities photos</p>	Closed	3 August 2016
2015.9	7.3.1	<p>Replanting. Results of the study of HCV identification document of 2009, PT BSC's riparian will be restored to its original function when replanting to maintain Buffer Zone 50 meters either side of the river. During the field inspection, it looks Sungai Pinang riparian</p>	Estate	Major	60 days (25 August 2015)	Company must undertake replanting activities or land clearing and replanting in accordance with the applicable regulation (Presidential Decree 32 of 1990) and the results of the HCV identification in 2009.	<p>Root Cause: Buffer zone in replanting area was less than 50 m off the river.</p> <p>Corrective Action: Ensuring the replanting area on the bufferzone based on the applied law and painting the plants located on 50 m off the river for marking that the area was not allowed to be logged and planted.</p>	Closed	25 August 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		planted less than 50 meters. Even in some areas around Sungai Pinang, Land Clearing approached the mouth of the river, leaving only one tree on the riverbank.					<p>Preventive Action: Composing bufferzone monitoring on the future replanted block annually.</p> <p>Observation on August 25th 2015 The cleared riparian area should be given 'sign' for 50 m off the river. The company should review with HCV recommendation. One of the recommendation was by planting woody trees and bamboo. The Head of SOU has issued Memorandum No. IST/SOU-22/PT BSC/VIII/2015 dated August 24th 2015 in term of the preservation for buffer zone area.</p> <p>Stages of conservation for the cleared HCV area on replanting program were by planting Tampoi tree (<i>Baccaurea macrocarpa</i>), asam kandis tree (<i>Garcinia parvifolia</i>), kayu aren tree (<i>Ficus fistulosa</i>), Kondang tree (<i>Ficus variegata</i>) at the wildlife corridor. The reforestation target on SPE were 105 plants and in BPE were 72 plants till period of 2016.</p>		

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

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.1	2.2.5	<p>Mapping the area of land claims</p> <p>The management unit has not been able to demonstrate the procedure area mapping land that claims participatory</p>	PT BSC	Minor	RC	The management unit should be able to show the areal mapping procedures that claims participatory	<p>Root cause: Data on land claim location (persil) still can not be shown yet.</p> <p>Corrective action (+ evidence) It would be informed to PSD department.</p> <p>Preventive action: Each issue related to land claim will be finished by PSD Department.</p>		
2016.2	4.6.5 & 4.7.3	<p>Provision of PPE</p> <p>The company has had a SOP Usage PPE (RSPO / B.5.11 / LSI), which covers the provision of PPE by the company's employees participated in life. However, that procedures have not explained the mechanisms to ensure the company provides PPE if it is damaged.</p>	PT. BSC	MAJOR	4 October 2016	Companies must be able to ensure the implementation of procedures and the provision of PPE to employees if PPE is damaged.	<p>Root cause: The standard operational procedure for PPE replacement has not been yet available.</p> <p>Corrective action (+evidence) Standard operational of procedure of PPE life time use will be developed.</p> <p>Preventive action: PPE life time use procedure will be socialized to employee.</p> <p>Auditor conclusion 23 September 2016 The company has shown evidence of SOP K3 (RSPO / B.5.11 / BSC). The</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>procedure states PT. BSC shall provide PPE to employees and must replace it when it is no longer provide protection/broken. The lifetime of predetermined as an example of rubber boots with a lifetime of 12 months and if the damage occurred before its lifetime due to the negligence of workers, the PPE is the responsibility of the workers.</p> <p>Based on the evidence, the non conformance 2016 is CLOSED.</p>		
2016.3	6.5.2	<p>Employment agreement Based on the results of interviews with the union, harvesters, working families and SPE clerk harvest identified collecting lose fruits worker that dis by the wife of the harvester or the other party and stated that the company allow it without a work contract. In this case the company could not show a mechanism to ensure any work is done by workers who have employment agreement with the company.</p>	PT. BSC	MAJOR	4 October 2016	Companies must be able to show the employment agreement for any employment or workers who work for the company.	<p>Root cause: The wife of harvester works as a loosened fruits picker. .</p> <p>Corrective action (+evidence) Creating memorandum from the head of estate to ban the harvester's wife working as loosened fruit picker .</p> <p>Preventive action: Socializing the memorandum to harvester employees and their families.</p> <p>Auditor conclusion 23 September 2016 The company has shown the prohibition letter of Employee's families working as a loosened fruits picker. The letter was</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>dated 19 September 2016 with letter No. SPE / M-AGR / 93 / IX / 2016 and BPE / EM-AGR / 89 / IX / 2016. The letter prohibits the harvester to ask their families who have no working agreement with the company for working in the company.</p> <p>The Company has shown a letter dated September 19 No. SPE / M-AGR / 98 / IX / 2016 and BPE / EM-AGR / 92 / IX / 2016 informing that loosened fruits pickers who was brought by harvesters must have a working agreement with condition of the payment of wages based on tonnage, are willing to participate in BPJS employment and obey regulations including OHS regulations.</p> <p>Company has socialized the above information for example socialization in SPE on 22 September 2016 which was attended by 82 employees. There is also a written statement from the harvester's wife, for example on behalf of Kusyanti, wife of Sukirman who is voluntarily agree to obey the company memo as mentioned above</p> <p>Based on the evidence, the non</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							conformance 2016.03 is CLOSED.		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	1.2.1	The Company has an opportunity to re-evaluate the list of documents that can be accessed by the public
2	2.2.2	Reevaluate the identity of the legal boundary poles
3	4.4.1	Water quality testing has been done in the mill housing employees and its needs to be applied in all units of the company's management
4	4.7.1	Companies chance to continue to increase socialization to contractors or other workers who were in the area of the company's work related to compliance with occupational health and safety aspects.
5	4.7.5	Companies chance to continue to increase employees' understanding associated with emergency response procedures.
6	5.1; 5.2; 5.6; 7.1; 7.8;	The work plan corporate programs can be further improved by informing the target and time frame / work plan and the PIC
7	5.3	Cleanliness factory environment in order to be considered
8	5.3.2	Unit management needs to ensure monitoring of the SOP and the rules relating to the management of hazardous wastes and toxic implemented consistently (OBSERVATION)
9	6.1.3	Companies need to further involve the affected communities in the process of preparing the company's CSR program
10	6.5.2	Companies are encouraged to always ensure the Employment Agreement for specific time periods in accordance with applicable regulations. (OBSERVATION)
11	6.10.4	Payment of local contractors that are still pending in order to be accelerated the payment process
12	7.3.1	Progress of approval for the Remediation and Compensation Plan (RACP) for the area opened since 1 November 2005 without prior identification of HCV in accordance with the Procedure RACP (OBSERVATION)
13	7.3.2	Progress approval for Land Use Change Analysis for the area opened since 1 November 2005 without prior identification of HCV in accordance with the Procedure RACP (OBSERVATION)

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The company's commitment to implementing the principles of sustainable management of oil palm
2	-	Blue "Proper" has achieved from the Ministry of Environment and Forests Indonesia

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

Issue from Public	Management Response	Auditor Response
<p>Manpower and Transmigration of Musi Rawas District</p> <ul style="list-style-type: none"> • Communication with the company are good • The company has operators that have been certified, such as lift aircraft carrier transporters, steam etc. • There is no complaints related to industrial relations or labor issues. • Company has had P2K3 structure and reporting of all activities on a regular basis • Employees already registered BPJS Employment and health BPJS • Minimum wage has followed South Sumatra province. • Employees of the company have formed a union and have been listed in the Department of Employment • Company has reported labor required to report on a regular basis. • It is recommended that supervision on the use of PPE in the workplace is supervised • When hiring outsourcing should be socialized that their rights are borne by the contractor. • It is recommended to reported Manpower if there is use the outsourcing 	<ul style="list-style-type: none"> • Communication and good relations will continue to be improved. • Always monitor the validity period, and immediate certification renewal on time. • Coordinating and working relationship with the SPSI maintained improved so that when there are problems of industrial disputes can be resolved. • Quarterly reporting Monitoring P2K3 always updated. • Companies have a high commitment to always register all employees to BPJS for health and employment. • If there is a change in the provincial minimum wage the company has always followed and implemented the company's prevailing provincial minimum. • Between the company and its employees Workers union always coordinate well. • Reports of labor performed routinely. • The company has conducted safety Briefing every morning and make sure the PPE used by employees / workers at work. • The Company does not employ Outsourcing. • The Company does not employ Outsourcing 	<ul style="list-style-type: none"> • In accordance with criteria 6.2 • In accordance with criteria 2.1 and 4.7 • In accordance with criteria 6.2 and 6.6 • In accordance with criteria 1.1; 2.1 and 4.7 • In accordance with criteria 2.1 and 4.7 • In accordance with criteria 2.1 and 6.5 • In accordance with criteria 6.2 • In accordance with criteria 1.1 • In accordance with criteria 4.7

<p>Department of Plantations of Musi Rawas District</p> <ul style="list-style-type: none"> • Communication with PT BSC are good • The company is technically agronomy already meet the applicable laws and regulations. • There is no issue of land disputes • Report progress on the plantation business routinely reported per semester • The company has a development plan for smallholdings and is currently still in process. • CSR activities is enhanced so that the relationship with the surrounding community better • Source seed planted at the time of replanting to immediately reported to Department of Plantations • There should be good communication with the public in order to avoid conflicts • Advised the company reported replanting activities to Department of Plantations 	<ul style="list-style-type: none"> • Communication and good relations will continue to be improved • The company always update when there is the latest laws and regulations and implement them. • Communication and cooperation between enterprises and the government has always maintained well, especially regarding the handling of the issue of social issues. • The report is updated and reported per semester routinely. • The company is committed to build smallholdings accordance with applicable regulations. • The CSR program will be carried out consistently and on purpose. • The company will always reporting any reception seed that went into PT BSC to Department of Plantations District of Musi Rawas. • The company has always been committed to establish a good relationship with the surrounding community. • The Company will report any replanting their activities routinely to the Department of Plantation. 	<ul style="list-style-type: none"> • In accordance with criteria 6.2 • In accordance with criteria 2.1 • In accordance with criteria 2.2 • In accordance with criteria 1.1 and 2.1 • In accordance with criteria 6.11 • In accordance with criteria 6.11 • In accordance with criteria 1.1 and 2.1 • In accordance with criteria 6.2 • In accordance with criteria 1.1
<p>Mining and Environment Agency of Musi Rawas District</p> <ul style="list-style-type: none"> • There is no change in operations and changes to the environmental document • Communication with PT BSC are good • The Company has conducted regular reporting related to environmental management such as Environmental 	<ul style="list-style-type: none"> • In the event of changes to documents in the enterprise, the company always coordinate and report to Mining and Environment Agency. • Communication and good relations will continue to be improved. • Companies have always done regular reporting on environmental management to the relevant authorities 	<ul style="list-style-type: none"> • In accordance with principle 7 • In accordance with criteria 6.2 • In accordance with criteria 1.1 and 2.1

<p>Management Plan / Environmental Monitoring Plan every 6 months, as well as waste management Quarterly Report.</p> <ul style="list-style-type: none"> • There is no the issue of environmental pollution. • Permit of LA and Temporary Hazardous Waste has owned and is still within the validity period • Facilities and infrastructure of firefighting is quite adequate • It is recommended that companies improve / increase the planting of trees on the river banks • The Company suggested that improving waste management by adding the number of trash cans. 	<p>in accordance with existing regulations.</p> <ul style="list-style-type: none"> • Commitment The Company is very high to protect the environment. • The company always monitors the validity period of the permit. • Companies monitor and check the infrastructure of each month with the accessories • For the buffer zone area has been planting trees and will continue to be developed in accordance with the work program management of HCV • The Company will review the adequacy of the number of trash cans in each unit. 	<ul style="list-style-type: none"> • In accordance with criteria 5.1 • In accordance with criteria 2.1 and 4.4 • In accordance with criteria 5.5 • In accordance with criteria 5.2 • In accordance with criteria 5.3
<p>Sungai Pinang Village</p>		
<ul style="list-style-type: none"> • Communication between the company and the village of Sungai Pinang has been better than in previous years. However, companies are still not very actively communicate with the village, where there is intensive communication did if there is an issue of the company associated with the village of Sungai Pinang. 	<ul style="list-style-type: none"> • Companies will be more proactive communication with the village river nut that keeps harmonious social relations 	<ul style="list-style-type: none"> • In accordance with criteria 6.2
<ul style="list-style-type: none"> • Currently the company is in the process of development community plantations (plasma) involving four villages namely Sungai Pinang, Village Semangus, Anyar village and Village Rengas. The current process is an inventory of land owners in the limit of the company's locations by involving the village team. And the company has been informed of development cooperation schemes to the public gardens. But there are obstacles in the form of the unclear boundary between the villages. 	<ul style="list-style-type: none"> • The company has coordinated with the district governments that the border between the village of constraints can be resolved and, if necessary engage the District Government. 	<ul style="list-style-type: none"> • In accordance with criteria 6.11
<ul style="list-style-type: none"> • Local people who work in PT BSC is ± 50 people. 	<ul style="list-style-type: none"> • The Company has employed local labor of Musi Rawas regency ±75% of rural villages. 	<ul style="list-style-type: none"> • In accordance with criteria 6.1

<ul style="list-style-type: none"> Proposal of activity or submission aid from the community to the company has responded quickly enough by the Vendor to the period the average response time is less than 7 days, although sometimes there are grants awarded after such activities completed. 	<ul style="list-style-type: none"> Proposal submitted by Village has always responded and processed according to the rules that existing in the company. 	<ul style="list-style-type: none"> In accordance with criteria 1.2
<ul style="list-style-type: none"> There are complaints about the existence of land owned by a parent one of the respondents has not been compensated by the company that will be replaced with plasma development program by the company. 	<ul style="list-style-type: none"> In anticipation of the land claim, the company already has a mechanism for addressing the land claim and the company also has PSD or departments which deal with related within and there is an agreement between the company and Sungai Pinang village to Completion of claim land should be brought to the law. 	<ul style="list-style-type: none"> In accordance with criteria 2.2
<ul style="list-style-type: none"> Generally many positive benefits to the operation of PT BSC in Sungai Pinang, however, related to the issue of land compensation unfinished then there is also a negative view of society towards PT BSC. 	<ul style="list-style-type: none"> Based on documents Company has conducted a thorough process of compensation in the concession area PT.BSC, against the company issue which developed in the community will follow up in accordance with applicable laws and mechanisms that have been determined. 	<ul style="list-style-type: none"> In accordance with criteria 6.1 and 6.11
<ul style="list-style-type: none"> people hope for the future that PT BSC can provide aid in the form of incentives or holiday allowance for Sungai Pinang apparatus. 	<ul style="list-style-type: none"> Will be considered in accordance with the conditions of the company. 	
<ul style="list-style-type: none"> CSR provided by the company include the provision of cows for sacrificial animals, mosques operational charity and food aid at a time of flooding in the area of Sungai Pinang. Assistance is generally given after the submission of proposals from the village. 	<ul style="list-style-type: none"> Will be maintained and evaluated annually and coordinated by the CSR committee in the District. The aid in the form of donation will be given in accordance with the process and the approval of the Management Company. 	<ul style="list-style-type: none"> In accordance with criteria 6.11
<p>Village leaders and representatives of communities Semangus village</p> <ul style="list-style-type: none"> Generally, the relations between the company and the villagers Semangus goes well. 	<ul style="list-style-type: none"> Will be maintained 	<ul style="list-style-type: none"> In accordance with criteria 6.2
<ul style="list-style-type: none"> Curently, the CSR program provided by the company are still physical assistance. There is one the village economic development program in the form of cattle breeding program that 	<ul style="list-style-type: none"> Will be maintained 	<ul style="list-style-type: none"> In accordance with criteria 6.11

<p>has reached the stage of construction of the cowshed.</p> <ul style="list-style-type: none"> • The company has been involved in the process of developing program (musrempang) for Semangus village. • From the 600 households in the village Semangus only less than 20 people working at PT BSC. Societal expectations, the company can absorb more labor from the Semangus village for economic improvement of society. • Villagers also felt that there no information from the company to a village or rural communities where there are vacancies in the company. • People consider that people's lives can be improved by contributions from PT BSC. • The villagers know the PIC to communicate with the company to see if there are things to be conveyed. • The Company has been socialized as related to the management of HCV in the areas of the company, but has not did again for currently. • In the village Semangus local contractors that work with the company for transporting CPO. • Since operational companies, communities assess there is changes in the River, water flow turn into Black in the rain water flow rapidly rising and during the dry season the water rapidly down debbit even dried. • Expectations expressed by the community: <ul style="list-style-type: none"> - The development process to be speeded up smallholdings - Help from the company to establish a school of early childhood education - So that when there are contract jobs can also be done by the community 	<ul style="list-style-type: none"> • Will be maintained • The company will pay greater attention in the future. • The company will make broadside at surrounding villages when there are recruitment. • The Company will disseminate to develop knowledge on community farm. • Companies socialize about it. • The company will soon do the same re-socialization of society. • Will be maintained • The Company will review about it. • Chairman of PT. BSC will coordinate with the central leadership of the company on the subject. 	<ul style="list-style-type: none"> • In accordance with criteria 6.11 • In accordance with criteria 6.1 • In accordance with criteria 6.11 • In accordance with criteria 6.1 • In accordance with criteria 6.2 • In accordance with criteria 5.2 • In accordance with criteria 6.11 • In accordance with criteria 5.1 • In accordance with criteria 6.2 and 6.11
<p>Gender Committee: the chairman and members</p>		

<ul style="list-style-type: none"> • Gender Committee frequent did the field trips • A policy to prevent abuse and sexual violence have been informed by gender committee • There have been no cases of sexual abuse and family violence • Gender Committee already has a complaints mechanism and the settlement of the problems of sexual abuse and family violence. • The company already provides counseling to the gender committee for the prevention of sexual abuse and family violence. Then the gender committee to communicate information to workers. • The Committee has submitted gender reproductive rights for women workers including the pain of menstruation and pregnancy. For menstrual ache were given the right to two days and medics give recommendations. Given the right to get pregnant 1.5 months 1.5 months before and after. For the provision of reproductive rights inspected by a medical team. • There is a routine medical examination conducted laboratory and there si no case of the negative impact of pesticides. • All workers has got BPJS. • The Committee on Gender and the officer often carry out socialization reproductive rights and prevention of sexual abuse to workers. • Gender Committee had found out about wisthelblower (protection of witnesses) • No cases of child labor 	<ul style="list-style-type: none"> • Will be enhanced in further about how the work program that had been developed could run properly. • The company has established a gender committee in PT. BSC and will be maintained. • Will be maintained • Will be maintained • The company will re-socialize and cooperate with the committee that has been formed. • The company has always followed the rules that have been enacted. • In accordance with the existing regulations the company remains committed. • Will be maintained • Will be maintained • Between the company and its employees always coordinated. • The Company remains committed to existing regulations also set out in the memorandum. • The Company has always been committed to improving the welfare of its employees / workers. 	<ul style="list-style-type: none"> • In accordance with criteria 6.9 • In accordance with criteria 6.9 • In accordance with criteria 6.9 • In accordance with criteria 6.9 • In accordance with criteria 6.9 • In accordance with criteria 6.9 • In accordance with criteria 4.6 • In accordance with criteria 4.7 • In accordance with criteria 6.9 • In accordance with criteria 6.9 • In accordance with criteria 6.7 • In accordance with criteria 6.5
<ul style="list-style-type: none"> • Workers receive housing facilities, school bus, education up to junior high school, clean water, etc. 	<ul style="list-style-type: none"> • The Company has always been committed to improving the welfare of its employees / workers. 	<ul style="list-style-type: none"> • In accordance with criteria 6.5

<p>Agricultural and Plantation Workers Union of Indonesia (Representative Rantau Panjang Estate, Bukit Pinang Estate and Sungai Pinang Mill)</p> <ul style="list-style-type: none"> collective work agreement of PT BSC to have its main refers to BKS PPS and valid (2015 - 2017) There is no constraint in association gathering activities and all SPPSI is activities are supported by the company Members of unions in SPE was 398 people, in Bukit Pinang is 406 people and at the Mill is 98 people. Data members are per June 2016 Meetings are held if there are problems that arise and activities to be implemented. There are workers with contract status at process station in Mill and support workers, cleaner workers in SPE. Contract status of workers are many years so it is disturbing the workers. If there is a vacancy, the information spread by person to person. There is no discrimination against workers of the company are related either ethnic, racial or religious There are no under-age workers who work in a corporate environment. Collecting lose fruits worker usually taken from the wife of employees wich is kind of harvesters (husband). There is no employment relationship between collecting lose worker with the company so there is no guarantee of getting the rights of such workers in the event of accidents. 	<ul style="list-style-type: none"> This is in accordance with existing rules The company supports the activities of association in accordance with the company's commitment. The company always monitors the number of employees The Company is always open to its employees. Head of the company unit has been coordinated with the management company on the matter, in order to process some contract workers more than three years to be appointed as permanent employees in stages as needed. The Company will produce a leaflet in each division offices. Will be further enhanced. will be maintained in accordance with regulations. The Company already has rules that ensure the health of each worker (husband) and one wife and three children. 	<ul style="list-style-type: none"> In accordance with criteria 6.5 In accordance with criteria 6.6 In accordance with criteria 6.6 In accordance with criteria 6.6 Ensure the contract worker in accordance with regulation In accordance with criteria 6.11 In accordance with criteria 6.8 In accordance with criteria 6.7 Nonconformity 2016.3 with major category
<ul style="list-style-type: none"> In the activity of the harvest, the work of Collecting lose fruits did by the harvester thus indirectly suppress the harvester to be how to get the job done and encourages harvesters to use labor that 	<ul style="list-style-type: none"> Companies hire employees in accordance with the SOP. 	<ul style="list-style-type: none"> Nonconformity 2016.3 with major category

<p>no employment relationship with the company as a wife or a relative harvester.</p> <ul style="list-style-type: none"> At the time of implementation day leave of workers who have exhausted her leave and following such leave. But in the next term given P1 (letter defaulters) and cut salaries and allowances of rice and it was not disclosed prior to the employee. Contract workers get BPJS health and employment, and an allowance for treatment outside BPJS with platform 1 month salary covered by the company. There are restrictions on overtime hours up to 1 hour per day. There is a memorandum and socialization limitation of working hours to employees. Housing conditions of employees in the BPE and the SPE is not fit to live with the condition of damaged houses. It has been submitted to the company. There is housing had repairing, but still very little amount is not comparable with the number of houses were damaged. Sometimes to repair using the cost of its own employees. There is no clarity on the continuation of the plan of a new permanent house. 	<ul style="list-style-type: none"> Companies still refers to the prescribed rules and socialized back. will be maintained The company follows established rules of party management. The company will be budgeted employees housing improvements each year. 	<ul style="list-style-type: none"> In accordance with criteria 6.2 In accordance with criteria 4.7 In accordance with criteria 6.2 Field visits in housing is known that an employee's home is the old house. If there is damage to the house it will be repaired. Companies gradually undertake a new housing development.
<p>CV Dewa Sawit Mandiri</p> <ul style="list-style-type: none"> Contractor for replanting activities and has been did for five years. The contractor holds a copy of the employment agreement. replanting activities using heavy equipment and do not use fire. 	<ul style="list-style-type: none"> The company remains a good cooperation for the contractor. This is accordance with our commitment (Zero Burning) 	<ul style="list-style-type: none"> In accordance with criteria 6.2 In accordance with criteria 5.5
<ul style="list-style-type: none"> Payment of the activities carried out every month. There is an official report the payment for the replanting work in the addendum years 2014-2015 have not been paid because addendum more than one hundred percent to the contract value. This is because the maintenance of addendum to such cases 	<ul style="list-style-type: none"> Head of the company has made the process of filing, but management is still evaluating because these payments are additional volume of work that is not contained in the contract letters. The Company will continue to monitor related to it. 	<ul style="list-style-type: none"> Inform the contractor and process the payment if all related document complete

<p>should be communicated with the head office. This activity in the SPE. The contractor asked how the mechanism when administered directly to the corporate head office for the payment of the work.</p> <ul style="list-style-type: none"> • Used oil, accommodated themselves in a drum, and taken to Palembang. It is also disseminated by the company in advance of the management of hazardous wastes and toxic. • Workers contractor provided and using PPE. • The company has been providing information and carry out monitoring on land clearing activities in riparian areas because of land clearing should not be made as wide as 5 of palm trees from a body of water / river. 	<ul style="list-style-type: none"> • The company has always socialized handling hazardous waste against the contractor. • More enhanced and retained • The Company is committed in accordance with existing rules 	<ul style="list-style-type: none"> • In accordance with criteria 5.3 • In accordance with criteria 4.7 • In accordance with criteria 5.2
<p>CV Semangus Indah Expres</p> <ul style="list-style-type: none"> • Contractor for the transport of CPO and Kernel. Contractors have been cooperating since the beginning of the company. The contractor is based in Palembang but originally a local contractor from the village Semangus. The contractor holds a copy of the employment agreement. • The security checks for drivers, vehicles and administrative documents when the vehicle entrance to the factory. • The contractor has to understand before signing the employment the contract • The Company has been to socialize relevant RSPO • The security installing the seal on the transport vehicle before leaving the factory. 	<ul style="list-style-type: none"> • The company will continue to establish good cooperation relationship with the existing contractor. • The company has made a SOP and will be maintained. • Will be maintained • Further enhanced. • This is according to the rules that have been set. 	<ul style="list-style-type: none"> • In accordance with criteria 6.10 and 6.11 • In accordance with criteria 4.1 • In accordance with criteria 6.10 • In accordance with criteria 4.8 • In accordance with criteria 4.1

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. Bina Sains Cemerlang
Head of PSQM Plantation Minamas
Indonesia



Mohamad Pirabakaran
Wednesday, 5 October 2016

Mutuagung Lestari
Lead Auditor



Ardiansyah
Wednesday, 5 October 2016

APPENDICES

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	Mining and Environment Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	2 August 2016	√	
2	Manpower Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	2 August 2016	√	
3	Plantation, Agriculture and Forestry Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	2 August 2016	√	
7	Indonesian Workers Union of PT Bina Sains Cemerlang.	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	2 August 2016	√	
8	Gender Committee of PT Bina Sains Cemerlang	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	2 August 2016	√	
10	Village leaders and representatives of communities Semangus village	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	2 August 2016	√	
11	Sungai Pinang Village	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	2 August 2016	√	
12	CV Dewa Sawit Mandiri	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	3 August 2016	√	
13	CV Semangus Indah Expres	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	3 August 2016	√	
14	<i>Wahana Lingkungan Hidup Indonesia (Walhi)</i>	Jakarta, Indonesia	informasi@walhi.or.id	Email	8 Juni 2016		√
15	<i>Aliansi Masyarakat Adat Nusantara (AMAN)</i>	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	8 Juni 2016		√

Appendix 2. Assessment Program

DATE	1 st – 5 th August 2016	
Actual Duration	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 1st August 2016		
06.00 – 07.10	Flight from Jakarta – Palembang	ARD / YRM / LWP / BMG
07.30 – 13.30	Travelling from Palembang (Airport) – PT BSC	ARD / YRM / LWP / BMG
14.30 – 15.30	Opening Meeting	ARD / YRM / LWP / BMG
15.00 – 17.00	Verification of nonconformities previous audits (ST-2 s/d ASA-3)	ARD / YRM / LWP / BMG
Tuesday, 2nd August 2016		
08.00 – 12.00	Public Consultation • Agencies District of Musi Rawas • Public consultations with the Village Neighbourhood	LWP / BMG ARD / YRM
12.00 – 14.00	Break	ARD / YRM / LWP / BMG
14.00 – 16.00	Public consultation with local contractors Public consultations with worker unions and gender committees	ARD / YRM ARD / YRM
16.00 – 17.00	Verification of public consultation	ARD / YRM / LWP / BMG
Wednesday, 3rd August 2016		
08.00 – 12.00	Field observations to Sungai Pinang Estate • BMP dan replanting area • Facility workers, warehouse chemicals, BSS store, traction, fire fighting facilities and landfill • Boundaries pole And HCV	LWP YRM / BMG ARD
12.00 – 14.00	Break	ARD / YRM / LWP / BMG
14.00 – 17.00	Field observations to Sungai Pinang Mill • Security post, weighbridge, stations grading/sorting, process station, boiler, workshop and engine room • WWTP, water plant, LA area, SCCS and consultations with the contractor transport (PK and CPO) • Hazardous waste warehouse, water intake, WTP, collecting place of EFB and chemical warehouse.	LWP ARD YRM / BMG
Thursday, 4th August 2016		
08.00 – 12.00	Field observations to Bukit Pinang Estate • BMP and replanting area • Facility workers, warehouse chemicals, BSS store, traction, fire fighting facilities and landfill • Boundaries pole And HCV	LWP YRM / BMG ARD
12.00 – 14.00	Break	ARD / YRM / LWP / BMG
14.00 – 17.00	Verification of Field observations and document review	ARD / YRM / LWP / BMG
Friday, 5th August 2016		
07.30 – 09.30	Closing Meeting	ARD / YRM / LWP / BMG

DATE	1 st – 5 th August 2016	
Actual Duration	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
10.00 – 13.00	Travelling from PT BSC – Lubuk Linggau (Airport)	ARD / YRM / LWP / BMG