

**RSPO PRINCIPLE AND CRITERIA  
– ANNUAL SURVEILLANCE ASSESSMENT/ASA 1-3  
Public Summary Report**

<b>Hargy Oil Palms Limited</b>
Client company Address: <b><u>Private Mail Bag, Kimbe</u></b> <b><u>West New Britain Province</u></b> <b><u>Papua New Guinea</u></b>
Certification Unit: Hargy Oil Palms Limited  Location of Certification Unit: Private Mail Bag, Kimbe, <b>West New Britain Province,</b> <b>Papua New Guinea</b>

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## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0021-05-000-00	<b>Date</b>	7th December 2005
<b>Company Name</b>	Hargy Oil Palms Limited		
<b>Address</b>	Private Mail Bag, Kimbe, West New Britain Province Papua New Guinea		
<b>Subsidiary of (if applicable)</b>	SIPEF NV Group, Belgium		
<b>Contact Name</b>	Mr. Graham King		
<b>Website</b>	<a href="http://www.hargy.com.pg">www.hargy.com.pg</a>	<b>E-mail</b>	<a href="mailto:gking@hargy.com.pg">gking@hargy.com.pg</a>
<b>Telephone</b>	+675 983 1005	<b>Facsimile</b>	+675 983 1191

2. Certification Information			
<b>Certificate Number</b>	RSPO 535739	<b>Originally Registered Date</b>	09/04/2009
		<b>Expiry Date</b>	08/10/2018
<b>Scope of Certification</b>	Production of CPO and PK at Hargy Palm Oil Mill, Barema Palm Oil Mill and Navo Palm Oil Mill and 3 estates as supply bases, namely Hargy Estate (Hargy Plantation and Barema Plantation), Navo Estate (Karla Plantation and Ibana Plantation) and Pandi Estate (Bakada Plantation and Yanaswali Plantation) as well as smallholder growers.		
<b>Palm Oil Mill Capacity</b>	Hargy Palm Oil Mill: 45 tons FFB/hour Barema Palm Oil Mill: 45 tons FFB/hour Navo Palm Oil Mill: 45 tons FFB/hour		
Other Certifications			
<b>Certificate Number</b>	Standard(s)	Certificate Issued by	Expiry Date
EMS 557735	ISO 14001:2015	BSI	08/09/2017

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Hargy Palm Oil Mill	Refer to maps below	151 <sup>0</sup> 00' 39.464" E	05 <sup>0</sup> 18' 40.049" S
Barema Palm Oil Mill	Refer to maps below	151 <sup>0</sup> 08' 02.406" E	05 <sup>0</sup> 13' 08.441" S

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Navo Palm Oil Mill	Refer to maps below	151° 13' 28.029" E	05° 05' 38.863" S
Hargy Estate	Refer to maps below	151° 03' 28.029" E	05° 17' 47.769" S
Navo Estate	Refer to maps below	151° 13' 30.011" E	05° 05' 38.412" S
Pandi Estate	Refer to maps below	151° 25' 27.115" E	05° 00' 44.285" S
Smallholders	Refer to maps below	151° 00' 39.464" E	05° 18' 40.049" S

#### 4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Hargy Estate	4,006.39	474.95	0	2,330.35	4,481.34	6,811.69	65.7%
Navo Estate	5,233.77	0	0	1,252.23	5,233.77	6,486.00	80.6%
Pandi Estate	3,206.19	700.24	0	3,264.57	3,906.43	7,171.00	54.4%
<b>Subtotal</b>	<b>12,446.35</b>	<b>1,175.19</b>	<b>0</b>	<b>6,847.15</b>	<b>13,621.54</b>	<b>20,468.69</b>	<b>66.5%</b>
Smallholders	12,685.00	1,426.00	0	18.00	14,111.00	14,129.00	99.8%
<b>Total</b>	<b>25,131.35</b>	<b>2,601.19</b>	<b>0</b>	<b>6,865.15</b>	<b>27,732.54</b>	<b>34,597.69</b>	<b>80.2%</b>

#### 5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Apr 2016 – Mar 2017)	Actual (Apr 2016 – Jul 2017)	Forecast (Aug 2017 – Jul 2018)
Hargy Estate	474.95	621.98	2,719.02	665.39	0	173,231	179,517.22	134,554.99
Navo Estate	0	2,023.40	3,210.37	0	0	86,929	193,728.64	178,566.98
Pandi Estate	700.24	3,206.19	0	0	0	55,425	68,446.90	103,670.24
<b>Sub total</b>	<b>1,175.19</b>	<b>5,851.57</b>	<b>5,929.39</b>	<b>665.39</b>	<b>0</b>	<b>315,585</b>	<b>441,692.76</b>	<b>416,792.21</b>
Smallholders	1,426.00	4,025.00	6,185.00	2,303.00	172	253,744	311,466.39	283,683.80
<b>Total</b>	<b>2,601.19</b>	<b>9,876.57</b>	<b>12,114.39</b>	<b>2,968.39</b>	<b>172</b>	<b>569,329</b>	<b>753,159.15</b>	<b>700,476.01</b>

#### 6. Certified Tonnage of FFB (Own Certified Scope)

Estate	Tonnage / year		
	Estimated (Apr 2016 – Mar 2017)	Actual (Apr 2016 – Jul 2017)	Forecast (Aug 2017 – Jul 2018)
Hargy Estate	173,231.00	179,517.22	134,554.99
Navo Estate	86,929.00	193,728.64	178,566.98

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Pandi Estate	55,425.00	68,446.90	103,670.24
Smallholders	253,744.00	311,466.39	283,683.80
<b>Total</b>	<b>569,329.00</b>	<b>753,159.15</b>	<b>700,476.01</b>

<b>7. Non-Certified Tonnage of FFB (if applicable)</b>			
<b>Independent FFB Supplier</b>	<b>Tonnage / year</b>		
	<b>Estimated (Apr 2016 – Mar 2017)</b>	<b>Actual (Apr 2016 – Jul 2017)</b>	<b>Forecast (Aug 2017 – Jul 2018)</b>
Nil	0	0	0

<b>8. Certified Tonnage</b>									
<b>Mill</b>	<b>Estimated (Apr 2016 – Mar 2017)</b>			<b>Actual (Apr 2016 – Jul 2017)</b>			<b>Forecast (Aug 2017 – Jul 2018)</b>		
	<b>FFB</b>	<b>CPO</b>	<b>PK</b>	<b>FFB</b>	<b>CPO</b>	<b>PK</b>	<b>FFB</b>	<b>CPO</b>	<b>PK</b>
Hargy POM	157,500	36,842	7,432	255,073.72	61,707.80	17,998.31	184,733.57	45,139.18	9,341.10
Barema POM	215,288	48,516	10,281	199,540.38	48,758.86	9,756.63	257,253.79	63,273.81	12,999.67
Navo POM	196,541	41,177	8,857	298,545.05	71,862.45	14,957.06	258,487.65	58,744.46	12,255.63
<b>Total</b>	569,329	126,535	26,570	753,159.15	182,329.11	42,712.00	700,475.01	167,157.45	34,596.40

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
(ASI Accreditation Number: RSPO-ACC-19)  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
Nicholas Cheong: [nicholas.cheong@bsigroup.com](mailto:nicholas.cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

### Assessment Methodology, Programme, Site Visits

The on-site initial assessment was conducted from 24<sup>th</sup> July – 1<sup>st</sup> August 2017. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The audit programmes are included as Appendix D.

During this annual surveillance assessment, certificate holder wishes to change the license period from April – April into October – October (subsequent year). Therefore the audit timing and assessment cycle shifted from April – March into August – July (subsequent year). This changes have been approved by RSPO secretariat.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criterias 2013, RSPO PNG NI 21<sup>st</sup> March 2016 and cross-referenced with RSPO PNG NI 7<sup>th</sup> April 2017 and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula  $N = 0.8\sqrt{y}$  where  $y$  is the number of estates while the smallholders sample were determined following the RSPO Certification Requirement for Group Certification 2010. The sampling of smallholders were based on the formula  $(0.8\sqrt{y}) \times (z)$ ; where  $y$  is total number of independent group member and where  $z$  is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 3.3.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

**The following table would be used to identify the locations to be audited each year in the 5 year cycle**

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1-1)</b>	<b>Year 3 (ASA 1-2)</b>	<b>Year 4 (ASA 1-3)</b>	<b>Year 5 (RAV)</b>
<b>Hargy POM</b>	X	X	X	X	X
<b>Barema POM</b>	X	X	X	X	X
<b>Navo POM</b>	X	X	X	X	X
Hargy Estate	X	X		X	<b>X</b>
Navo Estate	X		X	X	X
Pandi Estate		X	X		X
Smallholders	X	X	X	X	X

**Tentative Date of Next Visit: July 1, 2018 - July 11, 2018**

**Total No. of Mandays: 32**

**BSI Assessment Team:**

**Pratama Sedayu – Team Leader**

He graduated from University of Jenderal Soedirman on 2008, majoring in Social Economic of Agriculture. He involved in RSPO certification since 2009 as a team member subsequently as a Lead Auditor, covering assessment against RSPO P&C in Indonesia, Malaysia, Thailand, Papua New Guinea, and Liberia. He completed the ISO 9001, ISO 14001, OHSAS 18001 Lead Auditor Course, HCV Identification and Management; ISPO Lead Auditor endorsed Course and RSPO P&C and RSPO SCCS Lead Auditor endorsed Courses. During this assessment, he assessed on the aspects of legal, supply chain for CPO Mills, estate best practices, environment management system, HCV and smallholder audits. He is fluent in both verbal/written in Bahasa Indonesia, Bahasa Malaysia and English.

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He holds Master of Environmental Management from the University Putra Malaysia and Bachelor of Science (Food Science) from Charles Sturt University Australia. He has more than 5 years of working experience in sustainability auditing and carbon emissions accounting. He has also 2 years of working experience in wastewater treatment construction and operations. He has completed the ISO9001, ISO14001, RSPO P&C Lead Auditor and RSPO SCC Lead Auditor course and MSPO Awareness Training. In his previous certification body experience, he was the Lead Assessor for Clean Development Mechanism, World Commission of Dam and ISCC. The CDM and WCD assessment focuses on social accountability. He had been involved in Sustainable Palm Oil auditing for more than 2 years. Able to speak in English.

**Amir Bin Bahari – Team Member**

He obtained qualification in B.Sc. (Hons) Chemistry USM 1985 & Diploma in Palm Oil Milling Tech/Management MPOB 1996. He has been in the plantations industry for 30 years, among others managing rubber factories, palm oil mills and estates. During the tenure of employment he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001 & also RSPO. He has accumulated 38 man-days in the auditing profession after ending career in the plantation industry. During the assessment he covered mills and estates best practices, workers consultation and occupational safety & health. He is fluent in both verbal/written in Bahasa Malaysia and English.

**Mohd Hafiz Mat Hussain – Team Member**

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia, Gabon and Solomon Island. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

**Yvonne Hani – Technical & Local Expert**

She hold Bachelor Degree in Arts with Honors (BA Honors) in Medical Anthropology and Bachelor Degree in Arts (BA) - Anthropology & Sociology from University of Papua New Guinea. She also has the experiences as Social Impact Assessment surveys within impact areas of the Papua LNG project. She familiar with Papua New Guinea and Solomon social aspect as well as law & regulation. Able to speak in English and local language.

**Accompanying Persons: Nil**



### Section 3: Assessment Findings

#### 3.1 Details of audit results are provided in the following Appendix:

- SIPEF NV Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

#### 3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
<b>Summary of the Time Bound Plan</b>		
Does the plan include all subsidiaries, estates and mills?	Hargy Palm Oil Mill Limited is a subsidiary of SIPEF NV. SIPEF NV has disclose all of its companies, mills and estates. The timebound plan including un-certified units/companies.	Comply
Is the time bound plan challenging? <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	SIPEF's time bound plan is timely challenging. SIPEF NV has putting consideration on age of plantation, size of plantation as supply base with regards to location of palm oil mill in preparing the time bound plan.	Comply
Have there been any changes since the last audit? Are they justified?	Yes, there are changes in time bound plan compared to the latest annual surveillance assessment. <ul style="list-style-type: none"> <li>• PT. Agro Kati Lama, from 2019 to 2021;</li> <li>• PT. Agro Muara Rupit, from 2019 to 2024;</li> <li>• PT. Agro Rawas Ulu, from 2019 to 2024.</li> </ul> SIPEF NV provides sufficient explanation on the changes in implementation of timebound plan: SIPEF latest projections stipulates that company will have enough crop to justify the building of the two mills by the year 2021 (for Kati Lama Mill) and 2024 (for Muara Rupit Mill), as indicated in the time-	Comply

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	bound plan. The target years for the building of these mills have been set taking into consideration the current rate of planting in the three estates and plasma schemes that will constitute the supply base of the two mills. Audit team accepted management explanation on the matter.	
If there have been changes, what circumstances have occurred?	The major cause of the changes is due to delay in land acquisition and starting of planting.	Comply
Have there been any stakeholder comments?	Yes. Stakeholder comments are noted. Company informed certification body on the stakeholder comments and follow up the comment in appropriate manner. The assessment team has conducted a search in internet to confirm that there is no new comments or dispute raised by the communities on those units that have not been certified.	Comply
Have there been any newly acquired subsidiaries?	The most recent acquisition was on 1st August 2017, PT. Dendymarker Indah Lestari. RSPO certified. The certification has been verified from the RSPO website.	Comply
Have there been any isolated lapses in implementation of the plan?	No isolated lapse. SIPEF NV provides adequate evidence related to changes in implementation of the plan.	Comply
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	The internal audit has been conducted for all uncertified units: <ul style="list-style-type: none"> <li>• PT. Agro Muara Rupit was conducted on 13-15th March 2017;</li> <li>• PT. Agro Kati Lama was conducted on 20-21st February 2017;</li> <li>• PT. Agro Rawas Ulu was conducted on 27 February – 1st March 2017.</li> </ul>	Comply
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	As NPP has been conducted, it can be confirmed that there is no replacement of primary forest as the LUCA has been completed and accepted by RSPO. As part of the NPP, HCV assessment has been conducted and any HCV area requires to be maintained are stated in the management plan of the NPP.	Comply
Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	All new planting after January 1 <sup>st</sup> , 2010 have undergone and complies with RSPO New Planting Procedure. NPP for PT. Agro Muara Rupit, PT. Agro Kati Lama and PT. Agro Rawas Ulu has been published in	Comply

	RSPO website.	
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No land conflict noted. The assessment team has conducted a search in internet to confirm that there is no new comments or dispute raised by the communities on those units that have not been certified.	Comply
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labor dispute noted. The assessment team has conducted a search in internet to confirm that there is no new comments or dispute raised by the communities on those units that have not been certified.	Comply
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	The internal audit has been conducted for all uncertified units: <ul style="list-style-type: none"> <li>• PT. Agro Muara Rupit was conducted on 13-15th March 2017;</li> <li>• PT. Agro Kati Lama was conducted on 20-21st February 2017;</li> <li>• PT. Agro Rawas Ulu was conducted on 27 February – 1st March 2017.</li> </ul>	Comply
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	No non-legal compliance noted. The assessment team has conducted a search in internet to confirm that there is not new comments or dispute raised by the communities on those units that have not been certified.	Comply

### 3.3 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the Certification Assessment there were No Major & No Minor nonconformities raised.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for it effectiveness and closed accordingly.

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
Nil	<b>Requirements:</b>	-
	<b>Evidence of Nonconformity:</b>	
	<b>Statement of Nonconformity:</b>	
	<b>Corrections:</b>	
	<b>Root Cause Analysis:</b>	
	<b>Corrective Actions:</b>	
	<b>Assessment Conclusion:</b>	

Observation	
OBS #	Description
Nil	-

Positive Findings	
PF #	Description
1	Hargy Oil Palms Limited has improved the management for documentation in order to demonstrate compliance against requirements for documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.

<b>Issues raised by Stakeholders</b>	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Hargy Oil Palms Limited Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	
<b>IS #</b>	<b>Description</b>
<b>1</b>	<p><b>Issues</b>            Ward Councilor of Wilelo Ward 9.            Comments:            Would like Hargy to continue to assist with law &amp; order in the community.</p> <p><b>Management Responses</b>            HOPL assists with law and order issues in the smallholder communities by organising police and security presence when any serious law and order issue is raised. Field days always include a senior member of the HOPL security force often accompanied by a member of the Police.</p> <p><b>Audit Team Findings</b>            Audit team accepts the clarification and explanation from Hargy Oil Palms Limited.</p>
<b>IS #</b>	<b>Description</b>
<b>2</b>	<p><b>Issues</b>            Organization: United Church &amp; smallholder            Comments:            1. Unequal distribution of community assistance.            2. There is flooding in his area and request for assistant in road improvement.</p> <p><b>Management Responses</b>            Community assistance is usually organised on the request of the community concerned. The people of the community concerned have received considerable assistance from the company in terms of the awarding of minor labour contracts, the awarding of the lease of a company trade store in the Barema Plantation and regular road maintenance.</p> <p><b>Audit Team Findings</b>            Audit team accepts the clarification and explanation from Hargy Oil Palms Limited.</p>
<b>IS #</b>	<b>Description</b>
<b>3</b>	<p><b>Issues</b>            Organization: Clan Leader            Comments:            The company representative do not conduct sufficient environmental issues awareness.</p> <p><b>Management Responses</b>            Regular awareness on various issues is given on issues that affect the community, environmental or social. The most recent engagement with this community has been in the form of a Financial Literacy</p>

	<p>Programme for village women. Programmes are organised on request.</p> <p><b>Audit Team Findings</b> Audit team accepts the clarification and explanation from Hargy Oil Palms Limited.</p>
<b>IS #</b>	<b>Description</b>
<b>4</b>	<p><b>Issues</b> Organization: Tiaru Primary School Headmaster Comments: 1. The company had conducted awareness &amp; training on financial management. He would like the company to continue these trainings directly to household level in order to create awareness to the communities the importance of financial management. 2. Request was send to HOPL on assistance to upgrade field but have not received response from Community Affairs office.</p> <p><b>Management Responses</b> The financial Literacy programme is in great demand. More sessions will be conducted in the Tiaru sub-division in due course. Again, the same machines which are full time concerned with road maintenance in the smallholder sub-divisions are the ones that would upgrade the Primary School field. This is a matter of economic priority both for the company and the smallholders.</p> <p><b>Audit Team Findings</b> Audit team has reviewed the contribution records. Audit team accepts the clarification and explanation from Hargy Oil Palms Limited.</p>
<b>IS #</b>	<b>Description</b>
<b>5</b>	<p><b>Issues</b> Organization: Managing Director Magalona Estate Ltd Comments: 1. Hargy provides help and assistance. 2. Payment made on time, as per the MoU. Payment schedule for land lease as per government regulation, to be paid on quarterly basis. FFB royalty 10% from FFB production x gate price, to be paid on monthly basis. 3. Hargy provides assistance to get land lease. 4. Request Hargy to review the FFB royalty, he feels 10% is too small for operational of his people. 5. Request Hargy to provide more training or knowledge sharing, therefore when the lease period of 25 years end, his people can manage themselves.</p> <p><b>Management Responses</b> Scholarship programme has been established for Incorporated Land Groups to send promising students to University. The 10% royalty is paid per tonne of FFB. As yields increase the royalty will also increase.</p> <p><b>Audit Team Findings</b> Audit team has reviewed the MoU and payment schedule. Audit team accepts the clarification and explanation from Hargy Oil Palms Limited.</p>
<b>IS #</b>	<b>Description</b>
<b>6</b>	<p><b>Issues</b> Organization: Chairman Vamukuma ILG Comments: 1. Hargy has done a lot to provide better medical services, better education, better infrastructure for his people. 2. Currently in cooperation, leasing land to Hargy Oil Palms. The lease valid for 25 years. 3. Payment schedule for land lease as per government regulation, to be paid on quarterly basis. FFB royalty 10% from FFB production x gate price, to be paid on monthly basis.</p>

	<p>4. Payment made on time, as per the schedule.</p> <p>5. Request Hargy to review the FFB royalty, he feels 10% is too small.</p>
	<p><b>Management Responses</b></p> <p>FFB royalty of 10% is fair, as the only input from traditional landowners is the land only. Company provided all of the development capital. 10% was the agreed upon rate upon the signing of the sub-lease agreement.</p> <p>The 10% royalty is paid per tonne of FFB. As yields increase the royalty will also increase.</p>
	<p><b>Audit Team Findings</b></p> <p>Audit team has reviewed the sub-lease agreement and payment schedule. The FFB royalty of 10% was based on the sub-lease agreement. Audit team accepts the clarification and explanation from Hargy Oil Palms Limited.</p>

**3.3.1 Status of Nonconformities Previously Identified and Observations**

Non-Conformity		
NCR #	Description	Category (Major/Minor)
<b>1295340N2</b>	<p><b>Requirements:</b></p> <p>RSPO P&amp;C PNG NI 2015 Indicator 4.7.5</p>	Minor
	<p><b>Evidence of Nonconformity:</b></p> <p>Evidence on lack of monitoring for emergency procedure:</p> <ul style="list-style-type: none"> <li>- Based on field visit to Pandi Plantation and Hargy Palm Oil Mill, audit team found expired medication in the first aid kit of Pandi Vehicle Workshop and Hargy Palm Oil Mill;</li> <li>- Based on field visit and worker interview in Pandi Plantation, first aid kit is absence at immediate field and workers basic understanding on emergency plan for work related accident is sub-standard;</li> <li>- Based on field visit to Hargy Estate, Navo Estate and Pandi Estate - audit team was not provided with safety induction or emergency response plan;</li> </ul>	
	<p><b>Statement of Nonconformity:</b></p> <p>Lack of monitoring on emergency procedure communication and implementation noted.</p>	
	<p><b>Corrective Action:</b></p> <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> <li>- Lack of proper &amp; consistent check of medical supplies on a monthly basis prior to issuance to First aid kits;</li> <li>- Current first aid procedures follow national regulations and rely on centralised, "mobile" first aid kits;</li> <li>- Insufficient training and awareness to the general workforce on emergency response plans;</li> <li>- No standard safety induction template &amp; process in place for estates, while in place for mills.</li> </ul> <p>Correction:</p> <ul style="list-style-type: none"> <li>- Hargy Oil Palms has improved the condition of first aid kits in Pandi Vehicle Workshop and Hargy Palm Oil Mill. Hargy Oil Palms have prepared first aid pouches for field first aid officers. Field supervisors have been trained with</li> </ul>	

	<p>motorcycle equipped with first aid pouches. First aid content includes: iodine solution, dressing bandage, triangular bandage, sky blanket, band aid, wound pad, alcohol swab, plastic forceps, scissors, elastic bandage, plaster, gloves, and safety pins. Awareness session to workers improved, based on interview with Jacob Jeffrey, Timothy Nankale, Ken Francis, Paul Tarato, Lawrence Kamputure, Vincent Liplip in Pandi Plantation and Willie Manike and Leonard Gavuli in Navo Plantation. Records of use of Cardio Pulmonary Resuscitation training dated 09/02/2016 for Lawrence Kui and Vincent Liplip (Certificate No.NTC017 by Pacific First Aid Certificate, valid for one year), trained and certified first aider in Pandi Plantation. Records of use of first aid training dated 10-12/02/2016 for Linda Keto (Certificate No.NTC017 by Pacific First Aid Certificate, valid for three year), trained and certified first aider in Pandi Vehicle Workshop.</p> <p>First aid kit checklist sheet for Pandi Plantation: antibiotic powder exp.09/16; Dettol solution exp.02/2018; povidone iodine solution exp.01/2017; betamethasone cream exp.07/2016; deep heat exp.01/2018; Surgi strip skin closure exp.05/2016; paraffin gauze dressing exp.12/2018. First aid kit checklist sheet for Pandi Vehicle Workshop: deep heat exp.01/2018; gauze swab exp.11/2019; disposable glove exp.11/2019. First aid kit checklist sheet for Navo Plantation: antibiotic powder exp.09/16; Dettol solution exp.05/2017; povidone iodine solution exp.10/2016; basic dressing pack exp.09/2016; cotton tip applicator exp.04/2018; emergency blanket exp.02/2017; paraffin gauze dressing exp.04/2019.</p> <p>Emergency drills being done as program and evaluated. Example: Pandi Plantation: Emergency procedures and route training dated 24/03/2016 for 22 employees including storeman, supervisor, driver, security, mechanic and bowser attendant. Fire fighting, operating fire-extinguisher training in Kerakera Division dated 30/02/2016, attended by Samson Kong (transport overseer), Pora Walhi (bowser attendant), John Eminse (supervisor) and Kaplap Lapun (Storeman). Safety precaution – signal (siren/bell) training for 19 harvesters and wheelers in Barema Plantation dated 18/03/2016.</p> <p>HOPL has prepared site safety induction templates, one template for estates, and one for mills. Templates to cover explanation on hazard and risk, and to allow for addition of site-specific risks as needed. Distribute template to all site safety reps and conduct training. Evidence: Auditor provided with safety induction in Navo Plantation and Pandi Plantation. Document seen: Induction Template for visitors to HOPL plantation Doc.No.TEM.ESD-GEN-002-01.</p> <p>As a prevention method, Order of medical supplies with 12 month or more shelf life to reduce risk of expired or expiring stock supplied to clinics &amp; first aid kits.</p> <p>Corrective Action Plan:</p> <ul style="list-style-type: none"> <li>- Order of medical supplies with 12 month or more shelf life to reduce risk of expired or expiring stock supplied to clinics &amp; first aid kits. Checks on contents of First Aid kit to be carried out monthly, and immediately after restocking by Company Doctor, using EHS inspection checklist. If non-confirming medicines are found, Company Doctor is contacted immediately, copy to Sustainability.</li> <li>- First aid kits shall be provided and held by Field Supervisors in the field. This basic kit will contain basic First aid supplies and will be available in the field through a Field supervisor who is trained in First aid and has a motorbike. This basic First Aid kit contents include; Iodine solution, dressing bandage, triangular bandage, sky blanket, Band aid, Wound pad, alcohol swab, plastic</li> </ul>	
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	<p>forceps, scissors, elastic bandage, plaster, gloves, safety pins.</p> <ul style="list-style-type: none"> <li>- Awareness of the company system for first aid kits will be improved by training and awareness (memo and muster awareness talks) to all workers on availability &amp; use of first aid in the field. Emergency drills to be done and evaluated to ensure the system is working and check if further improvement is required.</li> <li>- HOPL continues to plan the training and awareness at musters/toolbox on emergency response procedures for each site.</li> <li>- HOPL will prepared site safety induction templates, one template for estates, and one for mills. Templates to cover common risks, and to allow for addition of site-specific risks as needed. Distribute template to all site safety reps and conduct training.</li> </ul> <p><b>Assessment Conclusion:</b>          During Annual Surveillance Assessment/ASA 1-3, audit team has verified the implementation of emergency response procedure:</p> <ul style="list-style-type: none"> <li>- Hargy Oil Palms Limited has produced an emergency response plan in Tok Pisin;</li> <li>- Hargy Oil Palms Limited has provided safety induction in all estates and mils;</li> <li>- Hargy Oil Palms Limited has provided first aid training for wider audience;</li> <li>- Based on interview with sampled workers in Hargy POM, Barema POM, Navo POM, Hargy Estate, Navo Estate and Pandi Estate - audit team found that the worker has better understanding of emergency procedure, appropriate to the work location. For example the worker in Navo Estate understood the risk of having volcano eruption, be able to explain the emergency plan, to locate the evacuation route, means of evacuation, etc.</li> <li>- Assessment team has checked and review the first aid kit available in various work premises under different management unit; Hargy POM, Barema POM, Navo POM, Hargy Estate, Navo Estate and Pandi Estate. The sampled first aid kits in these management units found to be in good condition, no expired medicine found inside.</li> </ul> <p>Assessment team has review the correction and corrective action. Assessment team conclude the corrective action has been implemented in effective manner.          NC Minor closed on 01/08/2017.</p>	
<p><b>NCR #</b></p>	<p><b>Description</b></p>	<p><b>Category (Major/Minor)</b></p>
<p><b>1295340N1</b></p>	<p><b>Requirements:</b>          RSPO P&amp;C PNG NI 2015 Indicator 4.1.2</p> <p><b>Evidence of Nonconformity:</b>          Audit team identified non compliance with legal use of land in the smallholder. Company cannot demonstrate sufficient mechanism in place to verifying consistent implementation of procedure – to be in compliance with RSPO Principle and Criteria requirement. There is not sufficient evidence that internal control procedure functioning to prevent material intake from non compliant supply base.</p> <ul style="list-style-type: none"> <li>- insufficient evidence process undertaken by the internal control to assess the members of a smallholder group against particular standards, other normative documents and internal policies.</li> </ul>	<p><b>Minor</b></p>

	<p><b>Statement of Nonconformity:</b> Insufficient evidence process undertaken by the internal control mechanism to assess the members of a supply base smallholder group against particular standards, other normative documents and internal policies.</p> <p><b>Corrective Action:</b> Root Cause Analysis: Lack of training and awareness to the relevant staff on the handling of onconforming materials. Correction: Hargy Oil Palms have demonstrated effort to improve internal control system. A due diligence system started. Hargy Oil Palms has started inspection upon Land Settlement Scheme (LSS) area under Division I and Division II and identify smallholder blocks with missing land title and/or deceased block owners. Up to NCR Close out audit, OPIC has handed over information for Land Settlement Scheme (LSS) smallholders: 389 smallholder blocks with missing land title and 104 deceased smallholder blocks. Smallholder extension and GIS officer have verified and recorded: 989 LSS block owner with copy of land title at Lands Department, also registered in OPIC; 389 smallholder blocks with missing land title; 275 smallholder blocks have been confirmed missing land title; 443 smallholder blocks need to be update (overlapping block number, overlapping smallholder name, and smallholder block not-confirmed). This work will be continued for the Village Oil Palm (VOP) smallholder. Based on verification by Hargy and OPIC, there are 125 smallholder blocks (including four identified during RSPO ASA2 02/2016) from Gamupa area with total 223.24 Ha, identified to be sitting on state land without leases. Hargy Oil Palms through smallholder manager issued a letter (in Pidgin) dated 13/04/2016 to the other 121 Gamupa smallholders without leases, stating they cannot harvest their FFB and Hargy will not pick up and pay the FFB harvested, until further notice – effective 15/04/2016. The letter addressed to block owners, OPIC and Navo POM. As in the internal system, communication from Smallholder department and specifically marked in the Lintramax Smallholder Module so that no harvest order, FFB pick up order, receive and/or payments for FFB can be processed from these blocks, as of 15/04/2016. Furthermore, as the legal title for the plantation area is in application process; Hargy Oil Palms ordered Plantation manager to stop harvesting FFB from Magalona division, Alangily division, Abulmosi division, Gamupa division under Pandi Plantation – supplying FFB to Navo POM.</p> <p>Corrective Action: - Procedure for addressing non-conforming materials is documented in the HOPL Supply Chain SOP -CPO Mills. - Training &amp; awareness to relevant staff on internal control mechanisms in above SOP, including specific training to mill personnel (weighbridge operators) to check origin of FFB received and on the system of due dilligence referred to in corrective actions for 2.2.1.</p> <p><b>Assessment Conclusion:</b> During Annual Surveillance Assessment/ASA 1-3, assessment team has verified the implementation of corrective action related to mechanism to check implementation of procedures:</p>	
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	<ul style="list-style-type: none"> <li>- Hargy Oil Palms Limited has reconciled the documents demonstrate legal ownership or lease and permitted use of the land;</li> <li>- Hargy Oil Palms Limited, through the smallholder office and community affairs work together with OPIC to improve the database for identification of documented legal ownership or lease and permitted use of the land – for smallholder, in particular;</li> <li>- Hargy Oil Palms Limited has been able to demonstrate complete land leases/CLUA for smallholders to demonstrate the document showing legal ownership or lease and permitted use of the land;</li> <li>-Hargy Oil Palms Limited has a procedure titled HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 issue No.2, dated 28/06/2017.</li> <li>- Hargy Oil Palms Limited has improved the follow up action upon operational/field activity condition;</li> <li>- Hargy Oil Palms Limited has improved the internal audit mechanism against RSPO Supply Chain requirements. Improvement evident in form of better RSPO SCCS internal audit report, non-conformities raised and corrective actions;</li> <li>- Based on interview with community affairs and smallholder manager, Hargy Oil Palms is consistent in suspending smallholder that's not meeting RSPO P&amp;C requirements. Hargy Oil Palms issued a memorandum to stop picking up FFB/crop from a number of non-conforming smallholders. These steps are taken to prevent non-conforming material (FFB) entering HOPL's process. Assessment team has review the correction and corrective action. Assessment team conclude the corrective action has been implemented in effective manner.</li> </ul> <p>NC Minor closed on 01/08/2017.</p>	
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<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
1	<p>Indicator 1.2.1</p> <p>Hargy Oil Palms Limited has sets of publicly available document. The copy of policies is part of the publicly available document, which on the notice boards in each operation sites. Some of the policy made available on notice board in a number of estate inconsistently up-to-date.</p> <p>Follow up Action:</p> <p>Hargy Oil Palms Limited has monitored the distribution of publicly available document. The copy of policies, made available in the notice board located in the whole operation has been made up-to-date.</p>

**3.3.2 Summary of the Nonconformities and Status**

<b>CAR Ref.</b>	<b>CLASS</b>	<b>ISSUED</b>	<b>CLOSED</b>
AT 17-1.2.7	Major	04/07/2008	16/09/2008
AT 18-4.7.7	Major	04/07/2008	16/09/2008
AT 19-5.3.1	Major	04/07/2008	16/09/2008
AT 20-5.6.1	Major	04/07/2008	16/09/2008
AT 21-6.3.1	Major	04/07/2008	16/09/2008
AT 01-4.3.6	Minor	04/07/2008	10/04/2010
AT 02-4.4.1	Minor	04/07/2008	10/04/2010
AT 03-4.6.6	Minor	04/07/2008	10/04/2010
AT 04-4.7.2	Minor	04/07/2008	10/04/2010



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AT 05-4.7.2	Minor	04/07/2008	10/04/2010
AT 06-4.7.3	Minor	04/07/2008	10/04/2010
AT07-4.7.5	Minor	04/07/2008	10/04/2010
AT 08-4.8.1	Minor	04/07/2008	10/04/2010
AT 09-5.6.2	Minor	04/07/2008	10/04/2010
AT 10-6.1.3	Minor	04/07/2008	10/04/2010
AT 11-6.2.2	Minor	04/07/2008	10/04/2010
AT 12-6.2.3	Minor	04/07/2008	10/04/2010
AT 13-6.5.3	Minor	04/07/2008	10/04/2010
AT 14-6.5.4	Minor	04/07/2008	10/04/2010
AT 15-6.5.6	Minor	04/07/2008	10/04/2010
AT 16-6.11.1	Minor	04/07/2008	10/04/2010
1-2.1.2	Minor	10/04/2010	25/03/2011
2-4.3.5	Minor	10/04/2010	25/03/2011
3-4.5.2	Minor	10/04/2010	25/03/2011
4-4.7.2	Minor	10/04/2010	25/03/2011
5-5.1.2	Minor	10/04/2010	25/03/2011
6-5.5.3	Minor	10/04/2010	25/03/2011
7-6.2.2	Minor	10/04/2010	25/03/2011
8- 6.6.3	Minor	10/04/2010	25/03/2011
1- 5.3.2	Minor	25/03/2011	30/03/2012
2- 6.2.2	Minor	25/03/2011	30/03/2012
3- 6.5.4	Minor	25/03/2011	30/03/2012
1- 4.7.2	Minor	30/03/2012	03/05/2013
2- 4.7.3	Minor	30/03/2012	03/05/2013
1- 4.7.2	Minor	03/05/2013	28/03/2014
2- 4.7.3	Minor	03/05/2013	28/03/2014
3- 5.3.2	Minor	03/05/2013	28/03/2014
1037572M17 - D.3.2	Major	28/03/2014	08/04/2014
1037572M18 - D.3.3	Major	28/03/2014	08/04/2014
1037572N4 - 4.7.2	Minor	28/03/2014	06/03/2015
10375752N5 - 4.7.3	Minor	28/03/2014	06/03/2015
10375752N10 - 4.7.5	Minor	28/03/2014	Escalated to Major NC
10375752N9 - 5.3.2	Minor	28/03/2014	06/03/2015
10375752N13 - 5.6.2	Minor	28/03/2014	06/03/2015
10375752N15 - 6.5.3	Minor	28/03/2014	06/03/2015
1161437M1 – 4.7.5	Major	06/03/2015	04/05/2015
1161437M1 – 5.6.1	Major	06/03/2015	04/05/2015
1161437M1 – 4.8.2	Minor	06/03/2015	20/02/2016
1161437M1 – 5.2.4	Minor	06/03/2015	20/02/2016
1295340M1 – 2.2.1	Major	20/02/2016	20/04/2016
1295340M2 – 4.7.3	Major	20/02/2016	20/04/2016
1295340M3 – 6.3.2	Major	20/02/2016	20/04/2016
1295340M4 – RSPO SCCS D.4.1	Major	20/02/2016	20/04/2016
1295340N1 – 4.1.2	Minor	20/02/2016	01/08/2017
1295340N2 – 4.7.5	Minor	20/02/2016	01/08/2017

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**Assessment Conclusion and Recommendation:**

Based on the findings during the assessment Hargy Oil Palms Limited Certification Unit and supply base complies with the RSPO P&C 2013, and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Hargy Oil Palms Limited Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b> Mr. Graham King	<b>Name:</b> Pratama Agung Sedayu
<b>Company name:</b> Hargy Oil Palms Limited	<b>Company name:</b> on behalf of BSI Services Malaysia Sdn Bhd.
<b>Title:</b> General Manager	<b>Title:</b> Lead Auditor
<b>Signature:</b>  <b>Date:</b> 23/8/17	<b>Signature:</b>  <b>Date:</b> 10th August 2017

**Appendix A: Summary of Findings against RSPO P&C PNG NI 21<sup>st</sup> March 2016 and cross-referenced with RSPO P&C PNG NI 7<sup>th</sup> April 2017**

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1</b>			
Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.			
<b>Specific Guidance:</b>			
For 1.1.1: Evidence should be provided that information is received in appropriate form(s) and language(s) by relevant stakeholders. Information will include information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities.			
<b>Guidance:</b>			
Growers and millers should have a Standard Operating Procedure (SOP) to respond constructively to stakeholders, including a specific timeframe to respond to requests for information. Growers and millers should respond constructively and promptly to requests for information from stakeholders. Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the response is timely and appropriate. See Criterion 1.2 for requirements relating to publicly available documents.			
<b>1.1.1</b>	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision-making.  - Minor compliance -	Hargy Oil Palms Limited (HOPL) is able to demonstrate that all information requests have been provided with response. Each information request is being sorted and organizes to each responsible unit. SOP for Dissemination of Company Information & Documents No.PRO-ESD-SUS-002-02, which stated that site manager is responsible to forward any request for information or documents to the Environment & Sustainability Department for perusal and recommendation. Sustainability Officer for reviewing request for information and giving advice on whether disseminate or not. General Manager is responsible for authorisation of company documents for dissemination to persons outside the company such as stakeholders. Barema POM: On 17th May 2017 Barema POM received question related to whose given priority to work on company POM. OHS officer is responding by provided explanation: the company giving equal	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>opportunity in job vacancy.</p> <p>Navo Estate: Request for Culling palms to be planted at VOP block, made by Security overseer received on 15th March 2017. Responded on 15th March 2017, Group Manager stated that it is not allowed. The security overseer should go to smallholder department for assistance and HOPL will provide them with good seedling. Letter for Request for campaign speech from Talasea Open Candidate – PNG Party dated 17th May 2017. Approved and allowed by Group Manager on 17th May 2017.</p> <p>Smallholder: Smallholder Manager has manages information request and responses under a list. The list recorded the information request and response provided made in timely manner. Smallholder Growers can demonstrate all relevant information upon request. Some documentation is kept with OPIC extension officer and available upon request.</p>	
<p><b>1.1.2</b></p>	<p>Records of requests for information and responses shall be maintained. - Major compliance -</p> <p>Each unit has a record for information and responses. Head office keeps the main register. Information Request and Response Register – Sustainability Department: There are 17 information requests recorded since 8th April 2012 up to 2nd December 2015. There has been no information request to Sustainability Department, since 2nd December 2015.</p> <p>Hargy Oil Palms Limited: Email from East New Britain Province Lands Board dated 27th July 2017, that Portion 2017 Magalona Estates Limited located Milinch Ulawun, Fourmil Talasea, West New Britain Province under Hargy Oil Palms Limited are listed for the upcoming PNG Land Board hearing. Response provided on same date.</p> <p>Barema POM: On 17th May 2017, Barema POM received question related to whose given priority to work on company POM. OHS officer is responding by provided explanation: the company giving equal opportunity in job vacancy.</p> <p>Navo Estate: Request for Culling palms to be planted at VOP block, made by Security overseer received on 15th March 2017. Responded on 15th March 2017 Group Manager Plantation stated that the it is not allowed. Response: The security overseer should go to smallholder department for assistance and</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>HOPL will provide them with good seedling. Letter for Request for campaign speech from Talasea Open Candidate – PNG Party dated 17th May 2017. Approved and allowed by Group manager on 17th May 2017.</p> <p>Smallholders: Smallholder Manager has manages information request and responses under a list. The list recorded the information request and response provided made in timely manner. Smallholder Growers can demonstrate all relevant information upon request. Some documentation is kept with OPIC extension officer and available upon request. Based on OPIC’s (Field Department) extensive record of requests, grievances and responses sighted.</p>	
<p><b>Criterion 1.2</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>		
<p><b>Associated Smallholder Requirement:</b> Oil Palm Industry Corporation (OPIC) to hold relevant documents and make available to interested parties on request.</p> <p><b>Guidance:</b> This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Management documents will include monitoring reports. The auditors will comment on the adequacy of each of the documents listed in the public summary of the assessment report. Examples of commercially confidential information include financial data such as costs and income, and details relating to customers and/or suppliers. Data that affects personal privacy should also be confidential. Ongoing disputes (within or outside of a legal mechanism) can be considered as confidential information where disclosure could result in potential negative outcomes for all parties involved. However, affected stakeholders and those seeking resolution to conflict should have access to relevant information. Examples of information where disclosure could result in potential negative environmental or social outcomes include information on sites of rare species where disclosure could increase the risk of hunting or capture for trade, or sacred sites, which a community wishes to maintain as private. Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the level of measuring and monitoring of the management plan, and information, is appropriate and made available. The right to use the land may be demonstrated by formal means such as land lease or by traditional means recognised in PNG.</p>		



Criterion / Indicator	Assessment Findings	Compliance
<p><b>1.2.1</b> Publicly available documents shall include, but are not necessarily limited to [Major]:</p> <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;               <ul style="list-style-type: none"> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> </li> </ul> <p>- Major compliance -</p>	<p>HOPL updated a list of documents approved for different audiences, dated 2015. This document indicates the nature of documents and the level of availability/confidentiality. The document register provided by HOPL is a list of key documents and those indicated as publicly available were sighted by the auditing team on notice board. Document seen:</p> <ul style="list-style-type: none"> <li>-Occupational Health and Safety Plan are available. Was reviewed on the 7<sup>th</sup> February 2015 and issued on the 23<sup>rd</sup> February 2015 (criterion 4.7);</li> <li>-Action Plan for continual Improvement in Sustainable Performance issued on the 20<sup>th</sup> February 2015 (criterion 8.1).</li> </ul> <p>List of publicly available documents:</p> <ul style="list-style-type: none"> <li>- Land titles/user rights (available upon GM approval);</li> <li>- Occupational health and safety plans;</li> <li>- Social Impact Assessment &amp; Social Management Plan;</li> <li>- HCV documentation;</li> <li>- Pollution prevention and reduction plans (Criterion 5.6) – available under document Action plan for continual Improvement in Sustainable Performance issued 20<sup>th</sup> February 2015;</li> <li>- Details of complaint and grievances;</li> <li>- Negotiation procedures;</li> <li>- Continual improvement plans – available under document Action plan for continual Improvement in Sustainable Performance issued 20<sup>th</sup> February 2015;</li> <li>- Public summary of certification assessment report;</li> <li>- Human right policy;</li> </ul> <p>List of publicly available documents consist of company policies:</p> <ul style="list-style-type: none"> <li>Policy on Occupational Health and Safety POL-ESD-OHS-015-04, dated 16<sup>th</sup> December 2015;</li> <li>Drugs and Alcohol Policy No.POL-HRD-GEN-006-05, dated 16<sup>th</sup> December 2015;</li> <li>Policy on Human Rights No.POL-HRD-GEN-005-02, dated 16<sup>th</sup> December 2015;</li> <li>Policy against Forced or Trafficked Labour No.POL-HRD-GEN-004-02, dated 16<sup>th</sup> December 2015;</li> <li>Sexual Harrasment Policy No.POL-HRD-GEN-011-05, dated 16<sup>th</sup> December 2015;</li> <li>Grievance Policy No.POL-HRD-GEN-010-04, dated 16<sup>th</sup> December 2015;</li> <li>Policy on Child Labour No.POL-HRD-GEN-007-05, dated 16<sup>th</sup> December 2015;</li> <li>Responsible Plantation Policy No.POL-HRD-GEN-012-01 dated 16<sup>th</sup> December 2015;</li> <li>Smoke-free workplace policy No.POL-HRD-GEN-013-01, 16<sup>th</sup> December 2015;</li> </ul>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Policy Concerning Ethical Conduct No.POL-HRD-GEN-003-02, 16<sup>th</sup> December 2015;</p> <p>Policy on the Protection of Reproductive Rights, No.POL-GEN-003-02, 16<sup>th</sup> December 2015;            Communication Policy No.POL-HRD-GEN-002-04, 16<sup>th</sup> December 2015;            Equal Employment Opportunity Policy No.POL-HRD-GEN-008-05, 16<sup>th</sup> December 2015;            Freedom of Association Policy No.POL-HRD-GEN-009-03, dated 16<sup>th</sup> December 2015;</p> <p>Barema POM:            Policy has been disseminated on 16<sup>th</sup> July 2017, on a training "RSPO Principle and Criteria and RSPO Supply Chain Policy", for 14 employees (power house operator, boiler attendant, etc.).</p> <p>Navo Estate:            List of publicly available document is sighted in Navo Estate, complete and up-to-date. The copy of policies and other information is available in Navo Estate notice board.</p> <p>Smallholders:            A set of policies, similar to Hargy Oil Palm's documented policies are available at Smallholder and OPIC office. Based on visit and interview with smallholder, out growers receive information on health and safety policy, waste management plan, human right policy, domestic violence and a sexual harassment policy during "OPIC field day".            (See also into 4.7.1 and 6.4.3.)            Smallholder have CLUAs;            Safety emphasized on field days, including emergency escape during volcano eruption;            FPIC process first for new VOP and a land investigation for suitability including buffer zones and HCV identification capability;            The World Bank project paid for the HCV assessment of the Tauke area (sighted – written by Simon Drummond). Ruben Taukro says the CLUA is the means of observing the HCV criteria.            Pollution prevention and reduction plan is N/A as agrochemicals are stored at Hargy;            Complaints and Grievances files sighted;            Continuous improvement plan sighted;            Human Rights Policy that covers the smallholders.</p>	
<b>Criterion 1.3</b>		

Criterion / Indicator	Assessment Findings	Compliance
Growers and millers commit to ethical conduct in all business operations and transactions		
<p><b>Associated Smallholder Requirement:</b> Oil Palm Industry Corporation (OPIC) required to have a written policy committing to a code of ethical conduct and integrity in all operations and transactions.</p> <p><b>Guidance:</b> All levels of the operations will include contracted third parties (e.g those involved in security). The policy should include as a minimum: A respect for fair conduct of business; A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources; A proper disclosure of information in accordance with applicable regulations and accepted industry practices. The policy should be set within the framework of the UN Convention Against Corruption, in particular Article 12.</p>		
<p><b>1.3.1</b></p>	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Minor compliance -</p> <p>HOPL has established Policy concerning Ethical Conduct No.POL-HRD-GEN-003-02, covering: illegal gratification and corrupt practices (Solicitation and/or acceptance of corrupt payments, making corrupt payments, commission, using company resources), and receiving/giving gifts. Hargy Plantation: Policy Concerning Ethical Conduct POL-HRD-GEN-003-02, approved by General Manager on 16th December 2015. The code of ethical conduct covers conflict of interest, solicitation and/or acceptance of corrupt payments, making corrupt payment, commission, using company resources, receipt of any gifts incurred by transactional activity.</p> <p>Barema POM: Socialization has been done on 17th May 2017 where OHS officer is explaining the company giving equal opportunity in job vacancy. Dissemination has been done on 6th July 2017 whereby Process Superintendent, Frances Hosilomo explaining the code of conduct such as understanding company rules and regulation, absconding place of work without permission is illegal;</p> <p>Navo POM: Navo compound meeting dated 9th June 2017, related to operating of outside business within company ompound area and using compound facilities. Attended by 40 persons.</p> <p>Pandi Estate: RSPO Ethical Conduct awareness carried out in TSD Building, Pandi Estate, dated 27th July 2017. The</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>awareness attended by 12 employees, led by Vincent Liplip.</p> <p>Smallholders: Smallholder manager referred to HOPL's code of ethical conduct in smallholder operation. Efforts made by smallholder management team to communicate the code of ethical conduct policy. The smallholders understood the implementation in form of fair conduct on business, in form of: harvesting and transport including harvesting quality and contractual aspects (being honest about whose FFB is whose).</p>	
<b>Principle 2: Compliance with applicable laws and regulations</b>		
<b>Criterion 2.1</b>		
There is compliance with all applicable local, national and ratified international laws and regulations.		
<b>Associated Smallholder Requirement:</b>		
2.1.1 Associated Smallholders are to comply with all applicable PNG legal requirements.		
2.1.2 Does not apply to individual associated Smallholders however OPIC to provide information as part of their extension activities.		
2.1.3 OPIC and Companies to monitor compliance during extension activities. Block inspection reports to provide evidence of compliance.		
2.1.4 OPIC to disseminate information on legal changes to associated Smallholders. Company's smallholder departments to disseminate this information in locations where OPIC is not represented.		
<b>Guidance:</b>		
Complying with relevant legal requirements is an essential baseline requirement for all growers whatever their location or size. Relevant legislation includes, but is not limited to: regulations governing land tenure and land-use rights, labour, agricultural practices (e.g. chemical use), environment (e.g. wildlife laws, pollution, environmental management and forestry laws), storage, transportation and processing practices. It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions, UN Guiding Principles on Business and Human Rights). Furthermore, where countries have provisions to respect customary law, these will be taken into account.		
Key international laws and conventions are set out in Annex 1.		
Contradictions and inconsistencies should be identified and solutions suggested.		
All relevant legislation will be identified, and any particularly important requirements identified.		
<b>2.1.1</b>	Evidence of compliance with relevant	<p>Procedure under Compliance Obligation No.PRO-ESD-EMS-002-09 dated 29th April 2016. A Register of Legal and Other Requirements covering the applicable local and international laws and regulations had been compiled at the palm oil mills and estates under the operating unit grouping. A</p> <p style="text-align: right;">Yes</p>

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<p>legal requirements shall be available.</p> <p>- Major compliance -</p>	<p>legal compliance checklist is used by the Environment Sustainability manager for verification of compliance with legal requirements. The relevant laws and legislations identified and listed covers safety and health, environment, pollution management, chemical handling, usage &amp; storage, schedule waste management, employment laws, motor traffic act, building act, housing and amenities, industrial relation act 1962, trade licensing act 1969-1970, etc.</p> <p>Based on the site observations, interviews and records checking at the palm oil mills and estates, there were evidences of compliance with the relevant laws, regulations, local and international laws. Licenses and permits were monitored for their expiry dates and found to be renewed and valid.</p> <p>The company has legal permit list must comply with it as documented in "Legal Compliance Checklist, last updated 20<sup>th</sup> February 2017 and List of PNG Applicable Legislation, Issue No.7, dated 20<sup>th</sup> February 2017.</p> <p>Hargy POM: The company has legal permit list must comply with it as documented in "Legal Compliance Checklist, last updated 13<sup>th</sup> February 2016 and List of PNG Applicable Legislation, rev.6, dated 20<sup>th</sup> February 2017.</p> <p>Environment Permit for discharge waste into the environment No.WD-L2(56), dated 13<sup>th</sup> October 1993, expiry 31<sup>st</sup> December 2028 form The Independent State of Papua New Guinea – Director of Environment.</p> <p>Certificate of Inspection for weighbridge JAC 320 Nuweigh 60 tons, valid until 30 July 2017.</p> <p>Barema POM: Environment Permit to extract water for use at Barema Mill, dated 7th January 2010 up to 7th January 2035. Annual extraction volume 280,806 m<sup>3</sup>/year.</p> <p>Environment Permit No.WD-L2B(60) to carry out works in the area, to capture methane gas from the anaerobic wastewater treatment for Barema POM, to discharge water from the premises. Date of permit 19th November 2012, valid up to 26th June 2030. Permitted discharge rate discharge point #1: 12,960m<sup>3</sup>/year; discharge point #2: 6,912m<sup>3</sup>/year; discharge point #3: 544,320 m<sup>3</sup>/year, discharge point #4: 4,320m<sup>3</sup>/year.</p> <p>Certificate of Registration of a Boiler Pressure Vessel, Certificate No.7188, for Sterilizer in Barema Mill, registered No.RI.2832, dated 7th December 2016 – valid up to 7th December 2017 and certificate of</p>	

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	<p>Registration of a Boiler Pressure Vessel, Certificate No.7189, for Sterilizer in Barema Mill, registered No.PV.2833, dated 7th December 2016 – valid up to 7th December 2017.</p> <p>Certificate of Inspection of Boiler Pressure Vessel No.8263, register pressured oil filter No.PV.2848 dated 7th December 2016; valid until 7th December 2017. Certificate of Inspection of Boiler Pressure Vessel No.8264, register southern water conditioner filter No.PV.2849 dated 7th December 2016; valid until 7th December 2017. Certificate of Inspection of Boiler Pressure Vessel No.8267, register sertufon vessel No.RI 2924 in Biogas Plant dated 7th December 2016; valid until 7th December 2017. Certificate of Inspection of Boiler Pressure Vessel No.8269, register air compressor No.PV.2926 in Biogas Plant dated 7th December 2016; valid until 4th December 2017.</p> <p>Certificate of Registration as a Factory, No.07039, registered as a Mill Processing Plant, valid up to 31st December 2017. Certificate of Registration as a Factory, No.07045, registered as a Kernel Crushing Plant, valid up to 31<sup>st</sup> December 2017. Certificate of Registration as a Factory, No.07044, registered as a Oil Room, valid up to 31<sup>st</sup> December 2017. Certificate of Registration as a Factory, No.07043, registered as a Mill Electrical, valid up to 31<sup>st</sup> December 2017. Certificate of Registration as a Factory, No.07041, registered as a Power House, valid up to 31<sup>st</sup> December 2017. Certificate of Registration as a Factory, No.07040, registered as a Biogas Plant, valid up to 31<sup>st</sup> December 2017.</p> <p>Certificate of Inspection for Weighbridge R420 Rinstrum capacity 60 tonnes, valid up to 1<sup>st</sup> August 2017.</p> <p>Drivers license under name Yaunzang Raymond, No.65508 class 7, expire date 23rd September 2018.</p> <p>Drivers license under name Thomas Dickson, No.606523 class 7, expire date 21 October 2019.</p> <p>Boiler Attendant trade license No.11045 under name William Tom.</p> <p>Certificate of Competency PNG NTC Acc. No.077 under name Jerry Tago</p> <p>Navo POM: Environment Permit to discharge waste water from NavoMill, issued date 11<sup>th</sup> January 2001, amendment dated 16<sup>th</sup> June 2006 valid up to 31<sup>st</sup> December 2053. Permitted discharge rates for treated domestic waste water total annual 49,438m<sup>3</sup>/year. Permitted discharge rates for treated contaminated wastewater total annual 6,480m<sup>3</sup>/year. Permitted discharge rates for treated palm oil mill effluent total annual 155,330m<sup>3</sup>/year.</p> <p>Certificate of Registration of a Boiler Pressure Vessel, Certificate No.7178, for Sterilizer in Navo Mill, registered No.PJ.2125, dated 6th December 2016 – valid up to 6th December 2017. Certificate of Registration of a Boiler Pressure Vessel, Certificate No.7179, for Sterilizer in Navo Mill, registered</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>No.PV.2122, dated 7th December 2016 – valid up to 7th December 2017.            Certificate of calibration for Moisture analyzer dated 1st June 2017, valid up to 1st June 2018.            License to Keep a Store Where Inflammable Liquids and/or Dangerous Goods May Be Kept, No.5678, for Navo Mill dated 7th December 2016, valid up to 30th September 2017.            Certificate of Completion under Cletus Wekako for Laboratory, PK Mill, commision and process operations dated March 2010. Certificate Boiler Training under name Cletus Peter Wekako, dated 13th November 2007. Trade Licensing Act License No.1127, under name Lazarus Mango. Certificate of Attendance Electrical Mechanic under name Barnabas Bigiding, ddated 5th September 2014. Certificate of Attendance Heavy Equipment Fitting Extension I, under name Gunde Kili – dated 20th June 2014.</p> <p>Navo Estate:            Environment Permit to extract water for use at navo Estate (portion 733, milinch: Ulawun, Fourmil: Talasea, Bialla, West New Britain Province, dated 9th November 2009 up to 9th December 2034. Annual extraction volume 34,560 m<sup>3</sup>/year.</p> <p>Estates and mills:            Environment Permit for discharge waste into the environment No.WD-L2(60), dated 30<sup>th</sup> May 2005, expiry 26<sup>th</sup> June 2030 form The Independent State of Papua New Guinea – Director of Environment.            Environment permit for extract water from Ibana River No.WE-L2B (80), dated 11<sup>th</sup> January 2001, expiry date 31<sup>st</sup> December 2053 form The Independent State of Papua New Guinea – Director of Environment.</p> <p>Smallholders:            Smallholder have CLUAs to demonstrate permit for oil palm plantation;            Smallholder management organization demonstrates knowledge upon main legal requirement and all applicable legal requirements related to operational activities. Based on interview with smallholders, adequate knowledge of main legal requirements is demonstrated. Smallholders do understand their right and responsibilities related to land title, payment of land taxes, use of chemical, agricultural practices, protected fauna act, etc.</p>	
<b>2.1.2</b>	<p>A documented system, which includes written information on legal</p> <p>Hargy Oil Palm Limited (HOPL) has a documented system of concerned legal legislations as documented in "Legal Compliance Checklist, last updated 20<sup>th</sup> February 2017 and List of PNG Applicable Legislation, issue.7, dated 20<sup>th</sup> February 2017, the company has the copy of legal in system</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	requirements, shall be maintained. - Minor compliance -	(soft copy) in Head of Sustainability Department and available in each department related to the legal compliance.  All operating units have written information on legal requirement and this information updated by the Environmental and Sustainability Manager. List of PNG Applicable Legislations comprise of: Building Act 1971; Conservation and Environment Protection Authority Act 2014 – new reviewed on 13 February 2016; Employment Act 1978; Employment of non citizens Act 2007; Environment (Permits) Regulation 2002; Environment (Water Quality Criteria) Regulation 2002; Environment (Prescribed Activities) Regulation 2002; Environment Act 2000; Environmental Contaminants (Pesticides) Regulation 1988; Family Protection Act 2000;	
<b>2.1.3</b>	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	The system to track changes in document covered under procedure “Compliance Obligation No.PRO-ESD-EMS-002-09” issue No.9 dated 29th April 2016. Environmental and Sustainability Manager and evaluation is updated annually, the last updated 20th February 2017. Upon identification of legal requirements – listed under PNG Applicable Legislation; ESD team will review the compliance status – recorded in Evidence of Compliance; Any deviation will be reported for further action as prescribed by laws or other requirements. Document seen: List of PNG Applicable Legislation, issue.7, dated 20 <sup>th</sup> February 2017; “Legal Compliance Checklist, last updated 20 <sup>th</sup> February 2017;	Yes
<b>2.1.4</b>	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Estate and Mill: The company has a system to track any changes in the applicable law. The system to track changes in document covered under procedure “Compliance Obligation No.PRO-ESD-EMS-002-09” issue No.9 dated 29th April 2016. Environmental and Sustainability Manager and evaluation is updated annually, the last updated on 20th February 2017. Upon identification of legal requirements – listed under PNG Applicable Legislation; ESD team will review the compliance status – recorded in Evidence of Compliance; Any deviation will be reported for further action as prescribed by laws or other requirements. Document seen: List of PNG Applicable Legislation, issue.7, dated 20th February 2017; “Legal Compliance Checklist, last updated 20th February 2017;  Based on legal requirement review, as compared against RSPO P&C PNG NI, 7th April 2017 – there was no new regulations in PNG, applicable for oil palm plantation. The latest legal regulation, “Land	Yes



Criterion / Indicator	Assessment Findings	Compliance
<p><b>2.1.5</b></p>	<p>Registration (Amended) Act 2009 – whereby has been complied by HOPL. Example seen that land has been registered: Memorandum of Understanding between Magalola Land Group Inc. and Hargy Oil Palms Limited, dated 13th December 2011. The MoU stated the landlord will sublease part of Portion 2071, Milinch of Ulawun, Fourmil of Talasea, West New Britain Province containing 306 Ha. License No.013/2017 IR under name Magalona Estates Limited, West New Britain Province with description of land Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province; has been schedule for the purpose of oil palm expansion project. The license valid for 12 months since 24th July 2017.</p> <p>If any changes of the regulation, the company have procedure to change any updated of procedure and track of change procedure is documented “Track changes” document in softcopy. HOPL review website <a href="http://www.pacli.org">www.pacli.org</a> for any update on regulation.</p>	
<p>A system, appropriate to the scale of the organisation, for tracking any changes in the law shall be implemented.</p> <p>- Minor compliance -</p>	<p>Estate and Mill: The company has a system to track any changes in the applicable law. The system to track changes in document covered under procedure “Compliance Obligation No.PRO-ESD-EMS-002-09” issue No.9 dated 29th April 2016. Environmental and Sustainability Manager and evaluation is updated annually, the last updated 20th February 2017.</p> <p>Upon identification of legal requirements – listed under PNG Applicable Legislation; ESD team will review the compliance status – recorded in Evidence of Compliance; Any deviation will be reported for further action as prescribed by laws or other requirements.</p> <p>Document seen: List of PNG Applicable Legislation, issue.7, dated 20th February 2017; “Legal Compliance Checklist, last updated 20th February 2017;</p> <p>Based on legal requirement review, as compared against RSPO P&amp;C PNG NI, 7th April 2017 – there was no new regulations in PNG, applicable for oil palm plantation. The latest legal regulation, “Land Registration (Amended) Act 2009 – whereby has been complied by HOPL. Example seen that land has been registered: Memorandum of Understanding between Magalola Land Group Inc. and Hargy Oil Palms Limited, dated 13th December 2011. The MoU stated the landlord will sublease part of Portion 2071, Milinch of Ulawun, Fourmil of Talasea, West New Britain Province containing 306 Ha. License No.013/2017 IR under name Magalona Estates Limited, West New Britain Province with description of land Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province; has been schedule for the purpose of oil palm expansion project. The license valid for 12 months since 24th July 2017.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	If any changes of the regulation, the company have procedure to change any updated of procedure and track of change procedure is documented "Track changes" document in softcopy. HOPL review website <a href="http://www.pacli.org">www.pacli.org</a> for any update on regulation.	
<p><b>Criterion 2.2:</b> 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>		
<p><b>Associated Smallholder Requirement:</b> 2.2.1 For associated Smallholders, evidence of the "Right to use the land" will be demonstrated by compliance with the following: a) Land title or lease OR uncontested occupancy where</p> <ul style="list-style-type: none"> <li>• boundaries have been defined by a registered surveyor and portion numbers allocated by the Surveyor General or boundaries have been defined by traditional means and agreed between neighbours with common boundaries and other interested parties; AND</li> <li>• there is no significant dispute over tenure (see 2.2.4);</li> </ul> <p>2.2.2 For Smallholder allotments, boundaries may be identified by traditional means provided that boundary locations are agreed by all neighbouring parties that share common boundaries. 2.2.3 For Smallholder land, agreement of resolution of disputes shall be demonstrated by appropriate documentation or by demonstrated agreement of interested parties. 2.2.4, 2.2.5 &amp; 2.2.6 These indicators apply to Smallholders.</p> <p><b>Specific Guidance:</b> For 2.2.1: Principle 2.2 states that the "Right to use the land" must be demonstrated. In PNG, land that has not been alienated and is subject to customary ownership is recognised and protected with boundaries often being defined by traditional means without titles being issued. The national Government is moving towards surveying land and issuing titles, however the process is occurring very slowly. Whilst the preferred indicator remains the availability of Land Titles or leases, other evidence of the right to use the land is acceptable including Clan Land Use Agreements (CLUAs) and Planting Approval Forms which are authorised only after appropriate FPIC has been achieved. Where documentation is not available, recognition of the right to use the land and the boundary locations of any Smallholder must be verified by consensus of neighbouring Smallholders and local people. For 2.2.2: Evidence should be provided that Smallholder boundaries are clearly understood and agreed between neighbours and delineated using clearly visible (permanent or semi-permanent) markers. Such markers may include concrete pegs or galvanised pipe planting of specific trees (Coconut, Betel Nut), and edible or flowering shrubs or crops along the boundaries or corners, and/or clean clearing of the boundaries clearly visible (permanent or semi-permanent) markers, such as</p>		

Criterion / Indicator	Assessment Findings	Compliance																												
<p>pegs, planting of specific trees, shrubs or crops along the boundaries or at corners, and/or clean clearing of the boundaries.</p> <p>For 2.2.3: For Smallholder land, agreement of resolution shall be demonstrated by appropriate documentation or by demonstrated agreement of interested parties.</p> <p>For 2.2.6: Company policy should prohibit the use of mercenaries and para-militaries in their operations. Company policy should prohibit extra- judicial intimidation and harassment by contracted security forces (see Criterion 6.13).</p> <p><b>Guidance</b></p> <p>Where there is a conflict on the condition of land use as per land title, growers should show evidence that necessary action has been taken to resolve the conflict with relevant parties. A mechanism should be in place to resolve any conflict (Criteria 6.3 and 6.4). Where operations overlap with other rights holders, companies should resolve the issue with the appropriate authorities, consistent with Criteria 6.3 and 6.4.</p>																														
<p><b>2.2.1</b></p>	<p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>For companies, documents that demonstrate legal ownership or lease and permitted use of the land must be available.</i></p> <p>- Major compliance -</p> <p>Hargy Oil Palms Limited has been able to demonstrate documents showing legal ownership of the land and actual legal use of the land.</p> <table border="1" data-bbox="801 877 1839 1374"> <thead> <tr> <th data-bbox="801 877 862 954">No.</th> <th data-bbox="862 877 1332 954">Land title No./ Lease No.</th> <th data-bbox="1332 877 1668 954">Issue date and Validity</th> <th data-bbox="1668 877 1839 954">Hectare of Land title (Ha)</th> </tr> </thead> <tbody> <tr> <td data-bbox="801 954 862 1034">1</td> <td data-bbox="862 954 1332 1034">Portion 9, milinch of Ulawun, Fourmil of Talasea; Kerakera, Title Reference License 62/49</td> <td data-bbox="1332 954 1668 1034">19th April 1977; commencement date 25th March 1977; valid 95 years</td> <td data-bbox="1668 954 1839 1034">2,967.00</td> </tr> <tr> <td data-bbox="801 1034 862 1114">2</td> <td data-bbox="862 1034 1332 1114">Portion 1081, Milinch of Ulawun, Fourmil of Talasea; Balaha, Title Reference License 68/209</td> <td data-bbox="1332 1034 1668 1114">9th October 1976; commencement date 9th October 1976; valid 99 years</td> <td data-bbox="1668 1034 1839 1114">128.00</td> </tr> <tr> <td data-bbox="801 1114 862 1193">3</td> <td data-bbox="862 1114 1332 1193">Portion 1494, Milinch of Ulawun, Fourmil of Talasea; Bialla Wharf, Title Reference License 1/77</td> <td data-bbox="1332 1114 1668 1193">27th October 1998; 4th November 2003; Until 26th October 2097</td> <td data-bbox="1668 1114 1839 1193">170.00</td> </tr> <tr> <td data-bbox="801 1193 862 1273">4</td> <td data-bbox="862 1193 1332 1273">Portion 2038, Milinch of Ulawun, Fourmil of Talasea; Barema, Title Refence License 15/108</td> <td data-bbox="1332 1193 1668 1273">10th December 2002; commencement date 1st August 2002; valid 99 years</td> <td data-bbox="1668 1193 1839 1273">2,900.00</td> </tr> <tr> <td data-bbox="801 1273 862 1353">5</td> <td data-bbox="862 1273 1332 1353">Portion 1045, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/140</td> <td data-bbox="1332 1273 1668 1353">5th April 2007 99 years</td> <td data-bbox="1668 1273 1839 1353">0.72</td> </tr> <tr> <td data-bbox="801 1353 862 1374">6</td> <td data-bbox="862 1353 1332 1374">Portion 1046, Milinch of Ulawun, Fourmil of</td> <td data-bbox="1332 1353 1668 1374">5th April 2007;</td> <td data-bbox="1668 1353 1839 1374">0.24</td> </tr> </tbody> </table>	No.	Land title No./ Lease No.	Issue date and Validity	Hectare of Land title (Ha)	1	Portion 9, milinch of Ulawun, Fourmil of Talasea; Kerakera, Title Reference License 62/49	19th April 1977; commencement date 25th March 1977; valid 95 years	2,967.00	2	Portion 1081, Milinch of Ulawun, Fourmil of Talasea; Balaha, Title Reference License 68/209	9th October 1976; commencement date 9th October 1976; valid 99 years	128.00	3	Portion 1494, Milinch of Ulawun, Fourmil of Talasea; Bialla Wharf, Title Reference License 1/77	27th October 1998; 4th November 2003; Until 26th October 2097	170.00	4	Portion 2038, Milinch of Ulawun, Fourmil of Talasea; Barema, Title Refence License 15/108	10th December 2002; commencement date 1st August 2002; valid 99 years	2,900.00	5	Portion 1045, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/140	5th April 2007 99 years	0.72	6	Portion 1046, Milinch of Ulawun, Fourmil of	5th April 2007;	0.24	<p>Yes</p>
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Criterion / Indicator		Assessment Findings			Compliance
			Talasea; Town wharf area. Title Reference License 17/150	99 years	
		7	Portion 1047, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/144	5th April 2007; 99 years	0.50
		8	Portion 1048, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/147	5th April 2007; 99 years	0.426
		9	Portion 1049, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/143	5th April 2007; 99 years	0.566
		10	Portion 1050, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/148	5th April 2007; 99 years	0.42
		11	Portion 1051, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/142	5th April 2007; 99 years	0.10
		12	Portion 1052, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/145	5th April 2007; 99 years	0.10
		13	Portion 1053, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/141	5th April 2007; 99 years	0.10
		14	Portion 1054, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/146	5th April 2007; 99 years	0.10
		15	Portion 1055, Milinch of Ulawun, Fourmil of Talasea; Town wharf area. Title Reference License 17/149	5th April 2007; 99 years	0.10
		16	Portion 2046 (formerly Portion 1492), Milinch of Ulawun, Fourmil of Talasea Area 12, Title Reference License 17/247	5th April 2007; commencement date 5th April 2007; valid 99 years	321.67
		17	Portion 2044, Milinch of Ulawun, Fourmil of Talasea; Area 7 – Bush Camp, Title Reference License 21/212	20th June 2014; commencement date 20th June 2014; valid 99 years	18.40
		18	Portion 15 & 633	2nd February 1978;	17.00

Criterion / Indicator		Assessment Findings				Compliance
			Mill Compound, Workshop, Mill and Office. Survey Plan No.15/282 and 15/341.	commencement date 19th March 1979; valid 99 years;		
		19	Portion 2067, Milinch of Ulawun, Fourmil of Talasea; Title Reference 17/139; Formerly Portion 2045 CT 17/139. Survey Plan No.15/909.	5th April 2007; commencement date 5th April 2007; valid 99 years	276.00	
		20	Portion 13 & 14, Milinch of Ulawun, Fourmil of Talasea; Survey Plan No.15/575	23rd April 1984; valid 99 years	10.25	
		Total (Ha)			6,811.69	
		Navo Estate:				
		<b>No</b>	<b>Land title No./ Lease No.</b>	<b>Issue date and Validity</b>	<b>Hectare of Land title (Ha)</b>	
		1	Portion 624, Milinch of Ulawun, Fourmil of Talasea; Certificate of Title Volume 1/Volume 33	7th July 1983; commencement date 7th July 1983; valid 99 years	6,460.00	
		2	Part of Portion 2040, Milinch of Ulawun, Fourmil of Talasea; Survey Plan No.15/932	17th February 2005; agreement valid for 25 years	26.00	
		Total			6,486.00	
		Pandi Estate:				
		<b>No</b>	<b>Land title No./ Lease No.</b>	<b>Issue date and Validity</b>	<b>Hectare of Land title (Ha)</b>	
		1	Sulvuse Estates Limited, Portion 1; Alangily. Title Reference No.001/2017 IR	Commencement date 24th July 2017; 12 months license	383.00	
		2	Hargy Oil Palms Limited, Portion 3; Sabalbala. Title Reference No.002/2017 IR	Commencement date 24th July 2017; 12 months license	146.00	
		3	Hargy Oil Palms Limited, Portion 6; Sabalbala. Title Reference No.003/2017 IR	Commencement date 24th July 2017; 12 months license	35.00	
		4	Hargy Oil Palms Limited, Portion 7; Pandi. Title Reference No.004/2017 IR	Commencement date 24th July 2017; 12 months license	65.00	

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Criterion / Indicator		Assessment Findings			Compliance	
		5	Abulmosi Estates Limited, Portion 8; Bakada. Title Reference No.005/2017 IR	Commencement date 24th July 2017; 12 months license	1,390.00	
		6	Magalona Estates Limited, Portion 2071; Bakada. Title Reference No.013/2017 IR	Commencement date 24th July 2017; 12 months license	343.00	
		7	Gamupa Oil Palm Development, Portion 13; Gamupa. Title Reference No.012/2017 IR	Commencement date 24th July 2017; 12 months license	614.00	
		8	Sena (Abunava ILG), Portion 2108C; Certificate of Recognition Reg.ILG No.340 under name Abunava Land Group Incorporated dated 5th September 2015.	Land Group. Commencement date 1st September 2015. Valid 99 years	318.00	
		9	Ibana, Portion 2077; Certificate of Recognition Reg.ILG No.340 under name Abunava Land Group Incorporated dated 5th September 2015.	5th September 2015. Valid 99 years	184.00	
		10	Remaling. Portion 2091C; Title Reference ILG 796	Land Group. Commencement date 14th July 2017; Valid 99 years	1,830.00	
		11	Vamukuma. Portion 2062C; Title Reference ILG 795	Land Group. Commencement date 14th July 2017; Valid 99 years	730.00	
		12	Alaba Development Corporation, Portion 2061; Title Reference 17/197	13th November 2008; valid 99 years	1,133.00	
		Total			7,171.00	
		<p>Hargy Oil Palms: Hargy Oil Palms Limited has been able to demonstrate documents showing legal ownership of the land and actual legal use of the land. For Hargy Estate, company demonstrated 20 land titles/land lease for total area of 6,811.29 Ha; For Navo Estate, company demonstrated 2 land titles/land lease for total area of 6,486 Ha; For Pandi Estate, company demonstrated 12 land titles, Memorandum of Understanding and/or sub-lease agreement for total area of 7,171 Ha.</p> <p>Smallholders:</p>				

Criterion / Indicator	Assessment Findings	Compliance
	<p>All smallholders being sampled are able to demonstrate document showing legal ownership of the land and actual legal use of the land.</p> <p>Smallholder No.010363 demonstrate lease for 7.06 ha dated 8th August 1979, valid for 99 years. The initial owner Klual Kailak passed away and the title being transferred to Morris Kailak on 15th June 2016.</p> <p>Smallholder No.021176, under name Namanikam Makawo, has agriculture lease for 6.51 Ha, registered date 1st December 1992, valid for period of 99 years.</p> <p>Smallholder No.031301, under name Raymond Taku, has agricultural lease for 7.4Ha, registered date 9th August 2000, valid for period 99 years.</p> <p>Smallholder No.040637, under name Trinday Boga, has lease of 10.21Ha, date 26th April 1973 and valid for 99 years;</p> <p>Smallholder No.07708, under name Aloise Loua, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 31st May 2016, valid for 25 years.</p> <p>Smallholder No.311550, under name James Koloa, demonstrated lease for 6.51Ha, date of registration 7th July 1994, valid for 99 years.</p>	
<p><b>2.2.2</b> Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>For Company owned or leased land, Legal boundaries shall be clearly demarcated by identifiable markers.</i></p> <p>- Minor compliance -</p>	<p>Hargy Estate, Navo Estate, Pandi Estate:</p> <p>Hargy Plantation: HOPL is in coordination with Land Department to install boundary pegs in replanting area to avoid overplanting. The boundary re-survey conducted in 2015 – 18 boundary pegs identified and GPS coordinate captured in Hargy Division 3, Kerakera. In Hargy Division 3, Kerakera block No.15K04, date of installation 11th February 2016.</p> <p>Hargy Estate:</p> <p>Field visit to boundary marker in Hargy Estate, located in block 97K05 (1 boundary pegs) and 97K04 (3 boundary pegs) – with neighboring Customary land/Lake Hargy conservation area. The markers are clearly demarcated, accurate compared to map.</p> <p>Pandi Estate:</p> <p>Company has a map "Survey of Portions 1 and 2 (East New Britain Province), Milinch of Ulawun (NE) Fourmil of Talasea", Cat. No.15/979. Registered on 25th October 2011 by Surveyor General. Visit to verify the location of boundary markers: boundary 18, Pandi Estate, Alangily Division, block 11C02; boundary OCP 23, Pandi Estate, Alangily Division, block 11A01; boundary OCP 24, Pandi Estate, Alangily Division, block 11A01 – these identifiable markers are clearly demarcated, accurate compared to map.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Smallholder: Smallholder blocks visited and found physical signs were used to mark oil palm plantation. These were common practiced within Village Oil Palm. Boundary stones are maintained for Land Settlement Scheme blocks.</p>	
<p><b>2.2.3</b></p> <p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Where there are or have been disputes over the right to use the land or the position of a boundary, for Company land, additional proof of legal acquisition of title and evidence that fair value has been paid to previous owners and/or occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</i></p> <p>- Minor compliance -</p>	<p>Hargy Oil Palm Limited: There was a few cases related to overplanting and/or incorrect boundary placement. It has been settled through dialogue and compensation has been done. Hargy's Land officer reports no new land disputes of significance involving Hargy. Nor were any reports of significant land disputes reported by stakeholders. Based on stakeholder consultation and review upon complaint and grievance register, audit team found no new complaint/grievance related to land dispute. There was a few cases related to overplanting and/or incorrect boundary placement. It has been settled through dialogue and compensation has been done. Hargy's Land officer reports no new land disputes of significance involving Hargy. Nor were any reports of significant land disputes reported by stakeholders. Pandi Estate: On 17th May 2017, Mr. James Kaiva from Mumata Estate raised a grievance due to oil palm tree been removed from his block by D3 bulldozer for road fleet to make clear the road for the movement of building units. The complainant claimed compensation for the removal of oil palm tree. On 17th May 2017, CA mentioned to pay the complainant K26.00. On 22nd May 2017, the complainant has accepted K50.00 as compensation for the removal of 1 palm tree. The complainant acknowledge by signing off the grievance form as accepted. Case closed on 22nd May 2017.</p> <p>FPIC for sub-lease of land has been demonstrated. Explained in chronological manner: Expression of Interest from Ela Lumkere Limited, dated 20th June 2008. The ILG is formally expressing interest in being incorporated into the Lease-lease Back Program, Ela Lumkere has been the legal owners of portion 2040, inviting HOPL to develop part of the land. State Lease for Portion 2040, based on CT No.15/790, under name Ela Lumkere Enterprise, for period of 99 years. Attendance Sheet Record 19th March 2013, attended by Paul Koasiro (Chairman) and HOPL representative Joe Endo, Lands Officer. 6 other members attended the meeting. HOPL sends the letter related to Plantation Development 2015 for Ela Lumkere Enterprise, dated 8th January 2014.</p>	<p>Yes</p>



Criterion / Indicator	Assessment Findings	Compliance
	<p>Letter from Ela Lumkere Enterprise with Subject Expression of Interest to Develop Portion 2040, Ela Lumkere Lease, dated 28th May 2015. The Ela Lumkere Enterprise had agreed to develop the undeveloped area of Portion 2040, Milinch Ulawun, Fourmil Talasea, in West New Britain Province, containing area of 2,326 Ha, which is under Ela Lumkere lease. Sub-lease for Portion 2040 Milinch Ulawun, Fourmil Talasea, West New Britain Province, from Ela Lumkere Enterprises to Hargy Oil Palms Limited.</p> <p>Smallholder: OPIC extension officer reports no new land disputes of significance involving Hargy's smallholders. Nor were any reports of significant land disputes reported by stakeholders.</p>	
<p><b>2.2.4</b></p>	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>- Major compliance -</p> <p>Hargy Oil Palm Limited: There was a few cases related to overplanting and/or incorrect boundary placement. It has been settled through dialogue and compensation has been done. Hargy's Land officer reports no new land disputes of significance involving Hargy. Nor were any reports of significant land disputes reported by stakeholders. Based on stakeholder consultation and review upon complaint and grievance register, audit team found no significant complaint/grievance related to land dispute.</p> <p>Navo Estate: Land issue claim where the company tower is located at Sabali River at Navo, from WNB Office of the Provincial Legal Officer, dated 3rd December 2015. The land owners have made it known that the company have failed to consult them and come to an understanding before the tower erected. Even after the erections the tower nothing as such progressed until they land owners went to enquire with the company. On 7th December 2015, HOPL GM sent a letter to Provincial Legal Officer related to the matter. The company manager stated that based on a letter signed by Registered Surveyor, William David McKibben stating that the Navo Beach Tower is erected within the boundaries of Portion 624, Milinch of Ulawun, Fourmil of Talasea and not on customary land. At the meeting 24th November 2016, the landowners claimed that Hargy had moved out the boundary and requested a combined boundary identification survey be carried out. HOPL suggest the landowners seek advice from Provincial Lands Advisor should they require further clarification of the boundaries. No further claim from the landowners. Case closed.</p> <p>Pandi Estate:</p>	<p>Yes</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>On 17th May 2017, Mr. James Kaiva from Mumata Estate raised a grievance due to oil palm tree been removed from his block by D3 bulldozer for road fleet to make clear the road for the movement of building units. The complainant claimed compensation for the removal of oil palm tree. On 17th May 2017, CA mentioned to pay the complainant K26.00. On 22nd May 2017, the complainant has accepted K50.00 as compensation for the removal of 1 palm tree. The complainant acknowledge by signing off the grievance form as accepted. Case closed on 22nd May 2017.</p>	
<p><b>2.2.5</b></p>	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance -</p> <p>Hargy Oil Palm Limited: There was a few cases related to overplanting and/or incorrect boundary placement. It has been settled through dialogue and compensation has been done. Hargy's Land officer reports no new land disputes of significance involving Hargy. Nor were any reports of significant land disputes reported by stakeholders. Based on stakeholder consultation and review upon complaint and grievance register, audit team found no significant complaint/grievance related to land dispute.</p> <p>Navo Estate: Land issue claim where the company tower is located at Sabali River at Navo, from WBNP Office of the Provincial Legal Officer, dated 3rd December 2015. The land owners have made it known that the company have failed to consult them and come to an understanding before the tower erected. Even after the erections the tower nothing as such progressed until they land owners went to enquire with the company. On 7th December 2015, HOPL GM sent a letter to Provincial Legal Officer related to the matter. The company manager stated that based on a letter signed by Registered Surveyor, William David McKibben stating that the Navo Beach Tower is erected within the boundaries of Portion 624, Milinch of Ulawun, Fourmil of Talasea and not on customary land. At the meeting 24th November 2016, the landowners claimed that Hargy had moved out the boundary and requested a combined boundary identification survey be carried out. HOPL suggest the landowners seek advice from Provincial Lands Advisor should they require further clarification of the boundaries. No further claim from the landowners. Case closed.</p> <p>Pandi Estate: On 17th May 2017, Mr. James Kaiva from Mumata Estate raised a grievance due to oil palm tree been removed from his block by D3 bulldozer for road fleet to make clear the road for the movement of building units. The complainant claimed compensation for the removal of oil palm tree. On 17th May 2017, Community Affairs mentioned to pay the complainant K26.00. On 22nd May 2017, the</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		complainant has accepted K50.00 as compensation for the removal of 1 palm tree. The complainant acknowledge by signing off the grievance form as accepted. Case closed on 22nd May 2017.	
<b>2.2.6</b>	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.  - Major compliance -	Hargy Oil Palm Limited: Zero reports/evidence of this.  Smallholder: Zero reports/evidence of this.	Yes

**Criterion 2.3:**

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

**Specific Guidance:**

For 2.3.2, Companies must have this information available.

For 2.3.3, English and Tok Pisin are the most widely used official languages of PNG with Tok Pisin being the lingua franca. In some areas, literacy rates are low and the ability to read is limited so it may be necessary to verify, by interview, that relevant information has been communicated verbally and is understood.

For 2.3.4: Evidence should be available from the companies, communities or other relevant stakeholders.

**Guidance:**

All indicators will apply to current operations, but there are exceptions for long- established plantations which may not have records dating back to the time of the decision making, in particular for compliance with Indicators 2.3.1 and 2.3.2.

Where there are legal or customary rights over land, the grower should demonstrate that these rights are understood and are not being threatened or reduced. This Criterion should be considered in conjunction with Criteria 6.4, 7.5 and 7.6. Where customary rights areas are unclear these should be established through participatory mapping exercises involving affected parties (including neighbouring communities and local authorities).

This Criterion allows for sales and negotiated agreements to compensate other users for lost benefits and/ or relinquished rights. Negotiated agreements should be non-coercive and entered into voluntarily, carried out prior to new investments or operations, and based on an open sharing of all relevant information. The representation of communities should be transparent and in open communication with other community members. Adequate time should be given for customary decision making and interactive negotiations allowed for, where requested. Negotiated agreements should be binding on all parties and enforceable in the courts. Establishing certainty in

Criterion / Indicator	Assessment Findings	Compliance	
<p>land negotiations is of long- term benefit for all parties. Companies should be especially careful where they are offered lands acquired from the State by its invoking the national interest (also known as 'eminent domain'). Growers and millers should refer to the RSPO approved FPIC guidance (<i>'FPIC and the RSPO: A Guide for Companies', October 2008</i>).</p>			
<p><b>2.3.1</b></p>	<p>Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited: Map of customary and state land boundaries (Sena, November 2014) sighted and photographed. Map of Rukua dated December 2013 also sighted (in an early stage of preparation) also includes custom boundaries - prepared to assist Incorporated Land Group registration process.</p> <p>Smallholder: OPIC offices kept all Clan Land Use Agreements (CLUAs) and map of each smallholder blocks. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. All the Smallholder Agriculture Development Program World Bank Program (SADP) Oil Palm Infill Planting Approval Form, including sustainability aspects and with CLUA attached. All copies on file inspected. Example: Smallholder No.07708, under name Aloise Loua, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 31st May 2016, valid for 25 years. Smallholder No.380078, under name Peter Tapu, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 11th November 2016, valid for 20 years. Smallholder No.440033, under name Sylvester Gabu, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 25th July 2017, valid for 20 years. Smallholder No.460030, under name Tabitha Genesis, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 9th April 2014, valid for 20 years.</p>	<p>Yes</p>
<p><b>2.3.2</b></p>	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been</p>	<p>Hargy Oil Palm Limited: Based on review of (1) Incorporated Land Group (ILG) stakeholder awareness files including "Stakeholder Communication Record" concerning ILG registration, and including reference to RSPO/sustainability aspects, financial aspects and legal aspects (with attendance list attached), and (2) review of Memorandum of Understandings (MoUs) concerning Lease-Lease Back (LLB) arrangements referred to under 2.3.3. Hargy Oil Palms Limited does not compensated land. However, HOPL was sub-leasing the Incorporated Land Group for plantation development. An Incorporated Land Group is a group of customary land owners who are legally incorporated under the Land Groups Incorporation Act 1974.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>- Major compliance -</p>	<p>This Act recognizes 'the corporate nature of customary groups' and its purpose is to encourage 'greater participation by local people in the national economy by the use of the land', 'better use of the land', 'greater certainty of title', and 'better and more effectual settlement of certain disputes'. The Act endeavors to achieve these outcomes through measures including 'the legal recognition of the corporate status of certain customary and similar groups, and the conferring on them, as corporations, of power to acquire, hold, dispose of and manage land' (for example, sub-lease parcels of land to other parties for agribusiness purposes).</p> <p>Abunava ILG Lease-lease back awareness No.1/2009 Malaso VOP blocks, dated 7th January 2009 from HOPL to land owners and members of Abuna clans. 4 representatives from HOPL and 17 representatives from Abuna Clan members attended the meeting. The awareness session including introduction, HOPL objectives, customary and state land, land group and incorporated land group act, ILG process, survey process, SEIA, HCVF assessment, benefit of oil palms, negative impacts, time-frame. The ILG Meeting Minutes 23rd March 2013, the discussion related to terms of agreement, rental for term, royalty. Stakeholders communication records, dated 14th April 2015, whereby 23 HOPL representatives, Abunava ILG committee members, observers attended the meeting. The meeting discussing code of conduct for ILG members, RSPO P&amp;C requirements related to appropriate lease holding title under the land law in Papua New Guinea. Attendance list available.</p> <p>Magalona ILG: Memorandum of Understanding between Magalola Land Group Inc. and Hargy Oil Palms Limited, dated 13th December 2011. The MoU stated the landlord will sublease part of Portion 2071, Milinch of Ulawun, Fourmil of Talasea, West New Britain Province containing 306 Ha. The tenant (HOPL) to develop the land at its cost and pay annual rent of K75.00/Ha plantable land, K20.00/Ha reserved land and a royalty of 10% FFB Kina value to the landlord for a period of 25 years. Magalona Estates Limited has applied for Agricultural Lease for oil palm plantation dated 12th February 2014, for the Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province, Plan Catalogue No.15/937. Inspection Report No.19366/1431 dated 30th February 2014. The actual date of inspection 20th November 2013. License No.013/2017 IR under name Magalona Estates Limited, West New Britain Province with</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>description of land Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province; has been schedule for the purpose of oil palm expansion project. The license valid for 12 months since 24th July 2017.</p> <p>Email from East New Britain Province Lands Board dated 27th July 2017, that Portion 2017 Magalona Estates Limited located Milinch Ulawun, Fourmil Talasea, West New Britain Province under Hargy Oil Palms Limited are listed for the upcoming PNG Land Board hearing.</p> <p>Vamukuma ILG: Vamukuma Group - 2017 FFB royalty payments: January 2017: Production 606.08 tons; Rate K312.46; Royalty K18,937.58; 5% tax K946.88; Loan Payment nil; Nett payment K17,990.70. HOPL FFB Royalty Payment Voucher for Vamukuma Land Group, January 2017 of K17,990.70 – prepared by Bill McKibben 7th February 2017. February 2017: Production 478.10 tons; Rate K329.11; Royalty K15,734.75; 5% tax K786.74; Loan Payment K5,418.15; Nett payment K9,259.86. HOPL FFB Royalty Payment Voucher for Vamukuma Land Group, February 2017 of K9,529.86 – prepared by Bill McKibben 4th March 2017. March 2017: Production 598.84 tons; Rate K311.06; Royalty K18,627.52; 5% tax K931.38; Loan Payment nil; Nett payment K17,696.14. HOPL FFB Royalty Payment Voucher for Vamukuma Land Group, March 2017 of K17,696.14 – prepared by Bill McKibben 6th April 2017.</p>	
<p><b>2.3.3</b> All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>All relevant information shall be available in appropriate forms and the English</i></p>	<p>All relevant information has been made available in appropriate forms and language. Magalona ILG: Memorandum of Understanding between Magalola Land Group Inc. and Hargy Oil Palms Limited, dated 13th December 2011. The MoU stated the landlord will sublease part of Portion 2071, Milinch of Ulawun, Fourmil of Talasea, West New Britain Province containing 306 Ha. The tenant (HOPL) to develop the land at its cost and pay annual rent of K75.00/Ha plantable land, K20.00/Ha reserved land and a royalty of 10% FFB Kina value to the landlord for a period of 25 years. Magalona Estates Limited has applied for Agricultural Lease for oil palm plantation dated 12th February 2014, for the Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province, Plan Catalogue No.15/937. Inspection Report No.19366/1431 dated 30th February 2014. The actual date of inspection 20th November 2013. The Memorandum of Understanding has explained assessment of impacts, proposed benefit sharing and legal arrangements. Based on interview with Director of Magalona Estate, he understood the schedule arrangement, as laid in the MoU.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><i>language including assessments of impacts, proposed benefit sharing, and legal arrangements. Where understanding of the English language is limited, translations or summaries in the Tok Pisin language must be provided.</i></p> <p>- Minor compliance -</p>	<p>Smallholder: OPIC offices kept all Clan Land Use Agreements (CLUAs) and map of each smallholder blocks. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. All the Smallholder Agriculture Development Program World Bank Program (SADP) Oil Palm Infill Planting Approval Form, including sustainability aspects and with CLUA attached. All copies on file inspected. Example: Smallholder No.07708, under name Aloise Loua, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 31st May 2016, valid for 25 years. Smallholder No.380078, under name Peter Tapu, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 11th November 2016, valid for 20 years. Smallholder No.440033, under name Sylvester Gabu, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 25th July 2017, valid for 20 years. Smallholder No.460030, under name Tabitha Genesis, demonstrated Clan Land Use Agreement for land parcel of 2Ha, dated 9th April 2014, valid for 20 years.</p>	
<p><b>2.3.4</b> Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>- Major compliance -</p>	<p>All relevant information has been made available in appropriate forms and language. Magalona ILG: Memorandum of Understanding between Magalola Land Group Inc. and Hargy Oil Palms Limited, dated 13th December 2011. The MoU stated the landlord will sublease part of Portion 2071, Milinch of Ulawun, Fourmil of Talasea, West New Britain Province containing 306 Ha. The tenant (HOPL) to develop the land at its cost and pay annual rent of K75.00/Ha plantable land, K20.00/Ha reserved land and a royalty of 10% FFB Kina value to the landlord for a period of 25 years. Magalona Estates Limited has applied for Agricultural Lease for oil palm plantation dated 12th February 2014, for the Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province, Plan Catalogue No.15/937. Inspection Report No.19366/1431 dated 30th February 2014. The actual date of inspection 20th November 2013. The Memorandum of Understanding has explained assessment of impacts, proposed benefit sharing and legal arrangements. Based on interview with Director of Magalona Estate, he understood the schedule arrangement, as explained in the MoU.</p> <p>Smallholder: OPIC offices kept all Clan Land Use Agreements (CLUAs) and map of each smallholder blocks. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
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<p><b>Principle 3: Commitment to long-term economic and financial viability</b></p>		
<p><b>Criterion 3.1</b></p>		
<p>There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
<p><b>Associated Smallholder Requirement:</b>                      3.1.2 OPIC to provide replanting program for Associated Smallholders.</p> <p><b>Specific Guidance:</b>                      For 3.1.1: The business or management plan should contain:</p> <ul style="list-style-type: none"> <li>• Attention to quality of planting materials;</li> <li>• Crop projection = Fresh Fruit Bunches (FFB) yield trends;</li> <li>• Mill extraction rates = Oil Extraction Rate (OER) trends;</li> <li>• Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends;</li> <li>• Forecast prices;</li> <li>• Financial indicators.</li> </ul> <p>Suggested calculation: trends in 3-year running mean over the last decade (FFB trends may need to allow for low yield during major replanting programmes).</p>		



Criterion / Indicator	Assessment Findings	Compliance												
<p><b>Guidance:</b>            Whilst it is recognised that long-term profitability is also affected by factors outside their direct control, top management should be able to demonstrate attention to economic and financial viability through long-term management planning. There should be longer term planning for plantations on peat, particularly in regards to subsidence and flooding issues (see Indicator 4.3.5).            Consideration of Smallholders should be inherent in all management planning where applicable (see also Criteria 6.10 and 6.11). For scheme Smallholders the content will vary from that suggested (refer to RSPO Guidance On Scheme Smallholders, July 2009).            Growers should have a system to improve practices in line with new information and techniques. For Smallholder schemes, the scheme management should be expected to provide their members with information on significant improvements.            This Criterion is not applicable to independent Smallholders (refer to RSPO Guidance for Independent Smallholders under Group Certification, June 2010).</p>														
<p><b>3.1.1</b></p>	<p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>A business or management plan (minimum three years) shall be documented that includes, where appropriate, the projected production contribution from associated Smallholders.</i></p> <p>- Major compliance -</p> <p>HOPL had a 10 year business plan initiated, compiled and distributed from The General Manager’s office. The document details among others the following data;</p> <ul style="list-style-type: none"> <li>a) Annual crop from individuals estates and the smallholders.</li> <li>b) Age profile, year planted &amp; YPH (ranges from 17.59 – 30.06)</li> <li>c) The distribution of crop to the 3 mills to ensure optimum capacity</li> <li>d) Targeted extraction ratios CPO 24.30% &amp; CPKO 2.15%</li> <li>e) Production cost of both estates &amp; mills</li> <li>f) Projected Profit/Loss statement</li> </ul> <p>The projected crop for a duration of 2018 - 2036 was sighted and summarised below;</p> <table border="1" data-bbox="804 1015 1733 1139"> <thead> <tr> <th>Source of FFB</th> <th>Total FFB 2018-2036</th> <th>% contribution</th> </tr> </thead> <tbody> <tr> <td>Company Plantation</td> <td>7,554,490</td> <td>61.04</td> </tr> <tr> <td>Smallholder &amp; New development</td> <td>4,823,277</td> <td>38.96</td> </tr> <tr> <td><b>Total</b></td> <td><b>12,377,767</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p>The breakdown of crop for the mill processing as shown above budgeted at 61.04% and 38.96% from the estate and smallholders/new development respectively.            The cost of relating to RSPO is reflected under item environment, whilst safety is absorbed under item health. PPE is taken into item staff welfare. All other related figures in details are available in soft copy and maintained in The General Manager’s Office. It is treated with full confidentiality released on discretion of the management.            In conclusion the financial plan for the organisation has been prepared in comprehensive and adequate to address the direction of the business for the next 10 years.</p>	Source of FFB	Total FFB 2018-2036	% contribution	Company Plantation	7,554,490	61.04	Smallholder & New development	4,823,277	38.96	<b>Total</b>	<b>12,377,767</b>	<b>100.00</b>	<p>Yes</p>
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**RSPO Public Summary Report  
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance												
	<p>This is also made available as summarised below similar to the one prepared for the estates. The smallholders data is prepared through assistance given by OPIC and also the HOPL smallholders department. These are subjects discussed among others during the monthly extension meeting between the management and the smallholders.</p> <table border="1" data-bbox="801 576 1733 699"> <thead> <tr> <th>Source of FFB</th> <th>Total FFB 2018-2036</th> <th>% contribution</th> </tr> </thead> <tbody> <tr> <td>Company Plantation</td> <td>7,554,490</td> <td>61.04</td> </tr> <tr> <td><i>Smallholder &amp; New development</i></td> <td>4,823,277</td> <td>38.96</td> </tr> <tr> <td><b>Total</b></td> <td><b>12,377,767</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>	Source of FFB	Total FFB 2018-2036	% contribution	Company Plantation	7,554,490	61.04	<i>Smallholder &amp; New development</i>	4,823,277	38.96	<b>Total</b>	<b>12,377,767</b>	<b>100.00</b>	
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<p><b>3.1.2</b> An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance -</p>	<p>This information of annual replanting program for the entire estates in the Hargy Palm Oil Limited (HOPL) is available. It was initiated from the Head Plantations &amp; General Manager's Offices and transferred down to the estates for implementation. The 5 years development and replant plan for 2017 (ver. 2.0) was approved by The General Manager on 25th May 2017.</p> <p>Contents of which were sighted and shown below; figures in hectares otherwise stated.</p> <p>1.Replanting</p> <table border="1" data-bbox="808 635 1832 790"> <thead> <tr> <th>Estate /Pltn</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Hargy</td> <td>447.28</td> <td>549.60</td> <td>0.00</td> <td>156.44</td> <td>236.12</td> <td>1,389.44</td> </tr> <tr> <td>Navo/Karla</td> <td>0</td> <td>256.64</td> <td>584.85</td> <td>376.74</td> <td>0</td> <td>1,218.23</td> </tr> <tr> <td>Navo/Ibana</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>504.35</td> <td>504.35</td> </tr> <tr> <td>Total</td> <td>447.28</td> <td>806.24</td> <td>584.85</td> <td>533.18</td> <td>740.47</td> <td>3,112.02</td> </tr> </tbody> </table> <p>2. New Development</p> <table border="1" data-bbox="808 847 1832 1034"> <thead> <tr> <th>Estate /Pltn</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Gamupa</td> <td>60</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>60</td> </tr> <tr> <td>Remaring</td> <td>70</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>70</td> </tr> <tr> <td>GPO</td> <td>341</td> <td>220</td> <td>0</td> <td>0</td> <td>0</td> <td>561</td> </tr> <tr> <td>Ambus</td> <td>260</td> <td>200</td> <td>0</td> <td>0</td> <td>0</td> <td>460</td> </tr> <tr> <td>Total</td> <td>721</td> <td>420</td> <td>0</td> <td>0</td> <td>0</td> <td>1,141</td> </tr> </tbody> </table> <p>3.Total Replanting &amp; New Development</p> <table border="1" data-bbox="808 1091 1832 1158"> <thead> <tr> <th>Year</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>1,168.28</td> <td>1,226.24</td> <td>584.85</td> <td>533.18</td> <td>740.47</td> <td>4,253.02</td> </tr> </tbody> </table>	Estate /Pltn	2018	2019	2020	2021	2022	Total	Hargy	447.28	549.60	0.00	156.44	236.12	1,389.44	Navo/Karla	0	256.64	584.85	376.74	0	1,218.23	Navo/Ibana	0	0	0	0	504.35	504.35	Total	447.28	806.24	584.85	533.18	740.47	3,112.02	Estate /Pltn	2018	2019	2020	2021	2022	Total	Gamupa	60	0	0	0	0	60	Remaring	70	0	0	0	0	70	GPO	341	220	0	0	0	561	Ambus	260	200	0	0	0	460	Total	721	420	0	0	0	1,141	Year	2018	2019	2020	2021	2022	Total	Total	1,168.28	1,226.24	584.85	533.18	740.47	4,253.02	<p>Yes</p>
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**Principle 4: Use of appropriate best practices by growers and millers**

**Criterion 4.1:**

Operating procedures are appropriately documented, consistently implemented and monitored.

**Associated Smallholder Requirement:**

Criterion / Indicator	Assessment Findings	Compliance																																																																														
<p>4.1.2 OPIC and Companies to maintain production records and field day attendance records as evidence of improved performance.</p> <p><b>Specific Guidance:</b> For 4.1.1 and 4.1.4: SOP and documentation for mills should include relevant supply chain requirements (see RSPO Supply Chain Certification Standard, Nov 2011).</p> <p><b>Guidance:</b> Mechanisms to check implementations could include documentation management systems and internal control procedures.</p>																																																																																
<p><b>4.1.1</b></p>	<p>Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>- Major compliance -</p> <p>This organisation had a documented standard operating procedure (SOP) are indexed according for the subjects and scope covered. Copies are available in the estates and mill audited. Therein is shown issue no and date of revision. All SOPs are issued by the Environmental &amp; Sustainability Manager. Format of SOP is standard through all the estates and mills. e.g</p> <table border="1" data-bbox="801 791 1832 823"> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>001</td> <td>09</td> <td>New Development</td> </tr> </table> <p>PRO –Procedure / ESD- Env &amp; Sustainability Dept / GEN – General 001-09 – code number. Samples as sighted during the audit is shown below;</p> <p>Estate Operations</p> <table border="1" data-bbox="801 970 1832 1153"> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>002</td> <td>09</td> <td>Harvesting</td> </tr> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>003</td> <td>09</td> <td>Upkeep</td> </tr> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>004</td> <td>10</td> <td>Pesticides</td> </tr> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>005</td> <td>09</td> <td>Nursery</td> </tr> <tr> <td>PLN</td> <td>ESD</td> <td>SUS</td> <td>001</td> <td>05</td> <td>IPM Plan</td> </tr> <tr> <td>HOP</td> <td>PRO</td> <td>EMS</td> <td>033</td> <td>02</td> <td>Disposal of used chemicals containers</td> </tr> </table> <p>Mill Operations</p> <table border="1" data-bbox="801 1209 1832 1393"> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>007</td> <td>11</td> <td>Mill Operations</td> </tr> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>008</td> <td>09</td> <td>Waste management</td> </tr> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>009</td> <td>09</td> <td>Compost</td> </tr> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>010</td> <td>09</td> <td>Hydrocarbon management</td> </tr> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>011</td> <td>10</td> <td>POME management</td> </tr> <tr> <td>PRO</td> <td>ESD</td> <td>GEN</td> <td>012</td> <td>11</td> <td>Shipping management</td> </tr> </table>	PRO	ESD	GEN	001	09	New Development	PRO	ESD	GEN	002	09	Harvesting	PRO	ESD	GEN	003	09	Upkeep	PRO	ESD	GEN	004	10	Pesticides	PRO	ESD	GEN	005	09	Nursery	PLN	ESD	SUS	001	05	IPM Plan	HOP	PRO	EMS	033	02	Disposal of used chemicals containers	PRO	ESD	GEN	007	11	Mill Operations	PRO	ESD	GEN	008	09	Waste management	PRO	ESD	GEN	009	09	Compost	PRO	ESD	GEN	010	09	Hydrocarbon management	PRO	ESD	GEN	011	10	POME management	PRO	ESD	GEN	012	11	Shipping management	<p>Yes</p>
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		PRO	ESD	GEN	014	09	Compound management	
		PRO	ESD	GEN	015	09	Stores management	
		PRO	ESD	GEN	016	09	Construction management.	
		<p>There are procedures in English and in certain specific areas being translated in Tok Pisin. During interview with workers and staff, it is confirmed that they understood the procedures. The Biogas procedure is prepared by "KIS Group" in "Standard Operating Manual for Biogas System" - Procedure "BPOM Biogas Reactor Temperature Control", dated 3rd October 2015.</p> <p>Smallholders The management of the procedure for the Smallholders is guided using a hand book titled "Gutpela rot bilong lukautim wel pam na kamap gutpela smolholda fama". Copies of which have been distributed to all new growers beginning 2011). This book contains content on guidelines/procedures among others: Sustainability, Harvesting standard, Fertilizer application, Block upkeep, health and safety, RSPO Compliances. Also other social issues e.g HIV/AIDS, malaria, family violence. HOPL smallholder department maintain production records and field day attendance records as avenues and evidences of discussion relating to performance and for improvement. Field day carried out on 17th July 2017, 28th June 2017, 2nd May 2017, 22nd March 2017, 20th March 2017, 3rd February 2017, 9th February 2017 (Specifically on urea application). This forum is adequate to discuss and train the smallholders organized by the organization.</p>						
<b>4.1.2</b>	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance -</p>	<p>This requirement has been established. Mechanism to check consistent implementation of procedures is in place from the lowest level of supervisory to the highest level like by The General Manager and external parties. On the Head office level the following among others are made: Regular evaluation of all procedures will be made annually 2 times/year audit by the Environment &amp; Sustainability Department Workplace inspection by RSPO representative on monthly basis Chief Engineer visits to the mills. Head of Plantation field inspection. Inspection by the General Manager/Consultant</p>						Yes

**RSPO Public Summary Report  
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p><b>Palm Oil Mill</b>            The Mill Manager inspects the mill on a daily basis. The Engineers, Supervisors monitors the entire production performance and product quality. This is made through the mill rounds and supervisions. The checklist forms sighted during the visit are steriliser safety operation checklist, press station checklist. The product/lab data sheet is checked hourly by shift superintendent to ensure conformity to quality standard of all process parameters. Monthly figures are analysed /recommended for improved performance. Chief Engineer does regular visits to all the 3 mills and with a report being established.</p> <p>In addition, at Navo POM the following reports/documents was also sighted;            Monthly EHS inspection (last made on 27th June 2017);            HOD Managers Inspection (Director of Engineering visit report 3-8th April 2017);            Internal Audit on 17th March 2017;            Hargy POM report for Nov 2016 mill performance &amp; areas of focus;            Chief Engineer Report 25th July 2017 &amp; 30th June 2017 for Barema POM.</p> <p><b>Plantation</b>            The Head Of Plantation visited estates for the field inspection. A standard report is made to the management of the operating units. Sighted a report dated 23rd August 2016. Among others the following was being checked and discussed. Estates provide remedial plan/action taken.            Sections inspected immature, mature, new development.            Action points to be taken before next visit and completion date.            Harvesters productivity / standards            Upkeep standard / Pest &amp; Diseases            RSPO related requirement            Documentation compliance.</p> <p>The following documents, reports in addition were sighted during the visit.            Navo Estate weekly meeting held on 23rd June 2017 for period review 6-22nd June 2017 attended by 14 peoples. Subjects discussed on RSPO matters/OHS/Incidents/production FFB intervals crop actual vs budget/interval of 10-11 days/community affairs. Etc.            Plantation monthly report mature – Hargy estate April 2017. Therein is shown performance of FFB production, harvesting ha &amp; rounds, labour ration, rainfall, road maintenance &amp; HR matters.            HOPL Field Dept Management - meeting on 27th May 2017 No.4/17 Subject discussed Safety/</p>	

Criterion / Indicator		Assessment Findings	Compliance
		RSPO/Production/weather/FFA/extraction rates/crop forecast/transport/agronomy/fertiliser/shipping/stores/financial reports/training/cost control/HR matters/school & childcare facility/IT Project/security. Agronomic Dash Estate Report June 2017 Pandi Estate, Abulmosi Division.	
<b>4.1.3</b>	Records of monitoring and any actions taken shall be maintained and available, as appropriate.  - Minor compliance -	All issues highlighted during visits are being monitored by the respective Superior. These are evidenced during the review of reports mainly as shown and sighted in 4.1.1 & 4.1.2 above.	Yes
<b>4.1.4</b>	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).  - Major compliance -	Hargy POM: Based on field visit, interview and record review, Hargy POM only received FFB from certified supply base, Hargy Estate/Navo Estate/Pandi Estate and smallholders. Hargy POM did not received any third-party FFB.  Barema POM: Based on field visit, interview and record review, Barema POM only received FFB from certified supply base, Hargy Estate/Navo Estate/Pandi Estate and smallholders. Barema POM did not received any third-party or non-certified FFB.  Navo POM: Based on field visit, interview and record review, Navo POM only received FFB from certified supply base, Hargy Estate/Navo Estate/Pandi Estate and smallholders. Navo POM did not received any third-party FFB.  The requirement is not applicable.	N/A
<b>Criterion 4.2:</b>			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
<b>Associated Smallholder Requirement:</b>			
4.2.1 Associated Smallholders to implement good agriculture practices as communicated through extension services delivered by OPIC and Company Smallholder			

Criterion / Indicator	Assessment Findings	Compliance	
<p>departments. 4.2.2 OPIC and/or Company Smallholder Departments to maintain records of fertiliser distribution. 4.2.3 Oil Palm Research Association (OPRA) to take tissue samples from representative Associated Smallholders annually.</p> <p><b>Guidance:</b> Long-term fertility depends on maintaining the structure, organic matter content, nutrient status and microbiological health of the soil. Nutrient efficiency should take account of the age of plantations and soil conditions. The nutrient recycling strategy should include any use of biomass for by-products or energy production.</p>			
<p><b>4.2.1</b></p>	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance -</p>	<p>HOPL has established and implemented procedures for good agriculture practices in maintaining the soil fertility. The procedures comprises of manual and mechanical inorganic fertilizer application. Inclusive is the organic fertilizer through Empty Fruit Bunches (EFB) application and estates whereby the land application is in practice e.g Navo plantation.</p> <p>Smallholders: During the smallholder field assessment, the assessment team had observed that the smallholders are implementing good agriculture practices. Fronds from the palm are being stacked as thought by OPIC and HOPL. The fertilizer application are being done as thought by OPIC and HOPL. Most of the smallholders do not conduct spraying. However, those who conduct spraying requires to attend the Agriculture Safety and Crop Spraying conducted by OPIC and HOPL. The smallholders will not be received any chemicals it they have not attended this training.</p> <p>The fertiliser program for the smallholders are also available however not as in the same parameter as practiced in the estate plantation. Mainly fertilizer are applied once/year for 4 years old palms and above. The commonly type of fertilizers used are Ammonium Sulphate and Muriate of Potash. Fertilizer rates are determined by field trials assisted by OPRA. (Oil Palm Research Association). Briefing on the method of application is explained during the extension meeting or at site.</p>	<p>Yes</p>
<p><b>4.2.2</b></p>	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance -</p>	<p>Records for the fertiliser application are available and maintained. During the audit the following fertiliser application was captured on random basis. Navo Estate, Ibana2 Division: Type NP blend rate 0.7kg/palm application month in April/Jun/August 2017. MOP at 0.5kg/palm application in Aug/September 2017. Also available fertiliser audit – spot check form and mature palm fertiliser placement. Agronomist spot check form site information/application method/dosage/calibration/PPE/comments.</p>	<p>Yes</p>



Criterion / Indicator	Assessment Findings	Compliance
	<p>Navo Estate, Karla 2 Division: Type DAP 1 kg/palm application in July 2017 and Fertibor 0.1kg/palm.</p> <p>Pandi Estate, Gamupa Division: July 2017 application, DAP 0.7kg/palm, Fertibor 0.1kg/palm application in September 2017, Kieserite 1 kg/palm application in April 2017. MOP 1 kg/palm application in August, NP blend 0.7kg/palm on April, June, August 2017.</p> <p>Hargy Estate, Makakiwa Division: DAP at 1kg/palm application May 17, MOP 0.5kg/palm August 2017, NP blend at 0.7kg/palm in April &amp; June 2017. During the entire audit visit there was rain interference as such unable to witness manuring activities.</p> <p>Smallholders: The fertilizer distribution database is kept by Communities Affair office. Records of fertiliser applied in the smallholders as maintained by HOPL recorded by the Agronomist. Jan – May 2017 , Urea = 4,127 bags = 206.4 MT Jan – Dec 2016, AN = 34,603 bags = 1730.2 MT, @ 1.5kg/palm.</p>	
<p><b>4.2.3</b></p>	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance -</p> <p>HOPL practices periodic tissue and soil analysis. The periodic tissue and soil sampling carried out by Agronomy team. Tissue sampling is taken on annual basis prior to the manuring program being established. Guidelines are available in the "GUIDELINE FOR OIL PALM TISSUE SAMPLING IN HOPL PLANTATIONS". Therein is shown: Introduction/Background; Identifying a frond to sample/identifying each leaf; Leaf sampling/sampling methodology/leaf sampling density; Leaf sample processing; Frequency &amp; timing; Deficiency symptoms. A report on the leaf analysis results 2016 was sighted. Results of analysis for APPLIED AGRICULTURAL RESEARCH SDN BHD. Dami research station. Elements traced are ash, N,P,K,Mg, Ca,B. These results will be further used for the development of fertiliser recommendations. The soil sampling is conducted on 5-yearly basis. HOPL manages to demonstrate the soil sampling for</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.2.4</b></p> <p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p>the new development area, as part of Environmental Impact Assessment prior to development.</p> <p>There are records of EFB application being applied in the fields for the respective estates. Monitoring is being made for the actual quantity applied vs the budget and also the cost incurred on monthly &amp; yearly basis both absolute and unit cost/MT FFB and unit cost /Ha. The rate of EFB application is 35-40 MT/Ha. Distant estate e.g Pandi do not have EFB application due to the distance factor coupled with the non-availability of machine i.e EFB spreader.</p> <p>Sighted and recorded the following EFB application.</p> <p>Hargy Estate, Barema Plantation FFB application for Barema plantation = 39447.05 MT in 2016 &amp; January –June 2017 to date is 25,671.44 MT; Navo Estate Div 1 in field 04, 15, 16. Div 2 field 08, 10, div 3 11, 13 total application 690.59Ha with dosage 40MT/Ha =27,623 MT EFB in 2016.</p> <p>Smallholders: Smallholders stacked palm fronds (frond stacking) as additional source of nutrient. This is a common practice in the industry.</p>	<p>Yes</p>
<p><b>Criterion 4.3</b></p> <p>Practices minimise and control erosion and degradation of soils.</p>		
<p><b>Associated Smallholder Requirement:</b></p> <p>4.3.2 Associated Smallholders not to plant on unsuitable slopes. OPIC and Companies to advise.</p> <p>4.3.3 OPIC and/or Company Smallholder Departments to maintain records of road maintenance.</p> <p><b>Specific Guidance:</b></p> <p>For 4.3.4: For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).</p> <p>For 4.3.5: Where drainability assessments have identified areas unsuitable for oil palm replanting, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of serious flooding and/or salt water intrusion within two crop cycles, growers and planters should consider</p>		

Criterion / Indicator	Assessment Findings	Compliance	
<p>ceasing replanting and implementing rehabilitation. For 4.3.6: Where limited plantings (Criteria 7.4) on marginal, problem and/or fragile soils occur, there must be plans in place, and implemented, that protect them without incurring adverse impacts.</p> <p><b>Guidance:</b> Plantations on peat should be managed at least to the standard set out in the '<i>RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat, June 2012</i>' (especially water management, fire avoidance, fertiliser use, subsidence and vegetation cover). Techniques that minimise soil erosion are well known and should be adopted, where appropriate. These should include practices such as ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting.</p>			
<p><b>4.3.1</b></p>	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>HOPL maintained all soil map and topography map for the entire estates and plantations under its management. These documents are used for the guidance of planning and operations mainly on replanting and fertiliser management. Overall the type comprises of loam to sandy loam, heavy loam to sandy clay loam, clay loam to silty clay loam. The soil maps for HOPL were sighted.</p> <p>Hargy Estate: Soil type of loam to sandy loam. Most of area on flat surface with insignificant hectares of flat to undulating.</p> <p>Hargy Estate, Barema Plantation: The dominant soil type is heavy loam to sandy clay loam. The basic material comes from volcanic rock. Topographic map shows high percentage of flat area, with slope ascending towards Mount Gullo. Limitation identified in form of erosion risk.</p> <p>Navo Estate: Soil map is available for both Karla Plantation and Ibana Plantation. In Karla property shows soil type of sand to loamy sand. Whilst in Ibana the soil type is clay loam to silty clay loam. Topographic map shows significant area of the estate is on flat land. Limitation identified in form of erosion risk.</p> <p>Pandi Estate: Soil type spreaded evenly between loamy sand/gravel and heavy loam to sandy clay loam. Topographic map shows most of the area is rolling, with some slope ascending approaching Mount Ulauwun. Limitation identified in form of erosion risk.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Smallholders: Soil maps are available for smallholder surrounding the company-owned plantation as captured in HOPL soil map. Soil type varies from loam to sandy loam, sand to loamy sand. Topographic map shows most of the area is flat to rolling.</p>	
<p><b>4.3.2</b></p>	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -</p> <p>The practices adopted by the management; FronD stacking along the frond path to be arranged in neat and organised manner; Sustainability of ground covers/soft grasses to minimise soil erosion and surface run off;</p> <p>Smallholders: During the smallholder field assessment, it could be observed that there are oil palms planted on slopes. According to OPIC, the planted oil palm was advise by OPIC. Interview has been conducted with smallholders with regards on harvesting on slope areas. Smallholders are aware on the safety on slope harvesting (e.g. distance and direction of standing). Smallholder plots sampled implemented frond stacking in "U" shape, maintained ground covers and soft grasses to minimize potential erosion in sandy area. In addition there is no application of pesticide near water boundaries. Guidelines provided during the extension meetings and field organised by HOPL.</p>	<p>Yes</p>
<p><b>4.3.3</b></p>	<p>A road maintenance programme shall be in place. - Minor compliance -</p> <p>HOPL: all roads maintenance program/works are handled on a centralised basis by The Community - Roads Fleet Dept. The department has a fleet of heavy machinery and manpower to perform all the required roadwork in all the plantation fields and smallholder areas. Programs were filed and displayed for all the visited estates. Budgets for all the estates were provided for the following work among other: Selection and prioritisation of roads Road grading – grading works &amp; compaction Spot patching &amp; gravelling. Footbridges &amp; culverts Desilting and relief drains.</p> <p>Reports are produced on completion of work and also the estates will update in the plantation monthly report mature. During the audit the following report for Navo &amp; Barema Plantations Roads 2017 was sighted. Navo - works attended are for New Britain highway, emergency road maintenance, compound main roads, plantations roads, plantation drainage works, bridges etc.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Barema – General works &amp; compaction, spot patching &amp; gravelling, footbridges &amp; culverts, desilting &amp; relief roads.</p> <p>Smallholders: Roads maintenance records for smallholder available in 2017 Road Maintenance Construction Program. Sighted report for road maintenance in D1 –Cenaka areas in Baikakea, Apupul, Matililiu, Ewasse, Malasi.</p>	
<b>4.3.4</b>	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance -</p>	<p>There is no peat soil, as evidenced in the soil type map and field visit for the entire HOPL estates and plantations.</p> <p>Smallholder: There is no peat soil, based on soil type map and field visit.</p>	N/A
<b>4.3.5</b>	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing</p> <p>- Minor compliance -</p>	<p>There is no peat soil, as evidenced in the soil type map and field visit for the entire HOPL estates and plantations.</p> <p>Smallholder: There is no peat soil, based on soil type map and field visit.</p>	N/A
<b>4.3.6</b>	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance -</p>	<p>There is no peat soil, as evidenced in the soil type map and field visit for the entire HOPL estates and plantations.</p> <p>Smallholder: OPIC provided information and awareness on block management including cutting bush, pruning, fertiliser application, hand-weeding. There is no peat soil, based on soil type map and field visit. Smallholder plots sampled implemented frond stacking in "U" shape, maintained ground cover as to minimize erosion in sandy area. In addition no application of pesticide near water bodies.</p>	Yes
<b>Criterion 4.4</b>			

Criterion / Indicator	Assessment Findings	Compliance
Practices maintain the quality and availability of surface and ground water.		
<p><b>Associated Smallholder Requirement:</b> 4.4.2 Smallholders must protect water courses and wetlands by not polluting with rubbish or other waste.</p> <p><b>Specific Guidance:</b> For 4.4.1: The water management plan will:</p> <ul style="list-style-type: none"> <li>• Take account of the efficiency of use and renewability of sources;</li> <li>• Ensure that the use and management of water by the operation does not result in adverse impacts on other users within the catchment area, including local communities and customary water users;</li> <li>• Aim to ensure local communities, workers and their families have access to adequate, clean water for drinking, cooking, bathing and cleaning purposes;</li> <li>• Avoid contamination of surface and ground water through run-off of soil, nutrients or chemicals, or as a result of inadequate disposal of waste including Palm Oil Mill Effluent (POME).</li> </ul> <p>For 4.4.2: Refer to the '<i>RSPO Manual On Best Management Practices (BMP) for management and rehabilitation of natural vegetation associated with oil palm cultivation on peat</i>', July 2012.</p> <p><b>Guidance:</b> Growers and millers should address the effects of their use of water and the effects of their activities on local water resources. In applying the flexibility permitted by the CEPA guidelines, growers and producers should take into account the social and economic consequences that may result from reduction in arable area of Smallholder allotments where there is no evidence of environmental harm resulting from established operations. Processors should present water use data in rolling five-year graphical format where practicable.</p>		

Criterion / Indicator	Assessment Findings	Compliance																																											
<p><b>4.4.1</b> An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>HOPL had a detailed Water Management Plan with latest issue No.6 dated on 9th February 2016 approved by The General Manager. The purposes of water management are to ensure:</p> <p>a) all water complies with legal requirement;  b) water is used efficiently;  c) water quality of surface and ground water is maintained;</p> <p>The water management plan includes the use for mill processes, workshop, pesticide mixing and use, domestic use and compound use. Therein is also indicated the water discharged is monitored for BOD and COD. All POME are treated within legal limit as per PNG Code of Practice for POM.</p> <p>HOPL main source of water extraction is from 2 sources i.e surface water and ground water. The surface extraction is from the river systems within the company estates i.e. Sabalbala River/Ibana River/Area 7. The underground water is pumped using bore pumps extracted at locations of Hargy mill &amp; compound/Makakiwa Division 1/Barema Estate &amp; Mill/Urumaili Division 2.</p> <p>Permit for such extraction is obtained to comply with sect 65 of the environment Act 2000.</p> <table border="1" data-bbox="808 868 1789 991"> <thead> <tr> <th>No</th> <th>Permit no</th> <th>Site &amp; Grid reference</th> <th>Issue date</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>WE-L2B(166)</td> <td>Mengen/bakada</td> <td>Portion 733</td> <td>9/11/09</td> <td>09/12/34</td> </tr> <tr> <td>2</td> <td>WE-2LB(209)</td> <td>Barema</td> <td>Portion 2038</td> <td>9/12/10</td> <td>07/01/35</td> </tr> <tr> <td>3</td> <td>WE-2LB(80)</td> <td>Ibana river</td> <td>Portion 624</td> <td>11/1/01</td> <td>31/12/53</td> </tr> </tbody> </table> <table border="1" data-bbox="808 1023 1883 1203"> <thead> <tr> <th>No</th> <th>Permit no</th> <th>Quantity specified m<sup>3</sup>/year</th> <th>Usage</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>WE-L2B(166)</td> <td>34,560</td> <td>Domestic at compound</td> <td>Underground spring water</td> </tr> <tr> <td>2</td> <td>WE-2LB(209)</td> <td>34,476</td> <td>Domestic use at compound &amp; mill</td> <td>Underground spring water</td> </tr> <tr> <td>3</td> <td>WE-2LB(80)</td> <td>227,520</td> <td>Comp, nursery irrigation</td> <td>Underground spring water</td> </tr> </tbody> </table>	No	Permit no	Site & Grid reference	Issue date	Expiry date	1	WE-L2B(166)	Mengen/bakada	Portion 733	9/11/09	09/12/34	2	WE-2LB(209)	Barema	Portion 2038	9/12/10	07/01/35	3	WE-2LB(80)	Ibana river	Portion 624	11/1/01	31/12/53	No	Permit no	Quantity specified m <sup>3</sup> /year	Usage	Source	1	WE-L2B(166)	34,560	Domestic at compound	Underground spring water	2	WE-2LB(209)	34,476	Domestic use at compound & mill	Underground spring water	3	WE-2LB(80)	227,520	Comp, nursery irrigation	Underground spring water	<p>Yes</p>
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<p><b>4.4.2</b> Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best</p>	<p>The minimum buffer zone based on Environment Permit – Environment Act 2000 are detailed below:</p> <table border="1" data-bbox="808 1267 1865 1385"> <thead> <tr> <th>Category</th> <th>Minimum width/m</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Cultural sites, reserves, conservation</td> <td>100</td> <td>The local community must be given the opportunity to decide on the width of buffer zone and Director of</td> </tr> </tbody> </table>	Category	Minimum width/m	Remarks	Cultural sites, reserves, conservation	100	The local community must be given the opportunity to decide on the width of buffer zone and Director of	<p>Yes</p>																																					
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Criterion / Indicator	Assessment Findings			Compliance			
<p>practice and national guidelines) shall be demonstrated.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to PNG Conservation and Environment Protection Authority (CEPA) requirements and other applicable guidelines) shall be demonstrated. For Smallholders, the status quo shall be maintained where it can be demonstrated that environmental damage is not being caused.</i></p> <p>- Major compliance -</p>	& garden areas		Environment shall be notified in writing				
Village area	500	The local community must be given the opportunity to decide on the width of buffer zone and Director of Environment shall be notified in writing					
Lakes, lagoons, coastal, shoreline, swamps	100	From the water body, high tide mark, or edge of the mangroves					
Permanent water – Class 1	50	Each side of the watercourse					
Permanent water – Class 2	10	Each side of the watercourse					
A stream (permanent or Non permanent) of any width used by the community	50	Each side of the watercourse. Buffer zones for culturally significant water sources require careful consideration. This may include the exclusion of clearing of vegetation to protect the catchment area of the water course. If there is doubt, it should be evaluated on a site-specific basis.					
<p>Hargy Plantation: EHS Monthly inspection checklist Hargy Division 1Makakiwa – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: horn bills and parrots in area 3 and area 4 buffer zone. Date of inspection 3rd February 2016 by DM Makakiwa. Record: EHS Monthly inspection checklist Hargy Division 3 Kerakera – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: wild cockatoos parrot in area 13 and area 11. Date of inspection 2nd February 2016 by John Eminse.</p> <p>Navo Plantation: EHS Monthly inspection checklist Karla Plantation – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: Kokomo in Atata 700. Date of inspection 2nd February 2016 by John Kagil. There is buffer zone to sea shore, where plantation sets aside 20 meters inland from the boundary marker. Buffer zone is intact.</p>							



Criterion / Indicator	Assessment Findings	Compliance																																													
	<p>Smallholders: The smallholders are able to inform the assessment team on the protection of buffer zone (e.g. river/creek). The smallholders are aware of the distance permitted for fertilizer application. The smallholders are able to informed the assessment team of their awareness of protecting the buffer zone as the river/creeks is one of their source of water for their living conditions. Therefore they will protect the river/creek even it is not informed by the company. The assessment team had observed that some smallholders had set a side buffer between the last oil palm with the river. This buffer is planted with trees to protect of soil erosion.</p>																																														
<p><b>4.4.3</b> Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).  - Minor compliance -</p>	<p>All the mills audited monitor the performances of palm oil mill effluent installation and parameter of the effluent particularly of the final discharge to ensure the parameters complied with the regulations. Internal analysis is made in the mill laboratory whilst the external tests are conducted by monthly by Unitech Development &amp; Consultancy Pty, Ltd.</p> <p>The following are the effluent results of the final discharge period (audit) taken on a random basis. Details are listed below: Hargy POM: There is 6 ponds for effluent treatment. Samples are drawn for monitoring to be made both internally and externally on a random basis. All units in mg/l except for the pH readings.</p> <table border="1" data-bbox="804 986 1832 1168"> <thead> <tr> <th>Date</th> <th>BOD</th> <th>Dissolved oxygen</th> <th>Oil and grease</th> <th>pH</th> <th>Total suspended solids</th> </tr> </thead> <tbody> <tr> <td>15/6/2017</td> <td>340</td> <td>0.7</td> <td>160</td> <td>7.9</td> <td>3000</td> </tr> <tr> <td>11/4/2017</td> <td>185</td> <td>0.2</td> <td>70</td> <td>7.4</td> <td>5300</td> </tr> <tr> <td>13/3/2017</td> <td>840</td> <td>0.4</td> <td>26</td> <td>7.3</td> <td>5200</td> </tr> <tr> <td>27/2/2017</td> <td>81</td> <td>2.2</td> <td>140</td> <td>7.6</td> <td>2000</td> </tr> </tbody> </table> <p>Barema POM The Barema Mill had additional installation of a biogas plant prior to the effluent being discharged to the land application.</p> <table border="1" data-bbox="804 1278 1680 1394"> <thead> <tr> <th>Date</th> <th>BOD</th> <th>Oil and grease</th> <th>pH</th> <th>Total suspended solids</th> </tr> </thead> <tbody> <tr> <td>Feb 2017</td> <td>390</td> <td>15</td> <td>8.1</td> <td>730</td> </tr> <tr> <td>Mar 2017</td> <td>75</td> <td>10</td> <td>8.0</td> <td>390</td> </tr> </tbody> </table>	Date	BOD	Dissolved oxygen	Oil and grease	pH	Total suspended solids	15/6/2017	340	0.7	160	7.9	3000	11/4/2017	185	0.2	70	7.4	5300	13/3/2017	840	0.4	26	7.3	5200	27/2/2017	81	2.2	140	7.6	2000	Date	BOD	Oil and grease	pH	Total suspended solids	Feb 2017	390	15	8.1	730	Mar 2017	75	10	8.0	390	<p>Yes</p>
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		<p>The BOD level in Feb 2017 exceeded the permissible level of 100mg/l however was remedied on the following month.</p> <p>Navo POM:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>BOD</th> <th>Dissolved oxygen</th> <th>Oil and grease</th> <th>pH</th> <th>Total suspended solids</th> </tr> </thead> <tbody> <tr> <td>30/5/2017</td> <td>17</td> <td>1.7</td> <td>6.0</td> <td>8.1</td> <td>240</td> </tr> <tr> <td>8/5/2017</td> <td>130</td> <td>0.1</td> <td>13</td> <td>7.7</td> <td>78</td> </tr> <tr> <td>4/4/2017</td> <td>75</td> <td>0.1</td> <td>10</td> <td>8</td> <td>390</td> </tr> </tbody> </table> <p>Results exceeding the standards requiring remedial action by the management are documented in "Incident/Accident Report Form No.HOPLFOR-EMS-002-06</p>					Date	BOD	Dissolved oxygen	Oil and grease	pH	Total suspended solids	30/5/2017	17	1.7	6.0	8.1	240	8/5/2017	130	0.1	13	7.7	78	4/4/2017	75	0.1	10	8	390	
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<b>4.4.4</b>	<p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored and recorded with information presented to permit identification of trends.</i></p> <p>- Minor compliance -</p>	<p>The consumption trend are being studied. Sighted a tabulation trend made in a graph for Barema POM for the process water, raw water, boiler and domestic water ratio consumption/MT FFB for a period from 2014 to 2017 June to date. Usage trend for process water noted to be relatively high in 2016.</p> <p>The aim is to reduce the usage where possible as indicated in the group water management plan. Employees were guided and trained to eliminate wastages of water.</p> <p>The management records the water usage on daily, monthly and yearly basis. The results are thereafter documented in "Water Usage – Process m3/MT FFB. The results of all the 3 mills audited are given below. They are the data of process water/MT FFB processed.</p> <p>Hargy POM</p> <table border="1"> <thead> <tr> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017 (June to date)</th> </tr> </thead> <tbody> <tr> <td>0.33</td> <td>0.73</td> <td>0.61</td> <td>0.98</td> </tr> </tbody> </table> <p>Navo POM</p> <table border="1"> <thead> <tr> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017 (June to date)</th> </tr> </thead> <tbody> <tr> <td>0.89</td> <td>0.74</td> <td>0.54</td> <td>0.66</td> </tr> </tbody> </table>					2014	2015	2016	2017 (June to date)	0.33	0.73	0.61	0.98	2014	2015	2016	2017 (June to date)	0.89	0.74	0.54	0.66	Yes								
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<p><b>Criterion 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p> <p><b>Associated Smallholder Requirement:</b> 4.5.1 Companies to manage IPM program for Associated Smallholders. 4.5.2 Companies to manage IPM for Associated Smallholders</p> <p><b>Guidance:</b> Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical and physical methods to minimise the use of chemicals. Monitoring should be carried out on representative blocks every six months with more frequent monitoring where there is evidence of increasing pest infestation. Native species should be used in biological control where possible.</p>																		
<b>4.5.1</b>	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>SOP Available in document No.PLN-ESD-SUS-001-05, Therein includes: Protocol for monitoring &amp; managing oil palm pests &amp; pesticides usage aimed to ensure that handling, collection, storage, application &amp; disposal of pesticides at plantation levels is in compliance with both the environmental, health, safety policies and applicable national &amp; international legislations. Example are:</p> <ol style="list-style-type: none"> <li>1. Pest survey &amp; monitoring</li> <li>2. Safety and effective use of pesticides</li> <li>3. Insect control</li> <li>4. Weed control</li> <li>5. Disease control</li> </ol> <p>Methods of reducing pesticides usage: More prudent use of pesticides, Judicious use of pesticides, HOPL uses only chemical approved under national regulation and the environmentally compatible chemical are chosen for use in the plantation.</p> <p>Companies to manage IPM program for Associated Smallholders.</p>				Yes												

Criterion / Indicator		Assessment Findings	Compliance																												
		4.5.2 Companies to manage IPM for Associated Smallholders OPRA will assist. Book guidelines on pest and disease management called "GUTPELA ROT BILONG LUKAUTIM WEL PAM NA KAMAP GUTPELA SMOLHOLDA FAMA".																													
<b>4.5.2</b>	Training of those involved in IPM implementation shall be demonstrated.  - Minor compliance -	<p>Hargy Oil Palms Limited provides training for the workers involved in IPM:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>8th November 2016</td> <td>Weeding</td> <td>Staff</td> <td>Hargy Estate</td> </tr> <tr> <td>14th March 2017</td> <td>PPE Application</td> <td>Staff</td> <td>Estate</td> </tr> <tr> <td>6th July 2017</td> <td>P&amp;D</td> <td>Staff</td> <td>Navo Estate</td> </tr> <tr> <td>8th June 2017</td> <td>Spraying</td> <td>External</td> <td>Estate</td> </tr> <tr> <td>8th June 2017</td> <td>Spraying</td> <td>External</td> <td>Pandi Estate</td> </tr> <tr> <td>12th July 2017</td> <td>Harvesting</td> <td>Staff</td> <td>Estate</td> </tr> </tbody> </table> <p>Smallholders: The smallholders are being educated through the Field Days conducted by HOPL and OPIC. It is conformed through interview that smallholders that they have attended Field Days. Field day carried out on 17th July 2017 related to trunk injection to reduce Stick insect (<i>Sexava</i>) attacks; on 2nd May 2017 training on spraying herbicide for smallholder with certificate; training on 9th February 2017 specifically on Urea application. This forum is adequate to discuss and train the smallholders organized by the organization.</p>	Date	Training Topic	Trainer	Remarks	8th November 2016	Weeding	Staff	Hargy Estate	14th March 2017	PPE Application	Staff	Estate	6th July 2017	P&D	Staff	Navo Estate	8th June 2017	Spraying	External	Estate	8th June 2017	Spraying	External	Pandi Estate	12th July 2017	Harvesting	Staff	Estate	Yes
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4.6.4 Applies to associated Smallholders.																															
4.6.5 Associated Smallholders using and/or storing pesticides must demonstrate knowledge of the correct handling, storage, application and disposal requirements.																															
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Criterion / Indicator	Assessment Findings	Compliance
<p><b>Specific Guidance:</b>            For 4.6.1: Measures to avoid the development of resistance (such as pesticide rotations) should be applied. The justification should consider less harmful alternatives and IPM.            For 4.6.3: Justification of the use of such pesticides will be included in the public summary report.            For 4.6.4: Such exceptional circumstances may include sudden invasions or infestations of pests, weeds, certain fungal diseases, or dramatic changes in vegetation composition, which threaten ecological stability and/or the long- term functioning of the natural ecosystem, human well-being and/or plantation, and which cannot feasibly be controlled by pesticides not categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and/ or paraquat.            RSPO members may exceptionally use such pesticides where:</p> <ul style="list-style-type: none"> <li>a) There is a demonstrated need to use the named pesticide as the only socially, environmentally and economically feasible way of controlling specific organisms which are causing severe damage in natural forests, plantations or nurseries in Papua New Guinea (as indicated by documented evidence of current feasibility study reports: field-trials of alternative non-chemical or less toxic pest-management methods, cost-benefit analysis, social and environmental impact assessment);</li> <li>b) Controls are specified to prevent, minimise and mitigate negative social and environmental impacts associated with the use of the pesticide in question (for example restrictions related to weather conditions, soil types, application method, waters courses);</li> </ul> <p>Justification of the use of such pesticides will be included in the RSPO public summary audit report.            For 4.6.5: In circumstances where Companies issue chemicals to associated Smallholders, that may only be done after appropriate training is given by a certified training provider or chemical supplier and endorsed by the Company and OPIC. Associated Smallholders who have received training must be able to demonstrate evidence of that training.            For 4.6.6: Recognised best practice includes: Storage of all pesticides as prescribed in the FAO International Code of Conduct on the distribution and use of pesticides and its guidelines, and supplemented by relevant industry guidelines in support of the International Code (see Annex 1).</p> <p><b>Guidance:</b>            The RSPO has identified some examples of alternatives to pesticide use, which include those listed in the 'Research project on Integrated Weed Management Strategies for Oil Palm; CABI, April 2011'. Due to problems in the accuracy of measurement, monitoring of pesticide toxicity is not applicable to independent Smallholders (refer to 'Guidance for Independent Smallholders under Group Certification', June 2010).</p>		
<p><b>4.6.1</b></p>	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target</p> <p>Documented justification of all agrochemical use is available under Approved Product List for use in industrial and agricultural application, informing the product name, type of pesticide, active ingredients, LD50, approved agricultural use. The guidelines were used for company-owned plantation and smallholder blocks.</p>	<p>Yes</p>

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	<p>pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p>	<p>Smallholders: No pesticide was issued to the smallholders. The smallholders would only use herbicide. In case of chemical control of pest such as Sexava, it was done by HOPL – under supervision of PNG OPRA.</p>																																																				
4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palms maintained the record of pesticide use, active ingredient, hectare of area treated – for each estate. Hargy Estate 2017</p> <table border="1"> <thead> <tr> <th>Active Ingredients</th> <th>Amount (kg or liters)</th> <th>Sprayed area (Ha)</th> <th>Pesticide applied (kg or liters/Ha)</th> </tr> </thead> <tbody> <tr> <td>Dimehypo (Program:Targeted Trunk Injection)</td> <td>582.8 liters</td> <td>327.8 Ha</td> <td>1,78 liters/Ha</td> </tr> <tr> <td>Ally 20DF – Metyl Metsulfuron 200g/kg (Program: Circle and Path)</td> <td>192 kg</td> <td>11,780.1 Ha (2 rotations)</td> <td>0.016 kg/Ha</td> </tr> <tr> <td>Ally 20DF – Metyl Metsulfuron 200g/kg (Program: Selective weeding)</td> <td>95.1 kg</td> <td>4,042.9 Ha (2 rotations)</td> <td>0.023 kg/Ha</td> </tr> <tr> <td>Asulox – Asulam 400g/liter (Program: Circle and Path)</td> <td>266.8 liters</td> <td>535 Ha</td> <td>0.50 liters/Ha</td> </tr> <tr> <td>Glyphosate (Program: Circle and Path)</td> <td>4,858.5 liters</td> <td>11,536.7 Ha</td> <td>0.42 liters/Ha</td> </tr> <tr> <td>Triester (Program: Selective)</td> <td>23.5 liters</td> <td>114.2 Ha</td> <td>0.21 liters/Ha</td> </tr> </tbody> </table> <p>Hargy Estate 2016</p> <table border="1"> <thead> <tr> <th>Active Ingredients</th> <th>Amount (kg or liters)</th> <th>Sprayed area (Ha)</th> <th>Pesticide applied (kg or liters/Ha)</th> </tr> </thead> <tbody> <tr> <td>Metamidophos (Program:Targeted Trunk Injection)</td> <td>505.6 liters</td> <td>581.4 Ha</td> <td>0.87 liters/Ha</td> </tr> <tr> <td>Ally 20DF – Metyl Metsulfuron 200g/kg (Program: Circle and Path)</td> <td>344.5 kg</td> <td>12,051.1 Ha (2 rotations)</td> <td>0.03 kg/Ha</td> </tr> <tr> <td>Ally 20DF – Metyl Metsulfuron 200g/kg (Program: Selective weeding)</td> <td>61.3 kg</td> <td>5,817.7 Ha (2 rotations)</td> <td>0.01 kg/Ha</td> </tr> <tr> <td>Asulox – Asulam 400g/liter (Program: Circle and Path)</td> <td>837.8 liters</td> <td>1,096.6 Ha</td> <td>0.76 liters/Ha</td> </tr> </tbody> </table>				Active Ingredients	Amount (kg or liters)	Sprayed area (Ha)	Pesticide applied (kg or liters/Ha)	Dimehypo (Program:Targeted Trunk Injection)	582.8 liters	327.8 Ha	1,78 liters/Ha	Ally 20DF – Metyl Metsulfuron 200g/kg (Program: Circle and Path)	192 kg	11,780.1 Ha (2 rotations)	0.016 kg/Ha	Ally 20DF – Metyl Metsulfuron 200g/kg (Program: Selective weeding)	95.1 kg	4,042.9 Ha (2 rotations)	0.023 kg/Ha	Asulox – Asulam 400g/liter (Program: Circle and Path)	266.8 liters	535 Ha	0.50 liters/Ha	Glyphosate (Program: Circle and Path)	4,858.5 liters	11,536.7 Ha	0.42 liters/Ha	Triester (Program: Selective)	23.5 liters	114.2 Ha	0.21 liters/Ha	Active Ingredients	Amount (kg or liters)	Sprayed area (Ha)	Pesticide applied (kg or liters/Ha)	Metamidophos (Program:Targeted Trunk Injection)	505.6 liters	581.4 Ha	0.87 liters/Ha	Ally 20DF – Metyl Metsulfuron 200g/kg (Program: Circle and Path)	344.5 kg	12,051.1 Ha (2 rotations)	0.03 kg/Ha	Ally 20DF – Metyl Metsulfuron 200g/kg (Program: Selective weeding)	61.3 kg	5,817.7 Ha (2 rotations)	0.01 kg/Ha	Asulox – Asulam 400g/liter (Program: Circle and Path)	837.8 liters	1,096.6 Ha	0.76 liters/Ha	Yes
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		Smallholders: The records of the chemical used by the smallholders are kept by HOPL.	
<b>4.6.3</b>	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. The routine prophylactic use of pesticides is prohibited unless there is a legal requirement to do so.  - Major compliance -	The use of pesticide minimised as part of Continuous Improvement Plan (See criterion 8.1). There is no prophylactic use of pesticide in HOPL.  Smallholders: There is no IPM observed at the smallholder blocks. However, education has been provided to smallholders regarding IPM. At the OPIC office, it was observed that poster is available to educate the smallholders regarding IPM.	Yes
<b>4.6.4</b>	The use of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances (see Specific Guidance).  - Minor compliance -	Hargy Oil Palm Limited: Plantation no longer use paraquat. Interview, record verification and field check to chemical store, found no paraquat stored.  Smallholders: The usage of pesticide is being controlled by HOPL. The distribution of the pesticide is only through those smallholders that has undergone the Agriculture Safety and Crop Spraying conducted by OPIC and HOPL. There is no paraquat being distributed to smallholders.	Yes
<b>4.6.5</b>	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and	All agrochemical operators had been given training on the handling and application of the material. Hargy maintains a set of record for sprayer training for herbicide mixer herbicide sprayers and smallholders. All safety and application equipment had been provided and used by the operators. All precautions attached to the products had been observed, applied and understood by the workers. MSDS for each agrochemical used/stored in HOPL chemical shed has been made available. PPE has been provided for the agrochemical store keeper (i.e. face shield, apron, hand gloves, respirator, overall) and sprayer: goggles, apron, hand gloves, overall has been used consistently.	Yes

Criterion / Indicator	Assessment Findings	Compliance																										
<p>application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Navo Estate: Based on interview and record verification, sprayer Patrick Paole, Domenic Bolo and Thomas Kalkal has been trained with Pest and Disease training on 6th July 2017 and training for spraying technique on 8th June 2017.</p> <p>Smallholders: Most of the smallholders do not conduct spraying. However, those who conduct spraying requires to attend the Agriculture Safety and Crop Spraying conducted by OPIC and HOPL. The smallholders will not be received any chemicals it they have not attended this training.</p>																											
<p><b>4.6.6</b> Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Storage of all pesticides shall be according to Safety Data Sheet requirements and recognised best practices. Used herbicide containers may, after triple rinsing, be used for transporting pre-mixed herbicide to spraying operations in the plantation. At the end of their useful lives, they shall be properly disposed of and not used for</i></p>	<p>Storage and disposal of all chemicals found to be consistent with the Code of Practice. The disposal of pesticide guideline is available under the Plantation Management Practice – Pesticide Practices. Each estate has chemical shed to store the herbicide and pesticide. Chemical is stored and segregated based on type. The chemical shed has mixing bay and washing basin. All chemical are pre-mixed and no pure chemical to field. All work uniform, PPE and spraying tools are washed and stored in locked room. The estates disposed off the empty herbicide container into landfill. The empty container is triple rinsed and cut into small pieces for ease of transport.</p> <p>The company inventory of chemical and their container that is used and kept on site. The chemical container is stored and re-use for mixed of pesticides/herbicides. The records was sighted, titled Chemical Container Disposal Record, No.FOR-ESD-EMS-012-02, as follow:</p> <table border="1" data-bbox="1093 1015 1603 1321"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Total containers</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Hargy Estate</td> <td>2016</td> <td>198</td> </tr> <tr> <td>2017</td> <td>143</td> </tr> <tr> <td rowspan="2">Navo Estate</td> <td>2016</td> <td>272</td> </tr> <tr> <td>2017</td> <td>56</td> </tr> <tr> <td>Navo Mill</td> <td>2017</td> <td>153</td> </tr> <tr> <td rowspan="2">Pandi Estate</td> <td>2016</td> <td>99</td> </tr> <tr> <td>2017</td> <td>98</td> </tr> <tr> <td rowspan="2">Hargy Mill</td> <td>2016</td> <td>61</td> </tr> <tr> <td>2017</td> <td>69</td> </tr> </tbody> </table> <p>Smallholders:</p>	Estate	Year	Total containers	Hargy Estate	2016	198	2017	143	Navo Estate	2016	272	2017	56	Navo Mill	2017	153	Pandi Estate	2016	99	2017	98	Hargy Mill	2016	61	2017	69	<p>Yes</p>
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Criterion / Indicator		Assessment Findings	Compliance
	<i>other purposes (see Criterion 5.3).</i> - Major compliance -	According to HOPL guidelines, smallholders that would like to use herbicide are required to have a dedicated store locked from children. During the field assessment, the assessment team had observed the storage area.	
<b>4.6.7</b>	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	Hargy Oil Palm is able to demonstrate that pesticides had been applied in line with management guideline; that minimize risk and impacts. Sprayers are trained. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off.  Smallholders: Smallholder whose applied herbicide has appropriate PPE, storage and demonstrate adequate knowledge. The disposal of empty chemical container follows management guideline.	Yes
<b>4.6.8</b>	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance –  <i>Cross reference to PNG NI 2017</i> <i>There shall be no aerial application of pesticides.</i> - Major compliance -	Hargy Oil Palm Limited: There is no aerial application of pesticide in Hargy Oil Palms’ plantation.  Smallholder: No aerial application of herbicide was observed at the smallholder blocks.	Yes
<b>4.6.9</b>	Maintenance of employee and associated smallholder knowledge and skills on	All agrochemical operators had been given training on the handling and application of the material. Hargy maintains a set of record for sprayer training for herbicide mixer herbicide sprayers and smallholders. All safety and application equipment had been provided and used by the operators. All precautions attached to the products had been observed, applied and understood by the workers.	Yes

Criterion / Indicator		Assessment Findings	Compliance																										
	pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	MSDS for each agrochemical used/stored in HOPL chemical shed has been made available. PPE has been provided for the agrochemical store keeper (i.e. face shield, apron, hand gloves, respirator, overall) and sprayer: goggles, apron, hand gloves, overall has been used consistently. Navo Estate: Based on interview and record verification, sprayer Patrick Paole, Domenic Bolo and Thomas Kalkal has been trained with Pest and Disease training on 6th July 2017 and training for spraying technique on 8th June 2017.  Smallholders: Most of the smallholders do not conduct spraying. However, those who conduct spraying requires to attend the Agriculture Safety and Crop Spraying conducted by OPIC and HOPL. The smallholders will not be received any chemicals if they have not attended this training																											
<b>4.6.10</b>	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	HOPL follows management guideline/code of practices for the disposal of the empty chemical containers. The estates disposed off the empty herbicide container into landfill. The empty container is triple rinsed and cut into small pieces for ease of transport.  The company inventory of chemical and their container that is used and kept on site. The chemical container is stored and re-use for mixed of pesticides/herbicides. The records was sighted, titled Chemical Container Disposal Record, No.FOR-ESD-EMS-012-02, as follow:  <table border="1" data-bbox="1093 1015 1603 1321"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Total containers</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Hargy Estate</td> <td>2016</td> <td>198</td> </tr> <tr> <td>2017</td> <td>143</td> </tr> <tr> <td rowspan="2">Navo Estate</td> <td>2016</td> <td>272</td> </tr> <tr> <td>2017</td> <td>56</td> </tr> <tr> <td>Navo Mill</td> <td>2017</td> <td>153</td> </tr> <tr> <td rowspan="2">Pandi Estate</td> <td>2016</td> <td>99</td> </tr> <tr> <td>2017</td> <td>98</td> </tr> <tr> <td rowspan="2">Hargy Mill</td> <td>2016</td> <td>61</td> </tr> <tr> <td>2017</td> <td>69</td> </tr> </tbody> </table> Smallholders:	Estate	Year	Total containers	Hargy Estate	2016	198	2017	143	Navo Estate	2016	272	2017	56	Navo Mill	2017	153	Pandi Estate	2016	99	2017	98	Hargy Mill	2016	61	2017	69	Yes
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Criterion / Indicator		Assessment Findings	Compliance
		The disposal of the empty chemical containers follows management guideline.	
<b>4.6.11</b>	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.  - Major compliance -	HOPL: Baseline surveillance for employees using chemical period July 2017. "Baseline health surveillance for employee using agrochemical" was carried out on regular basis, collecting demographic data, occupational history, medical history, basic examination (eyes, nose, throat, respiratory, skin, rash, bones) to prepare conclusion on status to working with agrochemical. The medical surveillance includes trunk injector for smallholder area.	Yes
<b>4.6.12</b>	No work with pesticides shall be undertaken by pregnant or breastfeeding women.  - Major compliance -	All herbicide sprayer and trunk injector are male workers. However, based on interview these male sprayer understand company policy on no work with pesticide shall be undertaken by pregnant or breastfeeding women.  Smallholders: At the smallholder blocks, pesticide are only applied by those that have attend the Agriculture Safety and Crop Spraying conducted by OPIC and HOPL. There was no evidence observed that spraying was conducted by other parties (e.g. women / children).	Yes
<p><b>Criterion 4.7</b></p> <p>An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>Specific Guidance for 4.7.7: Growers will determine their own metrics however, once selected, metrics must remain unchanged to allow valid identification of trends on a year by year basis.</p> <p><b>Associated Smallholder Requirement:</b></p> <p>4.7.2 OPIC and/or Company Smallholder Departments to provide advice and training on identification and control of risks through extension activities.</p> <p><b>Guidance:</b></p> <p>Growers and millers should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health. Growers and millers should ensure that the chemical, physical and biological substances and agents under their control are without undue risk to health when appropriate measures are taken. All indicators apply to all workers regardless of status.</p>			

Criterion / Indicator	Assessment Findings	Compliance
The health and safety plan should also reflect guidance in ILO Convention 184 (see Annex 1).		
<p><b>4.7.1</b></p>	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p> <p>The OHS policy was established which was signed by General Manager of Hargy Oil Palms Limited, issue No.4, dated 16th December 2015. The OHS Plan was established. The latest review was carried out on 3rd March 2017 (issue No.07) prepared by the Environment &amp; Sustainability Manager. The OHS plan was include the Hazard and risk assessment register, safety training and PPE records, OSH committee meeting, emergency procedure, medical care &amp; accident insurance, incident/accident investigation and lost time accidents.</p> <p>The EHS inspection was conducted accordingly on the monthly basis:            Barema Estate (construction area) carried out on 28th June 2017;            Navo Estate (Sena Div), carried out on 24th June 2017;            Central Vehicle Workshop, carried out on 30th June 2017;            Barema Mill, carried out on 24th June 2017;            Hargy Estate (Makakiwa), carried out in 20th June 2017;            Hargy Mill, carried out on 10th July 2017;            Central Store carried out on 16th May 2017;            Navo Mill, carried out in 27th June 2017;</p> <p>The latest OHS committees meeting was conducted as follow:            Hargy Mill – 29th June 2017;            Hargy Estate – 7th July 2017;            Barema Mill – 4th June 2017;            Navo Estate – 18th July 2017;            Navo Mill – 2nd July 2017;            Pandi Estate (Bakada Plantation) – 29th June 2017;</p> <p>Smallholders            The management of the procedure for the Smallholders is guided using a hand book titled “Gutpela rot bilong lukautim wel pam na kamap gutpela smolholda fama”. Copies of which have been distributed to all new growers beginning 2011). This book contains content on guidelines/procedures among others: Sustainability, Harvesting standard, Fertilizer application, Block upkeep, health and safety, RSPO Compliances. Also other social issues e.g HIV/AIDS, malaria, family violence.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance														
		HOPL smallholder department maintain production records and field day attendance records as evidences of discussion relating to health and safety performance and for improvement. Field day carried out on 17th July 2017, 28th June 2017, 2nd May 2017, 22nd March 2017, 20th March 2017, 3rd February 2017, 9th February 2017. This forum is adequate to discuss and train the smallholders organized by the organization.															
<b>4.7.2</b>	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.  - Major compliance -	The OHS risk assessment was established based on the risk assessment matrix stated in the OHS plan. The HOPL OHS risk assessment register No.REG-ESD-OHS-001-09 by the Environment & Sustainability Manager, last update on 10th March 2017. The register was include the activities in the mill and estates such as laboratory, effluents ponds, treatment plant, nursery and new development area, vehicle workshop, harvesting, construction, chemical handling, stores, dispatch bay, mixing area, replanting, driving tractors, process station at mill, welding, sterilizers, reception area, boiler station, biogas plant and etc. The confined space entry permit was issued on 8th June 2017 (Navo POM) for cleaning the boiler. The gas test was done before started their work and found save to enter at 21% of oxygen level. The rescue and emergency procedures has been issued and understood by the standby and rescue persons. The gas detector was last calibrated on March 2016. During site visit, interview with workers shown that they understand and applied accordingly the precautions attached to the chemicals or products.  Smallholders: The smallholders are being educated on the health and safety through the Field Days conducted by HOPL and OPIC. It is confirmed through interview with smallholders that they have attended the Field Days.	Yes														
<b>4.7.3</b>	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine	Training Scheduled for 2017 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS. The safety data sheets were available at site, eg: TEEPOL, Grasskill 450, Triclopyr 480, Farnet 20DF, Surfactant 700, Asulam 400 and etc. <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>18th July 2017</td> <td>Loading of FFB</td> <td>Staff</td> <td rowspan="3">Hargy Estate</td> </tr> <tr> <td>9th March 2017</td> <td>Harvesting</td> <td>Staff</td> </tr> <tr> <td>9th March 2017</td> <td>Pruning</td> <td>Staff</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	18th July 2017	Loading of FFB	Staff	Hargy Estate	9th March 2017	Harvesting	Staff	9th March 2017	Pruning	Staff	Yes
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Criterion / Indicator		Assessment Findings				Compliance
<p>operations, and land preparation, harvesting and, if it is used, burning</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Protective equipment as defined in Safety Data Sheets or Standard Operating Procedures shall be available to, and used by, all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation and harvesting.</i></p> <p>- Major compliance -</p>	8th November 2016	Weeding	Staff	Hargy Mill		
	14th March 2017	PPE Application	Staff			
	5th May 2017	Permit	SHO			
	20th August 2016	Boiler/WTP	QC			
	19th May 2016	FFB grading	QC			
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	6th March 2017	Steam pump	Engineer	Navo Estate		
	24th April 2017	Biogas Plant	External			
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	6th July 2017	P&D	Staff			
	8th June 2017	Spraying	External	Navo POM		
	23rd May 2017	Manuring	Staff			
	6th June 2017	OHS (Process)	SHO			
	27th March 2017	LOTO	SHO			
	27th March 2017	5S	SHO			
	24th June 2017	SOP's for Boiler & Process Station	MM			
	25th June 2017	Threshing & Pressing of FFB	MM			
8th June 2017	Spraying	External	Pandi Estate			
12th July 2017	Harvesting	Staff				
15th November 2016	SOP for harvester	Staff				
17th April 2017	Manuring	Staff				
7th April 2017	Tractor driver	Staff				
<p>The types of protective equipment used were identified for each activity in the PPE Matrix.</p>						
<b>4.7.4</b>	The responsible person/persons shall be identified. There shall be records of	<p>The responsible person for health and safety in company's estates and mills is Sustainability Manager. The latest OHS committees meeting was conducted as follow: Hargy Mill – 29th June 2017;</p>				Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Hargy Estate – 7th July 2017; Barema Mill – 4th June 2017; Navo Estate – 18th July 2017; Navo Mill – 2nd July 2017; Pandi Estate (Bakada Plantation) – 29th June 2017;</p> <p>The PIC for health and safety in smallholder plantation is the Smallholder Department Manager, Mr. Steve Patiken. Meeting for health and safety was carried out during field days.</p>	
<p><b>4.7.5</b> Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the</i></p>	<p>Accident and emergency procedures namely Emergency Response Procedures No.ERP-ESD-GEN-001-07, dated 8th March 2017, have been communicated to employees, contractors and visitors. The procedure was available in English and Tok Pisin language. The safety induction was conducted by the management to the auditors before going for field/mill visit. Emergency drill (fire and volcanoes) was last conducted on 18th May 2017 (Hargy Estate, Urumaili Div.), 19th July 2017 (Hargy Mill), 9th June 2017 (Barema Mill), 29th June 2017 (Navo Estate), 20th February 2017 (Navo POM) and 30th June 2017 (Pandi Estate) to test the state of readiness during emergency situation. Workers trained in First Aider were present in the mill and field operations. They were trained by Papua New Guinea Red Cross Society. Sighted the first aid kits at Hargy Estate (99F02-Harvesting area and 99G03-Spraying area), Production office (Navo Mill, Hargy Mill, Barema Mill), Navo Estate (Harvesting area- 2012L22). All the items in the first aid kit were found valid.</p> <p>Records on all accidents kept and summary sent to Head Office. The management review on accident cases on monthly basis during OHS meeting. All Sighted records of accidents and emergency were kept at HQ office. From the records, found that the most injuries (nature of injury) were soft tissue injury (harvesting).</p> <p>Sighted during site visit, all the fire equipment's were in good condition. The fire extinguisher at all site found valid and still in good condition.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance								
	<p><i>English and Tok Pisin languages. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available from Divisional and Mill offices to all teams or groups of workers. Records of all accidents shall be kept and periodically reviewed.</i></p> <p>- Minor compliance -</p>										
<b>4.7.6</b>	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p>Medical care is provided to all the employees. All the workers are local and they are covered under Workers Compensation Act 1978. The management paid to MARSH &amp; McLENNAN COMPANIES as agent. The Insurance Manual for Hargy Oil Palms Limited was sighted at HQ office dated 9th March 2017.</p> <table border="1"> <thead> <tr> <th>Insurer</th> <th>Period</th> <th>Policy No</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>QBE Insurance (PNG) Ltd</td> <td>31/12/16 – 31/12/17</td> <td>H0035212</td> <td>4,166 persons</td> </tr> </tbody> </table>	Insurer	Period	Policy No	Total	QBE Insurance (PNG) Ltd	31/12/16 – 31/12/17	H0035212	4,166 persons	Yes
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<b>4.7.7</b>	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>Records on Lost Time Accident (LTA) metrics was maintained at HQ office. Sample of accident statistic as shown below:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>HPOL</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>142</td> </tr> <tr> <td>2017 (as at todate May 17)</td> <td>41</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p>	Year	HPOL	2016	142	2017 (as at todate May 17)	41	Yes		
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<p><b>Criterion 4.8</b></p> <p>All staff, workers, smallholders and contract workers are appropriately trained.</p> <p><b>Associated Smallholder Requirement:</b></p> <p>4.8.1 OPIC and Company Smallholder departments to provide advice and ongoing support to associated Smallholders through field days and visits to Smallholder blocks.</p>											



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<p><b>Guidance:</b>            Workers should be adequately trained on: the health and environmental risks of pesticide exposure; recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ways to minimise exposure to workers and their families; and international and national instruments or regulations that protect workers' health.            The training programme should include productivity and best management practice, and be appropriate to the scale of the organisation.            Training should be given to all staff and workers by growers and millers to enable them to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these Principles, Criteria, Indicators and Guidance.            Contract workers should be selected for their ability to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of the RSPO Principles, Criteria, Indicators and Guidance.            Growers and millers should demonstrate training activities for schemes Smallholders who provide Fresh Fruit Bunches (FFB) on a contracted basis.            Workers on Smallholder plots also need adequate training and skills, and this can be achieved through extension activities of growers or millers that purchase fruit from them, by Smallholders' organisations, or through collaboration with other institutions and organisations (<i>refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009</i>) For individual Smallholder operations, training records should not be required for their workers, but anyone working on the farm should be adequately trained for the job they are doing (<i>refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009</i>)</p>																																											
<p><b>4.8.1</b></p>	<p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance -</p> <table border="1" data-bbox="801 963 1888 1385"> <tr> <td colspan="4">Training Scheduled for 2017 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained which covered all aspects of the RSPO Principles and Criteria.</td> </tr> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> <tr> <td>18th July 2017</td> <td>Loading of FFB</td> <td>Staff</td> <td rowspan="4">Hargy Estate</td> </tr> <tr> <td>9th March 2017</td> <td>Harvesting</td> <td>Staff</td> </tr> <tr> <td>9th March 2017</td> <td>Pruning</td> <td>Staff</td> </tr> <tr> <td>8th November 2016</td> <td>Weeding</td> <td>Staff</td> </tr> <tr> <td>14th March 2017</td> <td>PPE Application</td> <td>Staff</td> <td rowspan="5">Hargy Mill</td> </tr> <tr> <td>5th May 2017</td> <td>Permit</td> <td>SHO</td> </tr> <tr> <td>20th August 2016</td> <td>Boiler/WTP</td> <td>QC</td> </tr> <tr> <td>19th May 2016</td> <td>FFB grading</td> <td>QC</td> </tr> <tr> <td>18th August 2016</td> <td>Sampling/ analysis</td> <td>QC</td> </tr> <tr> <td>13th December 2016</td> <td>Process</td> <td>Mill Mgr</td> <td></td> </tr> </table>	Training Scheduled for 2017 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained which covered all aspects of the RSPO Principles and Criteria.				Date	Training Topic	Trainer	Remarks	18th July 2017	Loading of FFB	Staff	Hargy Estate	9th March 2017	Harvesting	Staff	9th March 2017	Pruning	Staff	8th November 2016	Weeding	Staff	14th March 2017	PPE Application	Staff	Hargy Mill	5th May 2017	Permit	SHO	20th August 2016	Boiler/WTP	QC	19th May 2016	FFB grading	QC	18th August 2016	Sampling/ analysis	QC	13th December 2016	Process	Mill Mgr		<p>Yes</p>
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		12th July 2017	Harvesting	Staff	Pandi Estate	
		15th November 2016	SOP for harvester	Staff		
		17th April 2017	Manuring	Staff		
		7th April 2017	Tractor driver	Staff		
		<p>Smallholders: The smallholders are being educated on the health and safety through the Field Days conducted by HOPL and OPIC. It is conformed through interview that smallholders that they have attended Field Days. Field day carried out on 17th July 2017, 28th June 2017, 2nd May 2017, 22nd March 2017, 20th March 2017, 3rd February 2017, 9th February 2017 (Specifically on urea application). This forum is adequate to discuss and train the smallholders organized by the organization.</p>				
<b>4.8.2</b>	Records of training for each employee shall be maintained. - Minor compliance -	<p>Hargy Plantation: Hargy Oil Palm Limited is using WinHR to manages the training database for each employee. The process started with collection of training attendance list from each sites to be lodged into WinHR system, identification is using employee name and employee number. Hargy POM:</p>				Yes

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- Leila Lepakot, Supervisor Laboratory/Shipping has joined training on SCCS training on 24th June 2017;</li> <li>- Jeffrey P, Laboratory Supervisor has joined training on SCCS 24th June 2017;</li> <li>- Eddie Dawan, Process Supervisor joined SCCS training dated 24th June 2017.</li> <li>- Paul Sari, Boiler attendant has training on Boiler Attendant License No.938 on 10th January 2016, Boiler and Water Treatment Plant training on 20th August 2016;</li> </ul> <p>Hargy Estate:</p> <ul style="list-style-type: none"> <li>- Pero Jacob, weed sprayer has joined training on spraying on 8th November 2016;</li> <li>- Kennedy Matthew, weed sprayer has joined training on spraying/weeding on 8th November 2016; joined PPE application training on 14th March 2017;</li> </ul> <p>Navo Estate:</p> <ul style="list-style-type: none"> <li>- Onny Nom, harvester has joined Harvest training on 23rd June 2017;</li> <li>- Omgu Billy, harvester has joined Harvest training on 23rd June 2017;</li> </ul> <p>Pandi Estate:</p> <ul style="list-style-type: none"> <li>- Patrick Paule, Domenic Bolo, Jason John and Thomas Kalkal (sprayers) have joined training for sprayer in 8th June 2017;</li> </ul> <p>Smallholders:</p> <p>The smallholders are being educated on the health and safety through the Field Days conducted by HOPL and OPIC. It is confirmed through interview that smallholders that they have attended Field Days. Field day carried out on 17th July 2017, 28th June 2017, 2nd May 2017, 22nd March 2017, 20th March 2017, 3rd February 2017, 9th February 2017 (Specifically on urea application). This forum is adequate to discuss and train the smallholders organized by the organization.</p>	

**Principle 5: Environmental responsibility and conservation of natural resources and biodiversity**

**Criterion 5.1**  
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative

Criterion / Indicator	Assessment Findings	Compliance	
<p>impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>			
<p><b>Associated Smallholder Requirement:</b>                      5.1.2 Improvements suggested at the pre-planting inspection should be noted on the inspection form.                      5.1.3 Environmental management improvements suggested by OPIC and/or Company Smallholder Departments during routine block inspections shall be implemented as practicable.</p> <p><b>Guidance:</b></p> <ul style="list-style-type: none"> <li>• The EIA should cover the following activities, where they are undertaken:</li> <li>• Building new roads, processing mills or other infrastructure;</li> <li>• Putting in drainage or irrigation systems;</li> <li>• Replanting and/or expansion of planting areas;</li> <li>• Management of mill effluents (Criterion 4.4);</li> </ul> <p>Impact assessment can be a non-restrictive format e.g. ISO 14001 EMS and/or EIA report incorporating elements spelt out in this Criterion and raised through stakeholder consultation. Environmental impacts should be identified on soil and water resources (Criteria 4.3 and 4.4), air quality, greenhouse gases (Criterion 5.6), biodiversity and ecosystems, and people’s amenity (Criterion 6.1), both on and off-site.</p> <p>Stakeholder consultation has a key role in identifying environmental impacts. The inclusion of consultation should result in improved processes to identify impacts and to develop any required mitigation measures.</p> <p>For individual associated Smallholder allotments, the potential environmental impact of an individual allotment development is very limited due to the small area involved and an inspection by OPIC is acceptable. A full EIA conducted every ten years will identify the cumulative impact of multiple small allotments to support future policy development.</p> <p>For Smallholder schemes, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results (refer to ‘Guidance for Independent Smallholders under Group Certification’, June 2010, and ‘Guidance on Scheme Smallholders’, July 2009).</p>			
<p><b>5.1.1</b></p>	<p>An environmental impact assessment (EIA) shall be documented.                      - Major compliance –</p>	<p>Hargy Oil Palm Limited continued to maintain environmental impact assessment document procedure, namely Environmental Aspects Procedure No.PRO-ESD-EMS-001-09, date 1st December 2016). Hargy Oil Palm Limited Site Specific Environmental Aspects and Impacts Master Register No.REG-ESD-EMS-001-15 was sighted, latest review on 14th March 2017 which was prepared by Environment Sustainability Manager.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><i>Cross reference to PNG NI 2017</i></p> <p><i>An environmental impact assessment (EIA) shall be documented and updated every ten years.</i></p> <p><i>- Major compliance -</i></p>	<p>All major and minor activities were included in these documents for plantation, palm oil mills operations, transport &amp; vehicle workshop, Biogas Plant, construction, stores and office. Positive and negative impacts were identified and impact level was evaluated as significant or not significant.</p>	
<p><b>5.1.2</b></p> <p>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.</p> <p><i>- Minor compliance –</i></p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The</i></p>	<p>Hargy Oil Palm Limited continued to maintain an environmental impact assessment document procedure, namely Environmental Aspects Procedure No.PRO-ESD-EMS-001-09, date 1st December 2016). Hargy Oil Palm Limited Site Specific Environmental Aspects and Impacts Master Register No.REG-ESD-EMS-001-15 was sighted, latest review on 14th March 2017 which was prepared by Environment Sustainability Manager. All major and minor activities were included in these documents for plantation, palm oil mills operations, transport &amp; vehicle workshop, Biogas Plant, construction, stores and office. Positive and negative impacts were identified and impact level was evaluated as significant or not significant. The waste management plan was established and the strategy to control it was identified in Section 5: Site Specific Potential Environmental Effects and Waste Management Strategy. The management plan was last reviewed on 10th February 2017 by Environment &amp; Sustainability Manager.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p><i>management plan shall identify the responsible person/persons.</i></p> <p>- Minor compliance -</p>		
<b>5.1.3</b>	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>The company has conducted monitoring of environmental impact regularly and its documented in in the HOPL Environmental Aspect &amp; Impacts, the last updated 14th March 2017, rev. 15 No.REG-ESD-EMS-001-15. There is no change of impact since last year.</p> <p>Smallholders: The smallholders are being educated on the environmental protection and mitigation through the Field Days conducted by HOPL and OPIC. It is conformed through interview that smallholders that they have attended Field Days.</p>	Yes
<p><b>Criterion 5.2</b></p> <p>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.</p> <p><b>Associated Smallholder Requirement:</b> 5.2.3 OPIC and Company Smallholder departments to provide advice and support to associated Smallholders through field days and visits to Smallholder blocks as part of their routine extension activities.</p> <p><b>Specific Guidance:</b> For 5.2.1: This information will cover:</p> <ul style="list-style-type: none"> <li>• Presence of protected areas that could be significantly affected by the grower or miller;</li> </ul>			

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> <li>• Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller;</li> <li>• Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller;</li> </ul> <p>For 5.2.2: These measures will include:</p> <ul style="list-style-type: none"> <li>• Ensuring that any legal requirements relating to the protection of the species or habitat are met;</li> <li>• Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created;</li> <li>• Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human- wildlife conflicts (e.g. incursions by elephants).</li> <li>• For 5.2.5: If a negotiated agreement cannot be reached, there should be evidence of sustained efforts to achieve such an agreement. These could include third party arbitration (see Criteria 2.3, 6.3 and 6.4).</li> </ul> <p><b>Guidance:</b> This information gathering should include checking available biological records and consultation with relevant government departments, research institutes and interested NGOs if appropriate. Depending on the biodiversity values that are present, and the level of available information, some additional field survey work may be required. Wherever HCV benefits can be realised outside of the management unit, collaboration and cooperation between other growers, governments and organisations should be considered.</p> <p>Note: Operators need to consider a variety of land management and tenure options to secure HCV management areas in ways that also secure local peoples’ rights and livelihoods. Some areas are best allocated to community management and secured through customary or legal tenures, in other cases co- management options can be considered. Where communities are asked to relinquish rights so that HCVs can be maintained or enhanced by the companies or State agencies, then great care needs to be taken to ensure that communities retain access to adequate land and resources to secure their basic needs; all such relinquishment of rights must be subjected to their free, prior, and informed consent (see Criteria 2.2 and 2.3).</p>	<p>Hargy Oil Palm Limited presented a number of HCV documents:</p> <ul style="list-style-type: none"> <li>- Identification of High Conservation Value Forest at Hargy Oil Palm Plantation Ltd, West New Britain Province, Papua New Guinea prepared by Paulus Kulmoi and Benside Thomas on 29th May - 3rd June 2008. In the report mentioned whilst no area within company’s estate can be classified as HCV, the forest area between the boundary of Hargy Estate and Nakanai Ranges including Lake Hargy Caldera should be classified as HCV1.3.</li> </ul>	<p>Yes</p>
<p><b>5.2.1</b></p>	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>corridors).</p> <p>- Major compliance -</p>	<p>- Baseline Study of Barema Oil Palm Project Area for Hargy Oil Palms Limited West New Britain Province by Paulus Kulmoi (Senior Ecologist), Aida Somake (Technical Officer), Mark Kove (Hydrographer), Nason Yube (Principal Hydrographer);</p> <p>- High Conservation Value Study Mengen, Bakada &amp; Bialla West New Britain Province carried out by Douglas Environmental Service - February 2009. Using HCVF Toolkit 2005.</p> <p>The assessment has taking into consideration the wider landscape-level area. HOPL presented the HCV maps for all values identified in HOPL plantation.</p> <p>Identified RTE species:</p> <p>Animal: Blue eyed cockatoo (<i>Cacatua ophthalmica</i>), Eclectus parrot (<i>Eclectus roratus</i>), New Britain buzzard (<i>Heniopernis infuscate</i>), Blyth's hornbill (<i>Aceros plicatus</i>),</p> <p>Plant: <i>Intsia bijuga</i> (Vu), <i>Guioa novobritannica</i> (Vu), <i>Mastixidendron stoddardii</i> (Vu),</p> <p>Conservation area include the following HCV areas as identified in HCV assessment, buffers as prescribed by PNG regulations, other areas designated by HOPL management for conservation.</p> <p>In relation to presence of primary forest as at 2005:</p> <p>The HCV report stated that some of the area proposed for Bakada/Mengen area is located on areas which have previously designated as Timber Right Purchase Areas. All of the proposed areas have been logged since 1980s with logging only having ceased recently. Much of the area has been logged up to three times. None of proposed areas for HOPL expansion program are located in areas of primary forest, or that was primary forest as at November 2005.</p> <p>Within the estate some areas are not planted and these habitats are being left in their natural state. None of these areas have been identified as HCVs. They are normally steep areas near river and in gullies. These areas have been maintained and are prospering as there are no incursions into any of these areas. Hargy Oil Palms stated these areas of around 2,200 Ha from three plantations as "conservation area".</p>	
<p><b>5.2.2</b> Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a</p>	<p>Hargy Oil Palm Limited:</p> <p>There is HCV Action Plan as management response to HCV study 2009. The plan indicating the recommendation such as; The area identified as HCVF which require rehabilitation should be planted with suitable tree species such as <i>Eucalyptus declupta</i> and endangered species. Current management: Each plantation site has a tree nursery established for buffer zone rehabilitation. HCV/Buffer area requiring rehabilitation use seedling from tree nurseries. Additional action is regular and dedicated monitoring program for buffer zone and HCV, awareness on RTE species will be conducted to the workforce.</p>	<p>Yes</p>



Criterion / Indicator	Assessment Findings	Compliance
<p>management plan. - Major compliance -</p>	<p>Maps of all buffer zones and HCV areas need for conservation purposes are to be prepared and distributed to all estate for easy identification of significant areas. Current management: Buffer zones and HCV maps are available at all sites, updated as required.</p> <p>Karla Plantation Buffer Rehabilitation Program, 96 Kumurere tree planted in field 1 and field 15-16. Plan to plant more tree in Kianga creek, beside Ibana river at F15 and 16 and also between F1 and F15, F14 between palms and beach area. Map of buffer zone is available.</p> <p>Conservation area include the following HCV areas as identified in HCV assessment, buffers as prescribed by PNG regulations, other areas designated by HOPL management for conservation.</p> <p>Training on HOPL staff on HCV monitoring.</p> <p>Pandi Estate: Conservation area, serve as a buffer zone for Painave creek. Estate does not implement any chemical spraying in the adjacent Pandi Estate, Alangily Division, block 11B01.</p> <p>Navo Estate: Navo Tree Nursery planting plan in Karla 01, field 15, 16, between F2 and F3, old market flea, to put appropriate buffer sign and eradicate bush camp.</p> <p>Smallholder: Environmental, Health and Safety (EHS) checks are made in buffer zones, and degradation within buffer zones, every month. Local species are also being cultivated in the nurseries and planted in the buffer zones. Smallholders understood the need to protect and if necessary re-establish buffer zones along watercourses and the potential use of these buffer zones as wildlife corridors.</p>	
<p><b>5.2.3</b> There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm,</p>	<p>Hargy Oil Palm Limited: Company prepared action plan to give understanding to the workers. Program is in place to educate worker on RTE species, under HCV Action Plan. Company also demonstrates commitment to discourage illegal hunting, fishing or collecting activities at dedicated conservation area. Signs have been erected on areas where RTE species identified.</p> <p>Interviews with workers in compound, female camp residents (Makakiwa Compound, Hargy Estate, Makakiwa Division), and others all confirmed that HOPL had socialized the workforce concerning protection of RTE species.</p> <p>Navo Estate:</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>collect or kill these species.</p> <p>- Minor compliance -</p>	<p>Muster chit Karla Plantation dated 4th April 2017 divisional manager talks about saving environment, prohibit cutting trees, etc. Postersign indicating RTE species such as hornbill, falcon, cockatoo, sea turtle, etc.</p> <p>Pandi Estate: Meeting held by plantation manager to all workers lives in Sabalbala Compound, dated 25th July 2017, related to buffer zone encroachment/bush fire, wildlife, mountain side gardening, etc. The meeting attended by 180 workers (drivers, harvesters, security, loader, etc.)</p> <p>Smallholders: The smallholders are aware of the impact of development of oil palm on surrounding natural areas through the OPIC planting approval process (control) as well as through RSPO awareness sessions. Smallholders understood the need to protect and if necessary re-establish buffer zones along watercourses and the potential use of these buffer zones as wildlife corridors. The smallholders are being educated on the RTE through the Field Days conducted by HOPL and OPIC. It is conformed through interview with smallholders that they have attended Field Days and they have understood about the protection of wild animals and hunting. At the OPIC office, the assessment team had observed the RTE poster posted on the notice board.</p>	
<p><b>5.2.4</b> Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance -</p>	<p>Hargy Oil Palm Limited: The plan includes re-mapping conservation area throughout all company' plantation – for delineation of Hargy's conservation area, including area planned for development. Conservation area include the following HCV areas as identified in HCV assessment, buffers as prescribed by PNG regulations, other areas designated by HOPL management for conservation. Hargy Oil Palms Limited has prepared a system to improve the monitoring of RTE species. The monitoring RTE species is being done as part of Environmental, Health and Safety Inspection. The inspection performed by RSPO representatives on monthly basis at each plantation. The RTE monitoring done and look into the condition of buffer zone, presence of RTE species and identify any disturbance to the buffer zone. Hargy also prepare a plan to training more staff in cooperation with ProForest.</p> <p>Record seen: Navo Estate: EHS Inspection to Karla Division II &amp; III (Kiba), dated 10th July 2017 by Erick Iseho – acknowledge</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>by manager on 25th July 2017. Biodiversity conservation issue has been reviewed such as buffer zone size, mark and signpost for buffer zone, any sign of encroachment to buffer zone, any new development areas assessed for HCV, local communities consulted for support in protecting buffer zone. RTE Species observed: Blue eye koki, Green kalangal, Red kalangal, Kokomo, Tarangan. Group manager seized slingshot from worker/local communities hunting for birds.</p> <p>Pandi Estate: EHS Inspection Bakada Plantation, dated 27th May 2017, by Lawrence Kui – acknowledge by Manager on 5th June 2017. Biodiversity conservation issue has been reviewed such as buffer zone size, mark and signpost for buffer zone, any sign of encroachment to buffer zone, any new development areas assessed for HCV, local communities consulted for support in protecting buffer zone.</p>	
<p><b>5.2.5</b></p>	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>Yes</p>

**Criterion 5.3:**

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

**Associated Smallholder Requirement:**

5.3.2 Applies to associated Smallholders.

5.3.3 Smallholders must demonstrate planned waste management and disposal by disposing of waste products in a designated waste pit.

Criterion / Indicator	Assessment Findings	Compliance
<p><b>Guidance:</b> The waste management and disposal plan should include measures for:</p> <ul style="list-style-type: none"> <li>Identifying and monitoring sources of waste and pollution.</li> <li>Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes).</li> <li>Appropriate management and disposal of hazardous chemicals and their containers. Surplus chemical containers should be reused, recycled or disposed of in an environmentally and socially responsible way using best available practices (e.g. returned to the vendor or cleaned using a triple rinse method), such that there is no risk of contamination of water sources or risk to human health. The disposal instructions on the manufacturers’ labels should be adhered to. Use of open fire for waste disposal should be avoided.</li> </ul>		
<p><b>5.3.1</b></p>	<p>All waste products and sources of pollution shall be identified and documented by companies.</p> <p>- Major compliance -</p> <p>HOPL Environmental Aspect Impact Master Register No.REG-ESD-EMS-004-05, Issue 15, dated 14th March 2017, identifying all aspects and impacts from plantation and mill operation. List/register of waste product is documented in Waste Management Plan, rev.7, dated 10<sup>th</sup> February 2017.</p> <p>Generation and management of wastes, within Hargy Oil Palms Limited project sites would be in accordance with the waste minimization and cleaner production principles as well as relevant PNG Industry Environmental Code of Practices, guidelines and other best environment practices &amp; procedures applicable to the industry.</p> <p>Waste Management Plan is prepared to comply with relevant legal requirements as listed:</p> <ul style="list-style-type: none"> <li>ISO 14001:2015 Guidelines;</li> <li>RSPO Principles &amp; Criteria;</li> <li>PNG Environment Act 2000;</li> <li>PNG Environmental Code of Practice – Vehicle Workshop &amp; Hydrocarbons, Storage, Resale and Usage</li> <li>PNG Logging Code of Practice;</li> <li>PNG Environmental Code of Practice for Sanitary Landfill Sites;</li> <li>PNG Environmental Code of Practice – Palm Oil Processing 2013;</li> </ul> <p>For Waste discharge environment permit, HOPL operates in accordance with the permit issued by the PNG Conservation &amp; Environment Protection Authority (CEPA). Sighted the environment permit for Hargy Oil Palm Limited (Hargy POM- permit No.WD-L2(56), Navo POM-permit No.WD-L2B(104)).</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance																																																																
<p><b>5.3.2</b> All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>All chemicals and their containers shall be disposed of in accordance with the requirements of the applicable Safety Data Sheet. At a minimum, containers shall be triple rinsed with clean water and punctured to prevent re-use for liquid storage. Where triple rinsing is demonstrated to eliminate a risk to safety or the environment, re-use may be permitted for carrying pre-mix to the field, cutting down and using as waste bins and even using non-pesticide containers for non-potable water storage.</i></p> <p>- Major compliance -</p>	<p>HPOL continued to maintain the procedure for Disposal of Used Chemical containers No.HOP-PRO-EMS-022-03, dated 29th April 2016. The SOP mentioned about the rinsing and disposal of used chemical container.</p> <p>The company inventory of chemical and their container that is used and kept on site. The chemical container is stored and re-use for mixed of pesticides/herbicides. The records was sighted, titled Chemical Container Disposal Record, No.FOR-ESD-EMS-012-02, dated 29th April 2016, as follow:</p> <table border="1" data-bbox="804 635 1319 940"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Total containers</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Hargy Estate</td> <td>2016</td> <td>198</td> </tr> <tr> <td>2017</td> <td>143</td> </tr> <tr> <td rowspan="2">Navo Estate</td> <td>2016</td> <td>272</td> </tr> <tr> <td>2017</td> <td>56</td> </tr> <tr> <td>Navo Mill</td> <td>2017</td> <td>153</td> </tr> <tr> <td rowspan="2">Pandi Estate</td> <td>2016</td> <td>99</td> </tr> <tr> <td>2017</td> <td>98</td> </tr> <tr> <td rowspan="2">Hargy Mill</td> <td>2016</td> <td>61</td> </tr> <tr> <td>2017</td> <td>69</td> </tr> </tbody> </table> <p>The waste that disposed to the landfill was recorded accordingly using Solid Waste Disposal Register Record. Sighted the records as follow:</p> <table border="1" data-bbox="804 1027 1733 1152"> <thead> <tr> <th>Estate</th> <th>Landfill Area</th> <th>Date</th> <th>Type of waste</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>Hargy Estate</td> <td>P1999</td> <td>3rd July 2017</td> <td>Empty containers</td> <td>8</td> </tr> <tr> <td>Navo Estate</td> <td>P2014</td> <td>26th July 2017</td> <td>Empty containers</td> <td>8</td> </tr> <tr> <td>Navo Mill</td> <td>P2014</td> <td>24th June 2016</td> <td>Empty container</td> <td>1</td> </tr> </tbody> </table> <p>At Navo and Pandi vehicle workshop, the used batteries and oil were sent to the Hargy Central Workshop for disposal. The records was as follow:</p> <table border="1" data-bbox="804 1238 1733 1358"> <thead> <tr> <th>Month</th> <th>Used Oil</th> <th>Used Filters</th> <th>Disposed batteries</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>8th April 2017</td> <td>2000 L</td> <td>8 pcs</td> <td>18 pcs</td> <td rowspan="3">Navo Workshop</td> </tr> <tr> <td>18th April 2017</td> <td>-</td> <td>10 pcs</td> <td>-</td> </tr> <tr> <td>27th April 2017</td> <td>-</td> <td>10 pcs</td> <td>-</td> </tr> </tbody> </table>	Estate	Year	Total containers	Hargy Estate	2016	198	2017	143	Navo Estate	2016	272	2017	56	Navo Mill	2017	153	Pandi Estate	2016	99	2017	98	Hargy Mill	2016	61	2017	69	Estate	Landfill Area	Date	Type of waste	Quantity	Hargy Estate	P1999	3rd July 2017	Empty containers	8	Navo Estate	P2014	26th July 2017	Empty containers	8	Navo Mill	P2014	24th June 2016	Empty container	1	Month	Used Oil	Used Filters	Disposed batteries	Remarks	8th April 2017	2000 L	8 pcs	18 pcs	Navo Workshop	18th April 2017	-	10 pcs	-	27th April 2017	-	10 pcs	-	<p>Yes</p>
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Criterion / Indicator		Assessment Findings	Compliance
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.  - Minor compliance -	List/register of waste product is documented in Waste Management Plan, rev.7, dated 10 <sup>th</sup> February 2017. Generation and management of wastes, within Hargy Oil Palms Ltd project sites would be in accordance with the waste minimization and cleaner production principles as well as relevant PNG Industry Environmental Code of Practices, guidelines and other best environment practices & procedures applicable to the industry. HOPL recorded the quantity of waste recycled or sent to landfill.	Yes
<p><b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p> <p><b>Guidance:</b> Renewable energy use per tonne of Crude Palm Oil (CPO) or palm product in the mill should be monitored. Direct fossil fuel use per tonne of CPO or Fresh Fruit Bunches (FFB) should be monitored. Energy efficiency should be taken into account in the construction or upgrading of all operations. Growers and millers should assess the direct energy use of their operations, including fuel and electricity, and energy efficiency of their operations. This should include estimation of fuel use by on-site contract workers, including all transport and machinery operations. The feasibility of collecting and using biogas should be studied if possible.</p>			

Criterion / Indicator		Assessment Findings	Compliance																																				
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>In the estate fossil fuel usage especially the diesel used for genset was monitored on monthly basic. The genset was used only for backup if there is no electricity supply from government. Record of fossil fuel usage sighted during onsite audit. The POM and estates monitor the use of fossil fuel:</p> <table border="1"> <thead> <tr> <th>Area</th> <th>Month</th> <th>Litres/Hr</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Hargy Estate</td> <td>June 17</td> <td>16.20</td> </tr> <tr> <td>May 17</td> <td>16.30</td> </tr> <tr> <td rowspan="2">Navo Estate</td> <td>June 17</td> <td>10.00</td> </tr> <tr> <td>May 17</td> <td>10.00</td> </tr> <tr> <td rowspan="2">Pandi Estate</td> <td>June 17</td> <td>2.82</td> </tr> <tr> <td>May 17</td> <td>10.00</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Area</th> <th>Year</th> <th>Litres/mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="2">NPOM</td> <td>2016</td> <td>1.93</td> </tr> <tr> <td>2017 (todate July)</td> <td>1.60</td> </tr> <tr> <td rowspan="2">BPOM</td> <td>2016</td> <td>7.53</td> </tr> <tr> <td>2017 (todate June)</td> <td>5.47</td> </tr> <tr> <td rowspan="2">HPOM</td> <td>2016</td> <td>2.18</td> </tr> <tr> <td>2017</td> <td>3.66</td> </tr> </tbody> </table>	Area	Month	Litres/Hr	Hargy Estate	June 17	16.20	May 17	16.30	Navo Estate	June 17	10.00	May 17	10.00	Pandi Estate	June 17	2.82	May 17	10.00	Area	Year	Litres/mt FFB	NPOM	2016	1.93	2017 (todate July)	1.60	BPOM	2016	7.53	2017 (todate June)	5.47	HPOM	2016	2.18	2017	3.66	Yes
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5.4.2	<p>Monitoring Kilowatt hour per tonne of palm product from non renewable energy resources. Monitoring trend for the preceding 5 years</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><b><i>No reference in PNG NI 2017</i></b></p>	Not relevant, not applicable.	N/A																																				
<b>Criterion 5.5:</b>																																							

Criterion / Indicator	Assessment Findings	Compliance	
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
<p><b>Associated Smallholder Requirement:</b>            5.5.1 Applies to associated Smallholders.            5.5.2 Applies to associated Smallholders.</p> <p><b>Guidance:</b>            Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks, and exceptional levels of caution should be required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation. Extension/training programmes for associated Smallholders may be necessary.</p>			
<p><b>5.5.1</b></p>	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>There shall be no land preparation by burning.</i></p> <p>- Major compliance -</p>	<p>No-burn policy as per stated in the Waste Management Plan. Besides, in their Environment Policy No.POL-ESD-EMS-001-06, dated 23rd April 2017 also emphasize on the preventing pollution including zero burning.</p> <p>No open burning noted during the field and facility visit. For example, visited Hargy Estate, Urumaili Divisoin (Field 15K04 and 17H04) and Pandi Estate (Field 17) found that no land preparation by burning.</p>	<p>Yes</p>
<p><b>5.5.2</b></p>	<p>Where fire has been used for preparing land for replanting, there shall be</p>	<p>No open burning noted during the field and facility visit. For example, visited Hargy Estate, Urumaili Div (Field 15K04 and 17H04) and Pandi Estate (Field 17) found that no land preparation by burning.</p>	<p>Yes</p>



Criterion / Indicator	Assessment Findings	Compliance
<p>evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Fire shall not be used for preparing land for replanting.</i></p> <p>- Major compliance -</p>		
<p><b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p><b>Preamble:</b> <i>Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions.</i> <i>Growers and millers have committed to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO.</i></p> <p><b>Specific Guidance:</b> For 5.6.2: Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified. For 5.6.2 and 5.6.3: The treatment methodology for POME will be recorded. For 5.6.3 (GHG): For the implementation period until December 31st 2016, an RSPO-endorsed modified version of PalmGHG which only includes emissions from operations (including land use practices) can be used as a monitoring tool.</p>		

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Criterion / Indicator	Assessment Findings	Compliance																										
<p><b>For 5.6.3:</b> In addition, during the implementation period, growers will start to assess, monitor and report emissions arising from changes in carbon stocks within their operations, using the land use in November 2005 as the baseline. The implementation period for Indicator 5.6.3 is the same implementation period for Criterion 7.8. During the implementation period, reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance for the process. Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period the RSPO working group will seek to continually improve PalmGHG, recognising the challenges associated with measuring GHG and carbon stock. PalmGHG or RSPO-endorsed equivalent will be used to assess, monitor and report GHG emissions. Parties seeking to use an alternative to PalmGHG will have to demonstrate its equivalence to the RSPO for endorsement.</p> <p><b>Guidance:</b> Where practically feasible, operations should follow best management practices to measure and reduce emissions. Advice on this is available from the RSPO.</p>																												
<p><b>5.6.1</b></p>	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>- Major compliance -</p> <p>Monitoring and control of particular emissions from mills have been identified in the HOPL Environmental Aspect Impact Master Register No.REG-ESD-EMS-004-05, Issue 15, dated 14th April 2017. The mill and estate reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land. Monitoring of mill gas emissions and POME are being done and supported by:</p> <p>Smoke Emission</p> <table border="1" data-bbox="804 1027 1753 1334"> <thead> <tr> <th>Mill</th> <th>Date</th> <th>Result</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Hargy POM</td> <td>8-24th June 2017</td> <td>&lt;40%</td> <td rowspan="9">As per PNG Oil Palm Processing Industry-Environmental Code of Practice 2013 by Department of Environment and Conservation.</td> </tr> <tr> <td>8-23rd May 17</td> <td>&lt;40%</td> </tr> <tr> <td>1-18th April 2017</td> <td>&lt;40%</td> </tr> <tr> <td rowspan="3">Barema POM</td> <td>1-25th June 2017</td> <td>&lt;40%</td> </tr> <tr> <td>1-31st May 2017</td> <td>&lt;40%</td> </tr> <tr> <td>1-9th April 2017</td> <td>&lt;40%</td> </tr> <tr> <td rowspan="3">Navo POM</td> <td>1-30th June 2017</td> <td>0%</td> </tr> <tr> <td>1-31st May 2017</td> <td>&lt;40%</td> </tr> <tr> <td>1-30th April 2017</td> <td>&lt;40%</td> </tr> </tbody> </table> <p>POME treatment.</p>	Mill	Date	Result	Remarks	Hargy POM	8-24th June 2017	<40%	As per PNG Oil Palm Processing Industry-Environmental Code of Practice 2013 by Department of Environment and Conservation.	8-23rd May 17	<40%	1-18th April 2017	<40%	Barema POM	1-25th June 2017	<40%	1-31st May 2017	<40%	1-9th April 2017	<40%	Navo POM	1-30th June 2017	0%	1-31st May 2017	<40%	1-30th April 2017	<40%	<p>Yes</p>
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<b>5.6.2</b>	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>- Major compliance -</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done, for example from POME, diesel/fuel and fertilizer/chemical. Their usage have been recorded and documented at each operating units. The plan to reduce or minimized the GHG emission is included in the Environmental Improvement Plan No.PLN-ESD-GEN-001-013, dated 25th May 2017.</p>					Yes																																
<b>5.6.3</b>	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions</i></p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include the water quality at discharge points. Water samples were regularly taken every month and tested by mill environment officer in charge and analysed to ensure compliance to Department of Environment and Conservation requirements at final discharge points. The water samples were sent to National Analysis Laboratory for analysis. Records are maintained and verified on-site to have met the permissible regulatory limits.</p> <p>Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 3.0.1 is used and the management opted for full version was applied. These GHG calculations were done as per certification unit basic including 3 estates and 3 mills. Summary emissions:</p> <p>Hargy POM</p> <p>a. Emission/ mt CPO= 1.80 tCO<sub>2</sub>e /MT CPO</p> <p>b. Emission/ mt PK= 1.80 tCO<sub>2</sub>e /MT PK</p> <p>c. Emission/ mt PKO= 1.99 tCO<sub>2</sub>e /MT CPO</p> <p>b. Emission/ mt PKE = 1.99 tCO<sub>2</sub>e /MT PK</p>					Yes																																

Criterion / Indicator	Assessment Findings	Compliance
<p><i>from estate and mill operations, using appropriate tools. Monitoring of mill smoke emissions must be in accordance with the requirements of the PNG Oil Palm Processing Industry Environmental Code of Practice.</i></p> <p>- Minor compliance -</p>	<p>Barema POM            a. Emission/ mt CPO= 1.66 tCO<sub>2</sub>e /MT CPO            b. Emission/ mt PK= 1.66 tCO<sub>2</sub>e /MT PK            c. Emission/ mt PKO= 2.54 tCO<sub>2</sub>e /MT CPO            b. Emission/ mt PKE = 2.54 tCO<sub>2</sub>e /MT PK</p> <p>Navo POM            a. Emission/ mt CPO= 2.34 tCO<sub>2</sub>e /MT CPO            b. Emission/ mt PK= 2.34 tCO<sub>2</sub>e /MT PK</p> <p>Details of GHG calculation can be found under Appendix K:GHG Reporting Executive Summary.</p>	

**Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills**

**Criterion 6.1:**

Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.

**Guidance:**

Identification of social impacts should be carried out by the grower with the participation of affected parties, including women and migrant workers as appropriate to the situation. The involvement of independent experts should be sought where this is considered necessary to ensure that all impacts (both positive and negative) are identified.

Participation in this context means that affected parties are able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.

Potential social impacts may result from activities such as: building new roads, processing mills or other infrastructure; replanting with different crops or expansion of planting area; disposal of mill effluents; clearing of remaining natural vegetation; changes in employee numbers or employment terms; Smallholder schemes.

Plantation and mill management may have social impacts (positive or negative) on factors such as:

- Access and use rights;
- Economic livelihoods (e.g. paid employment) and working conditions;
- Subsistence activities;

Criterion / Indicator	Assessment Findings	Compliance	
<ul style="list-style-type: none"> <li>• Cultural and religious values;</li> <li>• Health and education facilities;</li> <li>• Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force.</li> </ul> <p>The review can be done (once every two years) internally or externally. A Social Management Plan shall be in place based on the latest SIA. This will document the mitigation of negative impacts and the promotion of positive impacts. This must be timetabled and have responsibilities for implementation clearly identified,</p>			
<p><b>6.1.1</b></p>	<p>A social impact assessment (SIA) including records of meetings shall be documented</p> <p>- Major compliance -</p>	<p>The most recent SIA report available at the time of the assessment is dated November 2013. Interview was conducted with the consultant that has conducted the SIA assessment in 2013. The records of the meeting were kept and due to assessment was conducted back in 2013, some records are not available.</p> <p>However, the company are conducting monthly meeting with local stakeholders/smallholders for continuous input to updates/monitor the annual management plan.</p> <p>Adhoc meetings with external and internal stakeholders are being sighted for continual inputs.</p> <p>During the field visit to the smallholders, it was confirmed by smallholders that the HOPL with Oil Palm Industry Corporative (OPIC) had conducted regular meetings (e.g. field days) with them. During such meetings, matters related to HOPL’s activities, any concerns from the smallholders, best planting best practice, and any other issues are being discussed.</p>	<p>Yes</p>
<p><b>6.1.2</b></p>	<p>There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>- Major compliance -</p>	<p>As stated in content of the Updated of the 2009 SIA &amp; Social Management Plan report, it was identified that the assessment has been conducted with participation of the affected parties.</p> <p>During the field visit to the smallholders, it was confirmed by the smallholders that they have participated in interviews conducted by the HOPL regarding social matters. As smallholders have formed the biggest community surrounding HPOL’s operations, the assessment team deemed that the inputs from the smallholders is sufficient to determined that the SIA has been conducted with participation of affected parties.</p> <p>Additional to the smallholders, interviewed with workers (who may also be smallholders) had confirmed that HOPL is constantly collecting social inputs from the internal affected parties.</p>	<p>Yes</p>
<p><b>6.1.3</b></p>	<p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in</p>	<p>The most updated management/improvement plan is dated June 2017. The impacts was identified based on the Updated of the 2009 SIA &amp; Social Management Plan report dated November 2013.</p> <p>The assessment team had reviewed the mitigation and actions plan. The monitoring of actions for those identified impacts made through the actions plan. The effectiveness of the mitigation are monitored and will be transferred to the annual continuous improvement plan if required.</p> <p>The management plan had identified the responsibility department and individuals for its</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>- Major compliance -</p>	<p>implementation.</p>	
<b>6.1.4</b>	<p>The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. In any case, the plans should be updated at least every ten years. There shall be evidence that the review includes the participation of affected parties.</i></p>	<p>The plan is reviewed once a year for any updates required. The current review of the plan is dated June 2017. As to date there is no additional impact identified (e.g. there is no replanting with different crop or expansion of planting area). The most recent SIA was completed in November 2013 which had structured the HOPL annual management plan.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	- <i>Minor compliance</i> -		
<b>6.1.5</b>	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).  - Minor compliance -	The social management plan which was structured from the SIA had identified the impacts that will be affecting the smallholders. Examples of impacts that were identified that affects the smallholders includes – expansion of HOPL activities and the potential for these activities disrupting the smallholders daily activities; FFB pricing mechanism; possibilities of land dispute on the smallholders block etc.  During the smallholders’ field assessment, it was confirmed that consultation by HOPL was made on a continuous basis.	Yes
<b>Criterion 6.2</b>			
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
<b>Guidance:</b>			
Decisions that the growers or mills are planning to make should be made clear, so that local communities and other interested parties understand the purpose of the communication and/or consultation. Communication and consultation mechanisms should be designed in collaboration with local communities and other affected or interested parties. These should consider the use of appropriate existing local mechanisms and languages. Consideration should be given to the existence/formation of a multi-stakeholder forum. Communications should take into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups. Consideration should be given to involving third parties, such as disinterested community groups, NGOs, or government (or a combination of these), to facilitate Smallholder schemes and communities, and others as appropriate, in these communications.			
<b>6.2.1</b>	Consultation and communication procedures shall be documented.  - Major compliance -	A list of the stakeholder has been sighted. The stakeholders list includes the community leaders. The latest issuance of the list is on 10th July 2017. The company is committed on good communication internally and externally as stated in the “Communication Policy” dated 16th December 2015. The “Communication” procedure No.PRO-ESD-EMS-006-10 dated 11th March 2017 has documented the communication procedures on both internal and external interested parties related. The FPIC approach is documented in the social management plan. Through inputs received during the stakeholders interviewed, the assessment team deems that the affected parties had understood the communication method set out by HOPL.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	The official responsible for communication is the Community Affairs Manager. Currently the position is held by Mr. Rolland Allbrook. The affected parties has been interviewed and they are aware that in case of any communication is required with HOPL, they will go to Community Affairs department.	Yes
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	A list of the stakeholder has been sighted. The latest issuance of the list is on 10th July 2017. Records of the communication between stakeholders or smallholders are available. Records of communications sighted are in the form of meeting minutes, email communications, content of discussion with smallholders during field day.	Yes
<p><b>Criterion 6.3</b></p> <p>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><b>Specific Guidance:</b> For 6.3.1: The system should aim to reduce the risks of reprisal.</p> <p><b>Guidance:</b> See also to Criterion 1.2. Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties. Complaints should be dealt with by mechanisms such as Joint Consultative Committees (JCC), with gender representation as necessary. Grievances may be internal (employees) or external. For scheme and independent Smallholders, refer to '<i>Guidance for Independent Smallholders under Group Certification</i>', June 2010, and '<i>Guidance on Scheme Smallholders</i>', July 2009.</p>			



Criterion / Indicator	Assessment Findings	Compliance
<p>Where a resolution is not found mutually, complaints can be brought to the attention of the RSPO Complaints System. Refer to helpful texts for guidance, such as the Human Rights Commission (HRC) endorsed 'Guiding Principles on Business and Human Rights: Implementing the UN "Protect, Respect and Remedy" Framework', 2011.</p>		
<p><b>6.3.1</b></p>	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p> <p>The company is committed to receive grievances from all stakeholders (internal and external) as stated in the "Grievance Policy" dated 16th December 2015. The company "HOPL Grievance Procedure" No.PRO-HRD-COS-001-04 dated 17th February 2017 documents how grievance/complaints to be managed. The procedures also distinguished the grievances and issues. The Grievance is open to all local communities, company and contractors personnel. Any external grievances received will be managed by General Manager's Secretary and later delegated to the respective departments (previously was managed by the Communities Affair Manager and Sustainability Manager).</p> <p>In order to keep the grievance process in anonymity and protect on confidentiality, complainants can send email to <a href="mailto:grievances@hargy.com.png">grievances@hargy.com.png</a> if there are any grievances that they would like to raise. The email is directed to the HR Manager Mr Darren Scott and the GM's Secretary Ms. Nishal.</p> <p>It was also observed that in each operating site, there is a confidential grievance box (Talk out) for workers who do not have access to email to submit any grievance and the box is only accessible by Fidelis Dainger (Internal Auditor). The procedures have stated any received grievance will be acknowledged and recorded within 7 days from time of raising the grievance. Due to the cultural consideration, the resolution of grievances could take long time.</p> <p>However, as the effort of the company to close any relevant raised grievance, the company will continue to monitor the progress of resolution through its previously corrective action on Monthly reporting on management detailing the number and status of grievances and any outstanding issues to be considered, a six-monthly trend report, including an analysis of the category of grievances, the risk levels and any mitigation actions taken to reduce them; and an annual review of the implementation of the grievance mechanism and the performance indicators. The latest report presented in June 2017 was reviewed to confirmed continuous effort of the company to resolve any outstanding grievances.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Internal audit is conducted on reported grievance to monitor of any repeated or reprisal grievance. Through interview during field assessment, the assessment team had confirmed that the affected parties are aware of the grievances mechanism. The assessment team had reviewed samples of grievances. Through the content of the grievances, the assessment team deems that the grievances mechanism is effective as all affected parties knows their rights to raise a grievance.</p>	
<p><b>6.3.2</b></p>	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance -</p> <p>Samples of grievances has been sighted. For each received grievance, HOPL had maintained the grievance form. All communication and evidences of resolution are kept by the respective department that is dealing with the resolution. The summary and/or conclusion of the resolution will be kept by the General Manager’s Secretary. From all the samples grievances reviewed, it had shown that the affected parties has been informed regarding the resolution.</p> <p>Navo Estate: Grievance received from chemical sprayers of Karla Division 2 and 3. Dated 17th July 2017. The sprayers are complaining about the rate of palm (0.0358 toea/palm). As a grievance to the management, for rate change. The complaint received by Alex Huary (Trainee Supervisor) on 17th July 2017. The complaint received the brought upon top management on the same date. As a solution, action taken was to set the piece rate at 0.0819 toea/palm, signed on 24th July 2017.</p> <p>Allegation on contamination of Ibana River by navo Platation Workers made on April 2016, made from Ibana Landowners Association. Closure on alleged contamination of Ibana River by Navo Plantation workers, dated 21st July 2017. The closure attended by Group Manager, James Kuba – Ibana Landowners Associations, Basil Peutalo, Community Engagement Officer, HOPL. The meeting stated the investigation established that the plastic containers were not of chemicals but among debris that were left along the bank of the river and the flood swept into the main stream during heavy rainfall. The complainant says that he is fully aware of the proper ways of disposing such contaminated plastic containers. The meeting concluded with a general commitment to continue the good partnership and culture of consultation between Ibana Landowners Association and HOPL.</p> <p>Navo POM: Navo Mill Worker Grievance/Strike Responses and Updates, listed 8 complaints and grievance until now. The Progressive updates and remarks have been recorded. Request, complaint, grievance and dispute register dated 8th December 2015, complaint comes from</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>laboratory department related to request for increment. The request has been responded from 8th December 2015 by OHS &amp; RSPO Officer. The complaint responded through salary review and grade change from HR Manager dated 30th November 2016, increment from PGK 2.60 to PGK 2.74. This grievance has been closed.</p> <p>Pandi Estate: On 17th May 2017, Mr. James Kaiva from Mumata Estate raised a grievance due to oil palm tree been removed from his block by D3 bulldozer for road fleet to make clear the road for the movement of building units. The complainant claimed compensation for the removal of oil palm tree. On 17th May 2017, CA mentioned to pay the complainant K26.00. On 22nd May 2017, the complainant has accepted K50.00 as compensation for the removal of 1 palm tree. The complainant acknowledge by signing off the grievance form as accepted. Case closed on 22nd May 2017.</p>	
<p><b>Criterion 6.4</b></p>		
<p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
<p><b>Specific Guidance:</b></p>		
<p>For 6.4.2: Companies should make best efforts to ensure that equal opportunities have been provided to both female and male heads of households to hold land titles in Smallholder schemes.</p>		
<p><b>Guidance:</b></p>		
<p>This criterion should be considered in conjunction with Criteria 2.2 and 2.3, and the associated Guidance.</p>		
<p><b>6.4.1</b></p>	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>- Major compliance -</p> <p>Hargy Oil Palm Plantation: A manual titled Land Negotiation Procedure: A Guide to Acquiring Land for Oil Palm Development. Several flow charts have been prepared for awareness session among stakeholders/land owners concerning the process for establishing new blocks respectively in accordance with the lease-lease back and alienated land approaches.</p> <p>New smallholder blocks are established via the Clan Land Use Agreement (CLUA) and Oil Palm Industry Corporation (OPIC) vetting process. Compensation aspects was not applicable.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>6.4.2</b> A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups’ proof of legal versus communal ownership of land.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land for customary purposes. The procedure should recognise different mechanisms for agreement on the right to use the land ranging from outright purchase to leases and CLUAs of varying durations. Payments may include a land rental and royalty component</i></p>	<p>Hargy Oil Palm Limited manages to demonstrate procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. The procedure taking into account the consideration of gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups’ proof of legal versus communal ownership of land.</p> <p>FPIC for sub-lease of land has been demonstrated. Explained in chronological manner: Expression of Interest from Ela Lumkere Limited, dated 20th June 2008. The ILG is formally expressing interest in being incorporated into the Lease-lease Back Program, Ela Lumkere has been the legal owners of portion 2040, inviting HOPL to develop part of the land. State Lease for Portion 2040, based on CT No.15/790, under name Ela Lumkere Enterprise, for period of 99 years.</p> <p>Attendance Sheet Record 19th March 2013, attended by Paul Koasiro (Chairman) and HOPL representative Joe Endo, Lands Officer. 6 other members attended the meeting. HOPL sends the letter related to Plantation Development 2015 for Ela Lumkere Enterprise, dated 8th January 2014.</p> <p>Letter from Ela Lumkere Enterprise with Subject Expression of Interest to Develop Portion 2040, Ela Lumkere Lease, dated 28th May 2015. The Ela Lumkere Enterprise had agreed to develop the undeveloped area of Portion 2040, Milinch Ulawun, Fourmil Talasea, in West New Britain Province, containing area of 2,326 Ha, which is under Ela Lumkere lease. Sub-lease for Portion 2040 Milinch Ulawun, Fourmil Talasea, West New Britain Province, from Ela Lumkere Enterprises to Hargy Oil Palms Limited.</p> <p>New smallholder blocks are established via the Clan Land Use Agreement (CLUA) and Oil Palm Industry Corporation (OPIC) vetting process. Compensation aspects was not applicable.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><i>based on production and the means of distribution must also be defined.</i></p> <p>- Minor compliance -</p>		
<p><b>6.4.3</b></p> <p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available, with the agreement of the parties concerned, to the extent that damage to the interests of the affected parties will not result.</i></p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Plantation: The process of negotiated agreements is documented by Hargy land office. A number of records sighted related to Vamukuma, Sena (Abunava ILG), Tokaviniki, Remaling ILG, etc.</p> <p>Magalona ILG in Pandi Estate: Memorandum of Understanding between Magalola Land Group Inc. and Hargy Oil Palms Limited, dated 13th December 2011. The MoU stated the landlord will sublease part of Portion 2071, Milinch of Ulawun, Fourmil of Talasea, West New Britain Province containing 306 Ha. The tenant (HOPL) to develop the land at its cost and pay annual rent of K75.00/Ha plantable land, K20.00/Ha reserved land and a royalty of 10% FFB Kina value to the landlord for a period of 25 years.</p> <p>Magalona Estates Limited has applied for Agricultural Lease for oil palm plantation dated 12th February 2014, for the Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province, Plan Catalogue No.15/937.</p> <p>Inspection Report No.19366/1431 dated 30th February 2014. The actual date of inspection 20th November 2013.</p> <p>License No.013/2017 IR under name Magalona Estates Limited, West New Britain Province with description of land Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province; has been schedule for the purpose of oil palm expansion project. The license valid for 12 months since 24th July 2017.</p> <p>Email from East New Britain Province Lands Board dated 27th July 2017, that Portion 2017 Magalona Estates Limited located Milinch Ulawun, Fourmil Talasea, West New Britain Province under Hargy Oil Palms Limited are listed for the upcoming PNG Land Board hearing.</p> <p>Sub-lease of 26 Ha from Ela Lumkere ILG to Hargy Oil Palms Limited, in Navo Estate. Explained in chronological manner:</p>	<p>Yes</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Expression of Interest from Ela Lumkere Limited, dated 20th June 2008. The ILG is formally expressing interest in being incorporated into the Lease-lease Back Program, Ela Lumkere has been the legal owners of portion 2040, inviting HOPL to develop part of the land. State Lease for Portion 2040, based on CT No.15/790, under name Ela Lumkere Enterprise, for period of 99 years.</p> <p>Attendance Sheet Record 19th March 2013, attended by Paul Koasiro (Chairman) and HOPL representative Joe Endo, Lands Officer. 6 other members attended the meeting. HOPL sends the letter related to Plantation Development 2015 for Ela Lumkere Enterprise, dated 8th January 2014.</p> <p>Letter from Ela Lumkere Enterprise with Subject Expression of Interest to Develop Portion 2040, Ela Lumkere Lease, dated 28th May 2015. The Ela Lumkere Enterprise had agreed to develop the undeveloped area of Portion 2040, Milinch Ulawun, Fourmil Talasea, in West New Britain Province, containing area of 2,326 Ha, which is under Ela Lumkere lease. Sub-lease for Portion 2040 Milinch Ulawun, Fourmil Talasea, West New Britain Province, from Ela Lumkere Enterprises to Hargy Oil Palms Limited.</p> <p>Pandi Estate: On 17th May 2017, Mr. James Kaiva from Mumata Estate raised a grievance due to oil palm tree been removed from his block by D3 bulldozer for road fleet to make clear the road for the movement of building units. The complainant claimed compensation for the removal of oil palm tree. On 17th May 2017, CA mentioned to pay the complainant K26.00. On 22nd May 2017, the complainant has accepted K50.00 as compensation for the removal of 1 palm tree. The complainant acknowledge by signing off the grievance form as accepted. Case closed on 22nd May 2017.</p> <p>These records are available for public upon request and management approval.</p> <p>Smallholder: N/A for smallholders.</p>	
<p><b>Criterion 6.5</b></p>		

Criterion / Indicator	Assessment Findings	Compliance	
<p>Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			
<p><b>Guidance:</b> This criterion should be considered in conjunction with Criteria 2.2 and 2.3, and the associated Guidance.</p>			
<p><b>6.5.1</b></p>	<p>Documentation of pay and conditions shall be available - Major compliance -</p>	<p>Workers employed by HOPL are permanent and temporary staff. There is no contract or sub-contract workers except temporary suppliers' employee. The permanent staff, it divided into executive, junior staff and general workers. The pay conditions of each employee are stated in the employment contract. Samples have being verified by the assessment team. The National Minimum wage as per 3rd July 2016 is K3.50 per hour. However, the minimum wage paid by HOPL is K2.56. As according to the PNG Industrial Relations Act 1962, the minimum wage determined by the government can be reduced if a company provides workers free housing/electricity/water; medical assistance; schooling assistant; transport assistance and gardening land. After determining the reduction, HOPL under the requirement of Minimum Wage Determination No1 of 2014 is required to submit the total allowances/benefits per employee and Statutory Declaration to the Department of Labour and Industrial Relations for approval. The approval by the Department of Labour and Industrial Relations was sighted.</p>	<p>Yes</p>
<p><b>6.5.2</b></p>	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p>	<p>The company support the freedom of joining an association as stated in the "Freedom of Association Policy" dated 16th December 2015. The policy is available in both English and Tok Pisin. The basic pay/employment conditions such as working hours and holiday entitlement are stated in employment contract for junior staff and general workers. Other employment conditions are stated in the Employee handbook where the conditions are being explained by the hiring manager to the workers in Tok Pisin/English prior signing the employment contract. It stated in the employment contract of junior staff and general workers that all conditions are as per stated in the Employee handbook. Although the employment contract and Employee Handbook are written in English, the assessment team deems that there is no bias conditions especially to the general workers group as all conditions are being explained in Tok Pisin prior to signing the employment contract and the main language of PNG is remain as English (observed that the main teaching language in government school is English). The general workers is required to declare their understanding of all the conditions prior accepting the employment.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>The minimum wages approved by the government and other regulated deduction (e.g. NASFUND – Superannuation Fund) are being observed by the company. Please refer to 6.5.1 above for detail assessment on minimum wages determination. All level of employees are covered with insurance. There is no deduction made to the salary of the workers at insurance is an obligation of HOPL as per the Workers’ Compensation Act 1978.</p> <p>The assessment team had reviewed samples of payslips to confirm the pay, company contribution on NASFUND and deductions (e.g. NASFUND, Union contribution) are consistent with the conditions stated in the employment contract.</p> <p>Navo Estate: Loose fruit collector paid at rate PGK1.34/bag. Harvester paid at rate PGK0.1451/bunch on 5 years palms. Bunch rate and bunch penalty explained during meeting on 5th June 2017 to 11 harvesters and 2 supervisors.</p>	
<p><b>6.5.3</b> Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance -</p>	<p>HOPL provides housing to all lever of staff (including field workers). During the field assessment, it was observed that the housing conditions provided by HOPL to the workers are in good condition. HOPL had provided workers whom are having family a house by themselves. The housing facilities comes with electricity, clean tap water, toilet, cooking facilities and small area for the workers to do crop gardening. As per the employee handbook, workers is not required to pay for electricity and water. The assessment team had verified such condition during the workers interview.</p> <p>All employees of HOPL have assessed to medical. There are 10 clinics within the entire HOPL operating units.</p> <p>National Primary and Secondary schools are available within the HOPL operating units. The children of the workers and smallholders attends these national schools.</p> <p>At the housing compound, there are basic set aside land for workers sports activities.</p> <p>The company also provides vehicle to transfer workers from estate (e.g. Barema Mill) to the supermarket at Barema for grocery shopping.</p> <p>Navo Estate: Company has build 10 units of house in Atata compound in 2016; another 10 units of house build in 2017, and another 23 unit planned for 2018. Navo Estate employed 520 men and 174 women.</p>	<p>Yes</p>
<p><b>6.5.4</b> Where companies provide housing, Growers and millers shall make</p>	<p>At the housing compound, workers are given small plot of land for crops gardening. On top of that, there are supermarket nearby the mill/estates.</p> <p>Through observation of price at the supermarket, the BSI’s Technical Specialist (PNG local expert)</p>	<p>Yes</p>



Criterion / Indicator	Assessment Findings	Compliance	
<p>demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</i></p> <p>- Minor compliance -</p>	<p>finds that the price of the goods are similar to Port Moresby. Considering the logistics, the Technical Specialist deems that the price are reasonable.</p> <p>The most reason Basket Survey dated was conducted on 30th June 2017. The basket survey are conducted on monthly basis to monitor the price of the food sold in market owns by locals. The basket survey shows no significant increase in food prices for the past 3 months.</p> <p>Navo Estate: Company has setting aside 30Ha of land inside company lease, near Atata compound for plantation workers and another 5 Ha for mill workers to grow food auch as banana, taro.</p>		
<p><b>Criterion 6.6</b></p> <p>The employer respects the rights 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.</p>			
<p><b>Guidance:</b></p> <p>The right of employees, including workers from other provinces and contract workers, to form associations and bargain collectively with their employer should be respected, in accordance with Conventions 87 and 98 of the International Labour Organisation (ILO). Labour laws and union agreements, or in their absence direct contracts of employment detailing payments and other conditions, should be available in the languages understood by the workers or explained carefully to them by a management official.</p>			
<p><b>6.6.1</b></p>	<p>A published statement in local languages recognising freedom of association shall be available.</p>	<p>The company is committed to the freedom of association as stated in the "Freedom of Association Policy" dated 16/12/2015. The policy is stated in both English and Tok Pisin. The Freedom of Association Policy has been communicated to all employee at the time of the employment (during induction). The policy is publically published on notice boards at all operating units of the company.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>A published statement in English and Tok Pisin languages recognising freedom of association shall be available.</i></p> <p>- Major compliance -</p>	<p>The workers union influence is not strong within PNG. As to the date, there was no bargaining between the Union and HOPL.</p> <p>Navo Estate: Published policy recognising freedom of association available under Freedom of Association Policy dated 16th December 2016, written in English and Tok Pisin.</p> <p>Pandi Estate: Published policy recognising freedom of association available under Freedom of Association Policy dated 16th December 2016, written in English and Tok Pisin.</p>	
<b>6.6.2</b>	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance -</p>	<p>The General Secretary of the trade union is Mr Daniel Kanau. He was appointed by the Department of Labour &amp; Industrial Relations on 29th September 2016.</p> <p>The worker’s union representative is Mr. John Jeffery.</p> <p>The latest meeting held, up to the date of the onsite assessment was on 23rd February 2017 and 25th May 2017. The minutes of the meeting are documented. There were no negative matters that has been brought up in both the meetings.</p> <p>As to date, there is no request made by the workers for the union’s meeting minutes.</p> <p>Navo Estate: Navo meeting dated 13th January 2017, attended by 7 employees. The minutes of meeting discussed eviction of illegal settlers, fatigue management for worker housing infrastructure, emergency drill – volcano eruption, unauthorized market at Navo Police Station.</p>	Yes
<p><b>Criterion 6.7</b></p> <p>Children are not employed or exploited.</p>			
<p><b>Guidance:</b></p> <p>Growers and millers should clearly define the minimum working age, together with working hours. Only workers above the minimum school leaving age in the country or who are at least 15 years old may be employed. The minimum age of workers will not be less than stated under national regulations. Any hazardous work should not be done by those under 18, as per International Labour Organisation (ILO) Convention 138.</p> <p>Children may assist family members on associated Smallholder blocks provided that this is not at the expense of schooling or the physical and mental wellbeing of the children concerned.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>Please refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009 for additional guidance on family farms.</p>		
<p><b>6.7.1</b></p>	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance -</p> <p>The company is committed to no employment of workers for age below 18 years old as stated in the "Policy on Child Labour" Dated 16th December 2015.</p> <p>The "WinHR" system was check to confirm the youngest worker at the time of the onsite assessment is 18years 10months. His name is Ray Ben (Harvester at Barema Div 2).</p> <p>Navo Estate: Based on Employee Master Listing, the youngest worker is Deslyne Alphonse born on May 1998, start work on June 2017.</p> <p>Pandi Estate: Meeting held by plantation manager to all workers lives in Sabalbala Compound, dated 25th June 2017, related to child labour, and compound hygiene. Based on Employee Master Listing, the youngest worker is Paul Siko born on March 1998, start work on January 2017.</p> <p>Smallholders: Information gather from the smallholders' interview and field observation, shown no evidence of children exploitation. The blocks of the smallholders are mainly managed by the block owner, owner's spouse and adult family members. Those children that are supposed to be schooling are at school and only occasionally help their parents during holidays or after school. Through interviewing of the smallholders, the children are mainly helping with lose fruit collection and manual weeding. The assessment team had casually asked those children that were around during the field visit to confirm that there are not being exploited.</p>	<p>Yes</p>
<p><b>Criterion 6.8</b></p> <p>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
<p><b>Guidance:</b> Examples of compliance can be appropriate documentation (e.g. job advertisements, job descriptions, appraisals, etc.), and/or information obtained via interviews with</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p>relevant stakeholders such as affected groups which may include women, local communities, foreign workers, and migrant workers, etc. Notwithstanding national legislation and regulation, medical conditions should not be used in a discriminatory way.</p> <p>The grievance procedures detailed in Criterion 6.3 apply. Positive discrimination to provide employment and benefits to specific communities is acceptable as part of negotiated agreements.</p>		
<p><b>6.8.1</b></p>	<p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>- Major compliance --</p> <p>The company is committed to equal employment opportunity as stated in the "Equal Employment Opportunity Policy" dated 16th December 2015.</p> <p>The company is committed to ensure that the work environment is free of discrimination in any form or any nature as stated in the supplementary "Discrimination Policy" dated 01st March 2013. The policies have been communicated to all employee at the time of the employment (during induction). The policy is publically published on notice boards at all operating units of the company.</p> <p>Pandi Estate: Policy on Equal Opportunities have been disseminated on 27th April 2017.</p>	<p>Yes</p>
<p><b>6.8.2</b></p>	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>- Major compliance -</p> <p>The assessment team had verified the sample cases to confirm that HOPL does not discriminate during employment:</p> <ol style="list-style-type: none"> <li>1. A 7 months pregnant lady was employed by the company as clerk.</li> <li>2. A migrant worker from Kokopo (East New Britain Province) was hired by the company as security guard.</li> <li>3. Local workers are employed by the company as mill and estate workers.</li> </ol> <p>Referring to the employment list, the assessment team had sighted that the executive position within HOPL consist of PNG National.</p> <p>Pandi Estate: General workers also issued with PPE and working tools. Example seen: Steven Suguna, circle weeder from Pandi Estate issued with grass knife on 12th July 2017. Peter Kapa, selective weeder from Bakada – Gamupa Division, issued with bush knife on 12th July 2017. Felix Mathew, cutter issued with gum boot, stone file and chisel on 24th May 2017.</p> <p>Smallholders: During the smallholders' field assessment, it was found that there is no discrimination act by HOPL e.g. favouritism on FFB collection or prioritise in managing requests. One of the smallholder has notified the assessment team that previously there was truck driver act on favouritism in FFBS</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>collection but the company had already taken action on the matter and there was no such happenings there on.</p> <p>With this situation, the assessment deems that HOPL is committed into zero discrimination action.</p>	
<b>6.8.3</b>	<p>It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p>	<p>HOPL had kept all employment details and conditions form of all workers. The medical examination report is part of this employment details and conditions form.</p> <p>The assessment team had sighted a promotion of PNG National from Grade 1-1 till Grade 10-2 over a period of 4 years. This employee was previously employed as security and now he is the Security Investigator. The promotion was based on performance and the appraisal was sighted.</p> <p>The latest review on the Equal Employment Policy was on 16th December 2015. The General Manager had acknowledge on 10th July 2017 that there is no review required to the policy.</p> <p>Smallholders: There is no discrimination sighted at the smallholders' blocks. There is a mixture of land owners (male and female). The blocks are normally managed by family members of land owners and any decision regarding the block are made with mutual agreement within family members.</p>	Yes
<p><b>Criterion 6.9</b></p> <p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p>			
<p><b>Associated Smallholder Requirement:</b></p> <p>6.9.1 Associated Smallholders must be able to verbally explain that they understand and observe this requirement.</p> <p>6.9.2 Associated Smallholders must be able to verbally explain that they understand and observe this requirement</p>			
<p><b>Specific Guidance:</b></p> <p>For 6.9.1 and 6.9.2: These policies should include education for women and awareness of the workforce. There should be programmes provided for particular issues faced by women, such as violence and sexual harassment in the workplace. A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</p> <p>For 6.9.2: see Indicator 4.6.12.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p><b>Guidance:</b>            There should be a clear policy developed in consultation with employees, contract workers and other relevant stakeholders, and the policy should be publicly available. Progress in implementing the policy should be regularly monitored, and the results of monitoring activities should be recorded.            Notwithstanding national legislation and regulation, reproductive rights are respected.            OPIC and Company Smallholder Departments to include awareness of these issues in their extension programs.</p>		
<p><b>6.9.1</b></p>	<p>A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p> <p>The prevention of sexual and all other forms of harassment and violence is documented in "Sexual Harassment Policy" dated 16th December 2015.            The policies have been communicated to all employee at the time of the employment (during induction). The policy is publically published on notice boards at all operating units of the company.            The protocol for HOPL to deal/handle issue/complaint from workforce is as per the Grievance procedures described in indicator 6.3.1 above.            HOPL has been conducting a lot outreach to prevent sexual harassment and violence within the company. Please refer to 6.9.3 below regarding the engagement of Welfare Officer.            Darren Scott the HR Manager is the Head of Gender Committee.            By means of interview, the assessment team deems that all level of workers are aware on sexual harassment and violence avoidance and the channel to raise any grievances to HOPL.</p> <p>Navo Estate:            Family Violence Education and Awareness in Atata compound dated 15th December 2016. The community affairs provides the definition of domestic violence: physical, verbal, emotional, financial, sexual, social/spiritual. Family Protection Act 2014.            Gender Committee minutes of meeting dated 14th February 2017, consist of agenda: review of previous meeting minutes, review of gender committee ToR, Review of Policy, and other business.</p> <p>Smallholders:            During the smallholder field assessment, the assessment team had interviewed the female household especially and confirmed that they understood about the policy which was been explained to them during field day. They understood that if there is any harassment, it can be brought up to HOPL and/or resolved it internally within the clan.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>6.9.2</b> A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</i></p> <p>- Major compliance -</p>	<p>The reproductive rights is stated in The “Policy on the Protection of Reproductive Rights” dated 16th December 2015.</p> <p>The Gender committee will review the policies during the quarterly meetings. In case if there is any review required, it will be escalated to the management. The latest meeting was conducted on 06th June 2017.</p> <p>The policies have been communicated to all employee at the time of the employment (during induction). The policy is publicly published on notice boards at all operating units of the company. During the smallholder field assessment, the assessment team had interviewed the female household and confirmed that they understood about the policy which was been explained to them during field day. They understood regarding their rights to reproduced. By means of site observation, it is confirm that the reproductive rights are being observed by the smallholders as the assessment team could observe the amount of children in a household.</p>	<p>Yes</p>
<p><b>6.9.3</b> A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>A specific grievance mechanism which respects anonymity and protects</i></p>	<p>There is a grievances email address <a href="mailto:grievances@hargy.com.png">grievances@hargy.com.png</a> that complainants can send email to if there are any grievances that they would like to raise. The email is directed to the HR Manager Mr Darren Scott and the GM’s Secretary Ms. Nishal.</p> <p>It was observed that in each operating site, there is a confidential grievance box (Talk out) for workers who do not have access to email to submit any grievance and the box is only accessible by Mr.Fidelis Dainger (Internal Auditor).</p> <p>As such, the assessment team deems that the grievance process is anonymity and protected for its confidentiality.</p> <p>There is a welfare officer Ms.Claire August that would handle specific family grievances and counselling. The welfare officer position had only been recently been established. This position is an extension initiative by HOPL to take care of family dispute. According to Ms.Claire, since the position has been established, the women had been more open to raise their concern. Ms.Claire is being assisted by the women affair officer Ms.Tracey Masing based in Sabalbala.</p> <p>Navo Estate:</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance	
<p><i>complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</i></p> <p><i>- Minor compliance -</i></p>	<p>Incident report form On 3rd January 2017 a double marriage case led to domestic violence. After investigation, the supervisor is terminated. The worker then terminated, effective 17th February 2017, as per letter on 16th February 2017. On 13 February 2017, a domestic violence from wife to husband takes place. The wife (also workers) recommended for termination 15th February 2017.</p> <p>Pandi Estate: Complaint, Grievance &amp; Dispute Register Form: Abulmosi Division, dated 22nd June 2017, A field supervisor Michael Silpaga reporting a security personnel (which under alcohol) for misconduct, unrespectful manner towards female. As a response, Senior manager ordering investigation, on same date. The latest progress, 6th July 2017, the security personnel suspended –investigation on progress.</p>		
<p><b>Criterion 6.10</b> Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
<p><b>Associated Smallholder Requirement:</b> 6.10.3 Associated Smallholders must be able to verbally explain that they understand and observe their obligations and the obligations of the Company to whom they are selling their fruit.</p> <p><b>Guidance:</b> Transactions with Smallholders should consider issues such as the role of middle-men, transport and storage of FFB, quality and grading. The need to recycle the nutrients in FFB (see Criterion 4.2) should also be considered; where it is not practicable to recycle wastes to Smallholders, compensation for the value of the nutrients exported can be made through the FFB price. Smallholders should have access to the grievance procedure under Criterion 6.3 if they consider that they are not receiving a fair price for FFB, whether or not middle-men are involved. The need for a fair and transparent pricing mechanism is particularly important for outgrowers who are contractually obliged to sell all FFB to a particular mill. If mills require Smallholders to change practices to meet the RSPO Principles and Criteria, consideration should be given to the costs of such changes, and the possibility of advance payments for FFB can be considered.</p>			
<p><b>6.10.1</b></p>	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly</p>	<p>The FFB pricing is reviewed every month and the pricing is published on notice boards in the mill and OPIC office. OPIC officers and/or HOPL smallholder officers will also inform the community head regarding the current month price.</p>	<p>Yes</p>



Criterion / Indicator		Assessment Findings	Compliance
	available. - Minor compliance -	The current month pricing is published with the past month pricing. During the field assessment at the smallholder blocks, it was confirmed that block owners have access to the FFB pricing. The pricing mechanism is as explained in 6.10.2 below. The pricing is understood by the smallholders. Previously, the smallholders had complaint on the pricing. The pricing has been reviewed and explained to the smallholders since 2013 with revision on the profitable percentage sharing that the smallholder will received. The current sharing percentage received by the smallholder is 57%.	
<b>6.10.2</b>	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	There is no middleman transaction between the smallholders and HOPL. All transactions are stated in the fortnightly payment slip received by the smallholders.  The FFB pricing has been determined according to the original formula agreed in the PNG Government and the company Master Agreement on Bialla Project dated 30/06/1977. The formula to calculate the FFB pricing includes: Value of 1MT of FFB which includes cost of insurance freight (CIF Rotterdam), oil extraction rate, foreign exchange rates.  Farmers Payout ratio to ensure both smallholder and company profitability. The payout ratio for the smallholders was determined to be 57% according to the Pricewater Cooperhouse report. Smallholders Cost of Production VAT & Levies Transportation Cost	Yes
<b>6.10.3</b>	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	The contract agreement between the smallholders and HOPL is referred back to the original Master Agreement on Bialla Project dated 30th June 1977. The contract stated that HOPL has the obligation to purchase all fruits produced by smallholders (both the Land Settlement Scheme and the Village Oil Palm scheme).  In order to protect that the smallholders are not being treated unfair as only HOPL will purchase their FFBs, the pricing formulation requirement has been stated in the Master Agreement. The smallholders had confirmed to the assessment team that they understood the pricing mechanism and the term of FFB collections.	Yes
<b>6.10.4</b>	Agreed payments shall be made in a timely manner.	The payments are made to the smallholders on every following Thursday after their fruits are being collected. The smallholders will received their payment slip detailing the amount of fruits and the deduction as agreed.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>- Minor compliance – <i>Cross reference to PNG NI 2017</i> <i>Agreed payments shall be made within 14 days of fruit collection or delivery to the mill.</i> - Minor compliance -</p>	<p>There were no complaints received from the smallholders during interview with regards to the payment time.</p>	
<p><b>Criterion 6.11</b> Growers and millers contribute to local sustainable development where appropriate.</p>		
<p><b>Associated Smallholder Requirement:</b> 6.11.2 Associated Smallholder should participate in Field days and other extension activities delivered by OPIC and Company Smallholder departments. Companies shall maintain records of Smallholder productivity.</p> <p><b>Guidance:</b> Contributions to local development should be based on the results of consultation with local communities. See also Criterion 6.2. Such consultation should be based on the principles of transparency, openness and participation, and should encourage communities to identify their own priorities and needs, including the different needs of men and women.</p> <p>Where candidates for employment are of equal merit, preference should always be given to members of local communities. Positive discrimination should not be recognised as conflicting with Criterion 6.8. Efforts should be made to identify independent Smallholders in the supply base.</p> <p>Where sourcing of fruit is from identified independent smallholders, efforts should be made to contribute to the improvement of their farming practices.</p>		
<p><b>6.11.1</b></p>	<p>Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>The contribution by HOPL includes: Consistent slashing of community playing fields, school playing fields, and other community facilities, usually on request, either using contractor machinery or plantation machinery. Repair and maintenance of smallholder roads. Repair of main East New Britain Highway. Construction of Uramaili Elementary School</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>- Minor compliance -</p>	<p>Construction of Ibana Primary School Donations of desks for Vilelo Primary School, Barema Elementary School; Noau Primary School; Nantabu Elementary School. During a stakeholder interview at Tiauru Primary School, it was noted that the school will request HOPL help to slash the school field. As such this had evidenced that the community contribution by HOPL is based on stakeholder inputs.</p> <p>Navo Estate: Request for petrol for grass cutting machine from Ulamona Health Center, dated 11th July 2017. The request has been followed up by Community Affairs Officer, through petrol requisition on 22nd July 2017, 20 liters of petrol issued on same date.</p>	
<p><b>6.11.2</b> Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Where there are associated Smallholders, there shall be evidence that efforts and/or resources have been allocated to improve Smallholder productivity.</i></p> <p>- Minor compliance -</p>	<p>HOPL has provided support through the Smallholder Department and Community Affairs Department. The complete of both active and inactive smallholders associated to HOPL is kept by HOPL Community Affairs Office and the HOPL Smallholder Office.</p> <p>HOPL had consistently conducting Field Days with the smallholders and consistently visiting the smallholders’ blocks to discuss on methods to improve the farming practices. The assessment team had sighted the presentation material on Privatising Extension Service in Bialla Oil Palm Project which detail the activities carried out by HOPL to support the operations of smallholders.</p> <p>In order to ensure the smallholders could have better yield, HOPL have determined the necessary amount of fertilizer for each smallholders will required (base on planted area and year of palm) and HOPL determine when the fertilizer is to be distributed to the smallholders. The assessment team had verified the database produced by HOPL to monitor the requirements. This method shows that HOPL had made effort to improve the smallholders FFB productions</p>	<p>Yes</p>
<p><b>Criterion 6.12</b></p>		

Criterion / Indicator	Assessment Findings	Compliance	
No forms of forced or trafficked labour are used.			
<p><b>Associated Smallholder Requirement:</b> 6.12.1 Associated Smallholders must be able to verbally explain that they understand and observe this requirement.</p> <p><b>Specific Guidance:</b> For 6.12.1: Workers should enter into employment voluntarily and freely, without the threat of a penalty, and should have the freedom to terminate employment without penalty given reasonable notice or as per agreement. For 6.12.3: The special labour policy should include:</p> <ul style="list-style-type: none"> <li>• Statement of the non-discriminatory practices;</li> <li>• No contract substitution;</li> <li>• Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.;</li> <li>• Decent living conditions to be provided.</li> </ul> <p><b>Guidance</b> Workers from other provinces should have employment agreements. Any deductions made should not jeopardise a decent living wage. There should be evidence of due diligence in applying this to all sub-contract workers and suppliers. National guidance should be used on contract substitution.</p>			
6.12.1	<p>There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>- Major compliance -</p>	<p>The company is committed to against trafficking of labour as stated in the "Policy against Forced or Trafficked Labour" dated 16th December 2015.</p> <p>There is no form of forced labour and trafficked labour used in company. Workers, staff and stakeholder interview confirm that there is no any form of forced labour or trafficked labour and no migrant worker is hired in the operating units. All plantations and general mill workers are PNG National.</p> <p>Through interview, it was confirmed that the workers are given freedom of movement. All employees have employment contract and paid the agreed national minimum wages.</p>	Yes
6.12.2	Where applicable, it shall be demonstrated that no contract	All plantations and general mill workers are PNG National. There is no evidence that HOPL had employed foreign workers. Therefore there is no possibility that HOPL had involved in any form of contract substitutions.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	substitution has occurred. - Minor compliance -		
<b>6.12.3</b>	<p>Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Company labour policies shall be established and implemented and apply to both permanent and casual labour</i></p>	<p>The company is committed to against trafficking of labour as stated in the “Policy against Forced or Trafficked Labour” dated 16th December 2015.</p> <p>The policies have been communicated to all employee at the time of the employment (during induction). The policy is publically published on notice boards at all operating units of the company.</p>	Yes
<p><b>Criterion 6.13</b></p> <p>Growers and millers respect human rights.</p> <p><b>Guidance:</b> Extension activities by OPIC and Company Smallholder Departments shall include communication of this policy to associated smallholders. See also Criterion 6.3. All levels of operations will include contracted third parties (e.g those involved in security).</p> <p><b>Note:</b> From the UN Guiding Principles on Business and Human Rights: <i>"The responsibility of business enterprises to respect human rights refers to internationally recognised human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental</i></p>			

Criterion / Indicator	Assessment Findings	Compliance
<p><i>Principles and Rights at Work</i> (“The corporate responsibility to respect human rights” in <i>Guiding Principles on Business and Human Rights</i>). The RSPO WG on Human Rights will provide a mechanism to identify, prevent, mitigate and address human rights issues and impacts. The resulting Guidance will identify the relevant issues on human rights to all RSPO Members.</p>		
<p><b>6.13.1</b></p>	<p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>- Major compliance -</p> <p>The company is committed to recognize the Human Rights without any form of distinction and support the implementation of the International Bill of Human Rights and the ILO Declaration of Fundamental Principles and Rights at work as stated in the “Policy on Human Rights” dated 16th December 2017.</p> <p>The Human Rights policy is being briefed to employee during the induction. The assessment team had verified the employees’ induction forms to confirm that company policies are one of the topic for induction. The policy is publically published on notice boards at all operating units of the company. The assessment team had confirmed during the field visit and interviews that workers of all levels had received communications with regards to company policies.</p> <p>Smallholders: The human rights policy has been extended to the smallholders. The communication of this policy was conducted by OPIC. During the visit to the OPIC office it could observe that the Human Rights Policy was published at the notice boards. The smallholders were interviewed and could confirmed to the assessment team that they are aware of such policy.</p>	<p>Yes</p>
<p><b>Principle 7: Responsible development of new plantings</b></p>		
<p><b>Criterion 7.1</b></p>		
<p>A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>		
<p><b>Guidance:</b> See also Criteria 5.1 and 6.1. The terms of reference should be defined and impact assessment should be carried out by accredited independent experts, in order to ensure an objective process. Both should not be done by the same body. A participatory methodology including external stakeholder groups is essential to the identification of impacts, particularly social impacts.</p>		

Criterion / Indicator	Assessment Findings	Compliance
	<p>Stakeholders such as local communities, government departments and NGOs should be involved through the use of interviews and meetings, and by reviewing findings and plans for mitigation.</p> <p>It is recognised that oil palm development can cause both positive and negative impacts. These developments can lead to some indirect/secondary impacts which are not under the control of individual growers and millers. To this end, growers and millers should seek to identify the indirect/secondary impacts within the SEIA, and where possible work with partners to explore mechanisms to mitigate the negative indirect impacts and enhance the positive impacts.</p> <p>The potential impacts of all major proposed activities should be assessed in a participatory way prior to development. The assessment should include, in no order of preference and as a minimum:</p> <ul style="list-style-type: none"> <li>• Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure;</li> <li>• Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected;</li> <li>• Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will increase pressure on nearby natural ecosystems;</li> <li>• Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources;</li> <li>• Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and flooding;</li> <li>• Analysis of type of land to be used (forest, degraded forest, cleared land);</li> <li>• Analysis of land ownership and user rights;</li> <li>• Analysis of current land use patterns;</li> <li>• Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents;</li> <li>• Identification of activities which may generate significant GHG emissions.</li> </ul> <p>Plans and field operations should be developed and implemented to incorporate the results of the assessment. One potential outcome of the assessment process is that the development may not proceed because of the magnitude of potential impacts. For Smallholder schemes, the scheme management should address this Criterion. For individual Smallholders, this Criterion does not apply. Where there is no National Interpretation, for land areas greater than 500ha, a full independent assessment will be required. For land areas less than 500ha, an internal assessment using selected components of SEIA and HCV assessments can be used. Where such internal assessments identify significant environmentally or socially sensitive areas or issues, an independent assessment will be undertaken.</p>	
7.1.1	An independent social and environmental	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented</p> <p>- Major compliance -</p>	<p>Environmental Plan. The company have completed a full Social and Environmental Impact Assessment for this development to comply with RSPO P&amp;C. The Social Impact Assessment included consultation with local stakeholders. Sighted "Social Management/Improvement Plan Update June 2017".</p> <p>The SEIA identified all major impacts of all activities. The results of the SEIA have been incorporated into plans for the new plantings through the Management guidelines prepared Procedure for New Development No.PRO-ESD-GEN-001-09, dated 10th February 2016. Hargy Oil Palm Limited has a Research Assistant, a Small Business development Officer and Community Relations Officer; to work as a sub-component of Community Relations to operationalize the monitoring and management of social impacts.</p>	
<b>7.1.2</b>	<p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palm Limited has a protocol to control the new development planning under New Development Approval Process. Sighted procedure for new development No.PRO-ESD-GEN-001-09, dated 10th February 2016. The new development must meet company prerequisites to include review upon Buffer/HCV maps, soil maps, slopes class maps, topography maps. Road design and plantation layout; Operational plan including activity scoping, work schedule, planting programme, road maintenance, management plan for fragile soil area, management plan for HCV and buffers; Environmental aspect related to New Development and Mitigation; Social Impacts of New Development and Mitigation.</p> <p>Site inspection planning is sighted. New Development Approval Form was employed to summarise the prerequisites of New Development Process. Review will be done and signed by sustainability department. Without approval from Sustainability Department, no new development should take place.</p>	Yes
<b>7.1.3</b>	<p>Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular</p>	<p>Hargy Oil Palm Limited presented a number of documents for smallholder development. The impacts of the scheme and the implications of the way it is managed were documented under Planting Application Form, as well as plan to manage the impacts produced. However, there is no new development of the area after the approval of 1st NPP for 10,000 Ha.</p>	Yes



Criterion / Indicator		Assessment Findings	Compliance
	attention. - Minor compliance -		
<b>Criterion 7.2</b>			
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.			
<b>Guidance:</b>			
<p>These activities can be linked to the Social and Environmental Impact Assessment (SEIA) (see Criterion 7.1) but need not be done by independent experts. Soil suitability maps or soil surveys should be appropriate to the scale of operation and should include information on soil types, topography, hydrology, rooting depth, moisture availability, stoniness and fertility to ensure long-term sustainability of the development. Soils requiring appropriate practices should be identified (see Criteria 4.3 and 7.4). This information should be used to plan planting programmes, etc. Measures should be planned to minimise erosion through appropriate use of heavy machinery, terracing on slopes, appropriate road construction, rapid establishment of cover, protection of riverbanks, etc. Areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation will be delineated in plans and included in operations for conservation or rehabilitation as appropriate (see Criterion 7.4).</p> <p>Assessing soil suitability is also important for Smallholders, particularly where there are significant numbers operating in a particular location. Information should be collected on soil suitability by companies planning to purchase Fresh Fruit Bunches (FFB) from potential developments of independent Smallholders in a particular location. Companies should assess this information and provide information to independent Smallholders on soil suitability, and/or in conjunction with relevant government/public institutions and other organisations (including NGOs) provide information in order to assist independent Smallholders to grow oil palm sustainably.</p>			
<b>7.2.1</b>	Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention.  - Major compliance –	<p>Soil suitability map is available for new development under Pandi Plantation and Navo Plantation. The soil suitability map indicates the soil type.</p> <p>The initial soil suitability survey was carried out in 2006. Another soil survey for new development area was done in 2009. The first planting commenced in 2010. The latest sequence of soil survey for mature oil palm was done in 2013 to Hill Laboratories New Zealand. Analysis report produced in 2nd May 2013. (7.2.1) Maps of soil types for new planting areas are kept by the Field Services Agronomy Section.</p> <p>Smallholders:</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p><i>Cross reference to PNG NI 2017</i></p> <p><i>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</i></p> <p>- Major compliance -</p>	<p>Based on document verification and record evaluation, there is no development on associated smallholder take place currently.</p>	
7.2.2	<p>Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.</i></p>	<p>Field Services Agronomy Section. Topographic information is also incorporated in these maps. A map of the new development area prepared in 2009 was sighted. It includes a guide for drainage plans, roads, fields and blocks.</p> <p>Smallholders: Based on document verification and record evaluation, there is no development on associated smallholder take place currently.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
- <i>Minor compliance</i> -		
<p><b>Criterion 7.3</b></p> <p>New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values</p> <p><b>Specific Guidance:</b>            For 7.3.1: Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV. Satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment. Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.            For 7.3.5: The management plan will be adaptive to changes in HCV 5 and 6. Decisions will be made in consultation with the affected communities.</p> <p><b>Guidance:</b>            This Criterion applies to forests and other vegetation types. This applies irrespective of any changes in land ownership or farm management that have taken place since November 2005. HCVs may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCVs to be maintained or enhanced.            The HCV assessment process requires appropriate training and expertise, and will include consultation with local communities, particularly for identifying social HCVs. HCV assessments should be conducted according to the National Interpretation of the HCV criteria or according to the Global HCV Toolkit if a National Interpretation is not available (see Definitions).            Developments should actively seek to utilise previously cleared and/or degraded land on mineral soil. Plantation development should not put indirect pressure on forests through the use of all available agricultural land in an area.            Where landscape level HCV maps have been developed, these should be taken into account in project planning, whether or not such maps form part of government land use plans.            In case of small areas located either in hydrologically sensitive landscapes or in HCV areas where conversion can jeopardise large areas or species, an independent assessment will be required. HCV areas can be very small.            Once established, new developments should comply with Criterion 5.2.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>7.3.1</b> There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>- Major compliance -</p>	<p>In relation to presence of primary forest as at 2005: The HCV report stated that some of the area proposed for Bakada/Mengen area is located on areas which have previously designated as Timber Right Purchase Areas. All of the proposed areas have been logged since 1980s with logging only having ceased recently. Much of the area has been logged up to three times. None of proposed areas for HOPL expansion program are located in areas of primary forest, or that was primary forest as at November 2005.</p> <p>Navo Estate: During this assessment, there is no new planting after 2010 or new planting replacing primary area in Navo Estate.</p>	<p>Yes</p>
<p><b>7.3.2</b> A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited presented a number of HCV documents: - Identification of High Conservation Value Forest at Hargy Oil Palm Plantation Ltd, West New Britain Province, Papua New Guinea prepared by Paulus Kulmoi and Bense Thomas on 29th May - 3rd June 2008. - Baseline Study of Barema Oil Palm Project Area for Hargy Oil Palms Limited West New Britain Province by Paulus Kulmoi (Senior Ecologist), Aida Somake (Technical Officer), Mark Kove (Hydrographer), Nason Yube (Principal Hydrographer); - High Conservation Value Study Mengen, Bakada &amp; Bialla West New Britain Province carried out by Douglas Environmental Service - February 2009. Using HCVF Toolkit 2005. The assessment has taking into consideration the wider landscape-level area. HOPL presented the HCV maps for all values identified in HOPL plantation.</p>	<p>Yes</p>
<p><b>7.3.3</b> Dates of land preparation and commencement shall be recorded.</p> <p>- Minor compliance -</p>	<p>The dates of land preparation and commencement of planting are recorded on each Estate office, in form of Development Approval Form.</p> <p>Hargy Estate (sample for replanting, not new planting): Development approval form for Hargy Estate – Urumaili Field, Responsible manager: Yammey Bayang, review date 15th February 2017,</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>development type: replanting. The form is completed with buffer/HCV maps, summary of plans, soil maps, water management map, topography map, map of planned terraces, plantation layout and road design, work schedule, planting program, road maintenance plans, management plan for fragile soils, management plan for HCV/buffer, social and environmental impact, map of OHS/environmental risk, site inspection, planting material documentation. Review by Sophie Gett, ESD Manager &amp; Bill McKibben, Lands Manager. Comments made: gardens within the galley opposite the compound gardening area to be stopped and the area rehabilitated; run off within 96H03 to be controlled to reduce erosion &amp; prevent the drain from getting bigger.</p> <p>Document seen: buffer map Urumaili replanting 2017 – indicating the buffer zone on the planned replanting area;</p> <p>Soil map Hargy replanting 2017 – indicating the soil consist of sand to loamy sand, organic loams, silty loam;</p> <p>Road and block layout Urumaili 2017 – indicating the total hectarage for replanting is block 94H01-07 of 139.38Ha + 94I01-04 of 236.57Ha + 95A01-10 of 191.87Ha = 567.74Ha; Topographic map Urumaili Replanting 2017 – indicating the elevation between 100 – 400m. Slope map – indicating the slope between &lt;150. For area indicated more than 150, proposed for terracing.</p> <p>Work schedule, starting on October 2016 – July 2017. HOPL 5 years development &amp; replanting plan 2016. Annual work programme for Hargy Plantation 2016 – related to plan for grading works and compaction, spot patching plus gravelling, desilting &amp; relief drain, log bridge &amp; culverts. Replanting inspection report – Urumaili area 8A &amp; 8B dated 25th January 2017. The inspection covers 236.57 Ha area.</p>	
<p><b>7.3.4</b></p>	<p>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant</p>	<p>Yes</p>

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Criterion / Indicator		Assessment Findings	Compliance
	operational procedures (see Criterion 5.2). - Major compliance -	Mitigation; Social Impacts of New Development and Mitigation. Site inspection planning is sighted. New Development Approval Form was employed to summarise the prerequisites of New Development Process. Review will be done and signed by sustainability department. Without approval from Sustainability Department, no new development should take place.	
<b>7.3.5</b>	Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2). - Minor compliance -	Hargy Oil Palm does not touch area required by affected communities to meet their basic needs.  Navo Estate: HCV/HCS consultation with Gamupa, dated 11th December 2016 in Noau village. Attended by 5 representative from village, 2 consultant from Daemeter and Proforest, and 1 community affairs from Navo Estate.  Pandi Estate: The sub-lease of land parcel was intended for agricultural land, not in land to meet basic livelihood. Magalona Estates Limited has applied for Agricultural Lease for oil palm plantation dated 12th February 2014, for the Portion 2071, Milinch Ulawun, Fourmil Talasea, West New Britain Province, Plan Catalogue No.15/937.	Yes
<p><b>Criterion 7.4</b> Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p> <p><b>Guidance:</b> Guidance and definitions relating to specific controls and thresholds, such as slope limits, listing soil types on which planting should be avoided (especially peat soils), the proportion of plantation area that can include marginal/fragile soils, and definitions of 'problem', 'extensive', 'marginal', 'fragile' and 'excessive': <b>Excessive gradients</b> which shall be avoided are those that are 25 degrees or greater. Soil conservation measures (e.g. terracing, platforms, cover crop etc.) should be applied for terrain with gradients between 9 and 25 degrees. Soil suitability should be determined using crop and environmental suitability criteria. Those identified as marginal and/or problematic should be avoided if the soil cannot be improved through agro-management input. <b>Problem and marginal soils</b> may include sandy soils, low organic content soils, and potential or actual acid sulphate soils. Suitability of these soils is also influenced by other factors including rainfall, terrain and management practices. These areas may only be developed for new plantations provided that adequate management plans based on best management practices are in place. Failing which extensive plantings should be avoided on these soils. <b>Fragile soils</b> on which extensive plantings shall be avoided include peat soils, mangrove sites and other wetland areas.</p>			

Criterion / Indicator	Assessment Findings	Compliance	
<p><b>Extensive planting on steep terrain;</b> any individual contiguous planted area on steep terrain (25 degrees) greater than 25ha within the new development area and the total area of planting on steep terrain shall be no more that 1% of a new development area.</p> <p><b>Limited planting on steep terrain;</b> individual areas smaller than 25ha each and in total no more than 1% of a new development area.</p> <p><b>Extensive planting on fragile soil;</b> total area of planting on fragile soil within a new development should not be greater than 100ha. Recognizing that small growers have fewer options, for the development of 500ha or less, no more than 20% of the total area should be on fragile soil. This activity should be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1. Planting on extensive areas of peat soils and other fragile soils should be avoided (see Criterion 4.3). Adverse impacts may include hydrological risks or significantly increased risks (e.g. fire risk) in areas outside the plantation (see Criterion 5.5).</p> <p>Note: RSPO should develop technical guidance on identification of fragile soils for countries without an NI.</p>			
<p><b>7.4.1</b></p>	<p>Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.</p> <p>- Minor compliance -</p>	<p>Maps identifying area with fragile soil such as excessive gradient is available. Hargy Oil Palm policy limits all plantings to a maximum of 200.</p>	<p>Yes</p>
<p><b>7.4.2</b></p>	<p>Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm policy limits all plantings to a maximum of 200. At this time Hargy Oil Palm Limited has no plans to develop any more area's that would require terracing. All plantings near gullies are avoided to prevent erosion and these areas are excluded from planting activities. There are no fragile or marginal soils within the proposed new development area</p>	<p>Yes</p>
<p><b>Criterion 7.5</b></p> <p>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that</p>			

Criterion / Indicator	Assessment Findings	Compliance
enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
<p><b>Criterion 7.5</b></p> <p>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>		
<p><b>Guidance:</b></p> <p>This activity should be integrated with the Social and Environmental Impact Assessment (SEIA) required by Criterion 7.1.</p> <p>Where new plantings are considered to be acceptable, management plans and operations should maintain sacred sites. Agreements with indigenous peoples, local communities and other stakeholders should be made without coercion or other undue influence (see Guidance for Criterion 2.3).</p> <p>Relevant stakeholders include those affected by or concerned with the new plantings.</p> <p>Free, prior and informed consent (FPIC) is a guiding principle and should be applied to all RSPO members throughout the supply chain. Refer to RSPO approved FPIC guidance (<i>'FPIC and the RSPO; A Guide for Companies'</i>, October 2008).</p> <p>Customary and user rights will be demonstrated through participatory user mapping as part of the FPIC process.</p>		
<p><b>7.5.1</b></p>	<p>Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples.</p> <p>- Major compliance -</p> <p>Hargy manages to demonstrate there is a specific process (including a three-stage Awareness process) pertaining to new plantings.</p> <p>Hargy shows document "Expansion Programme Awareness on Sublease Agreements". This document is for awareness raising amongst potential lease-lease back smallholders and includes reference to a range of legislative aspects including customary land versus state land, a section on the Land Group and the Incorporated Land Group Act (1974), the survey process, HCV aspects, environment and social impact assessment procedures. Also, several flow charts have been prepared for awareness raising among smallholders concerning the process for establishing new blocks respectively in accordance with the lease-lease back and alienated land approaches.</p> <p>Hargy manages to demonstrate evidence that every effort had been made to ensure that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Documents relating to customary land are publicly available.</p>	<p>Yes</p>



Criterion / Indicator	Assessment Findings	Compliance
<p><b>Criterion 7.6</b></p>		
<p>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.</p>		
<p><b>Specific Guidance:</b></p>		
<p>For 7.6.1: While no land preparation or planting may be undertaken before legal user rights (2.2.1) can be proven, the NPP documentation can be prepared and submitted if the FPIC process can be clearly demonstrated to have identified all land owning clans within the proposed area through genealogical studies and extensive consultation and no objections have been voiced. An Environmental Permit application may also be lodged (if required) as part of the due diligence process, but development must not proceed until documented legal user rights are held.</p>		
<p><b>Guidance:</b></p>		
<p>Refer to Criteria 2.2, 2.3 and 6.4 and associated Guidance. This requirement includes indigenous peoples (see Annex 1). Refer to RSPO approved FPIC guidance ('FPIC and the RSPO; A Guide for Companies', October 2008)</p>		
<p><b>7.6.1</b></p>	<p>Documented identification and assessment of demonstrable legal, customary and user rights shall be available.</p> <p>- Major compliance -</p>	<p>There is a process for identifying those people entitled to compensation when customary land is involved, in line with Social and Environmental Impact Assessment. This system for determining compensation is defined in the PNG Lands Act. This particular development came about via the requests of the local people.</p> <p>Abunava ILG under Pandi Estate: Lease-lease back awareness No.1/2009 Malaso VOP blocks, dated 7th January 2009 from HOPL to land owners and members of Abuna clans. 4 representatives from HOPL and 17 representatives from Abuna Clan members attended the meeting. The awareness session including introduction, HOPL objectives, customary and state land, land group and incorporated land group act, ILG process, survey process, SEIA, HCVF assessment, benefit of oil palms, negative impacts, time-frame. The ILG Meeting Minutes 23rd March 2013, the discussion related to terms of agreement, rental for term, royalty.</p> <p>Stakeholders communication records, dated 14th April 2015, whereby 23 HOPL representatives,</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Abunava ILG committee members, observers attended the meeting. The meeting discussing code of conduct for ILG members, RSPO P&amp;C requirements related to appropriate lease holding title under the land law in Papua New Guinea. Attendance list available.</p>	
<p><b>7.6.2</b></p> <p>A system for identifying people entitled to compensation shall be in place.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>A system for identifying people who are the rightful customary owners within the PNG legal system, shall be in place.</i></p> <p>- Major compliance -</p>	<p>There is a process for identifying those people entitled to compensation when customary land is involved, in line with Social and Environmental Impact Assessment. This system for determining compensation is defined in the PNG Lands Act. This particular development came about via the requests of the local people.</p> <p>HOPL shows all relevant documented identification and assessment of legal and customary rights.</p> <p>Abunava ILG under Pandi Estate: Lease-lease back awareness No.1/2009 Malaso VOP blocks, dated 7th January 2009 from HOPL to land owners and members of Abuna clans. 4 representatives from HOPL and 17 representatives from Abuna Clan members attended the meeting. The awareness session including introduction, HOPL objectives, customary and state land, land group and incorporated land group act, ILG process, survey process, SEIA, HCVF assessment, benefit of oil palms, negative impacts, time-frame. The ILG Meeting Minutes 23rd March 2013, the discussion related to terms of agreement, rental for term between K100 – K150, and royalty.</p>	<p>Yes</p>
<p><b>7.6.3</b></p> <p>A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>A system for calculating and distributing fair payment (monetary or otherwise) shall be established and implemented, monitored shall be in place. This system shall take into account: gender</i></p>	<p>HOPL has procedure "Land Negotiation Procedure: A Guide to Acquiring Land for Oil Palm Development" dated 01/03/2015.</p> <p>Abunava ILG under Pandi Estate: Lease-lease back awareness No.1/2009 Malaso VOP blocks, dated 7th January 2009 from HOPL to land owners and members of Abuna clans. 4 representatives from HOPL and 17 representatives from Abuna Clan members attended the meeting. The awareness session including introduction, HOPL objectives, customary and state land, land group and incorporated land group act, ILG process, survey process, SEIA, HCVF assessment, benefit of oil palms, negative impacts, time-frame. The ILG Meeting Minutes 23rd March 2013, the discussion related to terms of agreement, rental for term between K100 – K150, and royalty.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><i>differences in the power to claim rights, local community customary ownership of land, access to land for customary purposes and the requirements of the PNG Government's "Valuer General's Guide". The procedure should recognise different mechanisms for agreement on the right to use the land ranging from outright purchase to leases and CLUAs of varying durations. Payments may include a royalty component based on production and the means of distribution must also be defined.</i></p>		
<p><b>7.6.4</b> Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Minor compliance -</p>	<p>The compensation offered, based on the New Britain Palm Oil model, K20 hectare for vacant land (i.e. buffer zones/areas too steep to plant) and K75 hectare for planted areas. Additionally, there is a K150/hectare payment upon the signing of a sub-lease agreement. Added to this there is a royalty payment on the fruit which is 10% of the smallholder FB price paid on a monthly basis. Furthermore, indirect compensation as people benefit from the new development via improved economy, paid employment, improved education facilities, housing, medical facilities and better infrastructure as a result.</p>	<p>Yes</p>
<p><b>7.6.5</b> The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance –</p>	<p>The compensation offered, based on the New Britain Palm Oil model, K20 hectare for vacant land (i.e. buffer zones/areas too steep to plant) and K75 hectare for planted areas. Additionally, there is a K150/hectare payment upon the signing of a sub-lease agreement. Added to this there is a royalty payment on the fruit which is 10% of the smallholder FB price paid on a monthly basis. Furthermore, indirect compensation as people benefit from the new development via improved economy, paid employment, improved education facilities, housing, medical facilities and better infrastructure as a result. Vamukuma ILG:</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><i>Cross reference to PNG NI 2017</i></p> <p><i>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available, with the agreement of the parties concerned, to the extent that damage to the interests of the affected parties will not result.</i></p> <p><i>- Minor compliance -</i></p>	<p>Vamukuma Group - 2017 FFB royalty payments:            January 2017: Production 606.08 tons; Rate K312.46; Royalty K18,937.58; 5% tax K946.88; Loan Payment nil; Nett payment K17,990.70. HOPL FFB Royalty Payment Voucher for Vamukuma Land Group, January 2017 of K17,990.70 – prepared by Bill McKibben 7th February 2017.            February 2017: Production 478.10 tons; Rate K329.11; Royalty K15,734.75; 5% tax K786.74; Loan Payment K5,418.15; Nett payment K9,259.86. HOPL FFB Royalty Payment Voucher for Vamukuma Land Group, February 2017 of K9,529.86 – prepared by Bill McKibben 4th March 2017.            March 2017: Production 598.84 tons; Rate K311.06; Royalty K18,627.52; 5% tax K931.38; Loan Payment nil; Nett payment K17,696.14. HOPL FFB Royalty Payment Voucher for Vamukuma Land Group, March 2017 of K17,696.14 – prepared by Bill McKibben 6th April 2017.</p>	
<p><b>7.6.6</b> Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p><i>- Minor compliance -</i></p>	<p>HOPL shows document "Expansion Programme Awareness on Sublease Agreements". This document is for awareness raising amongst potential lease-lease back smallholders and includes reference to a range of legislative aspects including customary land versus state land, a section on the Land Group and the Incorporated Land Group Act (1974), the survey process, HCV aspects, environment and social impact assessment procedures.</p> <p>Also, several flow charts have been prepared for awareness raising among smallholders concerning the process for establishing new blocks respectively in accordance with the lease-lease back and alienated land approaches.</p>	<p>Yes</p>
<p><b>Criterion 7.7</b>            No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>		
<p><b>Associated Smallholder Requirement:</b></p>		

Criterion / Indicator	Assessment Findings	Compliance	
<p>7.7.1 Associated Smallholders must be able to verbally explain that they understand and observe this requirement 7.7.2 Associated Smallholders must be able to verbally explain that they understand and observe this requirement</p> <p><b>Specific Guidance:</b> For 7.7.2: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</p> <p><b>Guidance:</b> Extension/training programmes for smallholders may be necessary.</p>			
<p><b>7.7.1</b></p>	<p>There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance –</p> <p><i>Cross reference to PNG NI 2017</i></p> <p><i>There shall be no land preparation by burning.</i></p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited has a no burn policy for new plantings and this is documented elsewhere in this report. There has been no use of fire for land preparation in newly developed area, Pandi Estate. During site visit, sighted at Pandi Estate (Field 17) that there is no land preparation by burning.</p>	<p>Yes</p>
<p><b>7.7.2</b></p>	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval</p>	<p>Hargy Oil Palm Limited has a no burn policy for new plantings and this is documented elsewhere in this report. There has been no use of fire for land preparation in newly developed area, Pandi Estate. During site visit, sighted at Pandi Estate (Field 17) that there is no land preparation by burning.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>		
<p><b>Criterion 7.8</b></p>		
<p>New plantation developments are designed to minimise net greenhouse gas emissions.</p>		
<p><b>Preamble</b>  <i>It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector, especially in relation to reducing GHG emissions relating to operations. Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs. Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology. Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2). Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.</i></p> <p><b>Specific Guidance:</b>            For 7.8.1: GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments. The RSPO carbon assessment tool for new plantings will be available to identify and estimate the carbon stocks. It is acknowledged that there are other tools and methodologies currently in use; the RSPO working group will not exclude these, and will include these in the review process. The RSPO PalmGHG tool or an RSPO-endorsed equivalent will be used to estimate future GHG emissions from new developments using, amongst others, the data from the RSPO carbon assessment tool for new plantings. Parties seeking to use an alternative tool for new plantings will have to demonstrate its equivalence to the RSPO for endorsement.            For 7.8.2: Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are</p>		

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<p>willing to develop into oil palm. <b>Low carbon stock areas</b> are defined as those with (above and below ground) carbon stores, where the losses as a result of conversion are equal or smaller to gains in carbon stock within the new development area including set aside areas (non-planted areas) over the period of one rotation. Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new developments. Growers and millers should plan to implement RSPO best management practices for the minimisation of emissions during the development of new plantations.</p>		
<p><b>Guidance</b> This Criterion covers plantations, mill operations, roads and other infrastructure. It is recognised that there may be significant changes between the planned and final development area, hence the assessment may need to be updated before the time of implementation. Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period until December 31<sup>st</sup>, 2016 (as specified in Criterion 5.6), reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance on the process. During the implementation period the RSPO working group will seek to further develop and continually improve the RSPO carbon assessment tool for new plantings, recognising the challenges associated with estimating carbon stocks and projecting GHG emissions from new developments. Thereafter growers and millers will ensure that new plantation developments are designed to minimise net GHG emissions and commit to reporting publicly on this. Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</p>		
<p><b>7.8.1</b></p>	<p>The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>- Major compliance -</p> <p>Hargy Oil Palm Limited is using the New Development Approval document which was approved by RSPO. The report of new planting assessment for Hargy Oil Palms Limited (HOPL) dated January 2010 was sighted. The area for new planting as per approved NPP document was 10,000 Ha. There is no other new development after 1st NPP document approval.</p> <p>Soil suitability map is available for new development under Pandi Estate and Navo Estate. The soil suitability map indicates the soil type. The initial soil suitability survey was carried out in 2006. Another soil survey for new development area was done in 2009. The first planting commenced in 2010. The latest sequence of soil survey for mature oil palm was done in 2013 to Hill Laboratories New Zealand. Analysis report produced in 2nd May 2013. Maps of soil types for new planting areas are kept by the Field Services Agronomy Section. Based on the soil suitability map, HOPL demonstrates there is no peat soil.</p> <p>In relation to presence of primary forest as at 2005: The HCV report stated that some of the area proposed for Bakada/Mengen area is located on areas</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>which have previously designated as Timber Right Purchase Areas. All of the proposed areas have been logged since 1980s with logging only having ceased recently. Much of the area has been logged up to three times. None of proposed areas for HOPL expansion program are located in areas of primary forest, or that was primary forest as at November 2005.</p> <p>Audit team accepts HOPL explanation, the proposed new planting area after November 2005 was not of high carbon stock.</p> <p>Smallholders: Based on document verification and record evaluation, there is no development on associated smallholder take place currently.</p>	
<p><b>7.8.2</b></p>	<p>There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.</p> <p>- Minor compliance -</p>	<p>Yes</p>

**Principle 8: Commitment to continuous improvement in key areas of activity**

**Criterion 8.1**

Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.

**Guidance:**

Growers should have a system to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the workforce. For Smallholders, there should be systematic guidance and training for continual improvement.

Specific minimum performance thresholds for key indicators (see also Criteria 4.4) to be included in an action plan for continuous improvement:

Performance standard for Criteria 4.3:



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<ul style="list-style-type: none"> <li>Maximum acceptable slope gradient for planting; conservation measures (e.g. terracing, platforms, cover crop, etc.) should be applied for terrain with gradients between 9 and 25 degrees.</li> </ul> <p>Performance standard for Criteria 4.4:</p> <ul style="list-style-type: none"> <li>All permanent watercourses, wetlands and water bodies shall have buffers consisting of naturally occurring local vegetation. In the absence of national guidelines, the following should apply;</li> </ul> <table border="1" data-bbox="107 592 705 826"> <thead> <tr> <th>River width (m)</th> <th>Width of river reserve (m)</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>5</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>40-50</td> <td>50</td> </tr> <tr> <td>&gt;50</td> <td>100</td> </tr> </tbody> </table> <p>All other permanent natural water-bodies shall have a 100m buffer on all sides.</p> <ul style="list-style-type: none"> <li>In the absence of national regulations, the BOD of mill discharge that enters watercourses, wetlands and water-bodies shall be below 50 mg O<sub>2</sub> per litre.</li> </ul> <p>Performance standard for Criteria 4.6:</p> <ul style="list-style-type: none"> <li>In the absence of locally applicable best practices guidelines on the exceptional circumstances that would allow use of pesticides categorized as WHO class 1A and 1B, or those listed by the Stockholm and Rotterdam Conventions, growers are allowed to adopt similar guidelines from other countries. Countries without an NI should compile a list of legally prohibited pesticides and statutory requirements on pesticide use.</li> </ul>	River width (m)	Width of river reserve (m)	1-5	5	5-10	10	10-20	20	20-40	40	40-50	50	>50	100		
River width (m)	Width of river reserve (m)															
1-5	5															
5-10	10															
10-20	20															
20-40	40															
40-50	50															
>50	100															
<p><b>8.1.1</b> The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p>	<p>Hargy Oil Palm Limited: Company demonstrates "Action Plan for Continual Improvement in Sustainable Performance" HOP-PLN-EMS-003-012, approved by GM on 9th May 2016. The plan identifies the planned actions to further improve performance in key areas of minimizing use of certain pesticide, reducing negative and enhance positive environmental impacts, waste reduction, pollution and emissions and social impacts. The plan will be reviewed on annual basis.</p> <table border="1" data-bbox="801 1241 1895 1390"> <thead> <tr> <th>Indicator</th> <th>Planned improvement</th> <th>Outcome - PIC</th> <th>Due date</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">Pesticide use</td> </tr> <tr> <td>RSPO P&amp;C 4.6.7 No paraquat or insecticide to be supplied to</td> <td>No paraquat will be issued to smallholder.</td> <td>N/A; smallholder</td> <td>ongoing</td> </tr> </tbody> </table>	Indicator	Planned improvement	Outcome - PIC	Due date	Pesticide use				RSPO P&C 4.6.7 No paraquat or insecticide to be supplied to	No paraquat will be issued to smallholder.	N/A; smallholder	ongoing	<p>Yes</p>		
Indicator	Planned improvement	Outcome - PIC	Due date													
Pesticide use																
RSPO P&C 4.6.7 No paraquat or insecticide to be supplied to	No paraquat will be issued to smallholder.	N/A; smallholder	ongoing													

Criterion / Indicator	Assessment Findings				Compliance
<p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base.</li> </ul> <p>- Major compliance -</p>	smallholders by company or smallholder management organizations	Targeted trunk injection performed by company employees.	manager/OPIC		
	BSI Audit team: Based on field visit, no paraquat and/or trunk injection carried out by smallholder.				
	RSPO P&C 4.6.9 Maintenance of employee and associated smallholder knowledge & skills on pesticide handling including provision of appropriate information material	OPIC trained smallholder growers and issue certificates. Hargy will only issue herbicide in 5 liter containers to certified smallholders. Increase the number of trained smallholder. Improve certificate printing and distribution to trained smallholders.	Trained and competent smallholders; higher yield (Estate managers/ ESD Managers)	ongoing	
	BSI Audit Team: Based on field visit, smallholder has provided with training.				
	RSPO P&C 4.6.9 Personal protective equipment should be specified in SOP/MG for pesticide worker in plantation. Appropriate safety equipment must be provided and used.	Currently compliant	N/A; Plantation Manager	ongoing	
	BSI Audit Team: Based on field visit, sprayer has been provided with appropriate PPE.				
	4.6.10 Storage and disposal of chemical as described in the GIFAP Code of Practice	Currently compliant	High level of safety in chemical store; PM	ongoing	
	BSI Audit Team: Based on field visit to all estate, the storage and disposal of chemical follows code of practice.				
4.6.5 Only registered agrochemicals following PNG labelling guide will be used. All chemical inputs require an MSDS.	Check all MSDS sheets are updated & available in every store.	High safety level	ongoing		

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Criterion / Indicator	Assessment Findings				Compliance	
	BSI Audit Team: Based on field visit to all estate, HOPL use registered chemicals, completed with MSDS.					
	Environment Improvement Plan					
	RSPO P&C 5.6.2 Significant pollutants and emissions are identified, monitored and plans to reduce them implemented. Commencement January 2012	Include additional testing for POME as per PNG ECoP for Palm Oil Processing and source external certified laboratory to conduct testing.	Improved compliance; Environment Officer	Aug 2017		
	BSI Audit Team: POME testing to external laboratory implemented.					
	RSPO P&C 4.2.4 Nutrient recycling strategy should be in place. Commencement January 2012	Update list of blocks for EFB annually. Annual Work Program for EFB application per block and monitoring of work programs	Reduce requirement for inorganic fertilizer; Head of Plantation	Ongoing		
	BSI Audit Team: EFB application record sighted.					
	RSPO P&C 4.4.2 Maintain and/or rehabilitate riparian buffer zone as per PNG logging code of practice at planting or replanting. Commencement January 2012	Reinstate buffer zone along waterways in accordance with the logging code of practice. Older planting frequently failed to maintain the required buffer zones. HOPL will progressively re-establish buffer zone when estate blocks are replanted or earlier if resources permit.	Less riverine erosion, creation of wildlife corridor, trapping and filtering of plantation run-off; Head of Plantation	Up to 2020		
	BSI Audit Team: Buffer zone maintained as per Logging Code of Practice in Pandi Estate.					
	RSPO P&C 5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Commencement 1st March 2017	Replacement of old sludge centrifuge and installation of an additional unit. Construction of EFB concrete pad at Navo POM where EFB is deposited;	Improve oil quality; Prevent EFB leaching into environment – Navo POM Manager	July 2017;  Nov 2017;		
	BSI Audit Team: Sludge centrifuge replacement and EFB concrete pad construction on progress.					
Environment Improvement Plan						
RSPO P&C 5.6.2 Significant pollutants and emissions are identified, monitored and plans to reduce them implemented. Commencement 1st March 2017	Ponding system for effluent treatment at Barema POM, after the biogas plant	Improve final water quality of final discharge going out; Barema POM Manager	Dec 2017			

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Criterion / Indicator	Assessment Findings				Compliance	
	BSI Audit Team: Ponding system for Barema POM on progress.					
	RSPO P&C 5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Commencement 1st March 2017	Phase out wet cell batteries and start using maintenance free batteries	Phase out sulphuric acid from work place to minimize environment impact; VWS and warehouse	Dec 2017		
	BSI Audit Team: Transition from wet cell battery into maintenance free battery.					
	Significant Environmental Aspect & Impact					
	Buffer zone establishment; Aspect: Reduce soil erosion, habitat protection, buffer encroachment; Impact: Water quality, Biodiversity protection;	Full inspection of all buffer zones on company lease areas; Set up a process similar to land acquisition for HCV set-aside/buffer zone where the company and landowner can enter into agreement to conserve HCV, at the same time maintaining land owner's user right.	Conservation of buffer zone; ESD Manager	Dec 2017		
	BSI Audit Team: Full inspection of all buffer zone is in progress.					
	Boiler Operation and Steam Use Aspect: Ash and smoke emission; Impact: Air quality, temperature, visual amenity	Trial use of a dust deposition gauge to measure particulate fallout around the mills.	Improved monitoring	Dec 2017		
	BSI Audit team: Dust deposition gauge is in progress.					
	CPO transfer ship. Aspect: Spillage into water; Impact: Deteriorate water quality;	Refresher training for shipping crew on environment risk of spill & emergency response	Trained personnel, reduce risk of accidents and spills	June 2017		
	BSI Audit Team: Training for shipping crew sighted.					
	Pollution and Emission					
	4.4.1 An implemented water management plan in place; Commencement January 2016	Installation of water meters in all water intake for compound area	Improved compliance; Construction Manager	Dec 2017		
BSI Audit Team: Installation of water meter on progress.						
4.4.1 An implemented water management plan in place;	Installation of triple interceptor at Hargy bowser drain;	Reduce pollution; GM	Dec 2017			

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Criterion / Indicator	Assessment Findings				Compliance
	Commencement January 2016	Construction of triple interceptors for fuel storage at Area 6 and Area 7			
	BSI Audit Team: Triple interceptro at Hargy bowser drain, Area 6 and Area 7 is in progress				
	RSPO P&C 5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Commencement 1st March 2017	Install fuel tank to feed genset directly instead of using 200 liters drum	Reduce risk of pollution; Vehicle Workshop Manager	Aug 2017	
	BSI Audit Team: Fuel tank in Hargy Estate (Makakiwa Division) and Navo Estate (Karla 2 & 3) has been installed.				
	General Improvement Plan				
	4.7.2 All operations where health and safety is an issue have been risk assessed and procedures and actions are documented and implemented to address the identified issues. Commencement March 2015	Color-code the process pipe line: sludge (brown), CPO (yellow/orange), water (blue), fire hydrant (red) and steam (by insulation)	Safer workplace; Hargy and Navo POM Manager	Aug 2017	
	BSI Audit team: Color coding for process pipe line in Hargy POM and Navo POM sighted.				
	6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities. Commencement February 2015	Improve the water supply in at Atata, Ibana, Alangily	Improved and consistent water supplied to compound; Construction Manager	Aug 2017	
	BSI Audit Team: based on field visit to Alangily and Atata, water supplied to worker housing is in good condition.				
	Pollution and Emission				
	4.4.1 An implemented water management plan in place; Commencement January 2016	Installation of water meters in all water intake for compound area	Improved compliance; Construction Manager	Dec 2017	
	BSI Audit Team: Installation of water meter on progress.				
4.4.1 An implemented water management plan in place;	Installation of triple interceptor at Hargy bowser drain;	Reduce pollution; GM	Dec 2017		

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Criterion / Indicator	Assessment Findings				Compliance
	Commencement January 2016	Construction of triple interceptors for fuel storage at Area 6 and Area 7			
	BSI Audit Team: Triple interceptro at Hargy bowser drain, Area 6 and Area 7 is in progress				
	RSPO P&C 5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Commencement 1st March 2017	Install fuel tank to feed genset directly instead of using 200 liters drum	Reduce risk of pollution; Vehicle Workshop Manager	Aug 2017	
	BSI Audit Team: Fuel tank in Hargy Estate (Makakiwa Division) and Navo Estate (Karla 2 & 3) has been installed.				
	General Improvement Plan				
	4.7.2 All operations where health and safety is an issue have been risk assessed and procedures and actions are documented and implemented to address the identified issues. Commencement March 2015	Color-code the process pipe line: sludge (brown), CPO (yellow/orange), water (blue), fire hydrant (red) and steam (by insulation)	Safer workplace; Hargy and Navo POM Manager	Aug 2017	
	BSI Audit team: Color coding for process pipe line in Hargy POM and Navo POM sighted.				
	6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities. Commencement February 2015	Improve the water supply in at Atata, Ibana, Alangily	Improved and consistent water supplied to compound; Construction Manager	Aug 2017	
	BSI Audit Team: based on field visit to Alangily and Atata, water supplied to worker housing is in good condition.				
	General Improvement Plan				
	8.1.1 Action plan for continuous improvement. Commencement January 2016	Independent estates to be brought up to RSPO standards: chemical shed, OHS, workshop	Improved compliance; OPIC, Independent Estate Manager	Dec 2020	
	BSI Audit Team: On progress.				
2.2.1 Documents showing legal ownership or lease history of land	Develop HOPL GIS database to inventory and continuously assess	Improved compliance;	Aug 2017		

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Criterion / Indicator	Assessment Findings				Compliance
	tenure and the actual legal use of the land shall be available. Commencement April 2016	the land titles of the palm oil areas in its supply base	Community Affairs Department		
	BSI Audit Team: HOPL lease register has been clarified and improved. HOPL smallholder has been able to demonstrate legal ownership of the land.				
	4.7.2 All operations where health and safety is an issue have been risk assessed and procedures and actions are documented and implemented to address the identified issues. Commencement 7th March 2017	Hazard reporting reward structure	Remove potential accidents from workplace; Superintendents	Dec 2017	
	BSI Audit Team: Hazard reporting is in progress.				
	4.7.2 Accident and emergency procedures shall exist and instructions shall be clearly understood by workers. Commencement 1st March 2017	Installation of new diesel fire fighting pump for Hargy POM	Improve safety; Hargy POM Manager	Jul 2017	
	BSI Audit team: New diesel fire fighting pump is in progress.				
Audit team has reviewed and seen some of the progress made, related to continuous improvement.					

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**Appendix B: Approved Time Bound Plan**

Name of company	Name of Mill	Location	Supply Base	Time Bound Plan	Target Year for RSPO
PT. Agro Muko	Muko Muko Mill	Mukomuko Regency, Bengkulu Province, Indonesia	Muko Muko estate, S. Betung estate, Tanah rekah estate, Talang Petai estate, S. Kiang estate and KMD	2011	Certified February 2011
	Bunga Tanjung Mill	Mukomuko Regency, Bengkulu Province, Indonesia	Bunga Tanjung estate, Air Bikuk estate, Air Buluh estate and KMD	2011	Certified February 2011
			PT. Mukomuko Agro Sejahtera: - Air Majunto estate - Malin Deman estate	2014	Certified February 2015
PT. Tolan Tiga	Bukit Maradja Mill	Sumalungun Regency, Sumatera Utara Province, Indonesia	- Bukit Maradja Estate (PT. Eastern Sumatra Indonesia) - Kerasaan Estate (PT. Kerasaan Indonesia)	2010	Certified May 2010
	Perlabian Mill	Labuhan Batu Selatan Regency, Sumatera Utara Province, Indonesia	Perlabian estate and Tolan estate.	2010	Certified May 2010
PT. Umbul Mas Wisesa	Umbul Mas Wisesa Mill	Labuhan Batu Selatan Regency, Sumatera Utara Province, Indonesia	UMW South estate, UMW North estate and Toton Usaha Mandiri estate	2014	Certified March 2015
PT. Agro Kati Lama	-	Sumatera Selatan Province, Indonesia	-	Will be certified when mill is commissioned (planned for 2019 at the earliest)	Under development (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
PT. Agro Rawas Ulu	-	Sumatera Selatan Province, Indonesia	-	Will be certified when mill is commissioned (planned for 2019 at the earliest)	Under development (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
PT. Agro Muara Rupit	-	Sumatera Selatan Province, Indonesia	-	Will be certified when mill is commissioned (planned for 2019 at the earliest)	Under development (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
Hargy Oil Palm Limited (HOPL)	Hargy Mill	East of Bialla, West New Britain Province, PNG	Hargy Estate, Navo Estate, Pandi Estate and Smallholders	2009	RSPO Certified in April 2009
	Navo Mill	50 Kms East of BIalla, West New Britain Province, PNG	Hargy Estate, Navo Estate, Pandi Estate and Smallholders	2009	RSPO Certified in April 2009
	Barema Mill	30 km East of Bialla, West New Britain Province, PNG	Hargy Estate, Navo Estate, Pandi Estate and Smallholders	2014	RSPO Certified in April 2014



**Appendix C: Certification Unit RSPO Certificate Details**

**Hargy Oil Palms Limited**

BSI RSPO Certificate No: RSPO 535739

Date of Initial Certificate Issued: 09/04/2009

Date of Expiry: 08/10/2018

RSPO membership number: 1-0021-05-000-00

Applicable Standards: **RSPO P&C PNG NI 21<sup>st</sup> March 2016 and cross-referenced against RSPO P&C PNG NI 7<sup>th</sup> April 2017**; RSPO Supply Chain Certification Standard November 2014 Module D - CPO Mills: Identity Preserved

<b>Hargy Palm Oil Mill Palm Oil Mill and Supply Base</b>					
Location Address		East of Bialla, West New Britain Province, Papua New Guinea			
GPS Location		Longitude: 151° 00' 39.464" E Latitude: 05° 18' 40.049" S			
CPO Tonnage Total		45,139.18 mt			
PK Tonnage Total		9,341.10 mt			
Own estates FFB Tonnage		109,933.33 mt			
Scheme Smallholder FFB Tonnage		74,800.24 mt			
<b>Barema Palm Oil Mill Palm Oil Mill and Supply Base</b>					
Location Address		30km East of Bialla, West New Britain Province, Papua New Guinea			
GPS Location		Longitude: 151° 08' 02.406" E Latitude: 05° 13' 08.441" S			
CPO Tonnage Total		63,273.81 mt			
PK Tonnage Total		12,999.67 mt			
Own estates FFB Tonnage		153,091.73 mt			
Scheme Smallholder FFB Tonnage		104,162.06 mt			
<b>Navo Palm Oil Mill Palm Oil Mill and Supply Base</b>					
Location Address		50km East of Bialla, West New Britain Province, Papua New Guinea			
GPS Location		Longitude: 151° 13' 28.029" E Latitude: 05° 05' 38.863" S			
CPO Tonnage Total		58,744.46 mt			
PK Tonnage Total		12,255.63 mt			
Own estates FFB Tonnage		153,824.59 mt			
Scheme Smallholder FFB Tonnage		104,663.06 mt			
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Hargy Estate	4,006.39	474.95	2,330.35	6,811.69	134,554.99
Navo Estate	5,233.77	0	1,252.23	6,486.00	178,566.98
Pandi Estate	3,206.19	700.24	3,264.57	7,171.00	103,670.24
Smallholders	12,685.00	1,426.00	18.00	14,129.00	283,683.80
<b>TOTAL</b>	<b>25,131.35</b>	<b>2,601.19</b>	<b>6,865.15</b>	<b>34,597.69</b>	<b>700,476.01</b>

*\*Certified Production*

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**Appendix D: Assessment Plan**

Date	Time	Subjects	PS	MH	NC	AbB	YH
Saturday, 22/07/2017	14.45 – 17.45	Flight Jakarta – Singapore	√	-	-		
	16.10 – 17.10	Flight Kuala Lumpur - Singapore	-	√	√	√	-
	20.15 – 04.50	Flight Singapore – Port Moresby	√	√	√	√	-
Sunday, 23/07/2017	09.15 – 11.20	Flight Port Moresby - Hoskins	√	√	√	√	√
	11.20 – 14.00	Travelling Hoskins – Hargy Oil Palms Limited	√	√	√	√	√
Monday, 24/07/2017	08.00 – 08.30	Opening Meeting	√	√	√	√	√
	08.30 – 12.00	<b>Hargy POM:</b> Field visit to receiving, bulk tank, KCP, interview with operator, etc.	√	-	-	-	-
		<b>Hargy POM:</b> Operation of palm oil mill (OHS & EMS), interview with workers, warehouses, POME treatment, clinic,	-	√	-	√	√
		<b>Hargy POM:</b> Interview with HR (worker welfare, minimum wage, salary payment, insurance, etc.), community affairs, interview with worker.	-	-	√	-	-
	12.00 – 13.00	Break	√	√	√	√	√
	13.00 – 17.00	<b>Hargy POM:</b> Document review, transparency and code of conduct implementation (Principle 1), Legal requirement review and update for mill operation (Principle 2), Supply Chain for CPO Mills (RSPO SCCS),	√	-	-	-	-
		<b>Hargy POM:</b> Document review, Long-term economic viability (principle 3), Mill best practices (principle 4),	-	-	-	√	√
<b>Hargy POM:</b> Document review, OHS for mill operation (principle 4.7), Environmental management for mill operation (principle 5.1, 5.3), GHG assessment (principle 5.4),		-	√	-	-	-	
	<b>Hargy POM:</b> Document review, insurance for worker (principle 4.7), social impact assessment, worker welfare, consultation and communication, complaint and grievance handling, company policies implementation (principle 6);	-	-	√	-	-	
Tuesday, 25/07/2017	08.00 – 12.00	<b>Hargy Estate - Makakiwa:</b> Field visit to boundary stones, conservation/buffer zone/HCV area, housing, clinic.	√	-	-	-	-
		<b>Hargy Estate:</b> Field visit to operation and interview with workers, (harvesting/spraying/manuring and general worker), OHS and environmental management, landfill, visit to chemical store;	-	√	-	√	-
		<b>Stakeholder consultation:</b> Interview with stakeholders.	-	-	√	-	√
	12.00 – 13.00	Break	√	√	√	√	√
	13.00 – 17.00	<b>Hargy Estate:</b> Lands Office – Legal ownership of the land and Sustainability Officer on HCV management.	√	-	-	-	-
		<b>Hargy Estate:</b> Document review, OHS implementation (Principle 4.7), environmental aspect – impacts (Principle 5).	-	√	-	-	-
<b>Hargy Estate:</b> Document review, long-term economic viability (principle 3), estate best practices (principle 4),		-	-	-	√	-	
	<b>Stakeholder consultation:</b> Interview with stakeholders.	-	-	√	-	√	
Wednesday, 26/07/2017	08.00 – 12.00	<b>Barema POM</b> Field visit to receiving, bulk tank, KCP, interview with operator, etc.	√	-	-	-	-
		<b>Barema POM:</b> Inspection on OHS and environmental aspect & impact on POM operation, clinic,	-	√	√	-	-

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		<b>Barema POM:</b> Inspection of palm oil mill operation (mill best practices), interview with workers, POME treatment,	-	-	-	√	√
	12.00 – 13.00	Break	√	√	√	√	√
	13.00 – 17.00	<b>Barema POM:</b> Document review, transparency and code of conduct implementation (Principle 1), Legal requirement review and update for mill operation (Principle 2), Supply Chain for CPO Mills (RSPO SCCS),	√	-	-	-	-
		<b>Barema POM:</b> Document review, Long-term economic viability (principle 3), Mill best practices (principle 4),	-	-	-	√	-
		<b>Barema POM:</b> Document review, OHS for mill operation (principle 4.7), Environmental management for mill operation (principle 5.1, 5.3), GHG assessment (principle 5.4),	-	√	-	-	-
		<b>Barema POM:</b> Document review, insurance for worker (principle 4.7), social impact assessment, worker welfare, consultation and communication, complaint and grievance handling, company policies implementation (principle 6);	-	-	√	-	√
Thursday, 27/07/2017	08.00 – 12.00	<b>Navo Estate - Ibana:</b> Field visit to boundary stones, conservation/buffer zone/HCV area, new planting area, housing;	√	-	-	-	-
		<b>Navo Estate - Ibana:</b> Field visit to operation and interview with workers (harvesting/spraying/manuring and general worker) on OHS & environmental management, visit to chemical store, workshop, clinic;	-	√	-	√	-
		<b>Smallholder audit:</b> Document review, interview and field visit: Smallholders.	-	-	√	-	√
	12.00 – 13.00	Break	√	√	√	√	√
	13.00 – 17.00	<b>Navo Estate:</b> Document review, transparency (principle 1), legal requirements (principle 2), social impact assessment, worker welfare, consultation and communication, complaint and grievance handling, company policies implementation (principle 6);	√	-	-	-	-
		<b>Navo Estate:</b> Document review, OHS implementation (Principle 4.7), environmental aspect – impacts (Principle 5).	-	√	-	-	-
		<b>Navo Estate:</b> Document review, long-term economic viability (principle 3), estate best practices (principle 4),	-	-	-	√	-
	<b>Smallholder audit:</b> Document review, interview and field visit: Smallholders.	-	-	√	-	√	
Friday, 28/07/2017	08.00 – 12.00	<b>Navo POM:</b> Field visit to receiving, bulk tank, interview with operators, etc.	√	-	-	-	-
		<b>Navo POM:</b> Inspection of palm oil mill operation (mill best practices, OHS and environmental aspect - impact), POME treatment,	-	√	-	√	-
		<b>Smallholder audit:</b> Document review, interview and field visit: Smallholders.	-	-	√	-	√
	12.00 – 13.00	Break	√	√	√	√	√

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Date	Time	Subjects	PS	MH	NC	AbB	YH
	13.00 – 17.00	<b>Navo POM:</b> Document review, transparency and code of conduct implementation (Principle 1), Legal requirement review and update for mill operation (Principle 2), Supply Chain for CPO Mills (RSPO SCCS)	√	-	-	-	-
		<b>Navo POM:</b> Document review, Long-term economic viability (principle 3), Mill best practices (principle 4),	-	-	-	√	-
		<b>Navo POM:</b> Document review, OHS for mill operation (principle 4.7), Environmental management for mill operation (principle 5.1, 5.3), GHG assessment (principle 5.4),	-	√	-	-	-
		<b>Smallholder audit:</b> Document review, interview and field visit: Smallholders.	-	-	√	-	√
Saturday, 29/07/2017	08.00 – 12.00	<b>Pandi Estate - Bakada:</b> Field visit to boundary stones, conservation/buffer zone/HCV area, new planting area, housing;	√	-	-	-	-
		<b>Pandi Estate:</b> Field visit to operation and interview with workers (harvesting/spraying/manuring and general worker) on OHS & environmental management, visit to chemical store, clinic;	-	√	-	√	-
		<b>Smallholder audit:</b> Document review, interview and field visit: Smallholders.	-	-	√	-	√
	12.00 – 13.00	Break	√	√	√	√	√
	13.00 – 17.00	<b>Pandi Estate:</b> Document review, transparency (principle 1), legal requirements (principle 2), social impact assessment, worker welfare, consultation and communication, complaint and grievance handling, company policies implementation (principle 6);	√	-	-	-	-
<b>Pandi Estate:</b> Document review, OHS implementation (Principle 4.7), environmental aspect – impacts (Principle 5).		-	√	-	-	-	
<b>Pandi Estate:</b> Document review, long-term economic viability (principle 3), estate best practices (principle 4), <b>Smallholder audit:</b> Document review, interview and field visit: Smallholders.		-	-	√	-	√	
Sunday, 30/07/2017	Rest		-	-	-	-	
Monday, 31/07/2017	08.00 – 12.00	<b>Smallholder audit:</b> Document review, interview and field visit: OPIC & Smallholder Manager.	√	√	√	√	√
	12.00 – 13.00	Break	√	√	√	√	√
	13.00 – 17.00	<b>Smallholder audit:</b> Document review, interview and field visit: OPIC & Smallholder Manager.	√	√	√	√	√
Tuesday, 01/08/2017	08.00 – 12.00	<b>Smallholder audit:</b> Document review, interview and field visit: Smallholders.	√	√	√	√	√
	12.00 – 13.00	Break	√	√	√	√	√
	13.00 – 16.00	<b>Smallholder audit:</b> Document review, interview and field visit: Smallholders.	√	√	√	√	√
	16.00 – 16.30	Report Preparation	√	√	√	√	√
	16.30 – 17.00	Closing Meeting	√	√	√	√	√

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The BSI auditor team will comprise of the following members.

No.	Name	Role	Assessment aspects
1	Pratama Sedayu (PS)	Team Leader	Mill and Estate Best Management Practices, Legal, Environment, HCV, RSPO Supply Chain and Smallholder assessment. Fluent in English.
2	Mohd. Hafiz Mat Hussain (MH)	Team Member	Mill and Estate best practices, Environment, Health and Safety, Social and Smallholder assessment. Fluent in English.
3	Nicholas Cheong (NC)	Team member	Social Environmental Impact Assessment (SEIA), Internal and External Stakeholder consultation and Smallholder assessment. Fluent in English.
4	Amir bin Bahari (AbB)	Team member	Mill and Estate best practices, long-term economic viability and Smallholder assessment. Fluent in English.
5.	Yvonne Hani (YH)	Technical Expert/Translator	Local facilitator for Stakeholder Consultation, Worker Interview, Legal aspects, Social impact and Smallholder assessment. Fluent in English and local language.

**Appendix E: Stakeholders Contacted**

<p><b>Internal Stakeholders</b></p> <p>Workers and staff in Hargy POM;          Workers and staff in Barema POM;          Workers and staff in Navo POM;          Workers and staff in Hargy Estate;          Workers and staff in Navo Estate;          Workers and staff in Pandi Estate;          Smallholders;</p>	<p><b>Union/Contractors/Local Communities</b></p> <p>Ward Councilor of Wilelo Ward 9;          Clan Leader;          Managing Director Magalona Estate Ltd.;          Chairman Vamukuma ILG;</p>
<p><b>Government Departments</b></p> <p>Tiauru Primary School Headmaster;</p>	<p><b>NGO</b></p> <p>United Church &amp; smallholder</p>

**Appendix F: CPO Mill Supply Chain Assessment Report (Module D – CPO Mills: Identity Preserved)**

Hargy POM

Requirements	Compliance
<b>D.1 Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>Hargy POM is implementing Module D for CPO Mills: Identity Preserved. Hargy POM only receiving certified FFB from company owned plantation: Hargy Plantation, Navo Plantation and Pandi Plantation; as well as from certified associated smallholders.</p> <p>Hargy Palm Oil Mill currently holding valid RSPO P&amp;C certificate No.RSPO 535739, valid until 8th April 2019, with current supply chain standard for CPO Mills: Module D – Identity Preserved.</p>
<b>D.2 Explanation</b>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated annual tonnage for certified FFB processed, CPO and PK production are available in the Estate and Mill annual production budget for 12 months since last surveillance assessment. The FFB tonnage received from all certified supply bases (company-owned plantation and associated smallholders).</p> <p>The estimated for CPO and PK production from Hargy POM, Barema POM and Navo POM is recorded under the public summary report and the RSPO certificate for Hargy Oil Palms Limited. The actual CPO and PK production were verified during each subsequent annual surveillance assessment visit to ensure that certified mill only deliver the allowed tonnage for the year.</p> <p>BSI Group as certification body has submitted estimated of FFB received, CPO and PK produced to RSPO Public Summary Report and the RSPO eTrace system.</p>

<p>D.2.2 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>	<p>Hargy Palm Oil Mill, Barema Palm Oil Mill and Navo Palm Oil Mill have eTrace account, and it have been verified by audit team. The eTrace registration under Hargy Palm Oil Mill - SIPEF. Hargy POM registered all the transactions within eTrace.</p>
<p><b>D.3 Documented procedures</b></p>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>"HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 3. Responsibilities: - Explaining the roles and responsibilities for each personnel; Marketing Department SIPEF (Antwerp), General Manager HOPL, Chief Engineer, ESD Manager, Internal auditor, Smallholder Department, etc. Section 5.1.1.1 Collection of FFB/loose fruit in company estates - Explaining the procedure for FFB collection from company estates; Section 5.1.1.2 Collection of FFB from smallholder blocks - Explaining the procedure for FFB collection from smallholder blocks; Section 5.1.1.3 Collection of FFB/LF from independent estates - Explaining the procedure for FFB collection from independent estates; Section 5.1.1.4 Reception of FFB/Loose Fruit by the Mills - This procedure explains the verification and reception of certified FFB/loose fruit at mill weighbridges. Section 5.1.1.5.1 Production of CPO - The section explained calculation and recording of CPO production under Identity Preserved Module. Section 5.1.1.5.2 Production of PK - The section explained calculation and recording of PK production under Identity Preserved Module. Section 5.1.2 Outsourcing Activities Section 5.1.3 Seles and Goods Out (Stocks-keeping and balancing od stocks) - This section explains procedure for shipment recording, information for shipment including: name &amp; address of buyer, name &amp; address of seller, loading/delivery date, date on which the documents were issued, description of product including the applicable supply chain moule, quantity of product, supply chain certificate number, etc. Procedure also covers registration of transactions in RSPO IT platform. 5.1.4 Registration of Transactions (Transfers of CPO between Mills, PK shipments) - Explaining the record keeping for transfers of CPO between palm oil mills and PK shipments. This will include requirement Hargy Oil Palms Limited to record and balance all receipt of certified FFB and deliveries of certified CPO and PK on a three-monthly basis. 5.1.5 Training 5.1.6 Record keeping - Explains the requirements of document and records referred to. This including, but not limited to: rollover form, FFB</p>



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	<p>collection docket, weight docket, weighbridge delivery docket, Daily Production Report, Oil cartage logsheet, PK cartage logsheet, quarterly balance report, etc.</p> <p>5.1.7 Conversion Factors 5.1.8 Claims 5.1.9 Complaints (including) Non conforming Materials &amp; Products 5.1.10 Management Review 5.2 Module D (CPO Mills: Identity Preserved) 5.3 Module F (Multisite Certification)</p>
<p>b) The role 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's procedures for the implementation of this standard.</p>	<p>"HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 3. Responsibilities: General Manager is the designated management representative, has the overall responsibility for and authority over the implementations of all requirements of supply chain standard – Module D Identity Preserved, notifies the CB should HOPL foresee any projected overproduction;</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>"HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 5.1.1.1 Collection of FFB/loose fruit in company estates. FFB collected and driver records the number of FFB bunches in FFB collection docket, shows plantation name, division, field and block and bunch count; with IP notation pre-printed. A weighbridge docket is generated when the skip bin of FFB/LF is weighed at mill weighbridge. Section 5.1.1.2 Collection of FFB from smallholder blocks FFB collection from smallholder blocks is by company trucks, the smallholder supply base consist of over 3,500 blocks. All blocks are covered in the scope of RSPO and thus are RSPO certified. The status of the smallholder supply base certification is communicated to the smallholder department by the ESD through an internal memorandum. Based on this advice, the smallholder department issues out instruction for FFB/LF collection. There is a list of smallholder blocks within the RSPO supply base maintained by smallholder department. Instruction for FFB/LF collection is done by issuing out harvest/pick up schedules to all smallholder blocks within the RSPO supply base listing. There is no collection and purchase of FFB outside of the RSPO certified smallholder block listing. Section 5.1.1.3 Collection of FFB/LF from independent estates A weighbridge delivery docket is generated indicating the weight and the independent estate name. "IP" is printed on the docket indicating that the FFB/loose fruit received is certified under the Identity Preserved module. Three copies of the weighbridge docket are printed – for Smallholder Department, Independent Estate and Truck Driver. Each morning all previous day's dockets are sent to Smallholder office for payment processing and reconciliation. Section 5.1.1.4 Reception of FFB/Loose Fruit by the Mills All FFB/Loose Fruit from the company plantation, smallholders and independent esates are received by the mill</p>

	<p>through the weighbridge. The weighbridge clerks check the documentation accompanying the FFB brought in to verify it coming from certified supply base. Verification is done by checking that relevant documentation have the "IP" notation. Should FFB brought in not signifying the supply chain module then the FFB is to be deemed uncertified material and is to be rejected after investigation to identify the source and determine the reason to be omitted from documentation.</p> <p>Section 5.1.1.5.1 Production of CPO Daily ullage is done every morning on the CPO tanks to determine the amount of CPO produced in the last 24 hours. The formula: CPO produced = closing stock +/- CPO transfer (+ CPO dispatched or shipped/- CPO received) – opening stock. "IP" is printed on Daily Production Report indicating the CPO produced is certified under Identity Preserved Module.</p> <p>Section 5.1.1.5.2 Production of PK PK quantity is calculated at 5.5% of FFB produced. "IP" is printed on Daily Production Report indicating the PK produced is certified under Identity Preserved Module.</p>
<p><b>D.4 Purchasing and goods in</b></p>	
<p>D.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Hargy POM only received FFB from certified supply base, whereby consist of company owned plantation: Hargy Estate, Barema Estate, Navo Estate; as well as the smallholders. Hargy Oil Palms Limited, through the smallholder office and community affairs work together with OPIC to identify smallholder meets RSPO P&amp;C requirements. Community affairs and Smallholder Department are consistent in suspending smallholder that's not meeting RSPO P&amp;C requirements. Hargy Oil Palms issued a memorandum to stop picking up FFB/crop from a number of non-conforming smallholders. These steps are taken to prevent non-conforming material (FFB) entering HOPL's process. Based on this audit, all FFB sources are certified and there is no non-certified FFB sources entering Hargy Palm Oil Mill's process. At the weighbridge, the docket is generated which gives the weight, origin from the plantation. IP (Identity Preserved) is printed on docket indicating the FFB received certified under IP/Identity Preserved Module.</p> <p>Certified FFB (from company-owned plantations): FFB IP Collection Docket No.135409, Skip Bin No.S099, dated 23rd July 2017, from Hargy Estate, block 13Q01, 718 bunches, weighbridge tonnage 7.440 kg. Hargy Oil Mill Receiving Slip No.FFB17012010W dated 23rd July 2017, receiving FFB IP from Hargy Estate, Division 2 Urumaili, Block 13P03, with lorry VH03, weighed aat 7,440 kg.</p> <p>Certified FFB (from smallholder plantation): Delivery of FFB from smallholder Ceneka Division: weight docket No.030697, Mosi Kaitare block 0012 Sale 4 for FFB SG weighed 773 kg; weight docket No.030698, John Jr. Kuaveh block No.2926, Sale 4, for FFB SG weighed 838 kg; weight docket No.030699, Exson, block No.2907, Sale 4, for FFB SG weighed 842 kg; weight docket No.030700, Jenni-Exson Block No.2907, Sale 4, for FFB SG weighed 493 kg; weight docket No.030701, Ata Alivula, block 778, Sale</p>

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	<p>4, for FFB SG weighed 1773 kg; weight docket No.030702, Issac Peni, block 005, Sale 4, for FFB SG weighed 712 kg; weight docket No.030703, Brekon K, block 0013, Sale 4, for FFB SG weighed 493 kg; weight docket No.030704, Ereda Sagila, block 593, Sale 4, for FFB SG weighed 915 kg; weight docket No.030705, Rupen, block 002, Sale 4, for FFB SG weighed 1,454 kg; weight docket No.030706, Francis P, block 0607, Sale 4, for FFB SG weighed 1,190 kg; weight docket No.030707, Andrew Momo, block 592, Sale 4, for FFB SG weighed 1,713 kg; weight docket No.030708, Gabby Umali, block 0605, Sale 4, for FFB SG weighed 1,713 kg; weight docket No.030709, Peter Sikam, block 0050, Malasi Sit 1, for FFB SG weighed 320 kg;                  Weighbridge ticket – Receiving Slip No.FFB17012003W dated 23rd July 2017, product Fresh Fruit Bunch IP, vehicle VC05 – nett weight 13,580MT.                  Based on interview with weighbridge operators, they understood currently receiving FFB from company-owned plantation as certified supply base to be eligible for supply chain module Identity Preserved.</p>																																																												
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>“HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK” Section 3. Responsibilities:                  General Manager is the designated management representative, has overall responsibility for and authority over the implementations of all requirements of supply chain standard – Module D Identity Preserved, notifies the CB should HOPL foresee any projected overproduction;</p>																																																												
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<p>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.</p>	<p>Hargy Oil Palms Limited has record and balance all receipt of certified FFB and deliveries of certified CPO and PK on a three-monthly basis. Three monthly basis record Hargy POM:                  FFB IP period October - December 2016 (in tons)</p> <table border="1" data-bbox="913 970 2033 1104"> <thead> <tr> <th>Month</th> <th>Opening Stock – FFB IP</th> <th>Received Own FFB IP</th> <th>Received Smallholder FFB IP</th> <th>FFB milled</th> <th>Closing Stock FFB IP</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>335.33</td> <td>5,163.70</td> <td>8,781.92</td> <td>14,165.05</td> <td>115.90</td> </tr> <tr> <td>November</td> <td>115.90</td> <td>6,434.40</td> <td>12,678.34</td> <td>18,464.15</td> <td>764.49</td> </tr> <tr> <td>December</td> <td>764.49</td> <td>6,364.88</td> <td>11,285.64</td> <td>18,280.45</td> <td>134.56</td> </tr> </tbody> </table> <p>CPO SG/IP period October - December 2016 (in tons)</p> <table border="1" data-bbox="913 1161 2033 1295"> <thead> <tr> <th>Month</th> <th>Opening Stock - CPO SG</th> <th>Production – CPO IP</th> <th>Transfer In/ Received CPO IP</th> <th>Transfer Out/ Shipped CPO SG</th> <th>Closing Stock CPO SG</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>6,987.27</td> <td>3,398.51</td> <td>8,360.55</td> <td>16,497.31</td> <td>2,249.03</td> </tr> <tr> <td>November</td> <td>2,249.03</td> <td>4,617.14</td> <td>7,309.30</td> <td>11,000.00</td> <td>3,175.47</td> </tr> <tr> <td>December</td> <td>3,175.47</td> <td>4,585.37</td> <td>8,293.76</td> <td>12,000.70</td> <td>4,053.90</td> </tr> </tbody> </table> <p>PK IP period October – December 2016 (in tons)</p> <table border="1" data-bbox="913 1359 2033 1380"> <thead> <tr> <th>Month</th> <th>Opening Stock –</th> <th>Production – PK</th> <th>Transfer In/</th> <th>Transfer Out/</th> <th>Closing Stock</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Month	Opening Stock – FFB IP	Received Own FFB IP	Received Smallholder FFB IP	FFB milled	Closing Stock FFB IP	October	335.33	5,163.70	8,781.92	14,165.05	115.90	November	115.90	6,434.40	12,678.34	18,464.15	764.49	December	764.49	6,364.88	11,285.64	18,280.45	134.56	Month	Opening Stock - CPO SG	Production – CPO IP	Transfer In/ Received CPO IP	Transfer Out/ Shipped CPO SG	Closing Stock CPO SG	October	6,987.27	3,398.51	8,360.55	16,497.31	2,249.03	November	2,249.03	4,617.14	7,309.30	11,000.00	3,175.47	December	3,175.47	4,585.37	8,293.76	12,000.70	4,053.90	Month	Opening Stock –	Production – PK	Transfer In/	Transfer Out/	Closing Stock						
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	PK IP	IP	Received PK IP	Shipped PK IP	PK IP
October	0	973.79	0	973.79	0
November	0	707.80	0	707.80	0
December	0	1,398.10	0	1,398.10	0

FFB IP period January – March 2017 (in tons)

Month	Opening Stock – FFB IP	Received Own FFB IP	Received Smallholder FFB IP	FFB milled	Closing Stock FFB IP
January	134.56	6,579.06	12,196.20	18,780.60	129.22
February	129.22	5,351.26	9,300.64	14,107.04	674.08
March	674.08	6,371.12	10,958.68	17,491.62	512.26

CPO SG/IP period January – March 2017 (in tons)

Month	Opening Stock - CPO SG	Production – CPO IP	Transfer In/ Received CPO IP	Transfer Out/ Shipped CPO SG	Closing Stock CPO SG
January	4,053.90	4,677.88	7,107.46	12,213.69	3,625.55
February	3,625.55	3,528.05	8,939.00	12,532.37	3,560.24
March	3,560.24	4,221.25	10,874.07	13,996.43	4,659.13

PK IP period January – March 2017 (in tons)

Month	Opening Stock – PK IP	Production – PK IP	Transfer In/ Received PK IP	Transfer Out/ Shipped PK IP	Closing Stock PK IP
January	0	0	0	0	0
February	0	1,133.76	0	1,133.76	0
March	0	1,243.44	0	1,243.44	0

Receiving CPO from Barema Oil Mill:

Despatch Slip Ticket Barema Oil Mill No.CPOIP17000770W, dated 19th July 2017 from Barema Oil Mill receiver Hargy Oil Mill, product CPO IP, quantity 30,840MT, vehicle ID VP06, DO number BPOMHPOMCPOIP01. Barema – Hargy Oil Cartage Logsheet Dispatch Ex Barema Oil Mill, dated 19th July 2017, vehicle registration VP06/P011, load weights 30.84MT, product type CPO IP, FFA 4.82%. Received Hargy Mill, dated 19th July 2017, arrival time 18.18PM, pump to tank No.TK8.

Despatch Slip Ticket Navo Oil Mill No.CPOIP170001056W, dated 8th July 2017 from Navo Oil Mill receiver Hargy Oil Mill, product CPO IP, quantity 30,520MT, vehicle ID VP07, DO number NPOMHPOMCPOIP. Navo – Hargy CPO IP Cartage Logsheet, Dispatch Ex Navo Oil Mill, dated 8th July 2017, vehicle registration VP07, load weights 30.52MT, product type CPO IP, FFA 4.36%. Received Hargy Mill, dated 8th July 2017, arrival time 15.42PM, pump to tank

	<p>No.TK7. Despatch Slip Ticket Navo Oil Mill No.CPOIP17001054W, dated 8th July 2017 from Navo Oil Mill receiver Hargy Oil Mill, product CPO IP, quantity 29,700MT, vehicle ID VP05, DO number NPOMHPOMCPOIP. Navo – Hargy CPO IP Cartage Logsheet, Dispatch Ex Navo Oil Mill, dated 8th July 2017, vehicle registration VP05, load weights 29.70MT, product type CPO IP, FFA 4.36%. Received Hargy Mill, dated 8th July 2017, arrival time 15.05PM, pump to tank No.TK7.</p> <p>Sample of sales for CSPO: - TR-*****-5ff8 was based from delivery of contract No.PHO-10200 dated 2nd December 2016 for 1,000 MT CSPO SG. The sales made for buyer *** ** Limited *-*** ** North Humberside, destination Rotterdam. Hargy Palm Oils Limited completed the contract as of 31st January 2017. Sample of delivery seen: B/L No.BIA/ROT-16 with vessel N*** P**** v.1701. - TR-*****-5ff8 was based from delivery of contract No.PHO-10233 dated 13th April 2017 for 500 MT CSPO SG. The sales made for buyer **** ** Europe 9000 Gent, destination Rotterdam. Hargy Palm Oils Limited completed the contract as of 16th April 2017. Sample of delivery seen: B/L No.BIA/ROT-14 with vessel S***** V***** v.1701.</p>
<p><b>D.6 Processing</b></p>	
<p>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.</p>	<p>The procedure "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" has rules out a record keeping for RSPO certified FFB CPO and PK. At the moment, all FFB sources are certified. There is no non-certified FFB sources coming to Hargy POM. All records are provided and traceable such as Daily production report for Hargy POM, Monthly progress report, and 3-monthly balance system. Barema POM and Navo POM delivering their certified CPO product to the HOPL Bulking Station which located in Hargy POM and downgrading certified CPO "IP" into "SG" in Bulking Station due to mixing certified CPO product in tanks, then exported through bulking tanks and a jetty managed exclusively by HOPL. "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 5.1.2 Outsourcing Activities regulates HOPL the outsourcing of supply chain activities by company is limited to trucking contractor for FFB transport, and shipping of CPO to international customer. Based on interview and document review, HOPL does not use FFB transport contractor. While for shipping, all company shipping was done by Tokio Marine Line. CPO is loaded into dedicated tanks that are certified clean by independent surveyors before loading, are sealed during transit and delivered to buyer who verifies the integrity of the seal before loading. Tokio Marine is aware of RSPO SCCS requirements and ensure compliance. Briefing record from Hargy POM shipping supervisor and Tokio Marine crew sighted.</p>
<p>D.6.2 The objective is for 100 % segregated material to</p>	<p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding HOPL area. "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK"</p>

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<p>be reached.</p>	<p>Section 5.1.2 Outsourcing Activities regulates HOPL the outsourcing of supply chain activities by company is limited to trucking contractor for FFB transport, and shipping of CPO to international customer. Based on interview and document review, HOPL does not use FFB transport contractor. While for shipping, all company shipping was done by Tokio Marine Line. CPO is loaded into dedicated tanks that are certified clean by independent surveyors before loading, are sealed during transit and delivered to buyer who verifies the integrity of the seal before loading. Tokio Marine is aware of RSPO SCCS requirements and ensure compliance. Briefing record from Hargy POM shipping supervisor and Tokio Marine crew sighted.</p>
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Barema POM

Requirements	Compliance
<p><b>D.1 Definition</b></p>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>Barema POM is implementing Module D for CPO Mills: Identity Preserved. Hargy POM only receiving certified FFB from company owned plantation: Hargy Estate, Navo Estate and Pandi Estate; as well as from certified smallholders.</p> <p>Barema Palm Oil Mill currently holding valid RSPO P&amp;C certificate No.RSPO 535739, valid until 8th April 2019, with current supply chain standard for CPO Mills: Module D – Identity Preserved.</p>
<p><b>D.2 Explanation</b></p>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This</p>	<p>The estimate annual tonnage for certified FFB processed, CPO and PK production are available in the Estate and Mill annual production budget for 12 months since last surveillance assessment. The FFB tonnage received from all certified supply bases (company-owned plantation and associated smallholders). The estimate for CPO and PK production from Hargy POM, Barema POM and Navo POM is recorded under the public summary report and the RSPO certificate for Hargy Oil Palms Limited. The actual CPO and PK production were verified</p>

<p>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 shall then be recorded in each subsequent annual surveillance report.</p>	<p>during each subsequent annual surveillance assessment visit to ensure that certified mill only deliver the allowed tonnage for the year. BSI Group as certification body has submitted estimated of FFB received, CPO and PK produced to RSPO Public Summary Report and the RSPO eTrace system.</p>
<p>D.2.2 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>	<p>Hargy Palm Oil Mill, Barema Palm Oil Mill and Navo Palm Oil Mill have eTrace account, and it have been verified by audit team. The eTrace registration under Hargy Palm Oil Mill - SIPEF. Barema POM registered all the transactions within eTrace, under Hargy Oil Palms Limited – Hargy Palm Oil Mill.</p>
<p><b>D.3 Documented procedures</b></p>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>“HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK” Section 3. Responsibilities: - Explaining the roles and responsibilities for each personnel; Marketing Department SIPEF (Antwerp), General Manager HOPL, Chief Engineer, ESD Manager, Internal auditor, Smallholder Department, etc. Section 5.1.1.1 Collection of FFB/loose fruit in company estates - Explaining the procedure for FFB collection from company estates; Section 5.1.1.2 Collection of FFB from smallholder blocks - Explaining the procedure for FFB collection from smallholder blocks; Section 5.1.1.3 Collection of FFB/LF from independent estates - Explaining the procedure for FFB collection from independent estates; Section 5.1.1.4 Reception of FFB/Loose Fruit by the Mills - This procedure explains the verification and reception of certified FFB/loose fruit at mill weighbridges. Section 5.1.1.5.1 Production of CPO - The section explained calculation and recording of CPO production under Identity Preserved Module. Section 5.1.1.5.2 Production of PK - The section explained calculation and recording of PK production under Identity Preserved Module. Section 5.1.2 Outsourcing Activities Section 5.1.3 Seles and Goods Out (Stocks-keeping and balancing old stocks) - This section explains procedure for shipment recording, information for shipment including: name &amp; address of buyer, name &amp; address of seller, loading/delivery date, date on which the documents were issued, description of product including the applicable supply chain moule, quantity of product, supply chain certificate number, etc. Procedure also covers registration of transactions in RSPO IT platform.</p>

	<p>5.1.4 Registration of Transactions (Transfers of CPO between Mills, PK shipments) - Explaining the record keeping for transfers of CPO between palm oil mills and PK shipments. This will include requirement Hargy Oil Palms Limited to record and balance all receipt of certified FFB and deliveries of certified CPO and PK on a three-monthly basis.</p> <p>5.1.5 Training</p> <p>5.1.6 Record keeping - Explains the requirements of document and records referred to. This including, but not limited to: rollover form, FFB collection docket, weight docket, weighbridge deelivery docket, Daily Production Report, Oil cartage logsheet, PK cartage logsheet, quarterly balance report, etc.</p> <p>5.1.7 Conversion Factors</p> <p>5.1.8 Claims</p> <p>5.1.9 Complaints (including) Non conforming Materials &amp; Products</p> <p>5.1.10 Management Review</p> <p>5.2 Module D (CPO Mills: Identity Preserved)</p> <p>5.3 Module F (Multisite Certification)</p>
<p>b) The role 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's procedures for the implementation of this standard.</p>	<p>"HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 3. Responsibilities: General Manager is the designated management representative, has the overall responsibility for and authority over the implementations of all requirements of supply chain standard – Module D Identity Preserved, notifies the CB should HOPL foresee any projected overproduction;</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>"HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 5.1.1.1 Collection of FFB/loose fruit in company estates FFB collected and driver records the number of FFB bunches in FFB collection docket, shows plantation name, division, field and block and bunch count; with IP notation pre-printed. A weighbridge docket is generated when the skip bin of FFB/LF is weighed at mill weighbridge. Section 5.1.1.2 Collection of FFB from smallholder blocks FFB collection from smallholder blocks is by company trucks, the smallholder supply base consist of over 3,500 blocks. All blocks are covered in the scope of RSPO and thus are RSPO certified. The status of the smallholder supply base certification is communicated to the smallholder department by the ESD through an internal memorandum. Based on this advice, the smallholder department issues out instruction for FFB/LF collection. There is a list of smallholder blocks within the RSPO supply base maintained by smallholder department. Instruction for FFB/LF collection is done by issuing out harvest/pick up schedules to all smallholder blocks within the RSPO supply base listing. There is no collection and purchase of FFB outside of the RSPO certified smallholder block listing.</p>



	<p>Section 5.1.1.3 Collection of FFB/LF from independent estates A weighbridge delivery docket is generated indicating the weight and the independent estate name. "IP" is printed on the docket indicating that the FFB/loose fruit received is certified under the Identity Preserved module. Three copies of the weighbridge docket are printed – for Smallholder Department, Independent Estate and Truck Driver. Each morning all previous day's dockets are sent to Smallholder office for payment processing and reconciliation.</p> <p>Section 5.1.1.4 Reception of FFB/Loose Fruit by the Mills All FFB/Loose Fruit from the company plantation, smallholders and independent esates are received by the mill through the weighbridge. The weichbridge clerks check the documentation accompanying the FFB brought in to verify it coming from certified suppy base. Verification is done by checking that relevant documentation have the "IP" notation. Should FFB brought in not signifying the supply chain module then the FFB is to be deemed uncertified material and is to be rejected after investigation to identify the source and determine the reason to be omitted from documentation.</p> <p>Section 5.1.1.5.1 Production of CPO Daily ullage is done every morning on the CPO tanks to determine the amount of CPO produced in the last 24 hours. The formula: CPO produced = closing stock +/- CPO transfer (+ CPO dispatched or shipped/- CPO received) – opening stock. "IP" is printed on Daily Production Report indicating the CPO produced is certified under Identity Preserved Module.</p> <p>Section 5.1.1.5.2 Production of PK PK quantity is calculated at 5.5% of FFB produced. "IP" is printed on Daily Production Report indicating the PK produced is certified under Identity Preserved Module.</p>
<b>D.4 Purchasing and goods in</b>	
<p>D.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Barema POM only received FFB from certified supply base, whereby consist of company owned plantation: Hargy Estate, Barema Estate, Navo Estate; as well as the smallholders. Hargy Oil Palms Limited, through the smallholder office and community affairs work together with OPIC to identify smallholder meets RSPO P&amp;C requirements. Community affairs and Smallholder Department are consistent in suspending smallholder that's not meeting RSPO P&amp;C requirements. Hargy Oil Palms issued a memorandum to stop picking up FFB/crop from a number of non-conforming smallholders. These steps are taken to prevent non-conforming material (FFB) entering HOPL's process. Based on this audit, all FFB sources are certified and there is no non-certified FFB sources entering Barema Palm Oil Mill's process. At the weighbridge, the docket is generated which gives the weight, origin from the plantation. IP (Identity Preserved) is printed on docket indicating the FFB received certified under IP/Identity Preserved Module.</p> <p>Certified FFB (from company-owned plantations): FFB IP Collection Docket No.128082, Skip bin No.S048, from Barema Plantation (under Hargy Estate), field NO.13C15, total bunch 523 bunches, dated 25th July 2017.</p>

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	<p>Weighbridge ticket – Receiving Slip No.FFBIP17008617W dated 26th Jul7 2017, source from Hargy Estate, Barema Division II, block 09C15, product Fresh Fruit Bunch IP, vehicle VH05, nett weight 8,700MT.          Certified FFB (from smallholder plantation):          Delivery of FFB from smallholder Maututu Division: weight docket No.096 for FFB IP weighed 2,993 kg; weight docket No.097 for FFB IP weighed 5,275 kg; weight docket No.098 for FFB IP weighed 1,648 kg; weight docket No.099 for FFB IP weighed 826 kg; weight docket No.100 for FFB IP weighed 1,033 kg; weight docket No.101 for FFB IP weighed 1,576 kg;          Weighbridge ticket – Receiving Slip No.FFBIP17008612W dated 26th July 2017, product Fresh Fruit Bunch IP, vehicle VC15 – nett weight 13,500MT.</p> <p>Based on interview with weighbridge operators, they understood currently receiving FFB from company-owned plantation as certified supply base to be eligible for supply chain module Identity Preserved.</p>																																																																								
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>“HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK”          Section 3. Responsibilities: General Manager is the designated management representative, has the overall responsibility for and authority over the implementations of all requirements of supply chain standard – Module D Identity Preserved, notifies the CB should HOPL foresee any projected overproduction;</p>																																																																								
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<p>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.</p>	<p>Hargy Oil Palms Limited has record and balance all receipt of certified FFB and deliveries of certified CPO and PK on a three-monthly basis. Three monthly basis record Barema POM:          FFB IP period October - December 2016 (in tons)</p> <table border="1" data-bbox="913 965 2027 1104"> <thead> <tr> <th>Month</th> <th>Opening Stock – FFB IP</th> <th>Received Own FFB IP</th> <th>Received Smallholder FFB IP</th> <th>FFB milled</th> <th>Closing Stock FFB IP</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>303.00</td> <td>7,812.76</td> <td>6,074.14</td> <td>14,099.90</td> <td>90.00</td> </tr> <tr> <td>November</td> <td>90.00</td> <td>9,304.90</td> <td>4,980.38</td> <td>14,093.28</td> <td>282.00</td> </tr> <tr> <td>December</td> <td>282.00</td> <td>7,982.23</td> <td>6,080.87</td> <td>14,345.10</td> <td>0.00</td> </tr> </tbody> </table> <p>CPO SG/IP period October - December 2016 (in tons)</p> <table border="1" data-bbox="913 1161 2027 1300"> <thead> <tr> <th>Month</th> <th>Opening Stock - CPO IP</th> <th>Production – CPO IP</th> <th>Transfer In/ Received CPO IP</th> <th>Transfer Out/ Shipped CPO IP</th> <th>Closing Stock CPO IP</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>497.31</td> <td>3,416.26</td> <td>0.00</td> <td>3,396.64</td> <td>516.93</td> </tr> <tr> <td>November</td> <td>516.93</td> <td>3,541.02</td> <td>0.00</td> <td>2,896.96</td> <td>1,160.99</td> </tr> <tr> <td>December</td> <td>1,160.99</td> <td>3,560.83</td> <td>0.00</td> <td>3,436.54</td> <td>1,285.28</td> </tr> </tbody> </table> <p>PK IP period October – December 2016 (in ton)</p> <table border="1" data-bbox="913 1327 2027 1377"> <thead> <tr> <th>Month</th> <th>Opening Stock – PK IP</th> <th>Production – PK IP</th> <th>Transfer In/ Received PK IP</th> <th>Milled - PK IP</th> <th>Closing Stock PK IP</th> </tr> </thead> <tbody> <tr> <td>October</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>November</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>December</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Month	Opening Stock – FFB IP	Received Own FFB IP	Received Smallholder FFB IP	FFB milled	Closing Stock FFB IP	October	303.00	7,812.76	6,074.14	14,099.90	90.00	November	90.00	9,304.90	4,980.38	14,093.28	282.00	December	282.00	7,982.23	6,080.87	14,345.10	0.00	Month	Opening Stock - CPO IP	Production – CPO IP	Transfer In/ Received CPO IP	Transfer Out/ Shipped CPO IP	Closing Stock CPO IP	October	497.31	3,416.26	0.00	3,396.64	516.93	November	516.93	3,541.02	0.00	2,896.96	1,160.99	December	1,160.99	3,560.83	0.00	3,436.54	1,285.28	Month	Opening Stock – PK IP	Production – PK IP	Transfer In/ Received PK IP	Milled - PK IP	Closing Stock PK IP	October						November						December					
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October	92.89	704.95	991.02	1,587.78	201.08
November	201.08	708.36	995.68	1,822.99	82.12
December	82.12	717.24	952.04	1,698.18	53.22

FFB IP period January – March 2017 (in tons)

Month	Opening Stock – FFB IP	Received Own FFB IP	Received Smallholder FFB IP	FFB milled	Closing Stock FFB IP
January	-	8,788.02	7,020.90	15,808.92	81.00
February	81.00	6,986.16	5,829.68	12,815.84	81.00
March	81.00	8,119.94	7,324.28	15,488.22	37.00

CPO SG/IP period January – March 2017 (in tons)

Month	Opening Stock - CPO IP	Production – CPO IP	Transfer In/ Received CPO IP	Transfer Out/ Shipped CPO IP	Closing Stock CPO IP
January	1,285.28	3,889.32	0.00	1,871.38	3,303.22
February	3,303.22	3,115.45	0.00	4,037.24	2,381.44
March	2,381.44	3,778.62	0.00	5,346.70	813.35

PK IP period January – March 2017 (in tons)

Month	Opening Stock – PK IP	Production – PK IP	Transfer In/ Received PK IP	Milled	Closing Stock PK IP
January	53.22	809.99	1,070.98	1,886.11	48.08
February	48.08	718.03	916.40	1,682.52	0.01
March	0.01	799.19	1,154.88	1,884.82	69.24

Transfer from Barema POM to Hargy POM:

Despatch Slip, Ticket No.CPKO1600185W, dated 31st December 2016, product Crude Palm Kernel Oil SG, weighed 30,920MT, from Barema POM to Hargy POM, vehicle VP07, DO No.BROMHPOMCPKO01. Additional form Despatch Ex Barema Oil Mill, Receiver Hargy Mill dated 31st December 2016. Tanker Requisition, Receiving & Despatch Out Chit dated 31st December 2016, requisition tanker, receiving tanker.

Despatch Slip, Ticket No.CPOIP1700793W, dated 25th July 2017, product Crude Palm Oil IP, weighed 30,460MT, from Barema POM to Hargy POM, vehicle VP04, DO No.BPOMHPOMCPOIP01. Additional form Despatch Ex Barema Oil Mill, Receiver Hargy Mill dated 31st December 2016. Tanker Requisition, Receiving & Despatch Out Chit dated 25th July 2017, requisition tanker, receiving tanker.

**D.6 Processing**

D.6.1The site shall assure and verify through The procedure "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of

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<p>documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.</p>	<p>CPO &amp; PK" has rules out a record keeping for RSPO certified FFB CPO and PK. At the moment, all FFB sources are certified. There is no non-certified FFB sources coming to Barema POM. All records are provided and traceable such as Daily production report for Hargy POM, Monthly progress report, and 3-monthly balance system. Barema POM delivering their certified CPO product to the HOPL Bulking Station which located in Hargy Palm Oil Mill and downgrading certified CPO "IP" into "SG" in Bulking Station due to mixing certified CPO product in tanks, then exported through bulking tanks and a jetty managed exclusively by HOPL. "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 5.1.2 Outsourcing Activities regulates HOPL the outsourcing of supply chain activities by company is limited to trucking contractor for FFB transport, and shipping of CPO to international customer. Based on interview and document review, Barema POM does not use FFB transport contractor.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding HOPL area. "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 5.1.2 Outsourcing Activities regulates HOPL the outsourcing of supply chain activities by company is limited to trucking contractor for FFB transport, and shipping of CPO to international customer. Based on interview and document review, Barema does not use FFB transport contractor.</p>

Navo POM

Requirements	Compliance
<b>D.1 Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without</p>	<p>Navo POM is implementing Module D for CPO Mills: Identity Preserved. Hargy POM only receiving certified FFB from company owned plantation: Hargy Plantation, Navo Plantation and Pandi Plantation; as well as from certified associated smallholders. Navo POM currently holding valid RSPO P&amp;C certificate No.RSPO 535739, valid until 8th April 2019, with current supply chain standard for CPO Mills: Module D – Identity Preserved.</p>

<p>physically separating the material then only Module E is applicable.</p>	
<p><b>D.2 Explanation</b></p>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimate annual tonnage for certified FFB processed, CPO and PK production are available in the Estate and Mill annual production budget for 12 months since last surveillance assessment. The FFB tonnage received from all certified supply bases (company-owned plantation and associated smallholders). The estimate for CPO and PK production from Hargy POM, Barema POM and Navo POM is recorded under the public summary report and the RSPO certificate for Hargy Oil Palms Limited. The actual CPO and PK production were verified during each subsequent annual surveillance assessment visit to ensure that certified mill only deliver the allowed tonnage for the year. BSI Group as certification body has submitted estimated of FFB received, CPO and PK produced to RSPO Public Summary Report and the RSPO eTrace system.</p>
<p>D.2.2 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>	<p>Hargy Palm Oil Mill, Barema Palm Oil Mill and Navo Palm Oil Mill have eTrace account, and it have been verified by audit team. The eTrace registration under Hargy Palm Oil Mill - SIPEF. Navo POM registered all the transactions within eTrace, under Hargy Oil Palms Limited – Hargy Palm Oil Mill.</p>
<p><b>D.3 Documented procedures</b></p>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:  a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>“HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK” Section 3. Responsibilities: - Explaining the roles and responsibilities for each personnel; Marketing Department SIPEF (Antwerp), General Manager HOPL, Chief Engineer, ESD Manager, Internal auditor, Smallholder Department, etc. Section 5.1.1.1 Collection of FFB/loose fruit in company estates - Explaining the procedure for FFB collection from company estates; Section 5.1.1.2 Collection of FFB from smallholder blocks - Explaining the procedure for FFB collection from smallholder blocks; Section 5.1.1.3 Collection of FFB/LF from independent estates - Explaining the procedure for FFB collection from independent estates; Section 5.1.1.4 Reception of FFB/Loose Fruit by the Mills - This procedure explains the verification and reception of certified FFB/loose fruit at mill weighbridges. Section 5.1.1.5.1 Production of CPO</p>

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	<p>- The section explained calculation and recording of CPO production under Identity Preserved Module. Section 5.1.1.5.2 Production of PK - The section explained calculation and recording of PK production under Identity Preserved Module. Section 5.1.2 Outsourcing Activities Section 5.1.3 Seles and Goods Out (Stocks-keeping and balancing od stocks) - This section explains procedure for shipment recording, information for shipment including: name &amp; address of buyer, name &amp; address of seller, loading/delivery date, date on which the documents were issued, description of product including the applicable supply chain moule, quantity of product, supply chain certificate number, etc. Procedure also covers registration of transactions in RSPO IT platform. 5.1.4 Registration of Transactions (Transfers of CPO between Mills, PK shipments) - Explaining the record keeping for transfers of CPO between palm oil mills and PK shipments. This will include requirement Hargy Oil Palms Limited to record and balance all receipt of certified FFB and deliveries of certified CPO and PK on a three-monthly basis. 5.1.5 Training 5.1.6 Record keeping - Explains the requirements of document and records referred to. This including, but not limited to: rollover form, FFB collection docket, weight docket, weighbridge deelivery docket, Daily Production Report, Oil cartage logsheet, PK cartage logsheet, quarterly balance report, etc. 5.1.7 Conversion Factors 5.1.8 Claims 5.1.9 Complaints (including) Non conforming Materials &amp; Products 5.1.10 Management Review 5.2 Module D (CPO Mills: Identity Preserved) 5.3 Module F (Multisite Certification)</p>
<p>b) The role 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's procedures for the implementation of this standard.</p>	<p>"HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 3. Responsibilities: General Manager is the designated management representative, has the overall responsibility for and authority over the implementations of all requirements of supply chain standard – Module D Identity Preserved, notifies the CB should HOPL foresee any projected overproduction;</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>"HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 5.1.1.1 Collection of FFB/loose fruit in company estates FFB collected and driver records the number of FFB bunches in FFB collection docket, shows plantation name, division, field and block and bunch count; with IP notation pre-printed. A weighbridge docket is generated when the</p>

	<p>skip bin of FFB/LF is weighed at mill weighbridge.</p> <p>Section 5.1.1.2 Collection of FFB from smallholder blocks FFB collection from smallholder blocks is by company trucks, the smallholder supply base consist of over 3,500 blocks. All blocks are covered in the scope of RSPO and thus are RSPO certified. The status of the smallholder supply base certification is communicated to the smallholder department by the ESD through an internal memorandum. Based on this advice, the smallholder department issues out instruction for FFB/LF collection. There is a list of smallholder blocks within the RSPO supply base maintained by smallholder department. Instruction for FFB/LF collection is done by issuing out harvest/pick up schedules to all smallholder blocks within the RSPO supply base listing. There is no collection and purchase of FFB outside of the RSPO certified smallholder block listing.</p> <p>Section 5.1.1.3 Collection of FFB/LF from independent estates A weighbridge delivery docket is generated indicating the weight and the independent estate name. "IP" is printed on the docket indicating that the FFB/loose fruit received is certified under the Identity Preserved module. Three copies of the weighbridge docket are printed – for Smallholder Department, Independent Estate and Truck Driver. Each morning all previous day's dockets are sent to Smallholder office for payment processing and reconciliation.</p> <p>Section 5.1.1.4 Reception of FFB/Loose Fruit by the Mills All FFB/Loose Fruit from the company plantation, smallholders and independent esates are received by the mill through the weighbridge. The weichbridge clerks check the documentation accompanying the FFB brought in to verify it coming from certified suppy base. Verification is done by checking that relevant documentation have the "IP" notation. Should FFB brought in not signifying the supply chain module then the FFB is to be deemed uncertified material and is to be rejected after investigation to identify the source and determine the reason to be omitted from documentation.</p> <p>Section 5.1.1.5.1 Production of CPO Daily ullage is done every morning on the CPO tanks to determine the amount of CPO produced in the last 24 hours. The formula: CPO produced = closing stock +/- CPO transfer (+ CPO dispatched or shipped/- CPO received) – opening stock. "IP" is printed on Daily Production Report indicating the CPO produced is certified under Identity Preserved Module.</p> <p>Section 5.1.1.5.2 Production of PK PK quantity is calculated at 5.5% of FFB produced. "IP" is printed on Daily Production Report indicating the PK produced is certified under Identity Preserved Module.</p>
<p><b>D.4 Purchasing and goods in</b></p>	
<p>D.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Navo POM only received FFB from certified supply base, whereby consist of company owned plantation: Hargy Estate, Barema Estate, Navo Estate; as well as the smallholders. Hargy Oil Palms Limited, through the smallholder office and community affairs work together with OPIC to identify smallholder meets RSPO P&amp;C requirements. Community affairs and Smallholder Department are consistent in suspending smallholder that's not meeting RSPO P&amp;C requirements. Hargy Oil Palms issued a memorandum to stop</p>

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	<p>picking up FFB/crop from a number of non-conforming smallholders. These steps are taken to prevent non-conforming material (FFB) entering HOPL's process. Based on this audit, all FFB sources are certified and there is no non-certified FFB sources entering Hargy Palm Oil Mill's process. At the weighbridge, the docket is generated which gives the weight, origin from the plantation. IP (Identity Preserved) is printed on docket indicating the FFB received certified under IP/Identity Preserved Module.</p> <p>Certified FFB (from company-owned plantations): FFB IP Collection Docket No.161435, Skip bin No.S074, from Navo Estate, Ibana Plantation, field No.F13AVE8, total bunch 416 bunches, dated 26th July 2017. Weighbridge ticket – Receiving Slip No.FFBIP17013878W dated 26th July 2017, source from Navo Estate, Ibana Division I, block 05N08, product Fresh Fruit Bunch IP, vehicle VH09, nett weight 7,660MT. FFB IP Collection Docket No.131611, Skip bin No.S114, from Pandi Estate, Abulmosi Plantation, field No.13E17, total bunch 1,380 bunches, dated 27th July 2017. Weighbridge ticket – Receiving Slip No.FFBIP17013969W dated 27th July 2017, source from Pandi Estate, Abulmosi Division I, block 13E17, product Fresh Fruit Bunch IP, vehicle VH23, nett weight 14,660MT.</p> <p>Certified FFB (from smallholder plantation): Delivery of FFB from smallholder Meramera Division: weight docket No.5533 for FFB IP weighed 924 kg; weight docket No.5532 for FFB IP weighed 671 kg; weight docket No.5531 for FFB IP weighed 139 kg; weight docket No.5530 for FFB IP weighed 1,499 kg; weight docket No.5529 for FFB IP weighed 5,679 kg; weight docket No.5528 for FFB IP weighed 774 kg; weight docket No.5527 for FFB IP weighed 513 kg; weight docket No.5526 for FFB IP weighed 517 kg; weight docket No.5525 for FFB IP weighed 1,341 kg; weight docket No.5524 for FFB IP weighed 1,206 kg; weight docket No.5523 for FFB IP weighed 560 kg; weight docket No.5522 for FFB IP weighed 479 kg; Weighbridge ticket – Receiving Slip No.FFBIP17013947W dated 27th July 2017, product Fresh Fruit Bunch IP, vehicle VC09 – nett weight 13,800MT.</p> <p>Based on interview with weighbridge operators, they understood currently receiving FFB from company-owned plantation as certified supply base to be eligible for supply chain module Identity Preserved.</p>						
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>"HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 3. Responsibilities: General Manager is the designated management representative, has overall responsibility for and authority over the implementations of all requirements of supply chain standard – Module D Identity Preserved, notifies the CB should HOPL foresee any projected overproduction;</p>						
<p><b>D.5 Record keeping</b></p>							
<p>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.</p>	<p>Hargy Oil Palms Limited has record and balance all receipt of certified FFB and deliveries of certified CPO and PK on a three-monthly basis. Three monthly basis record Navo POM: FFB IP period October - December 2016 (in tons)</p> <table border="1" data-bbox="913 1374 2029 1401"> <tr> <td>Month</td> <td>Opening Stock –</td> <td>Received Own</td> <td>Received Smallholder</td> <td>FFB milled</td> <td>Closing Stock</td> </tr> </table>	Month	Opening Stock –	Received Own	Received Smallholder	FFB milled	Closing Stock
Month	Opening Stock –	Received Own	Received Smallholder	FFB milled	Closing Stock		



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	<table border="1"> <tr> <td></td> <td>FFB IP</td> <td>FFB IP</td> <td>FFB IP</td> <td></td> <td>FFB IP</td> </tr> <tr> <td>October</td> <td>368.71</td> <td>16,915.96</td> <td>3,475.68</td> <td>20,614.40</td> <td>145.95</td> </tr> <tr> <td>November</td> <td>145.95</td> <td>17,407.26</td> <td>4,629.26</td> <td>21,829.63</td> <td>352.84</td> </tr> <tr> <td>December</td> <td>352.84</td> <td>15,788.62</td> <td>4,374.12</td> <td>20,388.82</td> <td>126.77</td> </tr> </table> <p>CPO SG/IP period October - December 2016 (in tons)</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Opening Stock - CPO IP</th> <th>Production – CPO IP</th> <th>Transfer In/ Received CPO IP</th> <th>Transfer Out/ Shipped CPO IP</th> <th>Closing Stock CPO IP</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>724.96</td> <td>4,962.56</td> <td>0.00</td> <td>4,963.88</td> <td>723.64</td> </tr> <tr> <td>November</td> <td>723.64</td> <td>5,459.02</td> <td>0.00</td> <td>4,412.34</td> <td>1,770.32</td> </tr> <tr> <td>December</td> <td>1,770.32</td> <td>4,931.19</td> <td>0.00</td> <td>4,888.76</td> <td>1,812.75</td> </tr> </tbody> </table> <p>PK IP period October – December 2016 (in tons)</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Opening Stock – PK IP</th> <th>Production – PK IP</th> <th>Transfer In/ Received PK IP</th> <th>Transfer Out/ Shipped PK IP</th> <th>Closing Stock PK IP</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>95.00</td> <td>970.02</td> <td>0.00</td> <td>990.68</td> <td>74.33</td> </tr> <tr> <td>November</td> <td>74.33</td> <td>1,011.35</td> <td>0.00</td> <td>994.58</td> <td>91.10</td> </tr> <tr> <td>December</td> <td>91.10</td> <td>931.47</td> <td>0.00</td> <td>935.40</td> <td>87.18</td> </tr> </tbody> </table> <p>Sales/Transfer from Navo POM to Hargy POM:  Despatch Slip, Ticket No.PKIP17000408W, dated 27th July 2017, product Palm Kernel IP, weighed 15,260MT, from Navo POM to Barema POM, vehicle VH25, DO No.NPOMBPOMPKIP01. Additional form Despatch Ex Navo Oil Mill, Receiver Barema Mill dated 27th July 2017. Tanker Requisition, Receiving &amp; Despatch Out Chit dated 27th July 2017, requisition tanker, receiving tanker.  Despatch Slip, Ticket No.CPOIP17001085W, dated 27th July 2017, product Crude Palm Oil IP, weighed 29,000MT, from Navo POM to Hargy POM, vehicle VP01, DO No.NPOMHPOMCPOIP. Additional form Despatch Ex Navo Oil Mill, Receiver Hargy Mill. Tanker Requisition, Receiving &amp; Despatch Out Chit, requisition tanker, receiving tanker.</p>		FFB IP	FFB IP	FFB IP		FFB IP	October	368.71	16,915.96	3,475.68	20,614.40	145.95	November	145.95	17,407.26	4,629.26	21,829.63	352.84	December	352.84	15,788.62	4,374.12	20,388.82	126.77	Month	Opening Stock - CPO IP	Production – CPO IP	Transfer In/ Received CPO IP	Transfer Out/ Shipped CPO IP	Closing Stock CPO IP	October	724.96	4,962.56	0.00	4,963.88	723.64	November	723.64	5,459.02	0.00	4,412.34	1,770.32	December	1,770.32	4,931.19	0.00	4,888.76	1,812.75	Month	Opening Stock – PK IP	Production – PK IP	Transfer In/ Received PK IP	Transfer Out/ Shipped PK IP	Closing Stock PK IP	October	95.00	970.02	0.00	990.68	74.33	November	74.33	1,011.35	0.00	994.58	91.10	December	91.10	931.47	0.00	935.40	87.18
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<b>D.6 Processing</b>																																																																									
D.6.1The 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.	<p>The procedure "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" has rules out a record keeping for RSPO certified FFB CPO and PK.  At the moment, all FFB sources are certified. There is no non-certified FFB sources coming to Hargy POM.  All records are provided and traceable such as Daily production report for Hargy POM, Monthly progress report, and 3-monthly balance system.</p> <p>Production:</p>																																																																								

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	<p>"Navo Oil Mill Daily Production Figure for 27th July 2017": FFB IP stock 340.49 tons, FFB IP received 456.88 tons, FFB IP processed 587.96 tons, stock FFB 209.40 tons. CPO IP stock 1,512 tons, despatched CPO IP 263.48 tons, produced CPO IP 153.76 tons, stock CPO IP 1,402.57 tons. PK IP stock 48.62 tons, PK despatched 31.08 tons, PK IP produced 29.67 tons, stock PK IP 47.21 tons.</p> <p>OER 26.15%, KER 5.05%; Processing hour 17.77 hours, non-milling hour 6.23 hours. CPO production quality: oil FFA 3.82%, moisture 0.36%; impurities 0.04%. PK production quality: dirt 3.88%, moisture 5.40%.</p> <p>Navo POM delivering their certified CPO product to the HOPL Bulking Station which located in Hargy Palm Oil Mill and downgrading certified CPO "IP" into "SG" in Bulking Station due to mixing certified CPO product in tanks, then exported through bulking tanks and a jetty managed exclusively by HOPL. "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 5.1.2 Outsourcing Activities regulates HOPL the outsourcing of supply chain activities by company is limited to trucking contractor for FFB transport, and shipping of CPO to international customer. Based on interview and document review, Navo POM does not use FFB transport contractor.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding SIPEF area. "HOPL Supply Chain Standard Operating Procedure – CPO Mills No.PRO-ESD-SCC-002-02 Production of CPO &amp; PK" Section 5.1.2 Outsourcing Activities regulates HOPL the outsourcing of supply chain activities by company is limited to trucking contractor for FFB transport, and shipping of CPO to international customer. Based on interview and document review, Navo POM does not use FFB transport contractor.</p>

**Actual Tonnage Certified Palm Production – April 2016 – July 2017 (ASA)**

Mill	Capacity	CPO	PK
Hargy POM	45 tons FFB/hour	61,707.80 mt	17,998.31 mt
Barema POM	45 tons FFB/hour	48,758.86 mt	9,756.63 mt
Navo POM	45 tons FFB/hour	71,862.45 mt	14,957.06 mt

**Actual Tonnage Sales of Certified Palm Products - March 2016 – July 2017 (ASA)**

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Hargy Oil Palms Limited	182,329.11 mt	42,712.00 mt*	In palmtrace

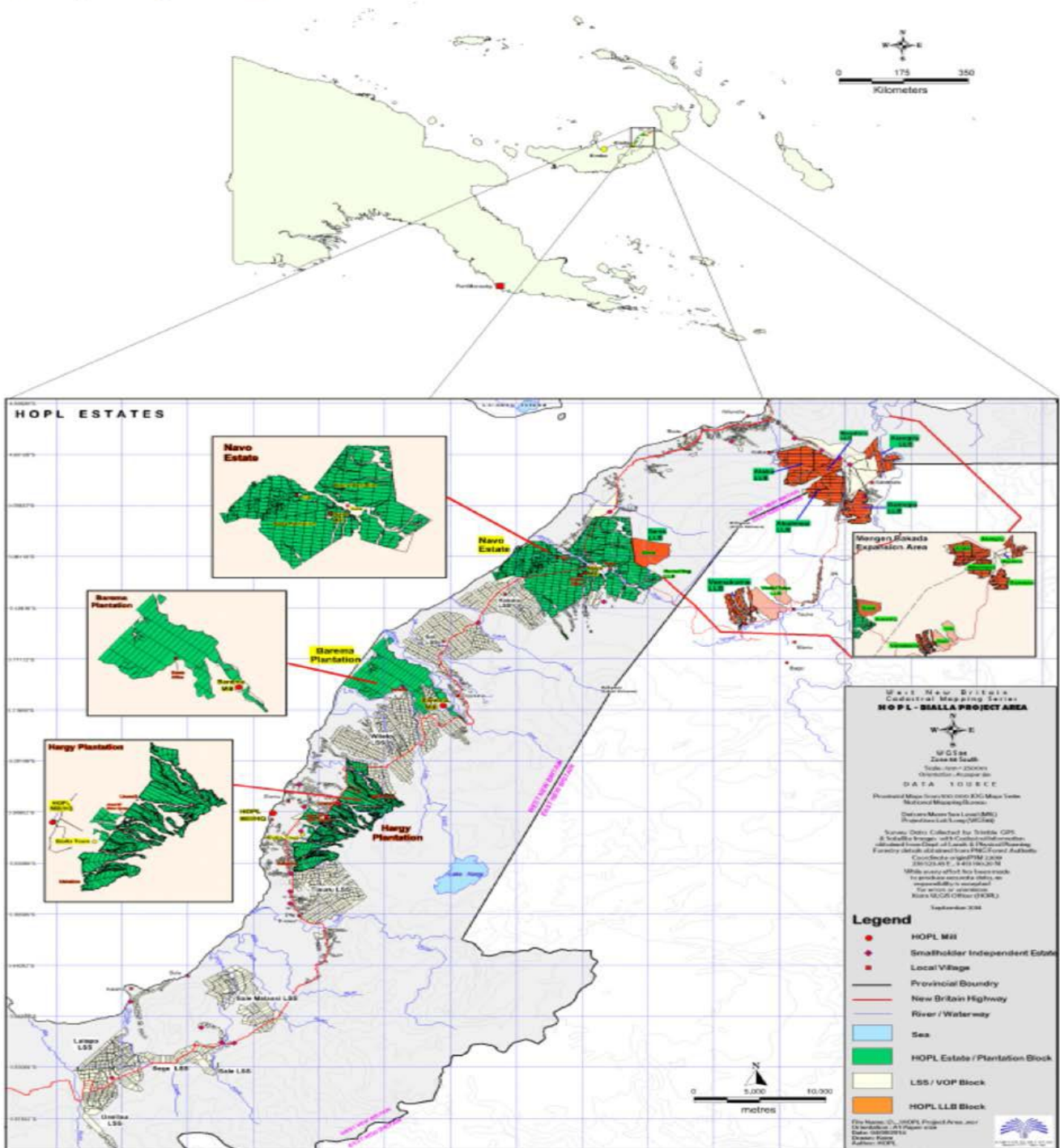
*\*)Sold as RSPO certified material for HOPL's Kernel Crushing Plant*

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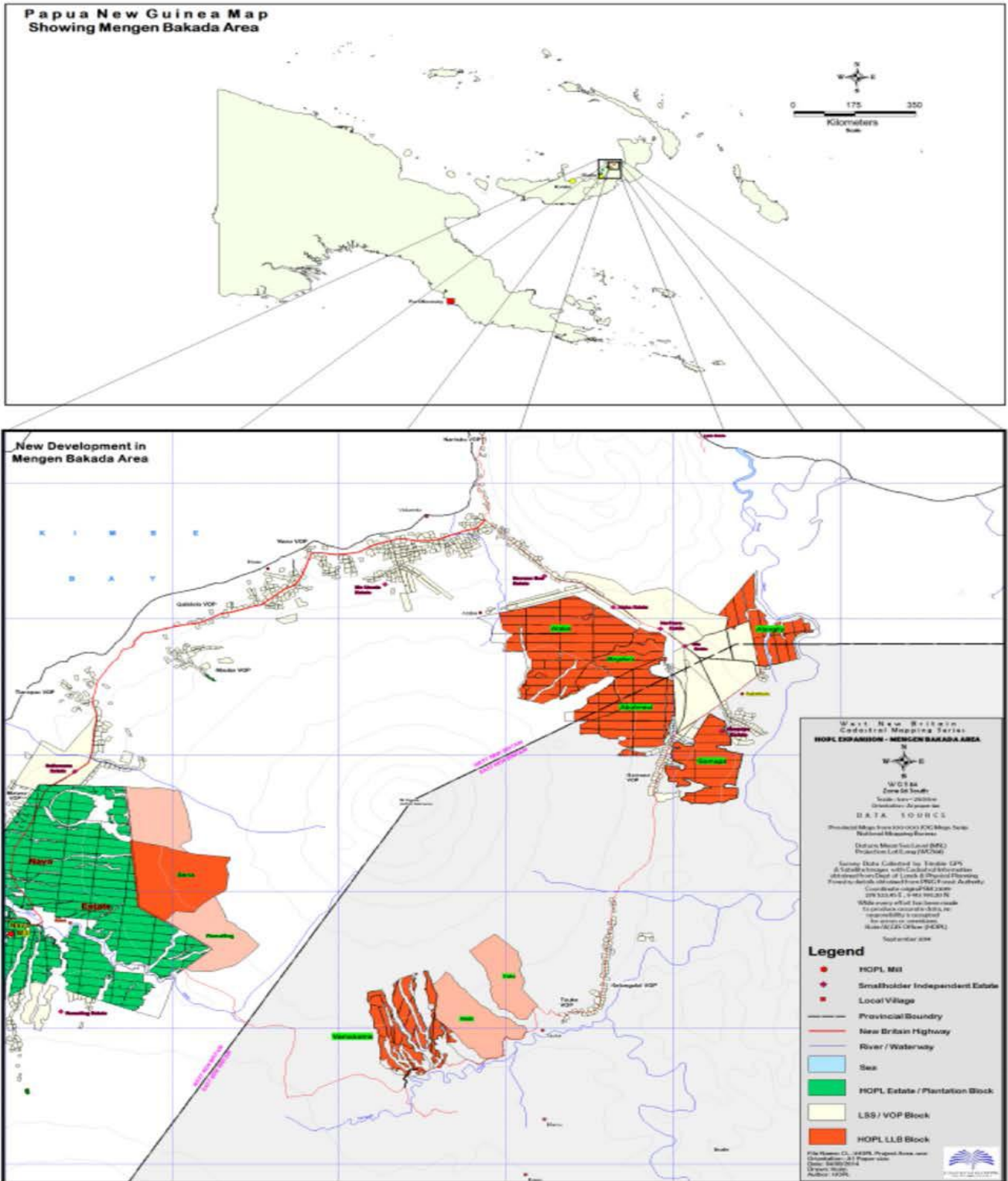
Month	Certified Supply Base (from own certificate scope) (mt)				Total FFB/Month (mt)
	Hargy Estate	Navo Estate	Pandi Estate	Smallholders	
Feb 2016	9,323.56	8,738.26	2,962.88	16,236.00	37,260.70
Mar 2016	9,989.74	11,598.49	3,430.94	19,581.76	44,600.93
Apr 2016	11,574.90	13,590.86	3,904.28	21,572.72	50,642.76
May 2016	11,784.02	10,877.36	3,274.34	18,319.78	44,255.50
Jun 2016	10,601.10	7,791.88	2,189.12	14,697.96	35,280.06
Jul 2016	8,017.00	5,480.00	1,306.00	10,883.00	25,686.00
Aug 2016	7,883.08	7,040.70	1,650.98	10,650.40	27,225.16
Sep 2016	9,351.04	7,834.22	2,575.36	11,621.04	31,381.66
Oct 2016	11,710.44	12,962.58	5,219.40	18,331.74	48,224.16
Nov 2016	12,778.74	14,079.26	6,288.56	22,287.98	55,434.54
Dec 2016	11,626.22	13,425.23	5,084.28	21,748.97	51,884.70
Jan 2017	12,445.74	14,930.06	5,352.60	23,466.64	56,195.04
Feb 2017	10,382.92	13,040.46	4,583.38	18,885.68	46,892.44
Mar 2017	11,776.10	14,593.50	5,718.80	23,168.38	55,256.78
Apr 2017	9,583.16	12,062.64	5,251.40	20,021.58	46,918.78
May 2017	11,084.52	14,156.10	5,427.38	21,198.74	51,866.74
Jun 2017	9,604.94	11,527.04	4,227.20	18,794.02	44,153.20
Total	175,517.20	193,728.60	68,446.90	311,466.40	753,159.20

**Appendix G: Location Map of Certification Unit and Supply bases**

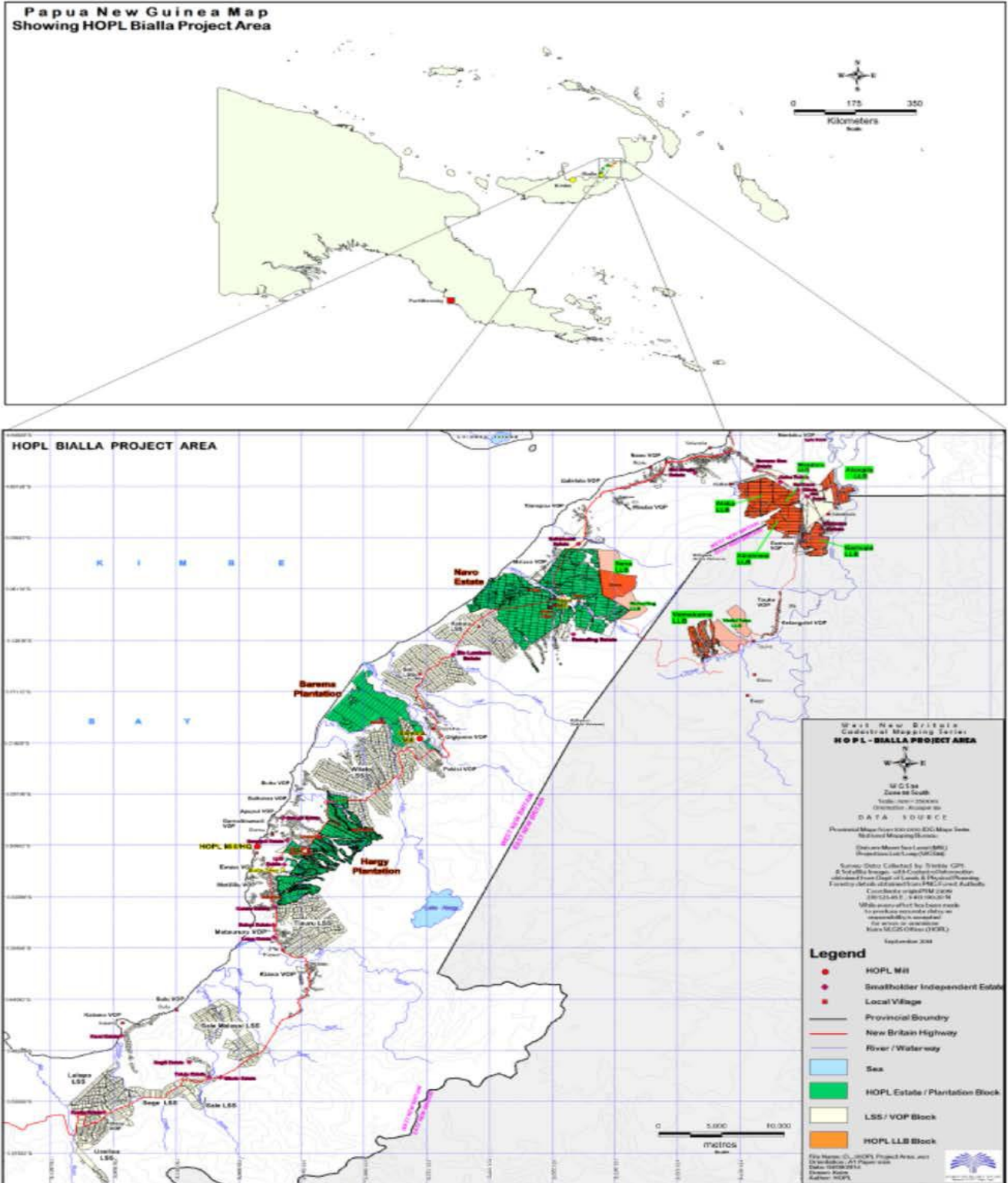
PNG Map Showing HOPL Estates



**Appendix H: Estate Field Map**



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**Appendix I: List of Smallholder Sampled**

No.	Area/ District	State	Smallholder Block Number	Name of Registered Smallholder	Total Hectares stated on title/ Ha	ASA 1-3	ASA 1-2
						2017	2016
<b>2017</b>							
1	Gomu	WNBP	121244	AIDA JINA		X	
2	Tauke	WNBP	420022	HENDRICK RAICOS		X	
3	Kiava	WNBP	111108	SAU SEGE		X	
4	Barema	WNBP	031312	MICHAEL MALKEN		X	
5	Barema	WNBP	031345	HENNY DARIUS MISPENDA		X	
6	Soi	WNBP	311588	ALOIS WANGU		X	
7	Malassi	WNBP	041185	MILI TAVUVU PENIAS		X	
8	Noau	WNBP	077140	ANNA PAULU		X	
9	Soi	WNBP	311513	ALPHONSE KAVULIO		X	
10	Uasilau	WNBP	050233	KAIVOLA WEIUA VOLUTI		X	
11	Tiauru	WNBP	010394	JOE ROSSMAN		X	
12	Malassi	WNBP	041203	ALOIS PISING		X	
13	Wilelo	WNBP	021229	SISIMON SIMBLATINE		X	
14	Noau	WNBP	070730	DENIS GALIA NIU		X	
15	Kiava	WNBP	111177	TIRIDE BUKA		X	
16	Wilelo	WNBP	020782	ALBERT EMMANUEL		X	
17	Tiauru	WNBP	010305	GAMBROME WAL		X	
18	Tiauru	WNBP	010268	ALBERT MUKTAMBI		X	
19	Bubu	WNBP	181888	ALBERT MEIA		X	
20	Kiava	WNBP	111182	JOHN LUGIS		X	
21	Ewasse	WNBP	350021	GOLDIE KAU		X	
22	Noau	WNBP	077268	MICHAEL SIKENA		X	
23	Bubu	WNBP	181847	JUSAK NALI		X	
24	Nantambu	WNBP	440029	EMMA SAEA		X	
25	Kiava	WNBP	111197	BENJAMIN MALELEI		X	
26	Matililiu	WNBP	171758	STEVEN BAIMO		X	
27	Mataururu	WNBP	101042	ROSELYN JULY		X	
28	Tianepou	WNBP	380136	ALBERT VALUKA		X	
29	Wilelo	WNBP	021092	JOE JAMES		X	
30	Baekakea	WNBP	090919	DORCAS RANGAU		X	
31	Gomu/Uru	WNBP	121259	JOSEPHINE GAA		X	
32	Nantambu	WNBP	440033	SYLVESTER GABU		X	
33	Uasilau	WNBP	050293	EMMA RUBEN		X	
34	Walo	WNBP	460030	TABITHA GENESIS		X	
35	Wilelo	WNBP	020712	JUNIOR PHILIP		X	

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						2017	2016
36	Tianepou	WNB	380078	PETER PATU		X	
37	Apupul	WNB	131318	KUBA BERA		X	
38	Soi	WNB	311511	ALOIS HALIOGUMA		X	
39	Tiauru	WNB	010270	TIAURU PRIMARY SCHOO		X	
40	Matililiu	WNB	171791	SAMUEL BOLA		X	
41	Malassi	WNB	040637	BONGA TRIDE		X	
42	Wilelo	WNB	021176	SANGASI NAMANIKAM MAKAKAWO		X	
43	Ewasse	WNB	350004	SIALIS TAUPA		X	
44	Tiauru	WNB	010200	LUCAS SORA		X	
45	Uasilau	WNB	050252	ANDREW SOA		X	
46	Nantambu	WNB	440049	PAITA MALISA		X	
47	Tiauru	WNB	010363	MORRIS ANIS		X	
48	Soi	WNB	311639	DANNY J. KATAVA		X	
49	Gamupa	WNB	390094	DANIEL KIU		X	
50	Kabaiya	WNB	331883	BARNABAS LAMO		X	
51	Noau	WNB	077108	ALOIS LOUA		X	
52	Wilelo	WNB	021108	SANI SARANDUO		X	
53	Kiava	WNB	111134	JOAN LALISO		X	
54	Uasilau	WNB	050230	GRAHAM AINU		X	
55	Sege	WNB	260573	DANIEL PAEA		X	
56	Barema	WNB	031301	RAYMOND TAKU		X	
57	Pakisi	WNB	141432	WILLIAM LOTE		X	
58	Mataururu	WNB	101016	SAMUEL VEIRIVUA		X	
59	Kabaiya	WNB	331820	PAUL SARIA		X	
60	Soi	WNB	311550	JAMES KALOGA		X	
<b>2016</b>							
1	Gamupa	WNB	390111	PETER SAKLEN			X
2	Gamupa	WNB	390064	THOMAS TOSOLDE			X
3	Gamupa	WNB	390070	STHEN SUGONA			X
4	Gamupa	WNB	390068	PETER HEMEA			X
5	Magalona	WNB	880010	MAGALONA OIL PALM ESTATE			X
6	Malaso	WNB	450011	PAUL LOBAO			X
7	Vianapo	WNB	038002	AUGUSTINE TAUMOSI			X
8	Tianepou	WNB	380008	IGNACIOUS MALISA			X
9	Vianapo	WNB	038022	JUSTIN BAI			X
10	Wilelo	WNB	021164	KAMI IKINUM			X
11	Wilelo	WNB	020853	WILI MINGA			X
12	Wilelo	WNB	002854	AUGUSTINE BOISE			X



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						2017	2016
13	Wilelo	WNBP	380072	BALDWIN LOLOBU			X
14	Wilelo	WNBP	045005	THOMAS SAKKE			X
15	Wilelo	WNBP	045045	PIUS WAMIO			X
16	Wilelo	WNBP	380009	LAWRENCE PATU			X
17	Wilelo	WNBP	020857	THOMAS RUMU			X
18	Tiauru	WNBP	010230	INANDU GWAURE			X
19	Tiauru	WNBP	010221	MAKSIM BOMA			X
20	Tiauru	WNBP	010223	SAMA MUNJE			X
21	Tiauru	WNBP	010195	BERNARD NOU			X
22	Tiauru	WNBP	010258	BIGE KAUGA			X
23	Tiauru	WNBP	010254	PAUL WILLIE			X
24	Tiauru	WNBP	010263	NANGU DENIS			X
25	Tiauru	WNBP	010408	DINGI GOYE			X

**Appendix J: GHG Reporting Executive Summary**

Hargy Palm Oil Mill

The GHG emissions that were produced in 2016 for Hargy Palm Oil Mill and supply base was calculated using the GHGpalm Calculator version 3.0. The assessment team had verified the data input in the GHGpalm Calculator against operations records. Palm GHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in July 2016 – June 2017 for Hargy Palm Oil Mill mill and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	1.8
PKO	1.99

Extraction	%
OER	24.52
KER	7.35

Production	t/yr
FFB Process	178606.5
CPO Produced	43786.61
PKO Produced	4057.18

Land Use	Ha
OP Planted Area	28099.83 (13620.83)
OP Planted on peat	-
Conservation (forested)	-
Conservation (non-forested)	-
<b>Total</b>	<b>28099.83</b>

**Summary of Field Emission and Sink**

	Own Crop*		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	32214.23	0.71			117516.08	1.08	149730.31	1.79
CO <sub>2</sub> Emission from fertilizer	850.6	0.02			1536.16	0.01	2386.76	0.03
NO <sub>2</sub> Emmision	2393.86	0.03			2024.45	0.02	4418.31	0.05
Fuel Consumption	1521.09	0.02			-	-	1521.09	0.02
Peat Oxidation	-	-			-	-	-	-
<b>Sink</b>								
Crop Sequestration	-26116.29	-0.4			-63648.05	-0.58	-89764.34	-0.98
Conservation Sequestration	-	-			-	-	-	-
<b>Total</b>	<b>10863.49</b>	<b>0.38</b>			<b>57428.64</b>	<b>0.53</b>	<b>68292.13</b>	<b>0.91</b>

\*Note: Includes both estates and smallholders

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	33825.5	0.19
Fuel Consumption	1349.07	0.01
Grid Electricity Utilisation	133.32	0
<b>Credit</b>		
Export of Grid Electricity	-1063.28	-0.01
Sales of PKS	-	-
Sales of EFB	-	-
<b>Total</b>	<b>34244.62</b>	<b>0.19</b>

**Summary of Kernel Crusher Emission and Credit (if applicable)**

<b>Emissions</b>	<b>tCO<sub>2</sub>e</b>
PK from own mill	23653.12
PK from other source	-
Fuel Consumptions	-
<b>Total Crusher emissions</b>	<b>23653.12</b>

\*This mill has no kernel crusher operation.

<b>Palm Oil Mill Effluent (POME) Treatment:</b>	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

**Appendix K: List of Abbreviations Used**

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
RC	Re-Certification
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids