

## **RSPO – 2<sup>nd</sup> ANNUAL SURVEILLANCE ASSESSMENT**

<b>NEW BRITAIN PALM OIL LIMITED – HIGATURU OIL PALM</b>
<b>POPONDETTA, ORO PROVINCE PAPUA NEW GUINEA</b>

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## Section 1 Scope of the Certification Assessment

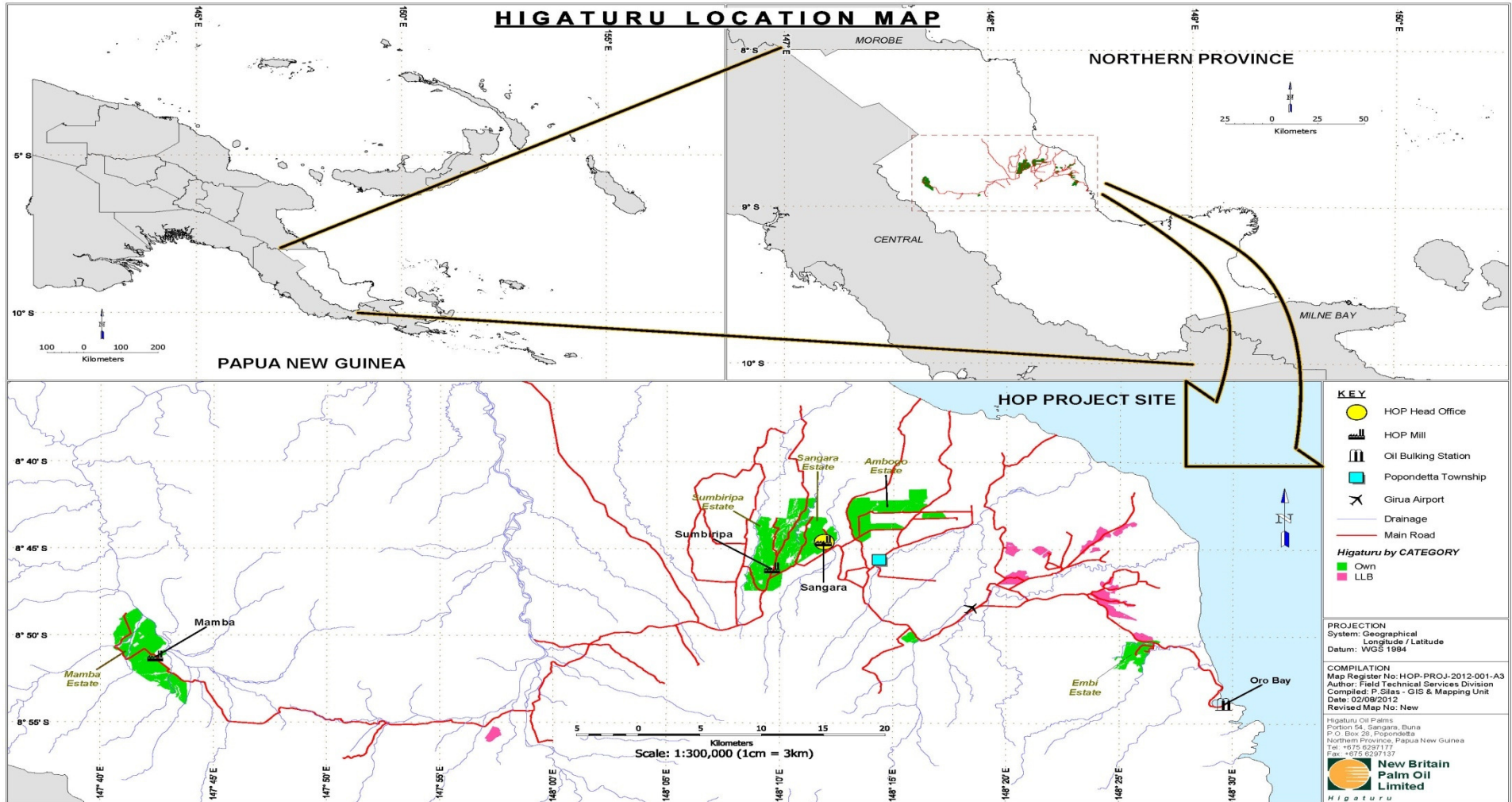
1.1. Company Details			
<b>RSPO Membership Number</b>	1-0016-04-000-00 (New Britain Palm Oil Limited)	<b>Date</b>	7 <sup>th</sup> December 2005
<b>Company Name</b>	NBPOL – Higaturu Oil Palm Limited		
<b>Address</b>	Post Office Box 28, Popondetta, Oro Province – Papua New Guinea		
<b>Subsidiary of (if applicable)</b>	Higaturu Oil Palm Limited is part of New Britain Palm Oil Limited (NBPOL) Group, which is a member of RSPO.		
<b>Contact Name</b>	Mr. Mike Jackson		
<b>Website</b>	www.nbpol.com.pg	<b>E-mail</b>	<a href="mailto:mjackson@nbpol.com.pg">mjackson@nbpol.com.pg</a>
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1.2. Certification Information			
<b>Certificate Number</b>	SPO 579529	<b>Date</b>	20/02/2013 – 19/02/2018
<b>Scope of Certification</b>	Production of CPO and PK at: Three (3) palm oil mills, namely: Sangara Mill, Sumberipa Mill and Mamba Mill, with five (5) company owned estates, namely: Sangara Estate, Sumberipa Estate, Mamba Estate, Embi Estate and Ambogo Estate and smallholders.		
Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
	None		

1.3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
A. Sangara Palm Oil Mill	Higaturu, Oro Province, Papua New Guinea	E 148°11'55.33"	S 8°36'36.18"
B. Sumberipa Palm Oil Mill	Higaturu, Oro Province, Papua New Guinea	E 148°09'38.85"	S 8°46'09.06"
C. Mamba Palm Oil Mill	Higaturu, Oro Province, Papua New Guinea	E 147°42'25.30"	S 8°51'16.80"
1. Sangara Estate	Higaturu, Oro Province, Papua New Guinea	E 148°10'54.57"	S 8°44'3.8904"
2. Sumberipa Estate	Higaturu, Oro Province, Papua New Guinea	E 148°9'47.8584"	S 8°45'6.2856"
3. Ambogo Estate	Higaturu, Oro Province, Papua New Guinea	E 148°14'1.5828"	S 8°42'45.7416"

4. Embi Estate	Higaturu, Oro Province, Papua New Guinea	E 148 <sup>0</sup> 25'45.12"	S 8 <sup>0</sup> 51'2.0484"
5. Mamba Estate	Higaturu, Oro Province, Papua New Guinea	E 147 <sup>0</sup> 42'54.216"	S 8 <sup>0</sup> 50'53.4552"

**Figure 1. Location of Higaturu Oil Palm in Papua New Guinea**



<b>1.4. Description of Supply Base</b>							
<b>Estate</b>	<b>Mature (Ha)</b>	<b>Immature (Ha)</b>	<b>Infrastructure &amp; Other (Ha)</b>	<b>Undeveloped Land (Ha)</b>	<b>Total Planted (Ha)</b>	<b>Total Hectarage (as title)</b>	<b>% of Planted</b>
1. Sangara Estate	1,510.81	0.00	180.91	107.70	1,510.81	1,799.42	83.96
2. Sumberipa Estate	1,384.69	204.81	90.67	446.43	1,589.50	2,126.60	74.74
3. Ambogo Estate	1,600.13	256.11	62.58	47.14	1,856.24	1,965.96	94.42
4. Embi Estate	1,642.35	458.19	67.60	811.44	2,100.54	2,979.58	70.50
5. Mamba Estate	1,338.09	833.21	89.30	1,672.50	2,171.30	3,933.10	55.21
<b>Sub Total</b>	<b>7,476.07</b>	<b>1,752.32</b>	<b>491.06</b>	<b>3,085.21</b>	<b>9,228.39</b>	<b>12,804.66</b>	<b>72.07</b>
6. Associated Smallholders	11,546.00	2,048.00	0.00	0.00	13,594	13,594.00	100
<b>Total</b>	<b>19,022.07</b>	<b>3,800.32</b>	<b>491.06</b>	<b>3,085.21</b>	<b>22,822.39</b>	<b>26,398.66</b>	<b>86.45</b>

<b>1.5. Plantings &amp; Cycle</b>									
<b>Estate</b>	<b>Age (Years)</b>						<b>FFB Tonnage / Year</b>		
	<b>0 - 3</b>	<b>4 - 10</b>	<b>11 - 20</b>	<b>21 - 25</b>	<b>26 - 30</b>	<b>Total</b>	<b>Estimated (Previous Year)</b>	<b>Actual (This Year)</b>	<b>Forecast (Next Year)</b>
1. Sangara Estate	0.00	0.00	1,510.81	0.00	0.00	1,510.81	43,570	43,788.67	43,937
2. Sumberipa Estate	322.07	452.45	814.98	0.00	0.00	1,589.50	39,664	41,197.87	37,958
3. Ambogo Estate	256.11	566.40	1,033.73	0.00	0.00	1,856.24	47,925	54,227.77	52,314
4. Embi Estate	813.00	0.00	1,287.54	0.00	0.00	2,100.54	40,155	38,920.29	43,209
5. Mamba Estate	2,057.10	0.00	114.20	0.00	0.00	2,171.30	16,673	10,835.57	28,642
<b>Sub Total</b>	<b>3,448.28</b>	<b>1,018.85</b>	<b>4,761.26</b>	<b>0.00</b>	<b>0.00</b>	<b>9,228.39</b>	<b>187,987</b>	<b>188,970.17</b>	<b>206,060</b>
6. Associated Smallholders	2,048	0	10,586	0	960	13,594	159,146	162,776.98	169,805
<b>Total</b>	<b>5,496.28</b>	<b>1,018.85</b>	<b>15,347.26</b>	<b>0.00</b>	<b>960</b>	<b>22,822.39</b>	<b>347,133</b>	<b>351,747.15</b>	<b>375,865</b>

<b>1.6. Certified Tonnage</b>									
<b>Mill</b>	<b>Estimated* (Previous Year)</b>			<b>Actual (This Year)</b>			<b>Forecast (Next Year)</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>
Sangara POM	347,133	78,105	19,090	317,380.25	70,476.18	18,502.72	304,248	68,457	16,735
Sumberipa POM				32,832.94	7,227.88	1,748.80	27,750	6,244	1,527
Mamba POM				1,533.96	253.77	29.55	43,867	9,870	2,412
<b>Total</b>	<b>347,133</b>	<b>78,105</b>	<b>19,090</b>	<b>351,747.15</b>	<b>77,957.83</b>	<b>20,281.07</b>	<b>375,865</b>	<b>84,571</b>	<b>20,674</b>

*\* For the forecast of 2014 it was not planned to have Sumberipa POM or Mamba POM running and Sangara POM would take the entire crop. But that had to change due to technical matters. Forecast looked only at Sangara POM, but actual in 2014 milled at all 3 mills for at least a few months in 2014*

## Section 2 Assessment Process

**2.1. Certification Body: PT BSI Group Indonesia**  
**Accreditation Certificate No. RSPO- ACC– 019**

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The annual surveillance assessment was conducted from 9 – 13<sup>th</sup>, March 2015. The audit programme is included as Appendix B. The purpose of this special audit is to evaluate the continuing commitment of Higaturu Oil Palm in implementing RSPO standards for all of its operations.

BSI is using RSPO P&C Generic Standard 2013 and RSPO Supply Chain Requirement for CPO Mill 2014 during the assessment. The approach to the audit was to treat each mill and its supply base as an RSPO Certification Unit as each estate can share the FFB supply onto all 3 mills. The mill was audited together with the plantations of its supply base. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff and stakeholders and interested parties, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

There is a single minor nonconformity identified during this annual surveillance assessment. While all of minor nonconformities from previous surveillance assessment have been followed up and closed out. Therefore audit team can made positive recommendation to Higaturu Oil Palm and its supply base to continue certification status.

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

<b>2.2. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
A. Sangara Palm Oil Mill	X	X	X	X	X
B. Sumberipa Palm Oil Mill	X	X	X	X	X
C. Mamba Palm Oil Mill	X	X	X	X	X
1. Sangara Estate	X	X		X	X
2. Sumberipa Estate	X			X	X



3. Ambogo Estate	X	X	X		X
4. Embi Estate	X		X	X	X
5. Mamba Estate	X	X		X	X
6. Associated Smallholders	X	X	X	X	X

**Tentative Date of Next Visit (Re-Certification) :** 01/11/2015

**Total No. of Mandays:** 16 Mandays

### **2.3. BSI Assessment Team:**

#### **Pratama Agung Sedayu – Lead Auditor**

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 covering assessment against RSPO P&C in Indonesia and Malaysia as well as Thailand and Papua New Guinea. He completed the ISO 9001, OHSAS 18001 Lead Auditor Course, HCV Identification and Management; ISPO Lead Auditor endorsed Course and RSPO Lead Auditor Course.

During this assessment, he assessed on the aspects of estate and mill best practices, environment, health and safety, smallholders as well as RSPO Supply Chain for CPO Mills.

#### **Hafriazhar Mohd. Mokhtar - Team member**

He has 13 years of working experience in multiple disciplines mostly engineering, science and technology. Has been acquired many skills from being involved in various industrial environments ranging from construction, plantation, manufacturing and mining before shifted into auditing.

He has experiences in certification section with main responsible as project verification team leader to verify and certify the emission reduction claimed through greenhouse gas emission reduction project activities mainly Clean Development Mechanism. He has Lead Auditor and Auditor qualifications in other sustainable schemes including RSPO, Carbon Footprint, Global Reporting Initiative as well as the ISO EMS, EnMS and QMS. During this assessment, he assessed on the aspects of social and communicating-consulting with stakeholders. Hafri also responsible for audit of smallholders.

#### **Suniljit Singh - Team member**

He has 14 years of working experience in multiple disciplines mostly engineering, science and technology. Has been acquired many skills from being involved in various industrial environments ranging for e.g. ranging from Medical Devices, Information Technology and Security, OGC (Oil, Gas & Chemical), Construction, Plantation and Manufacturing (Wood-Working, Electrical & Electronic Goods, Toys, etc).

He has garnered experiences and skills in certification industry as Lead Auditor and Auditor for ISO 9001, ISO 14001, OHSAS 18001, Social Compliance, Medical Devices and Information Security. Sunil began to involve in the in RSPO Certification since January 2013 covering mainly on Social, Occupational Health & Safety and Environment P&C criteria. During this assessment, he assessed on the aspects of Environmental and OHS including relevant social aspects on the community, as well as auditing the smallholders.

**Sarah S Ekali - Technical expert**

She is a Papua New Guinea citizen. She holds Diploma in Applied Sciences Environmental Health, from University of Divine Word - Madang, PNG; Graduate Diploma and Degree in Applied Sciences Environmental Health from University of Western Sydney-Hawkesbury Sydney Australia.

She has been involved in many projects in term of Environment, social science, health & safety for community in Papua New Guinea. She completed EMS 14001 lead auditor course, Risk management facilitators, Dangerous Goods and Hazardous Substances Management, PNG National BAHA Workplace HIV/AIDS training, and PNG Safety Officer (level 1,2,3). She is registered as an Environmental Consultant with PNG Department of Environment and Conservation as well as an Environmental Health Officer registered within PNG Medical Board. She speaks English and Pidgin. During this assessment she facilitated the audit team in communication and reading document with company and smallholders.

**Accompanying Persons:**

This summary report was reviewed by Mr. Aryo Gustomo. He is one of the BSI RSPO Lead auditor and internal reviewer who has involved in report reviewing and certification decision.

## Section 3 Assessment Findings

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

Criterion / Indicator	Assessment Findings	Compliance	
<b>PRINCIPLE 1: COMMITMENT TO TRANSPARENCY</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>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.</p> <p>- Minor compliance -</p>	<p>Higaturu Oil Palms is able to demonstrate provision of adequate information to relevant stakeholders. The company has provided information related to the environmental, social and legal. Company has listed publicly available document: Environment Policy, Occupational Health &amp; Safety Policy, Equal Employment Opportunity Policy, HIV / AIDS Policy, Malaria Policy, Tuberculosis Policy, Violence Against Woman, Domestic Violence Policy, Human Rights Policy, Ethics Policy, Whistleblower Policy, Commitment to Transparency, Nursing mothers policy, Complaint &amp; Grievances Settlement Procedure, Internal Communication Procedure, External Communication Procedure, Disciplinary Procedures.</p>	Comply
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p>	<p>Master Request &amp; Response Register 2015 was evident. The register details record no, category of request (information or assistance), date request received, request received from, request description, response/action taken, status, response action taken by and signature (when closed).</p> <p>Sample seen in Sangara Mill:            Record available in external community request and response registry. Example: 16<sup>th</sup> February 2015 request for 0.5 tons of expeller cake for piggy feed, responded directly by selling on 16<sup>th</sup> February 2015 – expeller cake issued. Information request to know CPO price (anonym) dated 12<sup>th</sup> February 2015 and responded on same day.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance	
<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.			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</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;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance -</p>	<p>Based on the List of Publicly Available Documents dated Aug, 2014 signed by the General Manager – Mike Jackson.</p> <p>The following were listed:            List of Documents Available for Viewing:            Environment Policy, Occupational Health &amp; Safety Policy, Equal Employment Opportunity Policy, HIV / AIDS Policy, Malaria Policy, Tuberculosis Policy, Violence Against Woman, Domestic Violence Policy, Human Rights Policy, Ethics Policy, Whistleblower Policy, Commitment to Transparency, Nursing mothers policy, Complaint &amp; Grievances Settlement Procedure, Internal Communication Procedure, External Communication Procedure, Disciplinary Procedures. These were displayed in various locations in the plantation and mill offices.</p> <p>Documents Available on Request: Land titles / Lease Agreements, Social &amp; Environmental Impact Assessment, Occupational Health &amp; Safety Plan, HCV (High Conservation Value) Documentation, Complaint &amp; Grievances Register, Customary Land Acquisition &amp; Negotiation Procedure, Continuous Improvement Plan, Reduction in the Use of Certain Pesticides, Environmental Monitoring and Management Plan (Pollutions &amp; Emissions), Waste Reduction &amp; Management Plan, Social Improvement Plan, Annual Reports, Maps of Lease Areas, Sustainability Reports, Public Summary of Certification Assessment Report.</p>	Comply
<b>Criterion 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	<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>Ethic policy is available, signed on August 2014 by General Manager. The policy on ethics conduct has been communicated to workforce. Example: Policy communicated to mill workforce on 22<sup>nd</sup> October 2014.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
<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.			
2.1.1	Evidence of compliance with relevant legal requirements shall be available.  - Major compliance –	Higaturu Oil Palms has a documented system which includes the process for ensuring that all legal requirements with regards to company operations are known and documented. This information is passed on to the relevant areas of operations to ensure that all involved are aware of any changes to regulation or any new laws introduced. The Sustainability Manager is responsible for managing the process of ensuring all legal requirements are known and met.  Smallholder growers interviewed demonstrated understanding of relevant regulation related to land tenure and environment.	Comply
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.  - Minor compliance –	Higaturu Oil Palms Legal Compliance Registry Summary was used for ensuring compliance has been implemented. The Registry was portioned into different legal requirements and details the description of the legal requirements and action needed by or refer to. The following legal requirements summarized were for e.g.: Environment Amendment Act 2014, Conservation and Environment Protection Act 2014, Fauna (Protection and Control) Amendment Act 2014, Land Act Compliance Requirement, Sustainability Requirements For Environment Code of Practice for PNG Oil Palm Processing Industry, Environmental Code of Practice – PNG Vehicle & Machinery, Workshop Petroleum, Storage & Resale, Higaturu Oil Palms Blanket Permit – CDM and Waste Discharge, Mamba Mill Environment Permit – Waste Discharge, Sumberipa Mill Environment Permit – Waste Discharge, Sumberipa Mill Environment Permit – Water Extraction – Igora River, Mamba Mill & Estate Environmental Permit – Water Extraction – Ove River, Sangara Mill Environmental Permit – Water Extraction – Boreholes #1 & #5.  Sangara Mill: Compliance with Applicable Laws and Regulations. Example: Mill Processing Unit has Certificate of registration as a factory No.04587; for Power House has Certificate of registration as a factory No.04588; Back Pressure Vessel Certificate of Registration of a Boiler Pressure Vessel No.2520 issued 11 <sup>th</sup> January 2013. Certificate and License under name John Kawasa, No.2104, dated 11 <sup>th</sup> July 2012.	Comply

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented.  - Minor compliance -	There is a regular review of all legal requirements to ensure Higaturu Oil Palms are in compliance with each one. Identification, Access & Evaluation on Compliance Towards Relevant Legal & Other Requirements was in place. The procedure explains in detail, procedure of identifying, obtaining, maintaining, tracing any changes and updates, as well as communicating relevant provisions in local laws and regulations and other requirements to stakeholders. The latest review upon legal compliance dated January 2015.	Comply
2.1.4	A system for tracking any changes in the law shall be implemented.  - Minor compliance -	Higaturu Oil Palms has a Procedure for Acts Updating System, issued date January 2015 was used as guide. The PaCLii Acts Database that links to the electronic versions of Papua New Guinea Consolidated Legislation was visited quarterly to check on any updated acts that are applicable to Higaturu Oil Palm operations which was evident from the filled Updated Acts/Regulations Check Form. The latest date of browsing was 21 <sup>st</sup> January 2015. List of the updated legal requirements were: Conservation & Environment Protection Act 2014, Environment (Amended) Act 2014, Fauna (Protection & Conservation) Act 2014.	Comply
<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.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.  - Major compliance -	Documents showing legal ownership and lease of all company's plantation operation were kept and available in the Land Office headed by a Land Officer in the of company's department Head Office. Company maintain complete list of all land titles for all estates. Among documents sampled was the Agricultural Lease of Part of Portion 1961C, Milinch of Sangara (NE) Fourmil of Buna, Oro Province, Ref.: TJG.DGH.96-0461, ID: DGH0040, between the company and GOU Development Corporation Ltd on 6 <sup>th</sup> September 1999.  Smallholder growers are able to demonstrate the land title for their oil palm plantation. However, Opportunity for Improvement identified: <i>Attention should be given by smallholders to keep a copy of the land title in order to demonstrate ownership/user right.</i>	Comply

Criterion / Indicator		Assessment Findings	Compliance
2.2.2	<p>Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>- Minor compliance –</p>	<p>The maps and layout plan of all blocks within the plantation estates had shown specified boundary between blocks and customary lands or other properties. The company has also engaged a registered surveyor to identify the legal boundaries of all areas. Sampled boundary peg on the fields were found clearly demarcated its boundary with earth drains and/or roads where at the point of the boundary's edge there's a visible boundary cement/stone being pegged.</p> <p>Smallholder growers are able to demonstrate their boundary pegs. Additional marking planted to mark the boundary pegs such as coconut tree, etc.</p>	Comply
2.2.3	<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>There have not been any disputes recorded at the time of site visit and in recent history.</p> <p>Based on document review, there is no dispute recorded for smallholder grower's member.</p>	Comply
2.2.4	<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>There are no significant land disputes within the operations of the company since there are no operations outside the legal boundaries of the company's plantations.</p>	Comply
2.2.5	<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>There are no significant land disputes within the operations of the company since there are no operations outside the legal boundaries of the company's plantations.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
2.2.6	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.  1. Major compliance -	Evidence through visits and interviews with relevant stakeholders especially VOP and LSS block owners confirmed that no any violence instigated from palm oil operations.	Comply
<b>Criterion 2.3</b>			
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.			
2.3.1	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).  - Major compliance –	Maps developed based on the company’s own guidelines i.e. Lands & Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21) which has been reviewed on September 2012 which involved the participation of all affected parties including local clan leaders, the village wardens and authorities.	Comply



Criterion / Indicator		Assessment Findings	Compliance
2.3.2	<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 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>- Minor compliance –</p>	<p>Copies of negotiated agreements available including:</p> <ol style="list-style-type: none"> <li>1. Land status reports which detailing the consultation and discussion with affected communities;</li> <li>2. Inspection reports;</li> <li>3. Meeting notes, attendance records and the official Land Groups Incorporation (Amendment) Act 2009 Record of Meeting Decision (Form 2 Sec. 14A-14D)</li> </ol>	Comply
2.3.3	<p>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>Relevant information including impacts assessment available in appropriate forms and language (Tok Pisin).</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.  2. Major compliance -	Records available shown that communities are represented through representatives of their own choosing.	Comply
<b>PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY</b>			
Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.  - Major compliance -	HOP has prepared long term budget, and reviewed annually. Budget for Plantation: Ambogo Plantations General Charges consist of staff and related cost, welfare cost, housing cost, R&M costs, office cost, power cost, water cost, communication cost, recruitment and repatriation, travel cost, motor vehicle cost, public relation cost, plantation security cost, recoveries; Ambogo plantation upkeep cost: <b>cultivation and upkeep</b> , planting and supple, weeding, sampling, pest and diseases, pruning and sanitation, environment and conservation, boundaries, roads, bridges, culverts and water crossing, drains, in field access, <b>manuring</b> (organic and in-organic fertilizer), <b>harvesting cost</b> , crop forecast, cut and carry, loading zones and net, harvest transport, tools, supervision.  Higaturu Oil Palm 2015 Mill Revenue-Cost: Indicating the FFB processed 375,865 MT; CPO production 84,571 MT; PKO production 8,579 MT; PK production 20,674 MT. The estimates indicates the cost in , Cages and Tracks, Steriliser, Thresing, Pressing, Depericarper, Kernel Recovery, Clarification, Water Treatment Plant, Boiler, Engine Room, Tank Farm, Effluent Ponds, CPO dispatch, Kernel Dispatch, Solid Waste Disposal, Laboratory, Bulk Installation, Water Extraction, Indirect cost, welfare cost, housing cost, R&M cost, office cost, power cost, water cost, communication, recruitment and repatriation, travel cost, motor vehicle cost, public relation, Legal fees, consumables, etc.	Comply

Criterion / Indicator		Assessment Findings	Compliance
3.1.2	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. - Minor compliance -	A replanting programme for each year is available. HOP will have the next replanting on November 2018 – 2019, for 643.5 Ha in Sangara Estate.  Replanting programme for smallholder growers are available within the same document.	Comply
<b>PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS</b>			
Criterion 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.  3. Major compliance -	Higaturu Oil Palms defines its Standard Operating Procedures (SOP) and used it as the framework for all operations. HOP refers to SOP and the Recognized Industry Field Handbooks for guidance. These documents are available for Mill, Estates, Transport, Construction, Vehicle Workshops, Clinics and all operational areas. Standard Operating Procedures (SOP) are in place for each station in the process of palm oil production from weighbridge to storage and transport, storage and dispatch to the Bulk Terminal at Oro Bay.  SOP for estate operation is available. Document seen: Field SOP No.03 Circle & Path Weeding, Issue No.3, on 22 <sup>nd</sup> August 2014. Field SOP No.01 Fresh Fruit Harvesting (FFB), issue No.3, 22 <sup>nd</sup> August 2014. SOP for mill is available from FFB reception to dispatch of CPO and CPKO. Document seen: SOP – Q-H-7.5.1-SOP-12 – Task Procedure – Steriliser SOP; Doc No./Code: HOP-M-Process-12; Rev.7 dated 26 <sup>th</sup> June, 2013. SOP – Q-H-7.5.1-SOP-07 – Task Procedure – Sludge Centrifuge SOP; Doc. No./Code: HOP-M-Process-07; Rev.0 dated 9 <sup>th</sup> September 2013.  Company provides smallholder growers with booklet on good agriculture practices.	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance –	Internal Audits were conducted by the Sustainability Dept to check consistent implementation of the procedures. The following were the sampled Internal Audit Reports:- 1. Dept: Field; Audit Record No: Amb 01/2015; Audit Location: Ambogo Estate – RSPO Documentation & Records, Chemical Shed, Clinic, Village, Incinerator, Buffer Zones, Sprayer Interview, Genset and Sewage Treatment Plant; Audit Date: 4 <sup>th</sup> Feb, 2015. 2. Dept: Field; Audit Record No: Mam 01/2015; Audit Location: Mamba Estate – Office-Documentation, Chemical Mixing & Fertilizer Sheds, Clinics, Village, Landfill, Buffer Zones, Land Boundary, Sprayers, Water Extraction Points and Workshop.	Comply
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.  - Minor compliance –	Each estate and mill under Higaturu Oil Palms is able to demonstrate monitoring of process/activities being done. Sangara Mill demonstrates weekly stock and production data, week 10 dated 2-8 <sup>th</sup> March 2015. Sustainability Internal Audit Report dated January 2015, follow up and corrective action plan is available.  However, a minor nonconformity is identified: <i>Monitoring for a number of estate activities in Sangara and Sumberipa Estate does not reflect consistent implementation against current standard operating procedure. During field visit to Sangara Estate and Sumberipa Estate, audit team founds:</i> 1. <i>Apparent absent of monitoring for sprayers. Evidence of herbicide spraying for the palm in the stream buffer zone in Sumberipa Estate;</i> 2. <i>Divisional manager has not performs and maintain record for calibration for each knapsack – fortnightly;</i> 3. <i>Water monitoring testing for the river and creeks for Bisi Exit (block No.ABO 850 – Sumberipa Estate) whereby the buffer zones were observed only on test parameters such as Phosphate and Nitrate - while that are the area of fertilizer and spraying application were practiced.</i>	<b>NC Minor</b>
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).  - Major compliance -	Record of origins of third party FFB is available under Sangara Palm Oil Mill – Daily Mill Production Report dated 7 <sup>th</sup> March 2015 records the FFB from Sorovi independent, Sorovi SCH, Igora Independent, Saiho independent, Ilimo independent, aeka independent – totaling 409.742 tonnes.	Comply

Criterion / Indicator		Assessment Findings	Compliance
<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.			
4.2.1	<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>The company has procedures for good agriculture practices to maintain soil fertility. The procedures consist of manual and mechanical fertilizer application, EFB application. Land Application and frond pruning.</p> <p>The smallholders applied fertilizer once/year for producing palms four years of age and above. Mostly fertilizer used is Ammonium Sulphate and Muriate of Potash. Fertilizer rates are determined by field trials with OPRA. There are a range of soil types within smallholder plantings.</p>	Comply
4.2.2	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance –</p>	<p>Each estate maintains a complete record of fertilizer inputs – both organic and in-organic. The fertilizer application based on annual fertilizer recommendation, cascaded and detailed up to nutrition requirement (and fertilizer type per planting year, per palm and per block) annually. Sample taken: in Embi Estate, block AE0020 applied 1,050kg Kieserite and 1850kg Urea on January 2015.</p> <p>Monthly manuring programme for oil palm 2014 and actual is recorded in computerize system and recommendation for 2015 is available and monitored.</p>	Comply
4.2.3	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance –</p>	<p>There is evidence of periodic foliar analysis carried out annually by independent body and soil analysis by 5 (five year), the last soil analysis in 2010 and the next soil analysis will take place this year. Then, Fertilizer recommendation is made based on result of tissue and soil analysis.</p>	Comply
4.2.4	<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>Nutrient recycling strategy is evident. The company is utilizing palm by-products for soil nutrient, for estates located near to palm oil mill; EFB is applied to immature palm and frond stacking; Palm Oil Mill effluent is applied as land application (liquid fertilizer).</p> <p>The recommended fertilizer application rates by PNGOPRA were available at OPIC. The smallholder growers were aware of the importance of frond stacking and legume cover crop management as alternatives for soil fertility improvement/soil conservation. A majority of the growers had legume cover crop in their blocks except for those who had the legume cover crop shaded out as the species planted was not shade tolerant.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<b>Criterion 4.3</b> Practices minimise and control erosion and degradation of soils.		
4.3.1  - Major compliance -	<p>HOP is able to produce soil map for each estate. There are no known fragile or problems soils at Higaturu.</p> <p>Embi Estate: HOP produce Soil map indicating the soil type for each estate. For example, the soil type in Embi Estate is (Rbc) with description low intricately dissected, steep forested hills, mainly leached red and brown clay soils.</p> <p>Mamba Estate: HOP shows soil map indicating soil type for Mamba Estate. For Mamba Estate, the dominant soil type coded (Mfsw) with description Rather steep plains and river terraces, moderately fine textured, shallow and well drained soils – and (Ba) broad, gentle deeply dissected volcanic slopes, Moderately weathered brown ash soils.</p> <p>Sumbiripa Estate and Sangara Estate: (Bvc) dissected volcanic plain between 30-305 meter, brown volcanic clay soils.</p> <p>Ambogo Estate: (Ma/bvs) Slightly undulating plains of volcanic material, medium-textured alluvial soils and some dark volcanic sandy soils.</p> <p>Smallholder affair and OPIC helps identifying erosion risk assessment for each blocks.</p>	Comply
4.3.2  - Minor compliance –	<p>There are slopes over 25° and these areas have never been planted.</p> <p>HOP has maintained buffer zones near streams and rivers in steep areas. These areas remain intact.</p> <p>Techniques to control erosion include the following: provision of adequate legume ground cover, avoidance of over spraying of herbicides, review of road design and provision of adequate maintenance including appropriate drainage and use of culverts.</p>	Comply
4.3.3  - Minor compliance –	<p>Road maintenance plan is evident. The plan indicates block location, length, time frame and type of work will be done.</p> <p>Road maintenance work is controlled and monitored.</p> <p>Road access to smallholder blocks is in good condition.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.  - Major compliance –	N/A. Based on soil map, there is no peat soil in the area.	N/A
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.  - Minor compliance –	N/A. Based on soil map, there is no peat soil in the area.	N/A
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).  - Minor compliance –	Techniques to control erosion include the following: provision of adequate legume ground cover, avoidance of over spraying of herbicides, review of road design and provision of adequate maintenance including appropriate drainage and use of culverts.  Most of the smallholder blocks in HOP area are planted on flat land and soil erosion is not a concern.	Comply
<b>Criterion 4.4</b> <b>Practices maintain the quality and availability of surface and ground water.</b>			
4.4.1	An implemented water management plan shall be in place.  - Minor compliance –	Water management plan issued on 5 <sup>th</sup> February 2015, comprise of water extraction, for domestic use, tank cleaning procedure, for nursery, for mill uses, wastewater discharge. Palm Oil Mill Effluent treatment, Sewage treatment plant effluents, waste water mills. Water sampling and location inventory and schedule, water quality and effluent monitoring program.	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.  - Major compliance -	The riparian buffer zones are maintained in good condition. All permanent water courses have buffers in place and with HOP signage indicating the location and extent of the area.	Comply
4.4.3	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 –	BOD levels of discharges are monitored and Higaturu have records for the previous years and beyond. All recent reading show any discharge of POME is well below the allowable limit. Sangara Mill: POME analysis for 2015 BOD standard is 5000ppm, result shows BOD level in January is 86.50ppm, in February is 84.20ppm. COD standard is 17500ppm, result shows COD level in January is 698ppm, in February 603.30ppm	Comply
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance –	HOP presented 2015 NBPOL Sustainability Data Collection for Higaturu. The information recorded the water usage per tonne FFB at each mill. Example: In January 2015 Sangara POM average water usage 0.70 m3/tonne FFB whil Mamba POM average water usage 0.49m3/tonne FFB.	Comply
<b>Criterion 4.5</b>			
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	Higaturu Oil Palms is able to demonstrate Integrated Pest Management under "Integrated Pest Management Plan". IPM Plan is documented for relevant pests that set out techniques, chemicals to be used, locations and timeframe for implementation  The company is implementing early warning system through regular pest monitoring (census) for Rat attack and Ganoderma.	Comply



Criterion / Indicator		Assessment Findings	Compliance
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	A record of training for IPM is available, dated 24 <sup>th</sup> December 2014.  The smallholders received training from the company related to the IPM. HOP Smallholders Affairs and OPIC is conducting awareness on Ganoderma to smallholders throughout July – September 2014, records are available. Smallholders Affairs and OPIC is also conducting field practice to identify Ganoderma attack in block No.320020 dated 7 <sup>th</sup> March 2015, with 10 smallholder members from neighbouring block. Ganoderma survey form is available.	Comply
<b>Criterion 4.6</b>			
Pesticides are used in ways that do not endanger health or the environment.			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	There is documented justification for all Agrochemical use determining the reason for the use of certain chemicals. There is an updated register which records products used, when required, amounts to be used and frequency of use. This is documented within the management guideline specific for pesticide usage which attempts to ensure that the most effective and least harmful chemicals are always first choice and there is avoidance of any prophylactic and indiscriminate spraying.  SHA is doing awareness on pesticide usage and handling during the field days.	Comply
4.6.2	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. - Major compliance -	Records of herbicide use are available and maintained at each estate. Sustainability team compile the data and records shows the total chemical used (in kg and/or liters), the active ingredients used, total area treated (in Ha), and active ingredients used per area treated and per ton FFB produced. Example: Higaturu Oil Palms is using Basta (a.i. Glufosinate-Ammonium) 0.069liter/cultivated Ha in December 2014, 0.026liter/cultivated Ha in November 2014 and 0.030liter/cultivated Ha in October 2014. Higaturu Oil Palms is using a.i. Glyphosate 0.15liter/cultivated Ha in October 2014, 0.2liter/cultivated Ha in November 2014 and 0.125liter/cultivated Ha in December 2014.	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.6.3	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>There is no used of prophylactic use of pesticides throughout the Higaturu Oil Palms</p>	Comply
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance –</p>	<p>There are no use pesticides class 1A or 1B and paraquat. The company only uses 2,4D-Amine, Glyphosate, methyl metsulfuron and propionic acid (as adjuvant).</p> <p>It is HOP policy not to supply any other pesticides to smallholders.</p>	Comply
4.6.5	<p>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 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>Higaturu Oil Palms provided adequate training for all mixers, sprayers and chemical storekeepers. MSDS for all chemical stored in the chemical shed are provided. PPE is readily available for all mixers and chemical storekeeper, as well as sprayers. Based on interview with chemical storekeeper in all estates, they understood the safety procedure to handle agrochemical.</p> <p>It is HOP policy not to supply any other pesticides to smallholders.</p> <p>An opportunity for improvement is identified:  <i>HOP could improve the safety equipment, to have emergency eye wash for Embi Estate and Sangara Estate.</i></p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.6.6	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). - Major compliance -	All herbicides in chemical containers were in locked storage/chemical shed located at the Estate offices. Empty chemical containers were re-used to carry pre-mixed solution into plantation for use. Once they are deemed unusable they are triple rinsed, punctured and disposed in the Chemical Pit at the each estate's landfill.  It is HOP policy not to supply any other pesticides to smallholders.	Comply
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The herbicide application is referring to application guideline. Furthermore, company has prepared safeguard and contingency plan in the case of incident occurs. No case of operator intoxication reported so far, no case/complaint of pollution reported so far.	Comply
4.6.8	Pesticides shall be applied aurally 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.  4. Major compliance -	There is no aerial application of pesticide throughout the company plantation and smallholder blocks.	N/A
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).  - Minor compliance -	Higaturu Oil Palms provided adequate training for all mixers, sprayers and chemical storekeepers. MSDS for all chemical stored in the chemical shed are provided. PPE is readily available for all mixers and chemical storekeeper, as well as sprayers. Based on interview with chemical storekeeper in all estates, they understood the safety procedure to handle agrochemical.  It is HOP policy not to supply any other pesticides to smallholders.	Comply
4.6.10	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 -	Empty chemical containers were re-used to carry pre-mixed solution into plantation for use. Once they are deemed unusable they are triple rinsed, punctured and disposed in the Chemical Pit at the each estate's landfill.	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.  5. Major compliance -	Higaturu Oil Palms provide medical checkup for the sprayers. Sumberipa Estate: Chemical Screening Examination Form – Rynold Bavaga – Dated: 10 <sup>th</sup> June, 2014; Chemical Screening Exam Form – Lester Nure – Dated: 10 <sup>th</sup> June, 2014.	Comply
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.  6. Major compliance –	Based on interview with sampled workers and health attendant in clinic, no pregnant and/or breast-feeding female worker is allowed to work involving agrochemical. Such female worker will be transferred to other non-chemical work.	Comply
<p><b>Criterion 4.7</b>            An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p><i>Specific Guidance for 4.7.7: The National Interpretation will define the metrics for LTA. For countries where there are no national interpretations, the growers will determine their own metrics.</i></p>			
4.7.1	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. - Major compliance -	Health and Safety Policy is in place. Higaturu Oil Palms has conducted internal audit and regular inspection to review the Occupational health and safety implementation. Document seen: Operational Safety Management Plan – Plantations. Issue No.3 dated August 2014. Record seen: Internal audit took place in January 2015, corrective action plan is available. Monthly Inspection Record Sheet – Workshop- Inspection Record No.1 dated 9 <sup>th</sup> January 2015; No.02 dated 6 <sup>th</sup> February 2015; No.03 dated 1 <sup>st</sup> March 2015.	Comply
4.7.2	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 -	Higaturu Oil Palm has developed risk assessment register for each unit/activity such as palm oil mill, plantation, vehicle workshop, etc. These risk assessment register is reviewed on regular basis. Example: Sangara Mill risk assessment reviewed back in August 2014.  However, an observation is identified: <i>Risk assessment should improve. The risk assessment for a number of activities performed by palm oil mill and vehicle workshop need to be identified: activity for confined space/maintenance work, upkeep activity near effluent pond, stone crushing activity.</i>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.7.3	<p>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 operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Major compliance -</p>	<p>Higaturu Oil Palms provide adequate training for all workers, in safe working practices. Record of health and safety training maintained.</p> <p>Sample seen:            Training Attendance Record – Dated: 5<sup>th</sup> March, 2015; Course Name: Hazards of Chemical for Environment and Sprayers Themselves. Lester Ruru and Lionel Bavaga;            Harvesting – The quality of work standard, v note and bunches presentation in market place. Dated: 9<sup>th</sup> Sept, 2014;            Weight Lifting and Chemical Handling – Dated: 10<sup>th</sup> Sept, 2014;            Inspection:            Fire Extinguisher Inspection Checklist; Location: Mamba Mill; Month of Inspection: March, 2015.            Monthly Maintenance Checklist – Fire Hydrant Valve (Isolation Valves) / Fire Hydrant Box &amp; Fire Hydrant Point – No. 7 – Hose Reel Nozzle – Missing of Nozzles – followed up.</p>	Comply
4.7.4	<p>The responsible person/persons shall be identified. There shall be records of 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>Each unit has their own safety committee. Regular meeting ws held and record of meeting is maintained.</p> <p>Mamba Estate: Safety meeting in 21<sup>st</sup> January 2015 and 27<sup>th</sup> February 2015. Safety officer is to be appointed;            Sangara Estate: Safety Committee Meeting dated 3<sup>rd</sup> July 2014. Chairwoman (Olivia Kandoro). Safety Committee Meeting dated 20<sup>th</sup> February 2015.            Vehicle Workshop: OH&amp;S Committee Meeting dated 4<sup>th</sup> March 2015. Areas discussed were Action Points from last meeting, Review of Accidents and Injurys, Review of Site Inspections, Safety Issues, Any Other Business, Action Points from this Meeting</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.7.5	<p>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>Higaturu Oil Palms have a set of emergency procedures for natural disaster, fire, accident, etc. The procedures have been communicated to all level of workforce.            Sangara Mill: Latest Emergency Drill dated 22nd June 2014, Evacuation drill for explosion on 17th April 2014            Sangara Estate: Emergency Drill for Fire dated 28th July 2014, Emergency Chemical Spill dated 4th October 2013.            Sumberipa Estate: Emergency drill for snakebite dated 13th February 2014;            Record of accident is available and reviewed during safety committee meeting.</p> <p>An observation identified during the assessment:  <i>The description on the injury findings / recommendation and action(s) taken were insufficient in details to evaluate the effectiveness of preventive measures taken although in practice the steps for e.g. additional operational controls were observed.</i></p>	Comply
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p>	<p>Higaturu Oil Palms has clinics to provide medical service for workers (and their family). HOP provides accident insurance for all workers, as per regulation/Worker compensation.</p>	Comply
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance –</p>	<p>All occupational injury case was assessed using the Injury Assessment Report where all related information including the type and cause of injury were reported. For the year 2014, the records shown zero fatalities case which has been improved compare to the previous year 2013 where there was one fatality case recorded.</p> <p>Based on the incident reporting procedure established, the occupational injuries were recorded using Lost Time Accident (LTA) metrics and calculated accordingly through NBPOL LTA Rate Excel Spreadsheet. Based on the record, Higaturu Lost Time Case Rate, the number of LTA for Higaturu certification unit is under 10.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.8</b>			
All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	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.  - Major compliance -	A formal training program on the growers and smallholders has been established that covers all aspects of the RSPO P&C whereby the program is a joint effort between the company and OPIC. The company has prepared a smallholders handbook that has been the main reference material of training. It was sighted that the cooperation between the company's smallholders affairs and OPIC has prepared a master plan for 2015 smallholders training programs that emphasize on the best management practices, occupational health and safety and environmental.	Comply
4.8.2	Records of training for each employee shall be maintained.  - Minor compliance -	Higaturu Oil Palms is able to demonstrate records of training for each employee.  Associated Smallholder: Records of training of smallholders has been kept in individual folders by the company's smallholder affair and updated accordingly every time training attended.	Comply
<b>PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY</b>			
<b>Criterion 5.1</b>			
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented.  - Major compliance -	Environmental Aspects and Impacts Register ver.04 dated January 2015. Latest review on January 2015.	Comply
5.1.2	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 management plan shall identify the responsible person/persons.  - Minor compliance -	Comprehensive Management Plan sighted. Significant Pollutant and GHG Management Plan issued on January 2015. Example: boiler operation to reduce smoke emissions from boiler to under 40% (legal limit) through smoke monitoring (daily); pond management is to prevent spillages through regular bund inspection;	Comply

Criterion / Indicator		Assessment Findings	Compliance
5.1.3	<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>Environmental Improvement Plan (2012 – 2017); Doc No: 002; Revision Date: 1<sup>st</sup> October 2014. Version No: 3;            Improve establishment and management of riparian buffer zones; Ref No 4.42. 4.4.1; No incidences of replanting or new planting in buffer zones. Time Frame: 2013; Improved procedure with consultation with Plantation and documented in Buffer Zone Management Plan – Resp. Sustainability Field.</p>	Comply
<p><b>Criterion 5.2</b>            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>			
5.2.1	<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 corridors).</p> <p>- Major compliance -</p>	<p>High Conservation Value Assessment by Guy Michael Williams, field assessment between 18 – 27<sup>th</sup> September 2012. Guy Michael Williams is RSPO accredited HCV assessor. Assessment under New Britain Palm Oil Limited – Higaturu Oil Palms – High Conservation Value Assessment.            The result on HCV assessment:            HCV 1.2: Off site habitat of importance to identified QABB exist outside HOP operational area;            HCV 1.4: Low water refuges as spawning area for blue eye fish; <i>Parasiolochia spp.</i> Vines within Lejo reserve as feeding resources for QABB; vegetation and nesting trees in existing reserve buffers as habitat resources for migratory birds.            HCV 4.1: Water catchment in all rivers, streams and associated tributaries of importance water catchment and water provision,            HCV 4.2: All high slope areas, rivers, creeks and stream throughout HOP area,            HCV 5: All areas outside of plantation blocks are used for a variety of traditional land uses including hunting, gardens and building materials.</p>	Comply



Criterion / Indicator		Assessment Findings	Compliance
5.2.2	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 management plan. - Major compliance -	A number of RTE species was identified. Higaturu Oil Palms put specific measure to monitor the QAB butterfly condition.	Comply
5.2.3	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, collect or kill these species.  - Minor compliance -	Higaturu Oil Palms prepares a program to regularly communicate the status of HCV status to workforce – within the training programme. There is a policy not to hunt down RTE species.	Comply
5.2.4	Where a management plan has been created there shall be ongoing monitoring: <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> - Minor compliance -	Ongoing monitoring on the HCV and RTE species sighted. Buffer Zones Records; Estate: Sangara; Feb 2015; ` <ul style="list-style-type: none"> <li>Sumberipa – Buffer Zones Records; February 2015 – Nursery</li> <li>Sumberipa – Buffer Zones Records; December 2015 – Location: Sumberipa Mini Nursery.</li> <li>Sumberipa – Buffer Zones Records; November 2015 – Location: Nursery.</li> </ul>	Comply

Criterion / Indicator		Assessment Findings	Compliance
5.2.5	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.  - Minor compliance –	There is no HCV status set-aside with existing rights of local community land.	Comply
<b>Criterion 5.3</b>			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented.  - Major compliance –	Higaturu Oil Palms prepared Environmental Aspect Register, updated January 2015. The register lists the activity, environmental aspect, environmental impact, location, department, control, legal requirement, consequence, probability, severity, significant aspects. Aspects identified were categorized into Positive and Negative. Examples of the activities covered were Mill floor cleaning, POME (Palm Oil Mill Effluent) treatment, Boiler Operation & Steam Use, Septic Waste Water Treatment & Disposal and Electricity Generation.  Significant environmental aspects identified were such as land clearing, mill floor clearing, POME Treatment, boiler operation & steam use, fertilizer and septic waste water treatment & disposal.	Comply
5.3.2	All chemicals and their containers shall be disposed of responsibly.  - Major compliance -	Higaturu Oil Palms disposed of empty chemical container into dedicated pit/landfill. The empty chemical container was triple rinse and punctured prior disposal. Record is maintained.  This practice found to be consistent throughout all estate and mill.  It is HOP policy not to supply any other pesticides to smallholders.	Comply

Criterion / Indicator		Assessment Findings	Compliance
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance –</p>	<p>Waste Management Plan – Doc No: HOP-WP-005; Revision Date: 29<sup>th</sup> September 2014. Rev No: 3.</p> <p>Sources and Types of Wastes Generating Activities:-                      Most of the wastes generated within HOP are from the following activities and sources;</p> <ol style="list-style-type: none"> <li>1. Plantation Establishment, Maintenance and Harvesting</li> <li>2. Land clearing and ground preparatory works</li> <li>3. Residential Villages and Office Establishments</li> <li>4. Associated Infrastructures – Maintenance Workshop, Gensets and Storage Sheds, Roads and other infrastructure constructions.</li> <li>5. Medical Wastes</li> <li>6. Field Equipment Servicing.</li> <li>7. Motor Vehicle Workshop.</li> <li>8. HOP Palm Oil Mills.</li> <li>9. CPO and PKO Bulking Station.</li> </ol> <p>Wastes that can be generated during roads construction works includes;                      Exposed top soil and overburden, vegetation and wood debris, oil rags, spilled waste fuel and oil, empty fuel and grease containers, hydrocarbons related products.</p> <p>Based on field visit to smallholder blocks, rubbish pit has been implemented to dispose of household refuse. Additional verification to smallholder blocks with streams found no sign of irresponsible waste management practice.</p> <p>An opportunity for improvement is identified:</p> <ol style="list-style-type: none"> <li>1. <i>Medical waste in incinerators was not completely burned into ashes. HOP could improve the process for incinerators to burn medical waste;</i></li> <li>2. <i>HOP could improve the disposal of medical waste; to differentiate the bio-hazard waste plastic bag from the domestic waste plastic bag.</i></li> </ol>	Comply
<p><b>Criterion 5.4</b>                      Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
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>Higaturu Oil Palms is able to demonstrate plan to improve efficiency on the use of fossil fuel. Monitoring on Resources Efficiency Monthly Report up to February 2015. Example: In February 2015 23,425MT FFB processed, fuel consumption is 20,800 liters; fiber used is 2,811MT, shell used is 1,406MT. Total energy raised is 22.97Kwh/MT FFB.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 5.5</b>			
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.			
5.5.1	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. - Major compliance -	There is no burning in new developments or at replanting. Burning is not allowed by HOP and there is no evidence of burning.	Comply
5.5.2	Where fire has been used for preparing land for replanting, there shall be 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.  - Minor compliance -	There is no burning in new developments or at replanting. Burning is not allowed by HOP and there is no evidence of burning.	Comply
<b>Criterion 5.6</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Assessments have been carried out on all recognised polluting activities and include gas and smoke emissions, particulate and soot emissions, effluent control, treatment and discharge. Significant pollutants and emissions have been identified under environmental impact register. There is a plan in place to reduce pollution – this is included in the aspects/impacts register and the waste management plan.	Comply
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance -	Identification of pollutant and GHG is available. Sangara Mill: Polluting activities Assessment Register January 2015.  The company also has minimized pollutant and GHG through using EFB as organic fertilizer, implementing IPM to reduce pesticides usage, using fibre and sell for boiler.	Comply

Criterion / Indicator		Assessment Findings	Compliance
5.6.3	<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>The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented, e.g. smoke density meter.</p> <p>Sangara Mill:            Mechmar Water Tube Smoke Density reading up to December 2014; standard 40%; based on record from December 2014, smoke density level is 82% under target and 18% above target.            Pollution Control Device – Grease Interceptor;</p> <p>An observation is identified:  <i>The new code of practice i.e. Environmental Code of Practice for Papua New Guinea Oil Palm Processing Industry, DEC 2013 which indicates that required quarterly noise readings are to be taken at each nominated location and recorded along with time of taking the reading and mill operational status and plan indicating the sampling direction whereby it needs to be verified when it is compulsory to comply (year of implementation).</i></p>	Comply
<b>PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS</b>			
<b>Criterion 6.1</b>			
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.			
6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>- Major compliance -</p>	<p>Higaturu Oil Palms – An RSPO Based Social Impact Assessment of Oil Palm Growing and FFB Milling in Oro Province Papua New Guinea for New Britain Palm Oil Limited by Narua Lovau Freelance Environment Management Consultant September 2012. Records of Social Impact Assessment Meetings were sighted to be kept and file under Sustainability Department where the consultation meeting was focused on the Social Impact Assessment Improvement and Mitigation Plan. Meeting was conducted on 18<sup>th</sup> February 2013.</p>	Comply
6.1.2	<p>There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>- Major compliance -</p>	<p>Minutes of meeting and attendance record shown that all affected parties among the company's representatives, employees, government agencies, growers/smallholders were present in the meeting. They are including the company's General Manager, Sanggada Mill workers, Higaturu Oil Palm Processing Workers Union representative, OPIC and growers.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	A Social Impacts Mitigation and Monitoring Plan has been developed for Higaturu Oil Palms signed by the General Manager on October 2014 Version 02. The plan inclusive of all required social aspect improvement plan with specific person-in-charge for the implementation. This on-going plan was for the period from 2013 to 2017.	Comply
6.1.4	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.  - Minor compliance -	The revision of the plan (Version 02, dated October 2014) has been included with the participation of relevant and affected stakeholders of the company mainly smallholders, NGO and authorities.	Comply
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).  - Minor compliance -	As tabulated in the Register of Social Impacts for Higaturu Oil Palms signed by the company's General Manager on October 2014 Version 03.	Comply
<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.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Based on NBPOL-Higaturu Oil Palms Communication Policy dated August 2014, the company has established the procedures of consultation and communication for Internal Communication (Procedure reviewed October 2014) as well as Communication with External Parties (Procedure reviewed October 2014).	Comply
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	Nominated management officials are the Higaturu Oil Palm General Manager and Sustainability Manager.	Comply

Criterion / Indicator		Assessment Findings	Compliance
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 -	The company has established Higaturu Oil Palms Stake Holder Register version 02 dated August 2014 that has registered a total of 52 internal and external stakeholders. Record of all communication has been summarized as Annex 2.0: Tabulated Summary of Field Data that detailing all inputs as well as outputs of all relevant consultation between the company and the stakeholders.	Comply
<b>Criterion 6.3</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.			
6.3.1	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. - Major compliance -	Higaturu Oil Palms has a grievance policy and formal grievance procedure. The procedure addresses the need for anonymity, if requested.  Smallholder growers do understand the procedure and/or mechanism to convey complaint/grievance.	Comply
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	Records of complaints & grievances register, SHEQ 001 Register, NBPOL Higaturu Oil Palms, Sustainability Department, January 2015.	Comply
<b>Criterion 6.4</b> 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..			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.  - Major compliance -	Lands & Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21) which has been reviewed on September 2012 was sighted in place as the procedure for this.	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.4.2	<p>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>Lands &amp; Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21) which has been reviewed on September 2012 was sighted in place as the procedure for this.</p>	Comply
6.4.3	<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>NBPOL HOP Lands &amp; Mini Estate Progress Report has been established for the outcome of negotiated agreements and compensations under the same process in Lands &amp; Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21).</p>	Comply
<p><b>Criterion 6.5</b>            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>			
6.5.1	<p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p>	<p>All documentation of pay and conditions available was sighted in the record in computerized HRIS (Payroll Database System) managed by both Finance and Human Resources Department of the company. The minimum wage of K2.29 per hour, HOP generally provides housing, electricity, water, medical coverage and some education support free of charge to its employees.</p> <p>Some smallholder growers use hired labour periodically, especially for harvesting and major up-keep work. These works usually are for a day or two at the most. Payment for these works are varied between K100 and K200, and is dependent on the nature of the work, the workload and the FFB price. In all cases, the payment made to the hired workers is always above the minimum wage standards for PNG.</p>	Comply



Criterion / Indicator		Assessment Findings	Compliance
6.5.2	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. - Major compliance -	Templates and records of employment agreement including non-executive junior staff service contract was sighted available with all detail information. Briefing and inductions were done to ensure understanding of all agreement terms by the signatory of agreement.	Comply
6.5.3	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.  - Minor compliance -	Higaturu Oil Palms provide housing and social amenities for the workers.	Comply
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.  - Minor compliance -	The company has established a mechanism to monitor and improve worker's access to adequate, sufficient and affordable food through weekly survey of food price in shops operating in company's premises. Evidence sighted was the Bilum Index Survey Data and samples taken from the weekly survey conducted for the month of December 2014, January 2015 and February 2015 shown that the price of daily food including rice, cooking oil, coffee and sugar recorded low fluctuation throughout the months but highly varies from one site to another, depending on the distance to the nearest town i.e. Popondeta. However the price was still within affordable range of income of workers.	Comply
<b>Criterion 6.6</b>			
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.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. 10. Major compliance -	Evidence sighted was a published statement on freedom of association written in both English and Tok Pisin language dated August 2014 signed by the General Manager of the company being displayed on the public notice boards.	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.  - Minor compliance –	Evidence sighted was a minutes of meeting between the company's HR representatives and the union's representative conducted on 24 <sup>th</sup> June 2014 at the company's head office conference room. Agendas being discussed were in concern of the company's employment policy and workers union activity that has been registered under the name of Higaturu Oil Palm Processing Workers Union.	Comply
<b>Criterion 6.7</b> Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance –	Based on the company's Child Labour Policy signed by the General Manager on February 2015 with specific procedure on Minimum Age Specifications, Issue 1, Version 02, Dated 18 <sup>th</sup> February 2015, evidence sighted was the record in HRIS (Payroll Database System) that shown the company was in compliance of its minimum age requirements.	Comply
<b>Criterion 6.8</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance –	Sighted evidence was an Equal Employment Opportunity Policy signed by the company's General Manager on August 2014 that was being displayed on the public notice boards.	Comply
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance –	There has been no evidence that employees and groups including local communities and women have been discriminated against. The company does not employ migrant workers and therefore no any discrimination against these groups of people.	Comply
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.  - Minor compliance –	Company-wide policy i.e. the New Britain Palm Oil Limited General Policies & Regulation Handbook, Released in April 2009 on Para 12 Procedure of Recruitment and Engagement of Staff and Para 13 Procedure of Transfer & Promotion of Staff.	Comply

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.9</b>			
There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.  - Major compliance -	Sighted evidence was a Sexual Harrassment and other forms of Violence Policy as well as Violence Against Women & Domestic Violence Policy which were both signed by the company's General Manager on August 2014. Other evidence also sighted was the organization of a women welfare called Higaturu Women of Reform that has members amongst the female employee and dependent of male employee. This organization has many activities implemented to prevent sexual and all other forms of harassment and violence against women.	Comply
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.  - Major compliance -	Sighted evidence was a Nursing Mothers Policy signed by the General Manager on August 2014 which is in compliance with PNG's labour laws on breast feeding that specify a minimum two 30 minutes leave of absences per day allowed. The policy has been displayed on the notice boards and communicated well through briefings recorded.	Comply
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.  - Minor compliance -	The company has established the Whistleblower Policy which has been signed by the General Manager on October 2014 whereby in case of any relevant grievances, an Investigation officer of Welfare Office under Security Department will be the person-in-charge. Based on the interviews and records sighted, it is shown the company implemented and communicated well its policy to all levels of the workforce.	Comply
<b>Criterion 6.10</b>			
Growers and millers deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.  - Minor compliance -	Evidence sighted was the written FFB Price that is updated on monthly basis and displayed in the company's and OPIC's notice board.	Comply
6.10.2	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 -	No price update segment in the weekly oil palm radio program but evidence sighted was the record of FFB Price Calculation guide which was done on monthly basis and displayed in the company's and OPIC's notice board. This is meant to allow the smallholders to get to know the current price and understand the actual deductions meant for their payments when collecting their pay slips fortnightly in the office.	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Sighted evidence of records of Agricultural Contract Agreement Form signed between the company through Smallholders Department and smallholders that transparently specify the detail scopes and rates of the management of the palm blocks.	Comply
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Records of payments shown that an agreed timely payment of FFB tonnage purchased by the company from smallholders and royalty of leases lands has been done adequately. Smallholders received their tonnage payment every fortnightly while royalty was received on quarterly basis, except if there is special needs to get the money in advance early of the year on annual basis.	Comply
<b>Criterion 6.11</b> Growers and millers contribute to local sustainable development where appropriate			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	Sighted evidence of records (Request Register 2014) for assistance in total 8 numbers of requests throughout the year 2014 by individuals, companies, school and sports club. Responses were demonstrated with contributions made based on the availability of resources.	Comply
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	Evidence sighted were records of Smallholder Block Rehabilitation MOU (Memorandum of Understanding) between the block owners and the company. Each MOU was made on 14 <sup>th</sup> February 2012 and the signing period by the block owners and company was from February until March 2012.	Comply
<b>Criterion 6.12</b> No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.  11. Major compliance -	Sighted evidence records of employment shown that all employees are paid accordingly based on their individual employment agreement between the employee and the company. Records of salary payment confirmed that no force or trafficked labour were used.	Comply
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. 12. Major compliance -	Sighted evidence that all agreements with employees, contractors and suppliers were kept safely by the company with no contract substitution has occurred when comparing with the sampled employee's copy.	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.  - Minor compliance –	The company does not employ migrant workers and therefore have no policy developed for temporary and migrant employment. However the company employed seasonal workers during high peak crop periods in the plantations on a contractual basis and are laid off when the contracts expired. Records were sighted maintained at respective sites and the HR department in the Head Office.	Comply
<b>Criterion 6.13</b> <b>Growers and millers respect human rights</b>			
6.13.1	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).  13. Major compliance -	Evidence sighted that the company has established and displayed its human rights policy signed by the General Manager on August 2014. Records also shown that all employees have been communicated on this policy during employee's inductions.	Comply
<b>PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS</b>			
<b>Criterion 7.1</b> 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.			
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.  - Major compliance –	The social impact assessment, environmental impact assessment, HCV assessment report provides information to mitigate potential negative impacts. The assessment involving all relevant stakeholder, including land owners and smallholders. Higaturu Oil Palms is able to demonstrate the New Planting Procedure documents, submitted to RSPO.  In addition, Higaturu Oil Palms following the RSPO New Planting Procedure verification in October 2012 for new development commenced in 2013.	Comply
7.1.2	Appropriating and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.  - Minor compliance –	HOP presented the plan for new development under "New Mini Estate Developments". The plan indicates new planting development 2014 and planned for 2015. For 2014, HOP planted 483.86 Ha and plan for another 1020.44 Ha in 2015.	Comply

Criterion / Indicator		Assessment Findings	Compliance
7.1.3	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. - Minor compliance -	For the smallholder new development, Higaturu Oil Palms is developing Planting Approval Form (PAF). The PAF is covering all relevant RSPO principles and criteria to verify the smallholder's compliance against RSPO requirement. For year 2015, there is no plan for smallholder expansion.	Comply
<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.			
7.2.1	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. - Major compliance -	Higaturu Oil Palms has undertaken the soil surveys, including soil type and soil suitability review for long term sustainability.	Comply
7.2.2	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. - Minor compliance -	HOP provides soil map, indicating the soil type of each new development area. The map is available in scale of 1:18,000 – appropriate for operational planning such as road network, drainage, field and block arrangement. Based on soil maps, there is no peat soil over 3 meters in the area for new development.	Comply
<b>Criterion 7.3</b> New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.			
7.3.1	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). - Major compliance -	Higaturu is able to demonstrate there is no new development before the RSPO NPP being approved. Record seen: the process for Houpa mini estate and planting in October 2014, after HCV assessment carried out in August 2011.	Comply

Criterion / Indicator		Assessment Findings	Compliance
7.3.2	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. - Major compliance –	HOP presented “Draft Summary Report Rapid High Conservation Value Assessment Proposed Mini Estates – Oro Province” by Tom Diwai Vigus. Field work commence on 8-13 <sup>th</sup> August 2011. The report indicates the field work done and stakeholder consultation during field visit.	Comply
7.3.3	Dates of land preparation and commencement shall be recorded. - Minor compliance –	HOP provides information on land preparation for Mena area (186.83 Ha) in September 2014, Huhura (115 Ha) and Houpa 1 (144.3 Ha) in October 2014. This area of new planting have been covered in the NPP documents.	Comply
7.3.4	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 operational procedures (see Criterion 5.2).  14. Major compliance –	Higatutu Oil Palms is able to demonstrate the Summary of Planning and Management for new development. This document is in line with RSPO New Planting Procedure, and approved by RSPO.  The summary of planning and Management describes the social and environmental impact identified, HCV identification, marking and buffer zone delineation.	Comply
7.3.5	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 –	The report indicates the field work done and stakeholder consultation during field visit. For example: in Houpa, team consulting the use of land for hunting, gardening and village expansion. There is no area identified with HCV 5 and HCV 6 being cleared/converted into oil palm.	Comply
<b>Criterion 7.4</b> Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.			

Criterion / Indicator		Assessment Findings	Compliance
7.4.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. - Minor compliance –	HOP provides soil map, indicating the soil type of each new development area. The map is available in scale of 1:18,000 – appropriate for operational planning such as road network, drainage, field and block arrangement. Based on soil maps, there is no fragile or marginal soil within the proposed new development area.	Comply
7.4.2	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.  - Major compliance –	There is no peat soil in the proposed new development. There is no peat soil in the new development of mini estates.  All smallholder blocks visited are mostly on flat area.	Comply
<b>Criterion 7.5</b>			
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.			
7.5.1	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. - Major compliance –	Higaturu Oil Palms is in consultation with landowners to capture their aspiration related to new development. Each meeting with landowners is recorded.  Furthermore, Higaturu shows Lands & Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21) which has been reviewed on September 2012 which involved the participation of all affected parties including local clan leaders, the village wardens and authorities.	Comply
<b>Criterion 7.6</b>			
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.			
7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available. - Major compliance –	Higaturu Oil Palms is able to demonstrate assessment of legal and/or customary land user rights during FPIC process in acquisition for mini estates.  NBPOL HOP Lands & Mini Estate Progress Report has been established for the outcome of negotiated agreements and compensations under the same process in Lands & Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21).	Comply



Criterion / Indicator		Assessment Findings	Compliance
7.6.2	A system for identifying people entitled to compensation shall be in place.  - Major compliance –	Higaturu Oil Palms has Lands & Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21) which has been reviewed on September 2012 to calculate and distribute fair compensation.	Comply
7.6.3	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place.  - Major compliance –	Higaturu Oil Palms has Lands & Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21) which has been reviewed on September 2012 to calculate and distribute fair compensation.	Comply
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.  - Minor compliance –	This particular development came about via the requests of the local people. People benefit from the new development via improved economy, paid employment, improved education facilities, housing, medical facilities and better infrastructure as a result. Landowners signed the agreement with consent.	Comply
7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available.  - Minor compliance –	NBPOL HOP Lands & Mini Estate Progress Report has been established for the outcome of negotiated agreements and compensations under the same process in Lands & Mini Estate Guidelines, Land Acquisition Practices (NBPOL-EMP-MG21). The information is available upon request and top management approval.	Comply
7.6.6	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.  - Minor compliance –	Based on stakeholder interview and document review of rapid HCV assessment 2011, landowner was informed before agreement was signed. The decision made by landowner was based on their consent.	Comply
<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			
7.7.1	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.  - Major compliance –	Higaturu Oil Palm has a zero burning policy. Based on field visit to new development area near Embi Estate, there has been no use of fire for land preparation.	Comply

Criterion / Indicator		Assessment Findings	Compliance
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be 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. - Minor compliance –	There is no fire being use for land preparation.	Comply
<b>Criterion 7.8</b>			
New plantation developments are designed to minimise net greenhouse gas emissions.			
<b>For National Interpretation:</b>			
National Interpretation will provide guidance within the national context for national requirements (e.g. high and low carbon stock lands or emission reduction requirements).			
7.8.1	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.  - Major compliance –	This is not applicable since the NPP verification for HOP new development was undertaken in 2011.	N/A
7.8.2	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.  - Minor compliance –	This is not applicable since the NPP verification for HOP new development was undertaken in 2011.	N/A

Criterion / Indicator	Assessment Findings	Compliance
<b>PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY</b>		
<b>Criterion 8.1</b>		
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
8.1.1 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.  As a minimum, these shall include, but are not necessarily be limited to: <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> 15. Major compliance –	HOP demonstrates document for continuous improvement plan under Action Plan for Continual Improvement in Sustainable Performance rev.04, dated 8 <sup>th</sup> October 2014. A number of programme has been proposed related to <ol style="list-style-type: none"> <li>1. Reduction of pesticide such as improve sprayer training to reduce spraying of non-target species;</li> <li>2. Programme for environment such as progressive reinstatement of buffer zones in replant area, Completion of the construction and commissioning of methane capture plant for POME to reduce the load on the treatment ponds, to develop and implement an ISO14001 compliant environmental management system and obtain certification;</li> <li>3. Programme for pollution and emission reduction such as construction of new, more efficient boiler at Sangara Mill to reduce emissions and increase the amount of power generated from renewable resources;</li> <li>4. Social Impact such as work closely with government medical staff to improve the level of care to employees;</li> <li>5. Legal compliance and Transparency such as updating all legal requirement to comply with revised legislation;</li> <li>6. Improve yield such as ongoing liaison and cooperation with OPIC and SHA department to undertake awareness to smallholder growers,</li> </ol>	Comply

**3.2 Progress against Time Bound Plan**

Higaturu Oil Palm is part of New Britain Palm Oil Limited (NPBOL). As a parent company, NPBOL demonstrates commitment towards RSPO certification as its entire mill and supply bases have been certified.

Name of company	Name of Mill	Location	Supply Base	Time Bound Plan	Target Year for RSPO
Guadalcanal Plains Palm Oil Ltd	GPPOL Palm Oil Mill	Guadalcanal Plains, Guadalcanal Province, Solomon Islands	- Tetera estate - Ngalmibu estate - Mbalisuna estate - Smallholder Group	2011	Certified March 2011
Poliamba Ltd	Poliamba Palm Oil Mill	Poliamba, Kavieng, New Ireland Province, Papua New Guinea (PNG)	- Kara estate - West Coast estate - Nalik estate - Noatsi estate - Madak estate - Smallholders Group	2012	Certified March 2012
Ramu Agri Industry Limited	Gusap POM	Lae, Morobe Province, Papua New Guinea (PNG)	- Gusap East estate - Gusap West estate - Surinam estate - Dumpu estate - Ngaru estate - J Estate - Smallholders Group	2010	Certified August 2010
Higaturu Oil Palm Limited	Sangara POM, Sumeripa POM and Mamba POM	Oro Province, Papua New Guinea (PNG)	- Embi estate - Ambogo estate - Sangara estate - Sumbiripa estate - Mamba estate - Smallholders Group	2013	Certified February 2013
Milne Bay	Hagita POM	Hagita, Milne Bay Province, PNG	- Giligili estate - Hagita estate - Waigani estate - Sagarai estate - Padipadi estate - Mariawatte estate - Smallholders Group	2013	Certified January 2013
NPBOL	Mosa POM, Kumbango POM, Numundo POM, Kapiura POM and Waraston POM	Mosa, West New Britain, Papua New Guinea (PNG)	- Bebere estate - Kumbango estate - Togulo estate - Dami/Waisisi estate - Kautu estate - Kaurausu/Moroa estate - Bilomi/Loata estate - Haelia estate - Garu estate - Daliavu estate - Sapuri estate - Malilimi estate - Rigula estate - Numundo estate - Navarai/Karato ME estate - Vol/Lot/Nat/Gor ME estate - Lolokoru estate - Silovuti estate - Smallholders Group	2008	Certified 2008.

### 3.3 Details of findings

#### 3.3.1. Review of previous assessment finding.

##### 3.3.1.1. Major Nonconformities

No outstanding major nonconformity from previous assessment.

##### 3.3.1.2. Minor Nonconformities

There are eight (8) minor nonconformities from previous assessment. These minor nonconformities have been close out during this annual surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
446255-1	<p style="text-align: center;">Use of Appropriate Best Practices by Growers and Millers – RSPO Indicator 4.5.2</p> <p><b>Requirements:</b>            An IPM Program is documented for relevant pests that sets out techniques, locations and timeframe for implementation. Monitoring extent of IPM implementation, including training, for major pest including but not restrictive to the following Sexava, stick insects, bagworms, oryctes / total ha. Note a programme to monitor pests and diseases is part of any IPM</p> <p><b>Evidence of Nonconformity:</b>            The IPM program has not apparently been extended to smallholders and therefore evidence of Ganoderma has not been detected or treated, therefore the IPM has not been implemented and monitored for smallholders with regards to this pest.</p> <p><b>Statement of Nonconformity:</b>            The IPM program has not apparently been extended to smallholders and therefore evidence of Ganoderma has not been detected or treated, therefore the IPM has not been implemented and monitored for smallholders with regards to this pest.</p> <p><b>Actions:</b>            HOP Smallholders Affairs and OPIC is conducting awareness on Ganoderma to smallholders throughout July – September 2014, records are available. Smallholders Affairs and OPIC is also conducting field practice to identify Ganoderma attack in block No.320020 dated 7<sup>th</sup> March 2015, with 10 smallholder members from neighbouring block. Ganoderma survey form is available.            During surveillance visit to smallholder block, there is no Ganoderma infestation detected. Smallholder members admitted they have received information and knowledge from company and OPIC. The means to control the Ganoderma infestation is to be felled, chipped and put on fronds stack to be dried up.            This minor non conformity is closed.</p> <p><b>Closed?:</b>            Yes</p>	<b>Minor</b>

Non-Conformity		
NCR #	Description	Category (Major / Minor)
4.7.2	<p style="text-align: center;">Use of Appropriate Best Practices by Growers and Millers – RSPO Indicator 4.7.2</p> <p><b>Requirements:</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.</p> <p><b>Evidence of Nonconformity:</b>            A number of containers were observed without a label to identify the contents therein. There was also the use of soft drink bottles for the storing of substances such as oil and</p>	<b>Minor</b>

	<p>other chemicals.</p> <p><b>Statement of Nonconformity:</b>          A number of containers were observed without a label to identify the contents therein. There was also the use of soft drink bottles for the storing of substances such as oil and other chemicals.</p> <p><b>Actions:</b>          Respective location Managers were advised to label all containers to identify contents and use of soft drink bottles for storing substances not allowed. Based on field visit to Sangara mill, Mamba mill, Sangara Estate, Sumberipa Estate and Embi Estate, all containers (both chemical and non-chemical) were labelled to identify the contents therein. As addition, Material Safety Data Sheet for the chemical is readily available in the premises. There is no use of soft drink bottle to store substance. This minor non conformity is closed.</p> <p><b>Closed?:</b>          Yes</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
4.7.3	Use of Appropriate Best Practices by Growers and Millers – RSPO Indicator 4.7.3	Minor
	<p><b>Requirements:</b>            All workers involved in the operations have been adequately trained in safe working practices (see also criterion 4.8). Adequate and appropriate protective equipment should be available to labourers at the place of work to cover at least the following: all potentially hazardous operations, such as pesticide application, land preparation, harvesting and, if it is used, burning.</p> <p><b>Evidence of Nonconformity:</b>            In Sangara mill there were a substantial number of damaged electrical leads and welders which were being used despite the threat of electrocution.</p> <p><b>Statement of Nonconformity:</b>            In Sangara mill there were a substantial number of damaged electrical leads and welders which were being used despite the threat of electrocution.</p> <p><b>Actions:</b>            Based on field visit to Sangara Mill; management has replaced all damaged electrical leads and electric welding machines. It is also noted the instalment of new main panel for Sangara Mill power house.            Field visit to Mamba Mill suggest that consistent standard for electrical condition and reliability is evident. This minor non conformity is closed.</p> <p><b>Closed?:</b>            Yes</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
5.3.2	Environmental Responsibility and Conservation of Natural Resources – RSPO Indicator 5.3.2	Minor
	<p><b>Requirements:</b>            Control of waste</p> <p><b>Evidence of Nonconformity:</b>            Majority (almost 60%) of the growers admitted to not having rubbish pits for the disposal of household waste. Household waste was observed in the rivers/streams and in frond piles. This practice was mentioned in the 2012 audit. More awareness is required by OPIC and SHA to eradicate this practice.</p>	

	<p><b>Statement of Nonconformity:</b>  Majority (almost 60%) of the growers admitted to not having rubbish pits for the disposal of household waste. Household waste was observed in the rivers/streams and in frond piles. This practice was mentioned in the 2012 audit. More awareness is required by OPIC and SHA to eradicate this practice.</p> <p><b>Actions:</b>  Based on field visit to smallholder blocks, rubbish pit has been implemented to dispose of household refuse. Additional verification to smallholder blocks with streams found no sign of irresponsible waste management practice. This minor non conformity is closed.</p> <p><b>Closed?:</b>  Yes</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
5.6.2	Environmental Responsibility and Conservation of Natural Resources – RSP0 Indicator 5.6.2	Minor
	<p><b>Requirements:</b>  Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p><b>Evidence of Nonconformity:</b>  Spills of hydrocarbon are not being properly monitored in a number of areas. In many areas absorbent is either not applied or not removed once it becomes saturated and therefore ineffective. Therefore significant pollutants are not being managed and monitored effectively.</p> <p><b>Statement of Nonconformity:</b>  Spills of hydrocarbon are not being properly monitored in a number of areas. In many areas absorbent is either not applied or not removed once it becomes saturated and therefore ineffective. Therefore significant pollutants are not being managed and monitored effectively.</p> <p><b>Actions:</b>  Verification to Sangara Vehicle Workshop and Mamba Vehicle workshop hydrocarbon spills are monitored properly. Saw dust is readily available in areas with potential spillage. Drip tray is also available, to contain waste oil from vehicle oil change. Used/saturated saw dust is collected and to be removed to hydrocarbon pit. This minor non conformity is closed.</p> <p><b>Closed?:</b>  Yes</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
6.5.3	Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Millers – RSP0 Indicator 6.5.3	Minor
	<p><b>Requirements:</b>  Labour laws, union agreements or direct contracts of standards income 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) are available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Evidence of Nonconformity:</b>  Although the majority of employees have employment contracts, there remains uncertainty over: (i) Housing entitlements and when, or if, housing will be provided to the expected standard; and (ii) Furniture entitlements, and when, or if, furniture will be provided. These entitlements should be finalised, and clarification made to relevant employees, as</p>	

	<p>soon as possible.</p>	
	<p><b>Statement of Nonconformity:</b>          Although the majority of employees have employment contracts, there remains uncertainty over: (i) Housing entitlements and when, or if, housing will be provided to the expected standard; and          (ii) Furniture entitlements, and when, or if, furniture will be provided.          These entitlements should be finalised, and clarification made to relevant employees, as soon as possible.</p>	
	<p><b>Actions:</b>          A review meeting (Ambogo HR Awareness Meeting No.02/2014 dated 21<sup>st</sup> October 2014) was conducted where the specific discussion was done on company-wide policy i.e. the New Britain Palm Oil Limited General Policies &amp; Regulation Handbook, Released in April 2009 on Paragraph 29 Housing, Fittings &amp; Furniture Revised on 7<sup>th</sup> November 2005. This is inclusive of house allocation, furniture, electricity, gas, compounds, gardens, commercial vehicles &amp; storage of dangerous goods and substance. As a result of the discussion, Tenancy Agreement between the employer and employees subside the previous Housing Tenancy Agreement established. Records of dissemination of this new agreement to all employees sighted been kept in the HR Department. This minor non conformity is closed.</p>	
	<p><b>Closed?:</b>          Yes</p>	

<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
6.5.6	<p style="text-align: center;">Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Millers – RSP0 Indicator 6.5.6</p> <p><b>Requirements:</b>            Labour laws, union agreements or direct contracts of standards income 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) are available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Evidence of Nonconformity:</b>            Many 'passengers' reside in the village estates. They include friends and relatives, the children of employees who are over 18 years of age, and ex-employees and their families who continue to occupy HOP houses. The high number of passengers causes overcrowding, adds pressure to utilities (water, sewerage and power) and contributes to a range of social problems.            The management of houses also needs to be improved, as some recruitment has been prevented due to unavailable houses, despite vacant houses being available in other locations, or houses occupied by contractors.</p> <p><b>Statement of Nonconformity:</b>            The management of housing and the management of passengers both need to be improved to help ensure a systematic approach to the provision of adequate housing.            Many 'passengers' reside in the village estates. They include friends and relatives, the children of employees who are over 18 years of age, and ex-employees and their families who continue to occupy HOP houses. The high number of passengers causes overcrowding, adds pressure to utilities (water, sewerage and power) and contributes to a range of social problems.            The management of houses also needs to be improved, as some recruitment has been prevented due to unavailable houses, despite vacant houses being available in other locations, or houses occupied by contractors.</p> <p><b>Actions:</b>            A review meeting (Ambogo HR Awareness Meeting No.02/2014 dated 21<sup>st</sup> October 2014)</p>	<b>Minor</b>



	<p>was conducted where the specific discussion was also done on company-wide policy Company-wide policy i.e. the New Britain Palm Oil Limited General Policies &amp; Regulation Handbook, Released in April 2009 on Paragraph 32 Procedure of Unauthorized Dependants (24<sup>th</sup> September 2007). The same Tenancy Agreement between the employer and employees also contains the restrictions of having dependant or passengers to be accommodated together with the employee and a record of detailed survey compliance against these restrictions was sighted been kept in the HR Department. Company conducted detailed survey to identify illegal passengers, including employee's children over 18 years.</p> <p>Higaturu Oil Palms carried out major work activities for repair and maintenance of houses for all company house compounds in Sigora, Sangara, Ambogo, Sumberipa Estate. Construction plan is seen with new building planned for 2015. This minor non conformity is closed.</p>	
	<p><b>Closed?:</b> Yes</p>	

<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
6.5.6	<p style="text-align: center;">Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Millers – RSP0 Indicator 6.5.6</p> <p><b>Requirements:</b> 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.</p> <p><b>Evidence of Nonconformity:</b> There were claims of cheating during crop pick-up where transport crew transfer FFB crop weight from one grower and transfer the weight to a different grower. There were a lot of recorded similar cases in the grievance registers (sighted). HOP contracts FFB pick-up to an external service provider.</p> <p><b>Statement of Nonconformity:</b> There were claims of cheating during crop pick-up where transport crew transfer FFB crop weight from one grower and transfer the weight to a different grower. There were a lot of recorded similar cases in the grievance registers (sighted). HOP contracts FFB pick-up to an external service provider.</p> <p><b>Actions:</b> Company and OPIC have exercised investigation for crop shifting and identified the root cause. Smallholder Affairs Manager has established a system to check and balance the crop. Further investigation will be exercised should any crop variance is identified. Sample seen: Smallholder Investigation Report dated 11<sup>th</sup> March 2015 on crop variance for block No.640001. Case is verified and correct tonnages submitted. Smallholder Affairs Manager and OPIC has made awareness to smallholders and drivers related to crop shifting. Verification upon grower complaint register shows no complaint related to crop shifting in 2015. This minor non conformity is closed.</p> <p><b>Closed?:</b> Yes</p>	<b>Minor</b>

**3.3.1.2. Observation was raised in previous assessment**

There were six (6) observations raised from previous assessment. Company is able to demonstrate follow up action upon all observations.

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
Use of Appropriate Best Practices by Growers and Millers - RSPO P&C Indicator 4.7.3	
<b>1</b>	The lock out – tag out procedure is not being applied correctly. The areas are not always locked and the tag does not at time indicate the issue, who put the tag in place and the date. A number of tags appeared to have been in place for a long period of time. Also high risk work permits are not being signed off once work in being completed in some case at Sangara mill.
	<b>Actions:</b> The implementation of lock out – tag out at Sangara Mill is improving. A maintenance activity implementing the lock out procedure was sighted during visit to Sangara Mill. Observation closed.

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
Use of Appropriate Best Practices by Growers and Millers - RSPO P&C Indicator 4.7.4	
<b>2</b>	A number of areas are not having regular safety meetings as required. This includes CVWS, Sangara Estate and Construction who have on occasions not only not conducted the meetings but have actually copied the exact same minutes of one year ago. By doing this they are not complying with the criteria and using a means to discuss OHS outcomes.
	<b>Actions:</b> All areas in Higaturu Oil Palms have consistent safety meetings in place, including Central Vehicle Workshop, Sangara Estate, Sangara Mill and Construction. The minutes of meeting produce from each meeting covers the OHS performance. Record seen: Safety meeting in Sangara Palm Oil Mill dated 21 <sup>st</sup> January 2015 and 27 <sup>th</sup> February 2015; Safety meeting in Sangara Estate dated 3 <sup>rd</sup> July 2014 and latest on 20 <sup>th</sup> February 2015; OH&S Committee Meeting in Vehicle Workshop dated 4 <sup>th</sup> March 2015; Observation closed.

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
Environmental Responsibility and Conservation of Natural Resources - RSPO P&C Indicator 5.5.1	
<b>3</b>	Despite the RSPO awareness, some growers admitted to use fire for clearing new garden and will need to told that for replant it is not acceptable to burn. OPIC and SHA will need to work together to ensure this practice is discouraged.
	<b>Actions:</b> Based on field visit and interview to smallholder growers, there is no sign on use of fire for land preparation and/or replanting. Observation closed.

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Millers - RSPO P&C Indicator 6.3.1	
<b>4</b>	There has been improvement in the recording of grievances but it is important to provide adequate detail when recording the actions taken, and to follow up and record information when the grievance has been forwarded to another department. The establishment of a separate register for sexual harassment and domestic violence (refer Criterion 6.9); <ul style="list-style-type: none"> <li>• The establishment of a separate register to record requests for assistance;</li> <li>• The inclusion of additional details on the grievance and actions taken to address the grievance; and</li> <li>• Promotion of the grievance mechanism among smallholders and local communities.</li> </ul>

	<p><b>Actions:</b>  Records of complaints &amp; grievances register, SHEQ 001 Register, NBPOL Higaturu Oil Palms, Sustainability Department, January 2015 was sighted to register the grievances where details of complaints using a common Incident Report Form February 2011-Revised January 2015; for both internal &amp; external grievances; Investigation/Records. Observation closed.</p>
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Observation	
OBS #	Description
	Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Millers - RSP0 P&C Indicator 6.10.1
5	<p>A number of the growers interviewed were not aware of the current FFB price. They admitted to only knowing of the crop price when they receive their pay slip. However, the current and the past months FFB prices were observed on display at the OPIC office and OPIC divisional offices visited. This might suggest that the growers do not visit the OPIC offices frequently to keep up-to-date with the current FFB price. OPIC and SHA could look into the possibility of including a FFB price update segment into the local weekly oil palm radio programme.</p> <p><b>Actions:</b>  No price update segment in the weekly oil palm radio program but evidence sighted was the record of FFB Price Calculation guide which was done on monthly basis and displayed in the company's and OPIC's notice board. This is meant to allow the smallholders to get to know the current price and understand the actual deductions meant for their payments when collecting their pay slips fortnightly in the office.</p>

Observation	
OBS #	Description
	Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Millers - RSP0 P&C Indicator 6.11.1
6	<p>The "Smallholder Rehabilitation Project" is a great concept, which provides a win-win situation for the growers and the company. Unfortunately, all the growers under this contract that were interviewed during the audit were not fully aware of the nature of the contract, and especially the exit clauses. SHA might consider running an open forum discussion with these growers to make them better understand the concept and the contract specifics, especially the exit clauses, so they do not feel bounded to this contract for the agreed duration.</p> <p><b>Actions:</b>  Based on field visit and interview to smallholder growers, awareness session does take place. A number of sampled smallholders who's participated in Smallholder Rehabilitation Project now understand the clauses, including their rights and obligations. Observation closed.</p>

**3.3.2 Nonconformities and Observation Was Raised during this surveillance**

**3.3.2.1 Major nonconformity**

There is no major nonconformity identified during this surveillance.

**3.3.2.2 Minor nonconformities**

There is a single minor nonconformities identified during this surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1160356N1	<p>Use of Appropriate Best Practices by Growers and Millers - RSP0 P&amp;C Generic 2013 Indicator 4.1.3</p> <p><b>Requirements:</b>  Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p>	<b>Minor</b>

	<p><b>Evidence of Nonconformity:</b>                  During field visit to Sangara Estate and Sumberipa Estate, audit team finds:</p> <ol style="list-style-type: none"> <li>1. Apparent absent of monitoring for sprayers. Evidence of herbicide spraying for the palm in the stream buffer zone in Sumberipa Estate;</li> <li>2. Divisional manager has not performs and maintain record for calibration for each knapsack – fortnightly;</li> <li>3. Water monitoring testing for the river and creeks for Bisi Exit (block No.ABO 850 – Sumberipa Estate) whereby the buffer zones were observed only on test parameters such as Phosphate and Nitrate - while that are the area of fertilizer and spraying application were practiced.</li> </ol>	
	<p><b>Statement of Nonconformity:</b>                  Monitoring for a number of estate activities in Sangara and Sumberipa Estate does not reflect consistent implementation against current standard operating procedure.</p>	

**3.3.2.3 Observation raised during this assessment**

There are six (6) observations/opportunity for improvement identified from this surveillance assessment.

<b>Observation</b>	
<b>OBS.</b>	<b>Description</b>
1	Attention should be given by smallholders to keep a copy of the land title in order to demonstrate ownership/user right. (RSPO P&C Generic 2013 Indicator 2.2.1)
2	Risk assessment should improve. The risk assessment for a number of activities performed by palm oil mill and vehicle workshop need to be identified: activity for confined space/maintenance work, upkeep activity near effluent pond, stone crushing activity. (RSPO P&C Generic 2013 Indicator 4.7.2)
3	Higaturu Oil Palms could improve the safety equipment, to have emergency eye wash for Embi Estate and Sangara Estate. (RSPO P&C Generic 2013 Indicator 4.6.5)
4	The description on the injury findings/recommendation and action(s) taken were insufficient in details to evaluate the effectiveness of preventive measures taken although in practice the steps for e.g. additional operational controls were observed. (RSPO P&C Generic 2013 Indicator 4.7.5)
5	Medical waste in incinerators was not completely burned into ashes. HOP could improve the process for incinerators to burn medical waste. Higaturu Oil Palms could improve the disposal of medical waste; to differentiate the bio-hazard waste plastic bag from the domestic waste plastic bag. (RSPO P&C Generic 2013 Indicator 5.3.3)
6	Higaturu Oil Palms is able to demonstrate Environment Permit; Environment Permit No: WD-L2B (120); Date of Issue: 1st Nov, 2006; Date of Commencement: 28th Nov, 2006; Term of Permit: 25 years; Date of Expiry: 27th Nov, 2031. was reviewed and generally referenced to Environmental Code of Practice for Papua New Guinea Oil Palm Processing Industry, DEC 1997 for mill operations. The new code of practice i.e. Environmental Code of Practice for Papua New Guinea Oil Palm Processing Industry, DEC 2013 which indicates that required quarterly noise readings are to be taken at each nominated location and recorded along with time of taking the reading and mill operational status and plan indicating the sampling direction whereby it needs to be verified when it is compulsory to comply (year of implementation). Current steps taken were noise mapping, ear-plugs provided and observed worn in high noise areas. In addition monitoring of smoke density must not exceed Ringelmann 2 (40%) for more than 20% of the operating hours of any boiler including transient start-up and shut-down periods which were evident with records shown. (RSPO P&C Generic 2013 Indicator 5.6.3)

**3.4. Positive Finding**

<b>Positive Findings</b>	
<b>PF</b>	<b>Description</b>
1	Good performance for improvement in all areas;
2	Commendable commitment to be in compliance with the new RSP0 P&C 2013 and RSP0 Supply Chain Certification System 2014.

**3.5. Issues raised by Stakeholders**

<b>Stakeholders contacted</b>			
<ul style="list-style-type: none"> <li>- Union representative;</li> <li>- Women representative;</li> <li>- Associated smallholders;</li> <li>- Clinic/Health Administrator;</li> <li>- Local community in Mamba area;</li> <li>- Local community in Sangara area;</li> </ul>			
<b>Issues raised by Stakeholders</b>			
<b>No.</b>	<b>Stakeholder comments</b>	<b>Company Response</b>	<b>Auditor Finding</b>
1.	<p>Union representative:                      Info: Higaturu Oil Palms Processing Workers Union, registered with PNG Industrial &amp; Labour Department on November 2014.</p> <p>Issues:</p> <ul style="list-style-type: none"> <li>• Official complaints was made on the non-compliance of the company in following minimum salary payment issue but no response from the company;</li> <li>• Every time during annual appraisal, there will be no any discussion on the work performance and/or achievements with the superior except for just signing on the appraisal form – no copy given too;</li> </ul>	<p>HOPPWU has been registered union since 1983 but faced challenges in terms of the legal and management structure. Only since 2014 they are again registered with the PNG Industrial &amp; Labour Department.</p> <p>HOP is paying the minimum agreed wages as per government regulation. This response was provided to the Union with the MWB approval letter from Dept. of Labour and a copy was provided to the RSP0 auditors as well.</p> <p>But the process might not be clear to the union on how this is determined (exemptions are given for companies that provide housing, electricity and health care for free). These elements where taking into consideration by the minimum wage board which given HOP approval for the minimum wage that was set. But HOP can organise a meeting again with the Union and other workers explaining process and agreement.</p> <p>NBPOL appraisal system is applied only to certain grading from Supervisors and up. It is the responsibility of respective Manager to converse with individual employee affected and inform them of weakness strength and other observed areas indicated needs for</p>	<p>All of the issues brought upon audit team by union representative have been recorded. Verification on company plans will be done during subsequent assessment visit.</p>

	<ul style="list-style-type: none"> <li>• Maternity leave (60 days before birth) was paid but (60 days after birth) was unpaid;</li> <li>• No proper accommodation provided to labour, intermediate and supervisors;</li> <li>• Want to know further on the presence of casual workers – status, etc.</li> </ul>	<p>improvements. HOP will explain the system again to the Union as well. Also there is a grievance process which can be followed to indicate if any unfair process is being followed.</p> <p>The regulation HOP follows are according to the labor law and maternity leave is unpaid as per the PNG Labor laws.</p> <p>There are housing plans in place to address the outstanding maintenance to houses and the building of new houses which take into account the available budgets of the company. The situation that existed during the takeover in 2010 needed a lot of budget to address outstanding situation. It will take time and budget to address this according to the 5 year business plan. This will be communicated with the Union and explained on how budget are used and outstanding matters addressed over time.</p> <p>The HOP regulations will be reviewed in 2015, published and discussed with Union as well.</p>	
2.	<p>Women representative:</p> <ul style="list-style-type: none"> <li>• No major issues related gender was noted;</li> <li>• No pregnant and breastfeeding women working involved with pesticides;</li> </ul>	<p>As indicated there is no major issue in relation to gender. There are policies in place and followed to make sure equal opportunities approach is in place and women are included in the work process accordingly which includes no women will be involved in working with pesticides when pregnant or breastfeeding.</p>	<p>Audit team considered the inputs from gender/women representative as positive comment.</p>
3.	<p>Smallholders:</p> <ul style="list-style-type: none"> <li>• Deduction in payslip is not clear. Smallholder does not understand the OPIC, OPRA, POPGA and GST deduction?;</li> </ul>	<p>A training session will be held in cooperation with OPIC explaining the payslip and the deductions (NBPOL designed a program for this already in WNB). The deductions are set following a pricing formula which is done by an external party involving all stakeholders and confirmed by the government. We can discuss this process again but is not something that is fully set by the company on its own but is multiple stakeholder process. The outcome of the pricing formula takes into account the cost of production, the transport (smallholders can transport their own crop if they</p>	<p>Audit team have followed up and request for clarification with Smallholder affairs manager and OPIC representative. Plans for training and field days are evident. Verification on implementation will be carried out during subsequent assessment.</p>

	<ul style="list-style-type: none"> <li>• Smallholder gets low income due to high deduction;</li> <li>• Late pick up by transporter, makes FFB rots. No action by company in Mamba area;</li> <li>• No training by OPIC officer in Sangara area;</li> </ul>	<p>like) and world market prices.</p> <p>The deduction is based on 30% as standard applied across the board for Papa &amp; Mama Card from the FFB tonnage sold to Milling Company. The loan repayment is for the fertiliser, tools and Seedlings issued to the Growers.</p> <p>Late pick ups are most of the time due to bad road conditions; when the river floods, fruit trucks are not able to cross; non-availability of trucks due to unit break down; or when there is late harvest and the company transport are not notified.</p> <p>The rotten crops not picked up are still paid on 50% of the total net. That is 500 kilos are paid on every net not picked up. This payment is only made when it is reported by the grower or the OPIC officers to the company.</p> <p>Further engage again with all the OPIC officers to make them more aware about roles and responsibility in relation to P&amp;C and future P&amp;C 2013 as well which will become applicable during next audit.</p>	
4.	Clinics/Health administrator: No major issue related to health service to worker and surrounding community	As indicated, there are no major issues related to the health service aside from the increasing numbers of the population making use of the clinics and the lack of services by the government which increases the pressure on company services as the only provider in the area.	Audit team considered the inputs from clinics administrator as positive comment.



**3.6. Status of Non Conformities**

Reference	Category	Issued	Closed
4.5.2	Minor	01/11/2012	13/03/2015
4.7.3	Minor	01/11/2012	07/11/2013
5.3.2	Minor	01/11/2012	07/11/2013
5.3.3	Minor	01/11/2012	07/11/2013
5.6.2	Minor	01/11/2012	07/11/2013
6.5.3	Minor	01/11/2012	07/11/2013
6.6.3	Minor	01/11/2012	07/11/2013
4.7.2	Minor	07/11/2013	13/03/2015



4.7.3	Minor	07/11/2013	13/03/2015
5.3.2	Minor	07/11/2013	13/03/2015
5.6.2	Minor	07/11/2013	13/03/2015
6.5.3	Minor	07/11/2013	13/03/2015
6.5.6	Minor	07/11/2013	13/03/2015
6.10.3	Minor	07/11/2013	13/03/2015
1160356N1 (4.1.3)	Minor	13/03/2015	"Open"

**4. Acknowledgemnt of Assessment Finding**

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b> Mr. Mike Jackson	<b>Name:</b> Pratama Agung Sedayu
<b>Company name:</b> Higaturu Oil Palms Ltd.	<b>Company name:</b> PT. BSI Indonesia
<b>Title:</b> General Manager	<b>Title:</b> Lead Auditor
<b>Date:</b> 13 <sup>th</sup> April 2015	<b>Date:</b> 7 <sup>th</sup> April 2015
<b>Signature:</b> 	<b>Signature:</b> 



*Appendix "A"*  
**RSPO Certificate Details**

**Higaturu Oil Palms Limited**

Certificate Number : SPO 579529  
 Date of Certificate : 20/02/2013  
 End of certificate : 19/02/2018

**Applicable Standards:**

**RSPO Principles & Criteria: Generic Standard 2013;**

**RSPO Supply Chain Certification Standard requirement for CPO Mills – Module D Identity Preserved**

<b>SANGARA PALM OIL MILL AND SUPPLY BASE</b>						
Location Address		Sangara Palm Oil Mill, Higaturu, Oro Province, Papua New Guinea				
GPS Location		E 148°11'55.33" - S 8°36'36.18"				
CPO Tonnage Total		68,457.00 MT				
PK Tonnage Total		16,735.00 MT				
FFB Tonnage Total		304,248.00 MT				
<b>SUMBERIPA PALM OIL MILL AND SUPPLY BASE</b>						
Location Address		Sumbiripa Palm Oil Mill, Higaturu, Oro Province, Papua New Guinea				
GPS Location		E 148°09'38.85" - S 8°46'09.06"				
CPO Tonnage Total		6,244.00 MT				
PK Tonnage Total		1,527.00 MT				
FFB Tonnage Total		27,750.00 MT				
<b>MAMBA PALM OIL MILL AND SUPPLY BASE</b>						
Location Address		Mamba Palm Oil Mill, Higaturu, Oro Province, Papua New Guinea				
GPS Location		E 147°42'25.30" - S 8°51'16.80"				
CPO Tonnage Total		9,870.00 MT				
PK Tonnage Total		2,412.00 MT				
FFB Tonnage Total		43,867.00 MT				
HOP estates	Mature (Ha)	Immature (Ha)	Infrastructure & Other (Ha)	Undeveloped Land (Ha)	Total land-use titles (Ha)	Annual FFB Production (MT)
Sangara Estate	1,510.81	0.00	180.91	107.70	1,799.42	43,937
Sumberipa Estate	1,384.69	204.81	90.67	446.43	2,126.60	37,958
Ambogo Estate	1,600.13	256.11	62.58	47.14	1,965.96	52,314
Embi Estate	1,642.35	458.19	67.60	811.44	2,979.58	43,209
Mamba Estate	1,338.09	833.21	89.30	1,672.50	3,933.10	28,642
<b>Sub Total</b>	<b>7,476.07</b>	<b>1,752.32</b>	<b>491.06</b>	<b>3,085.21</b>	<b>12,804.66</b>	<b>206,060</b>
Smallholders	11,546.00	2,048.00	0.00	0.00	13,594.00	169,805
<b>TOTAL</b>	<b>19,022.07</b>	<b>3,800.32</b>	<b>491.06</b>	<b>3,085.21</b>	<b>26,398.66</b>	<b>375,865</b>

*Appendix "B"*  
**Audit plan**

Audit Plan						
Date	Time	Subjects	PS	SS	HM	SK
Sunday, 08/03/2015	... – 15.00	The audit team arrive at Popondetta, continue to HOP lodging	√	√	√	√
Monday, 09/03/2015	08.00 – 08.30	<b>Opening Meeting</b>	√	√	√	√
	08.00 – 12.00	<b>Sangara Mill, Laboratory, POME treatment, Landfill</b> – Quality, OHS and environmental control implementation, field visit to processing, warehouse, workshop, mill waste management, worker interview, RSPO Supply Chain for CPO Mill, document review	√	-	-	-
	08.00 – 12.00	<b>Sangara Estate</b> – inspection, harvesting, spraying, fertilizer application, HCV area, river riparian, warehouse, workshop, housing, review on SEIA documents and records, document review, OSH, Environment issues, workers	-	√	-	√
	08.00 – 10.00	<b>RSPO Documentation on SIA etc.</b>	-	-	√	-
	10.00 – 12.00	<b>Human resources and Training</b> – training programs, training records, payment records, superannuation	-	-	√	-
	12.00 – 13.00	Break/Lunch	√	√	√	√
	13.00 – 15.00	<b>Continue Mill Audit</b>	√	-	-	-
	13.00 – 15.00	<b>Continue Estate Audit:</b> Inspect workers housing and interview residents, infrastructure, Social issues, waste management, Clinic, visit local community, SEIA etc	-	√	-	√
	13.00 – 14.30	<b>Finance</b> – Wage level, record, super scheme	-	-	√	-
	15.00 – 16.00	<b>Interview with GM</b> – Budget and planning, time bound plan, continuous improvement plan	√	-	-	-
	15.00 – 16.00	<b>Construction</b> – Housing plan, social amenities, environment improvement plan	-	√	-	-
14.30 – 16.00	<b>Interview</b> – Trade union representative and female worker representative	-	-	√	√	
Tuesday, 10/03/2015	08.00 – 12.00	<b>Sumberipa Mill</b> , inspection of processing, warehouse, workshop, mill wastes management, Effluent Ponds, OSH, Environment issues, POME application, workers interview, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	√	-	-	-
	08.00 – 12.00	<b>Sumberipa Estate</b> inspection, harvesting, spraying, fertilizer application, HCV area, river riparian, warehouse, workshop, housing, review on SEIA documents and records, document review, OSH, Environment issues, workers	-	√	-	-
	08.00 – 12.00	<b>Land Office and OPIC</b> – Land scheme and smallholder management, Social Impact Assessment, Planning, training, etc.	-	-	√	√
	12.00 – 13.00	Break/Lunch	√	√	√	√
	13.00 – 16.00	<b>Embi Estate</b> inspection, harvesting, spraying, fertilizer application, HCV area, river riparian, warehouse, workshop, housing, review on SEIA documents and records, document review, OSH, Environment issues, workers	√	-	-	-
	13.00 – 16.00	<b>Ambogo Estate:</b> Inspect workers housing and interview residents, infrastructure, Social issues, waste management, Clinic, review pay documents, visit local community, SEIA etc	-	√	-	-
	13.00 – 14.30	<b>Oro Bay Bulking Terminal</b>	-	-	√	√
	14.30 – 16.00	<b>Interview with local community in area</b>	-	-	√	√

Wednesday, 11/03/2015	07.00 – 12.00	<b>Travel to Mamba area: Mamba Estate</b> inspection, harvesting, spraying, fertilizer application, HCV area, river riparian, warehouse, vehicle workshop, interview with workers	√	-	-	-
	07.00 – 12.00	<b>Travel to Mamba area: Mamba Mill</b> , inspection of processing, warehouse, workshop, mill wastes management, Effluent Ponds, OSH, Environment issues, POME application, workers interview, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	-	√	-	-
	07.00 – 10.00	<b>Interview with local communities in Mamba area</b>	-	-	√	√
	10.00 – 12.00	<b>Associated smallholder audit Mamba Area</b> – Field visit, social and environmental impact review, land ownership review, plantation best management practices including training	-	-	√	-
	12.00 – 13.00	Break/Lunch	√	√	√	√
	13.00 – 16.00	<b>Associated smallholder audit Mamba Area</b> – Field visit, social and environmental impact review, land ownership review, plantation best management practices including training	√	-	-	√
	13.00 – 16.00	<b>Associated smallholder audit Mamba Area</b> – Field visit, social and environmental impact review, land ownership review, plantation best management practices including training	-	√	-	-
	13.00 – 16.00	<b>Continue Associated smallholder audit Mamba Area</b> – Field visit, social and environmental impact review, land ownership review, plantation best management practices including training	-	-	√	-
Thursday, 12/03/2015	08.00 – 12.00	<b>Associated smallholder audit Embi and Oro Bay Area</b> – Field visit, social and environmental impact review, land ownership review, plantation best management practices including training	√	-	-	-
	08.00 – 12.00	<b>Associated smallholder audit Sumbiripa Area</b> – Field visit, social and environmental impact review, land ownership review, plantation best management practices including training	-	√	-	√
	08.00 – 12.00	<b>Associated smallholder audit Sangara Area</b> – Field visit, social and environmental impact review, land ownership review, plantation best management practices including training	-	-	√	-
	12.00 – 13.00	Break/Lunch	√	√	√	√
	13.00 – 16.00	<b>Continue associated smallholder audit at each Area</b> – Field visit, social and environmental impact review, land ownership review, plantation best management practices including training.	√	√	√	√
Friday, 13/03/2015	08.00 – 10.00	Compile outstanding information	√	√	√	√
	10.00 – 12.00	Preparation of Closing meeting	√	√	√	√
	12.00 – 13.00	Break/Lunch	√	√	√	√
	13.00 – 14.00	Closing Meeting	√	√	√	√
Saturday, 14/03/2015	05.00 – 07.25	Travel to Girua Airport, Popondetta. Depart for Port Moresby at 07.25 with PX853	√	√	√	√

Samplings taken are based on RSPO formula:  $0.8\sqrt{n}$  where  $n$  is number of Units:

- 45 smallholders interview
- 45 blocks smallholder plantation

*Appendix "C"*

**RSPO SCCS 2014 – Module D (Identity Preserved)**

Sangara Mill Supply Chain Checklist  
 RSPO SCCS 2014: Module D –Identity Preserved

Requirements	
D.1. Definition	
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&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.	All FFB is coming from fully certified plantations, both company-owned estates and smallholder growers. Higaturu Oil Palm supply bases holds valid RSPO P&C certificate. Certificate No.SPO 579529.
D.2. Explanation	
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&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.	BSI records the estimated CPO and PK.
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).	Higaturu Oil Palm holds a valid RSPO e-trace account.
D.3. Documented procedures	
D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	Higaturu Oil Palms is able to demonstrate Higaturu Oil Palm Supply Chain Guideline Certificate# - SPO579529 version 02 dated 27 February 2015. The General Manager together with Mill management are responsible to effective implementation of RSPO supply chain certification.

D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	The documented procedures for receiving and processing certified FFB is explained under the Supply Chain Management Guideline. Sangara Mill does not process non-certified FFB.
<b>D.4. Purchasing and goods in</b>	
D.4.1 The site shall verify and document the tonnages and sources of certified and the tonnage of non-certified FFBs received.	Sangara Mill only process certified FFB. Previously Sangara Mill using Segregation module and currently Identity Preserved module. Record sighted: Weighbridge ticket for truck No.TM150 dated 9 <sup>th</sup> March 2015, from smallholders, docket No.878455 Block No.030329P/ named Davis Diunaia weight 3,141kg comprised of 5 nets. Weighbridge ticket for truck TM106 dated 9 <sup>th</sup> March 2015 from Sangara estate – 531 bunches, 13,980kg. FFB Delivery order No.1017 dated 9 <sup>th</sup> March 2015 from Javuni division.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	Based on Supply Chain Management Guideline, Group Sustainability Manager is responsible to inform all interested parties should projected overproduction occur.
<b>D.5. Record keeping</b>	
D.5.1 The site shall record and balance all receipts of RSP0 certified FFB and deliveries of RSP0 certified CPO and PK on a three-monthly basis.	Records of FFB reception (from estate and smallholders), FFB process into CPO and PK and deliveries of certified products are available. Based on document review, the records are found to be complete, up-to-date and accurate. Stock balancing report produced on weekly and monthly basis.  Sample of record sighted: Mill Report: Week 10 year 2015, Total FFB received 6837.629MT from estate and 35% from smallholder. Milled 6578MT this week. Average FFA is 3.43%, oil losses in dry fibre was 7.03% and oil losses in dry sludge is 10.73%. Stock CPO 218.26MT, shipment to OBT 1502.44MT, PK to Sangara KCP is 392.28MT. FFB received from HOP is 4,445.6MT, from outgrowers 2,392.029MT. OER is 21.53%, KER is 5.95%. Energy generated by steam 154,700 KWH, energy generated by diesel 39,877 KWH, diesel consumption 16,600 liters, total diesel running 145 hours. River water meter reading 3,550 M3, boiler running 136 hours.
<b>D.6. Processing</b>	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSP0 certified oil palm product is kept segregated from non-certified material including during transport and storage.	Higaturu Oil Palm only produced certified CPO and PKO from the certified source. The product keep segregated during transport and storage.  CPO and PKO stored in Sangara Mill and Oro Bay bulking Terminal. Company mill level is Identity Preserved and bulking terminal level is Segregated.
D.6.2 The objective is for 100 % segregated material to be reached.	There is no contamination with non certified CPO and PK since all FFB comes from fully certified plantations.

**Sumbiripa Mill Supply Chain Checklist**  
**RSPO SCCS 2014: Module D –Identity Preserved**

Requirements	
D.1. Definition	
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&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.	All FFB is coming from fully certified plantations, both company-owned estates and smallholder growers. Higaturu Oil Palm supply bases holds valid RSPO P&C certificate. Certificate No.SPO 579529.
D.2. Explanation	
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&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.	BSI records the estimated CPO and PK.
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).	Higaturu Oil Palm holds a valid RSPO e-trace account.
D.3. Documented procedures	
D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	Higaturu Oil Palms is able to demonstrate Higaturu Oil Palm Supply Chain Guideline Certificate# - SPO579529 version 02 dated 27 February 2015. The General Manager together with Mill management are responsible to effective implementation of RSPO supply chain certification.

<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The documented procedures for receiving and processing certified FFB is explained under the Supply Chain Management Guideline.  Sumbiripa Mill does not process non-certified FFB.</p> <p>However, Sumbiripa Palm Oil Mill currently not in operation since June 2014.</p>
<p><b>D.4. Purchasing and goods in</b></p>	
<p>D.4.1 The site shall verify and document the tonnages and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Records of FFB reception (from estate and smallholders), FFB process into CPO and PK and deliveries of certified products are available. Based on document review, the records are found to be complete, up-to-date and accurate. Stock balancing report produced on weekly and monthly basis.</p> <p>However, Sumbiripa Palm Oil Mill currently not in operation since June 2014.</p>
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>Based on Supply Chain Management Guideline, Group Sustainability Manager is responsible to inform all interested parties should projected overproduction occur.</p>
<p><b>D.5. Record keeping</b></p>	
<p>D.5.1 The site shall record and balance all receipts of RSP0 certified FFB and deliveries of RSP0 certified CPO and PK on a three-monthly basis.</p>	<p>Sumbiripa Palm Oil Mill currently not in operation since June 2014.</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 RSP0 certified oil palm product is kept segregated from non-certified material including during transport and storage.</p>	<p>Higaturu Oil Palm only produced certified CPO and PKO from the certified source. The product keep segregated during transport and storage.</p> <p>CPO and PKO stored in Sangara Mill and Oro Bay bulking Terminal. Company mill level is Identity Preserved and bulking terminal level is Segregated.</p> <p>However, Sumbiripa Palm Oil Mill currently not in operation since June 2014.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>There is no contamination with non certified CPO and PK since all FFB comes from fully certified plantations.</p> <p>However, Sumbiripa Palm Oil Mill currently not in operation since June 2014.</p>



**Mamba Mill Supply Chain Checklist**  
**RSPO SCCS 2014: Module D –Identity Preserved**

Requirements	
D.1. Definition	
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&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.	All FFB is coming from fully certified plantations, both company-owned estates and smallholder growers. Higaturu Oil Palm supply bases holds valid RSPO P&C certificate. Certificate No.SPO 579529.
D.2. Explanation	
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&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.	BSI records the estimated CPO and PK.
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).	Higaturu Oil Palm holds a valid RSPO e-trace account.
D.3. Documented procedures	
D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:  a. Complete and up to date procedures covering the implementation of all the elements in these requirements;  b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	Higaturu Oil Palms is able to demonstrate Higaturu Oil Palm Supply Chain Guideline Certificate# - SPO579529 version 02 dated 27 February 2015. The General Manager together with Mill management are responsible to effective implementation of RSPO supply chain certification.



D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	The documented procedures for receiving and processing certified FFB is explained under the Supply Chain Management Guideline. Mamba Mill does not process non-certified FFB.
<b>D.4. Purchasing and goods in</b>	
D.4.1 The site shall verify and document the tonnages and sources of certified and the tonnage of non-certified FFBs received.	Records of FFB reception (from estate and smallholders), FFB process into CPO and PK and deliveries of certified products are available. Based on document review, the records are found to be complete, up-to-date and accurate. Stock balancing report produced on weekly and monthly basis.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	Based on Supply Chain Management Guideline, Group Sustainability Manager is responsible to inform all interested parties should projected overproduction occur.
<b>D.5. Record keeping</b>	
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.	Records of FFB reception (from estate and smallholders), FFB process into CPO and PK and deliveries of certified products are available. Based on document review, the records are found to be complete, up-to-date and accurate. Stock balancing report produced on weekly and monthly basis.  Record sighted: Mill Report: Week 10 year 2015, Total FFB received 529.378MT 74%from estate and 23% from smallholder. Milled 481MT this week. Average FFA is 3.60%, oil losses in dry fibre was 6.70% and oil losses in dry sludge is 11.80%. Stock CPO 246.97MT, shipment to OBT 114.41MT, PK to Sangara KCP is 36.49MT. FFB received from Mamba is 406.768MT, from outgrowers 122.610MT. OER is 21.46%, KER is 4.05%. Energy generated by steam 11,720 kWh, energy generated by diesel 7,894 kWh, diesel consumption 2,410 liters, total diesel running 89 hours. River water meter reading 391 M3, boiler running 25 hours.
<b>D.6. Processing</b>	
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.	Higaturu Oil Palm only produced certified CPO and PKO from the certified source. The product keep segregated during transport and storage.  CPO and PKO stored in Sangara Mill and Oro Bay bulking Terminal. Company mill level is Identity Preserved and bulking terminal level is Segregated.
D.6.2 The objective is for 100 % segregated material to be reached.	There is no contamination with non certified CPO and PK since all FFB comes from fully certified plantations.

**Certified Mill Production in previous year**

MILL	CAPACITY	CPO	PK
Sangara Palm Oil Mill	75 tones/hour	70,476	18,503
Sumberipa Palm Oil Mill	45 tones/hour	7,228	1,749
Mamba Palm Oil Mill	45 tones/hour	254	30

**Certified FFB received Monthly in previous year**

Month	Sangara Estate	Sumberipa Estate	Embi Estate	Ambogo Estate	Mamba Estate	Smallholders	Total FFB/month
January 2014	4,568.69	4,579.86	4,343.46	6,101.86	329.26	14,801.20	34,724.33
February 2014	3,951.14	4,074.20	4,260.26	6,525.20	426	13,609.24	32,846.04
March 2014	4,026.38	4,729.76	4,203.54	5,154.04	564.64	15,348.84	34,027.20
April 2014	3,863.32	3,970.56	3,554.98	4,835.94	518.28	15,863.06	32,606.14
May 2014	5,453.15	4,621.97	4,837.32	5,808.08	925.47	18,510.88	40,381.34
June 2014	4,148.90	4,059.06	3,819.10	5,808.08	1,021.80	17,500.58	36,357.52
July 2014	4,512.58	3,007.54	2,940.87	4,267.58	918.42	14,826.30	30,473.29
August 2014	2,908.36	2,255.70	2,710.44	2,948.70	1,055.00	13,226.34	25,104.54
September 2014	2,647.56	2,231.40	1,781.24	2,577.58	1,091.74	11,054.44	21,383.96
October 2014	2,640.22	2,519.78	2,211.44	2,938.60	1,398.38	10,473.22	22,175.64
November 2014	2,567.70	2,483.78	1,948.14	3,685.46	1,493.76	9,067.96	21,246.80
December 2014	2,500.67	2,664.26	2,309.50	3,352.18	1,098.82	8,494.92	20,420.35
<b>TOTAL</b>	<b>43,788.67</b>	<b>41,197.87</b>	<b>38,920.29</b>	<b>54,227.77</b>	<b>10,835.57</b>	<b>162,776.98</b>	<b>351,747.15</b>

**Sales of CPO in previous year by E-trace**

No.	Date	Buyer's Name	CPO
1	25/01/2014	Buyer A	5,001.11
2	24/02/2014	Buyer A	1,008.62
3	24/02/2014	Buyer A	6,000.00
4	24/02/2014	Buyer B	750.00
5	24/02/2014	Buyer B	256.00
6	10/03/2014	Buyer A	5,016.70
7	27/04/2014	Buyer A	5,000.00
8	27/04/2014	Buyer A	3,409.23
9	20/05/2014	Buyer B	1,000.00
10	27/05/2014	Buyer A	3,010.16
11	27/05/2014	Buyer A	2,000.00
12	27/05/2014	Buyer A	2,000.00
13	30/06/2014	Buyer A	2,502.80
14	30/06/2014	Buyer A	3,500.00
15	16/07/2014	Buyer A	4,015.70
16	04/07/2014	Buyer A	2,000.40
17	04/07/2014	Buyer A	3,000.00
18	04/07/2014	Buyer A	2,500.00
19	13/08/2014	Buyer A	4,997.4
20	04/09/2014	Buyer A	1,000.00
21	04/09/2014	Buyer A	3,505.38
22	21/10/2014	Buyer A	5,003.03
23	18/11/2014	Buyer A	5,035.09
24	22/12/2014	Buyer A	5,005.80
25	15/01/2015	Buyer A	2,500.00
26	15/01/2015	Buyer A	1,503.07
27	07/02/2015	Buyer A	1,996.28
28	07/02/2015	Buyer A	1,996.28
29	07/02/2015	Buyer C	2,013.25
	<b>Total</b>		<b>86,526.30</b>

*Note: Buyer's name is under client's confidential disclosure.*

***Appendix "D"***  
***Abbreviation used***

BOD	Biological Oxygen Demand
BSI	British Standard Institution
CDM	Clean Development Management
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
FSC	Forestry Stewardship Council
GPS	Global Positioning System
HCV	High Conservation Value
IP	Identity Preserved
IPM	Integrated Pest Management
IRCA	International Registration of Certified Auditors
ISO	International Standards Organisation
IUCN	International Union for Conservation of Nature
KER	Kernel Extract Ratio
MSDS	Material Safety Data Sheet
NGO	Non-Government Organisation
OER	Oil Extract Ratio
OHS	Occupational Health and Safety
OPIC	Oil Palm Industry Corporation
OPRA	Oil Palm Research Association
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
QMS	Quality Management System
RSPO	Rountable Sustainable Palm Oil
RTEs	Rare, Threatened and Endangered Species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operation Procedure
SG	Segregation