

RSPO – 2nd ANNUAL SURVEILLANCE ASSESSMENT

Hargy Oil Palms Limited
Private Mail Bag, Kimbe, West New Britain Province PAPUA NEW GUINEA

TABLE of CONTENTS

Page Nº

SECTION 1: Scope of the Annual Surveillance Assessment.....	3
1. Company Details.....	3
2. RSPO Certification Information & Other Certifications.....	3
3. Location(s) of Mill & Supply Base.....	4
4. Description of Supply Base.....	4
5. Plantings & Cycle.....	4
6. Certified Tonnage.....	5
7. Actual Certified Palm Production	5
8. Actual Sales of Certified Palm Products	5
9. Actual Certified FFB Received Monthly	6
SECTION 2: Assessment Process.....	7
Certification Body.....	7
Assessment Methodology, Programme, Site Visits.....	7
Assessment Program.....	8
Tentative Date of Next Visit.....	8
Total No. of Mandays.....	8
BSI Assessment Team.....	9
Accompanying Person.....	10
SECTION 3: Assessment Findings.....	11
3.1 Details of audit results.....	11
3.2 Progress against Time Bound Plan.....	11
3.3 Details of Findings.....	11
Non-Conformity.....	12
Observation.....	14
Positive Findings.....	14
Issues raised by Stakeholders.....	15
3.3.1 Status of Non-Conformities Previously Identified and Observations.....	19
3.3.2 Summary of the Nonconformities and Status.....	20
Assessment Conclusion and Recommendation.....	22
Acknowledgement of Assessment Findings.....	22

List of Appendices

- A Summary of Findings
- B SIPEF – Timebound Plan
- C SIPEF – Hargy, Barema and Navo POM Certification Unit RSPO Certificate Details
- D Assessment Plan
- E Stakeholders Contacted
- F Hargy, Barema and Navo Palm Oil Mill Supply Chain Assessment (Module – CPO Mills: Identity Preserved)
- G Location Hargy Oil Palms Limited – in West New Britain Province
- H List of Abbreviations Used
- I List of Smallholders Sampled

Section 1 Scope of the Annual Surveillance Assessment

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

2. RSPO Certification Information			
Certificate Number	RSPO 535739	Originally Registered Date	09/04/2009
		Expiry Date	08/04/2019
Scope of Certification	Production of CPO and PK at Hargy Palm Oil Mill, Barema Palm Oil Mill and Navo Palm Oil Mill and 3 estates as supply bases, namely Hargy Estate (Hargy Plantation and Barema Plantation), Navo Estate (Karla Plantation and Ibana Plantation) and Pandi Estate (Bakada Plantation and Yanaswali Plantation) as well as smallholder growers.		
Palm Oil Mill Capacity	Hargy Palm Oil Mill: 45 tons FFB/hour Barema Palm Oil Mill: 45 tons FFB/hour Navo Palm Oil Mill: 45 tons FFB/hour		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EMS 557735	ISO 14001:2004	BSI	08/09/2017

3.Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Hargy Palm Oil Mill	Refer to Maps below	279,570 E	9,412,590 S
Barema Palm Oil Mill	Refer to Maps below	293,180 E	9,422,820 S
Navo Palm Oil Mill	Refer to Maps below	303,170 E	9,436,660 S
1. Hargy Estate	Refer to Maps below	284,536 E	9,414,212 S
2. Navo Estate	Refer to Maps below	303,231 E	9,436,674 S
3. Pandi Estate	Refer to Maps below	325,297 E	9,445,766 S
4. Associated Smallholders	Refer to Maps below	325,297 E	9,445,766 S

4a. Description of Own Certificate Supply Base							
Estate	Mature (Ha)	Immature (Ha)	Infrastructure & Other (Ha)	Total Planted (Ha)	Total Hectare (Ha)	% of Planted	
Hargy Estate	4173.07	308.29	2162	4536.79	6662.79	68%	
Navo Estate	4475.41	757.67	1227	5233.07	6460.07	81%	
Pandi Estate	2578.28	1353.74	4530.8	3932.02	8462.82	46%	
Total Company-own estate	<i>11,226.76</i>	<i>2419.7</i>	<i>7919.8</i>	<i>13701.88</i>	<i>21585.68</i>	63%	
Associated Smallholder	Number of member	Mature (Ha)	Immature (Ha)	Infrastructure & Other (Ha)	Total Planted (Ha)	Total Hectare (Ha)	% of Planted
Hargy Associated Smallholders	3,854	12,506.00	1,338.00	-	13,844.00	14,037	98.62%
Total		23,733	3,758	7,920	27,546	35,623	77%

RSPO Public Summary Report
Revision 1 (Sept/2014)

5. Plantings & Cycle									
Estate	Age (Years) & Percentage (%)						Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Total	Estimated (Apr'15-Mar'16)	Actual (Apr'15-Mar'16)	Forecast (Apr'16-Mar'17)
Hargy Estate	308.29	1,959.2	1,510.0	759.3	-	4,536.8	135,802	120,389	173,231
Navo Estate	757.7	1,663.0	2,812.4	-	-	5,233.1	125,171	123,579	86,929
Pandi Estate	1353.7	2,578.3	-	-	-	3,932.0	26,068	31,819	55,425
Sub-total	<i>2,419.7</i>	<i>6,200.5</i>	<i>4,322.4</i>	<i>759.3</i>	-	13,701.9	<i>287,040</i>	<i>275,787</i>	<i>315,585</i>
Associated smallholder	1,338.0	3,594.0	7,081.0	1,232.0	599.0	13,844.0	225,174	211,207	253,744
Total Certified	3,757.7	9,794.5	11,403.4	1,991.3	599.00	27,546	512,215	486,994	569,329

6. Certified Tonnage									
Mill	Estimated (Apr'15-Mar'16)			Actual (Apr'15-Mar'16)			Forecast (Apr'16-Mar'17)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Hargy POM	153,106	35,744	7,655	167,499	40,379	12,157	157,500	36,842	7,432
Barema POM	205,920	48,185	10,296	110,315	26,821	6,048	215,288	48,516	10,281
Navo POM	153,189	35,846	7,659	209,180	49,067	9,848	196,541	41,177	8,857
Total	512,215	119,775	25,610	486,994	116,267	28,053	569,329	126,535	26,570

7. Actual Certified Palm Production (Apr'15-Mar'16)			
MILL	CAPACITY (MT/hr)	CPO (MT)	PK (MT)
Hargy POM	45 tons FFB/hour	40,379	12,157
Barema POM	45 tons FFB/hour	26,821	6,048
Navo POM	45 tons FFB/hour	49,067	9,848

8. Actual Sales of Certified Palm Products (Apr'15-Mar'16)					
MILL			Certified CPO Sold (MT)	Certified PK Sold (MT)	Remarks
Hargy Limited	Oil	Palms	108,497	9,323	Sales of certified palm products in eTrace

RSPO Public Summary Report
Revision 1 (Sept/2014)

9. Actual Certified FFB Received Monthly – (Apr'15-Mar'16)			
Month	Certified Supply Base & weight (MT)		
	Company Owned Estate	Smallholder	Total FFB/Month (MT)*
Apr 15	23,846	18,491	42,337
May 15	25,805	20,475	46,279
Jun 15	24,307	19,529	43,836
Jul 15	22,330	17,884	40,214
Aug 15	17,602	13,942	31,544
Sep 15	21,181	14,269	35,450
Oct 15	26,015	16,533	42,548
Nov 15	23,139	17,853	40,992
Dec 15	23,536	19,134	42,671
Jan 16	21,981	17,280	39,261
Feb 16	21,025	16,236	37,261
Mar 16	25,019	19,582	44,601
Total	275,786	211,208	486,994

Section 2 Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,

(ASI Accreditation Number: RSPO-ACC-19)

Unit 10-03, Level 10, Tower A,

The Vertical Business Suites,

Bangsar South,

No. 8, Jalan Kerinchi,

59200 Kuala Lumpur - Malaysia

Tel +603- 2242 4211 ; Fax +603- 2242 4218

Nicholas Cheong: nicholas.cheong@bsigroup.com

www.bsigroup.com

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

Assessment Methodology, Programme, Site Visits

The on-site annual surveillance assessment was conducted from 15-20th February 2016. The audit programme is included as Appendix D. The approach to the audit was to treat the mills and its supply base as an RSPO Certification Unit. Mills was audited together with the estate. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out on-site assessment was conducted on 18-19th April 2016. Subsequent to concern raised by the certification reviewer on 13th June 2016, a supplementary Major NC close out on-site assessment was conducted on 15-16th August 2016. The audit programmes are included as Appendix D.

BSI is using RSPO P&C Papua New Guinea National Interpretation 2015 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. The mills were audited together with the plantations of its supply base. The supply base assessment was conducted based on sample regulated under RSPO Certification Requirement for Group Certification (2010). Under the requirement, size of samples was based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment.

The supply bases, supplying FFB to one or more palm oil mill under Hargy Oil Palms Limited are interchangeable; therefore audit team visited all palm oil mills and company owned-estates during the surveillance assessment. For associated smallholder, audit team took sample based on formula $N = 0.8\sqrt{y}$ where y is the number of smallholder. The number of smallholder as supply base to Hargy Oil Palms was 3,782. Audit team selected 50 smallholders, whereby team stratified the selection based on type (LSS or VOP), division, location and size of plantation before randomly select using Microsoft Excel spreadsheet. The sampled smallholder listed in Appendix I.

For the purpose of sampling audit, risk assessment of the group member and group manager was carried out prior to the certification assessment through the documentation. The risk assessment will based on factors i.e. geographically as well as socioeconomically, there are current replanting activities (very small scale due to the size of smallholder). Please refer to Appendix I for the list of sampled group members.

RSPO Public Summary Report
Revision 1 (Sept/2014)

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. BSI only focuses to seek compliance to ensure each certification unit could demonstrate full compliance against RSPO P&C Papua New Guinea National Interpretation 2015 and RSPO Supply Chain Requirement for CPO Mill.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, 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.

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

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

The assessment findings for the annual surveillance assessment are detailed in Section 3.3.

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

This report was internally reviewed by Mr. Hoo Boon Han, prior to certification decision by BSI.

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

Assessment Program					
Name (Mill / Supply Base)	Year 1	Year 2	Year 3	Year 4	Year 5
Hargy POM	X	X	X	X	X
Barema POM	X	X	X	X	X
Navo POM	X	X	X	X	X
1. Hargy Estate	X	X		X	X
2. Navo Estate	X		X	X	X
3. Pandi Estate		X	X		X
4. Associated Smallholders	X	X	X	X	X

Tentative Date of Next Visit: within 9 months and 12 months from the date of certificate issuance.

Total Number of Mandays: 30 mandays

BSI Assessment Team for Annual Surveillance Assessment Visit comprises of:**Pratama Sedayu – Auditor (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 subsequently as a Lead Auditor, covering assessment against RSPO P&C in Indonesia, Malaysia, Thailand, Papua New Guinea, and Liberia. He completed the ISO 9001, ISO 14001, OHSAS 18001 Lead Auditor Course, HCV Identification and Management; ISPO Lead Auditor endorsed Course and RSPO P&C and RSPO SCCS Lead Auditor endorsed Courses. During this assessment, he assessed on the aspects of estate best practices, environment, OHS, and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

Haeruddin – Auditor (Team member)

He holds Bachelor Degree in Forest Management, graduated from Hasanuddin University on 1994. He has 16 years of work experience in forest concession, forestry industry and the latest is within Oil Palm Plantation in Indonesia. He experiences as auditor for several sustainability standard including FSC, UTZ, Organic Farming, 4C, ISPO and RSPO. He completed the ISO 9001 Lead Auditor Course; ISPO Lead Auditor endorsed Course, RSPO P&C and RSPO SCCS Lead Auditor endorsed Course, and also completed ISCC and RSPO RED course. He had been involved in RSPO auditing since November 2010 in more than various companies in Indonesia, Malaysia, Papua New Guinea, Solomon Islands, Thailand, and Gabon. During this assessment, he assessed on the aspects of legal, HCV, social and labour aspects, and smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

Rod Nixon – Auditor (Team member)

He holds Masters Degree in Political Science from University of Melbourne, 1996 and PhD in Political Science from Charles Darwin University, 2008. He had vast experience in social and environmental study in Australia, Timor-Leste, Indonesia, Papua New Guinea and Vanuatu. Social/political scientist with special interests in social impact assessment, non-state justice and conflict resolution systems, customary land tenure systems, sustainable governance, political economy and rural development (including agricultural development) in subsistence and post-conflict contexts. He involved for numerous Asian Development Bank projects as consultant. He speaks Bahasa Indonesia, Pidgin and basic Tetum. He is an approved RSPO HCV Assessor and Team Leader. During this assessment, he mainly focused on the aspect of land tenurial, social, internal and external stakeholder consultation, HCV and smallholder best practices.

Primas Kapi – Technical Expert/Translator

She is a Papua New Guinea citizen. She holds master of Arts Honours in Development Studies majoring in Community Development, from University of Auckland in New Zealand; Master of Applied Science, Coursework, with Major in Agriculture and Rural Development from University of Western Sydney-Hawkesbury Sydney Australia. She has been involved in many projects in term of Environment, social impact, poverty reduction for community in Papua New Guinea. She completed Fair Trade Training, Biodiversity Conservation, Protected Area Establishment and Management training during her professional work. She speaks English and Pidgin. During this assessment she helped audit team in environmental and PNG legal requirements as well as audit with smallholders.

Cecilie Benjamin – Technical Expert/Translator

She graduated from Bachelor of Agricultural Science Queensland University, Australia 1971 and Certificate of Rural Extension, Wageningen University, Netherlands, 1976. For the period 1972 – 1983, she was working as Rural Agricultural Extension Officer, Papua New Guinea Department of Primary Industries. She also involved as researcher and consultants for agriculture, smallholder, rural economics in Papua New Guinea for 13 years. She is also active in Non-Government Organization activities. During this assessment, she was helping team to assess on the legal, social aspects and stakeholders consultation.

Accompanying Persons:**Mr. James Sandom – Lead Assessor, Accreditation Services International;****Mr. Selvanathan Grapragasem – Observer, Accreditation Services International;****Mr. Todd Redwood – General Manager Food, Supply Chain and Operations, British Standards Institutions**

Section 3 Assessment Findings**3.1 Details of audit results are provided in the following Appendix:**

- RSPO P&C 2013 Summary of the Assessment – Appendix A
- First Resources Limited Time Bound Plan – Appendix B
- RSPO Supply Chain Certification Assessment – Appendix F

3.2 Progress against Time Bound Plan

SIPEF as the holding demonstrates a challenging time bound plan to certify its entire mill and supply bases. Most of the palm oil mills been brought forward and audited in 2014. Auditor team sees this as a strong commitment from SIPEF. There are three (3) new projects in South Sumatra Province, Indonesia. These project has gone through RSPO NPP process, the public notifications was submitted and announced in RSPO website on 31st March 2014. BSI audit team consider the time bound plan is challenging and relevant to their management. BSI audit team found SIPEF comply with Time Bound Plan.

BSI also assessed the requirement for partial certification and concluded that: There are no unresolved significant land dispute; no replacement of primary forest or loss of HCV. New land acquisition followed RSPO NPP process including public notification of new planting; No labour disputes that are not being resolved through an agreed process; No evidence of non compliance with law noted.

The company has been assessed through interview with management representative at the office and they are in compliance the partial certification for the following issues:

- There is no replacement of primary forest or any area containing HCV's since November 2005 for its entities.
- No evidence of non-compliance with the applicable law.
- No legal issues Compensation payments.
- No negative social relations.
- No Burning.
- No Labour disputes.

3.3 Details of findings

The nonconformities are listed below. The summary report of the assessment by criteria is listed in Appendix A. During the second annual surveillance assessment there were four (4) major nonconformities and two (2) minor nonconformities raised at Hargy Oil Palms certification unit. The certification unit submitted Corrective Action Plans for the nonconformities. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformities will be followed up during the subsequent surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1295340M1	<p>Requirements RSPO P&C PNG NI 2015 Indicator 2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>Evidence of Nonconformity Four randomly selected smallholders in the 'Gamupa VOP' area were found to be operating on state land (the Bakada Land Purchase Area) without leases. These smallholders are operating on part of an area of land originally conceived of as the Gamupa Independent Estate. Features of the Gamupa Independent estate include: (1) Gamupa Independent Estate never acquired a sub-lease over the state land on which it is situated, (2) As originally conceived, Gamupa Independent Estate failed as an Independent Estate, and (3) Individual operators ultimately took over parts of Gamupa Independent Estate as smallholders.</p> <p>While the area is classified on Hargy maps as a VOP area which would normally involve smallholders in possession of Clan Land Use Agreements (CLUAs) operating on customary land, the area remains state land and the smallholders operating on it do not possess legal user's rights.</p> <p>Although it is recognized that the Acting Lands Advisor to the East New Britain Division of Lands and Physical Planning recommended in November 2014 that "All Vacant State leases within the Bakada LP be formalized for the upcoming East New Britain Provincial Land Board, except for Portion 13 which might be included in...[a forthcoming]...Kokopo sitting", the fact remains that the Gamupa VOP blocks, along with other oil palm developments on the Bakada Land Purchase Area, are without 'legal ... lease', and therefore do not conform to the requirement of C2.2.1, that documents 'showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.'</p> <p>Statement of Nonconformity Non conformity due to absence of documents showing legal ownership or lease over the Bakada Land Purchase area</p> <p>Action <u>Root Cause Analysis:</u> Internal controls failed to identify smallholders with land titles still in process. This finding uncovers a gap in Hargy Oil Palms monitoring system for smallholders land titles, which are considered compliant by default.</p> <p>The lack of capacity of either the Provincial or the National Land Department authorities to provide necessary services to the public has changed the situation. The processing of land titles is no longer predictable, and Hargy Oil Palms monitoring system has not followed this failure of the public service.</p> <p><u>Correction:</u> Hargy Oil Palms met with the Secretary Lands and Physical Planning on 10 March 2016 demonstrating efforts to meet and engage the PNG Lands Department in assisting to resolve the issue. The Secretary was provided with a letter dated 10 March 2016 as evidence of correspondence with Department of Lands and Physical Planning in Port Moresby. The advice from the National Department in Port Moresby was that it was the responsibility of the Provincial Divisions of Lands to resolve these matters. Letters dated 8 March 2016 were sent to East New Britain Provincial Government and West New Britain Provincial Government. These letters have been followed up with meetings and phone calls to the Provincial Division of Lands.</p>	Major

	<p>However, the effort has not resulted in positive outcomes from the Provincial authorities as the Provincial Land Boards have either not met or are currently not legally formed. A letter to this effect from the Provincial Administrator West New Britain Province was received on 5 January 2016. The land title for four Gamupa smallholder blocks has not been issued as the East New Britain Land Board has not met to consider their application. Hargy Oil Palmm, through the Smallholder Manager issued a letter (in Tok Pisin) dated 13/04/2016 to all affected blocks 125 Gamupa VOP blocks smallholders without leases, stating the smallholder blocks cannot harvest their FFB and Hargy will not pick up and pay the FFB harvested – effective 15/04/2016. However the Master Agreement between the State and Hargy Oil Palms Ltd states that the company MUST purchase all smallholder fruit. The Master Agreement also states that the PNG Government is responsible for the issuance of titles to smallholders occupying state land. The company and smallholders are not able to hold the PNG authorities to account in regards to the management of state land</p> <p><u>Corrective Actions:</u></p> <p>Hargy Oil Palms Limited (HOPL) started to investigate on all the Land Settlement Scheme (LSS) area on Gamupa smallholder under Division I and Division II. Based on the investigation, there were additional 121 smallholder blocks (total of 125 smallholders including 4 identified during the ASA 2 in February 2016) from the Gamupa area with total land area of 223.24 Ha was identified to be occupying on state land without lease documents. HOPL with immediate action through the smallholder manager had issued letters (in Pidgin) on 13/04/2016 to the 121 Gamupa smallholders, stating they are suspended from harvesting their FFB and Hargy will not pick up and/or pay the FFB harvested until further notice. The action took effective 15/04/2016. The guidance for criterion 2.2.1 within RSPO P&C PNG NI was approved in April 2016.</p> <p>Hargy Oil Palms Limited (HOPL) has demonstrated a full compliance to the RSPO P&C PNG NI 2016, criteria 2.2.1, with the following corrective action:</p> <p>Legal ownership for Gamupa Oil Palm Development Ltd. (125 smallholders):</p> <p>Land has been alienated; as per survey plan and survey reports: Gamupa Land Investigation Report 21/11/2014 compiled by East New Britain Lands Advisor. This report refers to the land as Portion 13 Milinch Ulawun Fourmil Rabaul and is part of the Bakada Land Purchase (NLD 1617), this report refers to the land as vacant State Land on Survey Plan Catalogue 15/1010, this report recommends that all vacant leases be formalized in the upcoming East New Britain Province’s Land Board meeting. Survey plan for portion 10, 11, 12 and 13.</p> <p>Boundaries have been defined by a registered surveyor and portion numbers allocated by the surveyor general; as per Survey Plan Catalogue 15/946 for Portion 5, Survey Plan Catalogue 15/974 for Portion 9; Survey Plan Catalogue 15/975 for Portion 10; Survey Plan Catalogue 15/975 for Portion 11, Survey Plan Catalogue 15/975 for Portion 12.</p> <p>There is no dispute over tenure; as per letter issued by OPIC on 12th August 2016, Reference 2-2-2/OP:ep stating there was no land dispute over the state owned leases in the land settlement scheme subdivisions of Uasilau, Lalopo, Sege, Sale, Malasi, Tiauru, Wilelo, Barema, Soi and Kabaiya.</p> <p>There is evidence that an application has been submitted to the relevant Government Authority (Provincial Division of Lands and Physical Planning) as per:</p> <ul style="list-style-type: none"> - Application from 63 smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 5 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/946 dated 20/04/2016. - Application from 9 developed smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 9 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/974 dated 20/04/2016. - Application from 26 developed smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 10 	
--	---	--

	<p>Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/975 dated 20/04/2016.</p> <ul style="list-style-type: none"> - Application from 13 developed smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 11 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/975 dated 20/04/2016. - Application from 14 developed smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 12 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/975 dated 20/04/2016. <p>There is evidence of follow up to the authorities on more than one occasion; as per:</p> <ul style="list-style-type: none"> - The meeting with Deputy Secretary of Department of Lands & Physical Planning, in Port Moresby dated 10/03/2016, results in statement that "the power to hear and award titles for oil palms blocks is vested in the Provincial Land Board of those provinces concern". - Hargy Oil Palms correspondence dated 08/03/2016 with West New Britain Provincial Administration, resulted in response dated 14/03/2016 stated "West New Britain Province's current Land Board – some of its members have died and the submission is now before the Provincial Executive Council (PEC) for the appointment of the new Land Board". - Letter from Hargy Oil Palms to Provincial Administrator of East New Britain Provincial Administration dated 29/07/2016. <p>In order to prevent recurrence of non-conformity with similar cause, Hargy Oil Palms is improving the internal control system quality by created the GIS database on 06/04/2016. All the land titles of both Smallholders & Company that supply to HOPL is being identified using GIS (ArcGIS). The ArcGIS control system implemented by HOPL allows the linking of the block numbers, block names, status of the land leases, history of land tenure and the actual legal use land of the smallholders with the latest Oil Palm Industry Corporation's (OPIC) database (provided to HOPL on 08/03/2016).</p> <p>The ArcGIS control system shall be periodically updated to show the status of land titles. The system allows the following controls:</p> <ul style="list-style-type: none"> - Monitoring of smallholder occupancy on land whether the land are sitting on state land and using Land Settlement Scheme (LSS) or sitting on customary land using Clan Land Use Agreement (CLUA). - Monitoring and control on issuance of stop harvesting order/FFB pick up on any no compliance blocks. - Monitor and communicate with OPIC to identify smallholder blocks with land leasing issues. - Monitor and communicate with relevant POM (e.g. Navo and Barema) to prevent intake of FFB from non-conforming smallholder blocks. <p>In addition on investigating the 125 Gamupa smallholder blocks, Hargy Oil Palms Limited had extended their investigation on the entire smallholder sitting on state land/LSS area. Based on full investigation/census, HOPL had found that there are 285 smallholder blocks with missing owner's copy of the land titles; and 104 smallholder blocks' with deceased status of original owner, where the land lease has not been transmitted to the next of kin of the original owner.</p> <p>The following are the reasons of why the 285 LSS smallholder blocks with case of missing owner's copy of the land title:</p> <ul style="list-style-type: none"> - As the LSS means leasing the land, the owner may be obtaining a loan from banks to pay the lease. In order to get a loan, the owner is required to surrender the owner's copy of the Land Lease document to the bank. However, there are several cases that the bank had misplaced the owner's copy of land title. - Some of the owner's copies were damaged due to poor protection. 	
--	---	--

	<ul style="list-style-type: none"> - Some of the owner had tried to retrieve the missing copy from the Land Department. However, it was not successful. <p>Even though the owner's copy of the land lease could not be shown, in order to demonstrate that the 285 LSS smallholders blocks have legal rights on their land, at least one of the following was evidences was provided:</p> <ul style="list-style-type: none"> - Bank Loan Document - The banks requires to withhold the Owner's Copy to provide the bank loan. If the owner would have obtained a Bank loan documents, it would have shown there is a Land Lease provided by the owner. Therefore, with a bank loan document, it could be demonstrated that the owner had the Land Lease document. - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block's land title in Department of Land, Port Moresby. - Confirmation by Oil Palm Industry Corporation (OPIC). OPIC is an extended governmental agency which was assigned to manage the smallholders in both the LSS and VOP. The OPIC was the original agency that have allocated the blocks to the Owners base on the Land Department approval. Hence a confirmation from the OPIC with regards to the owner legal rights on the land is appropriate. <p>Hargy Oil Palms Limited found 104 smallholder blocks' with deceased status of original owner, where the land lease has not been transmitted to the next of kin of the original owner. The smallholders who are managing the blocks are not as the original name of the Land Lease. This is due to the deceased of the original owner whose name is stated in the Land Lease.</p> <p>The current smallholders that are managing and harvesting the affected blocks could be the next of kin or someone the deceased owner had pass his/her land too. In order to demonstrate the current person managing and cultivating the land is the inherit, at least one of the following was evidences was provided:</p> <ul style="list-style-type: none"> - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block's land title in Department of Land, Port Moresby. - Identification of next of kin provided OPIC and HOPL; - Statement letter from OPIC regarding the next of kin; - Statutory Declaration from the block owner and/or the family; - Application to the Land Department of name change in the Land Lease; - Settler Information Sheet from OPIC; <p>Hargy Oil Palms have been able to demonstrate the supply base/smallholder was in compliance with RSPO P&C criteria 2.2.1, a document showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>Status: The evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed satisfactorily on 16/8/2016.</p>	
1295340M2	<p>Requirements RSPO P&C PNG NI 2015 Indicator 4.7.3 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>Evidence of Nonconformity Evidence: - Based on visits and worker interviews at Pandi Estate and Navo Estate, harvesters are not provided with appropriate protective equipment. Consideration on protective equipment overlooks the Lost Time Injury statistic and Hazard Identification and Risk Assessment. Lost</p>	Major

	<p>Time injury report 2015 (for all plantations) indicates 132 injuries, with total working days lost is 298 days. Injury trend 2015 (for all plantation) indicates the most frequent injury caused by puncture wound - from palm thorn.</p> <p>Hazard and Risk Assessment Register 2016, for Plantation (including nursery and New Development Area) issued on 28/01/2016 - the determining control to reduce injury caused by palm thorn or palm nail is through training and awareness and use of gumboot.</p> <p>- Based on visits and worker interviews at Navo Estate, the chemical store keeper was provided with coverall, face shield, hand glove, and gum boot. But the worker was not provided with respiratory protection. This is not conforming with the Material Safety Data Sheet requirement of Fern-Ex, whereby handling of such chemical requires respiratory protection.</p> <p>Statement of Nonconformity Insufficient evaluation regarding protective equipment provision for employees to perform safe work.</p> <p>Action</p> <p><u>Root cause analysis:</u></p> <p>Safety risk assessment not done effectively.</p> <p>Lapse in monitoring by the estate RSPO officer, who should have checked the MSDS of this chemical and ensure availability and use of PPE.</p> <p><u>Correction:</u></p> <p>Hargy Oil Palms have produced risk assessment report on harvesting activity dated 08-19/03/2016 to study the risk for harvester. The specific risk assessment purpose to study whether safety footwear should be provided to the harvesters. Finding from the assessment will be used to update the HIRADC document. Interview with harvesters in Hargy Plantation, Mr.Jacob Joro, Mr.Gabbi Amon, Mr.Steni Nemen – plantation management has provided gumboot for harvesters. Hargy have ordered 550 pairs of gumboot to be provided to harvesters. The use of gumboot for harvester will be under trial. Training for harvesters are also provided. (<i>Evidence: Harvesting Risk Assessment, latest HIRADC under review; gumboot order</i>).</p> <p>Hargy Oil Palms Limited has updated the availability of MSDS, produced into one page summary for each chemical being used on the field. Information provided in the one page summary including: risk and hazard, required PPE related to the hazard, emergency response plan, and other precaution. This one page summary placed in the chemical store. Storekeeper knowledge has been improved, based on interview with chemical store keeper in Pandi Plantation, Mr.Clement Parangai and sprayer supervisor in Navo Plantation, Mr.Cletus Saun. Hargy have provided and controlled the appropriate PPE, as required by the one page summary.</p> <p>For handling chemical <i>Fern-Ex</i> (active ingredient sulfam), mandatory PPE is face shield, respirator, overall, hand glove, gumboot; provided in Pandi Plantation and Navo Plantation. (<i>Evidence: one page summary for Glyphosate, Fern-Ex and Metamidophos; visit to chemical store Navo Estate and Pandi Estate, PPE as required by one page summary made available</i>).</p> <p><u>Corrective Action:</u></p> <p>Hargy Oil Palms continues to prepare risk assessment for other area/activity and ensure the risk control assessment involving key staff from related operational activity. The risk assessment taking into consideration the information from related staff, taking into consideration LTA data analysis to propose effective control. Further verification by the auditor on job safety analysis for building of new tank in Hargy Palm Oil Mill. Job Safety and Environment Analysis Doc.No.HOPL-FOR-OHS-004-01for job titled "storage tank 8 foundation" evident. The safety analysis identifying the job steps, hazard, control method and monitoring, risk rating, PPE requirement, Tools requirement, etc.</p>	
--	--	--

RSPO Public Summary Report
Revision 1 (Sept/2014)

	<p>Develop a one page summary for all new chemicals in use covering risks, required PPE, emergency response. One-page summaries will be placed on the walls of chemical store for easy reference, and workers will be provided with training. Necessary PPE will be made immediately available to workers handling new type of chemical. Estate manager will control and monitor the PPE provided through checklist.</p> <p>Status The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed satisfactorily on 19/4/2016.</p>	
1295340M3	<p>Requirements RSPO P&C PNG NI 2015 Indicator 6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Evidence of Nonconformity There are 13 complaints received by Navo Estate in 2015. Company cannot present sufficient documented evidence concerning complaint resolution processes and outcomes. - On 10/11/2015, a report by an employee reporting a family problem led to termination of that employee. As a response on 10/11/2015, the company tells the worker to settle the family issue, and that management is investigating the underlying case. - On 01/04/2015, an employee writes in the log book a complaint about termination. Company's initial response on 15/04/2015 was to cross-check with HR. As of the date of the audit, there is no follow-up documented on either of the cases since documented.</p> <p>Statement of Nonconformity Non conformity due to company cannot present sufficient documented evidence that complaint resolution process and the outcome.</p> <p>Action <u>Root Cause Analysis:</u> Inconsistent management of grievances handling at sites and no effective consolidation of data centrally & follow up. <u>Correction:</u> HOPL has reviewed and revised the grievance resolution procedure. Grievance mechanism Doc.No.PRO-ESD-GEN-017-03 dated 22/02/2016. Important update: The ESD will form the central reporting part of the grievance mechanism where all grievances will be reported to the nominated department personnel and it gets recorded into a database, The ESD grievance recording personnel is also responsible in analyzing grievance reported cases; updates will be given on a regular basis and information sharing will not exceed 30 days and will continue until the grievance is completely resolved, When a grievance is finally resolved and closed, it will be communicated to the person raising the grievance by the responsible company department where this will allow the person raising the grievance to say if they are fully satisfied with the resolution outcome. The ESD will prepare: Monthly reports for management detailing the number and status of grievances and any outstanding issues to be considered; A six-monthly trend report, including an analysis of the category of grievances, the risk levels and any mitigation actions taken to reduce them; and an annual review of the implementation of the grievance mechanism and the performance indicators. Hargy have completed the document feedback on the two previously pending grievances: - On 01/04/2015, an employee writes in the log book a complaint about termination. Company's initial response on 15/04/2015 was to cross-check with HR. Company has completed the response through documented archive, that on 08/04/2015, the HR Manager has advised the status letter of appeal has been successful and dismissal notice has been withdrawn. However, on 27/04/2015, Plantation manager met the complainant to ask response on appeal resolution process and the complainant said cannot meet company requirement and choose to follow church pastor requirements. - On 10/11/2015, a report by an employee reporting a family problem led to termination of that employee. As a response on 10/11/2015, the company tells the worker to settle the family</p>	Major

	<p>issue, and that management is investigating the underlying case. Company has completed the investigation and found follow up documentation responses; on 13/11/2015, the employee resigned. Additional evidence is latest pay slip record when the employee resigned. Follow up documentation and response from the complainant has been completed.</p> <p><u>Corrective Action:</u> Auditor conducted further verification on implementation of latest grievance mechanism. The grievance mechanism found to be using grievance form, grievance register by Environment and Sustainability Department, and monitoring system. Evidence: Recording of grievance in Pandi Plantation dated 17/03/2016 from a driver from Sabalbala compound. The driver complained that he was attacked by field supervisor for complying with safety work practice. The driver rejected field supervisor's order to pick his harvester since the driver has his truck filled with empty chemical container, fearing to be caught by RSPO/management. Incident report raised and sent to plantation manager on 18/03/2016. Settled and communicated by plantation manager on 24/03/2016. Logbook captures the chronological record.</p> <p>In Navo Plantation: On 21/03/2016, an employee reported a fraud done by one of the supervisor. Management responded on same date, stating the case will be investigated. Security investigation report dated 22/03/2016, with evidence and testimonies from witnesses of theft has been collected – lead to termination of related supervisor, dated 29/03/2016. The report lodged in grievance form and completed with supporting documentation. <i>(Evidence: Complaint and Grievance Register 2015/2016; Investigation report; Grievances statistic January – March 2016 doc.ESD).</i></p> <p>Status The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed satisfactorily on 19/4/2016.</p>	
1295340M4	<p>Requirements RSPO Supply Chain Certification Standard - CPO Mills Module D: Identity Preserved D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>Evidence of Nonconformity This non-conformity is linked to the non-conformity against RSPO P&C PNG NI 2015 raised in indicator 2.2.1 related to land without title. Hargy Oil Palms Limited has a procedure for handling of non-conforming materials and product under "Hargy Oil Palms Limited Supply Chain Standard Operating Procedure - CPO Mill" rev.2 dated 15/05/2015. Section 5.1.9 Complaint - Including Non-Conforming Material and Products, states that in the case where Hargy Oil Palms Limited RSPO certification or part of its supply chain is being suspended as the outcome of certification, material and products are deemed non-conforming. However, the supply chain system has not identified or recorded the tonnage of non-certified FFB received.</p> <p>Statement of Nonconformity Hargy's mills receive some FFB from land without title. The system has not identified the tonnage of non-certified FFB received.</p> <p>Action <u>Root Cause Analysis:</u> Internal controls failed to identify smallholders with land titles still in process. This finding uncovers a gap in Hargy Oil Palms monitoring system for smallholders land titles, which are considered compliant by default. The lack of capacity of either the Provincial or the National Land Department authorities to provide necessary services to the public has changed the situation. The processing of land titles is no longer predictable, and Hargy Oil Palms monitoring system has not followed this failure of the public service.</p> <p><u>Correction:</u></p>	Major

	<p>Hargy Oil Palms met with the Secretary Lands and Physical Planning on 10 March 2016 demonstrating efforts to meet and engage the PNG Lands Department in assisting to resolve the issue. The Secretary was provided with a letter dated 10 March 2016 as evidence of correspondence with Department of Lands and Physical Planning in Port Moresby. The advice from the National Department in Port Moresby was that it was the responsibility of the Provincial Divisions of Lands to resolve these matters. Letters dated 8 March 2016 were sent to East New Britain Provincial Government and West New Britain Provincial Government. These letters have been followed up with meetings and phone calls to the Provincial Division of Lands. However, the effort has not resulted in positive outcomes from the Provincial authorities as the Provincial Land Boards have either not met or are currently not legally formed. A letter to this effect from the Provincial Administrator West New Britain Province was received on 5 January 2016. The land title for four Gamupa smallholder blocks has not been issued as the East New Britain Land Board has not met to consider their application. Hargy Oil Palms, through the Smallholder Manager issued a letter (in Tok Pisin) dated 13/04/2016 to all affected blocks 125 Gamupa VOP blocks smallholders without leases, stating the smallholder blocks cannot harvest their FFB and Hargy will not pick up and pay the FFB harvested – effective 15/04/2016. However the Master Agreement between the State and Hargy Oil Palms Ltd states that the company MUST purchase all smallholder fruit. The Master Agreement also states that the PNG Government is responsible for the issuance of titles to smallholders occupying state land. The company and smallholders are not able to hold the PNG authorities to account in regards to the management of state land.</p> <p><u>Corrective Actions:</u></p> <p>Hargy Oil Palms Limited (HOPL) has been meeting with Government Land officials every year since 2008. Evidence of the Land Investigation reports completed by the Provincial Lands Officers was provided to the auditors. These reports all recommend that the Provincial Land Boards award leases to the applicants.</p> <p>Hargy Oil Palms met with Department of Lands & Physical Planning Secretary to discuss the issue of the Bakada Land Purchase Area and follow up on issuance of land titles for these smallholders. The meeting with Deputy Secretary of Department of Lands & Physical Planning, in Port Moresby dated 10/03/2016, results in statement that “the power to hear and award titles for oil palms blocks is vested in the Provincial Land Board of those provinces concern”. Hargy Oil Palms correspondence dated 08/03/2016 with Provincial Administration, resulted in response dated 14/03/2016 stated “West New Britain Province’s current Land Board – some of its members have died and the submission is now before the Provincial Executive Council (PEC) for the appointment of the new Land Board”. <i>(Evidence: Minutes of meeting Hargy Oil Palms with Department of Land and Physical Planning (General Manager HOPL on 10/03/2016), Letter from Hargy Oil Palms to Department of Land and Physical Planning (10/03/2016), Letter from Hargy Oil Palms to East New Britain Province (08/03/2016), Letter from Hargy Oil Palms to West New Britain Province (08/03/2016), Letter from West New Britain Provincial Administration to Hargy Oil Palms (14/03/2016).</i></p> <p>The Chairman of the RSPO PNG NI TF sent email correspondence to all 27 members of the PNG NI TF on 11/03/2016 with draft guidance in regards to land title for smallholders. A majority of members responded affirmatively. The guidance was approved by RSPO on 26/04/2016 and adopted by Hargy Oil Palms immediately.</p> <p>In order to prevent recurrence of non-conformity with similar cause, Hargy Oil Palms is improving the internal control system quality by created the GIS database on 06/04/2016. All the land titles of both Smallholders & Company that supply to Hargy Oil Palms were being identified using GIS (ArcGIS). The ArcGIS control system implemented by Hargy Oil Palms allows the linking of the block numbers, block names, status of the land leases, history of land tenure and the actual legal use land of the 1,700 smallholders witting on state land with the latest Oil Palm Industry Corporation/OPIC’s database (provided to Hargy Oil Palms on 08/03/2016).</p>	
--	---	--

	<p>The ArcGIS control system shall be periodically updated to show the status of land titles. The system allows the following controls:</p> <ul style="list-style-type: none"> • Monitoring of smallholder occupancy on land whether the land are sitting on state land/Land Settlement Scheme or sitting on customary land/Clan Land Use Agreement. • Monitoring and control on issuance of stop harvesting order/FFB pick up on any no compliance blocks. • Monitor and communicate with OPIC to identify smallholder blocks with land leasing issues. • Monitor and communicate with relevant palm oil mills (e.g. Navo and Berema) to prevent intake of FFB from non-conforming smallholder blocks. <p>By adopting the RSPO P&B PNG NI Criteria 2.2.1, the 4 identified Gamupa Village Oil Palm smallholder that was identified to be on state land has demonstrated the land has been alienated and surveyed, there is no conflict, Land title application has been submitted, and follow-up after the applications has been done. Document seen: Project Proposal to ENB Governor 23/10/2012; Gamupa Land Investigation Report 21/11/2014 compiled by ENB Lands Advisor (this report refers to the land as Portion 13 Milinch Ulawun Fourmil Rabaul and is part of the Bakada Land Purchase (NLD 1617), this report refers to the land as vacant State Land on Survey Plan Catalogue 15/1010, this report recommends that all vacant leases be formalized in the upcoming East New Britain Land Board meeting); Follow up letter to East New Britain Governor dated 08/03/2016; Survey plan for portion 10, 11, 12 and 13.</p> <p>With the control system in place, Hargy Oil Palms started to investigate on all the Land Settlement Scheme (LSS) area on Gamupa smallholder under Division I and Division II. Based on the investigation, there were additional 121 smallholder blocks (total of 125 smallholders including 4 identified during the ASA 2 in February 2016) from the Gamupa area with total land area of 223.24 Ha was identified to be occupying on state land without lease documents. Hargy Oil Palms with immediate action through the smallholder manager had issued letters (in Pidgin) on 13/04/2016 to the 121 Gamupa smallholders, stating they are suspended from harvesting their FFB and Hargy will not pick up and/or pay the FFB harvested until further notice. The action took effective 15/04/2016.</p> <p>Further to the 125 Gamupa smallholders, The General Manager of HOPL has ordered the Plantation Manager to stop harvesting FFB from Magalona division, Alangily division, Abulmosi division and Gamupa division under Pandi Plantation which are supplying FFB to Navo POM as the legal lease for the plantation area is in application process Hargy 13/04/2016 (<i>Evidence: GM correspondence on 13/04/2016 to Plantation Manager to stop harvest in Magalona, Alangily, Abulmosi and Gamupa Division</i>).</p> <p>Since the Oil Palm Industry Corporation (OPIC) is the extended government agency, they will be in responsible to assist the Gamupa smallholders who are occupying the LSS (which previously the Gamupa smallholders thinks they are under the Village Oil Palm scheme (VOP)) to complete their land use application. As such, it was deemed that the smallholder can demonstrate that the land has been alienated; has been surveyed; that there are no conflicts; that a correct application has been submitted; and that there has been follow-up after the applications are complying with the RSPO PNG NI April 2016 criteria 2.2.1.</p> <p>In addition on investigating the 125 Gamupa smallholder blocks, HOPL had extended their investigation on the entire LSS area. In this investigation, HOPL had found that there are 285 smallholder blocks land lease titles are unavailable and 104 smallholder blocks' who are on deceased block where the land lease has not been transmitted to the next of kin of the original owner.</p> <p>As the application of the 125 Gamupa smallholder blocks are been carrying out, Hargy Oil Palms Limited' palm oil mill (Hargy POM, Navo POM and Barema POM) and its' interchangeable supply bases; can maintain the Identity Preserved module for the CPO Mills.</p> <p><u>Corrective action as of 15/08/2016:</u></p>	
--	---	--

	<p>Gamupa smallholder blocks without land lease document:</p> <ul style="list-style-type: none"> - In order to satisfy the RSPO PNG NI April 2016 criteria 2.2.1, HOPL had completed the application of the 125 Gamupa smallholder blocks on 20/04/2016 and made a follow up with the West New Britain Provincial Government on 29/07/2016. Hargy Oil Palms Limited has also provided application for East New Britain Province. - Below are the evidences that demonstrate HOPL had completed meet the RSPO PNG NI April 2016 criteria 2.2.1: <ul style="list-style-type: none"> - The application form attached with the land alienation defined by registered land surveyor. - No land dispute declaration by OPIC dated 12/08/2016. - Follow up letter dated 29/07/2016. <p>Hargy Oil Palms Limited’s Magalona division, Alangily division, Abulmosi division and Gamupa division under Pandi Plantation:</p> <ul style="list-style-type: none"> - In order to satisfy the RSPO PNG NI April 2016 criteria 2.2.1, HOPL had completed the application and continue to follow up the application for Magalona division, Alangily division, Abulmosi division and Gamupa division under Pandi plantation. The application submitted back in 2014. Follow up with the West New Britain Provincial Government on 29/07/2016. Hargy Oil Palms Limited has also provided application for East New Britain Province on the same date. - Below are the evidences that demonstrate HOPL had completed meet the RSPO PNG NI April 2016 criteria 2.2.1: <ul style="list-style-type: none"> - The application form attached with the land alienation defined by registered land surveyor. - No land dispute declaration by OPIC dated 12/08/2016. - Follow up letter dated 29/07/2016. <p>Other LSS smallholder blocks identified with missing owner’s copy of the lease document:</p> <p>The following are the reasons of why the 285 LSS smallholder blocks with case of missing owner’s copy of the land title:</p> <ul style="list-style-type: none"> - As the LSS means leasing the land, the owner may be obtaining a loan from banks to pay the lease. In order to get a loan, the owner is required to surrender the owner’s copy of the Land Lease document to the bank. However, there are several cases that the bank had misplaced the owner’s copy of land title. - Some of the owner’s copies were damaged due to poor protection. - Some of the owner had tried to retrieve the missing copy from the Land Department. However, it was not successful. <p>Even though the owner’s copy of the land lease could not be shown, in order to demonstrate that the 285 LSS smallholders blocks have legal rights on their land, at least one of the following was evidences was provided:</p> <ul style="list-style-type: none"> - Bank Loan Document - The banks requires to withhold the Owner’s Copy to provide the bank loan. If the owner would have obtained a Bank loan documents, it would have shown there is a Land Lease provided by the owner. Therefore, with a bank loan document, it could be demonstrated that the owner had the Land Lease document. - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block’s land title in Department of Land, Port Moresby. 	
--	---	--

	<ul style="list-style-type: none"> - Confirmation by Oil Palm Industry Corporation (OPIC). OPIC is an extended governmental agency which was assigned to manage the smallholders in both the LSS and VOP. The OPIC was the original agency that have allocated the blocks to the Owners base on the Land Department approval. Hence a confirmation from the OPIC with regards to the owner legal rights on the land is appropriate. <p>LSS smallholder blocks with deceased status of original owner.</p> <p>Hargy Oil Palms Limited found 104 smallholder blocks' with deceased status of original owner, where the land lease has not been transmitted to the next of kin of the original owner. The smallholders who are managing the blocks are not as the original name of the Land Lease. This is due to the deceased of the original owner whose name is stated in the Land Lease.</p> <p>The current smallholders that are managing and harvesting the affected blocks could be the next of kin or someone the deceased owner had pass his/her land too. In order to demonstrate the current person managing and cultivating the land is the inherit, at least one of the following was evidences was provided:</p> <ul style="list-style-type: none"> - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block's land title in Department of Land, Port Moresby. - Identification of next of kin provided OPIC and HOPL; - Statement letter from OPIC regarding the next of kin; - Statutory Declaration from the block owner and/or the family; - Application to the Land Department of name change in the Land Lease; - Settler Information Sheet from OPIC; <p>Hargy Oil Palms have been able to demonstrate the supply base/smallholder was in compliance with RSPO P&C criteria 2.2.1, a document showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>Hargy Oil Palms Limited' palm oil mill (Hargy POM, Navo POM and Barema POM) and its' interchangeable supply bases; can maintain the Identity Preserved module for the CPO Mills.</p> <p>Status The evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed satisfactorily on 16/8/2016.</p>	
1295340N1	<p>Requirements RSPO P&C PNG NI 2015 Indicator 4.1.2 A mechanism to check consistent implementation of procedures shall be in place.</p> <p>Evidence of Nonconformity Audit team identified non-compliance concerning the legal use of land. The Company cannot demonstrate that a sufficient mechanism is in place for verifying consistent implementation of procedure – to be in compliance with RSPO Principle and Criteria requirement. There is not sufficient evidence of an internal control procedure functioning to prevent material intake from non-compliant supply base.</p> <ul style="list-style-type: none"> - The company cannot demonstrate a procedure for addressing non-conforming material such as exclusion or other. <p>Statement of Nonconformity The company did not provide sufficient evidence for the process of internal control mechanisms to assess the members of a supply base smallholder group against particular standards, other normative documents and internal policies.</p> <p>Action Root Cause Analysis:</p>	Minor

	<p>Lack of training and awareness to the relevant staff on the handling of non-conforming materials. <u>Correction:</u> Hargy Oil Palms have demonstrated effort to improve internal control system. A due diligence system started. Hargy Oil Palms has started inspection upon Land Settlement Scheme (LSS) area under Division I and Division II and identify smallholder blocks with missing land title and/or deceased block owners. Up to NCR Close out audit, OPIC has handed over information for Land Settlement Scheme (LSS) smallholders: 389 smallholder blocks with missing land title and 104 deceased smallholder blocks. Smallholder extension and GIS officer have verified and recorded: 989 LSS block owner with copy of land title at Lands Department, also registered in OPIC; 389 smallholder blocks with missing land title; 275 smallholder blocks have been confirmed missing land title; 443 smallholder blocks need to be update (overlapping block number, overlapping smallholder name, and smallholder block not-confirmed). This work will be continued for the Village Oil Palm (VOP) smallholder. Based on verification by Hargy and OPIC, there are 125 smallholder blocks (including four identified during RSPO ASA2 02/2016) from Gamupa area with total 223.24 Ha, identified to be sitting on state land without leases. Hargy Oil Palms through smallholder manager issued a letter (in Pidgin) dated 13/04/2016 to the other 121 Gamupa smallholders without leases, stating they cannot harvest their FFB and Hargy will not pick up and pay the FFB harvested, until further notice – effective 15/04/2016. The letter addressed to block owners, OPIC and Navo POM. As in the internal system, communication from Smallholder department and specifically marked in the Lintramax Smallholder Module so that no harvest order, FFB pick up order, receive and/or payments for FFB can be processed from these blocks, as of 15/04/2016. Furthermore, as the legal title for the plantation area is in application process; Hargy Oil Palms ordered Plantation manager to stop harvesting FFB from Magalona division, Alangily division, Abulmosi division, Gamupa division under Pandi Plantation – supplying FFB to Navo POM. <u>Corrective Action:</u> Procedure for addressing non-conforming materials is documented in the HOPL Supply Chain SOP -CPO Mills. Training & awareness to relevant staff on internal control mechanisms in above SOP, including specific training to mill personnel (weighbridge operators) to check origin of FFB received and on the system of due diligence referred to in corrective actions for 2.2.1.</p> <p>Status The minor nonconformity is partially closed. Auditor accepted the correction and corrective action plan. Auditor will verify the effectiveness of corrective action plan during subsequent annual surveillance visit.</p>	
1295340N2	<p>Requirements RSPO P&C PNG NI 2015 Indicator 4.7.5 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>Evidence of Nonconformity Evidence on lack of monitoring for emergency procedure: - Based on field visit to Pandi Plantation and Hargy Palm Oil Mill, the audit team found expired medication in the first aid kit of Pandi Vehicle Workshop and Hargy Palm Oil Mill; - Based on field visit and worker interview at Pandi Plantation, no first aid kit was available in the close vicinity. Workers basic understanding concerning emergency plan for work related accidents is inconsistent with the company Response Plan. - Based on field visits to Hargy Estate, Navo Estate and Pandi Estate – the audit team was not provided with safety induction or emergency response plan;</p> <p>Statement of Nonconformity Lack of monitoring on emergency procedure communication and implementation noted.</p>	Minor

	<p>Action</p> <p><u>Root Cause Analysis:</u> Lack of proper & consistent check of medical supplies on a monthly basis prior to issuance to First aid kits; Current first aid procedures follow national regulations and rely on centralised, "mobile" first aid kits; Insufficient training and awareness to the general workforce on emergency response plans; No standard safety induction template & process in place for estates, while in place for mills.</p> <p><u>Correction:</u></p> <ul style="list-style-type: none"> - Hargy Oil Palms has improved the condition of first aid kits in Pandi Vehicle Workshop and Hargy Palm Oil Mill. Hargy Oil Palms have prepared first aid pouches for field first aid officers. Field supervisors have been trained with motorcycle equipped with first aid pouches. First aid content includes: iodine solution, dressing bandage, triangular bandage, sky blanket, band aid, wound pad, alcohol swab, plastic forceps, scissors, elastic bandage, plaster, gloves, and safety pins. Awareness session to workers improved, based on interview with Jacob Jeffrey, Timothy Nankale, Ken Francis, Paul Tarato, Lawrence Kamputure, Vincent Liplip in Pandi Plantation and Willie Manike and Leonard Gavuli in Navo Plantation. Records of use of Cardio Pulmonary Resuscitation training dated 09/02/2016 for Lawrence Kui and Vincent Liplip (Certificate No.NTC017 by Pacific First Aid Certificate, valid for one year), trained and certified first aider in Pandi Plantation. Records of use of first aid training dated 10-12/02/2016 for Linda Keto (Certificate No.NTC017 by Pacific First Aid Certificate, valid for three year), trained and certified first aider in Pandi Vehicle Workshop. First aid kit checklist sheet for Pandi Plantation: antibiotic powder exp.09/16; Dettol solution exp.02/2018; povidone iodine solution exp.01/2017; betamethasone cream exp.07/2016; deep heat exp.01/2018; Surgi strip skin closure exp.05/2016; paraffin gauge dressing exp.12/2018. First aid kit checklist sheet for Pandi Vehicle Workshop: deep heat exp.01/2018; gauge swab exp.11/2019; disposable glove exp.11/2019. First aid kit checklist sheet for Navo Plantation: antibiotic powder exp.09/16; Dettol solution exp.05/2017; povidone iodine solution exp.10/2016; basic dressing pack exp.09/2016; cotton tip applicator exp.04/2018; emergency blanket exp.02/2017; paraffin gauge dressing exp.04/2019. Emergency drills being done as program and evaluated. Example: Pandi Plantation: Emergency procedures and route training dated 24/03/2016 for 22 employees including storeman, supervisor, driver, security, mechanic and bowser attendant. Fire fighting, operating fire-extinguisher training in Kerakera Division dated 30/02/2016, attended by Samson Kong (transport overseer), Pora Walhi (bowser attendant), John Eminse (supervisor) and Kaplap Lapun (Storeman). Safety precaution – signal (siren/bell) training for 19 harvesters and wheelers in Barema Plantation dated 18/03/2016. HOPL has prepared site safety induction templates, one template for estates, and one for mills. Templates to cover explanation on hazard and risk, and to allow for addition of site-specific risks as needed. Distribute template to all site safety reps and conduct training. Evidence: Auditor provided with safety induction in Navo Plantation and Pandi Plantation. Document seen: Induction Template for visitors to HOPL plantation Doc.No.TEM.ESD-GEN-002-01. As a prevention method, Order of medical supplies with 12 month or more shelf life to reduce risk of expired or expiring stock supplied to clinics & first aid kits. <p><u>Corrective Action Plan:</u></p> <ul style="list-style-type: none"> - Order of medical supplies with 12 month or more shelf life to reduce risk of expired or expiring stock supplied to clinics & first aid kits. Checks on contents of First Aid kit to be carried out monthly, and immediately after restocking by Company Doctor, using EHS inspection checklist. If non-confirming medicines are found, Company Doctor is contacted immediately, copy to Sustainability. - First aid kits shall be provided and held by Field Supervisors in the field. This basic kit will contain basic First aid supplies and will be available in the field through a Field supervisor who is trained in First aid and has a motorbike. This basic First Aid kit contents include; 	
--	--	--

RSPO Public Summary Report
Revision 1 (Sept/2014)

	<p>Iodine solution, dressing bandage, triangular bandage, sky blanket, Band aid, Wound pad, alcohol swab, plastic forceps, scissors, elastic bandage, plaster, gloves, safety pins.</p> <ul style="list-style-type: none"> - Awareness of the company system for first aid kits will be improved by training and awareness (memo and muster awareness talks) to all workers on availability & use of first aid in the field. Emergency drills to be done and evaluated to ensure the system is working and check if further improvement is required. - HOPL continues to plan the training and awareness at musters/toolbox on emergency response procedures for each site. <p>HOPL will prepared site safety induction templates, one template for estates, and one for mills. Templates to cover common risks, and to allow for addition of site-specific risks as needed. Distribute template to all site safety reps and conduct training.</p>	
	<p>Status</p> <p>The minor nonconformity is partially closed. Auditor accepted the correction and corrective action plan. Auditor will verify the effectiveness of corrective action plan during subsequent annual surveillance visit.</p>	

Observation	
OBS #	Description
1	<p>Indicator 1.2.1</p> <p>Hargy Oil Palms Limited has sets of publicly available document. The copy of policies is part of the publicly available document, which on the notice boards in each operation sites. Some of the policy made available on notice board in a number of estate inconsistently up-to-date.</p>

Positive Findings	
PF #	Description
01	Extension Material produced in conjunction between Hargy and OPIC, found to be of high standard and relevance
02	Auditor note on 76,000 cases of medical service delivery for staff, smallholder, their families and general community.
03	Stakeholder appreciation of the role played by Hargy in the area and its contributions to local development and income earning opportunities.
04	Commitment to smallholder welfare evident.
05	The support for infrastructure maintenance and community service delivery in the area is apparent.

Issues raised by Stakeholders
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Hargy Oil Palms Limited’s environmental and social performance, legal and any known dispute issues.</p> <p>Meetings and interviews were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p>

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

IS #	Description
1	<p>Feedback, Comment and Input Clan leader, Pandi/Gamupa area</p> <ul style="list-style-type: none"> - Concerns about under-use of PPE by smallholders. Proposes distribution of PPE to all smallholders (see also reference to safety training below). - Proposes expansion of buffer zones to partly to safeguard against agrochemicals entering waterways. Suggests that the additional area of expanded buffer zones should also be used for production of bush medicines and food, etc. as some of these are becoming difficult to find without walking large distances. (Appreciate that there could be problems with the management of 'dual-use' buffer zones) - Also proposes digging trenches around the outside of plantation areas before buffers and feeding the water from these drains into pits as a strategy for containing agrochemicals. (No idea if this has already been tried or how well it would work); - Urges attention to training of smallholders in the area of (1) Basic management training, (2) Use of safety equipment and why it is important, (3) Financial management (reports that this is the most important area due to poor financial management skills amongst local population). - Raises the point (also raised by other stakeholders and a number of smallholders) that the fluctuating FFB prices make it difficult for smallholders to manage budgets. Proposes that Hargy adds a subsidy to the FFB price when prices are high, and allow smallholders to claim this back when prices go down. (Appreciate that this may have been attempted before on New Britain) <p>Management Responses</p> <ul style="list-style-type: none"> - It is a requirement from HOPL & OPIC that smallholders purchase PPE, have a proper storage area and have received appropriate and adequate training on chemical handling when they purchase Glyphosate for spraying weeds. Smallholders can purchase these items from us under the smallholder credit scheme. (see answer to point d regarding training). - Buffer zones are delineated under the logging code of practice (COP) guidelines. This further explains that buffer zones are not to be used for gardening, foraging or hunting. Smallholders need more training/awareness on buffer zone definitions in field days. Agrochemicals used are all biologically denatured on contact with soil. There is no residual effect. - This is not practical. We aim for minimal amount of soil disturbance and this would create more soil erosion and disturbance. Herbicide spraying/fertiliser application is not done during wet weather/raining days. For Mature oil palm plantation management, the fertiliser is only applied in the dry season between April and October to minimise any possible runoff. Research has shown that oil palms are extremely efficient in taking up nutrients. Analysis of runoff water has not detected fertilizer Nitrogen. - Hargy welcomes the interest shown by smallholders to improve their skills. Field days are conducted by OPIC, Hargy extension officers & OPRA on a regular basis with smallholders for instruction on agronomics, including the safe handling of chemicals. The stakeholder comment is noted, and additional emphasis will be requested from the trainers on safety. To be instituted this year is a degree of financial management training, especially on ways in which smallholders can maximize production from their blocks. This programme has commenced. - The government had a price equalization scheme in the 1990s. The scheme failed because smallholders did not want to repay into the scheme when prices were high. Smallholders are encouraged to save and also to contribute to Eda Supa (superannuation fund).

	<p>Audit Team Findings Audite team raised major non-conformity related to PPE. Hargy Oil Palms have demonstrated effort to rectify the issues and planned to improve further. Audit team will continue to monitor the progress during subsequent assessment.</p>
<p>2</p>	<p>Feedback, Comment and Input Ward Councilor, Gamupa area</p> <ul style="list-style-type: none"> - Concerns about Hargy vehicles (both cars and trucks) driving too fast. - Reports that roads in his area (Gamupa area) are in poor condition and concerns that Hargy trucks may not come and pick up FFB. - Asserts the need for more training in the areas of (1) Harvesting, (2) Block management, (3) Fertilizer application, (4) Spraying. <p>Management Responses</p> <ul style="list-style-type: none"> - Need to assess on a case by case basis. The company grievance system can be used for such complaints, which will be investigated. Many company vehicles are now fitted with tracking devices which also measure speed and other driver behaviors which are monitored in a centralised control room. All Volvo trucks are also fitted with speed limiters. - The roads in the smallholder areas are the responsibility of the government. Since the government is not capable of consistently delivering this service, HOPL has undertaken an extensive programme of road repair. However, this is necessarily limited by economic returns. Hargy has a history of making all possible efforts to support smallholders, up to giving priority to smallholders FFB collection over collection of its own estates crop. - Hargy welcomes the interest shown by smallholders to improve their skills. Field days are conducted by OPIC, Hargy extension officers & OPRA on a regular basis with smallholders for instruction on agronomics, including the safe handling of chemicals. The stakeholder comment is noted, and additional emphasis will be requested from the trainers on safety. To be instituted this year is a degree of financial management training, especially on ways in which smallholders can maximize production from their blocks. This programme has commenced. <p>Audit Team Findings Audit team will continue to monitor management performance with regards to safety aspects.</p>
<p>3</p>	<p>Feedback, Comment and Input Community Advocate, Pandi area</p> <ul style="list-style-type: none"> - Asserts the need for more training in block management for smallholders and managers of independent estates. Also asserts the need for more training in financial management. Asserts that the managers of independent estates would benefit from being sent to external institutions for training. - Asserts that cassowaries and pigs are less prolific in the plantation vicinity than they were several decades ago. Accordingly, proposes that in future more land should be reserved for bush resource/community-use purposes. <p>Management Responses</p> <ul style="list-style-type: none"> - Hargy welcomes the interest shown by smallholders to improve their skills. Field days are conducted by OPIC, Hargy extension officers & OPRA on a regular basis with smallholders for instruction on agronomics, including the safe handling of chemicals. The stakeholder comment is noted, and additional emphasis will be requested from the trainers on safety. To be instituted this year is a degree of financial management training, especially on ways in which smallholders can maximize production from their blocks. This programme has commenced. Regarding IE, the comment is noted, and will be discussed with OPIC.

	<ul style="list-style-type: none"> - More land reserve for resource/community–use to be considered in future developments. Human population in Bialla has increased dramatically in last 30 years. It is presumed that uncontrolled hunting has led to the decrease of wild pigs and cassowaries. Cassowaries in particular suffer from intense poaching, as they have "trophy" value as a dish. Hunting is strictly prohibited in our estates. <p>Audit Team Findings Audit team noted the stakeholder comment on training provision for oil palm block management and smallholders. The audit team will continue to monitor HOPL performance in training. Monitoring and managing RTE species.</p>
<p>4</p>	<p>Feedback, Comment and Input Ward Councilor, Navo area</p> <ul style="list-style-type: none"> - Assert need for smallholders to receive more training in areas including weed control and fertilizer application. - Reports that cassowaries come for only one month per year but that ten years ago they were always in the area. - Expressed concern about the risk of violence and sexual harassment in compounds. (Appreciate that Hargy is making upgrades in this area, including in relation to staffing levels and communication systems) <p>Management Responses</p> <ul style="list-style-type: none"> - Field days are conducted on a regular basis with smallholders for instruction on agronomics, including the Navo area. These trainings include also weed control & fertilizer application. - There is currently no credible data on cassowary populations in the Navo area, or in our other areas. More land reserve for resource/community–use to be considered in future developments. Human population in Bialla has increased dramatically in last 30 years. It is presumed that uncontrolled hunting has led to the decrease of wild pigs and cassowaries. Cassowaries in particular suffer from intense poaching, as they have "trophy" value as a dish. Hunting is strictly prohibited in our estates. The landowners should initiate a census of cassowary numbers and introduce community-based controls on hunting. - HOPL has a zero tolerance policy in regards to any violence and/or sexual harassment in compounds and on company property. We have signboards on every compound also explaining this policy. Any reports can be made directly with on site security and/or plantation managers and will be investigated further. <p>Audit Team Findings Audit team will continue to monitor HOPL performance in training. Audit team will continue to monitor Hargy Oil Palms performance in managing RTE species.</p>
<p>5</p>	<p>Feedback, Comment and Input Worker’s Representative/Stakeholder</p> <ul style="list-style-type: none"> - Appreciates the arrangements that Hargy has made to enable children from remote compound to attend school. Asserts that there is also a case for children from Bialla Mill Compound to be transported to school as the road is busy - Asserts 11 days leave per year makes it difficult for general labourers from other provinces to visit home for more than a few days per year, due to the time required to travel (boats, etc.) - Has various views on pay and conditions matters which would be best be raised directly with Hargy management. <p>Management Responses</p> <ul style="list-style-type: none"> - Difficult because of the number of children requiring transportation and the availability of a suitable vehicle. To be further reviewed. Hargy mows the grass on either side of the road but children tend to walk on the road. Hargy will encourage awareness sessions at the school on safety, such as walking on the side of the road facing on-coming traffic and wearing bright coloured clothes.

	<ul style="list-style-type: none"> - As per the employee form that are signed by new employee's before engagement with HOPL, the large majority of employee's working for HOPL are locally recruited. They also accept that the x11 days leave is as per their annual leave entitlement with HOPL and the employee. - HOPL have a pay review process as well as a grievance process. Issues effecting pay or conditions to be addressed through these avenues.
	<p>Audit Team Findings Audit team</p>
6	<p>Feedback, Comment and Input Smallholder</p> <ul style="list-style-type: none"> - Several smallholders interviewed in the Malaso (Navo) area expressed concern about the poor state of the Saltamana Road (rotten bridge timbers observed), which they report is supposed to be a volcano emergency evacuation route. - A VOP smallholder in the Malaso (Navo) area reported that he had consistently been undersupplied with fertilizer because the Hargy database did not recognize that he held five Hectares in Malaso (the database reportedly registered one). He reported that the same database error had also resulted in payment issues/bottlenecks and an expectation that with only one Hectare he should not be producing so much FFB. (Suggest the need for checking information in database against smallholder block size) - Multiple smallholders reported that though the transport charge for picking up of FFB was too high. - One smallholder from Tiaru area requested that Hargy assist them with accessing water tanks for blocks. <p>Management Responses</p> <ul style="list-style-type: none"> - The roads in Malaso are in poor condition. The major roads in the area were put in by the World Bank SADP programme, however they were never completed. Trucks can access most of the roads due to HOPL intervention. HOPL has improved the new Britain Highway and the Mount Ulawun ring road. We have not received any advice from the Provincial Disaster office in regards to escape routes, and will make enquiries. - VOPs are generally limited to one or two hectares. It is possible but unlikely. OPIC records are the basis for our database and contain some mistakes. Please advise his block number and name so we can investigate, and make corrections if required. - Transport charges are always perceived as being too high, but are charged based on actual costs. KPMG estimated that the lack of government funding to smallholder road maintenance increases the cost of FFB transport by K23/tonne. - There are hardware stores in the area, where the smallholders can find water tanks. Hargy is focusing on its oil palm activities and feels it serves the smallholders better in this way. <p>Audit Team Findings Audit team noted the comments related to verification upon smallholder block hectare information, and will review during subsequent surveillance assessment.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

A minor nonconformity from previous assessment has been followed up and closed.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1161437N1	<p>Requirements Indicator 4.8.2 Records of training for each employee shall be maintained.</p>	Minor

RSPO Public Summary Report
Revision 1 (Sept/2014)

	<p>Evidence of Nonconformity Based on document review and interview with document controller, training records are available and up-to-date; However records of training for each employee have not been prepared.</p> <p>Statement of Nonconformity There is not adequate evidence Hargy Estate and Navo Estate maintained records of training for each employee.</p> <p>Actions Hargy Oil Palms Limited is using WinHR to manage the training database for each employee. The process started with collection of training attendance list from each sites to be lodged into WinHR system, identification is using employee name and employee number. Currently the training record available in up-to-date for period 01-06/2015. Worker sample selected: - Navo Estate: John Amos, Frond stacking 23/03/2015; spraying chemical 11/03/2015; Clement Amgi, frond stacking 23/03/2015; - Pandi Estate: Paul Kelly and Benny Enock, chemical spill drill 07/06/2014; - Hargy Estate: Jerry Som, company policy awareness 03/03/2015; Benny Upat, harvesting on 15/06/2015; Audit team also verified the training record from other sites. Sample seen: - Smallholder management: Joyce Hindi Kuam, First aid training 23/02/2015; IS 14001 training 15/05/2015; Certificate in accounting 04/04/2014. - Hargy Vehicle Workshop: Justine Abok, Engine principle 17/06/2015; Measurement & Conversion 09/06/2015; - Navo Workshop: Ricky Kawei, Boiler Water Quality on 29/06/2015; Audit team confirm the nonconformity was closed on 20/02/2016.</p> <p>Closed? Yes</p>	
--	---	--

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1161437N2	<p>Requirements Indicator 5.2.4 Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. </p> <p>Evidence of Nonconformity Based on document review and interview with responsible officer, ongoing monitoring on the status of RTE species has not been carried out.</p> <p>Statement of Nonconformity There is not adequate evidence that the company performed ongoing monitoring on the status of RTE species.</p> <p>Actions Hargy Oil Palms Limited has prepared a system to improve the monitoring of RTE species. The monitoring RTE species is being done as part of Environmental, Health and Safety Inspection. The inspection performed by RSPO representatives on monthly basis at each plantation. The RTE monitoring done and look into the condition of buffer zone, presence of RTE</p>	Minor

RSPO Public Summary Report
Revision 1 (Sept/2014)

	<p>species and identify any disturbance to the buffer zone. Hargy also prepare a plan to training more staff in cooperation with ProForest.</p> <p>Record seen: EHS Monthly inspection checklist Hargy Division 3 Kerakera – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: wild cockatoos parrot in area 13 and area 11. Date of inspection 02/02/2016 by John Eminse.</p> <p>Navo Plantation: EHS Monthly inspection checklist Karla Plantation – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: Kokomo in Atata 700. Date of inspection 02/02/2016 by John Kagil. Field visit to Navo Plantation, to look into buffer zone to sea shore, where plantation sets aside 20 meters inland from the boundary marker. Buffer zone is found intact. Audit team concludes the corrective action taken is sufficient. Nonconformity closed on 20/02/2016.</p>	
	<p>Closed? Yes</p>	

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	CLOSED
AT 17-1.2.7	Major	04/07/2008	16/09/2008
AT 18-4.7.7	Major	04/07/2008	16/09/2008
AT 19-5.3.1	Major	04/07/2008	16/09/2008
AT 20-5.6.1	Major	04/07/2008	16/09/2008
AT 21-6.3.1	Major	04/07/2008	16/09/2008
AT 01-4.3.6	Minor	04/07/2008	10/04/2010
AT 02-4.4.1	Minor	04/07/2008	10/04/2010
AT 03-4.6.6	Minor	04/07/2008	10/04/2010
AT 04-4.7.2	Minor	04/07/2008	10/04/2010
AT 05-4.7.2	Minor	04/07/2008	10/04/2010
AT 06-4.7.3	Minor	04/07/2008	10/04/2010
AT07-4.7.5	Minor	04/07/2008	10/04/2010
AT 08-4.8.1	Minor	04/07/2008	10/04/2010
AT 09-5.6.2	Minor	04/07/2008	10/04/2010
AT 10-6.1.3	Minor	04/07/2008	10/04/2010
AT 11-6.2.2	Minor	04/07/2008	10/04/2010
AT 12-6.2.3	Minor	04/07/2008	10/04/2010
AT 13-6.5.3	Minor	04/07/2008	10/04/2010
AT 14-6.5.4	Minor	04/07/2008	10/04/2010
AT 15-6.5.6	Minor	04/07/2008	10/04/2010
AT 16-6.11.1	Minor	04/07/2008	10/04/2010
1-2.1.2	Minor	10/04/2010	25/03/2011
2-4.3.5	Minor	10/04/2010	25/03/2011
3-4.5.2	Minor	10/04/2010	25/03/2011
4-4.7.2	Minor	10/04/2010	25/03/2011

RSPO Public Summary Report
Revision 1 (Sept/2014)

5-5.1.2	Minor	10/04/2010	25/03/2011
6-5.5.3	Minor	10/04/2010	25/03/2011
7-6.2.2	Minor	10/04/2010	25/03/2011
8- 6.6.3	Minor	10/04/2010	25/03/2011
1- 5.3.2	Minor	25/03/2011	30/03/2012
2- 6.2.2	Minor	25/03/2011	30/03/2012
3- 6.5.4	Minor	25/03/2011	30/03/2012
1- 4.7.2	Minor	30/03/2012	03/05/2013
2- 4.7.3	Minor	30/03/2012	03/05/2013
1- 4.7.2	Minor	03/05/2013	28/03/2014
2- 4.7.3	Minor	03/05/2013	28/03/2014
3- 5.3.2	Minor	03/05/2013	28/03/2014
1037572M17 - D.3.2	Major	28/03/2014	08/04/2014
1037572M18 - D.3.3	Major	28/03/2014	08/04/2014
1037572N4 - 4.7.2	Minor	28/03/2014	06/03/2015
10375752N5 - 4.7.3	Minor	28/03/2014	06/03/2015
10375752N10 - 4.7.5	Minor	28/03/2014	Escalated to Major NC
10375752N9 - 5.3.2	Minor	28/03/2014	06/03/2015
10375752N13 - 5.6.2	Minor	28/03/2014	06/03/2015
10375752N15 - 6.5.3	Minor	28/03/2014	06/03/2015
1161437M1 - 4.7.5	Major	06/03/2015	04/05/2015
1161437M1 - 5.6.1	Major	06/03/2015	04/05/2015
1161437M1 - 4.8.2	Minor	06/03/2015	20/02/2016
1161437M1 - 5.2.4	Minor	06/03/2015	20/02/2016
1295340M1 - 2.2.1	Major	20/02/2016	17/08/2016
1295340M2 - 4.7.3	Major	20/02/2016	20/04/2016
1295340M3 - 6.3.2	Major	20/02/2016	20/04/2016
1295340M4 - RSPO SCCS D.4.1	Major	20/02/2016	17/08/2016
1295340N1 - 4.1.2	Minor	20/02/2016	"Open"
1295340N2 - 4.7.5	Minor	20/02/2016	"Open"

Assessment Conclusion and Recommendation

It is concluded that Hargy Oil Palms Limited's Palm Oil Mills: Hargy Palm Oil Mill, Barema Palm Oil Mill, Navo Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C PNG NI 2015 and RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the 2nd Annual Surveillance Assessment assessment is approved.

Acknowledgement of Assessment Findings by Client representative

Report prepared by BSI

Name : Graham King

Name : Pratama A Sedayu

Company name :

Company name :

Hargy Oil Palms Limited

BSI Malaysia Services Sdn Bhd

Title :

Title :

General Manager

Lead auditor

Signature :

Signature :




Appendix A: Summary of Findings (P&C PNG NI 2015)

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
<p>Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p> <p>Specific Guidance: <i>For 1.1.1: Evidence should be provided that information is received in appropriate form(s) and language(s) by relevant stakeholders. Information will include information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities.</i></p> <p>Guidance: <i>Growers and millers should have a Standard Operating Procedure (SOP) to respond constructively to stakeholders, including a specific timeframe to respond to requests for information. Growers and millers should respond constructively and promptly to requests for information from stakeholders. Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the response is timely and appropriate.</i> <i>See Criterion 1.2 for requirements relating to publicly available documentation.</i> <i>See Criterion 6.2 on consultation.</i> <i>See Criterion 4.1 on SOPs.</i></p>			
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>Hargy Oil Palms Limited (HOPL) is able to demonstrate that all information requests have been provided with response. Each information request is being sorted and organizes to each responsible unit.</p> <p>Smallholders: Smallholder Manager has manages information request and responses under a list. The list recorded the information request and response provided made in timely manner. Smallholder Growers can demonstrate all relevant information upon request. Some documentation is kept with OPIC extension officer and available upon request.</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>1.1.2</p> <p>Records of requests for information and responses shall be maintained.</p> <p>-Major compliance-</p>	<p>Each unit has a record for information and responses. Head office keeps the main register.</p> <p>Sample seen: Pastor John Dau, request for water for Church Kabayon, on 17th October 2015 – request for water truck. Company responded on 19th October 2015 that approves provision of water truck. Evidence seen HOPL Integrated Stock and Works Requisition on 20th October 2015, water truck sent to Pastor John Dau</p> <p>Smallholders: Smallholder Manager has manages information request and responses under a list. The list recorded the information request and response provided made in timely manner. Smallholder Growers can demonstrate all relevant information upon request. Some documentation is kept with OPIC extension officer and available upon request. Based on OPIC's (Field Department) extensive record of requests, grievances and responses sighted 19th February 2016.</p>	<p>Yes</p>

Criterion 1.2:

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

Guidance:

This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria.

Management documents will include monitoring reports. The auditors will comment on the adequacy of each of the documents listed in the public summary of the assessment report.

Examples of commercially confidential information include financial data such as costs and income, and details relating to customers and/or suppliers. Data that affects personal privacy should also be confidential.

Ongoing disputes (within or outside of a legal mechanism) can be considered as confidential information where disclosure could result in potential negative outcomes for all parties involved. However, affected stakeholders and those seeking resolution to conflict should have access to relevant information.

Examples of information where disclosure could result in potential negative environmental or social outcomes include information on sites of rare species where disclosure could increase the risk of hunting or capture for trade, or sacred sites which a community wishes to maintain as private.

Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the level of measuring and monitoring of the management plan, and information, is appropriate and made available.

For National Interpretation:

Specific approaches to personal privacy safeguards, including any legal requirements, will be considered.

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> • (1) Land titles/user rights (Criterion 2.2); • (2) Occupational health and safety plans (Criterion 4.7); • (3) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • (4) HCV documentation (Criteria 5.2 and 7.3); • (5) Pollution prevention and reduction plans (Criterion 5.6); • (6) Details of complaints and grievances (Criterion 6.3); • (7) Negotiation procedures (Criterion 6.4); [for land & disputes] • (8) Continual improvement plans (Criterion 8.1); • (9) Public summary of certification assessment report; • (10) Human Rights Policy (Criterion 6.13). <p>- Major compliance -</p>	<p>HOPL updated a list (datum 2015) of documents approved for different audiences. This document indicates the nature of documents and the level of availability/confidentiality. The document register provided by HOPL is a list of key documents and those indicated as publicly available were sighted by the Auditing team on notice board. Document seen: Occupational Health and Safety Plan are available. Was reviewed on the 7th February 2015 and issued on the 23rd February 2015 (criterion 4.7); Action Plan for continual Improvement in Sustainable Performance issued on the 20th February 2015 (criterion 8.1).</p> <p>List of publicly available document:</p> <ul style="list-style-type: none"> - Land titles/user rights (available upon GM approval); - Occupational health and safety plans; - Social Impact Assessment & Social Management Plan; - HCV documentation; - Pollution prevention and reduction plans (Criterion 5.6) – available under document Action plan for continual Improvement in Sustainable Performance issued 20th February 2015; - Details of complaint and grievances; - Negotiation procedures; - Continual improvement plans – available under document Action plan for continual Improvement in Sustainable Performance issued 20th February 2015; - Public summary of certification assessment report; - Human right policy; 	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Smallholders: A set of policies, similar to Hargy Oil Palm’s documented policies are available at Smallholder and OPIC office. Based on visit and interview with smallholder, out growers receive information on health and safety policy, waste management plan, human right policy, domestic violence and a sexual harassment policy during “OPIC field day”. CONFORMING – although as outlined below, not all documents exist. Some are not applicable (N/A), however, and others could be address fairly easily by paying attention to involving OPIC across the full range of RSPO areas. (See also into 4.7.1 and 6.4.3.) Smallholder have CLUAs; If the smallholders want PPE then they get them (around 20 in the last year). Safety emphasized on field days, including emergency escape during volcano eruption; FPIC process first for new VOP and a land investigation for suitability including buffer zones and HCV identification capability; The World Bank project paid for the HCV assessment of the Tauke area (sighted – written by Simon Drummond). Ruben Taukro says the CLUA is the means of observing the HCV criteria. Note that no Government’ Environment and Resources officer is in the area; Pollution prevention and reduction plan is N/A as agrochemicals are stored at Hargy; Complaints and Grievances files sighted; Continuous improvement plan sighted; Human Rights Policy that covers the smallholders.</p> <p>General comment: OPIC appears to be a highly capable extension service capable of delivering extension and sustainability information.</p>	
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p> <p>Guidance: <i>All levels of the operations will include contracted third parties (e.g those involved in security).</i> <i>The policy should include as a minimum:</i></p> <ul style="list-style-type: none"> • <i>A respect for fair conduct of business;</i> • <i>A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources;</i> • <i>A proper disclosure of information in accordance with applicable regulations and accepted industry practices.</i> <p><i>The policy should be set within the framework of the UN Convention Against Corruption, in particular Article 12.</i></p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>1.3.1</p> <p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>Policy concerning ethical conduct, rev.2, dated 16th December 2015, covering: illegal gratification and corrupt practices (Solicitation and/or acceptance of corrupt payments, making corrupt payments, commission, using company resources), Gifts.</p> <p>Hargy Plantation: Policy Concerning Ethical Conduct POL-HRD-GEN-002-02, approved by General Manager on 16th December 2015. The code of ethical conduct covers conflict of interest, solicitation and/or acceptance of corrupt payments, making corrupt payment, commission, using company resources, receipt of any gifts incurred by transactional activity.</p> <p>Awareness session dated 11th December 2015 for 25 employees in Hargy plantation. Awareness session dated 3rd November 2015 for 10 loose fruit collectors;</p> <p>Smallholders: Smallholder manager referred to HOPL's code of ethical conduct in smallholder operation. Efforts made by smallholder management team to communicate the code of ethical conduct policy. The smallholders understood the implementation in form of fair conduct on business, in form of: harvesting and transport including harvesting quality and contractual aspects (being honest about whose FFB is whose).</p>	<p>Yes</p>

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1:

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

Specific Guidance:

For 2.1.4: The systems used for tracking any changes in laws and regulations should be appropriate to the scale of the organisation.

Guidance:

Implementing all legal requirements is an essential baseline requirement for all growers whatever their location or size. Relevant legislation includes, but is not limited to: regulations governing land tenure and land-use rights, labour, agricultural practices (e.g. chemical use), environment (e.g. wildlife laws, pollution, environmental management and forestry laws), storage, transportation and processing practices. It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions, UN Guiding Principles on Business and Human Rights. Furthermore, where countries have provisions to respect customary law, these will be taken into account.

Key international laws and conventions are set out in Annex 1

Contradictions and inconsistencies should be identified and solutions suggested.

All relevant legislation will be identified, and any particularly important requirements identified.

RSPO Public Summary Report
Revision 1 (Sept/2014)

<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>A Register of Legal and Other Requirements covering the applicable local and international laws and regulations had been compiled at the palm oil mills and estates under the operating unit grouping. A legal compliance checklist is used by the Environment Sustainability manager for verification of compliance with legal requirements. The relevant laws and legislations identified and listed cover safety and health, environment, pollution management, chemical handling, usage & storage, schedule waste management, employment laws, building act, housing and amenities. There were no cases of any violation or actions imposed by relevant authorities.</p> <p>Based on the site observations, interviews and records checking at the palm oil mills and estates, there were evidences of compliance with the relevant laws, regulations, local and international laws. Licenses and permits were monitored for their expiry dates and found to be renewed and valid.</p> <p>Hargy POM: The company has legal permit list must comply with it as documented in "Legal Compliance Checklist, last updated 13th February 2016 and List of PNG Applicable Legislation, rev.6, dated 16th February 2016. Environment Permit for discharge waste into the environment No.WD-L2(56), dated 13th October 1993, expiry 31st December 2028 form The Independent State of Papua New Guinea – Director of Environment Machineries were inspected annually from "Industrial Safety, Health and welfare Department of PNG", the last inspection on 11th November 2015 for pressure vessel. Boiler, steriliser, back pressure vessel, Steam Separator, Sand filter, etc.</p> <p>Navo POM: - Machineries is inspected annually from "Industrial Safety, Health and welfare Department of PNG", the last inspection on 11th November 2015 for pressure vessel. Boiler, steriliser, back pressure vessel, Steam Separator, Sand filter, etc. - Chemical store permit No.6482, dated 11th November 2015, expiry dated 30th September 2016. - Warehouse permit No.6481, dated 11th November 2015. - Callibration summary for Navo Mill was conducted by UCAL Techs on 13th June 2015 for Laboratory equipment. - Environment Permit for discharge waste into the environment no. WD-L2(56), dated 13th October 1993, expiry 31st December 2028 form The Independent State of Papua New Guinea – Director of Environment. - Chemical store No.6482, dated 11th November 2015, expiry dated 30th September 2016. - Warehouse No.6481, dated 11th November 2015. - Environment Permit for discharge waste into the environment No.WD-L2B(104), dated 11th January 2001,</p>	<p>Yes</p>
--------------	--	--	------------

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>expiry 31st December 2053 form The Independent State of Papua New Guinea – Director of Environment.</p>	

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance	
	<p>Barema POM: Mill machineries permit: - Mill Processing Plant No.06342 (valid until the 31st December 2016); - Biogas Plant No.06343 (valid until 31st December 2016). - Power House No.06344 (valid until 31st December 2016); - Water Treatment Plant No.06345 (valid until the 31st December 2016). - Mill Electrical Maintenance No.06346 and 06347 (valid until the 31st December 2016). - Environment Permit for discharge waste into the environment No.WD-L2(60), dated 30th May 2005, expiry 26th June 2030 form The Independent State of Papua New Guinea – Director of Environment. - Machineries is inspected annually from “Industrial Safety, Health and welfare Department of PNG”, the last inspection on 11th November 2015 for pressure vessel. Boiler, steriliser, back pressure vessel, Steam Separator, weighbridge, Sand filter, etc.</p> <p>Estates and mills: Environment Permit for discharge waste into the environment No.WD-L2(60), dated 30th May 2005, expiry 26th June 2030 form The Independent State of Papua New Guinea – Director of Environment. Environment permit for extract water from Ibana River No.WE-L2B (80), dated 11th January 2001, expiry date 31st December 2053 form The Independent State of Papua New Guinea – Director of Environment.</p> <p>Smallholders: Smallholder have CLUAs; Smallholder management organization demonstrates knowledge upon main legal requirement and all applicable legal requirements related to operational activities. Based on interview with smallholders, adequate knowledge of main legal requirements is demonstrated. Smallholders do understand their right and responsibilities related to land title, payment of land taxes, use of chemical, agricultural practices, protected fauna act, etc.</p>		
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palm Limited (HOPL) has a documented system of concerned legal legislations as documented in “Legal Compliance Checklist, last updated 13th February 2016 and List of PNG Applicable Legislation, rev.6, dated 16th February 2016, the company has the copy of legal in system (soft copy) in Head of Sustainability Department and available in each department related to the legal compliance.</p> <p>All operating units have written information on legal requirement and this information updated by the Environmental and Sustainability Manager.</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	The company has procedure if any new and/or amendment of regulation in procedure "Environmental Procedure Legal compliance" HOP-PRO-EMS-002-08, rev.8, dated 13 th January 2015. The company also has evaluated legal compliance related environmental as documented in "Hargy Oil Palms Environmentaal permit condition compliance evaluation" rev.6, dated 11 th February 2016.	Yes
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Estate and Mill: The company has a system to track any changes in the applicable law. Environmental and Sustainability Manager and evaluation is updated annually, the last updated February 2016. If any changes of the procedure, the company have procedure to change any updated of procedure and track of change procedure is documented "Track changes" document in softcopy.	Yes

Criterion 2.2:

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

Specific Guidance:

For 2.2.2: Plantation operations should cease on land planted beyond the legally determined area and there should be specific plans in place to address such issues for associated smallholders.

For 2.2.6: Company policy should prohibit the use of mercenaries and para-militaries in their operations. Company policy should prohibit extra-judicial intimidation and harassment by contracted security forces (see Criterion 6.13).

Guidance

Where there is a conflict on the condition of land use as per land title, growers should show evidence that necessary action has been taken to resolve the conflict with relevant parties. A mechanism should be in place to resolve any conflict (Criteria 6.3 and 6.4).

Where operations overlap with other rights holders, companies should resolve the issue with the appropriate authorities, consistent with Criteria 6.3 and 6.4.

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>NC Major:</p> <p>Four randomly selected smallholders in the 'Gamupa VOP' area were found to be operating on state land (the Bakada Land Purchase Area) without leases. These smallholders are operating on part of an area of land originally conceived of as the Gamupa Independent Estate. Features of the Gamupa Independent estate include: (1) Gamupa Independent Estate never acquired a sub-lease over the state land on which it is situated, (2) As originally conceived, Gamupa Independent Estate failed as an Independent Estate, and (3) Individual operators ultimately took over parts of Gamupa Independent Estate as smallholders.</p> <p>While the area is classified on Hargy maps as a VOP area which would normally involve smallholders in possession of Clan Land Use Agreements (CLUAs) operating on customary land, the area remains state land and the smallholders operating on it do not possess legal users rights.</p> <p>Although it is recognized that the Acting Lands Advisor to the East New Britain Division of Lands and Physical Planning recommended in November 2014 that "All Vacant State leases within the Bakada LP be formalized for the upcoming East New Britain Provincial Land Board, except for Portion 13 which might be included in a forthcoming Kokopo sitting", the fact remains that the Gamupa VOP blocks, along with other oil palm developments on the Bakada Land Purchase Area, are without 'legal lease', and therefore do not conform to the requirement of C2.2.1, that documents 'showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.'</p> <p>Note: The reason this non-conformance has been posted as "pending" is because land tenure complexity is proving extremely difficult in the prevailing circumstances. Debilitating issues include:</p> <ul style="list-style-type: none"> • Long waits (commonly 25 years +) for titles to be issued to smallholders. • Unavailability of Dept. Lands Officers. • No accredited mediator resident locally • Failure of Provincial Lands Boards to meet regularly (reportedly for years at a time) to process application. • Essentially frozen land administration processes. • No effective response to constant petitioning by Hargy to process outstanding lease applications. 	

**RSPO Public Summary Report
Revision 1 (Sept/2014)**

		<p>Corrective action: Hargy Oil Palms Limited (HOPL) started to investigate on all the Land Settlement Scheme (LSS) area on Gamupa smallholder under Division I and Division II. Based on the investigation, there were additional 121 smallholder blocks (total of 125 smallholders including 4 identified during the ASA 2 in February 2016) from the Gamupa area with total land area of 223.24 Ha was identified to be occupying on state land without lease documents. HOPL with immediate action through the smallholder manager had issued letters (in Pidgin) on 13/04/2016 to the 121 Gamupa smallholders, stating they are suspended from harvesting their FFB and Hargy will not pick up and/or pay the FFB harvested until further notice. The action took effective 15/04/2016. The guidance for criterion 2.2.1 within RSPO P&C PNG NI was approved in April 2016.</p> <p>Hargy Oil Palms Limited (HOPL) has demonstrated a full compliance to the RSPO P&C PNG NI 2016, criteria 2.2.1, with the following corrective action: Legal ownership for Gamupa Oil Palm Development Ltd. (125 smallholders):</p> <ul style="list-style-type: none"> - Land has been alienated; as per survey plan and survey reports: Gamupa Land Investigation Report 21/11/2014 compiled by East New Britain Lands Advisor. This report refers to the land as Portion 13 Milinch Ulawun Fourmil Rabaul and is part of the Bakada Land Purchase (NLD 1617), this report refers to the land as vacant State Land on Survey Plan Catalogue 15/1010, this report recommends that all vacant leases be formalized in the upcoming East New Britain Province's Land Board meeting. Survey plan for portion 10, 11, 12 and 13. - Boundaries have been defined by a registered surveyor and portion numbers allocated by the surveyor general; as per Survey Plan Catalogue 15/946 for Portion 5, Survey Plan Catalogue 15/974 for Portion 9; Survey Plan Catalogue 15/975 for Portion 10; Survey Plan Catalogue 15/975 for Portion 11, Survey Plan Catalogue 15/975 for Portion 12. - There is no dispute over tenure; as per letter issued by OPIC on 12th August 2016, Reference 2-2-2/OP:ep stating there was no land dispute over the state owned leases in the land settlement scheme subdivisions of Uasilau, Lalopo, Sege, Sale, Malasi, Tiuru, Wilelo, Barema, Soi and Kabaiya. - There is evidence that an application has been submitted to the relevant Government Authority (Provincial Division of Lands and Physical Planning) as per: <ul style="list-style-type: none"> - Application from 63 smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 5 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/946 dated 20/04/2016. 	
--	--	--	--

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - Application from 9 developed smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 9 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/974 dated 20/04/2016. - Application from 26 developed smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 10 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/975 dated 20/04/2016. - Application from 13 developed smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 11 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/975 dated 20/04/2016. - Application from 14 developed smallholder blocks in Gamupa Oil Palms Development Ltd. to Department of Lands in order to obtain Agricultural Lease on a piece of land Portion 12 Milinch Ulawun, Fourmil Talasea, East New Britain Province, Survey Plan Catalogue 15/975 dated 20/04/2016. - There is evidence of follow up to the authorities on more than one occasion; as per: <ul style="list-style-type: none"> - The meeting with Deputy Secretary of Department of Lands & Physical Planning, in Port Moresby dated 10/03/2016, results in statement that "the power to hear and award titles for oil palms blocks is vested in the Provincial Land Board of those provinces concern". - Hargy Oil Palms correspondence dated 08/03/2016 with West New Britain Provincial Administration, resulted in response dated 14/03/2016 stated "West New Britain Province's current Land Board – some of its members have died and the submission is now before the Provincial Executive Council (PEC) for the appointment of the new Land Board". - Letter from Hargy Oil Palms to Provincial Administrator of East New Britain Provincial Administration dated 29/07/2016. 	

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>In order to prevent recurrence of non-conformity with similar cause, Hargy Oil Palms is improving the internal control system quality by created the GIS database on 06/04/2016. All the land titles of both Smallholders & Company that supply to HOPL is being identified using GIS (ArcGIS). The ArcGIS control system implemented by HOPL allows the linking of the block numbers, block names, status of the land leases, history of land tenure and the actual legal use land of the smallholders with the latest Oil Palm Industry Corporation's (OPIC) database (provided to HOPL on 08/03/2016).</p> <p>The ArcGIS control system shall be periodically updated to show the status of land titles. The system allows the following controls:</p> <ul style="list-style-type: none"> - Monitoring of smallholder occupancy on land whether the land are sitting on state land and using Land Settlement Scheme (LSS) or sitting on customary land using Clan Land Use Agreement (CLUA). - Monitoring and control on issuance of stop harvesting order/FFB pick up on any no compliance blocks. - Monitor and communicate with OPIC to identify smallholder blocks with land leasing issues. - Monitor and communicate with relevant POM (e.g. Navo and Barema) to prevent intake of FFB from non-conforming smallholder blocks. <p>In addition on investigating the 125 Gamupa smallholder blocks, Hargy Oil Palms Limited had extended their investigation on the entire smallholder sitting on state land/LSS area. Based on full investigation/census, HOPL had found that there are 285 smallholder blocks with missing owner's copy of the land titles; and 104 smallholder blocks' with deceased status of original owner, where the land lease has not been transmitted to the next of kin of the original owner.</p> <p>The following are the reasons of why the 285 LSS smallholder blocks with case of missing owner's copy of the land title:</p> <ul style="list-style-type: none"> - As the LSS means leasing the land, the owner may be obtaining a loan from banks to pay the lease. In order to get a loan, the owner is required to surrender the owner's copy of the Land Lease document to the bank. However, there are several cases that the bank had misplaced the owner's copy of land title. - Some of the owner's copies were damaged due to poor protection. - Some of the owner had tried to retrieve the missing copy from the Land Department. However, it was not successful. 	

**RSPO Public Summary Report
Revision 1 (Sept/2014)**

		<p>Even though the owner’s copy of the land lease could not be shown, in order to demonstrate that the 285 LSS smallholders blocks have legal rights on their land, at least one of the following was evidences was provided:</p> <ul style="list-style-type: none"> - Bank Loan Document - The banks requires to withhold the Owner’s Copy to provide the bank loan. If the owner would have obtained a Bank loan documents, it would have shown there is a Land Lease provided by the owner. Therefore, with a bank loan document, it could be demonstrated that the owner had the Land Lease document. - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block’s land title in Department of Land, Port Moresby. - Confirmation by Oil Palm Industry Corporation (OPIC). OPIC is an extended governmental agency which was assigned to manage the smallholders in both the LSS and VOP. The OPIC was the original agency that have allocated the blocks to the Owners base on the Land Department approval. Hence a confirmation from the OPIC with regards to the owner legal rights on the land is appropriate. <p>Hargy Oil Palms Limited found 104 smallholder blocks’ with deceased status of original owner, where the land lease has not been transmitted to the next of kin of the original owner. The smallholders who are managing the blocks are not as the original name of the Land Lease. This is due to the deceased of the original owner whose name is stated in the Land Lease.</p> <p>The current smallholders that are managing and harvesting the affected blocks could be the next of kin or someone the deceased owner had pass his/her land too. In order to demonstrate the current person managing and cultivating the land is the inherit, at least one of the following was evidences was provided:</p> <ul style="list-style-type: none"> - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block’s land title in Department of Land, Port Moresby. - Identification of next of kin provided OPIC and HOPL; - Statement letter from OPIC regarding the next of kin; - Statutory Declaration from the block owner and/or the family; - Application to the Land Department of name change in the Land Lease; - Settler Information Sheet from OPIC; <p>Hargy Oil Palms have been able to demonstrate the supply base/smallholder was in compliance with RSPO P&C criteria 2.2.1, a document showing legal ownership or</p>	
--	--	---	--

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	lease, history of land tenure and the actual legal use of the land.	
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	<p>Hargy Plantation, Navo Plantation, Pandi Plantation: Hargy Plantation: HOPL is in coordination with Land Department to install boundary pegs in replanting area to avoid overplanting. The boundary re-survey conducted in 2015 – 18 boundary pegs identified and GPS coordinate captured in Hargy Division 3, Kerakera. In Hargy Division 3, Kerakera block No.15K04, date of installation 11th February 2016.</p> <p>Audit team visited and verifies boundary pegs in and around Navo Estate block 98D22 (151°10'33"E–5°5'47"S); block 98D22 (151°10'29"E–5°5'47"S) – neighboring with LSS smallholder; 98D22 (151°10'23"E–5°5'47"S); 01C15 (151°10'35"E–5°4'29"S).</p> <p>Smallholder: Smallholder blocks visited and found physical signs were used to mark oil palm plantation. These were common practiced within Village Oil Palm. Boundary stones are maintained for Land Settlement Scheme blocks.</p>	Yes
2.2.3 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). - Minor compliance -	<p>Hargy Oil Palm Limited: Hargy's Land officer reports no new land disputes of significance involving Hargy. Nor were any reports of significant land disputes reported by stakeholders.</p> <p>Smallholder: OPIC extension officer reports no new land disputes of significance involving Hargy's smallholders. Nor were any reports of significant land disputes reported by stakeholders.</p>	Yes
2.2.4 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. -Major compliance	<p>Hargy Oil Palm Limited: Hargy lands officer reports no new land disputes of significance involving Hargy. Nor were any reports of significant land disputes reported by stakeholders.</p> <p>Smallholder: OPIC extension officer reports no new land disputes of significance involving Hargy's smallholders. Nor were any reports of significant land disputes reported by stakeholders.</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
2.2.5 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). -Minor compliance	Hargy Oil Palm Limited: Hargy lands officer reports no new land disputes of significance involving Hargy. Nor were any reports of significant land disputes reported by stakeholders. Smallholder: OPIC extension officer reports no new land disputes of significance involving Hargy's smallholders. Nor were any reports of significant land disputes reported by stakeholders.	Yes
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. -Major compliance	Hargy Oil Palm Limited: Zero reports/evidence of this. Smallholder: Zero reports/evidence of this.	Yes

Criterion 2.3:

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

Specific Guidance:

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

Guidance:

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

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

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

Companies should be especially careful where they are offered lands acquired from the State by its invoking the national interest (also known as 'eminent domain').

Growers and millers should refer to the RSPO approved FPIC guidance ('FPIC and the RSPO: A Guide for Companies', October 2008)

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>2.3.1</p> <p>Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited: Map of customary and state land boundaries (Sena, November 2014) sighted and photographed. Map of Rukua dated December 2013 also sighted (in an early stage of preparation) also includes custom boundaries - prepared to assist Incorporated Land Group registration process.</p> <p>Smallholder: OPIC offices kept all Clan Land Use Agreements (CLUAs) and map of each smallholder blocks. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. But, the content has not been included in the annual monitoring survey activities. OPIC considered improving as this could be used to monitor RSPO / Sustainability complains in the course of the annual block inspections. ("Hargy Oil Palm Limited Block Inspection Report Form"). All the Smallholder Agriculture Development Program World Bank Program (SADP) Oil Palm Infill Planting Approval Form, including sustainability aspects and with CLUA attached. All copies on file inspected. All with CLUA except one (photocopy error). Block No. 420037, 420040, 420041, 420042, 420043, 420042, 420045. 420045 was missing the CLUA due to photocopy error but in any case it is a copy. Three copies of the CLUAs: One with OPIC Project Office, one is sent to Hargy smallholder office, and one was sent to SADP Microfinance office, but SADP is finished. So now two copies go to the Division office, one for the Grower (field file) and one for the Division File.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>2.3.2</p> <p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been 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>Hargy Oil Palm Limited:</p> <p>Based on review of (1) Incorporated Land Group (ILG) stakeholder awareness files including 'Stakeholder Communication Record dated 19.4.15' concerning ILG registration, and including reference to RSPO/sustainability aspects, financial aspects and legal aspects (with attendance list attached), and (2) review of Memorandum of Understandings (MoUs) concerning Lease-Lease Back (LLB) arrangements referred to under 2.3.3.</p> <p>Smallholder:</p> <p>Clan Land Use Agreements (CLUAs) are kept in OPIC office. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. But, the content has not been included in the annual monitoring survey activities. OPIC considered improving as this could be used to monitor RSPO / Sustainability complains in the course of the annual block inspections. ("Hargy Oil Palm Limited Block Inspection Report Form").</p> <p>All the Smallholder Agriculture Development Program World Bank Program (SADP) Oil Palm Infill Planting Approval Form, including sustainability aspects and with CLUA attached. All copies on file inspected. All with CLUA except one (photocopy error). Block No. 420037, 420040, 420041, 420042, 420043, 420042, 420045. 420045 was missing the CLUA due to photocopy error but in any case it is a copy. Three copies of the CLUAs: One with OPIC Project Office, one is sent to Hargy smallholder office, and one was sent to SADP Microfinance office, but SADP is finished. So now two copies go to the Division office, one for the Grower (field file) and one for the Division File.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>2.3.3</p> <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>Hargy Oil Palm Limited: Based on (1) Sightings of MOUs concerning LLS arrangements, including MOU dated 8th March 2010 between Alaba Development Corporation and Hargy, and (2) SEIA documentation referred to elsewhere.</p> <p>Smallholder: Clan Land Use Agreements (CLUAs) are kept in OPIC office. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. But, the content has not been included in the annual monitoring survey activities. OPIC considered improving as this could be used to monitor RSPO / Sustainability complains in the course of the annual block inspections. ("Hargy Oil Palm Limited Block Inspection Report Form"). All the Smallholder Agriculture Development Program World Bank Program (SADP) Oil Palm Infill Planting Approval Form, including sustainability aspects and with CLUA attached. All copies on file inspected. All with CLUA except one (photocopy error). Block No. 420037, 420040, 420041, 420042, 420043, 420042, 420045. 420045 was missing the CLUA due to photocopy error but in any case it is a copy. Three copies of the CLUAs: One with OPIC Project Office, one is sent to Hargy smallholder office, and one was sent to SADP Microfinance office, but SADP is finished. So now two copies go to the Division office, one for the Grower (field file) and one for the Division File.</p>	<p>Yes</p>
<p>2.3.4</p> <p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>-Major compliance</p>	<p>Hargy Oil Palm Limited: Evidence of representation through Incorporate dLand Group (ILG). ILG registration documents (referred to in above criteria) sighted.</p> <p>Smallholder: Clan Land Use Agreements (CLUAs) are kept in OPIC office. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. But, the content has not been included in the annual monitoring survey activities. OPIC considered improving as this could be used to monitor RSPO / Sustainability complains in the course of the annual block inspections. ("Hargy Oil Palm Limited Block Inspection Report Form"). All the Smallholder Agriculture Development Program World Bank Program (SADP) Oil Palm Infill Planting Approval Form, including sustainability aspects and with CLUA attached. All copies on file inspected. All with CLUA except one (photocopy error). Block No. 420037, 420040, 420041, 420042, 420043, 420042, 420045. 420045 was missing the CLUA due to photocopy error but in any case it is a copy. Three copies of the CLUAs: One with OPIC Project Office, one is sent to Hargy smallholder office, and one was sent to SADP Microfinance office, but SADP is finished. So now two copies go to the Division office, one for the Grower (field file) and one for the Division File.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
Principle 3: Commitment to long-term economic and financial viability		
<p>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</p> <p>Specific Guidance: <i>For 3.1.1: The business or management plan should contain:</i></p> <ul style="list-style-type: none"> • Attention to quality of planting materials; • Crop projection = Fresh Fruit Bunches (FFB) yield trends; • Mill extraction rates = Oil Extraction Rate (OER) trends; • Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends; • Forecast prices; • Financial indicators. <p><i>Suggested calculation: trends in 3-year running mean over the last decade (FFB trends may need to allow for low yield during major replanting programmes).</i></p> <p>Guidance: <i>Whilst it is recognised that long-term profitability is also affected by factors outside their direct control, top management should be able to demonstrate attention to economic and financial viability through long-term management planning. There should be longer term planning for plantations on peat, particularly in regards to subsidence and flooding issues (see Indicator 4.3.5). Consideration of smallholders should be inherent in all management planning where applicable (see also Criteria 6.10 and 6.11). For scheme smallholders the content will vary from that suggested (refer to RSPO Guidance On Scheme Smallholders, July 2009). Growers should have a system to improve practices in line with new information and techniques. For smallholder schemes, the scheme management should be expected to provide their members with information on significant improvements. This Criterion is not applicable to independent smallholders (refer to RSPO Guidance for Independent Smallholders under Group Certification, June 2010)</i></p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance																																																		
<p>3.1.1</p> <p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>- Major compliance -</p>	<p>Hargy Plantation: Business plan – overview: to GM office. Hargy Estate (2,252 Ha) FFB Distribution Plan 2016: January – December 2016: Makakiwa Division 25,942 tons from 880 Ha; Urumaili Division 25,603 tons from 757 Ha; Kerakera Division 19,027 tons from 19,027 tons from 615 Ha. FFB budget for 10 years available with GM, sighted.</p> <p>Navo Plantation, Pandi Plantation: FFB budget for 10 years available with GM.</p> <p>All Hargy’s POM: General Manager provides a five year business plan for Hargy Oil Palm under “Hargy Oil Palm Limited 10 years plan”. There are business plans in place that take into account crop projection, Oil and palm kernel extraction rates, Price of CPO and PKO, costs of production, annual replanting programmes. The business plan takes into account financial indicator such as inflation, foreign currency, economic insight, etc.</p> <p>HOPL to achieve an extraction rate of CPO extraction rate 24% and PKO extraction rate 23.40%.</p> <p>The mill has overview of budget in previous year as documented in “2015-Business Plan Overview” Business Plan objective: - To plant an additional 2,000 ha in 2015 – 2016 - Replanting 200 ha and full replanting of further 2,000 Ha in 2016-2018 - Maximise production from smallholders. - Produce 650,000 tonnes of FFB per annum. - Achieve OER 24% and PKO 2.2 % - Achieve cost production < USD 450/ton</p> <p>e.g. review of budget 2015:</p> <table border="1" data-bbox="671 1458 1289 1753"> <thead> <tr> <th>Description</th> <th>Hargy POM</th> <th>Barema POM</th> <th>Navo POM</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Projection</td> <td>148,647</td> <td>199,922</td> <td>148,727</td> <td>497,296</td> </tr> <tr> <td>Actual</td> <td>162,741</td> <td>115,712</td> <td>206,425</td> <td>484,877</td> </tr> <tr> <td>OER</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Projection</td> <td>23.40</td> <td>23.40</td> <td>23.40</td> <td>23.40</td> </tr> <tr> <td>Actual</td> <td>23.72</td> <td>23.72</td> <td>22.99</td> <td>23.41</td> </tr> <tr> <td>KER</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Projection</td> <td>5.00</td> <td>5.00</td> <td>5.00</td> <td>5.00</td> </tr> <tr> <td>Actual</td> <td>6.69</td> <td>6.46</td> <td>4.37</td> <td>5.25</td> </tr> </tbody> </table>	Description	Hargy POM	Barema POM	Navo POM	Total	FFB					Projection	148,647	199,922	148,727	497,296	Actual	162,741	115,712	206,425	484,877	OER					Projection	23.40	23.40	23.40	23.40	Actual	23.72	23.72	22.99	23.41	KER					Projection	5.00	5.00	5.00	5.00	Actual	6.69	6.46	4.37	5.25	<p>Yes</p>
Description	Hargy POM	Barema POM	Navo POM	Total																																																
FFB																																																				
Projection	148,647	199,922	148,727	497,296																																																
Actual	162,741	115,712	206,425	484,877																																																
OER																																																				
Projection	23.40	23.40	23.40	23.40																																																
Actual	23.72	23.72	22.99	23.41																																																
KER																																																				
Projection	5.00	5.00	5.00	5.00																																																
Actual	6.69	6.46	4.37	5.25																																																

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance																																																
<p>3.1.2</p> <p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palms Limited shows the 5 years development and replant plan 2016.</p> <table border="1" data-bbox="667 477 1297 965"> <thead> <tr> <th>Plantation</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>Total</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Hargy</td> <td>442.55</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>442.55</td> <td>Block 94H and block 94I</td> </tr> <tr> <td></td> <td>-</td> <td>639.15</td> <td>-</td> <td>-</td> <td>-</td> <td>639.15</td> <td>Block 95A, 98C, 98D and 98E</td> </tr> <tr> <td></td> <td>-</td> <td>-</td> <td>559.60</td> <td>-</td> <td>-</td> <td>559.60</td> <td>Block 99F, 99G, 00G, 97J, 98M</td> </tr> <tr> <td>Navo</td> <td>-</td> <td>-</td> <td>-</td> <td>623.73</td> <td>-</td> <td>623.73</td> <td>Block 98F, 98H, 98K, 99D, etc.</td> </tr> <tr> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>594.50</td> <td>594.50</td> <td>Block 01A, 00O, etc.</td> </tr> </tbody> </table> <p>Hargy Plantation: Hargy Oil Palm Limited 5 years development and replant plan 2016. To have total 442.55 Ha in 2017, total 639.15 Ha in 2018, total 549.60 Ha in 2019 and total 1631.30 Ha. Maps are included. Review from head of plantation dated 12th February 2016, but waiting for board meeting.</p> <p>Navo Plantation: To have total 623.73 Ha in 2020 and 594.5 Ha in 2021 Maps are included. Review from head of plantation dated 12th February 2016, but waiting for board meeting.</p> <p>Pandi Plantation: There is no replanting plan yet.</p>	Plantation	2017	2018	2019	2020	2021	Total	Remarks	Hargy	442.55	-	-	-	-	442.55	Block 94H and block 94I		-	639.15	-	-	-	639.15	Block 95A, 98C, 98D and 98E		-	-	559.60	-	-	559.60	Block 99F, 99G, 00G, 97J, 98M	Navo	-	-	-	623.73	-	623.73	Block 98F, 98H, 98K, 99D, etc.		-	-	-	-	594.50	594.50	Block 01A, 00O, etc.	<p>Yes</p>
Plantation	2017	2018	2019	2020	2021	Total	Remarks																																											
Hargy	442.55	-	-	-	-	442.55	Block 94H and block 94I																																											
	-	639.15	-	-	-	639.15	Block 95A, 98C, 98D and 98E																																											
	-	-	559.60	-	-	559.60	Block 99F, 99G, 00G, 97J, 98M																																											
Navo	-	-	-	623.73	-	623.73	Block 98F, 98H, 98K, 99D, etc.																																											
	-	-	-	-	594.50	594.50	Block 01A, 00O, etc.																																											

Principle 4: Use of appropriate best practices by growers and millers

Criterion 4.1:

Operating procedures are appropriately documented, consistently implemented and monitored.

Specific Guidance:

For 4.1.1 and 4.1.4: SOP and documentation for mills should include relevant supply chain requirements (see RSPO Supply Chain Certification Standard, Nov 2011).

Guidance:

Mechanisms to check implementations could include documentation management systems and internal control procedures.

For National Interpretation:

National codes of practice or Best Management Practices (BMPs) will be referenced.

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.1</p> <p>Standard Operating Procedures (SOPs) for estates and mills are documented.</p> <p>- Major compliance -</p>	<p>Hargy Plantation, Navo Plantation, Pandi Plantation: SOP for Upkeep Management PRO-ESD-Gen-003-09 Comprise of weeding, sanitation, pruning, loose fruit collection, FFB transport, Census, Pest and Disease, Harvesting, Infrastructure Road Maintenance. Procedure for Local Harvester Recruitment in West New Britain Province.</p> <p>Hargy Oil Palm Limited has Management Guidelines (MG) for Estate and Mills operations. Standard Operating Procedures (SOP) available for each processing station from FFB weighbridge to CPO dispatch in each mill.</p> <ul style="list-style-type: none"> - The company has master list procedure, such as: SOP for Crude palm oil Mill, covering: from reception FFB, strelizing, thressing, pressin, clarification, Depericarping, Kernel recovery, Boilers, WTP, Effluent treatment, Mill Machinery, Quality and Process control, Mill enviromntal monitoring as documented in PRO-ESD-GEN-006-11 issued No.1, 10th February 2016. - SOP for Palm Oil Mill Effluent, no. PRO-ESD-GEN-011-10, rev. 10, dated 10th February 2016, covering all process in effluent. - SOP for Shipping Management No. PRO-ESD-GEN-012-11, rev.11, covering all shipping management. - Biogas Procedure is prepared by "KIS Group" in "Standard Operating Manual for Biogas System" - Procedure "BPOM Biogas Reactor Temperature Control", dated 3rd October 2015. - SOP Decanter, last updated 1st January 2015 - Ringelmann Chart (Smoke Density) procedures: <ul style="list-style-type: none"> • 0 % - Look at the smoke coming out of the Boiler Chimney every hour when the boiler is in operation. • 20% - Compare the colour of the smoke against the Ringelmann Chart: 0, 20, 40, or 60%. <p>The procedure store in Mill office and distributed to the relevant person and put in the section area. The procedure in English and some specific area in translated in Tok Pisin.</p> <p>During interview with workers and staff, it is confirmed that they understand the procedure.</p> <p>Smallholder: Sighted book titled 'Gutpela rot bilong lukautim wel pam na kamap gutpela smolholda fama'. (70 copies of which have been distributed to all new growers starting 2011). This book contains content on a broad range of content including (1) Sustainability, (2) block preparation, the need to allow land for food, (3) Fertilizer application, (4) Loose fruit scheme, and other life-related areas including (5) HIV, (6) Malaria prevention.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.2</p> <p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>A mechanism for monitoring consistent implementation of procedures is in place for mill operation and plantation activities. The mechanism is regulated under SOP for Internal audit. Internal audit conducted on regular basis to ensure consistent implementation of the standard. Head of Plantation conduct monthly internal monitoring to check the consistent implementation of mill procedures.</p> <p>Navo Plantation, Pandi Plantation: Head of Plantation conducted a plantation inspection, to monitor the plantation performance. Hargy Oil Palm has a procedure for Internal audit, HOP-PRO-EMS-016-07.</p> <p>Smallholder: Hargy have an annual "Block Inspection Report Form" which covers the following areas: (1) Circle Weeding, (2) Wheelbarrow path, (3) Pruning, (4) Frond stacking, (5) Fertiliser, (6) Harvesting, (7) House, (8) Water supply, (9) Toilet, (10) Landfill, (11), Tools needed. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. But, the content has not been included in the annual monitoring survey activities. OPIC considered improving as this could be used to monitor RSPO / Sustainability complains in the course of the annual block inspections. ("Hargy Oil Palm Limited Block Inspection Report Form").</p> <p>NC Minor: <i>The company did not provide sufficient evidence for the process of internal control mechanisms to assess the members of a supply base smallholder group against particular standards, other normative documents and internal policies.</i> Evidence: <i>Audit team identified non-compliance concerning the legal use of land. The Company cannot demonstrate that a sufficient mechanism is in place for verifying consistent implementation of procedure – to be in compliance with RSPO Principle and Criteria requirement. There is not sufficient evidence of an internal control procedure functioning to prevent material intake from non-compliant supply base.</i> - <i>The company cannot demonstrate a procedure for addressing non-conforming material such as exclusion or other.</i></p>	<p>NC Minor</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.3</p> <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance -</p>	<p>The company conduct internal audit twice a year as documented in "Barema Mill internal Audit report – September 2015". The Non conformities is raised if any finding and corrective action taken by Mill Manager to ensure that pending issues is completely done and The Sustainability Department will re-visit to for NCR closure, e.g. Internal audit was conducted in March 2015 and September 2015 in Hargy and Barema POM. The last internal audit in Navo POM was conducted in December 2015.</p> <p>The company conducted EHS monthly conduct by Safety Officer (Thomas Tade), the last conducted in January 2016. There is "Visiting Engineer" is conducted weekly by Mill Chief Engineer, e.g. inspection in 18th January 2016 and also conducted by External Expert annually, e.g. the last inspection from external by Mr.Ramesh MD on 12-19th October 2015.</p> <p>Hargy Plantation: Employee Induction checklist to demonstrate compliance with procedure for harvester recruitment in WNBP: Name: Fidelis Bare, induction date 12th January 2016 for harvester, in Kerakera Division. Name: Paul Umba, induction date 26th November 2015 for pruning, in Urumaili Division.</p> <p>Explanation on employment and wage calculation, undertake to comply with all laws in PNG, health and safety, environment, social responsibility, signed by worker.</p> <p>Hargy Oil Palms Limited-Makakiwa Report dated 12th February 2015, where health and safety aspects being reviewed – and followed up upon.</p> <p>Head of Plantation report - Inspection Barema Division Two dated 27th August 2015, where a number of observations noted by Head of Plantation: harvesting operations and worst performing blocks, fertilizer application and upkeep operations – follow up and action plan evident.</p> <p>Head of Plantation report – Inspection Hargy Division Two Urumaili 22nd September 2015 comments on harvesting operations, new planting on Area 6: LCC growing, suggestion to put terrace, circle spraying for 99F02, training required. Latest visit done on 3rd February 2016.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Navo Plantation: Group Manager's Plantation Inspection Report for Karla Plantation, dated 14th November 2015. A number of corrective action required on muster, harvesting interval, FFB target, labour outturn, harvester productivity, Sexava damaged block 99D20, 99E19, 99E18. Request OPRA to come. Fire burnt in the area of field 12. Corrective action plan being followed up. Response to issue raised at 2015 RSPO audit, being followed up.</p> <p>Smallholder: Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. But, the content has not been included in the annual monitoring survey activities. OPIC considered improving as this could be used to monitor RSPO / Sustainability complains in the course of the annual block inspections. ("Hargy Oil Palm Limited Block Inspection Report Form").</p>	
<p>4.1.4</p>	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>Yes</p>
<p>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p> <p>Guidance: <i>Long-term fertility depends on maintaining the structure, organic matter content, nutrient status and microbiological health of the soil. Nutrient efficiency should take account of the age of plantations and soil conditions. The nutrient recycling strategy should include any use of biomass for by-products or energy production.</i></p> <p>For National Interpretation: <i>The range of appropriate techniques will be identified.</i></p>		
<p>4.2.1</p>	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance -</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Hargy Plantation: Fertilizer program 2016 is available. Hargy Division 2, Block No.12P01 of 40.5 Ha, planned to apply 0.5 kg DAP per palm (52 bags) in May; block No.13P03 of 36.5 Ha, planned to apply 1 kg kieserite (78 bags) in April 2016. Application record Hargy Division 2, Block No.12P01 of 44.9 Ha, planned to apply 0.7 kg urea per palm (81 bags) each in August, September and November 2015; block No.99G04 of 22.4 Ha, planned to apply 0.5 kg MOP (24 bags) in August 2015. Crosscheck with store issuance note: kieserite distribution to block No.09N02 of 1,850 kg.</p> <p>Navo Plantation: Fertilizer application record for 2015 is available. Block 14M20 applied with 0.250 kg/palm or 5 bags of Kieserite in April 2015. Block 00O23 applied with 1 kg/palm TSP on July 2015.</p> <p>Pandi Plantation: Gamupa estate applied 41.5 tons Ammonium chloride in July-September 2015; Applied 28.7 tons TSP in October 2015; applied 34 tons Muriate of Potash in August 2015 and December 2015; Applied Kieserite 11.2 tons in November 2015. Alaba Estate applied 42.5 tons Ammonium chloride in August and October 2015; Applied total of 217.3 tons Urea in April, May, July, September, October 2015; Applied 74.2 tons TSP in December 2015; Applied 79.6 tons Muriate of Potash in August 2015 and another 34 tons in December 2015; Applied 41.4 tons Kieserite in June 2015.</p> <p>Smallholder: Fertilizer and other inputs are requested from OPIC using a paper signing system, and then the OPIC people organise to source from Hargy. This is a new service that started. Smallholder Pius Wamio (450045) input fertilizer NPK 10 bags, Ammonium Nitrate 10 bags – sourced via OPIC, who source from Hargy (subtract cost from FFB). Smallholder Bige Kauga (010258) Ammonium fertilizer, applies 2kgs of fertilizer per palm at the base of the palms. Smallholder Nangu Denis (010263) applied Ammonium Chloride every six months and then Hargy deducts from his fortnight. Dingu Goiye (010266A) uses about 80 bags of fertilizer a year for his two blocks.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator		Assessment Findings	Compliance
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Hargy Oil Palm Limited is able to demonstrate periodic tissue and soil analysis. Periodic tissue and soil sampling carried out by Agronomy team. Tissue sampling is taken on annual basis and soil sampling is conducted on 5-yearly basis. Hargy Oil Palm Limited then developed fertilizer recommendation based on periodic tissue and soil analysis result. HOPL manages to demonstrate the soil sampling for the new development area, as part of Environmental Impact Assessment prior to development.	Yes
4.2.4	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. - Minor compliance -	Hargy Plantation: EFB application record totaling 1,185 tons in 2015 for Hargy Division 2. Navo Plantation: Program EFB application for Karla Plantation totaling 27,650 tons, 690.59 tons per Ha. Record of FFB application for Karla plantation totaling 4,420 tons in 06/2015; and 14,375 tons in 09-10/2015. Pandi Plantation: Only Gamupa estate applied 424.3 tons EFB in August 2015. Smallholder: Smallholders put palm fronds (frond stacking) as additional source of nutrient.	Yes

Criterion 4.3:

Practices minimise and control erosion and degradation of soils.

Specific Guidance:

For 4.3.4: For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).

For 4.3.5: Where drainability assessments have identified areas unsuitable for oil palm replanting, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of serious flooding and/or salt water intrusion within two crop cycles, growers and planters should consider ceasing replanting and implementing rehabilitation.

For 4.3.6: Where limited plantings (Criteria 7.4) on marginal, problem and/or fragile soils occur, there must be plans in place, and implemented, that protect them without incurring adverse impacts.

Guidance:

Plantations on peat should be managed at least to the standard set out in the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', June 2012 (especially water management, fire avoidance, fertiliser use, subsidence and vegetation cover).

Techniques that minimise soil erosion are well known and should be adopted, where appropriate. These should include practices such as ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting.

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.1</p> <p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palms Limited provides soil map and topography maps. Based on the soil map, the soil type in Hargy's estate mainly consist of loam to sandy loam, heavy loam to sandy clay loam, clay loam to silty clay loam.</p> <p>Hargy Plantation: Soil map is available for Hargy Plantation, the map shows predominant soil type is loam to sandy loam. In Barema Plantation, the dominant soil type is heavy loam to sandy clay loam. The basic material comes from volcanic rock. Topographic map shows most of the area is flat, with some slope towards Mount Gullo. Limitation identified in form of erosion risk.</p> <p>Navo Plantation: Soil map is available for Karla Plantation, the map shows predominant soil type is sand to loamy sand. In Ibana Plantation, the dominant soil type is clay loam to silty clay loam. Topographic map shows most of the area is flat. Limitation identified in form of erosion risk.</p> <p>Pandi Plantation: Soil map is available for Pandi Plantation, the map shows soil type spread evenly between loamy sand/gravel, heavy loam to sandy clay loam. Topographic map shows most of the area is rolling, with some slope towards Mount Ulauwun. Limitation identified in form of erosion risk.</p> <p>Smallholder: Soil maps are available for smallholder surrounding the company-owned plantation, the map shows soil type around Hargy Plantation and Navo Plantation is loam to sandy loam. The smallholder' oil palm blocks around Pandi Plantation are sand to loamy sand. Topographic map shows most of the area is flat to rolling.</p>	<p>Yes</p>
<p>4.3.2</p> <p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance -</p>	<p>Hargy Plantation: Company plantations implemented frond stacking and maintain ground cover to minimizer soil erosion. Palm consolidation on 1st week January 2016 for 5.26 Ha; Terrace bund building on 3rd week of January 2016 of 3.2 Ha.</p> <p>Smallholder: Smallholder plots sampled implemented frond stacking in "U" shape, maintained ground cover as to minimize erosion in sandy area. In addition, no application of pesticide near water bodies.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.3</p> <p>A road maintenance programme shall be in place.</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palm has a fleet of heavy machinery to perform road maintenance for plantation and smallholder area.</p> <p>Hargy Plantation: Road maintenance program available for Hargy Plantation. Example: For Barema Estate in 4th week January until 1st week February 2016, grading and compaction and spot patching and gravelling on Main roads. For Kerakera Estate, April 2016 will be allocated to build log bridges and culvert by RF team.</p> <p>Navo Plantation: Road maintenance program 2016 Example: For Karla Estate in 4th week January until 1st week February 2016, grading and compaction and spot patching and gravelling on Main roads. Building field road in 2015, with road grading and spot graveling. Building flood gates in block 01C14 and 01B20.</p> <p>Smallholder: Road maintenance program is available for smallholder plantation. Based on field visit to Gamupa area, Wilelo area, and Tiauru area – the collection roads inside smallholder plantation are accessible.</p>	<p>Yes</p>
<p>4.3.4</p> <p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Minor compliance -</p>	<p>Hargy Plantation: There is no peat soil, based on soil type map and field visit.</p> <p>Navo Plantation: There is no peat soil, based on soil type map.</p> <p>Smallholder: There is no peat soil, based on soil type map and field visit.</p>	<p>N/A</p>
<p>4.3.5</p> <p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance -</p>	<p>Hargy Plantation: There is no peat soil, based on soil type map.</p> <p>Navo Plantation: There is no peat soil, based on soil type map and field visit.</p> <p>Smallholder: There is no peat soil, based on soil type map and field visit.</p>	<p>N/A</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.6</p> <p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance -</p>	<p>HOPL plantation</p> <p>Hargy Plantation: There is no peat soil, based on soil type map. Terrace bund building on 3rd week of January 2016 of 3.2 Ha.</p> <p>Navo Plantation: There is no peat soil, based on soil type map and field visit.</p> <p>Smallholder: OPIC provided information and awareness on block management including cutting bush, pruning, fertiliser application, hand-weeding. There is no peat soil, based on soil type map and field visit. Smallholder plots sampled implemented frond stacking in "U" shape, maintained ground cover as to minimize erosion in sandy area. In addition, no application of pesticide near water bodies.</p>	<p>Yes</p>

Criterion 4.4:

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

Specific Guidance:

For 4.4.1: The water management plan will:

- Take account of the efficiency of use and renewability of sources;
- Ensure that the use and management of water by the operation does not result in adverse impacts on other users within the catchment area, including local communities and customary water users;
- Aim to ensure local communities, workers and their families have access to adequate, clean water for drinking, cooking, bathing and cleaning purposes;
- Avoid contamination of surface and ground water through run-off of soil, nutrients or chemicals, or as a result of inadequate disposal of waste including Palm Oil Mill Effluent (POME).

For 4.4.2: Refer to the 'RSPO Manual On Best Management Practices (BMP) for management and rehabilitation of natural vegetation associated with oil palm cultivation on peat', July 2012.

Guidance:

Growers and millers should address the effects of their use of water and the effects of their activities on local water resources.

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance																								
<p>4.4.1</p> <p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>Hargy Plantation, Navo Plantation: Water Management Plan latest issued on 9th February 2016, approved by GM. Purpose of water management: to ensure all water complies with legal requirement, to ensure water is used efficiently, to ensure quality is maintained. Water extraction permit: WE-L2B (166) for Mengen/Bakada Portion 733, issued on 9th November 2009 and expired in 9th December 2034 for 34,560 m³ per year, purpose for domestic use at compound.</p> <p>WE-L2B (209) for Barema Portion 2038, issued on 9th December 2010 and expired in 7th January 2035 for 34,476 m³ per year, purpose for domestic use at compound and mill use.</p> <p>WE-L2B (80) for Ibane River Portion 624, issued on 11th January 2001 and expired in 31st December 2053 for 227,520 m³ per year, purpose for domestic use at compound and nursery irrigation.</p> <p>The management plan includes the use for mill processes, workshop, pesticide mixing and use, domestic use, compound use.</p> <p>The management also indicates the water discharge to ensure the water discharged is monitored for BOD and COD. All POME treated within legal limit as per PNG Code of Practice for POM, regular monitoring by mill lab supervisor.</p> <table border="1" data-bbox="671 1111 1273 1328"> <thead> <tr> <th></th> <th>Land Application</th> <th>Surface water</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>5-9</td> <td>5-9</td> </tr> <tr> <td>BOD</td> <td>4000</td> <td>100</td> </tr> <tr> <td>COD</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Solid</td> <td>3,000</td> <td>1,500</td> </tr> <tr> <td>Suspended Solid</td> <td>1,000</td> <td>500</td> </tr> <tr> <td>Oil and grease</td> <td>Not defined</td> <td>150</td> </tr> <tr> <td>Total Nitrogen</td> <td>Not defined</td> <td>200</td> </tr> </tbody> </table> <p>Maintain water quality: Drinking water tested to NATSL, as per Environment (Water Quality Criteria) regulation 2002. River and their sizes in the plantation measured in the width and depth. Buffer established accordingly refer to Logging Code of Practice on minimum buffer zone requirement.</p> <p>Human activities such as gardening, hunting, making fires and cutting trees are totally prohibited. Bore pump maintenance and surrounding area maintenance practiced.</p>		Land Application	Surface water	pH	5-9	5-9	BOD	4000	100	COD	-	-	Total Solid	3,000	1,500	Suspended Solid	1,000	500	Oil and grease	Not defined	150	Total Nitrogen	Not defined	200	<p>Yes</p>
	Land Application	Surface water																								
pH	5-9	5-9																								
BOD	4000	100																								
COD	-	-																								
Total Solid	3,000	1,500																								
Suspended Solid	1,000	500																								
Oil and grease	Not defined	150																								
Total Nitrogen	Not defined	200																								

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance																		
	<p>in Hargy Mill only using ground water sources, efficient water usage, impact of catchment area, avoidance of water contamination with trap.</p> <p>The company conduct testing analysis for domestic water consumption monthly with parameter turbidity, cloiforms total, coliforms faecal, colour, E. Coli and Total solid, e.g.</p> <p>- Testing analysis for 13 compounds of HOPL in January 2016 by National Analysis Laboratory (NAL) – Unitech Development & Consultancy Pty, Ltd. The result, All parameter is comply with Environment permit, e.g. in Navo mill compound: Colifirm faecal and total (0 colonies/100 ml), colour , 5 hazen, E. Coli (0 colonies/100 ml), turbidity 0.59 N.T.U and Total solids (250 mg/L).</p> <p>- Testing analysis for 13 compounds of HOPL in November 2015 by National Analysis Laboratory (NAL) – Unitech Development & Consultancy Pty, Ltd. The result, All parameter is comply with Environment permit, e.g. in Barema mill compound: Colifirm faecal and total (0 colonies/100 ml), colour , 5 hazen, E. Coli (0 colonies/100 ml), turbidity 0.29 N.T.U and Total solids (170 mg/L).</p> <p>- Water quality criteria for non-disinfected water supplies</p> <table border="1" data-bbox="703 1025 1273 1265"> <thead> <tr> <th>Parameter</th> <th>Highest Desirable Level</th> <th>Maximum permissible Level</th> </tr> </thead> <tbody> <tr> <td>E. Coli (per 100 ml)</td> <td>-</td> <td>None</td> </tr> <tr> <td>Total Coliform (per 100 ml)</td> <td>-</td> <td>< 3</td> </tr> <tr> <td>Colour</td> <td>5 hazen</td> <td>50 hazen</td> </tr> <tr> <td>Total solids</td> <td>500 mg/L</td> <td>1,500 mg/L</td> </tr> <tr> <td>Turbidity</td> <td>5 units</td> <td>25 units</td> </tr> </tbody> </table> <p>Smallholder: Smallholder plots sampled implemented frond stacking in “U” shape, maintained ground cover as to minimize surface runoff. In addition, no application of pesticide near water bodies, in smallholder plot number 380072 and 450045, where a small creeks run in the middle of the plots.</p>	Parameter	Highest Desirable Level	Maximum permissible Level	E. Coli (per 100 ml)	-	None	Total Coliform (per 100 ml)	-	< 3	Colour	5 hazen	50 hazen	Total solids	500 mg/L	1,500 mg/L	Turbidity	5 units	25 units	
Parameter	Highest Desirable Level	Maximum permissible Level																		
E. Coli (per 100 ml)	-	None																		
Total Coliform (per 100 ml)	-	< 3																		
Colour	5 hazen	50 hazen																		
Total solids	500 mg/L	1,500 mg/L																		
Turbidity	5 units	25 units																		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance																					
<p>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.</p> <p>- Major compliance -</p>	<p>Minimum Buffer Zone based on Environment Permit – Environment Act 2000:</p> <table border="1" data-bbox="671 450 1300 1323"> <thead> <tr> <th>Category</th> <th>Minimum Width</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Cultural sites, reserves, conservation and garden areas</td> <td>100 metres</td> <td>The local community must be given the opportunity to decide on the width of buffer zone and Director of Environment shall be notified in writing</td> </tr> <tr> <td>Village Area</td> <td>500 metres</td> <td>The local community must be given the opportunity to decide on the width of buffer zone and Director of Environment shall be notified in writing</td> </tr> <tr> <td>Lakes, lagoons, coastal, shoreline, swamps</td> <td>100 metres</td> <td>From the water body, high tide mark, or edge of the mangroves</td> </tr> <tr> <td>Permanent water – Class 1</td> <td>50 metres</td> <td>Each side of the watercourse</td> </tr> <tr> <td>Permanent water – Class 2</td> <td>10 metres</td> <td>Each side of the watercourse</td> </tr> <tr> <td>A stream (permanent or non permanent) of any width used by the community</td> <td>50 metres</td> <td>Each side of the watercourse. Buffer zones for culturally significant water sources require careful consideration. This may include the exclusion of clearing of vegetation to protect the catchment area of the water course. If there is doubt, it should be evaluated on a site-specific basis.</td> </tr> </tbody> </table> <p>Hargy Plantation: EHS Monthly inspection checklist Hargy Division 1 Makakiwa – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: horn bills and parrots in area 3 and area 4 buffer zone. Date of inspection 03rd February 2016 by DM Makakiwa. Record: EHS Monthly inspection checklist Hargy Division 3 Kerakera – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: wild cockatoos parrot in area 13 and area 11. Date of inspection 2nd February 2016 by John Eminse.</p>	Category	Minimum Width	Remarks	Cultural sites, reserves, conservation and garden areas	100 metres	The local community must be given the opportunity to decide on the width of buffer zone and Director of Environment shall be notified in writing	Village Area	500 metres	The local community must be given the opportunity to decide on the width of buffer zone and Director of Environment shall be notified in writing	Lakes, lagoons, coastal, shoreline, swamps	100 metres	From the water body, high tide mark, or edge of the mangroves	Permanent water – Class 1	50 metres	Each side of the watercourse	Permanent water – Class 2	10 metres	Each side of the watercourse	A stream (permanent or non permanent) of any width used by the community	50 metres	Each side of the watercourse. Buffer zones for culturally significant water sources require careful consideration. This may include the exclusion of clearing of vegetation to protect the catchment area of the water course. If there is doubt, it should be evaluated on a site-specific basis.	<p>Yes</p>
Category	Minimum Width	Remarks																					
Cultural sites, reserves, conservation and garden areas	100 metres	The local community must be given the opportunity to decide on the width of buffer zone and Director of Environment shall be notified in writing																					
Village Area	500 metres	The local community must be given the opportunity to decide on the width of buffer zone and Director of Environment shall be notified in writing																					
Lakes, lagoons, coastal, shoreline, swamps	100 metres	From the water body, high tide mark, or edge of the mangroves																					
Permanent water – Class 1	50 metres	Each side of the watercourse																					
Permanent water – Class 2	10 metres	Each side of the watercourse																					
A stream (permanent or non permanent) of any width used by the community	50 metres	Each side of the watercourse. Buffer zones for culturally significant water sources require careful consideration. This may include the exclusion of clearing of vegetation to protect the catchment area of the water course. If there is doubt, it should be evaluated on a site-specific basis.																					

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Navo Plantation: EHS Monthly inspection checklist Karla Plantation – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: Kokomo in Atata 700. Date of inspection 2nd February 2016 by John Kagil.</p> <p>There is buffer zone to sea shore, where plantation sets aside 20 meters inland from the boundary marker. Buffer zone is intact.</p> <p>Smallholder: Smallholder plots sampled maintained 2 chains of palms as buffer zone to water bodies. No application of pesticide near water bodies, in smallholder plot number 380072 and 450045, where a small creeks run in the middle of the plots.</p>	

RSPO Public Summary Report
Revision 1 (Sept/2014)

<p>4.4.3</p>	<p>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).</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palm monitors the performances of palm oil mill effluent installation. The BOD off waste water was tested monthly. Record shows the result was complied with regulation.</p> <p>Hargy POM: There is 6 pond for effluent treatment, raw effluent, cooling pond, anaerobic, aerobic pond, aeration pond and final discharge pond. The company take sampling for effluent monitoring is conducted by internally and external. Internal testing is conducted is conducted monthly by external party, Sample taken: External testing was conducted by Unitech Development & Consultancy Pty, Ltd with BOD result in final pond before discharged to the water course (sea), is December (28 mg/L), November (54 mg/L), October 2015 (33 mg/L).</p> <p>Navo POM: The effluent is discharged to the Land Application Sample taken: Effluent testing was conducted by Unitech Development & Consultancy Pty (National Analysis Laboratory) with BOD result in final pond before discharged to the Land Application: - October 2015 (33 mg/L) - November 2015 (1,000 mg/L), - January 2016 (1,180 mg/L),</p> <p>Barema POM: The effluent is discharged to the Land Application Sample taken: Effluent testing was conducted by Unitech Development & Consultancy Pty (National Analysis Laboratory with BOD result in outlet pond before discharged to the Land Application, e.g.</p> <table border="1" data-bbox="667 1368 1299 1536"> <thead> <tr> <th>Month</th> <th>BOD (mg/L)</th> <th>Oil & grease (mg/L)</th> <th>pH</th> <th>TSS</th> </tr> </thead> <tbody> <tr> <td>January 2016</td> <td>96</td> <td>2.9</td> <td>8.4</td> <td>260</td> </tr> <tr> <td>December 2015</td> <td>29</td> <td>1.1</td> <td>8.9</td> <td>270</td> </tr> <tr> <td>September 2015</td> <td>27</td> <td>4.0</td> <td>8.5</td> <td>220</td> </tr> <tr> <td>June 2015</td> <td>17</td> <td>14</td> <td>8.4</td> <td>200</td> </tr> </tbody> </table> <p>If any result of testing upper than national standard and the company take the action to improve effluent quality as recorded in "Incident / Accident report Form no. HOPL-FOR-EMS-002-06"</p> <p>Final discharged effluent is refer to the "Environmental Code of Practice, 2013":</p> <table border="1" data-bbox="667 1738 1289 1921"> <thead> <tr> <th>Parameter</th> <th>Land Application</th> <th>Discharge of Surface Water</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>5 - 9</td> <td>5 - 9</td> </tr> <tr> <td>BOD</td> <td>4,000</td> <td>100</td> </tr> <tr> <td>COD</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Solids</td> <td>3,000</td> <td>1,500</td> </tr> <tr> <td>Suspended Solid</td> <td>1,000</td> <td>500</td> </tr> </tbody> </table>	Month	BOD (mg/L)	Oil & grease (mg/L)	pH	TSS	January 2016	96	2.9	8.4	260	December 2015	29	1.1	8.9	270	September 2015	27	4.0	8.5	220	June 2015	17	14	8.4	200	Parameter	Land Application	Discharge of Surface Water	pH	5 - 9	5 - 9	BOD	4,000	100	COD	-	-	Total Solids	3,000	1,500	Suspended Solid	1,000	500	<p>Yes</p>
Month	BOD (mg/L)	Oil & grease (mg/L)	pH	TSS																																										
January 2016	96	2.9	8.4	260																																										
December 2015	29	1.1	8.9	270																																										
September 2015	27	4.0	8.5	220																																										
June 2015	17	14	8.4	200																																										
Parameter	Land Application	Discharge of Surface Water																																												
pH	5 - 9	5 - 9																																												
BOD	4,000	100																																												
COD	-	-																																												
Total Solids	3,000	1,500																																												
Suspended Solid	1,000	500																																												

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator		Assessment Findings			Compliance
		Oil & Grease	50	50	
		Ammoniacal Nitrogen	Not defined	150	
4.4.4	<p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance -</p>	<p>Hargy POM:</p> <ul style="list-style-type: none"> - The company has record water usage by daily, monthly and yearly basis - The record of water usage for FFB process is documented in "Water Usage – Hargy Mill 2016" in the last 5 years: 2011 91.78 MT/tonnes FFB), 2012 (1.55 MT/tonnes FFB), 2013 (1.41 MT/tonnes FFB), 2014 (1.38 MT/tonnes) and 2015 (1.23 MT/tonnes FFB) <p>Navo POM:</p> <ul style="list-style-type: none"> - The company has record water usage by daily, monthly and yearly basis - The record of water usage for FFB process is documented in "Water Usage – Navo POM" in the last 4 years: 2012 (0.91 MT/tonnes FFB), 2013 (0.88 MT/tonnes FFB), 2014 (0.89 MT/tonnes) and 2015 MT/tonnes FFB) <p>Barema POM:</p> <p>The record of water usage for FFB process is documented in "Water Usage – BPOM", e.g. in the last 2 years: 2014 (0.48 MT/tonnes FFB), 2015 (1.33 MT/tonnes FFB).</p>			Yes
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p> <p>Guidance: <i>Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical and physical methods to minimise the use of chemicals.</i> <i>Native species should be used in biological control where possible.</i></p>					

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.1</p> <p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>Hargy Plantation: HOPL Pest Management Plan – includes Method of reducing pesticide use justification of agrochemical use integrated pest management plant safety with chemical revised January 2016. The activities consist of pest and disease survey and monitoring (survey, prepare a request for PNG OPRA, pre treatment trial), Safe and effective use of pesticide, Insect control, Weed control, disease control, Verification of pest and disease attack is available from PNG OPRA. Pest Infestation Recommendation (PestRec) date of report 21st October 2015, PNG OPRA visited 21st October 2015. The report explained the attack of stick insect to Hargy Plantation. Recommendation from OPRA is to treat 156 Ha marked on map with Targeted trunk injection.</p> <p>Navo Plantation: Verification of pest and disease attack is available from PNG OPRA. Pest Infestation Recommendation (PestRec) date of report 25th September 2015, PNG OPRA visited 30th September 2015. The report explained the attack of stick insect to Hargy Plantation. Recommendation from OPRA is to treat 150 Ha marked on map with Targeted trunk injection. Navo Plantation has postponed the activity.</p> <p>Smallholder: Stick insect census indicated pest infestation in smallholder division I. PNG OPRA recommends targeted trunk injection to control the infestation. Targeted Trunk Injection Daily Report Form for Lalopo/Sege and Soi, dated 30th October 2015 in smallholder Division I, block number 001142, number of palm treated: 300 palms.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.2</p> <p>Training of those involved in IPM implementation shall be demonstrated.</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palms provided training related to pest and disease identification, control, monitoring and the safe use of agrochemical for the workers.</p> <p>Hargy Plantation: Training for Matabi use, assembly, spray technique for 50 workers in 24th November 2015.</p> <p>Navo Plantation: Training for "Targeted Trunk Injection and Chemical Handling, Usage and Storage Training" provided on 10th December 2015 for trunk injector, Mr.Orie Maragu, Mr.Peter Bage, Mr.Kalai Francis, Mr.Leonard Gavuli, Mr.Moseley Patiliu, Mr.Samuel Wal, Mr.Mathew Tate, Mr.James Peng.</p> <p>Integrated Pest Management Working Group Meeting (IPM WG) dated 16th July 2015. For handling of Sexava (<i>Segestidea defoliaria</i>): Introduction of <i>Stichotrema</i> as parasite for <i>Sexava</i>.</p> <p>Smallholder: Mini field day report dated 8th January 2016 at block number 000691, Wilelo LSS. The mini field day covers fruit quality, fertilizer acceptance and application and pest and disease – attended by 56 smallholders.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.</p> <p>Specific Guidance: For 4.6.1: Measures to avoid the development of resistance (such as pesticide rotations) should be applied. The justification should consider less harmful alternatives and IPM.</p> <p>For 4.6.3: Justification of the use of such pesticides will be included in the public summary report.</p> <p>For 4.6.4: Such exceptional circumstances may include sudden invasions or infestations of pests, weeds, certain fungal diseases, or dramatic changes in vegetation composition, which threaten ecological stability and/or the long-term functioning of the natural ecosystem, human well-being and/or plantation, and which cannot feasibly be controlled by pesticides not categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and/ or paraquat. RSPO members may exceptionally use such pesticides where:</p> <p>a) There is a demonstrated need to use the named pesticide as the only socially, environmentally and economically feasible way of controlling specific organisms which are causing severe damage in natural forests, plantations or nurseries in Papua New Guinea (as indicated by documented evidence of current feasibility study reports: field-trials of alternative non-chemical or less toxic pest-management methods, cost-benefit analysis, social and environmental impact assessment);</p> <p>b) Controls are specified to prevent, minimise and mitigate negative social and environmental impacts associated with the use of the pesticide in question (for example restrictions related to weather conditions, soil types, application method, waters courses); Justification of the use of such pesticides will be included in the RSPO public summary audit report.</p> <p>For 4.6.6: Recognised best practice includes: Storage of all pesticides as prescribed in the FAO International Code of Conduct on the distribution and use of pesticides and its guidelines, and supplemented by relevant industry guidelines in support of the International Code (see Annex 1).</p> <p>Guidance: The RSPO has identified some examples of alternatives to pesticide use, which include those listed in the 'Research project on Integrated Weed Management Strategies for Oil Palm; CABI, April 2011'. Due to problems in the accuracy of measurement, monitoring of pesticide toxicity is not applicable to independent smallholders (refer to 'Guidance for Independent Smallholders under Group Certification', June 2010).</p>			
<p>4.6.1</p>	<p>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.</p> <p>- Major compliance -</p>	<p>Documented justification of all agrochemical use is available under Approved Product List for use in industrial and agricultural application, informing the product name, type of pesticide, active ingredients, LD50, approved agricultural use. The guidelines were used for company-owned plantation and smallholder blocks.</p> <p>Smallholder: Smallholder was not issued with pesticide. Chemical control of pest such as stick insect or <i>Sexava</i> was done by Hargy's officer – under supervision of PNG OPRA. Based on interview with sampled smallholder, there has been no infestation of pest in the past years.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.2</p> <p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited: Pest Infestation Recommendation (PestRec) No.5815 for Hargy Plantation. Hargy Plantation Targeted Trunk Injection Daily Report (TTIDR) for Hargy Plantation period 11/2015 – 01/2016. Sample: On 28th November 2015 application in Division 3, 696 palms. Chemical requisition 25.1 liters, actual use 7 liters, returned to store 18.10 liters – supervisor John Amos. Hargy 2 Estate in 2015 was using 17.5 liters methyl metsulfuron for circle path application on 864.5 Ha (0.02 l/Ha); was using 816.9 liters glyphosate for circle and path application 860.2 Ha (0.95 l/Ha), was using 254.3 liters glyphosate for selective weeding on 537.6 Ha (0.47 l/Ha); using 127.4 liters 2,4 dimethyl amine for circle and path weeding on 864.5 Ha. Hargy 1 Estate using 436.7 liters gramoxone for circle and path spraying in 742.2 Ha (0.52 l/Ha); was using 385.8 liters glyphosate for circle and path application in 742.2 Ha (0.52 l/Ha), using 116.8 liters glyphosate for selective weeding on 501.3 Ha (0.23 l/Ha);</p> <p>Navo Plantation: Pesticide application: Ally: Total applied 353.1 Ha, active ingredient per Ha is 0.01 kg/liter/Ha. Glyphosate: Total applied 353.1 Ha, active ingredient per Ha is 0.20 kg/liter/Ha. Li-700: Total applied 353.1 Ha, active ingredient per Ha is 0.04 kg/liter/Ha. Karla 2: Ally: Circle and path: Total applied 231.7 Ha, active ingredient per Ha is 0.02 kg/liter/Ha. Selective weeding: Total applied 506.3 Ha, active ingredient per Ha is 0.01 kg/liter/Ha. Glyphosate: Circle and path: Total applied 231.7 Ha, active ingredient per Ha is 0.77 kg/liter/Ha. Selective weeding: Total applied 506.3 Ha, active ingredient per Ha is 0.41 kg/liter/Ha. Li-700: Circle and path: Total applied 231.7 Ha, active ingredient per Ha is 0.13 kg/liter/Ha. Selective weeding: Total applied 506.3 Ha, active ingredient per Ha is 0.08 kg/liter/Ha.</p> <p>Smallholder: Stick insect census indicated pest infestation in smallholder division I. PNG OPRA recommends targeted trunk injection to control the infestation. Targeted Trunk Injection Daily Report Form for Lalopo/Sege and Soi, dated 30th October 2015 in smallholder Division I, block number 001142, number of palm treated: 300 palms.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.3</p> <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>Hargy Oil Palm Limited: Pest Infestation Recommendation (PestRec) No.5415 dated 30th September 2015 from report on 25th September 2015 for Navo Plantation. The recommendation is to apply targeted trunk injection on 150 Ha. There is no prophylactic use of pesticide in HOPL.</p> <p>Smallholder: Pest Infestation Recommendation (PestRec) No.1015 & 4715 dated 19th November 2015 for Soi LSS. The recommendation is to apply targeted trunk injection on 427 Ha.</p> <p>For Targeted Trunk Injection in smallholder area, period 01/2016 states palm poisoning for Tiauru LSS, Mataururu LSS, Kiawa VOP for 1180 palms , covering 9.83 Ha, with 106 liters Glyphosate. Pest Treatment (TTI), for Soi LSS, 11,157 palms or 92.98 Ha with 111.57 liters Metamidophos.</p>	<p>Yes</p>
<p>4.6.4</p> <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>Hargy Oil Palm Limited: The use of paraquat in Hargy Estate decrease. Hargy 1 Estate was using 436.7 liters gramoxone for circle and path spraying in 742.2 Ha (0.52 l/Ha);</p> <p>Navo Plantation: Plantation no longer use paraquat. Interview and field check to chemical store, found no paraquat stored.</p> <p>Smallholder: Smallholders are not supplied with gramoxone. No use of gramoxone for smallholder blocks.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.5</p> <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>All agrochemical operators had been given training on the handling and application of the material. Hargy maintains a set of record for sprayer training for herbicide mixer herbicide sprayers and smallholders.</p> <p>All safety and application equipment had been provided and used by the operators. All precautions attached to the products had been observed, applied and understood by the workers.</p> <p>Hargy Plantation: Training for Matabi use, assembly, spray technique for 50 workers in 24th November 2015. Training for trunk injector: Correct procedures of TTI and Safety Measures (refreshment) dated 14/10/2015 for 12 injectors (all male) in Makakiwa Muster Ground by John Jegeso.</p> <p>Navo Plantation: Training for "Targeted Trunk Injection and Chemical Handling, Usage and Storage Training" provided on 10/12/2015 for trunk injector, Mr. Orié Maragu, Mr. Peter Bage, Mr.Kalai Francis, Mr.Leonard Gavuli, Mr.Moseley Patiliu, Mr.Samuel Wal, Mr.Mathew Tate, Mr.James Peng. Integrated Pest Management Working Group Meeting (IPM WG) dated 16th July 2015. Training on MSDS for chemical handlers, dated 7th January 2016, for all 30 workers, all male.</p> <p>Pandi Plantation: Chemical Training and Safety conducted in 14th January 2015 for 25 workers comprise of overseer, mixture workers and mostly sprayers. Training included information such as spraying standard, proper PPE, correct mixing ratio, correct use of nozzle. Another series of safe spraying training were held on 15th June 2015 – attended by 13 sprayers; on 21st July 2015 for 23 sprayers.</p> <p>Smallholders: Training certificate is evident for smallholder applied agrochemical. The smallholder has standard PPE such as mask, hand glove and gumboot. It is a requirement from HOPL & OPIC that smallholders purchase PPE, have a proper storage area and have received appropriate and adequate training on chemical handling when they purchase Glyphosate for spraying weeds. Smallholders can purchase these items from Hargy under the smallholder credit scheme</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.6</p> <p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>Storage and disposal of all chemicals found to be consistent with the Code of Practice. The disposal of pesticide guideline is available under the Plantation Management Practice – Pesticide Practices.</p> <p>Each estate has chemical shed to store the herbicide and pesticide. Chemical is stored and segregated based on type. The chemical shed has mixing bay and washing basin. All chemical are pre-mixed and no pure chemical to field. All work uniform, PPE and spraying tools are washed and stored in locked room.</p> <p>The estates disposed off the empty herbicide container into landfill. The empty container is triple rinsed and cut into small pieces for ease of transport.</p> <p>Pandi Plantation: Empty pesticide container disposal record shows in 5th February 2016, Bakada estate disposed off 5 glyphosate containers; in 8th February 2016, disposed off 10 glyposate containers. All containers were damaged and sent for landfill, supervised by Mr.Clement, sprayer supervisor. Alaba Estate shows Empty Pesticide container disposal record for period October – November 2015. The record shows the disposal of 6 empty glyphosate containers and 7 empty Li-700 containers.</p> <p>Smallholders: Smallholder applied agrochemical stored the container, PPE and knapsack in dedicated shed, apart from the housing. The disposal of empty chemical container follows management guideline: triple rinse, punctured and disposed off into landfill.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.7</p> <p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palm is able to demonstrate that pesticides had been applied in line with management guideline; that minimize risk and impacts. Sprayers are trained. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Hargy Plantation: Training for Matabi use, assembly, spray technique for 50 workers in 24th November 2015. Training for trunk injector: Correct procedures of TTI and Safety Measures (refreshment) dated 14/10/2015 for 12 injectors (all male) in Makakiwa Muster Ground by John Jegeso.</p> <p>Navo Plantation: Training for "Targeted Trunk Injection and Chemical Handling, Usage and Storage Training" provided on 10/12/2015 for trunk injector, Mr. Orie Maragu, Mr. Peter Bage, Mr.Kalai Francis, Mr.Leonard Gavuli, Mr.Moseley Patiliu, Mr.Samuel Wal, Mr.Mathew Tate, Mr.James Peng. Integrated Pest Management Working Group Meeting (IPM WG) dated 16th July 2015. Training on MSDS for chemical handlers, dated 7th January 2016, for all 30 workers, all male.</p> <p>Pandi Plantation: Chemical Training and Safety conducted in 14th January 2015 for 25 workers comprise of overseer, mixture workers and mostly sprayers. Training included information such as spraying standard, proper PPE, correct mixing ratio, correct use of nozzle. Another series of safe spraying training were held on 15th June 2015 – attended by 13 sprayers; on 21st July 2015 for 23 sprayers.</p> <p>Smallholders: Smallholder whose applied agrchemical has appropriate PPE, storage and demonstrate adequate knowledge. The disposal of empty chemical container follows management guideline: triple rinse, punctured and disposed off into landfill.</p>	<p>Yes</p>
<p>4.6.8</p> <p>Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited: There is no aerial application of pesticide in Hargy Oil Palm' plantation.</p> <p>Smallholder: There is no aerial application of pesticide in smallholder of Hargy Oil Palm' plantation.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.9</p> <p>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).</p> <p>- Minor compliance -</p>	<p>Hargy Plantation: Training for Matabi use, assembly, spray technique for 50 workers in 24th November 2015. Training for trunk injector: Correct procedures of TTI and Safety Measures (refreshment) dated 14/10/2015 for 12 injectors (all male) in Makakiwa Muster Ground by John Jegeso.</p> <p>Navo Plantation: Training for "Targeted Trunk Injection and Chemical Handling, Usage and Storage Training" provided on 10/12/2015 for trunk injector, Mr. Orié Maragu, Mr. Peter Bage, Mr.Kalai Francis, Mr.Leonard Gavuli, Mr.Moseley Patiliu, Mr.Samuel Wal, Mr.Mathew Tate, Mr.James Peng. Integrated Pest Management Working Group Meeting (IPM WG) dated 16th July 2015. Training on MSDS for chemical handlers, dated 7th January 2016, for all 30 workers, all male.</p> <p>Pandi Plantation: Chemical Training and Safety conducted in 14th January 2015 for 25 workers comprise of overseer, mixture workers and mostly sprayers. Training included information such as spraying standard, proper PPE, correct mixing ratio, correct use of nozzle. Another series of safe spraying training were held on 15th June 2015 – attended by 13 sprayers; on 21st July 2015 for 23 sprayers.</p> <p>Smallholder: Herbicide Training Schedule 2016: January in Sulu VOP, Kaiamu VOP, Malaso LSS, Sege LSS; April in Gilo, Northson and Mu Mata. Awareness session for smallholder by John Jegeso, dated 13th January 2016, attended by 45 smallholders. The awareness including harvest/FFB quality and pest and disease. Sample: smallholder number 001681 Titus Binga, No.001599 Cleopas Oige, No.006122 Dimmy Soke. It is a requirement from HOPL & OPIC that smallholders purchase PPE, have a proper storage area and have received appropriate and adequate training on chemical handling when they purchase Glyphosate for spraying weeds. Smallholders can purchase these items from HOPL under the smallholder credit scheme</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.10</p> <p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>Hargy Plantation: Solid Waste Disposal Register from Hargy Division 2, Urumaili – on 31st October 2015 disposing 30 damaged spray containers into plastic pit. Solid Waste Disposal Register from Hargy Division 2, Urumaili – on 14th June 2015 disposing 26 damaged spray containers into plastic pit.</p> <p>Navo Plantation: Empty chemical container disposed off into landfill. Records are kept.</p> <p>Pandi Plantation: Empty pesticide container disposal record shows in 5th February 2016, Bakada estate disposed off 5 glyphosate containers; in 8th February 2016, disposed off 10 glyposate containers. All containers were damaged and sent for landfill, supervised by Mr.Clement, sprayer supervisor. Alaba Estate shows Empty Pesticide container disposal record for period October – November 2015. The record shows the disposal of 6 empty glyphosate containers and 7 empty Li-700 containers.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.11</p> <p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Hargy Plantation: Baseline surveillance for employees using chemical period II 2015: Mr.Jonathan Malken, Mr.Dominic Nare, Mr.Paul Nolim, Mr. Norman Kolom, Mr. Matthew Kenndy, Mr.Amos Kenneth, Mr.Steven Koves, date of examination 20-21st January 2016 by Mr.Ulo Alita. The result shows no sign of intoxication. Trunk injector medical examination with cholinesterase – dated 23rd January 2016 for 6 Hargy plantation injector and found the cholinesterase level is within the standard male (5900 – 12220µ/l) female (4650 - 10440µ/l)</p> <p>Navo Plantation: Cholinesterase test for trunk injector on 16th February 2016. Normal range around 170 – 420 µl, Test for Mr.Ranis Rodney, Mr.Kaso Bill, Mr.Ruben Frank, Mr. Samuel Wal, Mr.Orie Maragu, Mr.Shedrick Philip, Mr.Francis Biikin, Mr.Ismael Pigo – shows no cholinesterase above limit.</p> <p>Pandi Plantation: “Baseline health surveillance for employee using agrochemical” was carried out on regular basis, collecting demographic data, occupational history, medical history, basic examination (eyes, nose, throat, respiratory, skin, rash, bones) to prepare conclusion on status to working with agrochemical. The medical surveillance period II 2015 dated 2nd July 2015 for sprayers: Mr.Daniel Tomata, Mr.Korul Kam, Mr.Peter Urai. Baseline health surveillance for employee using agrochemical” dated 9-10th February 2016 for sprayers: Mr.Elias Ken, Mr.Gunde Kunagil, Mr.Tomas Dikay, Mr.Dikay Duma, Mr.Frank Aigilo, Mr.Gaimon Paul, Mr. Peter Enos, Mr.Julius Keleso, Mr.Mathius Paglu, Mr.Jack Lele, Mr.Lawrence Kampitam. The resul shows no sign of intoxication.</p> <p>Smallholder: Smallholder medical examination with cholinesterase – dated 2nd February 2015 for 13 injectors. Smallholder medical examination with cholinesterace done in 11th September 2015 for 13 injectors, found Mr. James Paul test result below the required level, therefore to be laid off or transferred to other jobs, as per company doctor letter on 18th Septemer 2015.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator		Assessment Findings	Compliance
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Hargy Plantation: No female worker is working with pesticide/herbicide. Verification against the employee master listing, there are 23 sprayers from 3 division of Hargy estate, all male. Navo Plantation: No female worker is working with pesticide/herbicide. Verification against the employee master listing, there are 39 sprayers from 3 division of Navo estate, all male. Pandi Plantation: No female worker is working with pesticide/herbicide.	Yes

Criterion 4.7:

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

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.

Guidance:

Growers and millers should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health. Growers and millers should ensure that the chemical, physical and biological substances and agents under their control are without undue risk to health when appropriate measures are taken. All indicators apply to all workers regardless of status.

The health and safety plan should also reflect guidance in ILO Convention 184 (see Annex 1).

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>Hargy Plantation:</p> <p>Policy on Occupational Health and Safety POL-ESD-OHS-015-04, approved and signed by General manager on 16th December 2015. The policy stated "SIPEF supports the implementation of local laws and regulations, as well as of applicable international agreements and standards relevant to OHS.</p> <p>SIPEF believes in continually improving its health and safety record through: identification and reduction of hazard and risk in its operation, provision of adequate resources for the effective implementation of OHS program and procedures, including strict compliance reviews and field supervision/inspection.</p> <p>Hargy has developed an operational health and safety plan for each operation/site (plantation, palm oil mill, stores, construction, and vehicle workshop). Occupational Health and Safety Plan 2016 dated 28th January 2016 explaining health and safety policy, hazard and risk assessment register, job safety and environment analysis (for non-routine, high risk tasks), safety training and record, induction, personnel protective equipment, safety meeting, emergency procedures, first aid, incident investigation and lost time accident.</p> <p>Operational Safety Management Plan Navo Plantation, for Personnel protective equipment such as: department manager must make sure safety of the employees and provide safety PPE,</p> <p>Operational Safety Management Plan Hargy Palm Oil Mill, for general site entry contractor, induction and registration, training, hazard identification, hazard/risk register, electrical work, installation, lifting gear, hot works, critical firefighting equipment, operation, oxygen/acetylene cylinder, ladders, hazardous substance and materials, emergencies and accidents, working on heights, housekeeping, plant inspection, work permits, LOTO, confine space, Personnel protective equipment, safety meeting.</p> <p>A check on the health and safety and environment carried out through EHS inspection, work place personal safety checks (sufficient PPE to do the work safely? Understanding requirement, hazard and control measures).</p> <p>Record:</p> <p>EHS Monthly inspection checklist Hargy Division 3 Kerakera – covering the documentation, genset condition, fuel storage and issue, amenities and office condition, mobile plant and equipment, PPE use, pesticide use and storage, fertilizer store, landfill, housing condition, road condition, spraying activities, clinic condition. Date of inspection 25th January 2016 by John Eminse.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Navo Plantation: EHS Monthly inspection checklist Karla Plantation – covering the documentation, genset condition, fuel storage and issue, amenities and office condition, mobile plant and equipment, PPE use, pesticide use and storage, fertilizer store, landfill, housing condition, road condition, spraying activities, clinic condition. Date of inspection 2nd February 2016 by John Kagl.</p> <p>The POMs have policies and procedures related the OHS, such as: - The company has health and Safety Plan is documented in “Operational Safety Management Plant, rev. 6, dated 28th January 2016. Approved by General Manager, consist of responsibility, OHS policy, Risk Assessment matrix, Safety and training record, PPE, OHS meeting - Policy of Occupational Health and safety No. POL-ESD-OHS-015-04.</p> <p>The OHS policy is produced in 2 languages (English and local language/Tok Pisin), which covering activities, both mill and estate and put in sign board.</p> <p>During interview with workers, it was found they understand the policy and OHS plan.</p> <p>Smallholder: OPIC provide training and they stop and talk to smallholders (according to Rubin) if their children are on the block or if they are using inappropriate PPE. But there is no Health and Safety Plan as such and seemingly a lack of collaboration between Hargy and OPIC on this area.</p> <p><i>Previous Observation:</i> Attention should be given to the circulation of updated risk assessment register.</p> <p><i>Action:</i> <i>Hazard and Risk Assessment Register 2016, for Plantation (including nursery and New Development Area) issued on 28th January 2016. Update of Hazard and Risk Assessment Register 2016 latest version seen in Hargy Estate, Navo Estate, Hargy Mill, Barema Mill, Navo Mill.</i></p>	

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.2</p> <p>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>- Major compliance -</p>	<p>Hargy Plantation and Navo Plantation: Hazard and Risk Assessment Register 2016, for Plantation (including nursery and New Development Area) issued on 28th January 2016. The highest risk identified is from bulk fuel storage and isolation of emergency bell – new development area, FFB cartage, and transporting. Based on the high risk, company has sets Occupational Health and Safety Plan 2016, where priority program such as safety training being planned.</p> <p>The risk assessment covers Mill engineering (incl.laboratory, effluent ponds & treatment plant), Plantation (incl. Nursery & New development area), vehicle workshop, construction, stores, smallholders, medical clinics, HOPL Administration Building, Bialla Independent Primary School,</p> <p>The company updated the HIRADC annually or based on if any accident or operation changes as documented in "Hazard and Risk Assessment Register – 2016, the last updated on 28th January 2016.</p> <p>The update of HIRADC is covering any changes of the operation and/or based on any incident and/or accident. The HIRADC is consist of Hazard/Applicable Area, Risk, Risk rating (severity x probability = Score) to determined "Risk Level" (Very low, Low, medium and High, very high) consequence (First aid, Lost tume injury, permanent deafness, death, method used (elimination, substitution, engineering, administration and PPE). Proposed control (signage, traing and awareness, nosie mapping, etc), indicators (e.g. inspection, sign obeyed, MSDS, PPE used, inspection,</p> <p>The company has Occupational Health and Safety Plan - 2016, covering Introduction, Scope, Responsibility, Policy on OHS, HIRADC Register, Safety and Training records, Mechanism to discuss OH 7 S, Emergency procedure, Medical care and Accident Insurance, Incident/Accident Investigation & LTA,</p> <p>The company has recorded incident report and investigation record in "Incident/Accident report Form – HOPL-FOR-EMS-002-06".</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Note: Health and safety program does not correlate with the Risk assessment. There is a number of activities identified with high risk rating, but company has not prepared a program to reduce the risk. MSDS is available for chemical storekeeper in Navo and Pandi Plantation, but has not being read.</p> <p><i>Previous Observation:</i> Stakeholder input highlights the need for continued attention to road safety, including speeding, overloading of fruit, and use of dump trucks to transport workers and children. Local Police report two children hospitalized over the last year after falling off trucks.</p> <p>Action: <i>RN was unable to follow up on a Hargy vehicle safety report with the Bialla Police in 2016, due to the Police Chief being in Rabaul. However, Hargy management report to adapted five tip trucks for transporting children to school in greater safety. The adaptations reportedly include (1) Removal of the hoists, (2) Installation of covers and stairs on the trucks. One stakeholder at Navo (a local Ward Chairman) did, however, express concern at the speed at which Hargy vehicles travel in his area.</i></p>	

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p> <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>Hargy Oil Palms have produced risk assessment report on harvesting activity dated 8-19th March 2016 to study the risk for harvester. The specific risk assessment purpose to study whether safety footwear should be provided to the harvesters. Finding from the assessment will be used to update the HIRADC document. Interview with harvesters in Hargy Plantation, Mr.Jacob Joro, Mr.Gabbi Amon, Mr.Steni Nemen – plantation management has provided gumboot for harvesters. Hargy have ordered 550 pairs of gumboot to be provided to harvesters. The use of gumboot for harvester will be under trial. Training for harvesters are also provided. <i>(Evidence: Harvesting Risk Assessment, latest HIRADC under review; gumboot order).</i></p> <p>Hargy Oil Palms continues to prepare risk assessment for other area/activity and ensure the risk control assessment involving key staff from related operational activity. The risk assessment taking into consideration the information from related staff, taking into consideration LTA data analysis to propose effective control. Further verification by the auditor on job safety analysis for building of new tank in Hargy Palm Oil Mill. Job Safety and Environment Analysis Doc.No.HOPL-FOR-OHS-004-01for job titled "storage tank 8 foundation" evident. The safety analysis identifying the job steps, hazard, control method and monitoring, risk rating, PPE requirement, Tools requirement, etc.</p> <p>Employee handbook 2015, explains the employee provided with the appropriate personnel equipment. However, it did not mention the provision of PPE for harvesters.</p> <p>Lost Time injury report 2015 (for all plantations) indicates 132 injuries, with total working days lost is 298 days.</p> <p>Injury trend 2015 (for all plantation) covers 36 punctured wound (due to thorn), 15 incised (cut) wound, and 15 laceration wound, 13 bruises, 11 palm nail injury, etc.</p> <p>Emergency Response Plan produced on 28th January 2016, following fire, earthquake, fight, traffic accident work injury, riots, chemical spill.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Training for worker provided: Hargy Plantation: Training on FFB loading on 10/02/2016 for 10 tractor and FFB crews. Training on riding tractor on 09/02/2016 for 10 tractor drivers and FFB loaders; Training for FFB cutters on 09/02/2016 for 19 harvesters in Urumaili. Frond stacking training for harvester on 02/11/2015, attended by 16 harvesters. PPE such as gumboot provided for harvester.</p> <p>HOPL's POMs provides: - OHS training for all workers. - Each mill has the OHS training plan and training progress chart as documented under HOPL 2016 Training Calender" and "Training Attendance Record". - Company provides appropriate PPE in accordance torisk assessment. Based on mill tours, all workers on mill floor using standard PPE: helmet, ear plug/ear muff, glove, safety shoes, mask, etc. - Based on interview, broken PPE being replaced as per "List PPE".</p> <p>Develop a one page summary for all new chemicals in use covering risks, required PPE, emergency response. One-page summaries will be placed on the walls of chemical store for easy reference, and workers will be provided with training. Necessary PPE will be made immediately available to workers handling new type of chemical. Estate manager will control and monitor the PPE provided through checklist.</p> <p>Hargy Oil Palms Limited has updated the availability of MSDS, produced into one page summary for each chemical being used on the field. Information provided in the one page summary including: risk and hazard, required PPE related to the hazard, emergency response plan, and other precaution. This one page summary placed in the chemical store. Storekeeper knowledge has been improved, based on interview with chemical store keeper in Pandi Plantation, Mr.Clement Parangai and sprayer supervisor in Navo Plantation, Mr.Cletus Saun. Hargy have provided and controlled the appropriate PPE, as required by the one page summary. For handling chemical <i>Fern-Ex</i> (active ingredient sulfam), mandatory PPE is face shield, respirator, overall, hand glove, gumboot; provided in Pandi Plantation and Navo Plantation. <i>(Evidence: one page summary for Glyphosate, Fern-Ex and Metamidophos; visit to chemical store Navo Estate and Pandi Estate, PPE as required by one page summary made available).</i></p>	

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Smallholder: Ruben Taukro reports that (1) That OPIC include safe work practice in their Field Day curriculum, (2) the OPIC provide PPE to smallholders upon request (paid for out of FFB sales), and (3) That OPIC officers on their rounds will stop and educate smallholders who they identify working in the field without appropriate PPE.</p>	
<p>4.7.4</p>	<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>Hargy Oil Palm Limited: General Manager is the main responsible for health and safety performance.</p> <p>Hargy Plantation: RSPO Representatives are responsible for the health and safety performance. In Hargy Plantation, Mr. John Eminse is appointed; main duties and responsibilities are explained. Mr. Raymond Dalla is appointed in Division I, Mr. Joe Tokua is appointed in Division II, Safety meeting record: Latest safety meeting conducted on 26th January 2016, discussing the result of monthly EHS inspection, previous audit findings, review on corrective and preventive action plan, social issues in work place, gender issues in workplace, workplace safety, emergency drill plan, etc.</p> <p>Navo Plantation: RSPO Representatives are responsible for the health and safety performance. In Hargy Plantation, Mr. John Kagl is appointed; main duties and responsibilities are explained. Safety Roles and Responsibilities are explained. The OHS Meeting carried out in RSPO meeting, discussing follow up from last meeting, EHS inspection result, OHS performance report, dated 13th January 2016. Attended by 15 employees, from plantation manager to field supervisor. Safety committee members representing sections at the all mills are responsible for the safety of the mill. Safety officer coordinates this committee.</p> <p>The company has "Emergency plan" entire HOPL, dated 28th January 2016, covering: emergency requiring evacuation (Fire and earthquake), containment (Riots and Robbery), injuries: (car accident and injuries), environmental risk (oil spill, chemical or diesel spill), e.g. Hargy POM emergency plan is documented in "Bialla Tanker Terminal cargo Loading" No.PRO – ENG – SHP – 001-02, rev. 2, dated 4th February 2016, including control of emergency situation, such as fire and chemical spillage.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>The company has EHS Inspection program and Safety Officer meeting as documented in "EHS inspection and OHS meeting schedule 2016".</p> <p>The OHS Safety meeting is planned monthly, e.g OHS meeting in Hargy Mill on 25th January 2016 is documented in "Hargy Mill OHS Meeting". Minutes meeting and list of attendance is available.</p> <p>The company also has "Emergency Response Team" with call phone number and radio Call sign, e.g. Safety officer in Navo mill is Mr. Thomas Tade. The emergency plan is covering: Fire, Earthquake, Fight, Traffic Accident, work injury, riots, tsunami, and chemical spill.</p> <p><i>Previous Observation:</i></p> <ul style="list-style-type: none"> - Attention needed to ensure safety committee meeting meets regularly as per safety HOPL procedure; - Appointment documentation for safety committee member in Navo Palm Oil Mill has expired and need to be renewed; - HOPL is encouraged to establish Emergency Response Team to better manage and control emergency situations such as fire and chemical spillage in Hargy POM; <p>Action:</p> <p><i>The company has EHS Inspection program and Safety Officer meeting as documented in "EHS inspection and OHS meeting schedule 2016".</i></p> <p><i>The OHS Safety meeting is planned monthly, e.g OHS meeting in Hargy Mill on 25th January 2016 is documented in "Hargy Mill OHS Meeting"</i></p> <p><i>Minutes meeting and list of attendance are available.</i></p> <p><i>The company also has "Emergency Response Team" with call phone number and radio Call sign, e.g. Safety officer in Navo mill is Mr.Thomas Tade. The emergency plan is covering: Fire, Earthquake, Fight, Traffic Accident, work injury, riots, tsunami, and chemical spill.</i></p>	

**RSPO Public Summary Report
Revision 1 (Sept/2014)**

<p>4.7.5</p>	<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>Emergency Response Procedure 2016 approved and signed by General Manager on 28th January 2016. The emergency response covering situation such as flooding river, mill factories fire, Bialla tank farm and tanker terminal fire, spillage, unrest and strike, medical emergency, motor vehicle accident, fire emergency response. First aid trained employees to become qualified first aid practitioners, respective work sites have minimum two first aiders, have valid certificate for duration of 3 years. Training for first aider conducted on 9-12th February 2016.</p> <p>Pandi Plantation: First aider training on 9-12th February 2016 for Mr.Lawrence Kui. Volcano eruption drill including Emergency Muster Point, Emergency Pack, evacuation process, fleet allocation, on 3rd May 2015 for Bakada Plantation (79 employees) – involving Felix Lalom (harvester). Spillage drill report for chemical store on Sabalbala 6th July 2015 – involving Paul Kelly, sprayer from Pandi and 6 other sprayers.</p> <p>Hargy Plantation: Emergency drill – tractor accident/medical emergency conducted on 12th January 2016, where 16 employees participated in. Chemical spillage drill conducted on 19th February 2015, where emergency response team attended. Emergency drill – electrocuted on 10th February 2016 attended by 25 employees in Urumaili. Training for First aider on 9-12th February 2016 for Mr.Robin Enoch, Mr.Raymond Dalla.</p> <p>Hargy Mill: Training for First aider on 9-12th February 2016 for Mr.Samson Kolish, Mr.Raphael Luminah; Navo Mill: Training for First aider on 9-12th February 2016 for Mr.Thomas Tade, Mr. Kevin Gunino; Navo Plantation: Lost Time Injury at Work/injury investigation. Dated 1st December 2015, when Alfred Aras got eye injury because of contact with palm nail. Analysis cause of injury is a chronological explanation. The analysis done by James Peng, 1st December 2015.</p> <p>Navo Plantation: Emergency Communication flow chart, medical emergency response. Emergency Response Plan and Emergency Response Procedure are not up-to-date. First aider available: John Kagl, Monica Manas, Emergency Drill Report: for Kiba Chemical shed – chemical spillage, dated 21st July 2015. The drill was attended by 16 employees. First aid kit available in Navo Vehicle Workshop. Training for First aider on 9-12th February 2016 for Mr.Raymond Sai, Mr.Jennifer Bungtabu.</p>	<p>NC Minor</p>
--------------	--	--	------------------------

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Construction Bialla: Fire evacuation drill for Bialla construction, where 75 employees participated in. Evaluation on the drill: horse play is not acceptable.</p> <p>Navo Vehicle Workshop: - Safety measures in terms of PPE for Electric Welding Personnel and Non Return Valve and Flash back Arrestor should be considered for the safe operation against / Fire prevention/ explosion / suck back to the Acetylene Cylinder; Action: <i>PPE for electric welding personnel has been provided.</i> <i>Flashback arrestor provided for the acetylene cylinders.</i> <i>Closed.</i></p> <p>Smallholder: Training for First aider on 09-12th February 2016 for Mrs.Joyce Hindi Kuam,</p> <p>Hargy POM: The company has conducted safety briefing before entering mill. The company has conducted monitoring for emergency equipment, fire protective system, critical safety device, first aid mill housekeeping, boiler emission, diesel fuel storage, water drains, solid waste, included hydrant monthly, the last monitoring was conducted on 25th January 2016 as documented in "Mill EHS Monthly inspection Checklist" The company has updated the Emergency Response Procedures – rev. 6, 28th January 2016, covering: eruption volcano. Earthquake, flooding river, fire, oil spillage, medical emergency response, accident, evacuation plan, and SAR. Accident investigating report in recorded in "Incident Investigation Form", e.g investigating for Benyamin Suare, accident was happened on 1st April 2014 in Threshing Station in Barema mill. First Aid Training was conducted on 10 – 12th February 2016 was attended 53 participant from all units in Hargy Oil Palm Limited.</p>	

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>NC Minor: Lack of monitoring on emergency procedure communication and implementation noted. Evidence on lack of monitoring for emergency procedure: - Based on field visit to Pandi Plantation and Hargy Palm Oil Mill, the audit team found expired medication in the first aid kit of Pandi Vehicle Workshop and Hargy Palm Oil Mill; - Based on field visit and worker interview at Pandi Plantation, no first aid kit was available in the close vicinity. Workers basic understanding concerning emergency plan for work related accidents is inconsistent with the company Response Plan. - Based on field visits to Hargy Estate, Navo Estate and Pandi Estate – the audit team was not provided with safety induction or emergency response plan;</p>	
<p>4.7.6</p>	<p>All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -</p>	<p>Yes</p>
<p>4.7.7</p>	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance -</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p> <p>Guidance: <i>Workers should be adequately trained on: the health and environmental risks of pesticide exposure; recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ways to minimise exposure to workers and their families; and international and national instruments or regulations that protect workers' health.</i></p> <p><i>The training programme should include productivity and best management practice, and be appropriate to the scale of the organisation.</i> <i>Training should be given to all staff and workers by growers and millers to enable them to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these Principles, Criteria, Indicators and Guidance.</i></p> <p><i>Contract workers should be selected for their ability to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of the RSPO Principles, Criteria, Indicators and Guidance.</i> <i>Growers and millers should demonstrate training activities for schemes smallholders who provide Fresh Fruit Bunches (FFB) on a contracted basis.</i></p> <p><i>Workers on smallholder plots also need adequate training and skills, and this can be achieved through extension activities of growers or millers that purchase fruit from them, by smallholders' organisations, or through collaboration with other institutions and organisations (refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009)</i> <i>For individual smallholder operations, training records should not be required for their workers, but anyone working on the farm should be adequately trained for the job they are doing (refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009)</i></p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.8.1</p> <p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance -</p>	<p>Hargy Plantation, Navo Plantation: HOPL Training Calendar 2016 is available. Training need analysis – is being captured through interview questionnaire, annual basis. Training then compiled the training need analysis report to identify gaps and requested training. The report is the base for training program for subsequent year.</p> <p>Navo Planation: Training calendar prepared for 2016. Plantation training planned for each week. Chemical handling spill training on 4th week 05/2016.</p> <p>Hargy POM: Training record is documented in "HOPL 2016 Training Calender".</p> <p>Navo POM: Navo mill documented training progress in "Training Attendance Record" e.g. - Sampling technique FFB quality, WB, sterilizer on 14/12/2015 was attended 4 workers. - Safety Alert was conducted on 12 March 2015, attended 22 workers.</p> <p>The company also gives briefing for new employees related safety, Environment and social responsibilities. Morning briefing is conducted daily related to the Safety and daily operation, the record in "Shift "B" Daily Master Checklist, e.g. on 21/09/2015, attended workers who is worked in Shift "B", Morning Master on 18/09/2015. Training material and attendance list is available in premises.</p> <p>Smallholder: Sighted New Grower Training Program including the following content: Circle Weeding, Wheelbarrow path, Pruning, Frond stacking, Fertiliser, Harvesting, House, Water supply, Toilet, Landfill, and Tools needed.</p> <p>Sighted book titled 'Gutpela rot bilong lukautim wel pam na kamap gutpela smolholda fama'. (70 copies of which have been distributed to all new growers starting 2011). This book contains content on a broad range of content including (1) Sustainability, (2) block preparation, the need to allow land for food, (3) Fertilizer application, (4) Loose fruit scheme, and other life-related areas including (5) HIV, (6) Malaria prevention.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>4.8.2</p> <p>Records of training for each employee shall be maintained.</p> <p>- Minor compliance -</p>	<p>Hargy Plantation:</p> <p>Hargy Oil Palm Limited is using WinHR to manages the training database for each employee. The process started with collection of training attendance list from each sites to be lodged into WinHR system, identification is using employee name and employee number.</p> <p>Sample:</p> <p>VHS: Justine Abok, attended training on Engine principle 17th June 2015; Measurement & Conversion 9th June 2015;</p> <p>Navo: John Amos, Frond stacking 23rd March 2015; attended training on spraying chemical 11th March 2015;</p> <p>Navo Workshop: Ricky Kawei, Boiler Water Quality on 29th June 2015;</p> <p>Pandi Estate: Paul Kelly, chemical spill drill 7th June 2014;</p> <p>Hargy Estate: Jerry Som, company policy awareness 3rd March 2015;</p> <p>Smallholder management: Joyce Hindi Kuam, attended First aid training 23rd February 2015; ISO 14001 training 15th May 2015; Certificate in accounting 04/04/2014.</p> <p>New training database sighted 18th February 2016, titled "Education and Training List".</p> <p>Navo Plantation:</p> <p>Employee induction training on 2 new workers (Mr.Leo Danny, Mr.Michael Nickson) by Mr.John Kagl, on 13th October 2015. The training covers legal compliance, safety, environment, and social responsibilities.</p> <p>Contractors induction to OURS Enterprises on 28th October 2015. The induction covers health and safety, environment, and social obligations must be followed by contractors.</p> <p>5.3 Rubbish Segregation in compound, dated 2nd September 2015, attended by 64 employees and their dependents.</p> <p>Harvesting training on 27th August 2015 attended by 17 harvesters and supervisors, explaining productivity, day rounds, FFB quality and harvesting standards.</p> <p>Fertilizer application on 5th May 2015, attended by 9 employees.</p> <p>Harvesting standard training on 13th May 2015, attended by 13 harvesters.</p> <p>Hargy POM:</p> <p>The record of each employee is documented in "Training Attendance record", Doc. No. HOP-FOR-EMS-022-03.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Smallholders: Environmental awareness programs conducted in the last year: Total 8. Sighted: (1) Documentary reference to 22nd September 2015, (2) 18th August 2015 Gamupa Field day, includes list of attendees. Ruben understands that the education for Gamupa area needs improvement (i.e. more field days).</p> <p>The field day has five stations (1) block preparation and maintenance (including the need to keep a clean block in order to reduce risk of injury/health and safety), (2) Fertilizer application, (3) harvesting and transport including harvesting quality and contractual aspects (being honest about whose FFB is whose), (4) Pest and disease (PNG OCHRA come in here), (5) Environment and Sustainability (this is where Sophie and Florence are invited, and also the banks and Health – HIV/AIDS) , Also sometimes Department Health staff including HIV Council who dump boxes of condoms.</p> <p><i>Previous Minor NC:</i> There is not adequate evidence Hargy Estate and Navo Estate maintained records of training for each employee. Action: <i>Hargy Oil Palm Limited is using WinHR to manages the training database for each employee. The process started with collection of training attendance list from each sites to be lodged into WinHR system, identification is using employee name and employee number.</i> <i>Sample: VHS: Justine Abok, attend training on Engine principle on 17th June 2015; attend training on Measurement & Conversion 9th June 2015;</i> <i>Navo: John Amos, attend training on Frond stacking 23rd March 2015; trained for spraying chemical on 11th March 2015;</i> <i>Navo Workshop: Ricky Kawei, attend Boiler Water Quality training on 29th June 2015;</i> <i>Pandi Estate: Paul Kelly, attend Chemical spill drill on 7th June 2014;</i> <i>Hargy Estate: Jerry Som, company policy awareness 3rd March 2015;</i> <i>Smallholder management: Joyce Hindi Kuam, attended First aid training 23rd February 2015; attended ISO 14001 training 15th May 2015; Certificate in accounting 4th April 2014.</i> <i>New training database sighted 18.2.16, titled "Education and Training List".</i></p>	

Criterion / Indicator	Assessment Findings	Compliance
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity		
<p>Criterion 5.1: 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.</p> <p>Guidance: <i>The EIA should cover the following activities, where they are undertaken:</i></p> <ul style="list-style-type: none"> • Building new roads, processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents (Criterion 4.4); • Clearing of remaining natural vegetation; • Management of pests and diseased palms by controlled burning (Criteria 5.5 and 7.7). <p><i>Impact assessment can be a non-restrictive format e.g. ISO 14001 EMS and/or EIA report incorporating elements spelt out in this Criterion and raised through stakeholder consultation. Environmental impacts should be identified on soil and water resources (Criteria 4.3 and 4.4), air quality, greenhouse gases (Criterion 5.6), biodiversity and ecosystems, and people's amenity (Criterion 6.1), both on and off-site.</i></p> <p><i>Stakeholder consultation has a key role in identifying environmental impacts. The inclusion of consultation should result in improved processes to identify impacts and to develop any required mitigation measures.</i></p> <p><i>For smallholder schemes, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results (refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009).</i></p>		
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	Hargy Oil Palm Limited has an environmental impact assessment document. Hargy Oil Palm Limited Site Specific Environmental Aspects and Impact Register sited. In general critical and supporting activities were identified. Environmental Aspects are separated into significant aspects and then prioritized with regards to the impact. Identification of aspect and impact evaluation has been reviewed and documented in the HOPL Environmental Aspect & Impacts, the last updated 10 th February 2016, rev.5 (REG-ESD-EMS-004-05). All major and minor activities were included in these documents for plantation, palm oil mills operations, transport & vehicle workshop, construction, stores and office. Positive and negative impacts were identified and impact level was evaluated as significant or non significant.

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.2</p> <p>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.</p> <p>- Minor compliance -</p>	<p>The environment impact assessment document is reviewed and updated on annual basis. Procedure HOP-PRO-EMS-003-07 related to environmental objective, target and program has been established. The objective target and program was established and set as a result from the those aspects/impacts that were evaluated as significant and applicable legal requirements, technological options, financial, operational and business requirements and also view of interested parties. The following example of HOPL objectives and targets (updated for 2016) are approved by General Manager.</p> <p>The EIA covering all activities both plantation and mill, covering: land clearing, buffer zone establishment, land development, road construction, planting, nursery, fertilizing, EFB application, road transport, illegal gardening in reserves, waste disposal, chemical spraying, harvesting, fuel & Oil usage, IPM, POME, use of fossil fuel, septic waste water, solid waste storage, compound, paper use, gravel extraction, genset, water usage, boiler operation, chemical storage, methane capture, mill activities, mill waste, loading ramp, WB, EFB storage, KCP station, warehouse, workshop, office, etc.</p>	<p>Yes</p>
<p>5.1.3</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>The company has conducted monitoring of environmental impact regularly and its documented in in the HOPL Environmental Aspect & Impacts, the last updated 10th February 2016, rev. 5 (REG-ESD-EMS-004-05).</p> <p>There is no changes of impact since last year.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p> <p>Specific Guidance: <i>For 5.2.1: This information will cover:</i></p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller; • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; <p><i>For 5.2.2: These measures will include:</i></p> <ul style="list-style-type: none"> • Ensuring that any legal requirements relating to the protection of the species or habitat are met; • Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created • Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants). <p><i>For 5.2.5: If a negotiated agreement cannot be reached, there should be evidence of sustained efforts to achieve such an agreement. These could include third party arbitration (see Criteria 2.3, 6.3 and 6.4).</i></p> <p>Guidance: <i>This information gathering should include checking available biological records and consultation with relevant government departments, research institutes and interested NGOs if appropriate. Depending on the biodiversity values that are present, and the level of available information, some additional field survey work may be required.</i></p> <p><i>Wherever HCV benefits can be realised outside of the management unit, collaboration and cooperation between other growers, governments and organisations should be considered.</i></p> <p>Note: <i>Operators need to consider a variety of land management and tenure options to secure HCV management areas in ways that also secure local peoples' rights and livelihoods. Some areas are best allocated to community management and secured through customary or legal tenures, in other cases co-management options can be considered. Where communities are asked to relinquish rights so that HCVs can be maintained or enhanced by the companies or State agencies, then great care needs to be taken to ensure that communities retain access to adequate land and resources to secure their basic needs; all such relinquishment of rights must be subjected to their free, prior, and informed consent (see Criteria 2.2 and 2.3).</i></p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

<p>5.2.1</p>	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited presented a number of HCV documents:</p> <ul style="list-style-type: none"> - Identification of High Conservation Value Forest at Hargy Oil Palm Plantation Ltd, West New Britain Province, Papua New Guinea prepared by Paulus Kulmoi and Bense Thomas on 29th May - 3rd June 2008. In the report mentioned whilst no area within company's estate can be classified as HCV, the forest area between the boundary of Hargy Estate and Nakanai Ranges including Lake Hargy Caldera should be classified as HCV1.3. - Baseline Study of Barema Oil Palm Project Area for Hargy Oil Palms Limited West New Britain Province by Paulus Kulmoi (Senior Ecologist), Aida Somake (Technical Officer), Mark Kove (Hydrographer), Nason Yube (Principal Hydrographer); - High Conservation Value Study Mengen, Bakada & Bialla West New Britain Province carried out by Douglas Environmental Service - February 2009. Using HCVF Toolkit 2005. <p>The assessment has taking into consideration the wider landscape-level area. HOPL presented the HCV maps for all values identified in HOPL plantation.</p> <p>Identified RTE species:</p> <p>Animal: Blue eyed cockatoo (<i>Cacatua ophthalmica</i>), Eclectus parrot (<i>Eclectus roratus</i>), New Britain buzzard (<i>Heniopernis infusate</i>), Blyth's hornbill (<i>Aceros plicatus</i>), (<i>Platymantus akarithyma</i>)</p> <p>Plant: <i>Intsia bijuga</i> (Vu), <i>Guioa novobritannica</i> (Vu), <i>Mastixis dendron stoddardii</i> (Vu),</p> <p>HOPL makes a plan for re-mapping conservation area throughout all company plantation – for delineation of Hargy's conservation area, including area planned for development. Conservation area include the following HCV areas as identified in HCV assessment, buffers as prescribed by PNG regulations, other areas designated by HOPL management for conservation.</p> <p>In relation to presence of primary forest as at 2005: The HCV report stated that some of the area proposed for Bakada/Mengen area is located on areas which have previously designated as Timber Right Purchase Areas. All of the proposed areas have been logged since 1980s with logging only having ceased recently. Much of the area has been logged up to three times. None of proposed areas for HOPL expansion program are located in areas of primary forest, or that was primary forest as at November 2005.</p> <p>Within the estate some areas are not planted and these habitats are being left in their natural state. None of these areas have been identified as HCVs. They are normally steep areas near river and in gullies. These areas have been maintained and are prospering as there are no incursions into any of these areas. Hargy Oil Palms stated</p>	<p>Yes</p>
--------------	---	---	------------

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	these areas of around 2,200 Ha from three plantations as "conservation area".	
5.2.2	<p>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.</p> <p>- Major compliance -</p> <p>Hargy Oil Palm Limited: There is HCV Action Plan as management response to HCV study 2009. The plan indicating the recommendation such as; The area identified as HCVF which require rehabilitation should be planted with suitable tree species such as Eucalyptus declupta and endangered species. Current management: Each plantation site has a tree nursery established for buffer zone rehabilitation. HCV/Buffer area requiring rehabilitation use seedling from tree nurseries. Additional action is regular and dedicated monitoring program for buffer zone and HCV, awareness on RTE species will be conducted to the workforce. Maps of all buffer zones and HCV areas need for conservation purposes are to be prepared and distributed to all estate for easy identification of significant areas. Current management: Buffer zones and HCV maps are available at all sites, updated as required. Karla Plantation Buffer Rehabilitation Program, 96 Kumurere tree planted in field 1 and field 15-16. Plan to plant more tree in Kianga creek, beside Imana river at F15 and 16 and also between F1 and F15, F14 between palms and beach area. More awareness needs to be done on this. Map of buffer zone is available.</p> <p>HOPL prepares a plan for re-mapping conservation area throughout all company plantation – for delineation of Hargy’s conservation area, including area planned for development. Conservation area include the following HCV areas as identified in HCV assessment, buffers as prescribed by PNG regulations, other areas designated by HOPL management for conservation. Training on HOPL staff on HCV monitoring.</p> <p>Navo Plantation: Navo Tree Nursery dated 30th December 2015 for planting plan in Karla 01, field 15, 16, between F2 and F3, old market flea, to put appropriate buffer sign and eradicate bush camp.</p> <p>Smallholder: Environmental, Health and Safety (EHS) checks are made in buffer zones, and degradation within buffer zones, every month. Local species are also being cultivated in the nurseries and planted in the buffer zones.</p> <p>Smallholders understood the need to protect and if necessary re-establish buffer zones along watercourses and the potential use of these buffer zones as wildlife corridors.</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.3</p> <p>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.</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palm Limited: Company prepared action plan to give understanding to the workers. gram in place to educate worker on RTE species, under HCV Action Plan. Company also demonstrates commitment to discourage illegal hunting, fishing or collecting activities at dedicated conservation area. Signs have been erected on areas where RTE species identified.</p> <p>Interviews with EFB applicators from Rumaili Compound), female camp residents (Makakiwa Compound, Hargy Estate, Makakiwa Division), Navo excavator operators (who camp out with their machines) and others all confirmed that HOPL had socialized the workforce concerning protection of RTE species.</p> <p>Smallholder: Based on interviews with workers in previous years in which the workers demonstrated a sound knowledge of the need to preserve local species. The smallholders are aware of the impact of development of oil palm on surrounding natural areas through the OPIC planting approval process (control) as well as through RSPO awareness sessions. Smallholders understood the need to protect and if necessary re-establish buffer zones along watercourses and the potential use of these buffer zones as wildlife corridors.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.4</p> <p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	<p>Hargy Oil Palm Limited:</p> <p>The plan includes re-mapping conservation area throughout all company' plantation – for delineation of Hargy's conservation area, including area planned for development. Conservation area include the following HCV areas as identified in HCV assessment, buffers as prescribed by PNG regulations, other areas designated by HOPL management for conservation.</p> <p>Hargy Oil Palms Limited has prepared a system to improve the monitoring of RTE species. The monitoring RTE species is being done as part of Environmental, Health and Safety Inspection. The inspection performed by RSPO representatives on monthly basis at each plantation. The RTE monitoring done and look into the condition of buffer zone, presence of RTE species and identify any disturbance to the buffer zone. Hargy also prepare a plan to training more staff in cooperation with ProForest.</p> <p>Record seen:</p> <p>EHS Monthly inspection checklist Hargy Division 3 Kerakera – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: wild cockatoos parrot in area 13 and area 11. Date of inspection 2nd February 2016 by John Eminse.</p> <p>Navo Plantation:</p> <p>EHS Monthly inspection checklist Karla Plantation – biodiversity conservation to check on buffer zone marks and signed, local communities consulted to support protection of buffer zone, identification of RTE species: Kokomo in Atata 700. Date of inspection 2nd February 2016 by John Kagil. Field visit to Navo Plantation, to look into buffer zone to sea shore, where plantation sets aside 20 meters inland from the boundary marker. Buffer zone is found intact.</p> <p>Audit team concludes the corrective action taken is sufficient. Nonconformity closed on 20th February 2016.</p>	<p>Yes</p>
<p>5.2.5</p> <p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>There is no HCV area identified at local communities land.</p> <p>Smallholders:</p> <p>There is no HCV area identified at smallholder oil palm block. The smallholders are aware of the impact of development of oil palm on surrounding natural areas through the OPIC planting approval process (control) as well as through RSPO awareness sessions.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> <p>Guidance: <i>The waste management and disposal plan should include measures for:</i></p> <ul style="list-style-type: none"> • <i>Identifying and monitoring sources of waste and pollution.</i> • <i>Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes).</i> • <i>Appropriate management and disposal of hazardous chemicals and their containers. Surplus chemical containers should be reused, recycled or disposed of in an environmentally and socially responsible way using best available practices (e.g. returned to the vendor or cleaned using a triple rinse method), such that there is no risk of contamination of water sources or risk to human health. The disposal instructions on the manufacturers' labels should be adhered to. Use of open fire for waste disposal should be avoided.</i> <p>For National Interpretation: <i>National Interpretation (or an RSPO recognised parallel means) should include, as appropriate: details of relevant national laws or policies, a list of waste types (hazardous, non-hazardous, domestic, etc.) which must be considered, any types of disposal which are not acceptable (e.g. untreated waste water may not be discharged directly into streams or rivers (see Criterion 4.4), existing best practice guidelines on recycling and re-use of nutrients, managing effluent ponds, increasing mill extraction efficiency and appropriate disposal of wastes.</i></p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.1 All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>Navo Plantation: HOPL Aspect – Impact Register REG-ESD-EMS-004-05, dated 10th February 2016, identifying all impact from plantation and mill operation. Waste management plan.</p> <p>List / register of waste product is documented in “Waste Management Plan, rev.6, dated 10th February 2016.</p> <p>Generation and management of wastes, within Hargy Oil Palms Ltd project sites would be in accordance with the waste minimization and cleaner production principles as well as relevant PNG Industry Environmental Code of Practices, guidelines and other best environment practices & procedures applicable to the industry.</p> <p>Waste Management Plan is prepared to comply with relevant legal requirements as listed:</p> <ul style="list-style-type: none"> • ISO 14001:2015 Guidelines • RSPO Principles & Criteria • PNG Environment Act 2000 • PNG Environmental Code of Practice – Vehicle Workshop & Hydrocarbons, Storage, Resale and Usage • PNG Logging Code of Practice • PNG Environmental Code of Practice for Sanitary Landfill Sites • PNG Environmental Code of Practice – Palm Oil Processing 2013 <p>Most of the Wastes are from:</p> <ul style="list-style-type: none"> • Land Clearing & Preparation • Road Construction • Plantation Establishment, Maintenance and Harvesting • Residential compounds and office establishments • Associated infrastructures – maintenance workshop gensets, POL storage sheds • Medical wastes • Field equipment servicing • Vehicle workshop • HOPL’s Palm Oil Mills • CPO and PKO Bulk Storage Tanks 	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance												
5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -	All mills: The company has procedure "Disposal of Used Chemical containers" no. HOP-PRO-EMS-033-02, rev.2, dated 23 rd February 2015, The SOP regulated rinsing and disposal of used chemical container. The company inventory of chemical and their container that is used and kept on site. The chemical container is stored and re-use for mixed pesticides/herbicides. The company maintained the record and disposal record in "Central Workshop"	Yes												
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	All mills: There is a waste management plan in place and it has been implemented effectively in most areas and is current. In line with waste source identification, the waste management plan has a methodology in place for the management of all types of wastes. HOPL recorded the quantity of waste recycled or sent to land fill. Another record is kept for waste which is delivered to the landfill and re-use. Navo Plantation: Navo Vehicle Workshop: - The Filling Station drums for lubricants should have secondary Containment in the event of a Chemical Spill. The control were found to be inadequate; Action: Lube station has been equipped with appropriate land	Minor NC												
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.														
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	All Mills: Fossil fuel usage is recorded in "Monthly Boiler Chemical and Gen-set diesel Usage data", it is recorded daily, monthly and yearly. The company has recorded renewable energy usage in the "Navo Palm Oil Mill – energy Efficiency data" from 2011 – 2015, <table border="1" data-bbox="671 1637 1198 1776"> <thead> <tr> <th>Description</th> <th>June.2015</th> <th>Sept.15</th> <th>Des.15</th> </tr> </thead> <tbody> <tr> <td>Steam boiler (KWh/ton FFB)</td> <td>24.17</td> <td>25.12</td> <td>25.00</td> </tr> <tr> <td>Diesel Tanks (KWh/ton FFB)</td> <td>2.60</td> <td>5.26</td> <td>3.34</td> </tr> </tbody> </table>	Description	June.2015	Sept.15	Des.15	Steam boiler (KWh/ton FFB)	24.17	25.12	25.00	Diesel Tanks (KWh/ton FFB)	2.60	5.26	3.34	Yes
Description	June.2015	Sept.15	Des.15											
Steam boiler (KWh/ton FFB)	24.17	25.12	25.00											
Diesel Tanks (KWh/ton FFB)	2.60	5.26	3.34											

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p> <p>Guidance: <i>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks, and exceptional levels of caution should be required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation. Extension/training programmes for associated smallholders may be necessary.</i></p>			
5.5.1	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>Hargy Plantation: Hargy demonstrates Update on Hargy Replant weekly report. On 1st week February 2016, felling 15 Ha, lining 6 Ha. All activities was mechanical, terrace bund building 6.3 Ha – for Hargy Area 11.</p>	<p>Yes</p>
5.5.2	<p>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.</p> <p>- Minor compliance -</p>	<p>All plantation: No burning is allowed for replanting.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> <p>Specific Guidance: For 5.6.2: Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified. For 5.6.2 and 5.6.3: The treatment methodology for POME will be recorded. For 5.6.3 (GHG): For the implementation period until December 31st 2016, an RSPO-endorsed modified version of PalmGHG which only includes emissions from operations (including land use practices) can be used as a monitoring tool. For 5.6.3: In addition, during the implementation period, growers will start to assess, monitor and report emissions arising from changes in carbon stocks within their operations, using the land use in November 2005 as the baseline. The implementation period for Indicator 5.6.3 is the same implementation period for Criterion 7.8. During the implementation period, reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance for the process. Public reporting is desirable, but remains voluntary until the end of the implementation period.</p> <p>During the implementation period the RSPO working group will seek to continually improve PalmGHG, recognising the challenges associated with measuring GHG and carbon stock. PalmGHG or RSPO-endorsed equivalent will be used to assess, monitor and report GHG emissions. Parties seeking to use an alternative to PalmGHG will have to demonstrate its equivalence to the RSPO for endorsement.</p> <p>Guidance: Where practically feasible, operations should follow best management practices to measure and reduce emissions. Advice on this is available from the RSPO.</p> <p>Preamble: Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised that it is not always feasible or practical to reduce or minimize these emissions.</p> <p>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO.</p>		
<p>5.6.1</p>	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>- Major compliance -</p>	<p>Monitoring and control of particular emissions from mills have been identified in the Environmental Aspect Impact register.</p> <p>The mill and estate reviewed the environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land. Monitoring of mill gas emissions is being done and supported by Ringelmann Smoke Chart. POME treatment.</p> <p>Monitoring of impact is adhered to environmental act requirement.</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>5.6.2</p> <p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>- Major compliance</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done, for example from POME, diesel/fuel and fertilizer/chemical. Their usage have been recorded and documented at each operating units. The plan to reduce or minimized the GHG emission is included in the Environmental Improvement Plan.</p> <p>Hargy POM: The company has GHG Palm Calculation including smallholder: - 2015: Total emissions (tCO₂e) plantation: 8,713, outgrowers: 60,467 and mill: 40,569 or 1.80 tCO₂e/ton product CPO and PK.</p> <p>Navo POM: The company has "Environmental improvement Plan in "Action Plan for Continual Improvement in Sustainable Performance" – HOP-PLN-EMS.003-012</p> <p>The company has GHG Palm Calculation including smallholder: Total emissions (tCO₂e) plantation: 40,681 outgrowers: 43,576.22 and mill: 41,047 or 2.14 tCO₂e/ton product CPO and PK.</p> <p>Barema POM: The company has GHG Palm Calculation including smallholder: Total emissions (tCO₂e) plantation: 7,735, outgrowers: 18,848 and mill: 1,048.41 or 1.33 tCO₂e/ton product CPO and PK.</p>	<p>Yes</p>
<p>5.6.3</p> <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>Monitoring and reporting of the significant pollutants to water, gaseous emission to air and contamination on land are in place.</p> <p>The tools and system used is as per Environmental regulation. The tools are calibrated and monitored on regular basis. Water samples were regularly taken and analyzed to ensure the treatment meet government requirement. Records are maintained and verified on-site to have met the permissible regulatory limits.</p>	<p>Yes</p>
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p> <p>Guidance: <i>Identification of social impacts should be carried out by the grower with the participation of affected parties, including women and migrant workers as appropriate to the situation. The involvement of independent experts should be sought where this is considered necessary to ensure that all impacts (both positive and negative) are identified.</i> <i>Participation in this context means that affected parties are able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.</i></p> <p><i>Potential social impacts may result from activities such as: building new roads, processing mills or other infrastructure; replanting with different crops or expansion of planting area; disposal of mill effluents; clearing of remaining natural vegetation; changes in employee numbers or employment terms; smallholder schemes.</i></p> <p><i>Plantation and mill management may have social impacts (positive or negative) on factors such as:</i></p> <ul style="list-style-type: none"> • Access and use rights; • Economic livelihoods (e.g. paid employment) and working conditions; • Subsistence activities; • Cultural and religious values; • Health and education facilities; • Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force. <p><i>The review can be done (once every two years) internally or externally.</i></p> <p>For National Interpretation: <i>As social impacts are particularly dependent on local social conditions, National Interpretation will identify the important issues, and methodologies for collecting data and using the results. This should include adequate consideration of the impacts on the customary or traditional rights of local communities and indigenous people, where these exist (Criteria 2.3 and 6.4).</i></p>			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	CONFORMING – Based on 2009 SIA, 2013 Update of the SIA, and the “Social Management/Improvement Plan Update 2015” (read) with list of consultations/meetings attached. Note that Joe Endo (Community Affairs Officer) indicated that prior to the formation of the Community Affairs Department, there was minimal or no effort put into advancing the community affairs aspects, but now it is reportedly moving ahead.	Yes
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Hargy Oil Palm Plantation: Based on 2009 SIA, 2013 Update of the SIA, and the “Social Management/Improvement Plan Update 2015” (read) with list of consultations/meetings attached. Note that Joe Endo (Community Affairs Officer) indicated that prior to the formation of the Community Affairs Department, there was minimal or no effort put into advancing the community affairs aspects, but now it is reportedly moving ahead.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

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 -	CONFORMING – based on “Social Management/Improvement Plan Update 2015”	Yes
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 -	<i>Previous Observation:</i> Require that SIA plans be updated to include cemetery and old village site at Ibana plantation. <i>Action:</i> CONFORMING – based on “Social Management/Improvement Plan Update 2015”	Yes
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	HOPL is working closely with OPIC to improve smallholder. OPIC offices kept all Clan Land Use Agreements (CLUAs) and map of each smallholder blocks. Sighted filled-in forms OPIC RSPO Baseline Survey Forms dating back to 2008. But, the content has not been included in the annual monitoring survey activities. OPIC considered improving as this could be used to monitor RSPO / Sustainability complains in the course of the annual block inspections. (“Hargy Oil Palm Limited Block Inspection Report Form”).	Yes
<p>Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p> <p>Guidance: <i>Decisions that the growers or mills are planning to make should be made clear, so that local communities and other interested parties understand the purpose of the communication and/or consultation.</i> <i>Communication and consultation mechanisms should be designed in collaboration with local communities and other affected or interested parties. These should consider the use of appropriate existing local mechanisms and languages. Consideration should be given to the existence/formation of a multi-stakeholder forum. Communications should take into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.</i> <i>Consideration should be given to involving third parties, such as disinterested community groups, NGOs, or government (or a combination of these), to facilitate smallholder schemes and communities, and others as appropriate, in these communications.</i></p>			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	HOPL has a communication policy issue 3 dated 1 st March 2013. The communication policy outlined the provision of information to the public and handling of requests by interested parties for specific information.	Yes
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	Hargy Oil Palm Plantation: Based on Community Affairs Department led by Rolland Allbrook.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

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 -	Hargy Oil Palm Plantation: Based on sighting and brief review of (1) Hargy "Stakeholders Communication Records", and (2) Hargy "Consultation and Communication Records with Stakeholders".	
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p> <p><i>Specific Guidance:</i> For 6.3.1: The system should aim to reduce the risks of reprisal.</p> <p>Guidance: See also to Criterion 1.2. Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties. Complaints should be dealt with by mechanisms such as Joint Consultative Committees (JCC), with gender representation as necessary. Grievances may be internal (employees) or external. For scheme and independent smallholders, refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009. Where a resolution is not found mutually, complaints can be brought to the attention of the RSPO Complaints System. Refer to helpful texts for guidance, such as the Human Rights Commission (HRC) endorsed 'Guiding Principles on Business and Human Rights: Implementing the UN "Protect, Respect and Remedy" Framework', 2011.</p>		
6.3.1 - Major compliance -	Hargy Oil Palm Plantation: Hargy fulfills this criteria based on examination of (1) Lands Grievance Records, (2) General Hargy Grievance records, and (3) OPIC Grievance records. Hargy Plantation:	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>6.3.2</p> <p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>HOPL has reviewed and revised the grievance resolution procedure. Grievance mechanism Doc.No.PRO-ESD-GEN-017-03 dated 22nd February 2016. Important update: The ESD will form the central reporting part of the grievance mechanism where all grievances will be reported to the nominated department personnel and it gets recorded into a database, The ESD grievance recording personnel is also responsible in analyzing grievance reported cases; updates will be given on a regular basis and information sharing will not exceed 30 days and will continue until the grievance is completely resolved, When a grievance is finally resolved and closed, it will be communicated to the person raising the grievance by the responsible company department where this will allow the person raising the grievance to say if they are fully satisfied with the resolution outcome. The ESD will prepare: Monthly reports for management detailing the number and status of grievances and any outstanding issues to be considered; A six-monthly trend report, including an analysis of the category of grievances, the risk levels and any mitigation actions taken to reduce them; and an annual review of the implementation of the grievance mechanism and the performance indicators.</p> <p>Hargy have completed the document feedback on the two previously pending grievances:</p> <p>- On 1st April 2015, an employee writes in the log book a complaint about termination. Company's initial response on 15th April 2015 was to cross-check with HR. Company has completed the response through documented archive, that on 8th April 2015, the HR Manager has advised the status letter of appeal has been successful and dismissal notice has been withdrawn. However, on 27th April 2015, Plantation manager met the complainant to ask response on appeal resolution process and the complainant said cannot meet company requirement and choose to follow church pastor requirements.</p> <p>On 10th November 2015, a report by an employee reporting a family problem led to termination of that employee. As a response on 10th November 2015, the company tells the worker to settle the family issue, and that management is investigating the underlying case. Company has completed the investigation and found follow up documentation responses; on 13th November 2015, the employee resigned. Additional evidence is latest pay slip record when the employee resigned. Follow up documentation and response from the complainant has been completed.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Corrective Action:</p> <p>Auditor conducted further verification on implementation of latest grievance mechanism. The grievance mechanism found to be using grievance form, grievance register by Environment and Sustainability Department, and monitoring system. Evidence: Recording of grievance in Pandi Plantation dated 17th March 2016 from a driver from Sabalbala compound. The driver complained that he was attacked by field supervisor for complying with safety work practice. The driver rejected field supervisor's order to pick his harvester since the driver has his truck filled with empty chemical container, fearing to be caught by RSPO/management. Incident report raised and sent to plantation manager on 18th March 2016. Settled and communicated by plantation manager on 24th March 2016. Logbook captures the chronological record.</p> <p>In Navo Plantation: On 21st March 2016, an employee reported a fraud done by one of the supervisor. Management responded on same date, stating the case will be investigated. Security investigation report dated 22nd March 2016, with evidence and testimonies from witnesses of theft has been collected – lead to termination of related supervisor, dated 29th March 2016. The report lodged in grievance form and completed with supporting documentation.</p> <p><i>(Evidence: Complaint and Grievance Register 2015/2016; Investigation report; Grievances statistic January – March 2016 doc.ESD).</i></p>	
<p>Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p>Specific Guidance: <i>For 6.4.2: Companies should make best efforts to ensure that equal opportunities have been provided to both female and male heads of households to hold land titles in smallholder schemes.</i></p> <p>Guidance: <i>This criterion should be considered in conjunction with Criteria 2.2 and 2.3, and the associated Guidance.</i></p>		
6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Plantation:</p> <p>A manual titled Land Negotiation Procedure: A Guide to Acquiring Land for Oil Palm Development. Several flow charts have been prepared for awareness session among stakeholders/land owners concerning the process for establishing new blocks respectively in accordance with the lease-lease back and alienated land approaches.</p> <p>New smallholder blocks are established via the CLUA and OPIC vetting process (profiled above). Compensation aspects N/A.</p> <p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>6.4.2</p> <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>Hargy Oil Palm Plantation: Hargy Oil Palm Limited manages to demonstrate procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. The procedure taking into account the consideration of gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>This Criteria largely N/A for smallholders, since new block development goes through the CLUA and OPIC vetting process.</p>	<p>Yes</p>
<p>6.4.3</p> <p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Plantation: The process of negotiated agreements is documented by Hargy land office. A number of records sighted related to Vamukuma, Sena (abunava ILG), Tokaviniki, Remaling ILG, etc.</p> <p>As per indicator 1.2.1 above, these records are available for public upon request and management approval.</p> <p>Smallholder: N/A for smallholders.</p>	<p>Yes</p>
<p>Criterion 6.5: 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>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.1</p> <p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited pays the employees in accordance with minimum wage. The company does received exemption granted by Department of Labour and Industrial Relations, since company provide basic need such as housing, water and electricity. The company submit letter to the "Department of Labour and Industrial Relations – Minimum wages Determination Tripartite Screening Committee" on 17th September 2014, application for partial payment of the National Minimum Wage in Accordance with clause 6 of the minimum wages Determination no. 1, 2014, is endorsed by the minimum wages determination tripartit screening for payment of the hourly rate of K 1.60 for a 44 hour week.</p> <p>The latest company has send letter to the "Department of Labour and Industrial Relations – Minimum wages Determination Tripartite Screening Committee for agriculture Sector on 23rd June 2015, based on the actual cost of providing housing, power and water supply to its employees the calculated minimum wages per hour is K 1.7, the minimum wages paid by Hargy Oil Palms Ltd is K 2.40 / hour.</p> <p>Based on interviews with mill workers, on average, they receive PGK 400/fortnight.</p> <p>Smallholders: Based on the distribution of information concerning the price at which Hargy will purchase FFB from smallholders. (Note that there are no production contracts between smallholders and Hargy.)</p>	<p>Yes</p>
<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Plantation: This information included in Worker’s Handbook. HOPL "Employee Handbook" dated January 2013 including relevant detail sighted by Auditor. The company shows Employment Details & Conditions indicating the payment, sickness, holiday entitlement, reason for dismissal. Working hour, deduction and overtime is not discussed in the contract, it is available under the Employee handbook.</p> <p>Employee handbook and company policies are consistently provided at estate division office notice board.</p> <p>Interview with employees suggest they can always go to their division managers if they need to confirm company policy.</p> <p>Interview with mill’s workers confirmed that they have signed contract and the company has referred to the terms and condition in contract.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.3</p> <p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>Navo Plantation: Number of housing, power plant, community hall Management: 4 units, Junior staff house: 22 units, duplex: 32 units, DLQ 148 units.</p> <p>Pandi Plantation: At Alaba Plantation, company provides management house: 5 units, junior staff house 9 units, general labor house: 90 units, community hall: 1 unit.</p> <p>All Mills: The company providing facilities for their employees appropriately, such as: housing/compound in each unit operation, electricity, water supply, school, school bus, clinic, etc. E.g. in Navo POM: school bus (1 unit), elementary Scholl (1 unit), compound, electricity from mill to all unit in Navo Plantation, small market and supermarket in the compound, WTP (water Treatment Plant) from surface water from Ibana River.</p>	<p>Yes</p>
<p>6.5.4</p> <p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Hargy Oil Palm Plantation: Estate worker food plots sighted by team members (RN inspected in 2015, and understands that the program has expanded since that time). Hargy also report that they are in the process of organizing a Household Survey (scheduled for 2016) to generate more detailed information concerning on cost of living aspects.</p> <p>Mills: Based on field visit and interview with workers, they able to access affordable food in traditional market in compound and nearby compound and also supermarket.</p>	<p>Yes</p>
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> <p>Guidance: <i>The right of employees, including migrant and transmigrant workers and contract workers, to form associations and bargain collectively with their employer should be respected, in accordance with Conventions 87 and 98 of the International Labour Organisation (ILO).</i></p> <p><i>Labour laws and union agreements, or in their absence direct contracts of employment detailing payments and other conditions, should be available in the languages understood by the workers or explained carefully to them by a management official.</i></p>		
<p>6.6.1</p> <p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Plantation: Freedom of Association policy sighted.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator		Assessment Findings	Compliance
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Hargy Oil Palm Plantation: Documents sighted of meetings between workers representatives and Hargy during 2015 were sighted.	Yes
<p>Criterion 6.7: Children are not employed or exploited.</p> <p>Guidance: <i>Growers and millers should clearly define the minimum working age, together with working hours. Only workers above the minimum school leaving age in the country or who are at least 15 years old may be employed. The minimum age of workers will not be less than stated under national regulations. Any hazardous work should not be done by those under 18, as per International Labour Organisation (ILO) Convention 138.</i></p> <p><i>Please refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009 for additional guidance on family farms.</i></p>			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	HOPL adheres to the policy on child labour that disallows employment of children less than 16 years of age. This applies to all HOPL operational sites as well as smallholder growers that supply FFB to the company's mills. Age verification conducted through medical record from the clinic and employment form at HR Department. During the assessment, there is no worker less than 16 years of age at Estates and/or Palm Oil Mills.	Yes
<p>Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p> <p>Guidance: <i>Examples of compliance can be appropriate documentation (e.g. job advertisements, job descriptions, appraisals, etc.), and/or information obtained via interviews with relevant stakeholders such as affected groups which may include women, local communities, foreign workers, and migrant workers, etc.</i> <i>Notwithstanding national legislation and regulation, medical conditions should not be used in a discriminatory way.</i> <i>The grievance procedures detailed in Criterion 6.3 apply. Positive discrimination to provide employment and benefits to specific communities is acceptable as part of negotiated agreements.</i></p>			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	The company has policy "Equal Employment Opportunity" updated 16th December 2015. This policy for anti-discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation is available and includes PNG constitutional requirement. The anti-discrimination policy is displayed on notice board on all company offices.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator		Assessment Findings	Compliance
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. Hargy Oil Palm Plantation: Evidence (spreadsheet) sited and on-file indicating that Hargy employs workers from a wide range of provinces, and that around 25% of the Hargy workforce is female.	Yes
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 -	Hargy Oil Palm Plantation: Based on sighting of 'Employment Details and Conditions Form' dated 2016 including qualifications and medical report.	Yes

Criterion 6.9:

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

Specific Guidance:

For 6.9.1 and 6.9.2: These policies should include education for women and awareness of the workforce. There should be programmes provided for particular issues faced by women, such as violence and sexual harassment in the workplace. A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.

For 6.9.2: see Indicator 4.6.12.

Guidance:

There should be a clear policy developed in consultation with employees, contract workers and other relevant stakeholders, and the policy should be publicly available. Progress in implementing the policy should be regularly monitored, and the results of monitoring activities should be recorded. Notwithstanding national legislation and regulation, reproductive rights are respected.

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>6.9.1</p> <p>Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p>	<p>The company has Sexual harassment and reproductive rights as documented in "Sexual harassment policy" rev. 5, dated 16th December 2015, Violence against women including domestic violence, rev.4, dated 1st March 2013 and Pregnancy and Maternity Leave policy, rev.4, dated 1st March 2013.</p> <p>The record of Complaint and Grievances is registered in "Complaint and Grievances Register 2014 – 2015. There were noted 69 complaint and grievances in 2014 and 52 in 2015 general complaints and grievances.</p> <p>The complaint and Grievances register, consist of date of lodge, date of occurrence, site, complainant, category of grievances, to, responsibility, response/action, date of action, status and comment.</p> <p>Based on the review of complaint and grievances register. There was a grievances related sexual harassment in 2015, i.e. from SM on 08th October 2015 where she raised a grievances that employee "F" has been constantly visiting her resident after work and disturbing her without her consent, this grievances was handled by Thomas Tade , advised him to quit behaviour on it is recognised as harassment. Some of complaint and grievances is related to the behaviour, housing maintenance, fighting/assault, sewage/septic tanks, housing space, payment of salary, stealing, domestic violence, unqualified person, transport, etc.</p> <p>Mostly complaint and grievances has been closed and some of the latest complaint still in progress.</p> <p>HOPL has set up a Gender Committee which meets regularly to discuss various gender related issues, in the spirit to handle discrimination matter.</p>	<p>Yes</p>
<p>6.9.2</p> <p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p>	<p>The company has policy on the protection of reproductive rights, updated on 16th December 2015.</p> <p>The policy has been displayed on the notice boards, employee hand book and communicated well through briefings recorded.</p>	<p>Yes</p>
<p>6.9.3</p> <p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>The company also has "Grievance Handling Guide", dated 10th February 2016, including flowchart "Internal Grievance Reporting Process".</p> <p>The company has Gender committee as documented in "Hargy Oil Palms Gender Committee terms of reference".</p> <p>The Gender Committee conducted meeting at least annually, teh last meeting was conducted on 20th February 2015, attended Gender Committee member. The meeting reviewed of target, policies (Sexual harassment policy, Domestic violence Policy, Discrimination policy, Breast feeding policy, Pregnancy and Maternity Leave Policy, and HIV policy and family planning.</p> <p>The attendance list and minutes of meeting is available in premises.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator		Assessment Findings	Compliance
<p>Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.</p> <p>Guidance: <i>Transactions with smallholders should consider issues such as the role of middle men, transport and storage of FFB, quality and grading. The need to recycle the nutrients in FFB (see Criterion 4.2) should also be considered; where it is not practicable to recycle wastes to smallholders, compensation for the value of the nutrients exported can be made through the FFB price.</i></p> <p><i>Smallholders should have access to the grievance procedure under Criterion 6.3 if they consider that they are not receiving a fair price for FFB, whether or not middle men are involved.</i></p> <p><i>The need for a fair and transparent pricing mechanism is particularly important for outgrowers who are contractually obliged to sell all FFB to a particular mill.</i></p> <p><i>If mills require smallholders to change practices to meet the RSPO Principles and Criteria, consideration should be given to the costs of such changes, and the possibility of advance payments for FFB can be considered.</i></p>			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Current and past prices paid for FFB are available. The price and formula are made available via printed notice. This is updated monthly and a copy given to OPIC. Price sheets, showing formula calculation are displayed at OPIC divisional offices where Associated Smallholders can see them and therefore the information is publically available. Past prices are available via HOPL finance Department.	Yes
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 -	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.	Yes
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 -	Hargy always provide contract/work agreement for all the work done by third party, e.g. Local contract with Mr.Jeffry Sirinjui, No.1-Barema 01/2016 on 4 th January 2016 is signed both of parties and contract with KIS no. HOPL-EG-BPOM-BIO/KIS/2015, dated 23 rd June 2015.	Yes
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Hargy pays all the work done by third party contractor in timely manner, as per contract/work agreement, including payment for smallholder's FFB is paid as contract.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate</p> <p>Guidance: <i>Contributions to local development should be based on the results of consultation with local communities. See also Criterion 6.2. Such consultation should be based on the principles of transparency, openness and participation, and should encourage communities to identify their own priorities and needs, including the different needs of men and women.</i></p> <p><i>Where candidates for employment are of equal merit, preference should always be given to members of local communities. Positive discrimination should not be recognised as conflicting with Criterion 6.8. Efforts should be made to identify independent smallholders in the supply base.</i></p> <p><i>Where sourcing of fruit is from identified independent smallholders, efforts should be made to contribute to the improvement of their farming practices.</i></p>			
6.11.1	<p>Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>- Minor compliance –</p>	<p>Hargy Oil Palm Limited: Navo Plantation: Pastor John Dau, request for water for Church Kabayon, on 17th October 2015 – request for water truck. Company responded on 19th October 2015 that approves provision of water truck. Evidence seen HOPL Integrated Stock and Works Requisition on 20th October 2015, water truck sent to Pastor John Dau.</p> <p>Based on sighting of list of recipients of local development spending (totaling K2,328,808.35) for last year. Projects based on approaches from community groups/members. Detailed file called 'Community Affairs 2015 Requisitions' also sighted. This file included receipt for monthly allocation of 120 litres of fuel to Bialla Police Station.</p>	Yes
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.</p> <p>- Minor compliance –</p>	<p>Smallholder: Based on OPIC's extension work, attendance at which has been verified in the course of interviews with randomly selected smallholders.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 6.12: No forms of forced or trafficked labour are used.</p> <p>Specific Guidance: <i>For 6.12.1: Workers should enter into employment voluntarily and freely, without the threat of a penalty, and should have the freedom to terminate employment without penalty given reasonable notice or as per agreement.</i> <i>For 6.12.3: The special labour policy should include:</i></p> <ul style="list-style-type: none"> • <i>Statement of the non-discriminatory practices;</i> • <i>No contract substitution;</i> • <i>Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.;</i> • <i>Decent living conditions to be provided.</i> <p>Guidance <i>Migrant workers should be legalised, and a separate employment agreement should be drawn up to meet immigration requirements for foreign workers and international standards. Any deductions made should not jeopardise a decent living wage.</i></p> <p><i>Passports should only be voluntarily surrendered.</i></p> <p><i>There should be evidence of due diligence in applying this to all sub-contract workers and suppliers. National guidance should be used on contract substitution.</i></p>			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	There is no form of forced labour and trafficked labour used in company. Workers, staff and stakeholder interview confirm that there is no any form of forced labour or trafficked labour and no migrant worker is hired in the operating units. All employees have employment contract and paid the agreed national minimum wages.	Yes
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	The company does not hire migrant workers. Based on interview with workers, its confirmed that no substitution contracts was occurred and each employees signed contracts at the time of recruitment.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>6.12.3</p> <p>Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited: Hargy Oil Palm Limited has a policy on forced labour as documented in "Policy Against Forced and Trafficked Labour", updated 16/12/2015.</p> <p>This policy covers any form of work or service which people are forced to do against their will under threat of some form of punishment. In one of following form: payment barely exceeds subsistence level, payment takes the form of goods that are either not desirable or cannot be exchanged, payment wholly or mostly consists of cancellation of a debt or liability that coerced. HOPL trains employee adequately, housed properly, remunerated according to company policy and national law, benefited according to their corporate status and length of service.</p> <p>Standard contract has short-term provisions.</p>	<p>Yes</p>
<p>Criterion 6.13: Growers and millers respect human rights</p> <p>Guidance: See also Criterion 6.3. All levels of operations will include contracted third parties (e.g those involved in security).</p> <p>Note: From the UN Guiding Principles on Business and Human Rights: "The responsibility of business enterprises to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work" ("The corporate responsibility to respect human rights" in Guiding Principles on Business and Human Rights).</p> <p>The RSPO WG on Human Rights will provide a mechanism to identify, prevent, mitigate and address human rights issues and impacts. The resulting Guidance will identify the relevant issues on human rights to all RSPO Members</p>		
<p>6.13.1</p> <p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited is able to present policy on human rights, including protection of labour rights, unfair termination, right to fair appeal, children have access to basic primary and secondary education, provision of basic health care, free association freedom, right to join representative and legal union.</p> <p>Company has communicated the policy through website, on notice board and employee handbook.</p>	<p>Yes</p>
<p>Principle 7: Responsible development of new plantings</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p> <p>Guidance: <i>See also Criteria 5.1 and 6.1.</i> <i>The terms of reference should be defined and impact assessment should be carried out by accredited independent experts, in order to ensure an objective process. Both should not be done by the same body. A participatory methodology including external stakeholder groups is essential to the identification of impacts, particularly social impacts. Stakeholders such as local communities, government departments and NGOs should be involved through the use of interviews and meetings, and by reviewing findings and plans for mitigation.</i></p> <p><i>It is recognised that oil palm development can cause both positive and negative impacts. These developments can lead to some indirect/secondary impacts which are not under the control of individual growers and millers. To this end, growers and millers should seek to identify the indirect/secondary impacts within the SEIA, and where possible work with partners to explore mechanisms to mitigate the negative indirect impacts and enhance the positive impacts.</i> <i>The potential impacts of all major proposed activities should be assessed in a participatory way prior to development. The assessment should include, in no order of preference and as a minimum:</i></p> <ul style="list-style-type: none"> • <i>Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure;</i> • <i>Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected;</i> • <i>Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will increase pressure on nearby natural ecosystems;</i> • <i>Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources;</i> • <i>Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and flooding;</i> • <i>Analysis of type of land to be used (forest, degraded forest, cleared land);</i> • <i>Analysis of land ownership and user rights;</i> • <i>Analysis of current land use patterns;</i> • <i>Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents;</i> • <i>Identification of activities which may generate significant GHG emissions.</i> <p><i>Plans and field operations should be developed and implemented to incorporate the results of the assessment. One potential outcome of the assessment process is that the development may not proceed because of the magnitude of potential impacts.</i></p> <p><i>For smallholder schemes, the scheme management should address this Criterion. For individual smallholders, this Criterion does not apply.</i></p> <p><i>Where there is no National Interpretation, for land areas greater than 500ha, a full independent assessment will be required. For land areas less than 500ha, an internal assessment using selected components of SEIA and HCV assessments can be used. Where such internal assessments identify significant environmentally or socially sensitive areas or issues, an independent assessment will be undertaken.</i></p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>7.1.1</p> <p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance –</p>	<p>Hargy Oil Palm Limited provides document: HOPL Site Specific Environmental Aspects and Impact Register. Hargy also prepared Social Impact Assessment for the new development in addition to the Environmental Plan. The company have completed a full Social and Environmental Impact Assessment for this development to comply with RSPO P&C. The Social Impact Assessment included consultation with local stakeholders. Document seen: "Update of the 2009 Social Impact Assessment & A Social Management Plan (dated November 2013)" and the "Social Management/Improvement Plan Update 2015" (read) with list of consultations/meetings attached.</p> <p>The SEIA identified all major impacts of all activities. The results of the SEIA and HCV assessments have been incorporated into plans for the new plantings through the Management guidelines prepared.</p> <p>Hargy Oil Palm Limited has a Research Assistant, a Small Business development Officer and Community Relations Officer; to work as a sub-component of Community Relations to operationalize the monitoring and management of social impacts.</p>	<p>Yes</p>
<p>7.1.2</p> <p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Minor compliance –</p>	<p>Hargy Oil Palm Limited has a protocol to control the new development planning under New Development Approval Process. The new development must meet company prerequisites to include review upon Buffer/HCV maps, soil maps, slopes class maps, topography maps. Road design and plantation layout; Operational plan including activity scoping, work schedule, planting programme, road maintenance, management plan for fragile soil area, management plan for HCV and buffers; Environmental aspect related to New Development and Mitigation; Social Impacts of New Development and Mitigation.</p> <p>Site inspection planning is sighted. New Development Approval Form was employed to summarise the prerequisites of New Development Process. Review will be done and signed by sustainability department. Without approval from Sustainability Department, no new development should take place.</p>	<p>Yes</p>
<p>7.1.3</p> <p>Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance -</p>	<p>Hargy Oil Palm Limited presented a number of documents for smallholder development. The impacts of the scheme and the implications of the way it is managed were documented under Planting Application Form, as well as plan to manage the impacts produced. In such cases where the lease – lease back process is completed, such records would form the basis of the documented system for identifying people entitle to compensation. Another document sighted by Auditor outlining total Land Rentals and FFB Royalty Payments at yearly basis.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p> <p>Guidance: <i>These activities can be linked to the Social and Environmental Impact Assessment (SEIA) (see Criterion 7.1) but need not be done by independent experts.</i></p> <p><i>Soil suitability maps or soil surveys should be appropriate to the scale of operation and should include information on soil types, topography, hydrology, rooting depth, moisture availability, stoniness and fertility to ensure long-term sustainability of the development. Soils requiring appropriate practices should be identified (see Criteria 4.3 and 7.4). This information should be used to plan planting programmes, etc. Measures should be planned to minimise erosion through appropriate use of heavy machinery, terracing on slopes, appropriate road construction, rapid establishment of cover, protection of riverbanks, etc. Areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation will be delineated in plans and included in operations for conservation or rehabilitation as appropriate (see Criterion 7.4).</i></p> <p><i>Assessing soil suitability is also important for smallholders, particularly where there are significant numbers operating in a particular location. Information should be collected on soil suitability by companies planning to purchase Fresh Fruit Bunches (FFB) from potential developments of independent smallholders in a particular location. Companies should assess this information and provide information to independent smallholders on soil suitability, and/or in conjunction with relevant government/public institutions and other organisations (including NGOs) provide information in order to assist independent smallholders to grow oil palm sustainably.</i></p>		
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 -	Soil suitability map is available for new development under Pandi Plantation and Navo Plantation. The soil suitability map indicates the soil type. The initial soil suitability survey was carried out in 2006. Another soil survey for new development area was done in 2009. The first planting commenced in 2010. The latest sequence of soil survey for mature oil palm was done in 2013 to Hill Laboratories New Zealand. Analysis report produced in 2 nd May 2013. (7.2.1) Maps of soil types for new planting areas are kept by the Field Services Agronomy Section. Smallholders: Based on document verification and record evaluation, there is no development on associated smallholder take place currently.	Yes
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 -	Maps of soil types for new planting areas are kept by the Field Services Agronomy Section. Topographic information is also incorporated in these maps. A map of the new development area prepared in 2009 was sighted. It includes a guide for drainage plans, roads, fields and blocks. Smallholders: Based on document verification and record evaluation, there is no development on associated smallholder take place currently.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 7.3 New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p> <p>Specific Guidance: <i>For 7.3.1: Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV. Satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment.</i></p> <p><i>Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.</i></p> <p><i>For 7.3.5: The management plan will be adaptive to changes in HCV 5 and 6. Decisions will be made in consultation with the affected communities.</i></p> <p>Guidance: <i>This Criterion applies to forests and other vegetation types. This applies irrespective of any changes in land ownership or farm management that have taken place since November 2005. HCVs may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCVs to be maintained or enhanced.</i></p> <p><i>The HCV assessment process requires appropriate training and expertise, and will include consultation with local communities, particularly for identifying social HCVs. HCV assessments should be conducted according to the National Interpretation of the HCV criteria or according to the Global HCV Toolkit if a National Interpretation is not available (see Definitions).</i></p> <p><i>Developments should actively seek to utilise previously cleared and/or degraded land on mineral soil. Plantation development should not put indirect pressure on forests through the use of all available agricultural land in an area.</i></p> <p><i>Where landscape level HCV maps have been developed, these should be taken into account in project planning, whether or not such maps form part of government land use plans.</i></p> <p><i>In case of small areas located either in hydrologically sensitive landscapes or in HCV areas where conversion can jeopardise large areas or species, an independent assessment will be required. HCV areas can be very small.</i></p> <p><i>Once established, new developments should comply with Criterion 5.2.</i></p>		
<p>7.3.1</p>	<p>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>- Major compliance –</p>	<p>In relation to presence of primary forest as at 2005: The HCV report stated that some of the area proposed for Bakada/Mengen area is located on areas which have previously designated as Timber Right Purchase Areas. All of the proposed areas have been logged since 1980s with logging only having ceased recently. Much of the area has been logged up to three times. None of proposed areas for HOPL expansion program are located in areas of primary forest, or that was primary forest as at November 2005.</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>7.3.2</p> <p>A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.</p> <p>- Major compliance –</p>	<p>Hargy Oil Palm Limited presented a number of HCV documents:</p> <ul style="list-style-type: none"> - Identification of High Conservation Value Forest at Hargy Oil Palm Plantation Ltd, West New Britain Province, Papua New Guinea prepared by Paulus Kulmoi and Beside Thomas on 29th May - 3rd June 2008. - Baseline Study of Barema Oil Palm Project Area for Hargy Oil Palms Limited West New Britain Province by Paulus Kulmoi (Senior Ecologist), Aida Somake (Technical Officer), Mark Kove (Hydrographer), Nason Yube (Principal Hydrographer); - High Conservation Value Study Mengen, Bakada & Bialla West New Britain Province carried out by Douglas Environmental Service - February 2009. Using HCVF Toolkit 2005. <p>The assessment has taking into consideration the wider landscape-level area. HOPL presented the HCV maps for all values identified in HOPL plantation.</p>	<p>Yes</p>
<p>7.3.3</p> <p>Dates of land preparation and commencement shall be recorded.</p> <p>- Minor compliance –</p>	<p>The dates of land preparation and commencement of planting are recorded on each Estate office.</p>	<p>Yes</p>
<p>7.3.4</p> <p>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2).</p> <p>- Major compliance –</p>	<p>HOPL present HCV action plan is accommodating the recommendation from HCV study 2009. The HCV action plan and environmental aspects & impacts register is the basis for Environmental Improvement Plan and New Development Approval Process.</p> <p>HOPL has a protocol to control the new development planning under New Development Approval Process. The new development must meet company prerequisites to include review upon Buffer/HCV maps, management plan for HCV and buffers; Environmental aspect related to New Development and Mitigation; Social Impacts of New Development and Mitigation. Site inspection planning is sighted. New Development Approval Form was employed to summarise the prerequisites of New Development Process. Review will be done and signed by sustainability department. Without approval from Sustainability Department, no new development should take place.</p>	<p>Yes</p>
<p>7.3.5</p> <p>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).</p> <p>- Minor compliance –</p>	<p>Hargy Oil Palm does not touch area required by affected communities to meet their basic needs.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 7.4 Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p> <p>Guidance: <i>Guidance and definitions relating to specific controls and thresholds, such as slope limits, listing soil types on which planting should be avoided (especially peat soils), the proportion of plantation area that can include marginal/fragile soils, and definitions of 'problem', 'extensive', 'marginal', 'fragile' and 'excessive':</i></p> <p>Excessive gradients which shall be avoided are those that are 25 degrees or greater. Soil conservation measures (e.g. terracing, platforms, cover crop etc.) should be applied for terrain with gradients between 9 and 25 degrees. Soil suitability should be determined using crop and environmental Suitability criteria. Those identified as marginal and/or problematic should be avoided if the soil cannot be improved through agro-management input.</p> <p>Problem and marginal soils may include sandy soils, low organic content soils, and potential or actual acid sulphate soils. Suitability of these soils is also influenced by other factors including rainfall, terrain and management practices. These areas may only be developed for new plantations provided that adequate management plans based on best management practices are in place. Failing which extensive plantings should be avoided on these soils.</p> <p>Fragile soils on which extensive plantings shall be avoided include peat soils, mangrove sites and other wetland areas.</p> <p>Extensive planting on steep terrain; any individual contiguous planted area on steep terrain (25 degrees) greater than 25ha within the new development area and the total area of planting on steep terrain shall be no more than 1% of a new development area.</p> <p>Limited planting on steep terrain; individual areas smaller than 25ha each and in total no more than 1% of a new development area.</p> <p>Extensive planting on fragile soil; total area of planting on fragile soil within a new development should not be greater than 100ha. Recognizing that small growers have fewer options, for the development of 500ha or less, no more than 20% of the total area should be on fragile soil.</p> <p><i>This activity should be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</i></p> <p><i>Planting on extensive areas of peat soils and other fragile soils should be avoided (see Criterion 4.3). Adverse impacts may include hydrological risks or significantly increased risks (e.g. fire risk) in areas outside the plantation (see Criterion 5.5).</i></p> <p>Note: <i>RSPO should develop technical guidance on identification of fragile soils for countries without an NI.</i></p>			
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 –	Maps identifying area with fragile soil such as excessive gradient is available. Hargy Oil Palm policy limits all plantings to a maximum of 20°.	Yes
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 –	Hargy Oil Palm policy limits all plantings to a maximum of 20°. At this time Hargy Oil Palm Limited has no plans to develop any more area's that would require terracing. All plantings near gullies are avoided to prevent erosion and these areas are excluded from planting activities. There are no fragile or marginal soils within the proposed new development area	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 7.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p> <p><i>Refer also to criteria 2.2, 2.3, 6.2, 6.4 and 7.6 for Indicators and Guidance on compliance.</i></p> <p>Guidance: <i>This activity should be integrated with the Social and Environmental Impact Assessment (SEIA) required by Criterion 7.1. Where new plantings are considered to be acceptable, management plans and operations should maintain sacred sites. Agreements with indigenous peoples, local communities and other stakeholders should be made without coercion or other undue influence (see Guidance for Criterion 2.3).</i> <i>Relevant stakeholders include those affected by or concerned with the new plantings.</i> <i>Free, prior and informed consent (FPIC) is a guiding principle and should be applied to all RSPO members throughout the supply chain. Refer to RSPO approved FPIC guidance ('FPIC and the RSPO; A Guide for Companies', October 2008).</i> <i>Customary and user rights will be demonstrated through participatory user mapping as part of the FPIC process.</i></p>		
<p>7.5.1</p>	<p>Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples.</p> <p>- Major compliance -</p>	<p>Hargy manages to demonstrate there is a specific process (including a three-stage Awareness process) pertaining to new plantings.</p> <p>Hargy shows document "Expansion Programme Awareness on Sublease Agreements". This document is for awareness raising amongst potential lease-lease back smallholders and includes reference to a range of legislative aspects including customary land versus state land, a section on the Land Group and the Incorporated Land Group Act (1974), the survey process, HCV aspects, environment and social impact assessment procedures. Also, several flow charts have been prepared for awareness raising among smallholders concerning the process for establishing new blocks respectively in accordance with the lease-lease back and alienated land approaches.</p> <p>Hargy manages to demonstrate evidence that every effort had been made to ensure that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Documents relating to customary land are publicly available (in line with indicator 1.2).</p>
<p>Criterion 7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p> <p>Specific Guidance: <i>For 7.6.1: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</i> <i>For 7.6.6: Growers and millers will confirm that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the new issuance of a concession or land title to the operator.</i></p> <p>Guidance: <i>Refer to Criteria 2.2, 2.3 and 6.4 and associated Guidance. This requirement includes indigenous peoples (see Annex 1).</i> <i>Refer to RSPO approved FPIC guidance ('FPIC and the RSPO; A Guide for Companies', October 2008)</i></p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
7.6.1 Documented identification and assessment of demonstrable legal, customary and user rights shall be available. - Major compliance –	There is a process for identifying those people entitled to compensation when customary land is involved, in line with Social and Environmental Impact Assessment. This system for determining compensation is defined in the PNG Lands Act. This particular development came about via the requests of the local people.	Yes
7.6.2 A system for identifying people entitled to compensation shall be in place. - Major compliance –	HOPL shows all relevant documented identification and assessment of legal and customary rights.	Yes
7.6.3 A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. - Major compliance –	Recent version of "Land Negotiation Procedure: A Guide to Acquiring Land for Oil Palm Development" dated 01/03/2015 sighted.	Yes
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 –	The compensation offered, based on the New Britain Palm Oil model, K20 hectare for vacant land (i.e. buffer zones/areas too steep to plant) and K75 hectare for planted areas. Additionally, there is a K150/hectare payment upon the signing of a sub-lease agreement. Added to this there is a royalty payment on the fruit which is 10% of the smallholder FB price paid on a monthly basis. Furthermore, indirect compensation as people benefit from the new development via improved economy, paid employment, improved education facilities, housing, medical facilities and better infrastructure as a result.	Yes
7.6.5 The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance –	The compensation offered, based on the New Britain Palm Oil model, K20 hectare for vacant land (i.e. buffer zones/areas too steep to plant) and K75 hectare for planted areas. Additionally, there is a K150/hectare payment upon the signing of a sub-lease agreement. Added to this there is a royalty payment on the fruit which is 10% of the smallholder FB price paid on a monthly basis. Furthermore, indirect compensation as people benefit from the new development via improved economy, paid employment, improved education facilities, housing, medical facilities and better infrastructure as a result. This information is available for public upon request.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>7.6.6</p> <p>Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance –</p>	<p>HOPL shows document "Expansion Programme Awareness on Sublease Agreements". This document is for awareness raising amongst potential lease-lease back smallholders and includes reference to a range of legislative aspects including customary land versus state land, a section on the Land Group and the Incorporated Land Group Act (1974), the survey process, HCV aspects, environment and social impact assessment procedures.</p> <p>Also, several flow charts have been prepared for awareness raising among smallholders concerning the process for establishing new blocks respectively in accordance with the lease-lease back and alienated land approaches.</p>	<p>Yes</p>
<p>Criterion 7.7 No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice</p> <p>Specific Guidance: <i>For 7.7.2: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</i></p> <p>Guidance: <i>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks, and exceptional levels of caution are required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation. Extension/training programmes for smallholders may be necessary.</i></p>		
<p>7.7.1</p> <p>There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance –</p>	<p>Hargy Oil Palm Limited has a no burn policy for new plantings and this is documented elsewhere in this report. There has been no use of fire for land preparation in newly developed area, Pandi Plantation.</p>	<p>Yes</p>
<p>7.7.2</p> <p>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.</p> <p>- Minor compliance –</p>	<p>Hargy Oil Palm Limited has a no burn policy for new plantings and this is documented elsewhere in this report. There has been no use of fire for land preparation in newly developed area, Pandi Plantation.</p>	<p>Yes</p>

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 7.8 New plantation developments are designed to minimise net greenhouse gas emissions.</p> <p><i>Preamble:</i> It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector, especially in relation to reducing GHG emissions relating to operations. Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs.</p> <p><i>Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology.</i></p> <p><i>Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2).</i></p> <p><i>Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.</i></p> <p>Specific Guidance: <i>For 7.8.1: GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</i></p> <p><i>The RSPO carbon assessment tool for new plantings will be available to identify and estimate the carbon stocks. It is acknowledged that there are other tools and methodologies currently in use; the RSPO working group will not exclude these, and will include these in the review process.</i> <i>he RSPO PalmGHG tool or an RSPO-endorsed equivalent will be used to estimate future GHG emissions from new developments using, amongst others, the data from the RSPO carbon assessment tool for new plantings.</i> <i>Parties seeking to use an alternative tool for new plantings will have to demonstrate its equivalence to the RSPO for endorsement.</i> <i>For 7.8.2: Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are willing to develop into oil palm. Low carbon stock areas are defined as those with (above and below ground) carbon stores, where the losses as a result of conversion are equal or smaller to gains in carbon stock within the new development area including set aside areas (non-planted areas) over the period of one rotation.</i> <i>Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new developments.</i> <i>Growers and millers should plan to implement RSPO best management practices for the minimisation of emissions during the development of new plantations.</i></p> <p>Guidance <i>This Criterion covers plantations, mill operations, roads and other infrastructure. It is recognized that there may be significant changes between the planned and final development area, hence the assessment may need to be updated before the time of implementation.</i> <i>Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period until December 31st 2016 (as specified in Criterion 5.6), reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance on the process. During the implementation period the RSPO working group will seek to further develop and continually improve the RSPO carbon assessment tool for new plantings, recognising the challenges associated with estimating carbon stocks and projecting GHG emissions from new developments.</i> <i>Thereafter growers and millers will ensure that new plantation developments are designed to minimize net GHG emissions and commit to reporting publicly on this.</i> <i>Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</i></p>		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance
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 –	Hargy Oil Palm Limited has taking into consideration the identification and estimation of carbon stock of proposed development area. This information incorporated into the New Development Approval Process. The new development must meet company prerequisites to include review upon Buffer/HCV maps, management plan for HCV and buffers; Environmental aspect related to New Development and Mitigation; Social Impacts of New Development and Mitigation. Site inspection planning is sighted. New Development Approval Form was employed to summarise the prerequisites of New Development Process. Review will be done and signed by sustainability department. Without approval from Sustainability Department, no new development should take place.	Yes
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 –	Hargy Oil Palm Limited is using the New Development Approval document to minimise opening up area with high carbon stock.	Yes
Principle 8: Commitment to continual improvement in key areas of activity		
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator	Assessment Findings	Compliance																												
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Hargy Oil Palm Limited: Company demonstrates "Action Plan for Continual Improvement in Sustainable Performance" HOP-PLN-EMS-003-012, approved by GM on 09/02/2016. The plan identifies the planned actions to further improve performance in key areas of minimizing use of certain pesticide, reducing negative and enhance positive environmental impacts, waste reduction, pollution and emissions and social impacts. The plan will be reviewed on annual basis.</p> <table border="1" data-bbox="668 647 1385 1442"> <thead> <tr> <th data-bbox="668 647 895 707">Indicator</th> <th data-bbox="895 647 1177 707">Planned improvement</th> <th data-bbox="1177 647 1310 707">Outcome/ PIC</th> <th data-bbox="1310 647 1385 707">Due date</th> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="668 707 1385 734">Pesticide use</td> </tr> <tr> <td data-bbox="668 734 895 913">RSPO P&C 4.6.4 – use of chemical categorized as WHO type 1A or 1B or listed by Stockholm or Rotterdam Convention</td> <td data-bbox="895 734 1177 913">PNG OPRA is doing trials with alternative chemicals for control of Sexava. These chemical are less toxic than Metamidophos. Rat control with Warfarin based baits is only carried out if rat populations and damage warrant chemical control method.</td> <td data-bbox="1177 734 1310 913">Improved compliance (Agronomist)</td> <td data-bbox="1310 734 1385 913">12/2016</td> </tr> <tr> <td data-bbox="668 913 895 1070">RSPO P&C 4.6.7 No paraquat or insecticide to be supplied to smallholders by company or smallholder management organizations</td> <td data-bbox="895 913 1177 1070">No paraquat will be issued to smallholder. Targeted trunk injection performed by company employees.</td> <td data-bbox="1177 913 1310 1070"></td> <td data-bbox="1310 913 1385 1070">Ongoing</td> </tr> <tr> <td data-bbox="668 1070 895 1279">RSPO P&C 4.6.9 Maintenance of employee and associated smallholder knowledge & skills on pesticide handling including provision of appropriate information material</td> <td data-bbox="895 1070 1177 1279">OPIC trained smallholder growers and issue certificates. Hargy will only issue herbicide in 5 liter containers to certified smallholders. Increase the number of trained smallholder. Improve certificate printing and distribution to trained smallholders.</td> <td data-bbox="1177 1070 1310 1279">Trained and competent smallholders, higher yield (Estate managers/ ESD Managers)</td> <td data-bbox="1310 1070 1385 1279">ongoing</td> </tr> <tr> <td colspan="4" data-bbox="668 1279 1385 1305">Environment Improvement Plan</td> </tr> <tr> <td data-bbox="668 1305 895 1442">RSPO P&C 5.6.2 Significant pollutants and emissions are identified, monitored and plans to reduce them implemented.</td> <td data-bbox="895 1305 1177 1442">Include additional testing for POME as per PNG ECoP for Palm Oil Processing and source external certified laboratory to conduct testing.</td> <td data-bbox="1177 1305 1310 1442">Improved compliance/Environment Officer</td> <td data-bbox="1310 1305 1385 1442">06/2016</td> </tr> </tbody> </table>	Indicator	Planned improvement	Outcome/ PIC	Due date	Pesticide use				RSPO P&C 4.6.4 – use of chemical categorized as WHO type 1A or 1B or listed by Stockholm or Rotterdam Convention	PNG OPRA is doing trials with alternative chemicals for control of Sexava. These chemical are less toxic than Metamidophos. Rat control with Warfarin based baits is only carried out if rat populations and damage warrant chemical control method.	Improved compliance (Agronomist)	12/2016	RSPO P&C 4.6.7 No paraquat or insecticide to be supplied to smallholders by company or smallholder management organizations	No paraquat will be issued to smallholder. Targeted trunk injection performed by company employees.		Ongoing	RSPO P&C 4.6.9 Maintenance of employee and associated smallholder knowledge & skills on pesticide handling including provision of appropriate information material	OPIC trained smallholder growers and issue certificates. Hargy will only issue herbicide in 5 liter containers to certified smallholders. Increase the number of trained smallholder. Improve certificate printing and distribution to trained smallholders.	Trained and competent smallholders, higher yield (Estate managers/ ESD Managers)	ongoing	Environment Improvement Plan				RSPO P&C 5.6.2 Significant pollutants and emissions are identified, monitored and plans to reduce them implemented.	Include additional testing for POME as per PNG ECoP for Palm Oil Processing and source external certified laboratory to conduct testing.	Improved compliance/Environment Officer	06/2016	<p>Yes</p>
Indicator	Planned improvement	Outcome/ PIC	Due date																											
Pesticide use																														
RSPO P&C 4.6.4 – use of chemical categorized as WHO type 1A or 1B or listed by Stockholm or Rotterdam Convention	PNG OPRA is doing trials with alternative chemicals for control of Sexava. These chemical are less toxic than Metamidophos. Rat control with Warfarin based baits is only carried out if rat populations and damage warrant chemical control method.	Improved compliance (Agronomist)	12/2016																											
RSPO P&C 4.6.7 No paraquat or insecticide to be supplied to smallholders by company or smallholder management organizations	No paraquat will be issued to smallholder. Targeted trunk injection performed by company employees.		Ongoing																											
RSPO P&C 4.6.9 Maintenance of employee and associated smallholder knowledge & skills on pesticide handling including provision of appropriate information material	OPIC trained smallholder growers and issue certificates. Hargy will only issue herbicide in 5 liter containers to certified smallholders. Increase the number of trained smallholder. Improve certificate printing and distribution to trained smallholders.	Trained and competent smallholders, higher yield (Estate managers/ ESD Managers)	ongoing																											
Environment Improvement Plan																														
RSPO P&C 5.6.2 Significant pollutants and emissions are identified, monitored and plans to reduce them implemented.	Include additional testing for POME as per PNG ECoP for Palm Oil Processing and source external certified laboratory to conduct testing.	Improved compliance/Environment Officer	06/2016																											

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion / Indicator		Assessment Findings			Compliance
		Indicator	Planned improvement	Outcome PIC	Due date
		RSPO P&C 4.4.2 Maintain and/or rehabilitate riparian	Reinstate buffer zone along waterways in accordance with the Logging Code of Practice. Older planting frequently failed to maintain the required buffer zones. Hargy will progressively re-establish buffer zone when estate block are replanted	Less riverine erosion, creation of wildlife corridors, filtering of plantation runoff (Head of Plantation)	Progressive 2020
		RSPO P&C 4.2.4 Nutrient recycling strategy should be in place	Update list of blocks for EFB annually. Annual Work Program for EFB application per block and monitoring of work program	Reduce requirement for inorganic fertilizer (Head of Plantation)	Ongoing
Waste Reduction					
		RSPO P&C 5.3.3 Waste management and disposal plan	Upgrading of company landfills to DEC requirements. Training and education on compound waste management including rubbish segregation at all sites. Set up new landfill for Barema POM as per PNG Environment Code of Practice for Sanitary Landfills.	Improved level of compliance. Better rubbish management in all sites. Improved compliance (Estate managers, Community Affairs Manager, Barema Mill Manager)	12/2017
		RSPO P&C 5.6.2 Significant pollutants and emissions are identified, monitored and plans to reduce them implemented.	Install Dissolve Air Flotation, Blower for CAT&EAT, Accelerated Gravity Settler (AGS), and decanter unit.	Improved POME treatment at ETP. Barema Mill Manager	06/2016

RSPO Public Summary Report
Revision 1 (Sept/2014)

Appendix B: SIPEF Group Time Bound Plan

Name of company	Name of Mill	Location	Supply Base	Time Bound Plan	Target Year for RSPO
Hargy Oil Palm Limited	Hargy Palm Oil Mill	East of Bialla, West New Britain Province, PNG	Hargy estate and smallholders	2009	RSPO certified in April 2009
	Barema Palm Oil Mill	30 km east of Bialla, West New Britain Province, PNG	Hargy Estate and smallholders	2009	RSPO certified in April 2009
	Navo Palm Oil Mill	50 km east of Bialla, West New Britain Province, PNG	Navo estate, Pandi estate and smallholder Group	2014	RSPO certified in April 2014
PT Eastern Sumatra Indonesia	Bukit Maradja Palm Oil Mill	Simalungun Regency, North Sumatra Province, Indonesia	- Bukit Maradja estate - Kerasaan estate	2010	Certified May 2010.
PT Tolan Tiga Indonesia	Perlabian Palm Oil Mill	Labuhan Batu Regency, North Sumatra Province, Indonesia	- Perlabian estate - Tolan estate	2010	Certified May 2010.
PT Agro Muko	Mukomuko Palm Oil Mill	Mukomuko Regency, Bengkulu Province, Indonesia	Mukomuko estate, Sei Betung estate, Tanah Rekah estate, Talang petai estate, Sei Kiang estate, and KMD	2011	Certified February 2011
	Bunga Tanjung Mill	Mukomuko Regency, Bengkulu Province, Indonesia	Bunga Tanjung estate, Air Bikuk estate, Air Buluh estate and KMD	2011	Certified February 2011
			PT Mukomuko Agro Sejahtera - Air Majunto estate - Malin Deman estate	2014	Certified 2014, as supply base.
PT Umbul Mas Wisesa	PT Umbul Mas Wisesa Palm Oil Mill	Labuhan Batu Selatan Regency, North Sumatra Province, Indonesia	UMW North estate, UMW South estate and Toton Usaha Mandiri estate	2014	Certified on 2015
PT Agro Rawas Ulu	Under development.	Musi Rawas Regency, South Sumatra Province, Indonesia	Under development.	Under development.	Under development (Has gone through RSPO NPP process), RSPO NPP public

RSPO Public Summary Report
Revision 1 (Sept/2014)

					summary on 31 st March 2014.
PT Agro Muara Rupit	Under development.	Musi Rawas Regency, South Sumatra Province, Indonesia	Under development.	Under development.	Under development (Has gone through RSPO NPP process), RSPO NPP public summary on 31 st March 2014.
PT Agro Kati Lama	Under development.	Musi Rawas Regency, South Sumatra Province, Indonesia	Under development.	Under development.	Under development (Has gone through RSPO NPP process), RSPO NPP public summary on 31 st March 2014.

RSPO Public Summary Report
Revision 1 (Sept/2014)

Appendix C: Hargy Oil Palms Limited RSPO Certificate Details

Hargy Oil Palms Limited
 Private Mail Bag, Kimbe,
 West New Britain Province
 Papua New Guinea

BSI RSPO Certificate No: SPO 535739
 Date of Initial Certificate Issued: 05/11/2014
 Date of Expiry: 08/04/2019
 Re-Issued Date: 30/08/2016
 RSPO membership number: 1-0021-05-000-00
 Applicable Standards: RSPO P&C PNG NI 2015; RSPO Supply Chain Certification Standard November 2014 Module D - CPO Mills: Identity Preserved

HARGY PALM OIL MILL AND SUPPLY BASE				
Location Address		East of Bialla, West New Britain Province, Papua New Guinea		
GPS Location		Longitude: 151.0109719° E Latitude: -5.31111488° S		
CPO Tonnage Total		36,842 MT		
PK Tonnage Total		7,432 MT		
Own estates FFB Tonnage		64,186 MT		
Smallholders FFB Tonnage		93,314 MT		
BAREMA PALM OIL MILL AND SUPPLY BASE				
Location Address		30km East of Bialla, West New Britain Province, Papua New Guinea		
GPS Location		Longitude: 151.134° E Latitude: 5.219° S		
CPO Tonnage Total		48,516 MT		
PK Tonnage Total		10,281 MT		
Own estates FFB Tonnage		109,046 MT		
Smallholders FFB Tonnage		106,242 MT		
NAVO PALM OIL MILL AND SUPPLY BASE				
Location Address		30km East of Bialla, West New Britain Province, Papua New Guinea		
GPS Location		Longitude: 151.224494° E Latitude: -5.094109° S		
CPO Tonnage Total		41,177 MT		
PK Tonnage Total		8,857 MT		
Own estates FFB Tonnage		142,354 MT		
Smallholders FFB Tonnage		54,187 MT		
HOP estates	Mature (Ha)	Immature (Ha)	Total land-use titles (Ha)	Annual FFB Production (MT)
Hargy Estate	4,173.07	308.29	6,662.79	173,231
Navo Estate	4,475.41	757.67	6,460.07	86,929
Pandi Estate	2,578.28	1,353.74	8,462.82	55,425
Sub Total	11,226.76	2,419.70	21,585.68	315,585
Associated Smallholders	12,506.00	1,338.00	14,037.00	253,744
TOTAL	23,788.20	3,757.69	35,623	569,329

RSPO Public Summary Report
Revision 1 (Sept/2014)

Appendix D: Assessment Plan
RSPO 2nd Annual Surveillance Assessment Plan:

AUDIT AGENDA								
Date	Time	Description	PS	HT	RN	PK	CB	
Saturday, 13/02/16	13.45 - 16.35	Auditor flight Jakarta – Singapore (by Garuda Indonesia)	√	√	-	-	-	
	14.40 – 17.40	Auditor flight Darwin – Cairns. Staying one night in Cairns.	-	-	√	-	-	
	20.25 – 05.00	Auditor flight Singapore – Port Moresby (by Air Niugini), arrived in the following day.	√	√	-	-	-	
Sunday, 14/02/16	11.45 – 13.10	Auditor flight Cairns – Port Moresby (by Air Niugini)	-	-	√	-	-	
	15.05 – 16.10	Auditor flight Port Moresby – Hoskins (by Air Niugini). Continue by a Car for 3 hours.	√	√	√	√	√	
Monday, 15/02/16	10.30 – 11.00	Opening Meeting: Presentation by Hargy Oil Palm Limited Opening meeting by BSI (including introduction of team and audit agenda)	√	√	√	√	√	
	11.00 – 11.30	Safety briefing:	√	√	√	√	√	
	12.00 – 13.00	Lunch break	√	√	√	√	√	
	13.00 – 17.00	Hargy Mill (Site tour): Worker interviews (OSH, contract, salary, company policies, etc), Environmental aspects and Occupational Health and Safety aspects, operation, etc.	-	√	-	√	-	
		Hargy Mill (Document review): Legal compliance, mill planning and operation, Health and Safety, Environmental and Social Impact, Continuous improvement. Stakeholder communication, etc						
		Land Office: Land tenure, ILG, Compensation, Records for New Development, Social Impact Assessment Positive findings, no indication on Correspondence with East New Britain government. No new planting apart from Remailing.	-	-	√	-	-	
		Smallholder Office: Smallholder number and hectare statement, smallholder management program, smallholder training, etc. Smallholder program, Training for smallholder, Smallholder sample selection,	-	-	√	-	√	
Hargy Estate (Document review): Stakeholder communication, Legal compliance, Estate planning and best practices, Health and Safety, Environmental and Social Impact, Continuous improvement.	√	-	-	-	-			
Tuesday, 16/02/20 16	08.00 – 12.00	Hargy Mill (Site tour) – continued Hargy Mill (Document review): RSPO SCCS Hargy Mill (Document review) - continued: Legal compliance, mill planning and operation, Health and Safety, Environmental and Social Impact, Continuous improvement. Stakeholder communication, etc.	-	√	-	√	-	

		Pandi Estate – Yanaswali Plantation (field visit): Boundaries inspection, worker interview, worker housing, waste management, social amenities, clinic, new development areas, etc. HCV area, riparian zone,	√	-	-	-	√
		HR Office and Social Manager: Recruitment Process, Training, Workers salary payment, Female reproductive right protection, Anti-Sexual Harassment Policy, Company contribution to local development	-	-	√	-	-
		Stakeholder communication: Local communities from surrounding villages of Pandi Estate, local contractors, HIV representative	-	-	√	-	-
	12.00 – 13.00	Lunch					
	13.00 – 17.00	Navo Mill (Field Visit): Worker interviews (OSH, contract, salary, company policies, etc), Environmental aspects and Occupational Health and Safety aspects, operation, etc.	-	√	-	√	-
		Pandi Estate (Document review): Stakeholder communication, Legal compliance, Estate planning and best practices, Health and Safety, Environmental and Social Impact, Continuous improvement	√	-	-	-	-
		Pandi Smallholder: Smallholder Plot Visit (approximately 4 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	-	-	√	-	√
Wednesd ay, 17/02/20 16	08.00 – 12.00	Navo Mill: Document Review: RSPO P & C Legal compliance, mill planning and operation, Health and Safety, Environmental and Social Impact, Continuous improvement. Stakeholder communication, etc	-	√	-	√	-
		Hargy Estate (Field visit): Worker interview, agrochemical application, harvesting, fertilizer application, water management, chemical store, fertilizer stores, social amenities, HCV, etc.	√	-	-	-	√
		Navo Estate – Karla Plantation (field visit): Worker interview, agrochemical application, harvesting, fertilizer application, water management, Navo vehicle workshop, chemical store, fertilizer stores, waste management, housing, clinic, HCV, etc.	√	-	-	-	√
		Stakeholder communication: Local communities from surrounding villages of Navo Estate, local contractors,	-	-	√	-	-
	12.00 – 13.00	Lunch					
	13.00 – 17.00	Navo Mill (Document review): RSPO SCCS	-	√	-	√	-
		Navo Estate (Document review): Health and Safety, Environmental and Social Impact, Continuous improvement	√	-	-	-	√
		Navo Smallholder: Smallholder Plot Visit (approximately 5 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	-	-	√	-	-

Thursday , 18/02/20 16	08.00 – 12.00	Barema Mill (Document Review): RSPO P & C Legal compliance, mill planning and operation, Health and Safety, Environmental and Social Impact, Continuous improvement. Stakeholder communication, etc	-	√	-	√	-
		Barema Smallholder: Smallholder Plot Visit (approximately 5 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	-	-	√	-	-
		Navo Smallholder: Smallholder Plot Visit (approximately 4 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	√	-	-	-	√
	12.00 – 13.00	Lunch					
	13.00 – 17.00	Barema Mill (Field Visit): Worker interviews (OSH, contract, salary, company policies, etc), Environmental aspects and Occupational Health and Safety aspects, operation, etc.	-	√	-	√	-
		Barema Smallholder: Smallholder Plot Visit (approximately 4 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	-	√	-	√	-
Barema Smallholder: Smallholder Plot Visit (approximately 4 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.		-	-	√	-	-	
Friday, 19/02/20 16	08.00 – 12.00	Barema Mill (Document Review): RSPO SCCS	-	√	-	√	-
		Hargy/Bialla Smallholder: Smallholder Plot Visit (approximately 5 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	√	-	-	-	√
		Hargy/Bialla Smallholder: Smallholder Plot Visit (approximately 4 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	-	-	√	-	-
	12.00 – 13.00	Lunch					
	13.00 – 17.00	Hargy/Bialla Smallholder: Smallholder Plot Visit (approximately 5 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	√	-	-	-	√
		Hargy/Bialla Smallholder: Smallholder Plot Visit	-	-	√	-	-

		(approximately 5 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.					
		Hargy/Bialla Smallholder: Smallholder Plot Visit (approximately 5 smallholder plots will be subject to sample): Smallholder interview (OSH, FFB sales, training), plantation worker, boundaries inspection, agrochemical application, harvesting, fertilizer application, HCV (or flora and fauna), riparian zone, terracing, etc.	-	√	-	√	-
Saturday, 20/02/2016	08.00 – 09.30	Closing outstanding issues Time bound plan, partial certification verification and general information, Budgeting and planning,	√	√	√	√	√
	09.30 – 11.00	Report Preparation	√	√	√	√	√
	11.00 – 12.00	Closing Meeting	√	√	√	√	√
	12.00 – 14.00	Lunch					
Sunday, 21/02/2016	04.00 – 07.00	Auditor travelling by cars Bialla – Hoskins	-	-	√	√	√
	07.05 – 08.10	Auditor flights out Hoskins – Port Moresby	-	-	√	√	-
	16.00 – 17.25	Auditor flights out Port Moresby – Cairns	-	-	√	-	-
Monday, 22/02/2016	04.00 – 07.00	Auditor travelling by cars Bialla - Hoskins	√	√	-	-	-
	07.05 – 08.10	Auditor flights out Hoskins – Port Moresby	√	√	-	-	-
	14.15 – 18.35	Auditor flights out Port Moresby - Singapore	√	√	-	-	-
	22.05 – 22.55	Auditor flights out Singapore - Jakarta	√	√	-	-	-

Major NC close out assessment plan:

The Major NC close out on-site assessment conducted on 18/04/2016 – 19/04/2016.

AUDIT AGENDA			
Date	Time	Description	PS
Saturday 16/04/16	13.45 - 16.35	Auditor flight Jakarta – Singapore (by Garuda Indonesia)	√
	20.25 – 05.00	Auditor flight Singapore – Port Moresby (by Air Niugini), arrived in the following day.	√
Sunday, 17/04/16	15.05 – 16.10	Auditor flight Port Moresby – Hoskins (by Air Niugini). Continue by a Car for 3 hours.	-
Monday, 18/04/16	08.00 – 08.30	<u>Opening Meeting:</u> Presentation by Hargy Oil Palm Limited (Corrective Action Plan and Implementation) Opening meeting by BSI (including introduction of team and audit agenda)	√
	08.30 – 12.00	<u>NCR Close Out:</u> Land Office: Corrective Action Plan, Progress on NC area, Land tenure, ILG, Compensation, Records for New Development.	√
	12.00 – 13.00	Lunch break	√
	13.00 – 17.00	<u>NCR Close Out:</u> Smallholder Office and OPIC: Corrective Action Plan, Due diligence program, Smallholder number and hectare statement, smallholder management program, smallholder training.	√
Tuesday, 19/04/2016	08.00 – 12.00	<u>NCR Close Out:</u> Worker interviews to Pandi and Navo Plantation (Use of PPE, Accident record, Emergency Response Plan, First aid kit and Complaint registers)	√
	12.00 – 13.00	Lunch Break	√
	13.00 – 15.00	<u>NCR Close Out:</u>	√

RSPO Public Summary Report
Revision 1 (Sept/2014)

		Interview with Smallholder (Land Tenure, Training, OPIC approval)	
	15.00 – 16.00	Closing outstanding issues General information, Budgeting and planning.	√
	16.00 – 16.30	Report Preparation	√
	16.30 – 17.00	Closing Meeting	√
Wednesday, 20/04/2016	04.00 – 07.00	Auditor travelling by cars Bialla – Hoskins	√
	07.05 – 08.10	Auditor flights out Hoskins – Port Moresby	√
	14.15 – 18.35	Auditor flights out Port Moresby - Singapore	√
	22.05 – 22.55	Auditor flights out Singapore - Jakarta	√

Supplementary Major NC close out on-site assessment conducted on 15/08/2016 – 16/08/2016.

AUDIT AGENDA				
Date	Time	Description	PS	NC
Saturday 13/08/2016	20.25 – 05.00	Auditor flight Singapore – Port Moresby (by Air Niugini), arrived in the following day.	√	√
Sunday, 14/08/2016	08.50 – 09.55	Auditor flight Port Moresby – Hoskins (by Air Niugini). Continue by a Car for 3 hours.	√	√
Monday, 15/08/2016	08.00 – 08.30	<u>Opening Meeting:</u> Opening meeting by BSI (including introduction of team and finalizing audit agenda) Presentation by Hargy Oil Palm Limited on the process for addressing the NCR.	√	√
	08.30 – 12.00	<u>NCR Verification:</u> (Document Review on Legal ownership on state land (Gamupa)) Verification of smallholder blocks with deceased estate (sample of 104 smallholder blocks), including: - Review of alienated status, as per survey plan and survey report; - Review of boundaries, as reported by registered surveyor; - Interview with relevant authorities to review status of (any) land conflict; - Review the applications; - Review follow up with authorities;	√	
		(Field Visit) Verification to area under state land: - Interview of the smallholders. - Interview of the smallholder representatives		√
	12.00 – 13.00	Break	√	√
13.00 – 17.00		<u>NCR Verification:</u> (Field Visit and Document Review) Verification of smallholder blocks with missing owner’s copy of land title (sample of 285 blocks), including: - Review relevant document demonstrating ownership of land; - Monitoring of LAGIS; - Verification with OPIC - Interview of the smallholders. - Interview of the smallholder representatives	√	
		(Field Visit) Verification of smallholder blocks with missing owner’s copy of land title (sample of 285 blocks), including: - Verification/cross check against LAGIS; - Verification with OPIC - Interview of the smallholders. - Interview of the smallholder representatives		√

RSPO Public Summary Report
Revision 1 (Sept/2014)

Tuesday, 16/08/2016	08.00 – 12.00	<p>NCR Verification: (Document Review) Document review against Smallholder blocks' with deceased status of original owner including:</p> <ul style="list-style-type: none"> - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block's land title in Department of Land, Port Moresby. - Identification of next of kin provided OPIC and HOPL; - Statement letter from OPIC regarding the next of kin; - Statutory Declaration from the block owner and/or the family; - Application to the Land Department of name change in the Land Lease; - Settler Information Sheet from OPIC; - Interview of the smallholders. - Interview of the smallholder representatives 	√	
		<p>(Field Visit) Field verification on smallholder blocks' with deceased status of original owner, including:</p> <ul style="list-style-type: none"> - Verification against Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block's land title in Department of Land, Port Moresby. - Verification on Identification of next of kin provided OPIC and HOPL; - Verification of Statement letter from OPIC regarding the next of kin; - Cross check on Statutory Declaration from the block owner and/or the family; - Application to the Land Department of name change in the Land Lease; - Settler Information Sheet from OPIC; - Interview of the smallholders. - Interview of the smallholder representatives 		√
	12.00 – 13.00	Break	√	√
	13.00 – 16.00	<p>Review of other Outstanding Issues</p> <ul style="list-style-type: none"> - Application procedures and progress for the smallholders without missing land title and deceased land title estates 	√	√
	16.00 – 16.30	Report Preparation	√	√
16.30 – 17.00	Closing Meeting	√	√	
Wednesday, 17/08/2016	12.00 – 15.00	Auditor travelling by cars Bialla – Hoskins	√	√
	16.25 – 17.30	Auditor flights out Hoskins – Port Moresby	√	√
		Overnight in Port Moresby	√	√
Thursday, 18/08/2016	15.00 – 19.20	Auditor flights out Port Moresby - Singapore	√	√
	22.05 – 22.55	Auditor flights out Singapore – Jakarta/Kuala Lumpur	√	√

PS: Pratama A Sedayu
 RN: Rodney Nixon
 HT: Haeruddin Taher

PK: Primas Kapi
 CB: Cecilie Benjamin
 NC: Nicholas Cheong

Appendix E: Stakeholders Contacted

No	List stakeholder contacted
1	Clan leader, Pandi/Gamupa area.
2	Ward Councilor, Gamupa area.
3	Community Advocate, Pandi area.
4	Ward Councilor, Navo area.
5	Worker's Representative/Stakeholder.
6	Other (based on information received from smallholders)
7	Alaba Development Corporation

Appendix F: Hargy Oil Palms Limited Supply Chain Assessment (Module D – CPO Mills: Identity Preserved)

RSPO SCCS Hargy Oil Palms Limited
Hargy Palm Oil Mill, Module D: Identity Preserved

Criterion D.1. Definition			
	Requirement	Evidence	Compliance
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. Hargy Oil Palm Limited supply bases holds valid RSPO P&C certificate. It is traceable from document checking of Mills operation: - Weighbridge docket - Daily production report for each mill - Monthly closing stock for CPO	Yes

Criterion D.2. Explanation			
	Requirement	Evidence	Compliance
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.	The projection of CPO and PK product of Hargy, Navo and Barema POM is recorded by CB in the public summary report and RSPO certificate. The actual CPO and PK produced verified during each subsequent visit to ensure that certified mill only deliver the allowed tonnage for the year. BSI Group as Certification Body has submitted projection of FFB received, CPO and PK produced to RSPO Public Summary Report and the RSPO e-Trace system. These 3 mills are processing CPO and PK from their sources.	Yes
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)	Hargy, Navo and Barema POM have eTrace account and it have been verified by auditor. These mills actively involved in eTrace trading platform.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion D.3. Documented procedures			
	Requirement	Evidence	Compliance
D.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:		
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements;	<p>Procedures has been revised i.e.: Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure – CPO Mill, Rev. 2, issue date: 15/05/2015, this for production of CPO and PK.</p> <p>The procedure mentioned the entire supply base on the HOPL palm oil mills including the independent estates and all smallholders is RSPO-certified. There is no other palm oil mill in the vicinity of the HOPL estates, independent estates, and smallholder blocks, to which FFB/loose fruit could be delivered or growers from who FFB could be sourced.</p> <p>The entire CPO production of HOPL is exported, through bulking tanks and a jetty managed and used exclusively by HOPL.</p> <p>PK is transfer into Kernel Crushing Plant which the same site location with CPO Mill – there is no such outside PK coming in to the mill.</p>	Yes
	b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site’s procedures for the implementation of this standard.	The responsible person is “General Manager” as described in procedure above	Yes
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	<p>The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure – CPO Mill, Rev. 2, issue date: 15/05/2015 has rules out for receiving and processing certified and non-certified FFBs.</p> <p>There are no non-certified FFB received within surrounding of company areas.</p>	Yes

Criterion D.4. Purchasing and goods in			
	Requirement	Evidence	Compliance
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<p>All three mills are implementing the similar system to verify the documents of certified FFB.</p> <p>All the FFB coming from the company estates and smallholders area will be verified in the weighbridge station through Delivery note. The records of delivery note have specific identity code for each entity.</p> <p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding Hargy Oil Palms Ltd plantation area.</p> <p>At weighbridge, the docket is generated which gives the weight of the FFB and origin from the company plantation. “IP” is printed on docket indicating that the FFB received is certified under SCC – IP model.</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

		<p>At each smallholder block, the nets of FFB are weighed electronically by the cranes on the trucks. After FFB weighed, a weight docket is electronically generated on the truck indicating the block number and area within smallholder supply. "IP" is printed on the docket indicating that FFB received is certified under the IP Model.</p> <p>FFB Received: Hargy Estate: 1. Delivery Order of FFB from field: - DO No.0089457 - Date: 15/02/2016 - Truck: UH 05 - Quantity: 307 bunches - FFB IP Collection Docket - Hargy estate 2. Weigh Bridge: - Ticket No.89457 - Date: 15/02/2016 - Origin: Hargy Estate - Quantity: 307 bunches - Product: FFB IP</p> <p>Smallholders: 1. Delivery Order of FFB from field: - DO No.12249 - 12258 - Date: 05/02/2016 - Truck: VC. 06 - Quantity: Quantity: 1,867 kg; 2,325 kg; 3,054 kg; 832 kg; 1,508 kg; 1,428 kg; 588 kg; 2,007 kg and 2,303 kg 2. Weigh Bridge: - Ticket No.12249 - 12258 - Date: 05/02/2016 - Origin: Cenaka division - Product: FFB IP - Quantity: 16,140 kg</p>	
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure "Supply Chain & Traceability Standard Operating Procedure – CPO Mill", Rev. 2, issue date: 15/05/2015 has rules out informing the CB immediately if there is a projected overproduction of certified tonnage.	Yes

Criterion D.5. Record keeping			
	Requirement	Evidence	Compliance
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis	<p>The company recorded received RSPO FFB certified and delivered of RSPO certified CPO and PK on 3 monthly basis in "Quarterly Balancing report – RSPO SCCS", based on review of three monthly basis. The record covering: opening stock, production, transfer in/Received, Transfer out/Shipped, and closing stock.</p> <p>The 3 monthly report, consist of: FFB, CPO/PK production and despatch of CSPO. (October – December 2016).</p> <p>Hargy Mill (December 2015)</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

	Opening Stock	Received/ Production	Processed	Transfer from other Mills	Out	Closing stock	Module Used
FFB	154.27	20,376	10,693			80	FFB IP
CPO	3,101.78 (SG)	5,052.00 (IP)		5,220.06 (IP)	8,839.09 (SG)	4,534.75 (SG)	CPO SG/IP
PK	0	1,475.92		7.42	1,483.34	0.00	PK/IP

It is confirmed and traceable during checking of document:

- Daily report for each mill
- Monthly Closing stock for CPO in three mills. The latest was January and February 2015.
- Three monthly report

Delivered CPO Certified Product:

- Contract No. PHO—02467 SG, PHO 02816 SG, PHO – 02823 SG, PHO – 02817 SG, PHO – 02819 SG, PHO 02823 SG, PHO – 02831 SG, PHO – 02836 SG, PHO – 02843 SG.
- Vessel Name: M.T. Argent Freesia V.1509
- Origin: Hargy Oil Palms Limited
- Name of product: Crude Sustainable Palm Oil/SG
- Receiver: Sipef NV
- Date: 18/12/2015
- Quantity: 8,839.09 kg

Criterion D.6. Processing			
	Requirement	Evidence	Compliance
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	<p>The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure, issue date: 04/02/2015 has rules out a record keeping for RSPO certified FFB CPO and PK.</p> <p>All records are provided and traceable such as Daily production report, Monthly progress report, and 3-monthly balance system.</p> <p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding SIPEF area. Hargy, Navo and Barema POM only received certified FFB (no any received FFB non certified sources).</p> <p>Certified CPO is stored directly to the Hargy Bulking Station which located in the same location. Certified CPO produced using "IP" model is downgraded as "SG" in storage tanks in Bulking Tanks due to mixing certified CPO product in tanks.</p>	Yes
D.6.2	The objective is for 100 % segregated material to be reached.	At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding SIPEF area.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

Criterion D.1. Definition			
	Requirement	Evidence	Compliance
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. Hargy Oil Palms Limited supply bases holds valid RSPO P&C certificate. It is traceable from document checking of Mills operation: - Weighbridge docket - Daily production report for each mill (Daily Production Figure) - Monthly closing stock for CPO and PK	Yes

Criterion D.2. Explanation			
	Requirement	Evidence	Compliance
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.	The projection of CPO and PK product of Hargy, Navo and Barema POM is recorded by CB in the public summary report and RSPO certificate. The actual CPO and PK produced verified during each subsequent visit to ensure that certified mill only deliver the allowed tonnage for the year. BSI Group as a CB has submitted projection of FFB received, CPO ad PK produced to the RSPO e-Trace system. These 3 mills are processing CPO and PK from their sources.	Yes
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)	Hargy Oil Palms Limited POM which consists of 3 mills has an e-Trace account and it have been verified by auditor. These mills actively involved in e-Trace trading platform.	Yes

Criterion D.3. Documented procedures			
	Requirement	Evidence	Compliance

RSPO Public Summary Report
Revision 1 (Sept/2014)

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;	Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure – CPO Mill, Rev. 2, issue date: 15/05/2015, this for production of CPO and PK” The procedure regulated the entire supply base on the HOPL palm oil mills including the own estates and all smallholders is RSPO-certified. There are no other palm oil mill in the vicinity of the HOPL estates, independent estates, and smallholder blocks, to which FFB/loose fruit could be delivered or growers from who FFB could be sourced.	Yes
	b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site’s procedures for the implementation of this standard.	The responsible person is “General Manager” as described in procedure above	Yes
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure – CPO Mill, Rev. 2, issue date: 15/05/2015 has rules out for receiving and processing certified and non-certified FFBs. There are no non--certified FFB received within surrounding of company areas.	Yes

Criterion D.4. Purchasing and goods in

	Requirement	Evidence	Compliance
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<p>All three mills are implementing the similar system to verify the documents of certified FFB. All the FFB coming from the company estates and smallholders area will be verified in the weighbridge station through Delivery note. The records of delivery note have specific identity code for each entity.</p> <p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding Hargy Oil Palms Limited plantation area.</p> <p>At weighbridge, the docket is generated which gives the weight of the FFB and origin from the company plantation. “IP” is printed on docket indicating that the FFB received is certified under SCC – IP model.</p> <p>At each smallholder block, the nets of FFB are weighed electronically by the cranes on the trucks. After FFB weighted, a weight docket is electronically generated on the truck indicating the block number and area within smallholder supply. “IP” is printed on the docket indicating that FFB received is certified under the IP Model.</p> <p>FFB Received: Karla estate:</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

		<p>1. Delivery Order of FFB from field:</p> <ul style="list-style-type: none"> - DO No.0073120 - Date: 16/02/2016 - Quantity: 658 bunches - FFB IP Collection Docket - Karla Division <p>2. Wight Bridge:</p> <ul style="list-style-type: none"> - Ticket No.73120 - Date: 16/02/2016 - Origin: Karla Division - Quantity: 8,480 kg - Product: FFB IP <p>Smallholders:</p> <p>1. Delivery Order of FFB from field:</p> <ul style="list-style-type: none"> - DO No.13073 - 13075 - Date: 16/02/2016 - Truck: VC. 12 - Quantity: 9,195 kg; 2,982 kg; 1,576 kg <p>2. Weigh Bridge:</p> <ul style="list-style-type: none"> - Ticket No.13073 - 13075 - Date: 16/02/2016 - Origin: Noau - Product: FFB IP - Quantity: 13,860 kg <p>Based on Procedure HOPL Supply Chain Standard Operating Procedure – CPO Mills, rev. 2, dated 15/05/2015 in section 5.1.9 Complaints (including) Non-Conforming Material & Products.</p> <p>5.1.1.4. All FFB/Loose fruit from the company, smallholder and Independent estate are received by the mill through the WB. The WB clerks check the documentation accompanying the FFB brought in to the verify it coming from a certified supply base (company or smallholders). Verification is done by checking that relevant documentation has the "IP" notation. Should FFB be brought in not indicating the Supply Chain Module, the FFB is to be deemed uncertified material and is to be rejected after investigation to identify the source and determine the reason for the supply chain model to be omitted from the documentation.</p> <p>As FFB/Loose Fruit is weighed, the weighbridge clerk input information about the truck, the origin FFB, A weighbridge docket is generated documenting origin of FFB/Loose Fruit and its weight "IP" is printed on the docket indicating that the FFB/Loose Fruit received is certified under the IP model. 3 copies of the docket are then printed and given to the respective parties depending on the origin of the FFB/Loose Fruit.</p> <p>A copy of weighbridge docket is kept by the weighbridge operator and entered into the LintraMax Weighbridge Management System (WMS). The WMS record daily deliveries done to the mill per area, smallholders area and company plantation. Daily record of FFB/LF in WMS electronically into the LintraMax Mill Directory Daily production report (LMD-DPR).</p>	
D.4.2	The site shall inform the CB immediately if there is a projected	The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure "Supply Chain & Traceability Standard Operating Procedure – CPO Mill", Rev. 2, issue date: 15/05/2015 has rules out informing the CB	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

overproduction of certified tonnage.	immediately if there is a projected overproduction of certified tonnage as regulated in point 3.	
--------------------------------------	--	--

Criterion D.5. Record keeping

	Requirement	Evidence	Compliance																																
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis	<p>The company recorded the received RSPO FFB certified and delivered of RSPO certified CPO and PK on 3 monthly basis in "Quarterly Balancing report – RSPO SCCS", based on review of three monthly basis. The record covering: opening stock, production, transfer in/Received, Transfer out/Shipped and closing stock.</p> <p>The 30-monthly report, consist of: FFB, CPO/PK production and despatch of CSPO. (October – December 2016)</p> <p>Barema Mill (December 2015)</p> <table border="1" data-bbox="580 797 1422 1010"> <thead> <tr> <th></th> <th>Opening Stock</th> <th>Received/ Production</th> <th>Processed</th> <th>Transfer from other Mills</th> <th>Out</th> <th>Closing stock</th> <th>Module Used</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>0.00</td> <td>2,441.12</td> <td>2,441.12</td> <td></td> <td></td> <td>0.00</td> <td>FFB IP</td> </tr> <tr> <td>CPO</td> <td>88.01 (SG)</td> <td>604.45 (IP)</td> <td></td> <td></td> <td>341.42 (SG)</td> <td>351.04 (SG)</td> <td>CPO SG/IP</td> </tr> <tr> <td>PK</td> <td>100.51</td> <td>102.28</td> <td></td> <td>892.44</td> <td>910.46</td> <td>184.77</td> <td>PK/IP</td> </tr> </tbody> </table> <p>It is confirmed and traceable during checking of document:</p> <ul style="list-style-type: none"> - Daily report for each mill - Monthly Closing stock for CPO in three mills. The latest was January and February 2015. - Three monthly report <p>The company has Weighbridges Management System (WMS), its automatically counted the FFB incoming, CPO and PK despatch.</p> <p>Sample taken: Delivered CPO Certified Product:</p> <ul style="list-style-type: none"> - Ticket No.CPO 016000198 W - Date: 15/02/2016 - Origin: Navo Oil Mill - Product: CPO/IP. - Quantity: 29,580 kg - Receiver: Hargy Oil Palms. <p>Delivered PK Certified Product:</p> <ul style="list-style-type: none"> - Ticket No: CPO 016000084W - Date: 15/02/2016 - Origin: Navo Oil Mill - Product: PK/IP. - Quantity: 17,100 kg - Receiver: Hargy Oil Palm. <p>The weighbridge system is automatically count the FFB incoming and despatch of CPO, PK and CPKO and submit to the "LintraMax System" to print out as record of daily production.</p>		Opening Stock	Received/ Production	Processed	Transfer from other Mills	Out	Closing stock	Module Used	FFB	0.00	2,441.12	2,441.12			0.00	FFB IP	CPO	88.01 (SG)	604.45 (IP)			341.42 (SG)	351.04 (SG)	CPO SG/IP	PK	100.51	102.28		892.44	910.46	184.77	PK/IP	Yes
	Opening Stock	Received/ Production	Processed	Transfer from other Mills	Out	Closing stock	Module Used																												
FFB	0.00	2,441.12	2,441.12			0.00	FFB IP																												
CPO	88.01 (SG)	604.45 (IP)			341.42 (SG)	351.04 (SG)	CPO SG/IP																												
PK	100.51	102.28		892.44	910.46	184.77	PK/IP																												

Criterion D.6. Processing

	Requirement	Evidence	Compliance
--	-------------	----------	------------

RSPO Public Summary Report
Revision 1 (Sept/2014)

D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	<p>The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure, issue date: 04/02/2015 has rules out a record keeping for RSPO certified FFB CPO and PK.</p> <p>All records are provided and traceable such as Daily production report, Monthly progress report, and 3-monthly balance system</p> <p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding SIPEF area. Hargy, Navo and Barema POM only received certified FFB (no any received FFB non certified sources).</p> <p>Barema POM delivering their certified CPO product to the HOPL Bulking Station which located in Hargy Palm Oil Mill and downgrading certified CPO "IP" into "SG" in Bulking Station due to mixing certified CPO product in tanks, then exported through bulking tanks and a jetty managed exclusively by HOPL.</p>	Yes
D.6.2	The objective is for 100 % segregated material to be reached.	At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding SIPEF area.	Yes

RSPO SCCS Hargy Oil Palms Limited
 Navo Palm Oil Mill, Module D: Identity Preserved

Criterion D.1. Definition			
	Requirement	Evidence	Compliance
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.	<p>All FFB is coming from fully certified plantations, both company-owned estates and smallholder growers. Hargy Oil Palm Limited supply bases holds valid RSPO P&C certificate.</p> <p>It is traceable from document checking of Mills operation:</p> <ul style="list-style-type: none"> - Weighbridge docket - daily production report for each mill (Daily Production Figure) - Monthly closing stock for CPO and PK 	Yes

Criterion D.2. Explanation			
	Requirement	Evidence	Compliance
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	<p>The projection of CPO and PK product of Hargy, Navo and Barema POM is recorded by CB in the public summary report and RSPO certificate. The actual CPO and PK produced verified during each subsequent visit to ensure that certified mill only deliver the allowed tonnage for the year.</p> <p>BSI Group as Certification Body has submitted projection of FFB received, CPO and PK produced to the RSPO e-Trace system.</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

	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.	These 3 mills are processing CPO and PK from their sources.	
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)	Hargy Oil Palms Limited' POM which consists of 3 mills has e-Trace account and it have been verified by auditor. These mills actively involved in e-Trace trading platform.	Yes

Criterion D.3. Documented procedures

	Requirement	Evidence	Compliance
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;	Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure – CPO Mill, Rev. 2, issue date: 15/05/2015, this for production of CPO and PK". The procedure regulated the entire supply base on the HOPL palm oil mills including the own estates and all smallholders is RSPO-certified. There are no other palm oil mill in the vicinity of the HOPL estates, independent estates, and smallholder blocks, to which FFB/loose fruit could be delivered or growers from who FFB could be sourced.	Yes
	b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	The responsible person is "General Manager" as described in procedure above	Yes
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure – CPO Mill, Rev. 2, issue date: 15/05/2015 has rules out for receiving and processing certified and non-certified FFBs. There are no non--certified FFB received within surrounding of company areas.	Yes

Criterion D.4. Purchasing and goods in

	Requirement	Evidence	Compliance
D.4.1	The site shall verify and document the tonnage and sources of	All three mills are implementing the similar system to verify the documents of certified FFB.	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

	<p>certified and the tonnage of non-certified FFBs received.</p>	<p>All the FFB coming from the company estates and smallholders area will be verified in the weighbridge station through Delivery note. The records of delivery note have specific identity code for each entity.</p> <p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding Hargy Oil Palms Limited plantation area.</p> <p>At weighbridge, the docket is generated which gives the weight of the FFB and origin from the company plantation. "IP" is printed on docket indicating that the FFB received is certified under SCC – IP model.</p> <p>At each smallholder block, the nets of FFB are weighed electronically by the cranes on the trucks. After FFB weighted, a weight docket is electronically generated on the truck indicating the block number and area within smallholder supply. "IP" is printed on the docket indicating that FFB received is certified under the IP Model.</p> <p>FFB Received: Karla estate:</p> <ol style="list-style-type: none"> 1. Delivery Order of FFB from Field: <ul style="list-style-type: none"> - DO No.0073120 - Date: 16/02/2016 - Quantity: 658 bunches - FFB IP Collection Docket - Karla Division 2. Wight Bridge: <ul style="list-style-type: none"> - Ticket No.73120 - Date: 16/02/2016 - Origin: Karla Division - Quantity: 8,480 kg - Product: FFB IP <p>Smallholders:</p> <ol style="list-style-type: none"> 1. Delivery Order of FFB from Field: <ul style="list-style-type: none"> - DO No.13073 - 13075 - Date: 16/02/2016 - Truck: VC. 12 - Quantity: 9,195 kg; 2,982 kg; and 1,576 kg 2. Weigh Bridge: <ul style="list-style-type: none"> - Ticket No.13073 - 13075 - Date: 16/02/2016 - Origin: Noau - Product: FFB IP - Quantity: 13,860 kg <p>Hargy Oil Palms Limited has a procedure for handling of non-conforming materials and product under "Hargy Oil Palms Limited Supply Chain Standard Operating Procedure - CPO Mill" rev.2 dated 15th May 2015. Section 5.1.9 Complaint - Including Non-Conforming Material and Products, states that in the case where Hargy Oil Palms Limited RSPO certification or part of its supply chain is being suspended as the outcome of certification, material and products are deemed non-conforming.</p> <p>NC Major: Insufficient evidence on verification of FFB from certified source.</p>	
--	--	---	--

**RSPO Public Summary Report
Revision 1 (Sept/2014)**

		<p>The non conformity linked with status of non conformity against RSPO P&C PNG NI 2015 indicator 2.2.1.</p> <p>Hargy Oil Palm Limited has a procedure for handling of non conforming materials and product under "Hargy Oil Palm Limited Supply Chain Standard Operating Procedure - CPO Mill" rev.2 dated 15/05/2015. In section 5.1.9 Complaint - Including Non Conforming Material and Products, states in the case where Hargy Oil Palm Limited RSPO certification or part of its supply chain is being suspended as the outcome of certification, material and products are deemed non conforming.</p> <p>However, the supply chain procedure does not indicate verification upon FFB receiving process from supply base (smallholder) that cannot demonstrate legal use of land.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> - Hargy Oil Palms Limited (HOPL) has been meeting with Government Land officials every year since 2008. Evidence of the Land Investigation reports completed by the Provincial Lands Officers was provided to the auditors. These reports all recommend that the Provincial Land Boards award leases to the applicants. - Hargy Oil Palms met with Department of Lands & Physical Planning Secretary to discuss the issue of the Bakada Land Purchase Area and follow up on issuance of land titles for these smallholders. The meeting with Deputy Secretary of Department of Lands & Physical Planning, in Port Moresby dated 10/03/2016, results in statement that "the power to hear and award titles for oil palms blocks is vested in the Provincial Land Board of those provinces concern". Hargy Oil Palms correspondence dated 08/03/2016 with Provincial Administration, resulted in response dated 14/03/2016 stated "West New Britain Province's current Land Board – some of its members have died and the submission is now before the Provincial Executive Council (PEC) for the appointment of the new Land Board". (Evidence: Minutes of meeting Hargy Oil Palms with Department of Land and Physical Planning (General Manager HOPL on 10/03/2016), Letter from Hargy Oil Palms to Department of Land and Physical Planning (10/03/2016), Letter from Hargy Oil Palms to East New Britain Province (08/03/2016), Letter from Hargy Oil Palms to West New Britain Province (08/03/2016), Letter from West New Britain Provincial Administration to Hargy Oil Palms (14/03/2016). - The Chairman of the RSPO PNG NI TF sent email correspondence to all 27 members of the PNG NI TF on 11/03/2016 with draft guidance in regards to land title for smallholders. A majority of members responded affirmatively. The guidance was approved by RSPO on 26/04/2016 and adopted by Hargy Oil Palms immediately. - In order to prevent recurrence of non-conformity with similar cause, Hargy Oil Palms is improving the internal control system quality by created the GIS database on 06/04/2016. All the land titles of both Smallholders & Company that supply to Hargy Oil Palms were being identified using GIS (ArcGiS). The ArcGiS control system implemented by Hargy Oil Palms allows the linking of the block numbers, block names, status of the land leases, history of land tenure and the actual legal use land of the 1,700 smallholders witting on state land with the latest Oil Palm Industry Corporation/OPIC's database (provided to Hargy Oil Palms on 08/03/2016). - The ArcGiS control system shall be periodically updated to show the status of land titles. The system allows the following controls: <ul style="list-style-type: none"> - Monitoring of smallholder occupancy on land whether the land are sitting on state land/Land Settlement Scheme or sitting on customary land/Clan Land Use Agreement. 	
--	--	--	--

**RSPO Public Summary Report
Revision 1 (Sept/2014)**

		<ul style="list-style-type: none"> - Monitoring and control on issuance of stop harvesting order/FFB pick up on any no compliance blocks. - Monitor and communicate with OPIC to identify smallholder blocks with land leasing issues. - Monitor and communicate with relevant palm oil mills (e.g. Navo and Berema) to prevent intake of FFB from non-conforming smallholder blocks. - By adopting the RSPO P&B PNG NI Criteria 2.2.1, the 4 identified Gamupa Village Oil Palm smallholder that was identified to be on state land has demonstrated the land has been alienated and surveyed, there is no conflict, Land title application has been submitted, and follow-up after the applications has been done. Document seen: Project Proposal to ENB Governor 23/10/2012; Gamupa Land Investigation Report 21/11/2014 compiled by ENB Lands Advisor (this report refers to the land as Portion 13 Milinch Ulawun Fourmil Rabaul and is part of the Bakada Land Purchase (NLD 1617), this report refers to the land as vacant State Land on Survey Plan Catalogue 15/1010, this report recommends that all vacant leases be formalized in the upcoming East New Britain Land Board meeting); Follow up letter to East New Britain Governor dated 08/03/2016; Survey plan for portion 10, 11, 12 and 13. - With the control system in place, Hargy Oil Palms started to investigate on all the Land Settlement Scheme (LSS) area on Gamupa smallholder under Division I and Division II. Based on the investigation, there were additional 121 smallholder blocks (total of 125 smallholders including 4 identified during the ASA 2 in February 2016) from the Gamupa area with total land area of 223.24 Ha was identified to be occupying on state land without lease documents. Hargy Oil Palms with immediate action through the smallholder manager had issued letters (in Pidgin) on 13/04/2016 to the 121 Gamupa smallholders, stating they are suspended from harvesting their FFB and Hargy will not pick up and/or pay the FFB harvested until further notice. The action took effective 15/04/2016. - Further to the 125 Gamupa smallholders, The General Manager of HOPL has ordered the Plantation Manager to stop harvesting FFB from Magalona division, Alangily division, Abulmosi division and Gamupa division under Pandi Plantation which are supplying FFB to Navo POM as the legal lease for the plantation area is in application process Hargy 13/04/2016 (Evidence: GM correspondence on 13/04/2016 to Plantation Manager to stop harvest in Magalona, Alangily, Abulmosi and Gamupa Division). - Since the Oil Palm Industry Corporation (OPIC) is the extended government agency, they will be in responsible to assist the Gamupa smallholders who are occupying the LSS (which previously the Gamupa smallholders thinks they are under the Village Oil Palm scheme (VOP)) to complete their land use application. As such, it was deemed that the smallholder can demonstrate that the land has been alienated; has been surveyed; that there are no conflicts; that a correct application has been submitted; and that there has been follow-up after the applications are complying with the RSPO PNG NI April 2016 criteria 2.2.1. - In addition on investigating the 125 Gamupa smallholder blocks, HOPL had extended their investigation on the entire LSS area. In this investigation, HOPL had found that there are 285 smallholder blocks land lease titles are unavailable and 104 smallholder blocks' who are on deceased block where the land lease has not been transmitted to the next of kin of the original owner. <p>As the application of the 125 Gamupa smallholder blocks are been carrying out, Hargy Oil Palms Limited' palm oil mill (Hargy POM, Navo POM and Barema POM)</p>	
--	--	--	--

**RSPO Public Summary Report
Revision 1 (Sept/2014)**

		<p>and its' interchangeable supply bases; can maintain the Identity Preserved module for the CPO Mills.</p> <p>Corrective action as of 15/08/2016: Gamupa smallholder blocks without land lease document:</p> <ul style="list-style-type: none"> - In order to satisfy the RSPO PNG NI April 2016 criteria 2.2.1, HOPL had completed the application of the 125 Gamupa smallholder blocks on 20/04/2016 and made a follow up with the West New Britain Provincial Government on 29/07/2016. Hargy Oil Palms Limited has also provided application for East New Britain Province. - Below are the evidences that demonstrate HOPL had completed meet the RSPO PNG NI April 2016 criteria 2.2.1: <ul style="list-style-type: none"> - The application form attached with the land alienation defined by registered land surveyor. - No land dispute declaration by OPIC dated 12/08/2016. - Follow up letter dated 29/07/2016. <p>Hargy Oil Palms Limited's Magalona division, Alangily division, Abulmosi division and Gamupa division under Pandi Plantation:</p> <ul style="list-style-type: none"> - In order to satisfy the RSPO PNG NI April 2016 criteria 2.2.1, HOPL had completed the application and continue to follow up the application for Magalona division, Alangily division, Abulmosi division and Gamupa division under Pandi plantation. The application submitted back in 2014. Follow up with the West New Britain Provincial Government on 29/07/2016. Hargy Oil Palms Limited has also provided application for East New Britain Province on the same date. - Below are the evidences that demonstrate HOPL had completed meet the RSPO PNG NI April 2016 criteria 2.2.1: <ul style="list-style-type: none"> - The application form attached with the land alienation defined by registered land surveyor. - No land dispute declaration by OPIC dated 12/08/2016. - Follow up letter dated 29/07/2016. <p>Other LSS smallholder blocks identified with missing owner's copy of the lease document: The following are the reasons of why the 285 LSS smallholder blocks with case of missing owner's copy of the land title:</p> <ul style="list-style-type: none"> - As the LSS means leasing the land, the owner may be obtaining a loan from banks to pay the lease. In order to get a loan, the owner is required to surrender the owner's copy of the Land Lease document to the bank. However, there are several cases that the bank had misplaced the owner's copy of land title. - Some of the owner's copies were damaged due to poor protection. - Some of the owner had tried to retrieve the missing copy from the Land Department. However, it was not successful. <p>Even though the owner's copy of the land lease could not be shown, in order to demonstrate that the 285 LSS smallholders blocks have legal rights on their land, at least one of the following was evidences was provided:</p> <ul style="list-style-type: none"> - Bank Loan Document - The banks requires to withhold the Owner's Copy to provide the bank loan. If the owner would have obtained a Bank loan documents, it would have shown there is a Land Lease provided by the owner. Therefore, with a bank loan document, it could be demonstrated that the owner had the Land Lease document. - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block's land title in Department of Land, Port Moresby. 	
--	--	---	--

RSPO Public Summary Report
Revision 1 (Sept/2014)

		<ul style="list-style-type: none"> - Confirmation by Oil Palm Industry Corporation (OPIC). OPIC is an extended governmental agency which was assigned to manage the smallholders in both the LSS and VOP. The OPIC was the original agency that have allocated the blocks to the Owners base on the Land Department approval. Hence a confirmation from the OPIC with regards to the owner legal rights on the land is appropriate. <p>LSS smallholder blocks with deceased status of original owner. Hargy Oil Palms Limited found 104 smallholder blocks' with deceased status of original owner, where the land lease has not been transmitted to the next of kin of the original owner. The smallholders who are managing the blocks are not as the original name of the Land Lease. This is due to the deceased of the original owner whose name is stated in the Land Lease. The current smallholders that are managing and harvesting the affected blocks could be the next of kin or someone the deceased owner had pass his/her land too. In order to demonstrate the current person managing and cultivating the land is the inherit, at least one of the following was evidences was provided:</p> <ul style="list-style-type: none"> - Land Authority Geographic Information System (LAGIS) was an interface to search and confirm the archive/availability status of smallholder block's land title in Department of Land, Port Moresby. - Identification of next of kin provided OPIC and HOPL; - Statement letter from OPIC regarding the next of kin; - Statutory Declaration from the block owner and/or the family; - Application to the Land Department of name change in the Land Lease; - Settler Information Sheet from OPIC; <p>Hargy Oil Palms have been able to demonstrate the supply base/smallholder was in compliance with RSPO P&C criteria 2.2.1, a document showing legal ownership or lease, history of land tenure and the actual legal use of the land. Hargy Oil Palms Limited' palm oil mill (Hargy POM, Navo POM and Barema POM) and its' interchangeable supply bases; can maintain the Identity Preserved module for the CPO Mills.</p>	
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure "Supply Chain & Traceability Standard Operating Procedure – CPO Mill", Rev. 2, issue date: 15/05/2015has rules out informing the CB immediately if there is a projected overproduction of certified tonnage as regulated in point 3.	Yes

Criterion D.5. Record keeping			
	Requirement	Evidence	Compliance
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis	<p>The company recorded received RSPO FFB certified and delivered of RSPO certified CPO and PK on 3 monthly basis in "Quarterly Balancing report – RSPO SCCS"" , based on review of three monthly basis. The record covering: opening stock, production, transfer in/Received, Transfer out/Shipped and closing stock.</p> <p>The 3 monthly report, consist of: FFB, CPO/PK production and despatch of CSPO. (October – December 2016</p> <p>Navo Mill (December 2015)</p>	Yes

RSPO Public Summary Report
Revision 1 (Sept/2014)

	Opening Stock	Received/ Production	Processed	Transfer from other Mills	Out	Closing stock	Module Used
FFB	609.12	19,853.28	20,334.32			128.08	FFB IP
CPO	625.97 (SG)	4,842.34 (IP)			4,905.04 (SG)	563.27 (SG)	CPO SG/IP
PK	100.50	933.91			916.94	117.47	PK/IP

It is confirmed and traceable during checking of document:

- Daily report for each mill
- Monthly Closing stock for CPO in three mills. The latest was January and February 2015.
- Three monthly report

The company has Weighbridges Management System (WMS), its automatically counted the FFB incoming, CPO and PK despatch.

Sample taken:
 Delivered CPO Certified Product:

- Ticket No. CPO 016000198 W
- Date: 15/02/2016
- Origin: Navo Oil Mill
- Product: CPO/IP.
- Quantity: 29,580 kg
- Receiver: Hargy Oil Palm.

Delivered PK Certified Product:

- Ticket No. CPO 016000084W
- Date: 15/02/2016
- Origin: Navo Oil Mill
- Product: PK/IP.
- Quantity: 17,100 kg
- Receiver: Hargy Oil Palm.

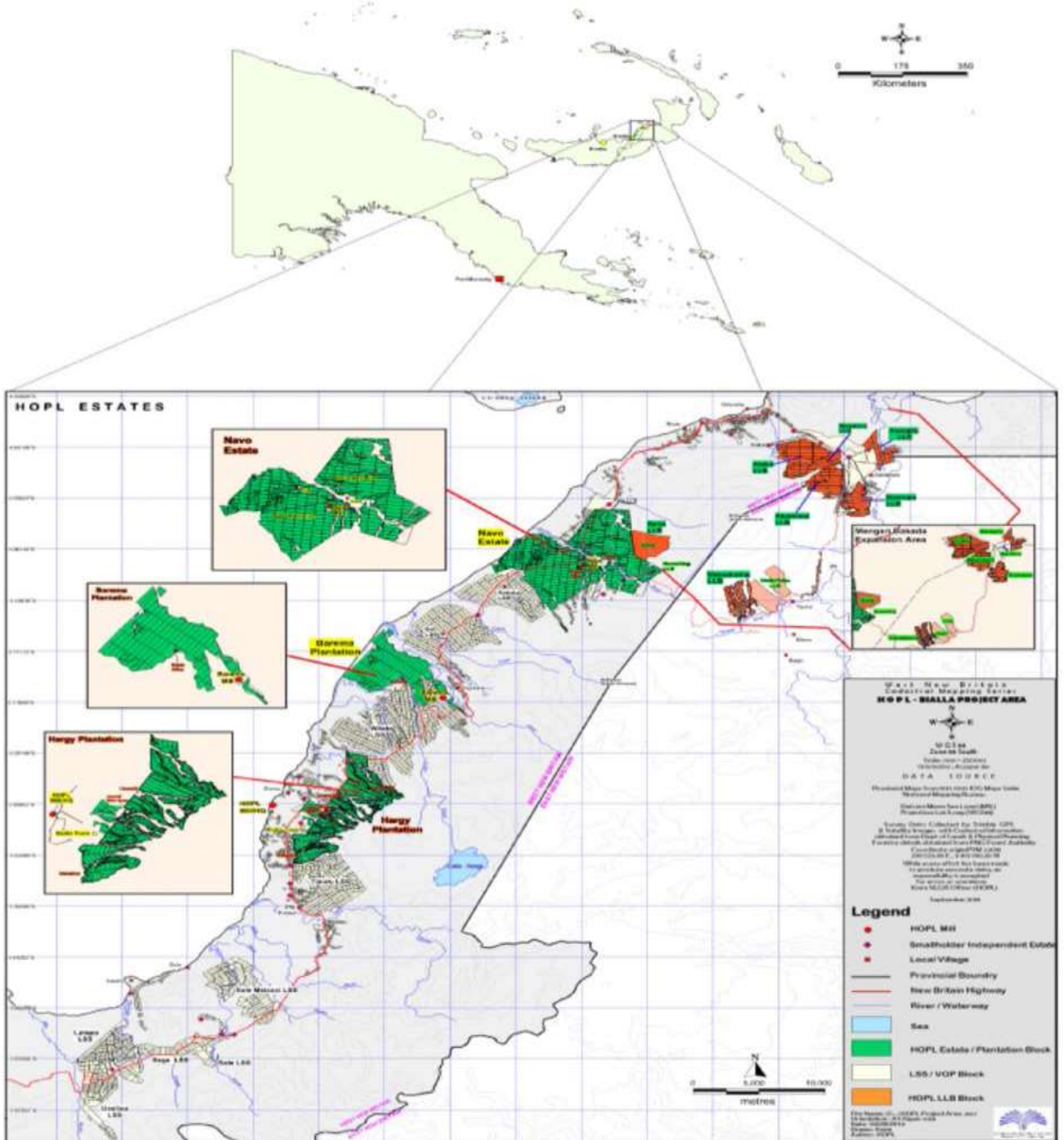
Criterion D.6. Processing			
	Requirement	Evidence	Compliance
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	<p>The procedure of Hargy Oil Palms Supply Chain & Traceability Standard Operating Procedure, issue date: 04/02/2015 has rules out a record keeping for RSPO certified FFB CPO and PK.</p> <p>All records are provided and traceable such as Daily production report, Monthly progress report, and 3- monthly balance system</p> <p>At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding SIPEF area. Hargy, Navo and Barema POM only received certified FFB (no any received FFB non certified sources).</p> <p>Navo mill delivering their certified CPO product to the HOPL Bulking Station which located in Hargy Palm Oil Mill and downgrading certified CPO "IP" into "SG" in Bulking Station due to mixing certified CPO product in tanks, then exported through bulking tanks and a jetty managed exclusively by HOPL.</p> <p>PK is transfer into Barema Kernel Plant and/or Hargy Kernel Plant if any problem in Barema KCP, there is no such outside PK coming in to the mill.</p>	Yes

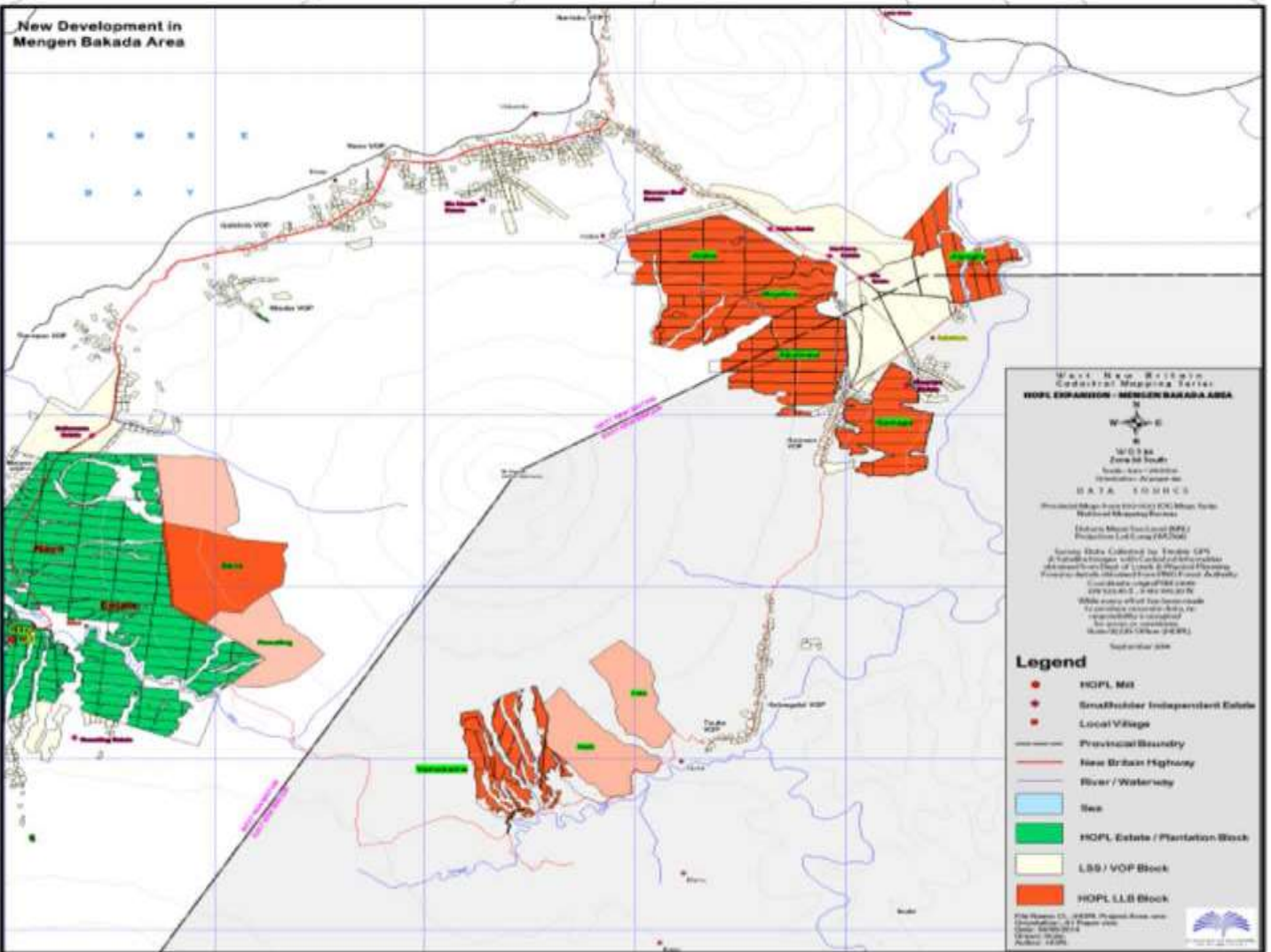
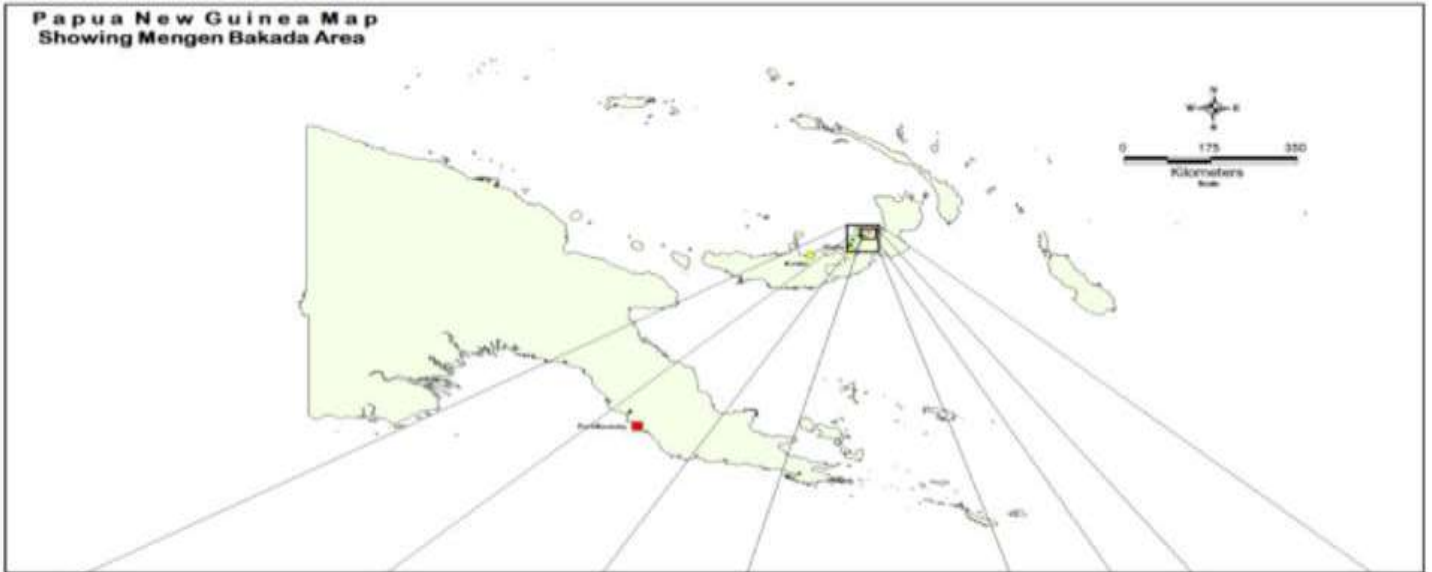
RSPO Public Summary Report
Revision 1 (Sept/2014)

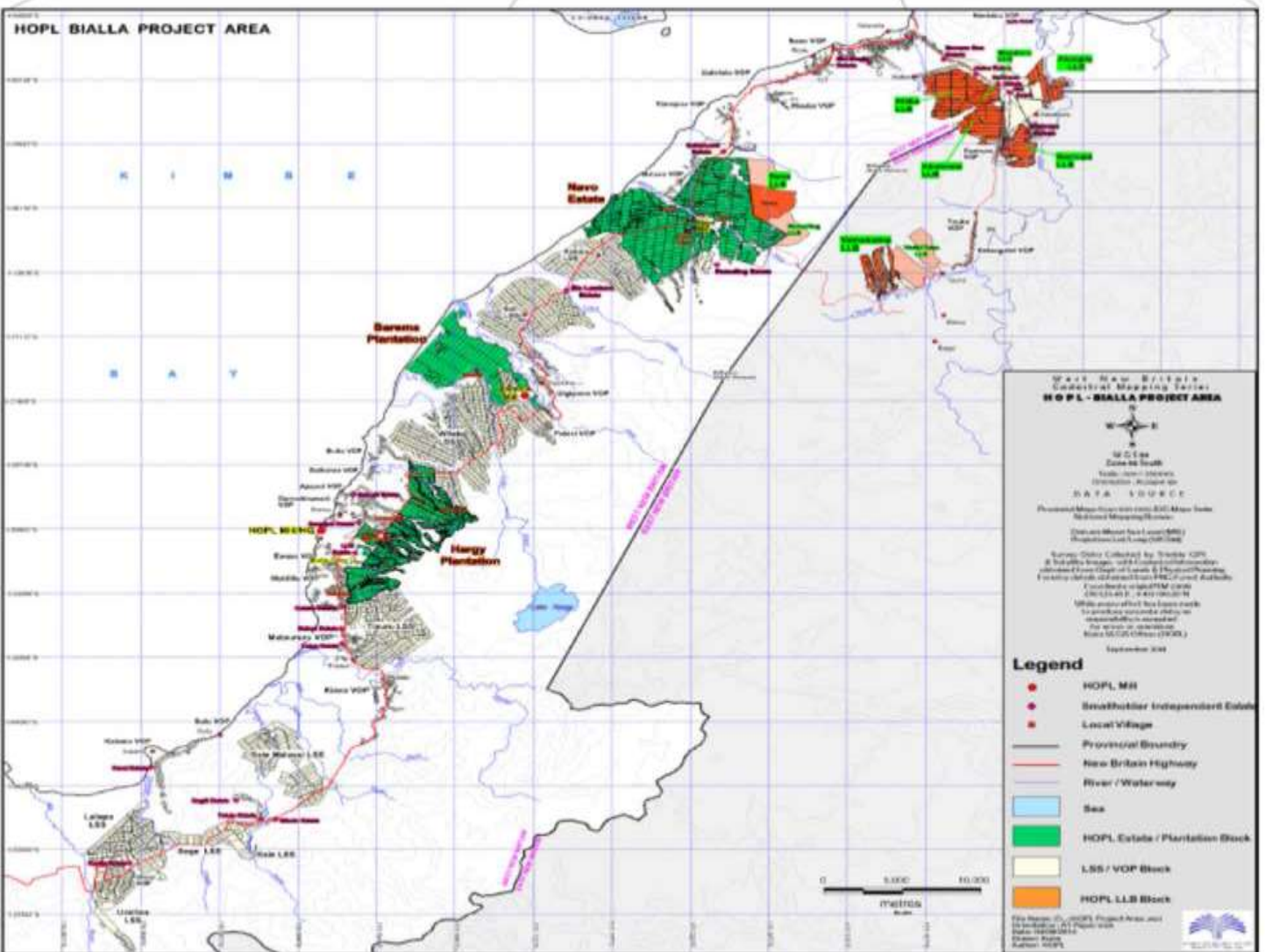
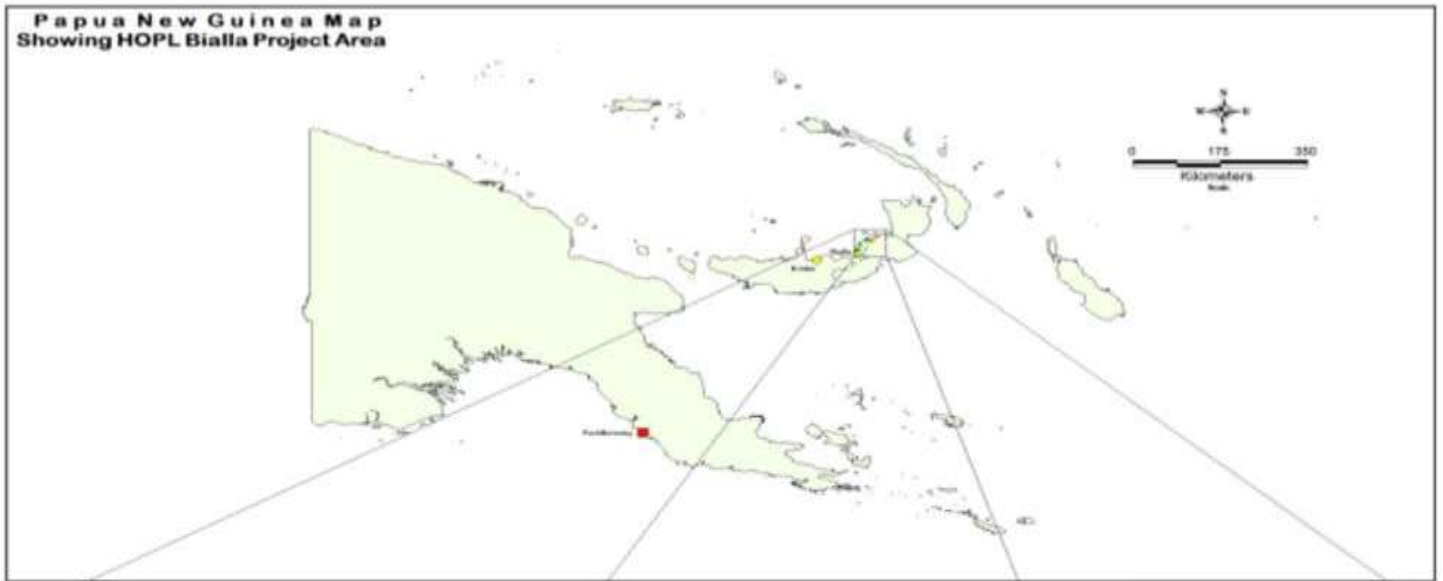
D.6.2	The objective is for 100 % segregated material to be reached.	At the moment, all FFB sources are certified and there is no non-certified FFB sources surrounding SIPEF area.	Yes
-------	---	--	-----

Appendix G: Map in Country

PNG Map Showing HOPL Estates







Appendix H: List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EMS	Environmental Management System
ENB	East New Britain
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LSS	Land Settlement Scheme
MB	Mass Balance
MSDS	Material Safety Data Sheet
NI	National Interpretation
OPIC	Oil Palm Industry Corporation
OPRA	Oil Palm Research Agency
PK	Palm Kernel
PNG	Papua New Guinea
POM	Palm Oil Mill
PPE	Personal Protective Equipment
RC	Re-Certification
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
VOP	Village Oil Palm
WNB	West New Britain

Appendix I: List of Smallholders Sampled

Area	Smallholder Number	Smallholder Name
Gamupa (Pandi Area)	390111	Peter San
Gamupa (Pandi Area)	390064	Thomas Tosolde
Gamupa (Pandi Area)	390070	Stephen Sugona
Gamupa (Pandi Area)	390068	Peter Hemier
Magalona Estate (Pandi Area)	880010	Registered under the name Magalona Oil Palm Estate Ltd. Audit team interviewed Cleopas Avuli Jr.
Malaso VOP (Navo Area)	450011	Paul Rolbao
Vianapo VOP (Navo Area)	038002	Augustine Taumosi
Tieanepou (Navo Area)	003800 B	Ignacious Malissa
Vianapo (Navo Area)	038022	Justin Bai
Wilelo (Navo Area)	021164	Kami Ikinum
Wilelo (Navo Area)	020853	Willi Minga
Wilelo (Navo Area)	002854	Augustine Boise
Wilelo (Navo Area)	380072	Baldwin Lolobu
Wilelo (Navo Area)	045005	Thomas Sakke
Wilelo (Navo Area)	045045	Pius Wamio
Wilelo (Navo Area)	380009	Lawrence Patu
Wilelo LSS (Division 2 East Nakanai)	020857	Thomas Rumu
Tiauru (Hargy Area)	010230	Inandu Dwara
Tiauru (Hargy Area)	010221	Maskim Boma
Tiauru (Hargy Area)	010223	Sama Munje
Tiauru (Hargy Area)	010195	Bernard Nou
Tiauru (Hargy Area)	010258	Bige Kauga
Tiauru (Hargy Area)	010254	Paul Willie
Tiauru (Hargy Area)	010263	Nangu Denis
Tiauru (Hargy Area)	010266 A	Dingu Goiye

*) Audit team originally selected 50 smallholder plots as sample. Audit team cannot cover the whole sample due to weather restriction.