

PKS Certification System: PKS Due Diligence System Requirements
Approved by the Third-Party Standards Review Committee

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PKS Due Diligence System Requirements

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Relevant standards

Policy P01

Organizational Requirements ST01

Requirements Guidelines G01

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1. Organizational structure (see Requirements Guidelines)

The organization shall identify the person in charge and build a due diligence system (DDS) in order to perform due diligence (DD) to identify the following risks:

- 1) risks of the concerned planting area;
- 2) other risks that already exist or are likely to occur.

DD can be conducted by multiple organizations with a common supply chain if the responsible person and the person in charge of the DD among those organizations can be appointed.

2. Education and Training

The organization shall provide the relevant personnel with the necessary education and training to conduct DD.

3. Check the Oil Palm Harvest Area

3.1. Unacceptable Sources

This requirement defines unacceptable sources as:

- 1) Plantations developed illegally;
- 2) Plantations that are in violation of traditional rights or any other human rights;
- 3) Plantations developed by threatening the natural environment of high conservation value (HCV);
- 4) Plantations in which genetically engineered palm trees have been planted;
- 5) Plantations in which palm trees are planted by continuously developing vulnerable soil that reaches cultivation limits, such as peatland.

PKS from unacceptable sources are not considered to be FIT fuel.

3.2. Confirming Supply Locations

The organization shall ensure that the material to be purchased is not derived from an unacceptable source. However, if there is evidence provided by other third-party certifications confirming that the material is not derived from unacceptable sources, the organization may use the information from said third-party certification systems.

The organization shall include evidence in the record or document as proof that the material is not derived from the following unacceptable sources:

1) Plantations developed illegally

- Comply with laws related to development in the concerned planting area.

2) Plantations that are in violation of traditional rights or any other human rights

- There is no UN Security Council ban on exports from the country or area concerned and there are no conflicts in the target area.
- Child labor has not been practiced in the area concerned.
- There have been no infringements of rights in the area concerned.
- There has been no infringement of traditional rights in the area concerned.
- There has been no serious violation of the rights of indigenous peoples or ethnic minorities in the area concerned.

3) Plantations that have been developed by threatening the natural environment of HCV

- Do not threaten endangered species subject to conservation or the conservation of the natural environment or biodiversity identified as HCV in the area concerned.
- Not an area protected or regulated by law.
- There has been no net deforestation and no significant loss rate in the area concerned.
- It is not a planting area developed by converting natural forests after March 2020 (unless the development area affects only a very limited proportion of the planting area, and stable natural environment protection can be achieved in the long term by conversion).

4) Plantations in which genetically engineered palm trees have been planted

- Commercial use of genetically modified oil palms has not been conducted in

the area concerned.

- Permission is required for the commercial use of genetically modified oil palms in the area concerned, and there is no permission for commercial use.
- Commercial use of genetically modified oil palms is prohibited in the area concerned.

5) Plantations in which the palm trees are planted by continuously developing vulnerable soil reaching the cultivation limits, such as peatland.

- There are no planting areas developed after March 2020 on the land in the area concerned, including in peatlands where the vulnerability to cultivation limits has been identified.

3.3. Confirming the Planting Area

The organization shall confirm the planting area concerned in accordance with the table shown below. When confirming the planting area, the organization shall ensure that it is not an unacceptable supply source by conducting on-site inspections or contracted person to do so at least once.

Table: Maximum administrative area to confirm for each country

country	Maximum administrative area to confirm
Malaysia	State
Indonesia	State
Thailand	Prefecture
other	Not yet determined

4. Implementation of DD

The organization conducts DD based on its DDS. When a risk is identified in the process of procurement, the organization shall discontinue procurement or implement mitigation measures to reduce risk. The results of the DD shall be recorded.

5. Maintaining of DDS

The organization shall review and revise DDS at least once a year to ensure that the DDS has sufficient validity and effectiveness and has been appropriately adapted to social changes. The results of this review shall be recorded. The organization shall reconduct DD in accordance with the revised DDS.

6. Record

The organization shall retain:

- 1) the results of DD;
- 2) records related to information about complaints;
- 3) education and training records;
- 4) other records to provide evidence of the operation required by this standard.

These records shall be retained for a minimum period of five years.

The organization shall submit these records upon the request of the third-party certification body.

Remainder intentionally left blank