



## **RSPO Principles & Criteria**

### **Public Summary report.**

**ASA 2. July / August 2013.**

## **Palm Oil Mill: Agropalma S/A**

**Country: Brazil**

**Certificate number: CA4316/13**

**Report prepared by the lead auditor: David Ogg FICFor.**

**IBD CERTIFICAÇÕES LTDA**  
**Rua Dr. Costa Leite, 1351 CEP: 18.602-110 Botucatu – SP – Brasil**  
**Tel / fax: +55 14 3811-9800**  
**[www.ibd.com.br](http://www.ibd.com.br) – [ibd@ibd.com.br](mailto:ibd@ibd.com.br)**

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**PART 1: SCOPE OF THE CERTIFICATION AUDIT**
**1.1 Normative references**

The Palm Oil Mill and the supply base was audited against the following documents:

- RSPO International Principles and Criteria (October, 2007 version)
- National Interpretation (Approved version XX/20XX)
- Local indicators developed by IBD (approved version 11/25/2011)
- New Planting Procedures* (approved by RSPO EB in September, 2009)
- RSPO Supply Chain (November, 2011 version)

**1.2 Company and Contact Details**

Company name:	GRUPO AGROPALMA
Business address:	Alameda Santos, 466 – 10º andar, CEP: 01418-000, São Paulo, Brasil
Office telephone:	+55 11 2505 6400
Contact person:	Marcello Brito
e-mail:	marcello@agropalma.com.br
Web site:	www.agropalma.com.br
CNPJ (Federal Tax ID) / State Registration	83.663.484/0001-86 / 15.177.007-7

**1.3 RSPO Membership Details**

RSPO membership number:	1-0003-04-000-00
Parent company as applicable:	Not applicable.

**1.4 Audit type.**

Dates of this audit:	Tuesday 30 <sup>th</sup> July. Thursday 1 <sup>st</sup> August to Saturday 3 <sup>rd</sup> August 2013.
Main or ASA (1 to 4):	ASA2.

**1.5 Location of the Palm Oil Mill**

Palm Oil Mill (POM) Name	Location Address	Mill Capacity	GPS Reference	
		MT/Hour	Longitude	Latitude
Agropalma	Road PA 150 KM74, Tailândia, Para	50	2º32'36,03"	48º 41'26,14"
Notes:	The supply base of FFB for the Agropalma Group comes from the eight (8) Agricultural Sectors, as seen in the table below. Agropalma Group is composed of 4 mills, all close to each other, able to receive FFB from any of the supplying farms.			

**1.6 Palm Oil Mill Output and Approximate Tonnages Certified**

The 12 month output is the average over any 12 month period and the actual production for the 12 months from the date of certification will be included in the annual summary. These figures exclude any output product from non-certified suppliers. For the 12 month period ending June/2013, the mill received about 118 thousand mt of RSPO certified FFB.

Production from last 12 Months (MT) [State of IP or MB]			Actual Production (MT) [State of IP or MB]				Production for next 12 Months (MT) [State of IP or MB]		
CPO/MB	PK*/MB	PKO/MB	FFB/MB	CPO/MB	PK*/MB	PKO/MB	CPO/MB	PK*/MB	PKO/MB
23,339	4,913	2,211	117,895	23,579	4,716	2,122	24,758	4,952	2,228
Notes: No CPO or PKO has been sold as RSPO certified from Agropalma POM. *As Agropalma mill does not measure the amount of PK produced (it measures just the PKO), the figures for PK were found using the following formula: PK = PKO÷0,45;									

<b>1.6.1 Palm Oil Mill and Supply Chain Certification.</b>	
The palm oil mill was audited against the applicable sections of the RSPO SC Standard November 2011 and any subsequent amendments.	
<b>Requirement.</b>	<b>Findings.</b>
Person in charge:	The mill quality control manager.
Documented procedures: <ul style="list-style-type: none"> <li>• Receipt of FFB. Certified and non-certified.</li> <li>• Mass balance calculations.</li> <li>• Informing IBD if there is a production over-run.</li> </ul>	The mill receives FFB from Agropalma RSPO certified plantations and all production is IP. There are no MB calculations applicable. There has been no production over-run.
Verification of volumes of CPO, PK and PKO. OER	The OER for the POM is calculated on a daily basis. The quantities of CPO, PK and PKO were confirmed as being in accordance with FFB and the OER.
Record keeping.	All records are computerised and generated using two software systems. The weighbridge produces the FFB figures and the CPO and PKO figures are derived from measuring the actual quantity of production in the tanks and a formula that takes into account the volume, density and temperature to calculate the actual mt of product. CPO is despatched via truck to a barge terminal, 35km away.
RSPO eTrace.	eTrace is all controlled centrally by the sales team in Sao Paulo.
Purchase and sales invoices. Correct use of model description. Quantities and product description. IBD Certificate number.	FFB is delivered from the plantations and no purchase invoices are raised. The transaction of the CPO and PKO to the refinery is accompanied by delivery notes which state the product and supply chain model. The certificate number for the mill is included.
Training and records of training.	Training for all members of staff has been conducted and is recorded.
Use of the RSPO Logo or Trademark.	No use of either the Trademark or Logo.

### 1.7 General Description of Supply Base

The Mills receive fresh fruit bunches produced by Agropalma S/A's eight agricultural sectors. Preferably each unit receives bunches from the nearest agricultural sector. However, all the sectors are close to one another and are at an economically viable distance from any of the mills. As such, it is common for the Mills to receive fruit from sectors that would normally send fruit to another unit.

It is important to note that all the Mills have scheduled annual maintenance shut down periods that last 45 days. In other words, during at least six months out of the year, one of the factories is shut down and the fruit that would normally be sent to this unit is distributed to other units. In addition to the scheduled shut downs, there are also occasional shut downs for corrective maintenance. In this case, fruit is also redirected to other units, in accordance with factory availability and other technical conveniences, such as unit distance, road quality, etc.

As a result, it is not possible to define a productivity base (agricultural sector) for each Mill.

1.7.1 Statistics of the supply base for all 4 POMs.								
Agricultural management sector	Farms	Municipality, geographical coordinates	Total area (ha)	Forestry reserve area (ha)	Planted area (ha)	Area in production (ha)	Estimate of Productivity from July/2013 to June/2014	
							mt/ha	Total mt FFB
Departamento I	CRAI	Tailândia 2°31'41" / 48° 47'18"	11,038.00	5,500.00	4,820.49	3,326.18	31.22	103,828.42
Departamento II	AGROPALMA	Tailândia 2°32'57" / 48° 43'50"	11,957.00	4,798.00	5,193.67	1,971.52	45.30	89,301.09
	ZILMAR	Tailândia 2°36'23" / 48° 40'50"	3,600.00	3,600.00				
Departamento III	AGROPAR	Tailândia 2°34'47" / 48° 49'35"	11,996.00	4,711.00	6,569.83	6,771.20	27.05	183,141.12
Departamento IV	AMAPALMA	Moju 2°39'11" / 48° 54'15"	11,790.84	5,958.00	4,954.01	4,954.01	23.04	114,162.03
Departamento V	PALMARES	ANCÁ 2°21'12" / 48° 41'16"	12,118.77	8,516.53	6,176.70	5,944.78	24.44	145,312.35
	GALILÉIA	Tailândia 2°29'32" / 48° 43'37"	3,156.95	1,498.00				
	TREVO	Tailândia 2°27'37" / 48° 43'43"	3,237.30	1,680.00				
Departamento VI	PALMARES	ANCÁ 2°15'12" / 48° 37'29"	16,497.17	11,593.47	4,088.89	2,855.62	21.29	60,794.07
Departamento XV	CASTANHEIRA	Tailândia 2°35'48" / 48° 34'36"	4,471.76	2,224.74	4,148.52	4,148.52	4.94	20,490.80
	SEMPRE ALEGRE	Tailândia 2°34'57" / 48° 31'09"	5,206.00	4,565.84				
Departamento XVI	RODA DE FOGO	Tailândia 2°29'41" / 48° 37'44"	4,526.32	2,252.84	3,089.87	3,089.87	7.76	23,963.57
	PARAISO DO NORTE	Tailândia 2°33'16" / 48° 38'44"	7,963.81	6,325.43				
<b>Total</b>	<b>12 Farms</b>	<b>3 municipalities</b>	<b>107,559.9</b>	<b>63,223.85</b>	<b>39,041.98</b>	<b>33,061.70</b>	<b>22.41</b>	<b>740,993.44</b>

1.7.2 Planted Oil Palm by different Age Ranges					
Agricultural Sector	Age (years)				
	0 – 5	5 – 10	10 – 15	15 – 20	20 or more
Dep I	Planting in 2010 and 2013.	No plantings.	No plantings.	No plantings.	Planting in 1985, 1986, 1987, 1988, 1989, 1991 and 1992.
Dep II	Planting in 2010, 2012 and 2013.	No plantings.	Planting in 1999.	Planting in 1993 and 1994.	Planting in 1984, 1991 and 1992.
Dep III	No plantings.	No plantings.	Planting in 1998 and 1999.	Planting in 1995, 1996 and 1997.	Planting in 1992.
Dep IV	No plantings.	No plantings.	Planting in 1999, 2000 and 2001.	Planting in 1998.	No plantings.
Dep V	Planting in 2010 and 2011.	Planting in 2004 and 2007.	Planting in 2001, and 2002.	No plantings.	No plantings.
Dep VI	Planting in 2011 and 2012.	No plantings.	Planting in 2000 and 2001.	Planting in 1996.	Planting in 1989 and 1990.
Dep XV	Planting in 2009 and 2010.	Planting in 2006 and 2008.	No plantings.	No plantings.	No plantings.
Dep XVI	Planting in 2009 and 2010.	Planting in 2007 and 2008.	No plantings.	No plantings.	No plantings.

1.7.3 Biodiversity (Total Conservation & HCV Area for the respective Supply Bases)
The company has a total biodiversity reserve of over 63,000ha.

**1.7.4 Calculation of the Number of Production Units (N) to Sample for the Mill**

$N = 0.8\sqrt{Y}$ , where “Y” is the number of units, with the result always to be rounded “up” to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed.

For the Mill, how many units make up the production base?

Owned estates (Y)	$N = 0.8\sqrt{Y}$	Smallholders (Z)	$N = 0.8\sqrt{Z}$
8	3	n/a	n/a

Explanation as to the selection of estates sampled

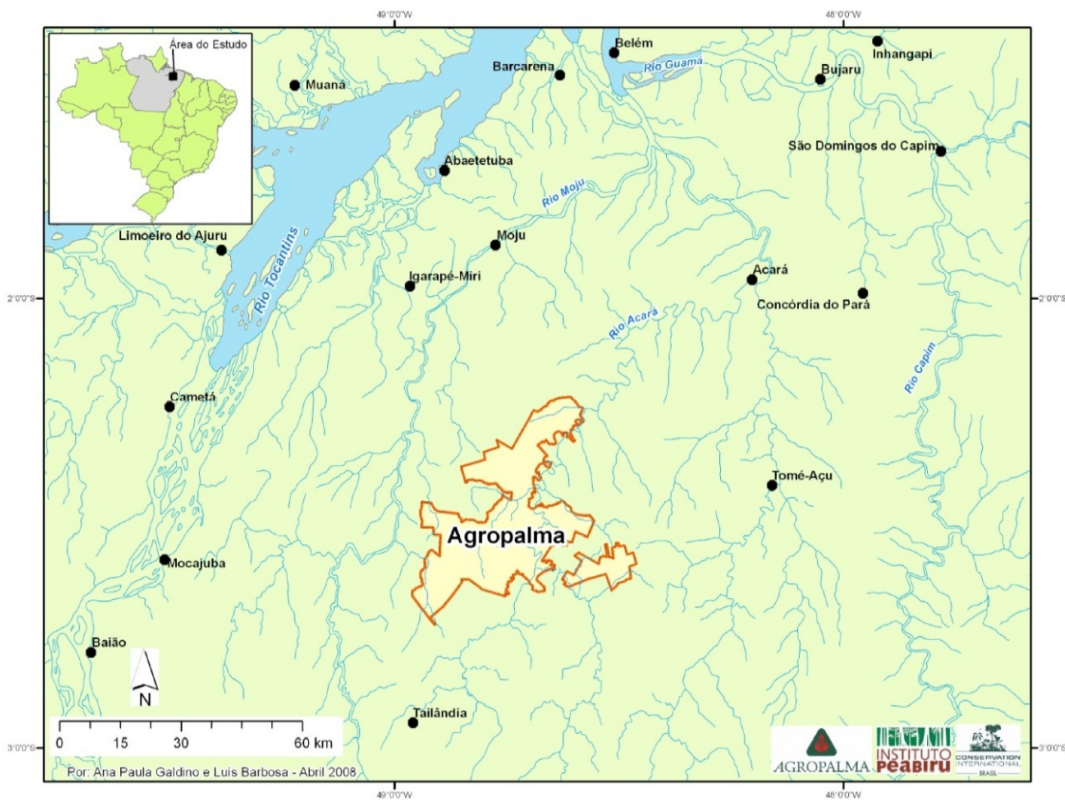
The audit included a review of documentation from all the sectors as it is centralised and easily reviewed.

**1.8 Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 year implementation plan**

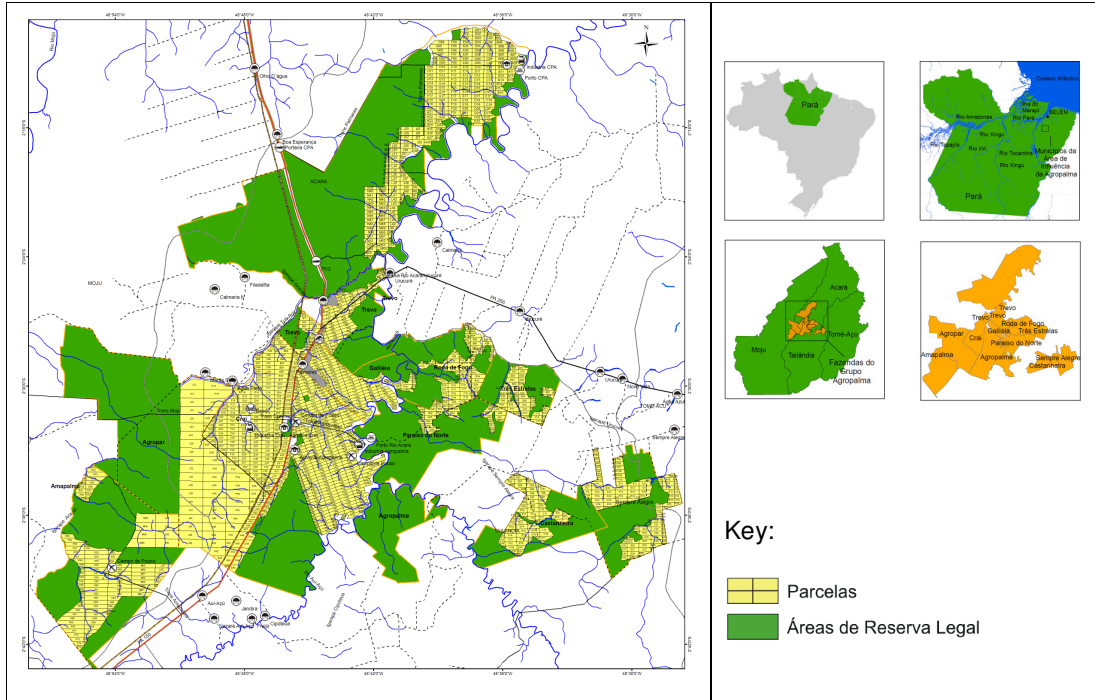
The associated small holders will be audited by the end of 2013 and an extension to scope prepared to include the small-holders in the certificates for all 4 mills.

**1.9 Location Map for this Certification Unit**

Mapa de Localização das Fazendas da Agropalma



**Figure 1 Location map for Agropalma Group Farms**



**Figure 2. Map of Productive areas and of Forests within Agropalma Farms.**

**PART 2: PARTIAL CERTIFICATION**

The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

Not applicable to this audit s 100% of the supply base owned by the company is covered by 3 RSPO cert

**PART 3: AUDIT PROCESS**

**3.1 IBD - The Certification Body**

IBD takes pride in being the largest certifier in Latin America and the only Brazilian certifier of organic products with accreditation through IFOAM (international market), ISO Guide 65 (European market regulation CE 889/07), Demeter (international market), USDA/NOP (North-American market), COR (Canadian market) and INMETRO/MAPA (Brazilian market), making its certificate global.

Located in Botucatu-SP, Brazil, IBD has been in operation since 1992. Initially focused exclusively on the certification of organic product, after 2004, IBD began including certification services in the social-environmental area through the EcoSocial, Integra, RSPO and UEBT (*Union for Ethical BioTrade*) programs. Today, IBD certifies over 5,000 producers, covering an area of approximately 520 thousand hectares in cultivation and 3 million hectares under wild harvest management, throughout 16 countries.

For more information regarding IBD Certificações, access [www.ibd.com.br](http://www.ibd.com.br). RSPO Membership N<sup>o</sup>: 8-0090-08-000-00. Approved since 09/2008.



3.2 Audit Team	
Lead auditor:	David Ogg FICFor.
Audit team:	Jackson Ota and Alvaro Garcia.

3.2.1 Qualifications of the Lead Auditor	
Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences;	Post graduate qualification in human resource management with more than 10 years working experience in plantation.
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	More than 10 years working experience in plantation. Involved in RSPO auditing since April 2009. Fully trained in similar agriculture certification programmes such as RSPO SCCS, Global Gap, ISCC and GMP.
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since April 2009. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia and Indonesia.
Successfully completion of an ISO 9000:19011 lead auditors course;	Completed ISO 9001:2008 lead auditor course in September 2009.
Training in the practical application of RSPO certification systems.	RSPO audits since 2006.
A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organisations.	Extensive global audit experience.
RSPO endorsed lead auditors course.	Yes.
Signed code of conduct.	Yes.
General knowledge of:	Yes.
RSPO P&C standards.	Yes.
CUC organizational structure.	Yes.
CUC quality systems.	Yes.
Lead auditor role.	Yes.
Report writing.	Yes.
Stakeholder consultation.	Yes.
Certification decision process.	Yes.
RSPO SCCS program manual.	Yes.
IBD filing systems.	Yes.
Correct use of RSPO trademarks.	Yes.
History and objectives of RSPO.	Yes.
CV available.	Yes.
Completion of IBD RSPO lead auditor training.	Yes.

3.2.1 Qualifications of the audit team		
Requirement	Auditor	Qualification
Fluent in main local languages and English.	Alvaro and Jackson	Native speakers of Portuguese and good English language skills.
	David	Native speaker of English.
Field working experience in the palm oil sector, or a demonstrable equivalent.	David	Professional forester since 1981. 1987 Passed the examinations necessary to be accepted as a member of the Institute of Chartered Foresters. 2004 Promotion to a Fellow of the ICF (Institute of Chartered Foresters).
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	David	Extensive experience in the Palm Oil industry by conducting pilot projects throughout Malaysia and Indonesia from August 2006 to August 2007. Conducted a significant number of audits since 1998. (In excess of 3,000). SmartWood. Soil Association. Indfor: 700 group members including PEFC and FSC FM and COC; Control Union: GOTS, GGL, FSC COC, CRAMER, OE, Recycle standard. Conducted RSPO audits in Malaysia, Indonesia, South Africa and South American countries.
	Alvaro and Jackson	Audit experience in similar programs.
Health and Safety auditing on the farm and in processing facilities. (For example OHSAS 18001 or occupational Health and safety assurance system).	David	Professional forestry and auditing experience as above.
	Alvaro and Jackson	Audit experience in similar programs.
Workers welfare issues and social auditing experience. (For example with SA8000 or related social or ethical	David	Professional forestry and auditing experience as above.
	Alvaro and Jackson	Audit experience in similar programs.



accountability codes).		
Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	Alvaro and Jackson	Professional forestry and auditing experience as above. Audit experience in similar programs.
Economic issues.		Professional forestry and auditing experience as above. Running own business since 1987.

### 3.3 Audit Methodology

#### 3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the IBD Procedure Manual and the RSPO Program Manual. During the Audit the qualified IBD auditors used the RSPO standard as endorsed for the country in which the Audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

**Fertiliser.** Review of foliar analysis and application records.

**Field inspections.** Harvesting sites and efficiency. Field observations of all operations.

**Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labour. First aid. Awareness.

**Re-planting sites.** Zero burn.

**HCV's.** Extensive forest reserves.

**Riparian zones.** Extensive areas of riparian zones.

**Water management.** Surface and ground water monitoring.

**Road maintenance.** General maintenance plans.

**Social amenities.** Villages associated with the POMs and the amenities provided.

**Local communities.** Interviews with workers from communities.

**Workshops.** At all POMs.

**Documentation review.** Centralised records and site specific documentation.

**Palm Oil Mill audits include:**

**Mill and workshop inspections.** Documentation. Worker interviews.

**Mill.** SOP's. Safe working environment. Walk ways. Signs. EFB. POME treatment. Emissions. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage.

**OSH.** Training. Management structure. First aiders.

**Document review.** Specific to each mill.

**Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.

**Verification:**

Verification of implementation was done through field observations, workshop and store inspections, worker and community interviews and mill inspections as summarized above.

#### 3.3.2 Audit Agenda

Thursday 1<sup>st</sup> August 2013.

Time:	0630 to 1000.
Location:	Travel from Belém /Tailândia
Auditors:	Audit team.
Location:	Tailândia
Time:	1030 to 1200
Auditors:	Audit team.
Purpose:	<p>Opening meeting. Chaired by the lead auditor.</p> <ul style="list-style-type: none"> <li>● To introduce the audit team.</li> <li>● To agree the agenda for the audit.</li> <li>● To confirm confidentiality.</li> <li>● To confirm information that is required to complete the 4 individual reports.</li> </ul> <p>Followed by a presentation by Agropalma to:</p> <ul style="list-style-type: none"> <li>● To introduce POM and plantation managers.</li> <li>● Summarise any activities since ASA1. For example. New planting. Re-planting. Any continual improvement activities. Social activities.</li> <li>● Explain the closure of any NCs and actions taken relating to observations.</li> <li>● To confirm that the supply bases for each palm oil mill remains as before.</li> </ul>
Time:	1200 Travel to CPA POM and lunch from 1250 to 1330

Time:	1330 to 1800
Auditors:	Audit team stays together.
Purpose:	Visit a sample of the supply base for CPA mill and CPA POM.
	To evaluate plantation management compliance with the RSPO principles and criteria. Visit representative samples of the supply base for all 4 POMs. <ul style="list-style-type: none"> <li>• Environmental.</li> <li>• Social.</li> <li>• Workshops and stores.</li> </ul>
Auditors:	Audit team stays together but responsibilities divided as directed by the lead auditor.
	CPA Plantation and Palm Oil Mill.
Purpose:	To evaluate POM compliance with the RSPO principles and criteria as applicable to the POMs. Audit includes: <ul style="list-style-type: none"> <li>• Mill inspection.</li> <li>• Health and safety.</li> <li>• Environmental aspects of mill management. POME.</li> <li>• Document review.</li> <li>• FFB. CPO. PK / PKO production.</li> <li>• Training.</li> <li>• Social criteria.</li> </ul>
Friday 2 <sup>nd</sup> August.	
Time:	0900 to 1230.
Location:	Sample of the supply base as agreed with the lead auditor.
Auditors:	All will be involved. Delegation of responsibilities to be decided on site.
Purpose:	To evaluate plantation management compliance with the RSPO principles and criteria. Visit representative samples of the supply base for all 4 POMs. <ul style="list-style-type: none"> <li>• Environmental.</li> <li>• Social.</li> <li>• Workshops and stores.</li> <li>• Worker interviews.</li> </ul>
Time	1330 to 1730.
Location:	Individual POM audits. The team will divide:
Auditors:	Crai / Agropar: David.
	Agroplama: Alvaro.
Purpose:	Amapalma: Jackson.
	To evaluate POM compliance with the RSPO principles and criteria as applicable to the POMs as for CPA
Saturday 3 <sup>rd</sup> August.	
Time:	0800 to 1230.
Location:	Document review relating to the management of all plantations.
Auditors:	Audit team.
Purpose:	Principles 1, 2, 3 and 4. David. Principle 5 and 7. Alvaro. Principle 6 and 8. Jackson. To review all management documents and records.
Time	1330 to 1600
Location:	Main office.
Auditors:	All.
Purpose:	Preparation for closing meeting.
Time	1600 to 1700.
Location:	Main office.
Auditors:	All.
Purpose:	Closing meeting chaired by the lead auditor. Presentation of audit findings.
Sunday 4 <sup>th</sup> August.	
Time	0900 to 1200
Location:	Return to Belém

**3.4 Summary of Stakeholder consultation.**

During the audit workers were interviewed and local communities visited to help determine compliance with the standard.

**3.4.1 List of stakeholders consulted prior to and during the audit.**

Not applicable to this ASA. No comments have been received from any stakeholders prior to this ASA.

**PART 4 AUDIT FINDINGS**

**4.1 Lead Auditor Summary and Recommendation for Certification**

This is a very professional company with comprehensive management systems resulting in efficient operations. It is evident from previous audit reports and discussions with the managers that they did not need to implement any new silvicultural practices or mill procedures to comply with the RSPO standard. They did have to implement new communication systems with local communities and make some new records, but

**4.2 Summary of the findings by Principle and Criterion:**

**Principle 1: Commitment to Transparency.**

Summary of the findings for principle 1:

The company has developed communication systems with local communities and workers that are effective and implemented. Interviews confirm that the system is understood.

Criterion 1.3 is added in 2013 and the company has demonstrated compliance by way of a communicated written policy relating to company rules and ethical imperatives.

**Criterion 1.1: Oil Palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO criteria, in appropriate languages and forms to allow for effective participation decision making.**

Summary of the findings for 1.1:

Good communication systems in place and records of communication. Interviews confirm that responses are made in a timely manner.

Findings:	Comments:	Compliance
<ul style="list-style-type: none"> <li>Records of all requests for information are maintained.</li> <li>Records of responses to those requests are maintained and the action taken, dates and persons involved.</li> <li>The above records are maintained for a minimum period as defined by the company.</li> </ul>	Interviews confirmed that the communication system is effective.	Yes

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.

Summary of the findings for 1.2:

All documents are publicly available.

Findings:	Comments:	Compliance
<ul style="list-style-type: none"> <li>Public documents are available and include legal, social and environmental documents and current and past FFB prices.</li> <li>Commercially sensitive documents are not available as verified by the audit team.</li> </ul>	No further comment.	Yes

**Principle 2: Compliance with applicable laws and regulations**

Summary of the findings for principle 2:

The company demonstrated a sound understanding of all the laws applicable and each department interviewed gave examples of licences and procedures that confirmed compliance. The environmental department hires the services of a legal company who check the official document for updates in the laws and pass any relevant information to the company. The laws are analysed by the company to see if they have any activity that may be affected and will then act accordingly. This law company visits annually to review the operations so that they are aware of the laws which may be applicable. Annual audits for other certification standards also check for legal compliance and compliance is noted.

<b>Principle 3: Commitment to long-term economic and financial viability</b>		
Summary of the findings for Principle 3: The company is a publicly listed company with a full set of accounts and budgets which demonstrate financial viability.		
<b>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</b>		
Summary of the findings for 3.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<ul style="list-style-type: none"> <li>The company has a documented working plan that covers a minimum period of 3 years from the date of the assessment. It includes crop yield projections; OER trends; costs and income.</li> <li>There is a replanting programme projected for a minimum of 5 years.</li> <li>Both of the above are updated on a rolling annual basis.</li> </ul>	Budgets and work programs are in place.	<b>Yes</b>
<b>Principle 4: Use of appropriate best practices by growers and mills</b>		
Summary of the findings for Principle 4: Operations are implemented by individual departments and each department has a manual which is part of an integrated management manual. All departments interviewed demonstrated sound knowledge of the silvicultural and operation requirements and field and mill inspections confirmed that they are implemented. Monitoring records are extensive and are used in a positive way. Training is linked to risk and hazard assessments and PPE is distributed to all workers. The use of herbicides is restricted to Glyphosate only and mechanical weeding is used in all plantations. Ground cover is well maintained and no erosion was noted. Occupational health and safety is comprehensively addressed. The company demonstrated full compliance with principle 4 through a very professional and approach to ensuring adherence to best management practices and compliance with the law.		
<b>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield</b>		
Summary of the findings for 4.2: There is one department responsible for all fertiliser application which is done in accordance with the recommendations resulting from FFB, foliar and soil analysis. Sample areas are selected and foliar is collected from these areas each year at the start of the dry season to optimise the results. The foliar analysis is used to make final adjustments to nutrient analysis of the FFB and to determine the fertiliser regime. Fertilisers in non-organic plantations include NPK, EFB, POME and boiler ash. There 40 employees who apply the fertiliser in all plantations in accordance with the fertiliser program and records confirmed that this is implemented. Individual records by employee including very specific details. All operations are done mechanically. There are no fragile soils in the very level terrain and in general they are mineral with clay content.		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<ul style="list-style-type: none"> <li>The company has records of regular soil, leaf and visual analysis. Leaf analysis is conducted on an annual basis to determine fertiliser regimes.</li> <li>All fertiliser regimes are well planned; implemented and recorded.</li> <li>Legume cover is used.</li> <li>EFB application to areas determined by the foliar analysis.</li> <li>POME is applied.</li> <li>Good monitoring of fertiliser inputs.</li> </ul>	POME is used for land irrigation in addition to EFB and mineral fertilisers. POME is applied using a movable pipe system and the procedure enables the operator to irrigate individual palms for up to 10 minutes. Quantity per ha is calculated and recorded. Sub-terranean and surface water is monitored to ensure no contamination takes place. Rivers near all POMs are also monitored and all results sent to the environmental agency.	<b>Yes</b>
<b>Criterion 4.6: Agrochemicals are used in such a way that does not endanger health or the environment. There is no prophylactic use, and where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</b>		
Summary of the findings for 4.6:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<ul style="list-style-type: none"> <li>Written justification for all agrochemicals used.</li> <li>All pesticides are officially registered.</li> <li>Good records of all pesticides used in accordance with RSPO requirements.</li> <li>Records show that the agrochemicals used are</li> </ul>	<p>Only Glyphosate is used as it has minimum environmental risks.</p> <p>Mechanical application only for ergonomic and economic reasons.</p> <p>Manual records are entered into a central data base and show the quantity of glyphosate</p>	<b>Yes</b>

<p>appropriate and in accordance with product label recommendations for target species.</p> <ul style="list-style-type: none"> <li>Well ventilated and secure chemical stores with MSDS leaflets and first aid.</li> <li>All workers are trained in the use of agrochemicals and this training is recorded.</li> <li>Used containers and other waste materials are stored in a safe way and disposed of in accordance with laws and regulations.</li> <li>The use of WHO type 1a or 1b chemicals, such as paraquat is not allowed.</li> <li>Annual medical checkups are conducted and recorded.</li> <li>Records and interviews confirm that no work for breast feeding or pregnant woman is allowed.</li> </ul>	<p>applied per ha. The active ingredient is 48% of the product and so the ai per ha is easily calculated.</p> <p>The spray pattern is along one side of the palms and an average of 2 applications per year and ensures that ground cover is maintained.</p> <p>Empty containers are triple rinsed and punctured and stored securely prior to collection by a licenced operator.</p> <p>Agrochemicals are applied by male workers only.</p>	
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**Principle 5: Environmental responsibility and conservation of natural resources and biodiversity**

Summary of the findings for principle 5:  
There is a dedicated environmental department that prepares all necessary reports with 2 main missions. First to provide knowledge and training and internal consultation related to all activities to avoid and to mitigate environmental impacts. The second mission is to maintain relations between the company and all environmental agencies. This work includes ensuring compliance with the law and keeping the 30 environmental licences up to date.  
Surveys of the forest reserve are also organised and it is credible that a comprehensive and extensive

**Criterion 5.1: Aspects of plantation and mill management 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 continuous improvement**

Summary of the findings for 5.1:  
EIA in place and implemented.

Findings:	Comments:	Compliance
<ul style="list-style-type: none"> <li>Documented and implemented impact assessments in accordance with RSPO and legal requirements.</li> <li>Regular reports are prepared on environmental management in accordance with relevant regulations.</li> <li>Any changes in the operating areas or activities of the company results in a revision to the environmental management documents as applicable.</li> </ul>	<p>There are 2 environmental impact reports and assessments requested by the agency. For example the impacts of building a new bridge and the company EIA.</p> <p>Water monitoring reports, POME, Surface and ground water, atmospheric emissions from the POMs, soil monitoring and gravel used for road maintenance, vehicle exhaust, decibel levels, residues for contamination, waste products and their disposal.</p>	Yes

**Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice**

Summary of the findings for 5.5:  
No burning is allowed as confirmed by site visits.

Findings:	Comments:	Compliance
<ul style="list-style-type: none"> <li>The use of fire is not allowed for any land preparation or for replanting.</li> <li>Photographic records of zero burn.</li> <li>The company has procedures in place to assist in the event of land burning on neighbouring land.</li> </ul>	<p>The company has fire tenders to help fight any wild fires.</p>	Yes

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

Summary of the findings for Principle 6:  
The SIA is comprehensive and demonstrably implemented and the company. The social amenities provided the company for employees are extensive and include full canteen facilities, sports hall and gymnasiums, swimming pool and football pitches. All employees have contracts and policies to avoid any form of harassment or discrimination are implemented. There is no forced or trafficked labour.

**Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stake holders to express their views through their own representative institutions**

Summary of the findings for 6,4: There are no losses of legal or customary rights.		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<ul style="list-style-type: none"> <li>No losses identified.</li> </ul>	No further comment.	Yes
<b>Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel</b>		
Summary of the findings for 6.6:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<ul style="list-style-type: none"> <li>Published statement recognizing freedom of association.</li> <li>Minutes of meetings with trade unions and worker representatives.</li> </ul>	The frequent participation of the Worker's Union, through lectures at field shelters, were confirmed in interviews with workers. Updates on labor laws (when applicable), labor rights and other relevant topics are generally covered.	Yes
<b>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>		
Summary of the findings for 6.10: FFB is purchased from small-holders in a fair and transparent way.		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<ul style="list-style-type: none"> <li>Current and past prices for FFB are publicly available.</li> <li>The pricing mechanism for FFB and other services provided to both the mill(s) and the estates is documented.</li> <li>Contractual agreements are signed by both parties to indicate understanding and acceptance. Contracts inspected were fair, legal and transparent.</li> <li>Suppliers of services are paid in a timely manner.</li> </ul>	The firm bases price on the international market, with an additional 13.8%, and uses meetings with producer associations to disseminate prices. Producer satisfaction with this method and recognition on the part of the producer was demonstrated through interview with a family producer. There was also evidence of payment made within agreed deadlines.	Yes
<b>Principle 7: Responsible development of new plantings.</b>		
Summary of the findings for principle 7: No new planting.		
<b>Principle 8: Commitment to continual improvement in key areas of activity.</b>		
Summary of the findings for principle 8: The company is very professional and		
<b>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</b>		
Summary of the findings for 8.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<ul style="list-style-type: none"> <li>Improved efficiency in all key areas are the main targets of all departments.</li> </ul>	The company has demonstrated that it is very professional and implements best practice. Improvements are limited but one example is decreasing the waste of CPO in fibre, EFB and POME with a corresponding increase in OER.	Yes

Sample Criteria for inclusion in this Report on an Annual Basis during the Lifetime of the Certificate									
Criterion	ASA1	ASA2	ASA3	ASA4	Criterion	ASA1	ASA2	ASA3	ASA4
1.1	X	X	x	x	6.1			x	
1.2	X	X	x	x	6.2				x
2.1			x		6.3			x	
2.2			x		6.4		x		
2.3			x		6.5	x			
3.1		X		x	6.6		x		
4.1	X				6.7			x	
4.2		X			6.8				x
4.3			x		6.9			x	
4.4				x	6.10		x		
4.5	X				6.11	x		x	
4.6		X			7.1	x			
4.7			x		7.2		x		
4.8				x	7.3	x			
5.1		X			7.4			x	
5.2			x		7.5				x
5.3				x	7.6		x		
5.4			x		7.7	x			
5.5		X			8.1	x	x	x	X
5.6	X								



#### 4.3 Non conformity register.

This section gives an over view of new or revised non-conformities raised during this assessment and of action taken to close out non-conformities raised during the previous assessments.

Major non-conformities raised during a main assessment will prevent CU from making a positive certification decision for the concerned units/products.

The NC number is comprised of 2 parts to include the year in which the NC is raised as well as a sequential number.

<b>Date:</b>	08/02/2013
<b>Number settled</b>	01
<b>Number outstanding</b>	0

NON CONFORMITY REPORT	
NC number:	01
Date raised:	07/20/2012
Date closed:	07/02/2013
Major or Minor:	Minor
Evidence of non-conformity: Although there is evidence for compliance with legislation and there is monitoring of applicable legislation, a Minor NC 01/2012 was found for the bathrooms in the field shelters that did not have recipients for garbage collection, in violation of sub items, 31.23.3.2 of NR 31.	
Evidence of closure: The field bathrooms now comply.	


### PART 5 FORMAL SIGNING OF AUDIT FINDINGS

#### 5.1 Acknowledgment of internal responsibility by the Client.

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document .

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of IBD.
- That during the closing meeting all agenda items were covered by the lead auditor.

Name:	Tulio Dias Brito
Position:	Environmental and Social Responsibility Manager
Signature:	
Date:	4 <sup>th</sup> August 2013.


#### 5.2 Signing by the Lead Auditor.

Signed by the lead auditor:

I the undersigned, being the lead auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented are a true representation of the actual findings of the audit team.

Name:	David Ogg FICFor.
Position:	Lead Auditor.

Signature:	
	
Date:	4 <sup>th</sup> August 2013.

5.3 Signing by the Certifier.	
Signed by the lead auditor:	
I the undersigned, being the certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.	
Name:	Paul Espanion
Position:	Certifier
Signature:	
	
Date:	23.08.2013