

IBD

CERTIFICAÇÕES

CREDIBILITY & TRUST



RSPO Principles & Criteria (P&C) Public Summary Report

**SAVONNERIE TROPICALE HUILERIE DE MELVILLE
TOAMASINA, MADAGASCAR**

Auditor Name: SOLOFONIRINA Remy Régis
Audit Date: December 20th – 23rd, 2017

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1. SCOPE OF THE CERTIFICATION AUDIT							
1.1 Normative references							
The Palm Oil Mill and the supply base was audited against the following documents:							
<input checked="" type="checkbox"/> RSPO International Principles and Criteria (April, 2013 version) <input type="checkbox"/> National Interpretation (approved version XX/20XX) <input checked="" type="checkbox"/> RSPO Supply Chain Certification : November, 2014 <input checked="" type="checkbox"/> New Planting Procedures (November, 2015 version) <input checked="" type="checkbox"/> RSPO Rules on Market Communications and Claims (November, 2016 version)							
1.2 Company and Contact Details							
Company name		SAVONNERIE TROPICALE HUILERIE DE MELVILLE					
Business address		Villa NIRINA, parcelled 32 / 12, Tanamakoa, Toamasina, MADAGASCAR					
Scope		Production of palm oil and palm kernel					
Products		Palm oil and palm kernel					
Contact person		RAMAROSON Danick					
Telephone		+261 34 20 981 75					
E-mail		savmel@moov.mg					
Web site		www.savonnerie-tropicale.mg					
Other certifications held		Organic (ECOCERT, BIOSWISS)					
1.3 RSPO Membership Details							
RSPO membership number		1 - 0149 - 14- 000 - 00					
Parent company as applicable		N/A					
1.4 Audit type							
Date of previous audit		December 6 th to December 9 th , 2016					
Date of this audit		December 20 th to December 23 rd , 2017					
Main or ASA (1 to 4)		ASA3					
Date of next surveillance audit		January or February 2019. The mill does not operate from the end of July to mid- December every year					
1.5 Location of the Palm Oil Mill							
Palm Oil Mill (POM)		Location Address		Mill Capacity	GPS Reference		
Name				MT/Hour	Longitude	Latitude	
Huilerie de Melville		Melville, Commune of Fanandrana, Atsinanana Region		5	S: 18°14.006	E: 049° 17.542	
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 July 2017 the mill received [4639.790] mt of FFB.							
<ul style="list-style-type: none"> The estimate for the last 12 months is applicable to Annual Surveillance Audits and is the Projection for the next 12 months from the previous audit. The actual production for the last 12 months is the audited quantity since the last audit. The projection for the next 12 months is given by the company. 							
FFB received and processed by the mill for the 12 months prior to this audit:				Mt RSPO Certified FFB:		4639.790	
				Mt Conventional FFB:		0	
FFB received on the previous 12 months, month by month:							
December 2016:	649.950	January 2017:	507.570	February 2017:	518.730	March 2017:	786.300
Avril 2017:	913.280	May 2017:	798.660	June 2017:	311.350	July 2017:	153.950
August 2017:	-	September 2017:	-	November 2017:	-	December 2017:	-
Estimate for last 12 Months (MT) [State of IP or MB] (ASA audits).		Actual Production for last 12 months (MT) [State of IP or MB]		Projection for next 12 Months (MT) [State of IP or MB]			
CPO	PK	CPO	PK	CPO	PK		
1 220.00	650	775.429	473.848	998.85	650		

Last license year's actual sold volume		Last license year's actual sold volume under other schemes		Last license year's actual sold volume as conventional	
CPO	PK	CPO	PK	CPO	PK
660.00	-			125.429	473.848
Notes: It was noticed that the OER of the FFB processed decreased significantly during few months due to the mill problem. The CPO which cannot meet the certified norms is locally sold to a local soap private enterprise in Toamasina (acidity rate problem) The PK produced is totally sent to Savonnerie Tropicale soap and derivatives industry in Antananarivo (Madagascar capital).					
1.7 General Description of Supply Base					
<p>All FFB entering the mill come from the own company certified plantation comprising of 1.226,53 ha of planted oil palms. The supply base for the mill is delivered by 5 farms/areas/zones located at two communes: Fanandrana commune (areas/farms I and II) and Amboditandroho commune (areas/farms III, IV and V). The farms are adjacent as could be seen on the map placed on section 1.9 of this report.</p> <p>The current and only mill owned by Savonnerie Tropicale S.A., the palm oil plantation and lands on conservation were legally acquired by the company in 1997 when named as the only awardee of the Somapalm Agroindustrial Complex, even though Savonnerie Tropicale S.A. has been operating in the land since 1991. The Somapalm Agroindustrial Complex was previously owned by the Madagascar government and the palm oil plantation was established in the 1960 s. Approximately 1100 ha was planted prior to 1995 and having palms with the ages of 20 to 40 years old. A replanting program started in 2011.</p> <p>The production yield in 2016- 2017 is 3.9 4 mt /ha, an increase if compared to the 2015-2016 harvest campaign which was around 3,4mt /ha.</p> <p>Within the boundaries of the Savonnerie Tropicale S.A. property there are 56 villages and more than 3000 inhabitants. Most of the workers at the mill and plantation are residents of the villages settled within the property, particularly the seasoning workers.</p> <p>Besides the palm oil plantation and villages, there are 780 ha of lands under conservation and 227, 06 ha that were identified as HCV 6 in 2014.</p> <p>The year 2017 is considered as a difficult year for Savonnerie Tropicale Huilerie of Melville by the management responsible because of the ENAWO cyclone and frequent mill breakdowns which negatively impacted the production level at all stages. As planned by the Savonnerie Tropicale Management on its Investment Program 2017- 2020, the actual harvest campaign 2017- 2018 is postponed to the beginning of January 2018 (suspended now) in order to finish correctly the main maintenance activities in the mill which will be profitable for a non –stop production for this new harvest 2017- 2018.</p> <p>A major change is expected for the coming years, regarding the supply base, as Savonnerie Tropicale Huilerie Melville is working on a project to develop new plantings areas by smallholders that will be group in a cooperative in 2018. The first nursery pre-germinated trees are implemented (located in Zone I) as it was targeted to start for the end of 2017 and the project is co-financed by GIZ (German cooperation) and Savonnerie Tropicale commercial client. In that context, externally grown fruit is expected to come into the mill by 2020-2021. The nursery activities for this project are on-going in the field and GIZ has already named the site responsible in Toamasina to support the process, to do the follow-up and the monitoring implementation.</p> <p>During the year 2017, even though the management has made an effort to recruit personnel to be in charge of Health and Safety in 2016, this person has resigned few weeks before the audit ASA3 and is not replaced until the actual audit. The position of the Maintenance Chief is also vacant from few months, disturbing the maintenance activities planning for 2017, but one another technician is hired for. On the other side, a new Human Resources Assistant is recruited after few months of vacant position and he is actually confirmed for his position by a determined one year contract.</p>					
1.7.1 Location of the Supply Base					
Oil Palm Plantation (OPP)		Location Address		GPS Reference	
Name				Longitude	Latitude
Area I and Area II		Commune Fanandrana		18°23.357'S	49°29.257'E
Area III, IV and V Note: For this report the words area, farm and zone are equivalent		Commune Amboditandroho		18°16'22.51"S	49°20'33.50"E
1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year					
Name	Area of Oil Palm (Ha)		Estimated Tonnes FFB/Yr	Planting Years	Cycle (Years)
	Total	Production			
Area I	299.34	299.34	1.410	1969-1990	40
Area II	296.50	270.00	1.294	1969-2012	40
Area III	260.45	243.96	962	1971-2013	40
Area IV	176.70	131.90	1.382	1970-2012	40
Area V	193.54	142.12	1.288	1970-2013	40
TOTAL	1,226.53	1,087.32	6,336		

1.7.3 Biodiversity (Total Conservation & HCV Area for the respective Supply Bases)				
Oil Palm Plantation		Biodiversity.(Total Conservation & HCV Area) Hectares.		
Name	Conservation	HCV	Comments	
Savonnerie Tropicale S.A. /Ivondro Palm Oil Plantation, District of Toamasina II Atsinanana Region. Madagascar	780.00 (Vavazana Sand and Anjavidy)	227.06	The HCV area corresponds to 227,06 ha of HCV 6 that includes sacred sites, sacred mountains, cemeteries and plantation forest as determined by the High Conservation Value Initial Assessment done in January 2014. Mahalanga forest was identified as a HCV 6. The 780 ha on conservation corresponds to Vavazahana sand and Anjavidy area.	
TOTAL	780.00	227.06		
1.7.4 Total Certified Area (Total Certified Area corresponds to the sum of total Area of Oil Palm and the total Conservation Area)			2,233.59 Ha	
1.7.5 Calculation of the Number of Production Units (N) to Sample for the Mill				
<p>$N = 0.8\sqrt{Y*Z}$, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer and Z is number defined by the risk factor. 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. A 'risk level' shall be set at:</p> <p>Level 1 - low risk Level 2 - medium risk Level 3 - high risk</p> <p>Multiplier z is set as follows: Low risk = multiplier of 1 Medium risk = multiplier of 1.2 High risk = multiplier of 1.4.</p> <p>Factors to consider in the risk assessment are geographic locations and distance of estates, complexity of the labour force, landscape setting and presence of HCV or peat, complexity of supply sheds, number of communities and known conflicts, legality, etc.</p>				
For the Mill, how many units make up the production base?				
Owned estates (Y)	N = 0.8√Y	Smallholders (Z)	N = 0.8√Z	
5	$0.8\sqrt{5} = 1,7$ Eq 2	0	0	
Explanation as to the selection of estates sampled				
<p>There are two areas / farms at the Fanandrana commune (areas I and II) and three areas / farms at the Amboditandroho commune (areas III, IV and V).</p> <p>At least one area/farm on each commune was selected to be visited during the current audit. Between the preselected areas/farms, the final areas/farms to be visited were selected taking into consideration the activities carried out during the visit day (areas / farms and sites in which more activities were carried out were selected). As a result, the area/farm II (nursery, lagoon) and the mill (area I) were selected for the Fanandrana commune and the area / farm V (E1 & D6) was selected for the Amboditandroho commune. The areas/farms visited during the past ASA 1 audit were farms II and IV. The areas/farms visited during the ASA 2 audit were farms (Fanandrana Commune) I and III (Amboditandroho Commune).</p>				
The table below shows the oil palm plantations that were included in this audit, with the operations reviewed in the field, the number of sample sites within the plantation and the number of worker interviews. Comments are added as applicable.				
Oil palm plantation.	Operation	No of sample sites	No of Interviews	Comments.
Area V, parcel E1 and D6	Cleaning, clearing of drainage after ENAWO cyclone Harvest 2017-2018 preparation in replanting zone	2	4	Significant improvement in full use of PPE by workers on sites. Good harvest in replanting area E1 in 2018. Drinking, washing (with liquid soap)
Area V, parcel E1 and D6	Roads maintenance	1	5	
Area I	Pre-Nursery and nursery activities	3	6	
Area I	Liquid effluents control	1	3	

				<p>water, latrines and shelter are available on fields . Drainage cleaning operation on-going. Maintenance efforts are focused of parcels E1 and D6 after ENAWO cyclone damages. Pre-germinated nursery trees are recorded after inventory and managed by storage sheet. Intermediary storage is done before planting. Maintenance team is doing improvement for effluents control from the mill to the lagoon control</p>
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1.7.6 Calculation of the Number of Sub Contractors to be sampled.

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

The table below shows the number of approved sub-contractors who may be contracted to be directly employed in the work of the certification unit. The number of sub-contractors actually contracted at the time of the audit is used to calculate the sample.

Number of *sub-contractors*.

Mill and workshops			Farms		
Approved:	5		Approved:	0	
On site during audit: Y	2		On site during audit: Y	N/A	
Number to audit: = $0.8\sqrt{Y}$	2		Number to audit: = $0.8\sqrt{Y}$	N/A	
Names	Activity	Audited	Names	Activity	Audited
MADACAN	Mill Maintenance	Yes	N/A	N/A	N/A
Polytechnic of Antananarivo University	Mill Maintenance	Yes	N/A	N/A	N/A
ADONIS	Company engaged in the collection, treatment and recycling of industrial waste in Madagascar, Mauritius island and	NO	N/A	N/A	N/A

MATERAUTO	Mechanical service to electricity generator	NO			
Etienne Transportation	Oil Transportation of CPO to the port (usually once month)	NO			

Explanation as to the selection of sub-contractors sampled:

Polytechnic College of Antananarivo and MADACAN Ltd are presents on the mill during the ASA3 audit and they are interviewed by the Lead auditor. We noticed that the two enterprises doing the mill maintenance have strong focus on health and safety on works. Their contracts and some invoices are shown to auditor by Savonnerie Tropicale.

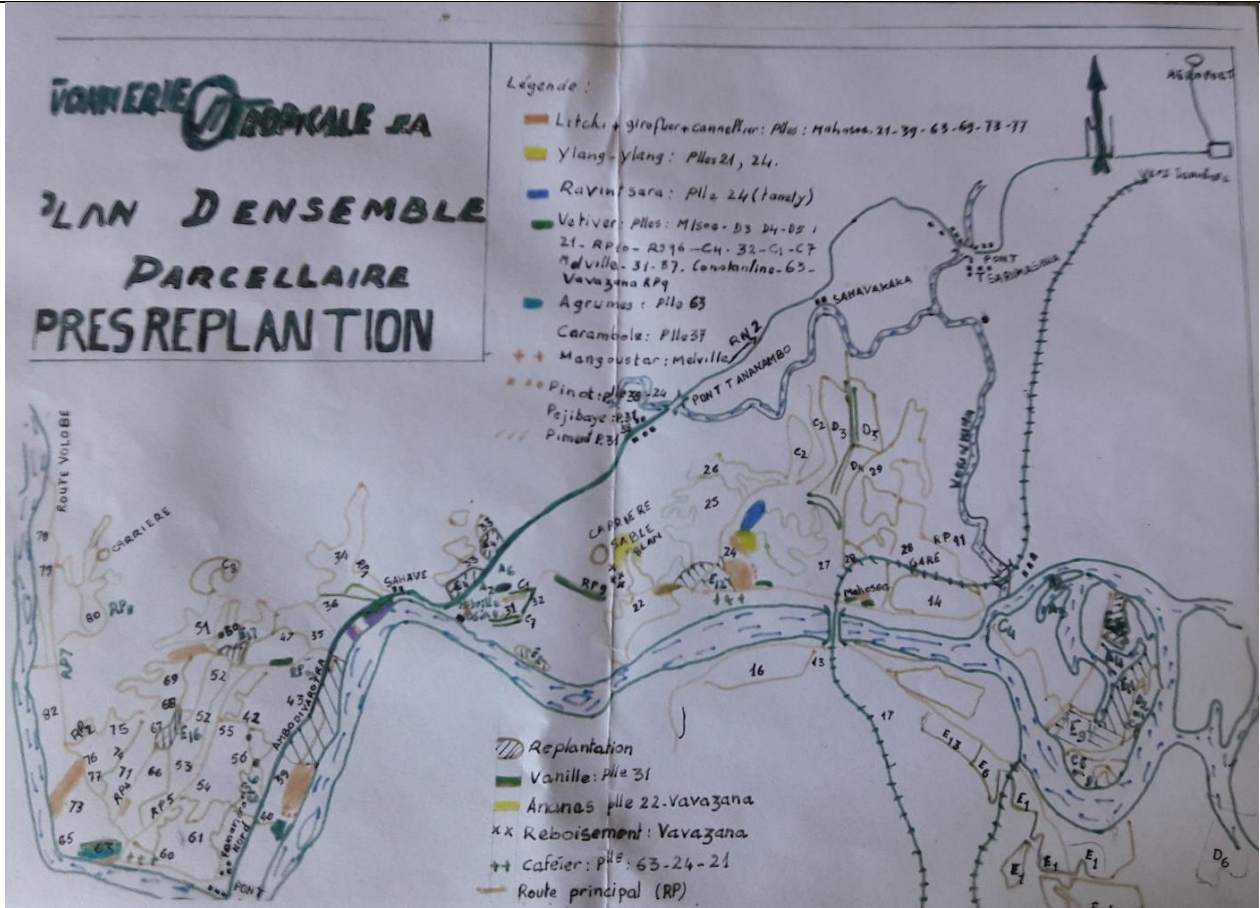
1.8 Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards – should be in accordance to the 3 year implementation plan

N/A.

1.9 Location Map for this Certification Unit

Note: Individual maps of the group members are available from the co-operatives but it is not practical to reproduce them here. Each area of oil palm is individually managed as an integral part of a farm holding and the adjacent crops are all agricultural.





1.10 Use of RSPO PalmGHG Calculator

The Lead Auditor confirms that data inputs and the use of RSPO PalmGHG Calculator Version 3.0.1 have been verified with the final summary of the net GHG emissions (Tco2e/Tcpo) figure

Yes

No

Justification:	RSPO Palm GHG Version 3.0.1 is dedicated to new planting area, so the Savonnerie Tropicale Huilerie Melville Ltd has used the Palm GHG Calculator Version 2.1.1. STHM has just some replanting areas but not new planting.											
1.11 Summary of Net GHG Emissions												
Emissions per Product	Tco2e/tProduct			Land use			ha					
CPO	-7.92			Oil Palm P planted area			1226,53					
PK	-7.92											
Production	t/yr			Oil Palm planted on peat								
FFB processed	4639,790			Conservation (forested)			980					
CPO Produced	775.429			Conservation (non-forested)			27,06					
Extraction	%			Total			2233,59					
OER	16,71%											
KER												
1.12 Summary of Field Emissions and Sinks												
	Own Crop			Group			3rd Party			Total		
	Tco2e	Tco2e/Ha	Tco2e/Tffb	Tco2e	Tco2e/Ha	Tco2e/Tffb	Tco2e	Tco2e/Ha	Tco2e/Tffb	Tco2e	Tco2e/Ha	Tco2e/Tffb
Emissions												
Land Conversion	10153.63	8.43	2.07							10153.63	8.43	2.07
*CO2 Emissions from Fertilizer	0	0	0							0	0	0
**N2O Emissions	1310.04	1.087	0.29							1310.04	1.087	0.29
Fuel Consumption	278.19	0.23	0.06							278.19	0.23	0.06
Peat Oxidation												
Sinks												
Crop Sequestration	-2410.42	-2.00	-0.49							-2410.42	-2.00	-0.49
Sequestration in conservation area	-3182.642	-26.41	-6.48							-3182.642	-26.41	-6.48
Total	113.24	9.35	2.29							113.24	9.35	-2.29
1.13 Summary of Mill Emissions and Credits												
	Tco2e					tCo2e/Tffb						
Emissions												
POME	0					0						
Fuel Consumption	127.59					0.03						
Grid Electricity	66.12					0.01						
Utilization												
Credits												
Export of Grid Electricity	0					0						

Sales of PKS	0	0
Sales of EFB	0	0
Total	193.71	0.04

1.14 Palm Oil Mill Effluent (POME) Treatment

Divert to compost	100%	Divert to anaerobic digestion	0%
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1.15 Palm Oil Mill Effluent Diverted to Anaerobic Digestion:

Divert to anaerobic pond	0%	Divert to methane capture	0%	Divert to methane capture (electricity generation)	0%
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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.

2.1 Management Organization

Item	Criteria	(Yes/No)	Description (if applicable)
2.1.1	Is the operation conducting a partial certification?	NO	There is only one mill and plantations owned by Savonnerie Tropicale S.A.
2.2.2	Is any company of the group, member of the RSPO? Which one?	N/A	There is only one mill and plantations owned by Savonnerie Tropicale S.A.
2.2.3	Is there a clear relationship between the companies, where one company has the majority ownership or the management control of others?	N/A	There is only one mill and plantations owned by Savonnerie Tropicale S.A.
2.2.4	Is there a clear and achievable time-bound plan prepared and in place?	N/A	There is only one mill and plantations owned by Savonnerie Tropicale S.A.
2.2.5	Does the plan include all subsidiaries?	N/A	There is only one mill and plantations owned by Savonnerie Tropicale S.A.

2.2 Time-bound plan

Description:

N/A

Initial (mention sites and years proposed for the certification): N/A

Alterations: N/A

Justifications: N/A

Acquisitions: N/A

2.3 Progress made on the time-bound plan

Please report upon adherence or deviation:

2.4 Non-compliances on the partial certification rules

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 17065 (European market regulation CE 889/07), Demeter (international market), USDA/NOP (North-American market), and SISORG (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 Fair Trade, RSPO, SAN, UTZ, 4C and UEBT 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, in more than 20 countries.

For more information regarding IBD, access www.ibd.com.br. RSPO Membership N°: 8-0090-08-000-00. RSPO accredited by ASI on November 4th, 2014, worldwide (accreditation code RSPO-ACC-020).

3.2 Audit Team

Lead auditor	SOLOFONIRINA Remy Régis
Audit team	KRAIDI Germain Awossi

3.3 Audit Methodology

3.3.1 Audit Agenda

Date	Time	Location	Program	Auditor(s)
Dec 20 th 2017	09:30 10:30	Mill Office	Opening meeting	S.R. Régis K. A.Germain
Dec 20 th 2017	10:30 1:00pm	Mill	Mill inspection Mill workers' interview	S.R. Régis K. A.Germain
Dec 20 th 2017	2:00pm 5:30pm	Mill office	Documentary reviews S.R.Régis (principles 1,2,3,6 and8) K.A.Germain (principles 4, 5 and 7)	S.R. Régis K. A.Germain
Dec 21 st 2017	7:00am 2:15pm	Melville Plantations "TENERA project" plantation Mahatsara Fokontany communities	Melville plantations visit "Tenera Project" plantation visit Workers 'interviews Meeting with stakeholders and local institutions	S.R. Régis K. A.Germain
Dec 21 st 2017	3:00pm 5:30pm	Mill office	Documentary review (continuation)	S.R. Régis K. A.Germain
Dec 22 th 2017	7:00am 1:30pm	Melville Plantations and mill	Melville plantations visit Workers 'interviews Meeting with stakeholders and local institutions	S.R. Régis K. A.Germain
Dec 22 th 2017	2:15pm 5:00pm	Mill office	Documentary review (continuation)	S.R. Régis K. A.Germain
Dec 23 rd 2017	7:30am 10:30am	Mill office	Gathering missing data and information	S.R. Régis K. A.Germain
Dec 23 rd 2017	10:30am 12:30pm	Mill office	Preparing the closing meeting	S.R. Régis K.A. Germain
Dec 23 rd 2017	1:15pm 2:55pm	Mill office	Closing meeting	S.R. Régis K. A.Germain

3.3.2 List of stakeholders consulted prior to and during the audit.

Name	Category
COMMUNITY MEMBERS	
TELOLAHY Joseph	Traditional Leader in Vohibalo, seen in Mahatsara Fokontany attending traditionnel ceremony
SABY Jean Claude	Quarter Chief in Antseranampeta, Mahatsara Fokontany
DJAHARY Jean Fernand	2 nd Deputy Mayor of Amboditandroho Commune
GNIARCK Henriette Justine	Amboditandroho Commune Administrative Assistant
LEONARD Fahreinhet	Amboditandroho Commune Accountant- Cashier
SOLO Emmanuel	2 nd Deputy Mayor of Fanandrana Commune
ANDRIAMILAZA Jean Isidore	Mahatsara Fokontany President
ORGANIZATIONS/ ASSOCIATIONS	
NOËL Joseph	President of PVTT cooperative ("TENERA" project)
RAHILO Celestin	Member of PVTT cooperative ("TENERA" project)
NESTOR Celestin	Member of PVTT cooperative in Morafeno Ambodivoapaka
SAVONNERIE TROPICALE WORKERS IN THE MILL AND PLANTATIONS, LABOURS REPRESENTATIVES, GENDER COMMITTEE	
RANDRIANASOLO Parfait, IM 1643	New Maintenance Department Chief
RAZAFIMAHEFA Georges Aimé IM 3251	SEMPIMITO Workers representative, Mill Chief
FOTOA 3326	SEKRIMA workers representative
RAZAFINDRATOHO Noëline	Gender Committee member, DIREX Administrative Assistant
Clautilde, IM 1978	"Ramasseuse" (FFB gatherer), DPA
RAZAFISOA Mamy, IM 1319	"Ramasseuse" (FFB gatherer), DPA
RAZAFIMAHAFALY William, IM 5391	Team chef of Civil Works
RAHERIMANANA Evariste, IM 3451	Chief of Zone II, DPA
SAMPILAHY Florence, IM 1776	Team Chief

DODOFAHA, IM 3137	Chief of Zone II, DPA	
RANDRIAMANANA Frédéric, IM 3508	Section Chief, DPA	
RAKOTOASIMBOLA Armand Todisoa, IM 3566	Environmental Responsible	
PORAKALINA Henriette, IML 1191	"Ramasseuse " (FFB gatherer), moved to nursery trees preparation	
RAKOTOARISON Jean Richard	Technical Consultant Advisor, Laboratory Analyst	
VOLATIANA, IM 4049	Nursery palm trees agent, DR	
MANAGERIAL AND ADMINISTRATIVE WORKERS		
KAMARDINE IM 3597	Social Assistant	
RAKOTOMAMONJY Elise	Direction Administrative Assistant	
RAMAROSON Danick	Melville Exploitation Director	
ETINCILIN Gaëtan	DAD	
RANDRIANALIZAKA Naina Harisetra IM 3253	Paramedic of the Savonnerie Medical Center 1st Responsible (CMS)	
RANDRIANASOLO	CMS Doctor (non –permanent worker)	
TINASOA Genisse IM 3604	CMS medicines and inputs storage	
SERVICES PROVIDERS		
RANDRIAMORA Edmond	Principal Chief of the Technical Bloc of Antananarivo University	
RAKOTONANDRASANA Hery Andrianirina IM 45075	Technical Director of MADACAN contract maintenance project in Melville	
3.3.3 Outline of how stakeholders consultation was managed.		
COMMUNITY MEMBERS		
<p>The community members, including the traditional leaders, the president of Fokontany and the commune' representatives as deputy Mayor, Cashier/Accountant and Administrative assistant were interviewed locally. The municipality staffs are interviewed in group but the traditional leaders and the Fokontany president are individually interviewed.</p>		
ORGANIZATIONS/ ASSOCIATIONS		
<p>Three representatives of the "TENERA project" were interviewed individually. In order to have a light view of the activities they have done progressively, the PVTT ("Palmier Voly Tôndra Tegna"= Palm Livelihood) president land activity is visited by the auditors where discussion was engaged on field.</p> <p>It is essential to notice that the two interviewed representatives of the workers come from two different existing syndicates in the company: SEMPIMITO and SEKRIMA. They are jointly interviewed by the auditor.</p>		
SAVONNERIE TROPICALE WORKES IN THE MILL AND PLANTATIONS, LABOURS REPRESENTATIVES and GENDER COMMITTEE MEMBER		
<p>The workers listed above were interviewed from December 21st to December 23rd 2017, everyday or just some days, depending the aspects the auditors are regarding toward the RSPO P&C on Savonnerie Tropicale activities. The interviews were done in the fields and/or in the mill office.</p> <p>The labours representatives were jointly interviewed by the auditor.</p> <p>In her turn, the Gender Committee member was interviewed in the Mill office about the creation of the new "Behavior Committee" which is just implementing in 2017.</p>		
MANAGERIAL AND ADMINISTRATIVE WORKERS		
<p>The managerial and administrative personnel were interviewed from December 20th to December 23rd 2017, daily for some of them and just some days for the others. Strategic decision was responded by the top management of Melville company while the questions about the operational implementation were submitted to all the administrative sectors as Human Resources, Social Relations, Medical center, Environment,...</p>		
SERVICES PROVIDERS		
<p>2 of the 5 services providers were interviewed individually by the auditor. The two services providers on sites during the surveillance have been working on maintenance issues on the mill. They come from different entities such as the Antananarivo University Polytechnic and MADACAN Ltd. They are working in complementary way."</p>		
3.3.4 Issues that arose during stakeholder consultation and company responses.		
Subject raised	Company response and proposed action to be taken.	Audit team findings
<p>Non- payment of FFB palm royalties to Amboditandroho and Fanadrana Communes and to the Atsinanana Region by Savonnerie Tropicale</p>	<p>Savonnerie Tropicale Direction has already written a formal letter to the Commune of Amboditandroho on 2016 (see annexe 1: Letter about royalties issue sent from Savonnerie Tropicale to Fanadrana Commune and annexe 2: Letter about royalties from Savonnerie Tropicale to Amboditandroho Commune) asking the amount of the FFB royalties to be paid and regulatory documents about royalties but until now, no response from the Municipalities of</p>	<p>The Deputy of Amboditandroho Commune testified that Savonnerie Tropicale has paid to the territory Commune the taxes linked to the land using called "IFT" ("impôts fonciers sur les terrains") but not the FFB palm royalties.</p> <p>The socio-economic and cultural supports Savonnerie Tropicale has done and given freely to the communities doesn't exclude the company to pay FFB royalties: royalties are mandatory/compulsory and imposed by the Malagasy laws but grants, sponsor and supports from the company to the authorities and communities are voluntary</p>

	<p>Amboditandrroho and Fanandrana Communes.</p> <p>But, the company must pay the royalties (cumulative amount of royalties for the non-paid years) to the two communes and the Atsinanana Region and, consequently, has to discuss with these three entities involved to solve this legal issue. The Atsinanana Region and the Communes of Fanandrana and Amboditandrroho have to meet and must issue an update regional "Arrêté" enumerating the list of local/regional product under the annual royalties payment in which FFB product will be incorporated.</p>	<p>acts. Because the palm FFB is not in the Atsinanana Regional enumeration of all the local/regional products to be incorporated on the list of regional royalties payment, Savonnerie cannot be blindly accused dishonest. Negotiation will be profitable for all the three parties to arrange before ASA 4 this problem, each party has its own responsibility for this issue.</p>
<p>Community members manifested that there is good communication and respectful relationship between the company and communities.</p>	<p>Good communication and respectful relationships between the company and communities was confirmed by both the company and the authorities representatives consulted during the ASA3 audit.</p>	<p>Good communication and respectful relationships between the company and communities was confirmed by the audit team. The problem of royalties' non-payment didn't impact negatively their relationship but have to be solved for laws respect and conformity with RSPO P&C 2.1.</p>
<p>Some interviewed harvest workers declare do not know the mechanism or requirements to comply to become permanent workers instead of remaining as temporary workers.</p>	<p>The company personnel indicated that the requirements to become permanent workers are explained every year during the annual meeting where workers, administrative workers and managers attends, but they are going to work repetitively on the issue to inform the seasoning labors by awareness campaign. The SOPs for seasoning and permanent workers already available in the company in Malagasy version has to be disseminated more in the company public board. The STHM management can ask the personnel delegates' supports to light this situation to the seasoning workers.</p>	<p>As verified during the ASA3 audit with the new HR Assistant, the recruitment from seasoning workers to permanent workers exist but it is not for all the seasoning employees. The HR Assistant has presented to the Lead auditor 08 contracts of seasoning workers becoming permanent workers in 201662017 harvest campaign during this audit ASA3 (See annex 3: list of seasoning workers promoting to permanent workers). The company cannot afford to recruit all people because of the seasoning activities. During recruitment examination, priority is given to repetitive temporary worker if the marks of the competitors' candidates are the same level.</p>

AUDIT FINDINGS		
4.1 Summary of findings.		
Principle 1: Commitment to Transparency.		
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:		
Findings:	Comments:	Compliance
<p>Savonnerie Tropicale Huilerie de Melville provides sufficient and appropriate information regarding social, environmental and legal relevant to RSPO criteria to other stakeholders in order to make them participate in decision making.</p> <p>There are information request and its respective answers recorded in different notebooks.</p>	<p>Savonnerie Tropicale Huilerie Melville is continuing to have an interaction with its stakeholders and provide adequate information relevant to RSPO criteria, in appropriate languages and forms to allow for effective participation decision making.</p> <p>Examples:</p> <p>It is seen during the ASA 3 that, in the two communes of Fanandrana and Amboditandrroho where territorially linked the Huilerie Melville, the 08 RSPO P & C is posted publically.</p> <p>Furthermore, in the office of the zone chief of the STHM located in the village of Mahasoia,</p>	<p>YES</p>

	<p>one of 56 villages within the Savonnerie Tropicale property, the auditors can see different information directed to workers and population which are listed below:</p> <ul style="list-style-type: none"> - 2017 training planning (see annex 4) - IBD certificates (see annex 5) - 08 criteria of RSPO P & C (see annex 6) - pictograms showing that the company and the surrounding communities have to respect the policy against fire, protecting sacred sites and to be abide by the rules about protected areas (annex 7) - wastes management culture to be transfered to population in Mahasoia village (annex 8) - sensitization and information about health and safety (annex 9) - cleanness spirit transfered to surrounding population as Mahasoia people by putting in place liquid soap and water to be used freely to wash hands (annex 10) <p>Furthermore, Savonnerie Tropicale is continuing the notebook based systems which connect closely the company to theirs stakeholders. Indeed, at least, 05 different notebooks are used to inform and capture information from stakeholders: the “cahier des visiteurs”(visitors notebook) in the main gate where all visitors are recorded and write the reasons of visit and the types of information or data needed, and four(04) others notebooks recording all complains and information from the four (04)key stakeholders as the municipality(communes), the chief of Fokontany(the lower administrative level in Madagascar) and its chiefs of zone (administrative level under the Fokontany on the city/village) and the traditional leaders(called “Tangalamena”).</p> <p><u>Examples:</u></p> <p>During the ASA 3 audit, the two auditors have to write their names and the reason of the visit on the visitor book held in the STHM main gate. For the relationship with the Communes called “Cahier avec Communes”, the last information is written on November 28th 2017 and shown that the collaboration is good and is benefit to the two parties between the Commune of Fanandrana and Savonnerie Tropicale.</p> <p>On February 16th 2017, the traditional leader wrote on the Notebook system with Savonnerie Tropicale asking the company to help for requesting one “advanced post of Gendaremerie” to be installed in the surrounding zone and on November 2017, submitted a clean water system request implementation to Savonnerie Tropicale</p>	
<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.</p>		
<p>Summary of the findings for 1.2:</p>		
<p>Findings:</p>	<p>Comments:</p>	<p>Compliance</p>
<p>Through written request by the interested person, the company provides or allows the consultation of such documents</p>	<p>In the Savonnerie Tropicale office, the authorization to provide the documents relies on the Administrative Manager. The interested person or stakeholders can access to the documents by two systems:</p>	<p>YES</p>

	<p>. in the company office, through a written request by the interested person, the company provides or allows the consultation of such documents</p> <p>. the notebooks recording the interactions between the company and the third parties (commune, chiefs of Fokontany, chiefs of "carreau", "traditional leaders,...) are publicly available all the times.</p> <p>Available documents for consultations includes, between others, legal documents showing ownership, OSHA risks assessment, reports of health and safety Committee, Environmental and social impacts assessments(EIA,SIA), High Conservation Values assessment, pollution prevention and reduction plan, public summary of certification assessment reports (ECOCERT,BIOSUISSE,RSPO), negotiation procedure, actions plan improvement, written procedure for complaints and grievances, investment program for 2017- 2020, Human Rights Policy,...</p>	
Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.		
Summary of the findings for 1.3:		
Findings:	Comments:	Compliance
<p>The Savonnerie Tropicale S.A. has a written code of ethics and integrity named "Code d'Ethique et D' Integrité" in French and Malagasy languages and displayed at the entrance of the plantation and mill office.</p> <p>The Savonnerie Tropicale S.A. also is a signatee of the "Engagement d' Integrité des Professionnels du Secteur Industriel" that focus against corruption. Signed in Antananarivo 26/06/2012.</p> <p>The mission of the "Gender Committee" reinforces the implementation of the Ethical Code and its works is facilitated from 2017 by the creation of the "Behaviors Committee" in the company.</p>	<p>The Ethical Code appeals to respect human dignity, environment respect, rituals and cultural respect, act in conformity with biologic agriculture, work with transparency in every company activity.</p> <p>This Code of ethics applies to all personnel of Savonnerie Tropicale and its contractors from the highest to bottom levels; it is visible through the Savonnerie Tropicale infrastructure and is well known by interviewed employees.</p> <p>Under the look of the Gender Committee, a "Behavior Committee" is newly created in order to facilitate the information collect on field. One meeting was held on year 2017 and the Memo of meeting with the sheet attendance is presented to auditor during ASA 3</p>	YES
Principle 2: Compliance with applicable laws and regulations.		
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations		
Summary of the findings for 2.1:		
Findings:	Comments:	Compliance
<p>In general, Savonnerie Tropicale Huilerie Melville. complies with the relevant Malagasy legislation as it was evidence through observations, interviews and documental review.</p> <p>A mechanism to ensure compliance with the law is implemented as well as a system for tracking laws' changes.</p> <p><i>However, during the ASA 3 audit, it is noticed that Savonnerie Tropicale does not comply with the national Malagasy Law n°2014-020 issued on September 27th 2014, up-dated into Law n° 2015_008 on April 1st 2015 related to Collectivity Decentralized Territory Resources and the Regional Royalties Regulation (Arrêté n°411/2009- Rég.Ats. detailing the agriculture products and derivatives royalties rates in Atsinanana Region) and is classified as non-</i></p>	<p>It was verified that, in order to comply with national and local Malagasy, regulations and ratified internal laws, Savonnerie Tropicale:</p> <ul style="list-style-type: none"> ▪ has registered and declared all employees (permanent and seasoning/temporary) to the CNaPS (Caisse Nationale de Prévoyance Sociale) and the quarterly payment to CNaPS is settled just-on-time and up to date(Quarterly1, Quarterly 2,Quarterly 3). Mandatory. (See annex 11) ▪ Legal payment of the Inter-Enterprises Medical Center where all regional enterprises are compulsory affiliated (OMSI in Tamatave/Toamasina). Mandatory. (See annex 12) ▪ Has paid the annual professional license tax 2017: Situation Fiscale –Année 2017. 	NC

compliance and considered a non-conformity. Consequently, it was raised against criterion 2.1.1: royalties payment to Communes and Atsinanana Region of the agriculture and derivative products is mandatory in national and regional levels.

N.S. 2000005166. (annex 13)
N° 0075456 / DGI-E. Up- date when expire date will be May 15th 2018..Mandatory

- Payment of multi-risks insurance covering all the Savonnerie Tropicale activities: Multirisques Dommages (multi risk insurance). Validity period : 01/01/2017 à 31/12/2017. Facture N. 1336/DAA-2016 (annex 14)
- Annual reporting to the Ministry of Labors and Social Laws through the “Renseignements périodiques” sent on December 7th 2017 in which the auditor can see data about the works survey(table 1), the seasoning workers (table2), salary and nature advantages for permanent employees(table 3 and social charges(tables 4 and 5). Mandatory
- Monthly reporting to the Ministry of Public Health in which it can find the number of permanent or seasoning workers in illness, the workers’ families and surrounding villagers doing medical treatment in CMS, the number of evacuated patients to another qualified medical center (CSB II Fanadrana or CHU Toamasina (University Hospital Center). The total number of patients treated in CMS Melville from March 2017 to October 2017 is 3532 persons.
- Has recorded in regular basis all information required by the Malagasy laws (daily) about environmental monitoring on the documents imposed by government and reported to ONE (National Office for Environment):”Cahier de Charges Environnementales”.
- For the royalties non-payment about FFB: The palm FFB doesn’t be included in the list of agriculture and derivatives products royalties rates issued by the regional regulation “Arrêté n° 411/2009-Rég.Ats. issued on August 28th 2009”. Savonnerie Tropicale has voluntary written respectively several letters to the Communes of Fanadrana and Ambodtandrroho but these Communes didn’t continue the process until 2017 (see annex 15: List of regional agriculture royalties rates). During the ASA3 Commune consultation, the Deputy Mayors of Amboditandrroho mentioned that there was regular estates tax payment from Savonnerie Tropicale but not palm FFB royalties. The General Secretary of the Atsinanana Region testified this FFB royalties’ non-payment.

Criterion 2.2: The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights

Summary of the findings for 2.2:

Findings:	Comments:	Compliance
<p>During field visits, legal boundaries were found demarcated and interviews done to workers and community members proved that there is no land conflict. Legal ownership of the land was demonstrated through public deeds. There are mechanisms for the resolution of conflicts.</p>	<p>The company is acquired by Savonnerie Tropicale S.A. since 1991 from Malagasy government through the privatization process and there was no official opposition from pretended owners of the land until 2017. The local communities inside and surrounding the Savonnerie Tropicale property have not contested the company demonstrable</p>	<p>YES</p>

	<p>right to use the lands. The population of the 56 villages inside the STHM property (more than 3000 people) recognized and accepted that Savonnerie Tropicale owns the lands and can use this depending its needs. Now, some of these people are in their third generation or more in the area. These people borrowed the lands they have been using from the society and have accepted to respect the conditions of working or farming in biological areas: no fire, no zebu in replanting zones, no hunting in protected areas, respect of sacred sites,....</p> <p>The current and only mill owned by Savonnerie Tropicale S.A., the palm oil plantation and the conservation land were acquired by the company in 1997 when named as the only awardee of the SOMAPALM industrial complex (Savonnerie Tropicale has been operating in the land since 1991). The SOMAPALM Agro-industrial Complex was previously owned by the Madagascar government.</p> <p>Through visual observation, it was verified that the legal boundaries are demarcated and visibly maintained.</p>	
Criterion 2.3: Use of land for oil palm does not diminish the legal or customary rights of other users without their free, prior and informed consent.		
Summary of the findings for 2.3:		
<p>Findings:</p> <p>Customary rights are respected by the company. The lands occupied by the communities within the property are identified by maps where sacred sites and customary rights are clearly known and protected. Pictograms are seen on the fields to respect sacred sites.</p> <p>There is no negotiated agreement for free, prior and informed consent as the land was purchased from de government by Savonnerie Tropicale company. There is a good communication system between the company, the political and the traditional leaders of each of the settled communities within the company property boundaries. A mutual respect exists between Savonnerie Tropicale and the communities.</p>	<p>Comments:</p> <p>As it is known through interviews with local population that Savonnerie Tropicale authorized the local community to cultivate lands within the company boundaries and can graze zebus in reserved delimited areas (not in replanting areas), the customary rights came with the land acquisition in the 1990's. Lands which are not used by Huilerie Melville are freely contracted by people with the company to be cultivated. There are maps identifying sacred sites and customary rights. It was confirmed that sacred sites and customary rights are respected by the company: sacred sites are identified on fields with signs, and through interviews to community members. These identified sacred sites were demarcated by the company many years ago and reconfirmed as High Conservation Value 6 by an initial assessment of High Conservation Values carried out by Savonnerie Tropicale S.A. in 2014 in consultation with the local people.</p> <p>There has been oil palm in the land since 1966 and sugar cane was cultivated in the land since the mid eighteen hundreds to the nineteen sixties.</p> <p>The communication system between the company and the political and traditional leaders of the communities is based on notebooks where every communication is written in Malagasy language. There are notebooks for the communication with Mayors, Fokontany chiefs , "chefs de carreaux", and Tangalamena; they represent their community members.</p>	<p>Compliance</p> <p>YES</p>
Principle 3: Commitment to long-term economic and financial viability.		
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.		
Summary of the findings for 3.1:		

Findings:	Comments:	Compliance
<p>The company has an updated Business Plan (Programme D'Investissement 2017-2020 Usine D'Extraction D'Huile Brute). Previously, the investment program comes from the Business Plan 2010/2020. The business plan is updated every year. The company is starting the implementation of this Investment Program from 2017 and, as evidence, many realizations in different sectors are made: improvement of the palm oil production factors (mill maintenance and repairing as press, lifting of FFB, equipments/materials purchase,...), personnel work conditions improvement (purchase of staffs minibus transportation), plantations extending area (pre-germinated palm seeds purchase and nursery trees implementation,...) and facilitation of site works conditions(tractor purchase, PPE distribution,...)</p> <p>The pre-germinated palm trees in actual nursery are preparing both the implementation of the "TENERA project" for expanding the plantation to external smallholders about 500ha and the Savonnerie Tropicale replanting areas of 1000Ha in five (5) years period inside the STHM property.</p>	<p>The Programme D'Investissement 2017-2020 Usine D'Extraction D'Huile Brute lists the activities to perform during each year (see annex 16). Most of the activities listed relates the improvement of:</p> <ul style="list-style-type: none"> ▪ the production factors as mill performance and mill capacity through the maintenance, the replacement and the acquisition of new materials/equipments ▪ the plantation extension (1000Ha internally and 500Ha for TENERA'NY TANTSAHA external plantation) and the yield increase (3.4mt/Ha in 2015- 2016 and became 3.94mt/Ha in 2016- 2017) ▪ the infrastructures for FFB transportation <p>Indeed, the auditor has seen through ASA 3 the implementation start of the Investment Program 2017-2020:</p> <ul style="list-style-type: none"> ➢ One tractor FOTON 1384 delivery purchased on January 2017 for FFB transportation (see Annex 17) ➢ "Broyeur forestier" purchased on February 2017(see Annex 18) ➢ One tractor « Manitou » with fork (crane) (« fourche »), loader (godet) and elevator ("nacelle") purchased on January 2017 (see Annex 19) ➢ Minibus car purchase for the company staffs delivered on March 2017 (see Annex 20) ➢ Repairing the "égrappoir" with the team of ESPA (Antananarivo Superior University Polytechnic)(see Annex 21) ➢ Repairing the mill press by MADACAN ➢ Repairing the mill "Palan" by MADACAN (see Annex 22) ➢ New external planting 500ha by smallholders: 87, 000 pre-germinated seeds are ordered and the first parts of 58,000 pieces (02X29 000) are already delivered to Savonnerie Tropicale. Implementation of palm trees nursery is on- going in area 1, sections 1 ,2, 3. The first step was preparing 29000 pre-germinated seeds to be shared to villagers plantation through TENERA project (see annex 23) and the internal replanting program ➢ The GIZ site staff is already hired and has been working to support on site works for the TENERA project. ➢ Working together with the two surrounding Communes of Fanandrana and Amboditandroho, AVSF (estates legalization) and CASEF (NGO facilitator for legal lands access) are starting the smallholders lands mapping and legalization process. ➢ Smallholders for TENERA project have been trained for farming palm oil plantation ➢ There is an annual budget that summarizes the investment to be made each year(see Annex 24) ➢ Regarding the plantation, there is budget to semi- mechanize harvest and maintenance. ➢ There is a plantation renewal program that will renovate internally 1000 ha in 5 years (2016-2020) at a rate of 200 ha /year (replanting). 	<p>YES</p>

Principle 4: Use of appropriate best practices by growers and mills.		
Criterion 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.		
Summary of the findings for 4.1:		
Findings:	Comments:	Compliance
<p>Standard Operating Procedures (SOPs) for farms and mill are documented. As improvement, most of the procedures are written in two languages, French and Malagasy and the latter is understandable par all workers.</p> <p>There is a mechanism in place to check consistent implementation of procedures.</p> <p>Records of activities performed and monitoring are maintained and available.</p> <p>The mill only receives and processes the Savonnerie Tropicale S.A. own fresh fruit bunches.</p> <p>OBSERVATION 1 Principle4: Criterion 41: Savonnerie Tropicale SOPs are well developed and included all its operations in the mill, office and plantations. However, most of the SOPs are written, validated and signed only by the Savonnerie Tropicale Direction but not prepared by the requiring departments and submitted to be approved by the STHM Direction (users departments appropriation). Date of signature and review period don't exist on some documents.</p>	<p>The SOPs cover all the activities of the Savonnerie Tropicale: plantations (12SOPs all translated in Malagasy language), mill (Health and Safety, Emergency Plan, Mill rules and direction,...), Security (more than 21 SOPs), Emergency measurement against fire and natural cataclysms, Human Resources (recruitment of seasoning and permanent, Salary payment, external works conditions, ...), Laboratory, Environment, Training of workers, Missions conditions(indemnity rates), records of administrative and legal documents, free donations to employees, money lending conditions to employees, contracts, internship ("stagiaire"), (see annexes 25, 26, 27)</p> <p>For the observation raised against Principle 4, Criterion 1, the SOP documents have to be technically written, validated, dated and signed by all departments involved before being approved, signed and disseminated by the STHM Direction. In order to see the SOPs improvement along the time, date and review period are necessary to be written in.</p> <p>The checks on the coherent implementation of the procedures are carried out at 3 levels. At the level of the administrative direction and management of the operation of the oil mill. The second level of control is the department heads and the 3rd level the security department. Activity reports produced daily by each of the activities carried out are available at each level.</p>	YES
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield		
Summary of the findings for 4.2:		
Findings:	Comments:	Compliance
<p>The use of empty fruits bunches (EFB), the green manures and "guanomad" (biologic fertilizer produced by Malagasy company) applied by the company to manage and correct soils fertility is considered as a good agriculture practices.</p> <p>Records of fertilizer inputs are maintained.</p> <p>There are soil analysis performed by an external specialist provider, the FOFIFA Pedology Laboratory, and results are the base to implement corrective actions.</p>	<p>After sites plantations fertilization, Savonnerie Tropicale has asked FOFIFA Pedology Laboratory to do soils analysis in order to see the soil fertility maintenance and/or improvement. Indeed, during the ASA 3, three Results and Interpretations of soils analysis post- fertilization by pueraria, bracharia, "ahipisaka" (Malagasy green grass) with recommendations are shown to auditor:</p> <ul style="list-style-type: none"> - parcels E3, E6, E17, E26 delivered on June 17th 2017 by FOFIFA giving the pH, C,N,P,K and granulometry. -parcels 47,52,68,69,75,79, D3,E16, E17,... on August 23rd 2017 -parcel E17 on July 14th 2017 after bracharia and puerarias spreading on site (see Annex 28) <p>The soils fertility analyses are done for the old plantations and the replanting areas.</p> <p>After receiving the results and interpretations of the soils fertility analysis, Savonnerie Tropicale developed a fertilization Plan.</p> <p>Fertilization uses greens as <i>Puerarias</i> and <i>Glyricidia</i> (legumes), compost from mill waste (EFB, fiber, POME muds) and vermicomposting (in the</p>	YES

	<p>experimental phase). The quantities of compost brought are quantified.</p> <p>Records are available and plot yields are estimated (2 to 4 tons per hectare per year). As result of soils plantations fertilization, the average yield of Savonnerie Tropicale FFB produced by hectare has improved from 3,4mt/ha in 2015- 2016 to 3,94mt/ha in 2016- 2017.</p>	
Criterion 4.3: Practices minimise and control erosion and degradation of soils.		
Summary of the findings for 4.3:		
Findings:	Comments:	Compliance
<p>Soil map showing the soils typology are available. There are no peat soils within the palm oil plantation but there are within the Savonnerie Tropicale property.</p> <p>There is a strategy on place to plant oil palms only on flat areas.</p> <p>Natural catastrophes as floodings and cyclones eroded the soils and/or the river banks. Indeed, ENAWO cyclone on March 7th 2017 eroded 917 m of the plantation along Ivondro river and killed at least 132 palm oil trees, add to 64m naturally collapsed which destroyed 06 palm trees. (see Annex 29)</p> <p>On the riparian zones, vetiver is cultivated by the company to stabilize the soils/lands.</p> <p>Every year, a road maintenance program is implemented between two harvest campaign by the crew of the civil works personnel who are in permanent interactions with the others departments, depending on the issues on fields: environmental, plantations, safety (for prioritizing their activities).</p> <p>The policy of fire use prohibition contributes to minimize the soils erosion and degradation within the plantation.</p> <p>There are strategies to manage low organic matter soils by processing few soils fertility analysis by an external provider (FOFIFA).</p> <p>An on- going drainage program was presented to auditor during the audit.</p> <p>OBSERVATION 2</p> <p>Principle 4: Use appropriate best practice by growers and millers</p> <p>Criterion 4.3. Practice minimise and control erosion and degradation of soils</p> <p>Riparian zone protection: it is known that most of the parcels of the Melville palm oil plantation are located along the Ivondro river, and consequently, these parcels are always impacted by the flooding and the natural catastrophes as cyclone. As verified during the audit ASA3, the areas IV & V are impacted during ENAWO cyclone 2017 and 132 palm oil trees were disappeared (53 in area IV divided into parcel A2= 1 tree, parcel C3=3 trees, parcel C4=49 trees; 79 trees in area V divided into parcels E1=21 trees, A5= 46 trees and D6=12 trees). Erosion control through a riparian zone protection program along the Ivondro river is recommended during the dry season.</p>	<p>The company has maps of all cultivated plots Soil slopes are very low within the company property .</p> <p>SOPs to minimize soil erosion are based on soil conditions and local climate. Examples: soil covers management, biomass recycling, earth-moving, and natural regeneration or restoration instead of replanting.</p> <p>Most of the river banks are covered by natural vegetation but in some areas, vetiver is used to maintain and to stabilize the soils along the Ivondro river.</p> <p>But, punctually, the civil works team does also maintenance to arrange a difficult road access in a specific situation as the company has suffered after the ENAWO cyclone: all the works are located on the replanting area in E5.</p> <p>All peat soils are identified. A SOP is in place to provide guidance on management of peat land subsidence.</p> <p>All peaty soils or shallow soils or wet or flooded soils identified are mapped.</p> <p>An assessment of the possibilities of drainage is carried out before replanting on the peat soils. The plot maps showing areas at risk of flooding as a result of drainage assessment are produced.</p> <p>FOFIFA has delivered the soils analysis results of lands pedology within the plantations on October 13rd 2016.</p>	<p>YES</p>

Criterion 4.4: Practices maintain the quality and availability of surface and ground water.		
Summary of the findings for 4.4:		
Findings:	Comments:	Compliance
<p>Water management plan is available for mill and farms.</p> <p>Palm Oil Mill Effluents (POME) quality analysis results are within legal accepted parameters. The documents related to few POME analyses were presented to auditor as evidences of the company water management during the ASA 3. (non-conformity placed on criteria 2.1.1). In order to be in conformity with the Malagasy Decret n° 2003- 464 issued on March 15th 2003, STHM has made several water analysis (POME) by CNRIT (Centre National de Recherche Industrielle et Technologique) of the Ministry of Scientific Research and University. So, upstream and downstream of Ivondro river before the used water and effluent go to Ivondro river, samplings are monitored as on January 23rd 2017, January 28th 2017, May 3rd 2017 and May 31st 2017. (see Annex 30).</p> <p>Corrective actions are done by the company if one or more water parameters are above the Malagasy norms until the situation is under control.</p> <p>A procedure for the protection of banks and buffer zones is implemented and communicated to workers.</p> <p>No irrigation done at the plantations. The mill has an average of 0.577 m3 of water / ton of FFB processed. (see Annex 31 about water used from December 2016 to July 2017). All water use are recorded daily on the "Cahier de Charges Environnementales" and reported to the National Office of Environment (ONE).</p>	<p>Rivers and wetlands are mapped.</p> <p>The main river is named locally Ivondro and it divides the STHM plantations into two parts.</p> <p>Water analyses are carried out upstream and downstream of Ivondro river to assess the level of pollution from oil mill discharges (POME). Indeed, during monitoring through CNRE Ivondro river physico- chemical analysis on May 3rd 2017, the oxygen norm wasn't respected because it reached 5,13mg/l O2 upstream and 5.91 mg/l O2 downstream. This non-conformity is corrected on the Water physico- chemical analysis done by CNRE and Savonnerie Tropicale on May 31st 2017: it became 0.77mg/l O2 (norm < 5mag/l O2). The same with the fat and oil: On May 3rd 2017, it was 32.36 mg/l upstream and 5.36 mg/l downstream. After the implementation of corrective actions, the fat and oil decrease to 2mg/l, shown a normative number (< 10mg/l (see Annex 30, report issued on June 13rd 2017).</p> <p>Buffer zones are maintained near the watercourse.</p> <p>Waste-scrubbing plants such as vetiver are planted on the banks and edges of the main drains to also prevent erosion.</p> <p>A procedure for the protection of banks and buffer zones is implemented and communicated to workers.</p> <p>Despite the above, Ivondro river flow affected by rains and cyclonic periods cause river channel changes preventing the establishment of riparian zones in some areas.</p> <p>Irrigation is used only at the nursery but collected rainfall water is used.</p> <p>Auditor has seen the table summarizing the annual water catch monthly during ASA 3.</p>	YES
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques		
Summary of the findings for 4.5:		
Findings:	Comments:	Compliance
<p>The use of synthetic pesticides is prohibited in Savonnerie Tropical S.A. operation. The operation is organic certified (ECOCERT International).</p> <p>Manual weeding is performed: no use of herbicides to control weeds within all the plantations zones.</p> <p>Trap placement and manual collection to capture disease transmitting insects and the use of bioproducts are practiced by the STHM.</p> <p>IPM training to the IPM team was performed in 27/02/2016 and 05/03/2016.</p>	<p>A documented integrated pest management plan is in place :</p> <ul style="list-style-type: none"> • Identification of potential pests and nuisance thresholds. • Biological control on the basis of the use of plants with repellent properties of enemies. <p>Recordings on monitoring and control of pests are available.</p> <p>Thus for the oil mill Melville, the head of department Replantation has the following tools:</p> <ul style="list-style-type: none"> - Information sheets on the development cycles of pests (Oryctes Rhinoceros) other insect pests (locusts, ants, caterpillars etc.). - Records identification and collection of larvae, - Protocols of biological struggles, - Implementation of eradication or corrective actions 	YES

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.		
Summary of the findings for 4.6:		
Findings:	Comments:	Compliance
There is no use of agrochemicals in the whole operation.	Synthetic pesticides are not utilized as the production is entirely organic. The operation is certified organic by ECOCERT International. Certificate N. MG-2013-70658-Z_06356-2008 The use of pesticides is formally prohibited according to the procedures of the company	N/A
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented		
Summary of the findings for 4.7:		
Findings:	Comments:	Compliance
<p>The company has a health and safety policy, known by the staffs and non-staffs and seasoning workers.. A health and safety plan is also in place. It includes objectives to improve health and safety at work, it reflects the guidance provided in ILO Convention 184</p> <p>Risk assessments have been conducted for all operations and all workers involved in mill or plantation operations receive health and safety training related to their work. The administrative personnel are aware and are abided by the Health and Safety procedure too. Respect of implementation of safety procedure was noticed in all services/departments as seen during the barge transportation (see Annex 34).</p> <p>All employees, permanents and seasoning or temporary, are affiliated to CNaPS (accidents and retiring) and OMSI (mandatory Inter-Enterprises regional Medical Center of Toamasina/Tamatave). Cotisations payments of STHM payments are quarterly updated for 2017(see Annexes 11 & 12). PPE is provided to all workers and replaced when damaged (Annex 33: PPE distribution).</p> <p>Savonnerie Tropicale was participated for the regional actions against plague epidemic in favor of its personnel in September and October 2017. The company contribution is proved by the Public Health Regional Director thanks letter n°17/585/MSANP/SG/DRSP/ATS/SDSP/TII/MI issued on November 14th 2017 to the Administrative Director of Savonnerie Tropicale Huilerie Melville (see Annex 32).</p> <p>The CMS (Centre Medico-Social) of Huilerie de Melville reported monthly to the regional representatives of the Ministry of Public Health the "rapport nosologiques mensuel consultants" which declare the all medical checkings and treatments by typology of population and diseases.</p> <p>Meetings between managers and workers are conducted on a regular basis to discuss health and safety issues.</p> <p>There is an emergency procedures in case of accident and clear and comprehensible instructions available (in Malagasy language) for the workers.</p> <p>All workers (permanent and contract workers) receive medical care (see Criterion 6.5.3), and all are covered by accident insurance through CNaPS.</p>	<p>Risk assessment covers all processes and activities of the organization. The precautions or instructions to be taken to control risks are defined and communicated to the workers.</p> <p>Unannounced checks are made by security officers to observe compliance with the safety instructions. Adequate and appropriate protective equipment is made available to all workers at the workplace to cover all potentially hazardous operations such as machine operations and land preparation, harvesting and boiler operation, castration of seedlings, weeding ...etc. Even, the subcontractors as ESPA and MADACAN working on the maintenance during the ASA 3 2017 have respected the safety procedure in wearing permanently appropriate PPE see Annexes 9, 21, 22).</p> <p>All works accidents are recorded including those resulting in loss of time according to company-specific parameters (accident rests are decided by the mill nurse depending on the severity of the accident).</p> <p>Registration reports are available. All monthly medical nosologic reports from March to October 2017 are verified by auditor during ASA3 .</p> <p>In recognition of its efforts, Savonnerie Tropicale has received from Red-Cross and the Service of Health of District of Toamasina 1 (Ministry of Public Health) the letter of thanks linked to all the actions made against plague epidemic (informing, cleaning, distributing medicines and giving PPE as seen on Annex 33).</p> <p>In order to support the employees in financially need during illness period, the CMS has a procedure in place to help the STHM personnel to buy medicine and others supports.</p> <p>For every parcel, a system of washing hands (soap & water), latrines and shelter by sector is installed (see Annex 35)</p>	YES

<p>Annually, medical check-up is compulsory done for every worker, permanent, temporary or seasoning. The new hired personnel pass through medical check-up too before signing contract legally. The factory has a nursing infirmary that takes care of all workers in case of illness or occupational: CMS (Centre Médico-Social) accident. It is even open to local communities and the families 'workers.</p> <p>An improvement has noticed about the First-aid kits in the Bureau de Zone at Mahasoa and in plantations areas (E5 parcel in the harvest plantation):available tools and sufficient medicines are noticed during fields verification.</p>		
Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained		
Summary of the findings for 4.8:		
Findings:	Comments:	Compliance
<p>There is a training program, documented and implemented, that covers the RSPO principles and criteria. (see Annex 4 for annual training program for 2017 posted in the office and at the Bureau of Chef de zone at Mahasoa).</p> <p>The training program 2017 focused on office and mill staffs, fields' workers and extended to the TENERA project villagers (smallholders). Evaluation of the knowledge of participants on the training topics is performed in two ways: exam is done and marked at the end of every training and by the evaluation post- training during the works implementation (employees' performance and improvement monitoring).</p> <p>There are up to date training records.</p> <p>The Training plan for 2018 is shown to the auditor during ASA 3 and it covers strategic activities such as environmental education, fire management, cyclone risks, first aids, livelihood, rural sensitization, "lombricompost" production and using (see Annex 36)</p>	<p>Training programs on the general activities was posted in the company office and fields areas. The training program linked to RSPO P & C was implemented annually. All trainings realizations in 2017 are summarized in the Annex 37.</p> <p>Auditor has verified for different departments and smallholders during the audit ASA 3 few examples of the training program implementation 2017:</p> <ul style="list-style-type: none"> ➤ Training of the new recruited HR Assistant on (see Annex 38) ➤ Training of Savonnerie personnel was also held by the trainer from the "broyeur forestier" supplier (see Annex 17) ➤ Smallholders training courses in favor of the TENERA project of surrounding villagers cooperated in VTTP ("Voly Tôndra Tegna Palmier") & VMP (Voly Mahavelona Palmier) (see Annexe 36). Training courses for smallholders members are done by STHM on August, July, December 2017 	YES
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.		
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:		
Findings:	Comments:	Compliance
<p>An Environmental Impact Assessment is documented and it was approved by the Ministry of Environment and Forest on September 5th 2006 ("Certificat de Conformité Environnementale").</p> <p>There is a Plan of Environmental Management which is the response of the EIA and is strictly followed by the company to monitor and mitigate potential negative impacts. One of the monitoring system is the daily writing in the "Cahier de charges environnementales" in which all environmental mill indicators are recorded: water use, POME, wastes, gas emissions as smokes,... (Annex 41)</p> <p>The responsible person for the compliance of the plan is Etancelin Gaetan, Head of Research and Development for Savonnerie Tropicale Huilerie Melville, supported by an operational environmental team.</p> <p>There are daily monitoring protocols in place to follow-up the effectiveness of the mitigation measures. Proving its interest for environment protection, Savonnerie Tropicale has reserved within its property</p>	<p>Savonnerie Tropicale is among the first company requiring EIA in Madagascar. It was a pilot project in Madagascar with the Savonnerie Tropicale Unite de Production Melville –Ivondro MISE EN CONFORMITE as a result. After this report the Certificat de Conformite Environnemental was issued in September 2006.</p> <p>The EIA, between others, includes section II. Description of the activities, III Description of the environment, IV Analyses of Impacts, V Plan of Environmental Management. It includes a List of Annexes, List of Tables, List of Figures, Abbreviations used.</p> <p>Between the potential detected environmental impacts there is the pollution of water, generation of waste and pollution of air.</p> <p>The EIA on table 12 presents the monitoring protocol: Monitoring program establishes the parameters that should be measured and includes the quality of POME effluents (parameters pH, temperature, oils et fats, turbidity, BOD and COD), quantity of solid waste generated and deposited at the composting site, quality of combustion gases (color of gaseous emissions /</p>	YES

<p>780 Ha of conservation area and 227.06 Ha of HCV areas.</p> <p>In order to reinforce its environmental management of natural resources, and for TENERA project, an HCV process will be carried out by an external provider PROFOREST. The process is financially supported by GIZ Madagascar for its implementation (project of new palm trees planting). Add to the HCV process, an EIA for TENERA project is on-going by BIOTOPE consulting and the final document will be delivered on 2018.</p>	<p>smokes). It is noticed that the method established to evaluate the gaseous emissions is through visual method (observation of the colors of smoke).</p> <p>Efficiency of water use is monitored along the year 2017 (see Annex 31)</p> <p>Documents reviewed: More than three Results and Interpretations of water discharges analysis are done this year 2017 by CNRIT and corrective actions are taken to achieve the parameters norms.(see Annex 30).</p> <p>Daily records of environmental monitoring are done by Savonnerie Tropicale in the Cahier de Charges Environnementales, a mandatory document to be filled every day and which record water use, smokes, fuel, ...(see Annex 41)</p> <p>Normative document:</p> <p>Valeur prescrite dans le «Décret N. 2003/464 du 15/04/03 portant classification des eaux de surface et réglementation des rejets d "effluents liquides ».</p> <p>. Daily record of inputs, products, solid and liquid waste (quantity of fuel used, quantity of water used, quantity of effluents produced, weight of EFB produced, weight of EFB reused, weight of fiber send to the field as fertilizer,quantity of fiber used in the boiler).</p>	
<p>Criterion 5.2: The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management plans and operations.</p>		
<p>Summary of the findings for 5.2:</p>		
<p>Findings:</p>	<p>Comments:</p>	<p>Compliance</p>
<p>An Assessment of High Conservation Value was performed in 2014. As a result, only HCV 6 was identified on the area. Pictograms put on fields to identify these areas are still seen until ASA 3. HCV 6 has mapped by Savonnerie Tropicale. As said above in the introduction part of this 3rd surveillance audit, in section 173 "Biodiversity(Total Conservation & HCV area for the respective supply base"), HCV takes 227,06 Ha of the STHM property and biodiversity around 780,00 Ha which are significant for environmental responsibility engaged by the company.</p> <p>No RTE species have been identified on the Savonnerie Tropical Huilerie Melville area. Despite the above, the STHM personnel receives induction about to respect wildlife in general and to not capture, harm, collect or kill any species regardless it is an RTE species or not.</p> <p>Signs/pictograms are placed within the areas and security staff is present to prevent the theft/robbery of fruit and illegal hunting, fishing or capture of species.</p> <p>For the « TENERA project », PROFOREST Africa is contracted by GIZ to do in 2018 the HCV assessment since this project is known as a new planting (2018).</p>	<p>An Assessment of High Conservation Value of Ivondro Palm Oil Plantation, Atsinanana State. Madagascar is made in 2014. The Responsible person is ETANCELIN GAETAN, Head of Research and Development 21/01/2014. The HCV assessment includes: Acronyms, Acknowledgment, Definition, Executive Summary (introduction, objectives, approach, HCV assessment team. The Concession Area, Assesment Methodology, Findings, Summary HCV, Conclusion, Reference. Appendix 1: record of Stakeholder consultation. Appendix 2: Fauna Survey Data. Appendix 3: Flora Survey Data. Figures from 1 to 18. Total of pages 115 plus figures. The HCV study included HCV 1, HCV 2, HCV3, HCV4, HCV 5 and HCV 6. As a result, only HCV 6 was identified on the area.</p> <p>The area have been cleared for agriculture purposes in the past 200 years impacting the integrity of the forest vegetation notable of hosting a rich biodiversity of flora and fauna. Only 5 species of reptiles and 5 species of birds were identified within the property boundaries. No RTE species were identified.</p> <p>Interviewed with "Tangalamena"(traditional leader") TELOLAHY Joseph of the village of Vohibalo (met in Mahatsara village attending traditional ceremony) testified the STHM consideration and respect for traditional matters, particularly the sacred sites.</p>	<p>YES</p>
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Summary of the findings for 5.3:</p>		
<p>Findings:</p>	<p>Comments:</p>	<p>Compliance</p>
<p>Waste products and sources of pollution are identified.</p> <p>A waste management plan is documented and implemented. One of the management plan content</p>	<p>In Madagascar, the wastes management has to be in conformity with the Law 99- 021 issued on August 19th 1999 and, particularly, in Title III,</p>	<p>YES</p>

<p>is the “Monitoring of polluting activities which includes the registration of the amount of generated wastes. Globally, wastes are physically separated in several types: greens, papers, plastics and others (oils, bottles, irons,..). During ASA 3, the evolution of 2016- 2017 wastes monthly quantity is presented to auditor for evidence and it was noticed an increase of the volume compared to 2015- 2016 around 07 tons due to the increase of green wastes . (see Annex 43).</p> <p>There is proper management of organic waste: green waste. There is recycling of waste: Empty Fruits Bunches (EFB) are used as a source of organic matter at plantations. The same method: fibers of fruits, after oil extraction, are used as a source of energy for the boiler.</p> <p>Plastics are recycled for producing paves. (see Annex 42) and cardboard and papers are used to do a charcoal.</p> <p>The Director of Research in CNRIT has contracted to do the wastes recycling training course to ten (10) employees of Savonnerie Tropicale on December 2nd to 3rd 2016 focused on the theme: “Technologie de production des briquettes combustibles, des pavés autobloquants et notion de biogaz”.</p> <p>Others recyclable wastes are managed and sent to the municipal landfill.</p> <p>There are agreements with accredited waste collection companies to collect used oils and maintenance waste as oil, diesel and air filters and other specialized residues. All wastes treatments and movements are recorded from the STHM to ADONIS Ltd for traceability.</p> <p>The company is committed to organic agriculture. There is no chemical container to dispose.</p> <p>Workers and surrounding population as it has seen in Mahasoia village are sensitized to dispose wastes in environmentally and socially manner (see Annex 8)</p>	<p>Chapter II is the regulatory text about solid and liquid wastes legal commitments.</p> <p>There is an Environmental Impact Assessment that identifies waste products and sources of pollution. There is a waste management plan that explains the collection of waste products, the wastes classification by typology, the recycling and/or composting and treatment and destruction methodology (with the collaboration with external enterprise ADONIS) .</p> <p>There is monitoring of waste with detailed records. Traceability of wastes is verified during the audit. Indeed, the transport of wastes from Savonnerie Tropicale to ADONIS is detailed on document named “Autorisation de sortie with all references (number, date, return receipt number to STHM, observations as definitive or returnable items, signatures of STHM, ADONIS, Management agent control, stamped,...). Example on Annex 44: details contained on Autorisation de sortie n° 866/17/DS issued on December 18th 2017 linked to delivery of 152kg of plastics and “caoutchouc”, 145 kg of wiper, 100l of used oil, 400Kg of contaminated sands, 11kg of dirty papers, 67kg of iron and 54Kg of filtered muds). There is another document that establishes the destiny of waste produced on the mill. Ex:ample : « System de gestion des ordures D “ Usine. Dechets Melville ». Contains the type of residues by class and explains the destination of each residue: recyclables as Empty Fruit Bunches and fruits fibers go to the composting area or directly to the plantation as non-recyclables go to the commune trash deposit by the Savonnerie Tropicale Huile Melville truck.</p> <p>The increase of 7 tons of wastes volume in 2016-2017 is still acceptable because it was due to green wastes which are biodegradable wastes. In ADONIS, the company wastes collector, at least, two documents of traceability are used: the “Bon de reception”(Receiving document in annex 45) and the “ Bordereau de Suivi des Déchets”(Wastes Monitoring Sheet) which detailed all the wastes they received from STHM. (see Annex 46).</p>	
Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.		
Summary of the findings for 5.4:		
<p>Findings:</p> <p>A plan to optimize the use of renewable energy is in place.</p> <p>All energy used is monitored. If the annual table summarizing fuel use just contained gasoline and diesel in 2015-2016 (month by month), lubricant monitoring is included in 2016- 2017 as an improvement. (see Annex 47)</p> <p>The boiler relies entirely on fruit fiber and palm kernel shells. In order to reinforce the efficiency of energy use, Savonnerie Tropicale has ordered to buy one new boiler from Malaysia (waiting for delivery). Through proper maintenance of electricity generators and the mill operated by diesel, the efficiency of fuel is guaranteed.</p> <p>The mill uses 1.2 tons of fiber / mt of oil produced.</p>	<p>Comments:</p> <p>The fuel use in the boiler is the fruits fibers and the shells of palm kernel. There is no fuel used in the boiler system. The rest of the fruit fiber goes directly to produce compost or directly to the plantations as soils fertilization.</p> <p>There are two electricity generators for the operation. There is no electricity provided by cable. The biggest electricity generator works from 8 a.m. to 2 p.m. every day when there is work on the mill. The mill works some days from Monday to Saturday depending on the fruit availability.</p> <p>The company uses renewable energy, the solar energy, for its gate operation at the principal entrance of the Melville.</p> <p>Through the interview with Huilerie de Melville Direction, it was mentioned that the big mill</p>	<p>Compliance</p> <p>YES</p>

The mill uses 1.8 liters of diesel /mt of FFB processed which has proven the efficiency of energy use because it was 4.2 liters/mt of FFB processed on 2015- 2016.	maintenance activities implemented in 2017 will contribute on the efficiency of energy use.	
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:		
<p>Findings:</p> <p>Fire is prohibited at any agricultural or waste disposal activity at Savonnerie Tropicale S.A. Pictograms against the fire use within the property is posted in the office, the mill and the plantations areas. All personnel of STHM are aware about this Policy against fire and act accordingly. The first entity responsible for fire use follow- up is the Security Department.</p>	<p>Comments:</p> <p>The use of fire is forbidden within the property limits. Indeed, the fire is not used for the lands preparation or any others uses on field operations. The use of fire is prohibited too within the property for those who work and /or live within the area owned by the company. Contractors are aware about this policy against fire use in maintenance areas as testified by ESPA and MADACAN workers during the audit.</p> <p>The company also lends out lands to resident villagers. The process includes a written request by the villager, followed by an inspection of the requested site by the Savonnerie Tropicale S.A. personnel. After reviewing the site and confirming that everything is fine, the permit is given (written) under certain conditions established by the plantation, within them, no use of agrochemicals and no use of fire</p> <p>Posters and pictogram sensitizing that the population and workers cannot use fire within the plantation are seen on office, mill and plantations areas (see Annexes 7 and 40)</p> <p>Evidence: visit on the fields in E5 parcel and area 1 proved that there is no use of fire within the plantations areas (05 areas).</p>	<p>Compliance</p> <p>YES</p>
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
Summary of the findings for 5.6:		
<p>Findings:</p> <p>Pollutants and sources of GHG has been identified: -Mill effluents -Boiler emissions -Waste -Fuels</p> <p>Plans to reduce pollutants and GHG are documented and implemented.</p> <p>Periodic monitoring of pollutants and sources of GHG is done.</p> <p>POME analysis are performed by accredited ISO 17025 laboratories.</p> <p>Boiler emissions are daily monitored through color of smoke, as required by the EIA.</p> <p>In 2016-2017, the values of legal compliance parameters about water rejection of used water (water oil and fat) from mill effluents to Ivondro river are mostly respected as evidenced on the different physico- chemical analysis done by CNRIT. (see Annex 30).</p> <p>There was monthly wastes analysis in 2016- 2017, particularly with plastics, greens and papers, which shown that greens wastes are increased of 7 tons compared to 2015- 2016. (see Annex 43)</p>	<p>Comments:</p> <p>The legal mandatory document “ CAHIER DE CHARGES ENVIRONNEMENTALES” has to record daily all environmental indicators linked to plantations and mill processes: inputs (FFB received/processed, water use volume), outputs (CPO, KPO, subproduct “Tourteaux de palmiste”), wastes generated (liquids, solids), compost (empty FFB, muds, leaves), others (fertilization use on field), grievances, incidents, observations & controls, interpretations and conclusions). This document is an official regulatory book signed and stamped by the Tamatave 1st Court President. The notebook has all parameters/ indicators that has to be recorded by the company daily and weekly, according to the environmental management plan established on the EIA. Indeed, the week of June 5th to 11th 2017, the record included inputs, products and waste: liquids, solids and gaseous. On the gaseous parameters, regarding the smokes of the mill chimney, includes the quantity of fuel (m3), boiler working hours, quality of smoke to be recorded based on color of smoke. For the chimney smokes,</p>	<p>Compliance</p> <p>YES</p>

<p>Smokes annual report covering December 2016 to July 2017 was presented to auditor shown that the company respected the requirement(see Annex 48) PalmGHG Version 2.1.1. summary report issued on December 23rd 2017 is available during ASA 3 as a result of gas emissions annual monitoring.</p>	<p>the color indicators are NI : noire (black), B= blanche(white), I= incolore(no color), V= Variable, G= grise.</p> <p>Auditor has seen on the notebook during the week of June 5th to 11th 2017, the mill produced 9757kg of CPO, 0,83 m3 of liquid, 3840,66kg/t of oil of solid wastes, used 364 M3 of water,...</p> <p>The effluent parameters are recorded on a daily basis and external exams are done every 6 months or punctually, when needed.</p> <p>Effluent Physico- chemical quality analysis were performed by external provider CNRIT of the POME in January 23rd 2017 and May 3rd 2017 and results are dated January 28 th. 2017 (analysis n°. 15/17/CNRE/D4) and May 31st. 2017 (analysis n° 77/17/CNRE/D4). The results were within the accepted legal parameters requirements.</p> <p>There are also for the same dates, analysis of the water of the Ivondro river upstream and downstream.</p> <p>The results of the May 3rd 2017 analysis shows that, in the Ivondro river, the water upstream contains 32.26 mg/l of fat when the downstream water has a value of 5.63 mg/l of oils and fat (norm is 10mg/l)s. That fact seems to show that the waters drained into the river by the mill are altering the river oil and fats contents (against the Decret n° 2003/464 du 15/04/03 portant sur les classifications des eaux de surface et réglementation des rejets d’effluents liquides).</p> <p>This problem is already solved and testified by the Physico- chemical analysis done by Savonnerie Tropicale Laboratory on May 29th 2017 and confirmed by the CNRIT analysis on May 31st 2017.</p> <p>The improvements made by the company on the monitoring systems contribute to reduce progressively the pollution and emissions.</p>	
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills.</p>		
<p>Criterion 6.1: Aspects of plantation and mill management that have social impacts 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 continuous improvement</p>		
<p>Summary of the findings for 6.1:</p>		
<p>Findings:</p>	<p>Comments:</p>	<p>Compliance</p>
<p>Responding to Observation 4.2.3. of the 2015-2016 auditing findings, STHM has incorporated in the SIA document the “Review period”.</p> <p>The last version of the SIA included plan to mitigate the impacts and, consequently, meets the standard.</p> <p>The SIA is done with a participatory approach, involving the affected parties.</p> <p>The implementation of the “TENERA project” to extend the palm oil plantation to local villagers outside STHM property of more than 500ha is on on-going process. SEIA is starting by external provider BIOTOPE (from 2017) and the HCV will be performed by PROFOREST Africa during 2018.</p>	<p>A SIA (Social Impact Assessment) issued on April 14th, 2016 and corrected under recommendations (add mitigation plan, period of reviewing date, intrusions, irrigation channel conflicts of interests) in 2017 including records of meetings is documented.</p> <p>This SIA has 65 pages with 11 tables and 35 figures.</p> <p>The Social Impact Assessment has been done with the participation of affected parties such as internal personnel (DAD, DIREX, Environmental Department, Gender Committee, Health & Safety,...) and the external stakeholders as the Mayor, the traditional leaders (called “Tangalamena”) and the local communities.</p> <p>The public and authorities consultations for the SEIA of “TENERA project” and data collect have been done by BIOTOPE in 2017, document in on-</p>	<p>YES</p>

going writing before its validation by the company before submitting to ONE technical evaluation in order to get the Socio- Environmental Permit.

Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or mills, local communities and other affected or interested parties

Summary of the findings for 6.2:

Findings:	Comments:	Compliance
<p>The existence of documented procedures for communication and consultations was verified. Records of request of information, respective answers and follow up actions are updated and available.</p> <p>Mrs. Danick RAMAROSON, Administrative Manager is responsible for the coordination of consultations and communications with local communities and other affected or interested parties.</p> <p>The existence of a stakeholder directory was verified, it is managed by the Administrative Manager.</p> <p>Documented records on proper format of the request for information and the approval by representatives of the company to deliver the documents and to organize meetings and tours of the mill and farm were available.</p> <p>Letters of requests of finance, material/equipments and/ social supports from the Savonnerie Tropicale are evaluated and responded by the Huilerie Melville Administrative Manager.</p> <p>04 notebooks are continuing to be used by STHM to communicate and collaborate to its key stakeholders, above the internal communication: Commune notebook, Traditional leaders' document, Chief of Fokontany and Chief of "Carreau". The visitors' notebook (near mill office) add to these four notebooks.</p> <p>Reports of meetings with community members (list of attendants) that include the comments made and agreed measures to follow, are available.</p> <p>Correspondances/letters from and to Savonnerie Tropicale are systematically referenced with number and date. (see Annexes 1 & 2)</p>	<p>The company has an update list of its stakeholders. Records of request of information, respective answers and follow- up actions are updated and available. As evidence, auditor has put on Annexes 1 & 2 the letters of Savonnerie Tropicale to respectively Fanandrana (n°022/16/DE/rm.RD issued on April 22nd 2016) and Amboditandroho (n° 024/17DE/rm.DR issued on March 2nd 2016) by Communes about the FFB royalties' non-payment which testified this easy and good communication with key stakeholders.</p> <p>Reports of meetings with community members (list of attendants) that include the comments and agreed measures to follow-up are available.</p> <p>There is notebook for each commune on which every communication and interactions are documented. Every three months (quarterly), regularly, the company employees are sent to collect all these information and communications from the communes. 04 notebooks are recording every event and communication from the keys stakeholders: traditional leaders, Communes (Amboditandroho and Fanandrana), Chiefs of Fokontany and chiefs of carreau (zones).</p> <p>As evidence, on February 16th 2017, the traditional leader wrote on the Notebook system to Savonnerie Tropicale asking the company to help for negotiating the implementation of one "advanced post of Gendarmerie" to be installed in the surrounding zone and, on November 28th 2017, consultation of responsible STHM employee during quarterly visit of Fanandrana Commune reported on the Commune communication notebook emphasized the good relationship between the Commune and Savonnerie Tropicale.</p> <p>In the village of Mahasoa (one of the 56 villages inside the property) where the "Bureau de zone" is established, communication to villagers and personnel are posted for information. In the two Communes information board, a poster of the 08 RSPO relevant principles are published to communities.</p>	<p>YES</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 parties

Summary of the findings for 6.3:

Findings:	Comments:	Compliance
<p>There is a documented and implemented system for dealing with complaints and grievances, accepted by all parties.</p> <p>The system comprises notebooks managed by Savonnerie Tropicale S.A. Personnel complaints are written by the personnel delegates in the "Cahier de revendication" and handled to the Administrative Manager, Mrs Danick RAMAROSON. Interview with two personnel delegates, RAZAFIMAHEFA Georges Aimé IM 3251 from SEMPIMITO and FOTOA IM 3326</p>	<p>There is a procedure establishing that complaints and grievances arrive in a written way: registered, investigated and solution taken (process takes 7 days). Prompt resolution of problems was verified through notebooks review. If necessary, in some occasions, the involvement of the complainant for solution research is requested by the company and/or the local authorities. Different notebooks</p>	<p>YES</p>

from SEKRIMA syndicates, testified the good relationship between Top Management and the representatives of personnel. Communes requests, complaints and grievances are written in notebooks and/or, if urgent, letters are directly sent to the Manager of Huilerie Melville. These interactions are documented in a continuous basis and resolutions and agreements are also monitored and documented. Complaints and suggestions should be track and solve in a maximum of 07 days. Prompt resolution of problems was verified through notebooks review.

where complaints, grievances and requests are documented and are managed by the Savonnerie Tropicale and the key stakeholders. Above the 04 notebooks seen on P & C criteria 6.2.3., another notebook called "Cahier pour la traçabilité des sensibilisations suivant les anomalies sur parcelles" is used by the villagers to capture all the fields problems and to propose solution; every area has its own notebook.

In the "Cahier de vols et de destruction", date by date, the sites employees captured information on fields and reported all types of thefts and destroying acts or vandalism to DAD and/or Administrative Manager:

- March 10th 2017: parcel 31, few palm oil trees are destroyed by cyclone flooding ENAWO,
- May 29th 2017: drainage channel is partially destroyed by zebus in parcel 17

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:

Findings:	Comments:	Compliance
<p>In Savonnerie Tropicale property, the communities of the 56 villages within the boundaries lend freely their lands for agriculture and zebus grazing from the company under annual renewable contract. There are customary rights by villagers at Savonnerie Tropicale lands.</p> <p>There is no planting on communal land.</p> <p>There is a map where all the sacred sites are indicated /located and they are accessible by the owners/users. There is no compensation required as the sacred sites are respected and there is free access to them every time they need.</p>	<p>The company performed studies/consultations in participatory processes to determine the existence of legal customary rights users. The two most important items taken into consideration are the sacred sites and the use of agriculture land for these communities inside the Savonnerie Tropicale property.</p> <p>There is no procedure for calculation and distributing compensation as there is no planting on communal land.</p> <p>The Melville plantation company allows communities to use their lands for livelihoods and to graze zebus with agreed conditions: no fire use, no deforestation, no zebus into the replanting area. In one word, respecting and maintaining the biological areas under certification.</p> <p>Above, the communities can freely access to the identified sacred sites belonging to them which are mapped as HCV 6. Pictograms are posted on fields to identify and delimited these sacred sites.</p>	YES

Criterion 6.5: Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Summary of the findings for 6.5:

Findings:	Comments:	Compliance
<p>Savonnerie Tropicale S.A. complies with labor law regarding salary, working conditions, payment of extra hours at a different rate, affiliation to CNaPS (retiring funds and accident insurance mandatory entity) and OMSI (mandatory socio-medical inter-enterprises in Toamasina) and paid vacations, maternity leave, between others and maintains adequate information on pay and conditions for their workers.</p> <p>Payment details are summarized in the payroll delivered to each worker and the receipt is signed by the latter.</p>	<p>Documentation of pay and conditions are available in HR Department. At the HR office, there is a folder for each employee, containing several documents, such as trying notification letter, contract employment, letter of worker confirmation of hiring for permanent, copy of monthly payslip, trainings already done during the career period, skills test, competencies and characteristics/behaviours, maternity rights documents for women employees (maternity leave request, ...),....</p> <p>The company maintains adequate documents of pay and conditions added to contracts for their</p>	YES

The company socio- medical center (CMS= Centre Socio- Medical) on site provides medical care to workers, their families and the surrounding communities/villagers. During plague epidemic on September and October 2017, the company supports its employees by sensitization, giving PPE and medicines kits. It was during ASA 3 personnel interview that Special medical check-up was done systematically to employees living in suspicious zones (map of employees residences are produced to follow-up).

No housing is provided to workers but foods are given daily by the company.

The company provides potable water at the working sites. (see Annex 35).

The company lends 350 ha of land per year to villagers for agricultural purposes.

Recruitment of new HR Assistant and one Responsible for Social Relations (there was no HR responsible during ASA2).

In difficult life situation (death, lack of money, non-professional accident, exhumation,), the STHM supports freely their employees and families or employees can borrow money from the company and will reimburse from their salary. The supports for employees are managed through official procedure by the Social Relations permanent responsible. (see Annexes 50, 51, 52).

The increase of salary decreed in 2017 by the government is applied by the company.

workers, temporary, seasoning or permanents. In order to facilitate the identification of worker typology status, the folders of the workers are differently colored: blue for permanent employees and each department has its special color for the temporary and/or seasoning workers.

Workers are affiliated to CNaPS (“Caisse Nationale de Prévoyance Sociale”) and OMSI (Organisme Sanitaire Inter-Entreprises). Employees children declared to the company received from CNaPS the payment of their allocations about Ariary. 4000 by child by month (see Annex 49). NB: Ariary is Malagasy money unit.

The company has a Socio- Medical Center on site Huilerie de Melville (CMS) located more than 25 km from the Tamatave town, managed by one doctor, one paramedic and one nurse, working from Monday to Saturday morning that provides a medical care for all workers (seasoning or permanent), their families and the surrounding communities. Medical care is free for workers and their families. Difficult diseases cases are evacuated by the CMS to appropriate medical center in the Fanandrana Commune CSB II (“Centre de Santé de base II) or to Toamasina town (OMSI, University Hospital Center of Toamasina) but the medical care cost is paid by CMS.

The contracts are written in Malagasy or French according to the employee, understandable languages.

No housing is provided to workers by the company because most of the workers are living around the palm plantation; the other part of the employees living in Tamatave town are freely transported by the company minibus(bought in 2017) going to work and returning back home.

On sites, for every zone, a shelter was constructed to be use by workers for relax/lunch time and rainy day.

Cafeteria of Savonnerie Tropicale daily demonstrates and gives freely to all personal adequate and sufficient foods, in the office and on sites, freely during the working hours.

The sites and office workers interviewed said that the company free social supports are appreciated by the personnel and it is testified by the two personnel delegates during the ASA 3.

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

Summary of the findings for 6.6:

Findings:	Comments:	Compliance
There is a policy that recognizes freedom of association for workers. There are two syndicates that represent workers at Savonnerie Tropicale which confirmed that there is freedom of association and syndicate: SEMPIMITO (Sendikan'ny Mpiasa Mivondrona eto Toamasina) represented by RAZAFIMAHEFA Georges Aimé and SEKRIMA (Sendika Kristianina Malagasy) represented by FOTOA.	There is policy that recognizes freedom of association for workers called “Politique des droits desHommes, item 4:” La société s’engage à la liberté d’association syndicale et au droit de se réunir”. On Malagasy Labour law 2003- 044 issued on July 28th 2004(Official Journal n° 2956 of February 21st 2005), the item 136 on Title V Des relations professionnelles, Chapter I Des organisations des travailleurs et des employeurs: “L’exercice du droit syndical est reconnu dans le	YES

<p>There are minutes of the meetings between the company and the workers representatives. All requests and complaints/grievances from personnel are written on the “Cahier de revendication des délégués du personnel” recorded by the delegates and submitted to the Administrative Manager for solution.</p>	<p>respect des droits et des libertés garanties par la constitution”. That’s why there are two syndicates represented inside the company: SEMPIMITO and SEKRIMA. But, compared to the huge number of Savonnerie Tropicale personnel, just few employees are affiliated (less than 30 workers). There are minutes of the meetings between the company and the workers representatives shown during the audit. In several occasions, the personnel representatives request of meeting is submitted to the Director for acceptation. The agenda and requests of the meetings are written and documented in a book called “Cahier de revendication des délégués de personnel” in Melville .</p>	
<p>Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.</p>		
<p>Summary of the findings for 6.7:</p>		
<p>Findings:</p>	<p>Comments:</p>	<p>Compliance</p>
<p>Savonnerie Tropicale S.A. has established a policy of No child labor. No children were observed at the palm oil plantation even though the collection of fallen fruit is done by women. The policy of No child labor is applied to permanent and seasoning/temporary workers.</p>	<p>The minimum age requirement on Savonnerie Tropicale recruitment is 21 years old. Through the interviews done with the new HR Department Assistant (RANDRIANASOLOARIVELO Jean Mickaël) and the representative of personnel (RAZAFIMAHEFA Georges Aimé, Id 3251), they testified this minimum age for work in the company. Savonnerie Tropicale S.A. has established a policy of no children labours. It is already included in the Human Rights Policy.</p>	<p>YES</p>
<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>Summary of the findings for 6.8:</p>		
<p>Findings:</p>	<p>Comments:</p>	<p>Compliance</p>
<p>There is a comprehensive human rights policy with a non-discrimination statement. There is a specific no discrimination policy (in French and Malagasy) displayed at the wall of the Human Resources office where all employees can see it. Through interviews with the two representatives of personnel affiliated to syndicates, respectively SEMPIMITO and SEKRIMA, it was established that there is no discrimination at Savonnerie Tropicale. There are procedures for the recruitment of permanent and non-permanent workers (seasoning), written in French and Malagasy, and displayed on the external wall of the Human Resources office. These procedures are presented to auditor during ASA 3. Applicants for a new job will be selected taking into account skills, capabilities, qualities and medical fitness to perform the available jobs. As evidence, job offer from the company looking for security guard is posted to public in the village of Mahasoa where the “bureau of zone “ is located. Promotion is based on capabilities and skills and sample is shown during work.(see Annexes 3 & 53) A “Behavior Committee” is created through the “Gender Committee” in order to be more reactive on fields to solve the workers behavior. One meeting is held in 2017.</p>	<p>There is a specific no discrimination policy, written in French and Malagasy languages, displayed at the wall of the Human Resources office where all employees can see and read. On item 2, the company establishes the commitment to avoid any kind of discrimination by age, race, sex, ethnic, origin, nationality, religion, health conditions, marital status, sexual orientation and political & philosophic opinions. There are no migrant employees in Savonnerie Tropicale. Yes, there are many employees from different ethnics of Madagascar but there are treated equally since Tamatave is always a town of many ethnics or mixing people. As evidence, one member of Gender Committee interviewed during the audit, Mrs Noëline RAZAFINDRATOHO, DIREX Assistant Administrative, and the two personnel representatives testified that there is neither discrimination against race, caste, national origin, religion, sexual orientation, union membership, political affiliation, age , women nor against the handicapped personnel at Savonnerie Tropicale. There are procedures for permanents and temporary/seasoning recruitment, written in French and Malagasy languages, and displayed on the Human Resources (HR) office board.</p>	<p>YES</p>

	<p>New job applicants are selected in taking account skills, competencies, qualifications or backgrounds and medical fitness to perform the available jobs. Applicants related with the job are selected and called for an interview where confirmation of fulfillment of the requirements position is performed. The candidates' selection is based on job skills, abilities, capabilities, qualifications and fitness for work.</p> <p>Employees' promotion depends on capabilities, skills during the works period. As evidences, 08 seasoning workers contracts are seen converted into permanent workers in 2017.</p>	
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		
Summary of the findings for 6.9:		
Findings:	Comments:	Compliance
<p>Zero tolerance to sexual harassment is written on Savonnerie Tropicale S.A. Human Rights Police (item 3).</p> <p>There is a policy to protect reproductive rights, which is supported by the "Gender Committee". As evidence to testify the respect of women reproductive rights in STHM, during pregnancy period, the private sector(STHM) paid half of the salary and the CnaPS paid the other half part as imposed by the Malagasy law.</p> <p>In order to reinforce the "Gender Committee" investigation and actions, a new committee called "Behavior Committee" is created in 2017.</p> <p>The policy is communicated to all levels of the workforce. The "Gender Committee" members are from different departments of STHM.</p> <p>There are several documented and implemented grievance mechanisms.</p> <p>The system of anonymous complainants is implemented to protect the workers righthts.</p>	<p>Zero tolerance against sexual harassment or abuse in the work place is shown through the Human Rights Policy, item 3. This Policy is communicated to all levels of the workforce by HR Department in displaying it on the HR communication office board, with French and Malagasy versions</p> <p>Testified through interviews with women working with the company in different Services/ Departments and the Gender Committee members, there is a Policy to protect reproductive rights. Women take some advantages given by the Malagasy law when pregnant: continuous salary pay (half paid by company and half by CNaPS), maternity leave, one (1h) hour breastfeeding break daily, work temporary change according to the woman health,... These documents are seen by auditor in women workers folders (for mothers workers who have born babies).</p> <p>Grievance mechanisms includes grievance notebooks placed by The National Office of Environment (is social and environmental) in the communes. As workers are villagers they can easily place their complaints through this way.</p> <p>There are notebooks available at the entrance of the mill where complaints can be set. There is a written procedure that describes the flow of the complaints and establishes that in 7 days the complaints should be analyzed and decisions taken.</p> <p>Workers interviewed at the office and on the fields said that they can complaint to HR Department, their chief of zone or supervisor, through personnel delegates and the Gender Committee,...)</p>	YES
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.		
Summary of the findings for 6.10:		
Findings:	Comments:	Compliance
<p>All FFB coming into the mill are from the Savonnerie Tropicale S.A. own plantations.</p> <p>There are not external FFB providers.</p> <p>Five (5) Services providers are contracted by the company. Terms and conditions of the service are very clear and agreed payments are made in a timely</p>	<p>There is no smallholder scheme until ASA 3. The "TENERA project" is just on the implementation process, so the first FFB production from smallholders will be probably arrived after 3 to 4,5 years.</p>	YES

<p>manner. The two representatives of contractors interviewed during ASA 3 testified the effectiveness of fair and transparent deal between parties involved in commercial contracts.</p>	<p>Five(5) Services providers are contracted by the company: MADACAN (mill maintenance), ESPA (mill maintenance), MATERAUTO (electricity), ADONIS (wastes treatment) and Etienne Transportation (CPO transportation from Huilerie de Melville to Port). Terms and conditions of the service are very clear and agreed . As evidence, ADONIS contract is shown to auditor during the 2017 audit.</p>	
<p>Criterion 6.11: Growers and mills contribute to local sustainable development wherever appropriate.</p>		
<p>Summary of the findings for 6.11:</p>		
Findings:	Comments:	Compliance
<p>Through documental review and interviews with stakeholders, it was evidenced that the company contributes to local sustainable development. The contributions respond to the needs, request and demands of local communities:</p> <ul style="list-style-type: none"> - provide land to the Amboditandrroho Commune for new market place (permanent). The market is located close to Mahasoia village, inside Savonnerie Tropicale property. Inaugurated by regional authorities in December 23rd 2017. - supports the actions implemented to fight against plague epidemic with Tamatave authorities and workers (September to October 2017) - extend the biological zone to "Ivondro biological valley" with the collaboration of the Atsinanana Région - local development of women association by supporting the association formalization and the incomes generated activities - extend the local agriculture development (500ha and plus of palm oil plantation) through the "TENERA project" which is contracted with two rural cooperatives (PVTT & VMP) grouping at least more than hundred members - give as grant fuel to DREEF for the celebration of the World Soils Day on December 5th 2017 at Betampona - take in charge the costs of ceremony of the MFR first promotion diplomas distribution (2017) - continue to support MFR agriculture training of youth rural people of Atsinanana Region. -All field and mill workers are from the villages settled within the property boundaries or neighboring villages. -Supports community members through the Medical Center Mahasoia. -lending to community members of 350 ha of land for planting rice, taro, cassava ("manioc"), leaves, bananas, eggplants, zuchines,.... And grazing porc and zébus - payment for estates taxes to the two surrounding Communes Fanandran a& Anboditandrroho. <p>It is raised through this audit ASA 3 that Savonnerie Tropicale failed on its duty to pay the FFB royalties for the two(2) concerned Communes, Amboditandrroho and Fanandran, and in the situation of non- compliance against Principle 2 ("Compliance with applicable laws and regulations") , criterion 2.1 ("There is compliance with all</p>	<p>The Administrative Manager is responsible for the communication with the community members. Savonnerie Tropicale S.A. is the first social partner of the two regional surrounding communes: Amboditandrroho and Fanandran. During the Amboditandrroho Commune consultation, the Mayor Deputy DJAHARY Jean Fernand in front of their two coworkers (Administrative Assistant, Principal Accountant-Cashier) noticed that many good collaborations are made between the parties but until the ASA3, the Savonnerie Tropicale didn't pay to Commune the FFB royalties. He emphasized that STHM paid regularly the estates taxes but not the FFB royalties.</p> <p>Logistic supports to MFR agriculture training for Atsinanana regional youths continues: add to the land "Riche en eau SOMAPALM"lended freely for 15 years through the "Convention de mise à disposition" signed in Antananarivo on May 22nd 2015, Savonnerie Tropicale reinforce its contribution by financing the ceremony of diplomas distribution for the youths first promotion. (Annex 56)</p> <p>With the involvement of the Atsinanana Region as development locomotive partner, Savonnerie Tropicale promotes its biological areas in implementing together the " Biological Ivondro Valley".</p> <p>Add to these points above, STHM:</p> <ul style="list-style-type: none"> - contributes for the independence day (June 26th 2017) - supports to the two (02)surrounding communes - gives traditional leaders grants - releases at least 350 Ha of its own property to all the communities living to the villages inside for cultivating livelihood and grazing animals - paid regularly (annually) estates taxes to the two Communes adding - local access roads construction/ rehabilitation for TENERA project which will be profitable for local/regional use - supports the "Gender Committee" in its mission to promote and develop women way of living("Etoile de Venus" female Association) <p>In one word, STHM is the first strategic partner of Amboditandrroho and Fanandran Communes Until now, there is no smallholders working with the Savonnerie Tropicale . The "TENERA project "to cultivate palm oil with surrounding villages outside</p>	<p>YES</p>

applicable local, national, ratified international laws and regulations")	the company boundaries is just start the feasibility study (financed by Savonnerie Tropicale and GIZ) and will be progressively implemented. Associations formalization, lands delimitation, lands requests submission, palm oil plantation training , SEIA testified the seriousness of the project.	
Criterion 6.12: No forms of forced or trafficked labour are used.		
Summary of the findings for 6.12:		
Findings:	Comments:	Compliance
The company Human Rights Policy (Politique sur le Respect des Droits de l' Homme) establishes that the company is against forced labor (item 1). The policy is posted in the information board of the company in Malagasy language, well understood by Malagasy people (Malagasy= people from Madagascar) working in.	It was found through interviews and direct observation in the operation of Savonnerie Tropicale Huilerie Melville that no form of forced labor or labor trafficking are practiced. All the workers are contracted directly by the company and there are clear and well known procedures to recruit / hire personnel. Most of the workers, particularly the seasoning employees are locally hired from the surrounding villages and/or from the 56 villages inside the palm plantation. Each employee, seasoning or permanent, has a signed contract that establishes the job title and its terms of references, and payment conditions. Savonnerie Tropical Huilerie Melville does not contract with migrants workers. There are specific policies and procedures for the recruitment of temporary workers.	YES
Criterion 6.13: Growers and millers respect human rights.		
Summary of the findings for 6.13:		
Findings:	Comments:	Compliance
A policy to respect human rights is documented and communicated to all levels of the workforces and operations	The Human Rights Policy (Police sur le Respect des Droits de l' Homme) contains 6 main items: no forced labors, no children at work, no discrimination, freedom of association, preserve the relation mother/enfant, no sexual or any kind of harassment and to favor the insertion of handicapped workers. It was found through interviews and direct observation that the company respects	YES
Principle 7: Responsible development of new plantings.		
Criterion 7.1: A comprehensive and participatory 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		
Summary of the findings for 7.1:		
Findings:	Comments:	Compliance
SEIA of the expanding new palm plantation about 500ha to smallholders within Amboditandroho and Fanadrana communes is on-going with an external service provider BIOTOPE Consulting. The public /stakeholders' consultations and data collection are done in 2017. The project is co- financed by STHM, GIZ and the CPO client. The SEIA document is on-going writing and the bid TDRs is seen by auditor during the ASA 3. HCV assessment will be done by PROFOREST this year 2018. Contract between GIZ (technical and financial partner) and PROFOREST has already signed at the end of 2017.	The new plantations belong individually to smallholders who are associated in two cooperatives called PVTT and VMP. Savonnerie Tropicale has initiated and has supported the "TENERAn"ny Tantsaha project" in order to buy the FFB smallholders to supply its Melville mill from their productions. Until now, the mill is just around 60% of its production nominal capacity. The SEIA process is under the lead of BIOTOPE and has been starting from 2017 to be ended on 2018. Estates securisation for smallholders' lands is supporting by GIZ with AVSF and CASEF. For 2017, lands identification of the two	YES

	<p>cooperatives members (PVTT & VMP), lands delimitation and mapping, administrative negotiations and requests submissions with Communes and Region are beginning. The list of smallholders visited lands is available and shown to auditor.</p> <p>GIZ has named the GIZ staff site who is already working on field and has signed contract with PROFOREST company to do the TENERA project HCVs assessment and with BIOTOPE for SEIA.</p>	
<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>Summary of the findings for 7.2:</p>		
Findings:	Comments:	Compliance
<p>In Savonnerie Tropicale boundaries, there is no new planting since 2005.</p> <p>As the FFB produced by the TENERA project will be delivered by cooperatives members to the Huilerie Melville mill, soil surveys will be done separately by PROFOREST and BIOTOPE and incorporated on the SEIA to serve establishing plan and implementing operations.</p>	<p>AVSF (Association des Vétérinaires Sans Frontières) and CASEF which will support the "TENERA project" projects are contracted with GIZ to facilitate the interested population lands access. The process is on-going and supported by the Communes.</p> <p>Land by land, topographic survey is done individually and map is actually on-going.</p> <p>Interviewed during ASA 3, Administrative Manager of STHM noticed that soil survey is planning in order to know what kind of biologic fertilizer will be implemented on fields, parcel by parcel.</p>	<p>YES</p>
<p>Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area containing one or more high Conservation Values</p>		
<p>Summary of the findings for 7.3:</p>		
Findings:	Comments:	Compliance
<p>In Savonnerie Tropicale boundaries, there is no new planting since 2005.</p> <p>In Savonnerie Tropicale property, GIZ and PROFOREST are already signed a contract for HCVs assessment. The GIZ site staff, Mr RAKOTOMANGA Noa, has confirmed the effectiveness of the partnership. PROFOREST is foreseen to start the HCVs study from January 2018.</p> <p>HCV 6 linked to sacred sites is delimited on fields</p>	<p>The feasibility study of the 500Ha expanding palm trees culture will not be a replacement of primary forest but a conversion of existing agriculture lands to palm trees cultivation.</p> <p>The 500 Ha expanding cultivation of palm trees outside Savonnerie Tropicale will be considered as a pilot project. Its successful will lead to an extension.</p>	<p>N/A</p>
<p>Criterion 7.4: Extensive plantings on steep terrain, and/or on marginal and fragile soils, are avoided.</p>		
<p>Summary of the findings for 7.4:</p>		
Findings:	Comments:	Compliance
<p>No new planting since 2005</p>	<p>Savonnerie Tropicale S.A. manages 1200 ha of Organic Palm oil and has no plans for expansion neither the establishment of new plantations within the own property boundaries. Informed by management personnel. The plantation was established in the 1960's and there are no new plantings since 2005</p>	<p>N/A</p>
<p>Criterion 7.5: No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their own representative institutions</p>		
<p>Summary of the findings for 7.5:</p>		
Findings:	Comments:	Compliance
<p>In Savonnerie Tropicale boundaries, there is no new planting since 2005.</p>	<p>The "TENERA project" as the Malagasy word "TENERA" is from two words "Teny ieràna"</p>	<p>YES</p>

<p>The community members interested on "TENERA project" have started to create a rural cooperative officially formalized and are submitted their lands access requests to competent authorities. There are no indigenous people in Savonnerie Tropicale areas. The cooperatives members have given their prior and informed consent to do the "TENERA project" in their lands.</p>	<p>which means " with consent" will be done with prior and informed consent. The cooperative members' first capital is their lands. Three types of lands status exist: traditional occupation (no legal lands titles), lands legally titled and government lands. AVSF, CASEF and the two Communes with Atsinanana Region jointly work in synergy and give their help to facilitate the TENERA project members' lands access. The involvement of the cooperatives members of "TENERA project" on all pre- implementation palm oil trees cultivation confirmed their free, prior and informed consent about the project. The two cooperatives have already elected their head management members (president, accountant, advisors, administrative responsible,...). The cooperatives members will cultivate themselves their own lands with the technical, administrative and materials supports of Savonnerie Tropicale and GIZ. The lands continue belonging to them but they will sell their FFB productions to Savonnerie Tropicale.</p>	
<p>Criterion 7.6: Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>		
<p>Summary of the findings for 7.6:</p>		
<p>Findings:</p>	<p>Comments:</p>	<p>Compliance</p>
<p>Since 2005, no new planting but just a palm trees replacement inside the Savonnerie Tropicale boundaries (replanting areas). Consequently, no compensation process. In the opposite, the villagers inside the Melville boundaries borrowed agriculture lands freely from Savonnerie Tropicale. The new "TENERA" project will be done outside the Savonnerie Tropicale property but supported by the latter since it is known that all FFB produced will be bought by Savonnerie Troipcale. The plantation will be implemented in the cooperatives members' properties and FFB productions are for them.</p>	<p>Savonnerie Tropicale S.A. manages 1200 ha of Palm oil and has no plans for expansion neither the establishment of new plantations within its own property boundaries. Informed by management personnel. The plantation was established in the 1960's and there are no new plantings since 2005. The TENERA project works especially with individual peasants grouped in two cooperatives. There is no compensation for the TENRA project as it is known that the lands and the FFB productions belong to them.</p>	<p>Organic/ES N/A</p>
<p>Criterion 7.7: Use of fire in the preparation of new plantings is avoided other than in specific situations as identified in the ASEAN guidelines or other regional best practices</p>		
<p>Summary of the findings 7.7:</p>		
<p>Findings:</p>	<p>Comments:</p>	<p>Compliance</p>
<p>In Savonnerie Tropicale boundaries, there is no new planting since 2005. Within Savonnerie Tropicale property, the use of fire is prohibited and pictograms showing this commitment are posted everywhere: in the plantations, in the office and in the mill. The interview done with the cooperative president of "TENERA project" during the audit testified that they are aware about this environmental engagements and the group is ready to be abided by the rules against fire.</p>	<p>During the previous audits in 2015 and 2016, all criterions on the Principle 7 were non-applicable (N/A) for Savonnerie Tropicale. But, since the time that the company Savonnerie Tropicale decided to proceed to extend their plantations in communities lands outside its boundaries and has planned to incorporate the production with society product under RSPO certification, GIZ is on the way to look for a RSPO specialist to do a RSPO P&C awareness campaign to the "TENERA project" members on first quarterly 2018.</p>	<p>N/A</p>
<p>Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.</p>		
<p>i. The credentials of assessors are clearly captured demonstrating the competencies requirements listed in Table 2 of NPP (2015), as part of their public reporting (as per Chapter 6 of the Procedure). ii. Starting 1st January 2016, the RSPO GHG Assessment Procedure for New Planting Version 3 is used. iii. All information and data of the assessment as per Chapter 6, reporting framework of RSPO GHG Assessment Procedure Version 3 is correct.</p>		

<p>iv. The new Development GHG Calculator is used for the projection of GHG emissions associated with the new development plan.</p> <p>v. Valid references are provided for assessments done using any other values and vegetation covers classification other than RSPO Default Value (refer Chapter 3 of the Procedure).</p>		
Summary of the findings for 7.8:		
Findings:	Comments:	Compliance
<p>In Savonnerie Tropicale boundaries, there is no new planting since 2005.</p> <p>Up to now, the "TENERA project" is in on-going process to do the soils study and cannot deliver any evaluation of greenhouse gaz emissions. This criterion will be incorporate into the RSPO P&C surveillance audit after the SIEA document availability.</p> <p>But, GIZ has signed two differents contracts to anticipate the greenhouse gas emissions study and evaluation: SEIA by BIOTOPE and HVCV with PROFOREST Africa.</p>	<p>In order to allow the "TENERA project" to minimise net greenhouse gas emissions, its SIEA and HCV assessment will contain all needed informations and datas. The services providers in charge of the SEIA and HCVV will separately incorporate this subject onto the final respective documents.</p> <p>A special tool is already developed by specialist to treat these data automatically (RSPO GHG calculator version 3.0.1)</p>	N/A
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		
Summary of the findings for 8.1:		
Findings:	Comments:	Compliance
<p>There is a documented Action Plan for Improvement which is bound with the Program for Investment (2016/2017).</p> <p>Between the improvement actions are the following:</p> <ul style="list-style-type: none"> ➢ progressive increase of FFB yield and production: If 2016-2017 harvest campaign gave 3,4 mt/Ha of FFB, it reached 3,94mt/Ha on 2017. ➢ New Planting areas by smallholders ("TENERA project"(2017-2022: with GIZ (German), STHM is co-financing the studies , survey and implementation. This project allows the company to improve the FFB mass production in order to satisfy the client needs. ➢ improvement of the performance of mill production factors ➢ improvement of the means and organization of plantations activities ➢ improvement of the works conditions ➢ significant progress on administrative management of the STHM ➢ embedding the health and safety culture inside the company workers ➢ improvement of social supports system in favor of the employees <p>Several improvements on the infrastructures and equipments of the mill (modernization of the palm oil production line), the employees works conditions and the plantations begins progressively to give positive results for STHM. As said by the DIREX and DAD during interview, the efforts will continue in the future, taking in account the "Programme d' Investissements de l'Usine Plan 2017- 2020"</p> <p>Availability of the 2018 training program is already presented to auditor during ASA 3 (see Annex 36). The training realizations 2017 are seen on Annex 37.</p>	<p>The increase of FFB yield comes from the regularity of the plantations maintenance activities (weeding, clearing , the soils fertilization program through the use of compost according to the soils analysis results and recommendations , the production of young palm trees as from the replanting areas, the drainage efforts in the plantations, ...).</p> <p>In order to increase the production volume, the company has planned to externalize the 500Ha of new planting to the external population lands: "TENERA project". An SEIA is starting on 2017 by independent team: BIOTOPE. Data gathering and public consultations are done in 2017 and the document will be submitted for validation before ONE/CTE technical evaluation (step before Socio-Environmental Permit delivery).</p> <p>PROFOREST Africa has signed jointly the HCV assessment with GIZ and activities are planned for 2018.</p> <p>To start the implementation of "TENERA project", the two cooperatives of smallholders (VTTP, VMP) are created, formalized and have been doing several trainings in 2017: pre-nursery trees preparation, nursery trees cultivation, ...</p> <p>For the mill production capacity improvement, many efforts have been doing, such as:</p> <ul style="list-style-type: none"> ➢ technical maintenance repairing for the mill press, the mill destemmer (Annex 21), monorail of FFB transportation, the "palan"(Annex 22) ➢ purchase of new boiler from Malaysia: procurement order is sent to seller company(waiting delivery) ➢ purchase of one loader which can do more than three different works: elevator, crane/fork, loader (Annex 19) ➢ POME: discharge effluents are controlled by analysis twice annually and if needed ➢ Visual daily monitoring of chimney smokes ➢ Weekly monitoring of waste produced and disposed. Wastes are monitored by type and recycled if possible. The evolution of wastes is quantified and analyzed in 2017. (Annex 43). 	YES

<p>OBSERVATION 3. Principle 8: Commitment to continual improvement in key areas of activity Criterion 8.1.: Growers and millers regularly monitor and review their activities and implement actions plan that allow demonstrative continual improvement in key operations</p> <p><i>Savonnerie Tropicale has made an effort to recruit the right person with high qualification in key performance areas Health and Safety, Mill maintenance post, Environment responsible but the personnel resign often constitutes the weakness of the HR management. The key personnel turnover is still high, cso Continuous improvement will be impossible or most of the time slow down.</i></p> <p>Observation 4. Principle 8: Commitment to continual improvement in key areas of activity Criterion 8.1.: Growers and millers regularly monitor and review their activities and implement actions plan that allow demonstrative continual improvement in key operations</p> <p><i>Lack of interactions between the Huilerie Melville Departments</i> <i>There is lack of positive interactions between the different Departments and Services involved in the palm plantation. For examples, it is noticed during ASA 3 that the issues reported in the “Cahier pour traçabilité des sensibilisations suivant les anomalies sur parcelles” are not correctly rectified by the concerning Departments just-on-time. The meeting which gathers all Departments involved is not regularly held as previously planned. The road maintenance 2017 is focused on one area E5 heavily impacted by the ENAWO cyclone but many areas need to be maintained properly to ensure the flow of the FFB transportation and, consequently, the quality of FFB processed. The same comments between Environmental, Plantations (drainage maintenance), HSSE and Direction.</i></p>	<p>A positive changes in works conditions are noticed:</p> <ul style="list-style-type: none"> ➤ purchase of the staffs minibus for transportation (Annex 20) ➤ continuing the sensitization on the correct wear of PPE and distribution to workers ➤ workers trainings in different sectors of the Savonnerie Tropicale exploitation (safety, HR, plantations, ... ➤ has hired an HR Assistant, one Responsible for Social Relations, maintenance technician,... ➤ permanent availability of sites drinking water and washing water and shelter by zone/area ➤ availability of sites first aids kits ➤ promotion of the employees status from seasoning workers to permanent employees <p>Plantations improvement:</p> <ul style="list-style-type: none"> ➤ roads maintenance ➤ purchase of one tractor FOTON 1384 (Annex 17) ➤ purchase of forestry shredder(“broyeur forestier”) (Annex 18) ➤ lands fertilization by empty FFB compost with traceability (records) from systematic soils analysis ➤ implement the drainage system in place (see Annex 57) ➤ follow-up daily the replanting areas by DPA ➤ new design of the effluents management (see Annex 56) <p>Continuous communication with political and traditional community leaders as well as with individuals of the communities settles within the property boundaries though the notebooks systems.</p>	
RSPO Supply Chain Certification		
Supply Chain Module		D – Identity Preserved / E - Mass Balance
Findings:	Comments:	Compliance
Description		

<p>All FFB processed in the mill comes from the own company certified farms. The supply base is composed by 5 farms territorially located at two communes: Fanandrana (areas/ farms I and II) and Amboditandroho (areas/farms III, IV and IV) communes. These five (5) farms are adjacent as could be seen on the map placed on section 1.9 of this report. All FFB are processed in the only mill located in Fanandrana.</p> <p>The current capacity of the mill is of 5 MT/hr and it works 8 hours a day. The configuration of the mill is for 10 MT /hr putting 1 extra press and 1 extra boiler. Actually, the mill is exploited roughly around 60% of its capacity and, consequently, in order to reach the nominal capacity, Savonnerie Tropicale is working with GIZ (German NGO) and its client (biologic oil buyer) to co- finance the extension of the external palm oil plantation to 500Ha more through the "TENERA project" with the collaboration with the surrounding villagers grouped into two cooperatives(VTTP,VMP). The local villagers will totally sell their FFB products to Savonnerie Tropicale..</p> <p>Compared to 2015-2016, EOR 2017 is reduced due to the mill problem.</p>	<p>There is record, control and analysis of the respective quantity of CPO and PKO produced every day, which are summarized on a weekly and monthly basis.</p> <p>For 2017, the company has estimated the production of CPO around 1220.00 mt and PK about 650 mt. But, at the end of the palm production harvest 2016- 2017, the real CPO production is 775.429mt (IP) and PK is 473.848 mt.(IP).</p> <p>For the season 2016-2017, the FFB produced from plantations going to mill is 4639.790mt. OER was 16.71 for December 2016 to July 2017 season against 19.20 in 2015- 2016.</p> <p>The last fruit processed was processed in July 2017 due to the crop seasonality in Madagascar. The harvesting has been delayed and has not started in late November as usual due to several factors , between them, the delay in rains and the big maintenance program engaged for 2017 that has been made in the mill (currently working on repairs until ASA 3).</p> <p>Savonnerie Tropicale has expected for the 2018 season 998.85 mt of CPO and 650 mt of KP. They will come from 6902.824 mt of FFB estimated.</p>	YES
Documented Procedures		
<p>Standard Operating Procedures (SOPs) for the mill are documented.</p> <p>There is a mechanism in place to check consistent implementation of procedures.</p> <p>Few others operating procedures linked to the mill is presented to auditor during ASA 3:</p> <ul style="list-style-type: none"> ➤ Calculation procedure of oil loss in the mill ➤ Oil analysis procedure (control, Laboratory analysis) ➤ Water analysis procedure ➤ Effluents control and traceability <p>Procedure</p> <p>Records of activities and monitoring are maintained and are available.</p>	<p>The Chief de Service, RAZAFIMAHEFA Georges Aimé, IM. 3251 is in charge of the mill and demonstrates understanding of the procedures and implementation of the standard.</p> <p>There is a procedure for the activities carried out at the plant "Procedure D'Usinage, 12/13", containing schematic flow diagram and description of the activities (sterilization, pressing, centrifugation, etc.) and descriptive manufacturing process of CPO and PKO.</p> <p>Work instructions: Quality Manual. Activities performed by the laboratory (Ex.: Procedure for the analysis of oil acidity).</p> <p>An Information Note n° 014/SCE ENVT/2017 is issued on 2017: "Mesures correctives des procédures et traçabilité des effluents"</p>	YES
Purchasing and goods in		
<p>The company only processes the FFB produced on their own certified supply base. No FFB is purchased from third parties.</p> <p>Overproduction has not occurred yet but the company will notify the certification body immediately if there is a potential overproduction.</p>	<p>There is a weighting scale at the entrance of the mill where all FFB coming in are weighted and the origin recorded. As only the own company certified FFB comes in, the number of the Zone/ Area and parcel, trucks are recorded.</p> <p>There has not been overproduction yet. The average of FFB produced per hectare per year is of 3.94 mt: yield increase compared to 2015-2016 production.</p>	YES
Record keeping		
<p>There are daily records of FFB received and processed.</p> <p>Daily records of CPO and PKO produced.</p> <p>Updated sales records of CPO. The totality of the production of CPO is sold to a unique client in Switzerland.</p> <p>The totality of the production of PKO is send to the Savonnerie Tropicale S.A. soap factory in</p>	<p>The site keeps daily records of certified FFB entering the mill and certified CPO and PKO produced. Every month a production balance report is generated and it shown the amount of FFB received , the CPO produced and sold and PKO produced and dispatched to the soap factory.</p> <p>The balance is kept actualized through the Fiche de Stock. The Fiche de Stock for tanks 1 and 2 for CPO</p>	YES

<p>Antananarivo. The CPO which doesn't meet the standard to be exported as certified product is sold out locally in Madagascar.</p>	<p>were reviewed as same as the Palm Kernel Oil in VRAC (55 gal barrels). The Fiche has the following columns: Date, Type, ENTRY (Quantity), EXIT (Quantity) and STOCK (Quantity). The fiche has daily records according to the production days. The auditor has reviewed during the ASA 3 the:</p> <ul style="list-style-type: none"> ➤ 2017 FFB production statistic ➤ harvest estimation for 2017-2018" ➤ "Bilan des récoltes champagne 2016-2017" in which it is seen the zones, the parcels, month and year of plantation, the number of planted trees, the width of the plantation("surface parcellaire), the number of alive trees, the observation date, the average real weight, difference of FFB number, yield by zone & parcel, FFB harvested late or just on time, total of non-harvested FFB, total of spoilt FFB, harvest turnover, access roads situation, water crossing infrastructures and analysis of all these items in order to give a clear situation of the harvest("Obsevation and explications des causes") ➤ Situation of MOS, MOS stock, sale to local Buyer (150723kg), Export, calculation of daily loss of mill process and harvest stoppage, production break at the mill (18 days for 2016-2017, harvest stoppage (39 days),... summarized in document named "Situation des 03 dernières campagnes sur MOS, vente locale, Exportation, Arrêt de récolte et de fabrication" on October 8th 2017. <p>In "Fiche de reception des régimes on February 6th, 2017, auditor has seen the FFB harvest campaign 2016-2017, ticket n°404, EH 08h25(entrance hour),HS 08h40(Exit Hour), zone III, transportation vehicule JD7, parcel 25, number of FFB transported is 64, average weight of FFB 15.62ke, gross weight 5200kg, only truck 4200kg, net weight 1000kg,J/J 1000kg, cumul 1309870 kg</p> <p>The CPO production stopped in july 2017 and should be was restarted on December 2017 due to fruit seasonality in Madagascar. But, because of big maintenance program, the mill is planning to start at the end of December 2017.. The palm kernel oil production is maintained throughout the year. Same type of records are kept for the Palm Kernel Oil.</p>	
<p>Processing</p> <p>100 % of the produced CPO and PKO is RSPO IP certified as the FFB source is 100 % RSPO certified</p>	<p>Only certified FFB are received at the mill and only certified IP CPO and IP PKO is produced at the mill. Only certified IP CPO and IP PKO are storage and transported by the company. The mill has two tanks with a capacity of three tons each for the storage of RSPO certified IP CPO. The certified PKO is stored in 55 gallons tanks as well as the palm oil that does not reach the acidity required to be exported. These two types of oil are sent to the Savonnerie Soap plant in Antananarivo to be used for soap production. Savonnerie Tropicale is the the biggest national private company soap in Madagascar.</p>	<p>YES</p>
<p>RSPO Rules on Market Communications and Claims</p>		
<p>Claims & Trademark use</p>		
<p>There is a RSPO Trademark License for Savonnerie Tropicale S.A. License number : RSPO-1106333.</p>	<p>There is RSPO trademark use in communication materials displayed at the mill/farm office</p>	<p>YES</p>

Issue 31 march 2015. Computer generated, require no signatory from RSPO	surroundings which complies with the RSPO rules of communications and claims.	
4.2 Non conformity registers.		
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 the certification body 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.		
4.2.1. Verification of previous assessment non-compliances		
Non-compliance	001- 2016	
Date raised	07/12/2016	
Major or Minor	Major	
Reference of standard	Principle 2, criterion 2.1. There is compliance with all applicable local, national and ratified international laws and regulations	
Correction at this audit	Full	Corrective actions are completely closed by settling the retroactive payments covering the difference between the worker's salary paid regarding the Government Decree 2016-232 for update minimum wages The non-conformity toward the Government Malagasy Decret 2003-464 issued on April 15th 2003 stating the classification of surface water and liquid effluents about the liquids effluents parameters is solved by doing diagnostic analysis after the implementation of mill effluents treatment system in fields. The date of closing is February 19th 2017.
	Partial	
	Not Corrected	
4.2.2. Verification of previous assessment non-compliances		
Non-compliance	002- 2016	
Date raised	09/12/2016	
Major or Minor	Minor	
Reference of standard	Principle 5, criterion 5.6.3.	
Correction at this audit	Full	During ASA3 audit, the company shows the tools to capture and monitor all the wastes by typology and its evolution and management along the time. Some of the informations are reported to the Malagasy National Office of Environment regularly which has a duty to give the Socio-Environmental Permit and monitor the impact mitigation management plan. During the audit, the comparative study of the quantity of wastes evolution along the twelve (12) months of years 2015-2016 against 2016-2017 is presented to auditor. In total, the three types of wastes (green, papers and plastics) in 2016- 2017 overpassed the 2015-2016 wastes because of the raise of the green waste around seven (7) tons on 2016-2017. Graphs indicating the wastes situation are seen during the surveillance audit. Above this, the "Cahier de charges environnementales" (Environmental book commitments) daily recorded the informations about emissions, water use and many others parameters like smokes,... impacted the socio-environment.
	Partial	
	Not Corrected	

4.2.3. Observations

Date raised	
Date raised	8/12/2016
<p>Savonnerie Tropicale has contracted with FOFIFA, a government entity research provider specialist of agriculture to do a soils pedology analysis. Indeed, a result and technical analysis interpretation for soils pedology was issued on June 27th 2017 by the FOFIFA pedology laboratory research by taking four(4) sampling areas with different composts use: pueraria for E3 parcel, brancharia for E5 parcel, green grass("ahipisaka")for E17 and E16. The result includes pH,C,N,P°, K, Na,..... and granulometry with technical recommendations. Few pedology soils analysis were done through service order n° 073/17and 074/17 by FOFIFA on July 14th 2017 for E17 parcel and in order to well understand the foresee replanting areas in Zone I (parcels 47, 52, 68, 69, 78, 79, E3, E5, E16, E17 and Zone II, the company has done the soils analysis of the replanting areas on 03/09/2016, 26/09/2016, 8/05/2017, 29/06/2017 and 24/07/2017 and result was provided on August 23rd 2017.</p>	

4.2.4. Observations	
Date raised	7/12/2016
<p>Savonnerie Tropicale has made a new design of the effluents channels from the mill to the lagoon effluents and, the lagoon area (secondary channel). During the ASA 3 audit period, the new palm oil campaign 2017-2018 doesn't start yet and the mill is still under technical maintenance. There is no swampy area noticed on the lagoon site. An improvement of the effluents treatment is still on-going from the mill to the effluents lagoon.</p>	

4.2.5. Observations	
Date raised	8/12/2016
<p>Risk assessments have been conducted for all operations where health and safety is a health and safety risk. Risk assessment covers all processes and activities of the organization. The precautions or instructions to be taken to control risks are defined and communicated to the workers.</p> <p>During the audit ASA 3, auditors noticed that the health and safety rules are transmitted to the two maintenance companies' providers contracted with Savonnerie Tropicale: MADACAN Ltd and the Antananarivo Polytechnic personnel. The contractors' employees wore all appropriate PPE. The mill visit testifies the efforts made in this subject. Furthermore, as seen during the stakeholders visits on Thursday 21st 2017, all participants in the barge wore appropriate PPE for river transportation. Same case in the harvesting areas (E5), the employees took in consideration the health and safety culture in the company for works.</p>	

4.2.6. Observations	
Date raised	8/12/2016
<p>Principle 5, Criterion 5.1. The SIA will be reviewed every two (2) years as it is written on the document submitted during the ASA3.</p>	

4.2.7. New non- compliances raised at this audit	
Date raised	21st/12/2017
NC number	001 / 2017
Major or Minor	Minor
Reference of standard	Principle 2, criterion 2.1.
Standard requirement	There is compliance with all applicable local, national and ratified international laws and regulations
Evidence of non- compliance	Savonnerie Tropicale doesn't pay royalties for its FFB produced to the Communes of Amboditandroho (areas III, IV, V) and Fanadrana (areas I & II) and Atsinanana Region. The national law about the Decentralized Territorial Collectivity financial resources n° 2014- 020 issued on September 27 th 2014 ordered the company to pay royalties to the territory Communes and Region where the local and/or regional agriculture products come from.

	This national law is reinforced by the regional Arrêté n° 411/2009- Reg.Ats. issued on August 26 th 2009 in Toamasina (Tamatave), Madagascar which enumerates the list of the regional products to be submitted to this law but this list didn't include in consideration the palm FFB product. Savonnerie Tropicale has already written a letter on March 2nd 2016 and April 22 nd 2016 to the Communes of Fanandrana and Amboditandroho respectively but the Communes didn't reply officially until the ASA 3 is held. Atsinanana Region testify that they haven't receive royalties from Savonnerie Tropicale until the end of 2017.
Date of closing	ASA 4

4.2.8. Observations 1	
Date raised	22nd/12/2016
Principle 4: Use of appropriate best practices by growers and millers Criterion 41: Operating procedures are appropriately documented and consistently implemented and monitored	
<p>All the operations in the mills and plantations are included in the SOPs of the Savonnerie Tropicale – Huilerie Melville and well developed. Most of the SOP are validated and signed only by the Savonnerie Tropicale Direction. These documents have to be written, validated, dated and signed by all departments involved before being approved and signed by the Direction. The review period doesn't exist on some documents.</p> <p>Savonnerie Tropicale has made an improvement in translating the entire SOP written in French to be translated in Malagasy, easily understandable by all workers but all the comments above have to be considered in SOPs.</p>	

4.2.9. Observations 2	
Date raised	21st /12/2016
Principle 4: Use appropriate best practice by growers and millers Criterion 4.3. Practice minimise and control erosion and degradation of soils	
<p>Riparian zone protection: it is known that most of the parcels of the Melville palm oil plantation are located along the Ivondro river, and consequently, these parcels are always impacted by the flooding and the natural catastrophes as cyclone. As verified during the audit ASA3, the areas IV & V are impacted during ENAWO cyclone 2017 and 132 palm oil trees were disappeared (53 in area IV divided into parcel A2= 1 tree, parcel C3=3 trees, parcel C4=49 trees; 79 trees in area V divided into parcels E1=21 trees, A5= 46 trees and D6=12 trees). Erosion control through a riparian zone protection program is recommended during the dry season.</p>	

4.2.10. Observations 3	
Date raised	23rd/12/2016
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 actions plan that allow demonstrate continual improvement in key operations:	
<p>Savonnerie Tropicale has made an effort to recruit the right person with high qualification in key performance areas as Health and Safety, Mill maintenance post, Environment responsible but the personnel resign often constitutes the weakness of the HR management. The key personnel turnover is still high, so continuous improvement will be impossible or most of the time slow down.</p>	

4.2.11. Observations 4**Date raised** 23rd/12/2016

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 actions plan that allow demonstrate continual improvement in key operations:

Lack of coordination/interactions between the Huilerie Melville departments

There is lack of positive interactions between the different Departments and Services involved in the palm plantation, the mill and the administration. For examples, it is noticed during ASA 3 that the issues reported in the "Cahier pour traçabilité des sensibilisations suivant les anomalies sur parcelles" are not correctly rectified by the concerning Departments just-on-time. The meeting which gathers all Departments involved is not regularly held as previously planned. The road maintenance 2017 is focused on one area E5 heavily impacted by the ENAWO cyclone but many areas need to be maintained properly to ensure the flow of the FFB transportation and, consequently, the quality of FFB processed. The same comments between Environmental, Plantations (drainage maintenance), HSSE and Direction.

4.3 Lead Auditor Recommendations for the RSPO Principles & Criteria certification.

Grant/ Renewal/ Extension*	<input type="checkbox"/>
Maintenance*	<input checked="" type="checkbox"/>
Suspension	<input type="checkbox"/>
Refuse / Withdrawal Certificate	<input type="checkbox"/>
Justification for the Recommendation	

* Grant / Renewal / Extension / Maintenance, in the case of open Minor nonconformities, assumes that the nonconformities will be cleared as agreed

OBS: The final decision whether the company will be granted with the RSPO P&C certification or not, shall rely upon the certification body, after reviewing the audit documentation and taking in account the lead auditor's recommendation.

4.4 Comments for next audit.


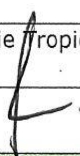
In order to check all operations/activities during the next audit, to perform the audit in January month because, due to seasonality in Madagascar, the mill stops operation from mid- July to mi-December every year.

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 .

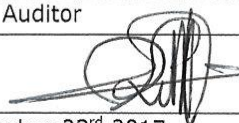
I also confirm:

- 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 was covered by the lead auditor.

Name	RAMAROSON Danick
Position	Director of Savonnerie Tropicale - Huilerie Melville 
Signature	 DIRECTEUR D'EXPLOITATION PALMERAIE/HUILERIE DE MELVILLE

5.2 Signing 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	SOLOFONIRINA Remy Régis
Position	Lead Auditor
Signature	
Date	December 23 rd 2017

6. Major non-compliances follow-up actions (exclusive use of IBD decision maker)

Vérification of effectiveness by:

- Follow-up on-site audit:
On-site review and evaluation of the introduction, implementation and effectiveness of non-compliance(s) correction and corresponding corrective actions.
- Desktop audit:
Document assessment of root cause analysis and evidence of corrections and corrective actions submitted to the certification body.

IBD

CERTIFICAÇÕES



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