



## **RSPO PRINCIPLES & CRITERIA PUBLIC SUMMARY REPORT**

**AGRÍCOLA TORNABE S.A. de C.V.**

**GRUPO JAREMAR**

**Atlántida, Honduras**

**CERTIFICATIONS**

**Lead Auditor: Ingrid Ayub**

**Surveillance Audit nº1 report. 27/06/2016**

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1. SCOPE OF THE CERTIFICATION AUDIT								
<b>1.1 Normative references</b>								
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 type="checkbox"/> Local indicators developed by IBD (approved version XX/20XX) <input checked="" type="checkbox"/> Supply Chain Certification Standard (2014 version) Module E <input checked="" type="checkbox"/> New Planting Procedures (November, 2015 version)								
<b>1.2 Company and Contact Details</b>								
<b>Company name</b>			Agrícola Tornabe S.A. de C.V.					
<b>Business address</b>			Comunidad San Alejo, Km 15, Tela Atlántida. Honduras.					
<b>Scope</b>			Production and sales of Crude Palm Oil (CPO) and Palm Kernel (PK).					
<b>Products</b>			CPO and PK					
<b>Contact person</b>			Gilberto Burgos					
<b>Telephone</b>			504-24290001/09					
<b>E-mail</b>			gburgos@jaremar.com					
<b>Web site</b>								
<b>Other certifications held</b>			ISO 9000, ISO 14000, BASK, ISCC					
<b>1.3 RSPO Membership Details</b>								
<b>RSPO membership number</b>			1-0105-11-000-00					
<b>Parent company as applicable</b>			Grupo Jaremar					
<b>1.4 Audit type</b>								
<b>Date of previous audit</b>			06 – 10/04/2015					
<b>Date of this audit</b>			16 – 18 and 20/06/2016					
<b>Main or ASA (1 to 4)</b>			ASA 1					
<b>Date of next surveillance audit</b>			From 9 to 12 months from ASA 1 audit.					
<b>1.5 Location of the Palm Oil Mill</b>								
<b>Palm Oil Mill (POM)</b>		<b>Location Address</b>			<b>Mill Capacity</b>	<b>GPS Reference</b>		
<b>Name</b>					<b>MT/Hour</b>	<b>Longitude</b>	<b>Latitude</b>	
AGRICOLA TORNABE S.A. de C.V.		Aldea San Alejo, Km.15, Tela, Atlántida			90	87°35'20.51"	15°43'55.27"	
						W	N	
<b>1.6 Palm Oil Mill Output and Approximate Tonnages Certified</b>								
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 may 2016 the mill received 402 053. 69 mt of FFB.								
<ul style="list-style-type: none"> <li>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.</li> <li>The actual production for the last 12 months is the audited quantity since the last audit.</li> <li>The projection for the next 12 months is given by the company.</li> </ul>								
FFB received and processed by the mill for the 12 months prior to this audit:					Mt RSPO Certified FFB:		204,347.24	
					Mt Conventional FFB:		197,705.75	
<b>Estimate for last 12 Months (MT) (MB) (Certification audit).</b>			<b>Actual Production for last 12 months (MT)</b>			<b>Projection for next 12 Months (MT) (MB)</b>		
<b>CPO</b>	<b>PK</b>	<b>PKO</b>	<b>CPO/MB</b>	<b>PK/MB</b>	<b>PKO/MB</b>	<b>CPO/MB</b>	<b>PK/MB</b>	<b>PKO/MB</b>
45.079	10.314	-	45.532	10.343	-	46.264	10.532	-
Notes:								
<b>1.7 General Description of Supply Base</b>								
<b>Introduction to the company</b>								
The agricultural company Tornabe S.A. de C.V. (AGROTOR), palm oil mill, was founded in December 1994 as part of Jaremar Group in the physical facilities of the Palma de San Alejo Division, belonging then to the United Fruit Co., denominated at the beginning as Agroindustrial Bonito Oriental.								
Currently, the palm oil mill Tornabe S.A. de CV (AGROTOR) is dedicated to the extraction and refining of oils derived from African palms.								
The Company AGROTOR S.A. is the pioneer company in the oil industry of Honduras and contributes with about 70% of all fats and oils processed by the companies of Jaremar Group in San Pedro Sula, who in turn, satisfy 65% of the market of fats								

in the country.

AGROTOR and the companies in its supply base are also certified in ISO 9001: 2008, ISO 14001: 2004 and ISCC and with the CSR seal and hence its commitment with the elaboration of products that satisfies customer specifications, compliance with applicable legal requirements, leadership in the promotion of renewable energy and commitment with continuous improvement.

#### Supply base

The supply base included in the ASA 1 audit is conformed by the farms owned by Jaremar Group and independent growers.

The owned farms corresponds to 19 farms located in the departments of Yoro, Puerto Cortés and Atlántida, Honduras and included in five social reasons:

1. Palmas De San Alejo S.A. de C.V. (San Alejo Farms: 1, 2, 3 and 4).
2. Agroindustrial Guaymas S.A. de C.V. (Farms: Kigoma, Ekona, Avros, Buena Vista and Paulaya).
3. Agroindustrial Mezapa S.A. de C.V. (Farms: Tacamiche, Copen and Guanacastales).
4. Agroindustrial Valle Aguan S.A. de C.V. (Farms: Cebú, Mindanao and Garabito).
5. Servicios Mecanizados S.A. de C.V. (Farms: Chorotega, Palomas, Canaima and Toloa).

The total productive palm area of the 19 farms is of 8033.65 ha which in the last 12 months delivered 204 347.24 Mt of fruit to the mill.

The company also receives conventional FFB from small, medium and large independent producers from the región, associated to "Unión de Palmeros del Litoral Atlántico" (UNPALA). UNPALA is a development NGO, promoted by Grupo Jaremar (Agrotor) as a mean to organize independent producers that sell FFB to Grupo Jaremar (Agrotor). The association has approximately 21,000 ha and are members of RSPO since February 3<sup>rd</sup>, 2015 (Membership No. 8-0157-15-000-00). Not all associated members delivers fruit to the mill as there are several mills in the área competing for the fruit of independent producers.

1.7.1 Location of the Supply Base				
Oil Palm Plantation (OPP)	Location Address	GPS Reference		
		Longitude	Latitude	
PALMAS DE SAN ALEJO S.A. de C.V.	San Alejo, Km. 15, Municipio de Tela	Finca 01	87°36'04.64"W	15°44'44.22"N
		Finca 02	87°36'57.39"W	15°43'50.17"N
		Finca 03	87°35'08.80"W	15°43'44.45"N
		Finca 04	87°34'58.46"W	15°43'04.62"N
AGROINDUSTRIAL GUAYMAS S.A. de C.V. (AGROGUAYMAS)	Fincas Kigoma, Ekona, Avros, Buena Vista y Paulaya, Municipio de El Progreso, Departamento de Yoro, Honduras.	Kigoma	87°48'57.48"W	15°30'50.38"N
		Ekona	87°48'52.62"W	15°29'52.13"N
		Avros	87°48'41.23"W	15°28'24.77"N
		Buena Vista	87°48'43.14"W	15°25'32.47"N
		Paulaya	87°48'57.48"W	15°30'50.38"N
AGROINDUSTRIAL VALLE AGUAN S.A. de C.V. (AGROAGUÁN)	Fincas Cebú y Mindanao, Municipio de El Negrito y Finca Garabito, Municipio de El Progreso, Departamento de Yoro, Honduras.	Cebú	15°34'27.67"N	87°42'41.59"W
		Mindanao	87°40'15.64"W	15°34'09.76"N
		Garabito	87°46'29.45"W	15°32'04.27"N
AGROINDUSTRIAL MEZAPA S.A. de C.V. (AGROMEZA)	Fincas Copen y Tacamiche, Municipio de La Lima y Fincas Guanacastales, Municipios de Choloma y La Lima, Departamento de	Tacamiche	87°53'34.93"W	15°28'49.92"N
		Copén	87°53'34.93"W	15°28'49.92"N
		Tibombo	87°47'53.07"W	15°35'09.34"N

	Cortés, Honduras.			
SERVICIOS MECANIZADOS S.A. de C.V. (SERMISA)	Finca Toloa, Municipio de Tela, Departamento de Atlántida y Fincas Canaima, Chorotega y Palomas, Municipio de El Progreso, Departamento de Yoro, Honduras.	Chorotega	87°46'08.10"W	15°41'56.72"N
		Palomas	87°45'27.06"W	15°41'05.07"N
		Canaima	87°46'19.30"W	15°40'25.35"N
		Toloa	87°45'48.60"W	15°43'13.74"N

### 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			
Palmas San Alejo Finca 01	970,70	970,70	21.472,97	1979 -2014	29,57
Palmas San Alejo Finca 02	1.155,39	1.155,39	27.873,87	1977 - 2014	17,25
Palmas San Alejo Finca 03	986,23	986,23	20.159,95	1973 - 2013	25,29
Palmas San Alejo Finca 04	922,43	922,43	25.279,87	1979 - 2014	19,66
Kigoma	645,35	645,35	17.211,31	1999 - 2002	16,51
Ekona					
Avros					
Buena vista					
Paulaya	247,06	247,06	-	2014-2015	1,18
Cebu	216	216	5.212,65	1978 - 1979	37,85
Mindanao	114	114	2.937,07	1979 - 2004	36,23
Garabito	201	201	4.574,90	2001	16
Tacamiche	444,06	444,06	12.811,86	1997 - 1998	17,79
Copen	345	345	10.472,63	1999 - 2000	17,79
Tibombo	1.759,48	1.759,48	45.678,02	2002 -2008	12,53
Chorotega	270,24	270,24	6.472,99	1998 - 2010	16,08
Palomas	248,00	248,00	1.871,64	2012 - 2013	3,56
Canaima	181,49	181,49	3.739,55	1998	18
Toloa	509,49	509,49	1.894,59	1995 - 2014	2,45
<b>TOTAL</b>	<b>9.215,92</b>	<b>9.215,92</b>	<b>207.663,87</b>	-	-

### 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
Palmas San Alejo	50,00 (150 potencial – Total 200)	0	No HCV were identified.
Agromeza (Tacamiche)	2,50	0	
Agromeza (Corozales)	7.2 (Bosque certificado)	0	
Sermisa (Palomas)	100 (Bosque en regeneración expontánea)	0	

Agroguaymas (Paulaya)	1,77	0	
Agroaguan (Mindanao, Rio Guaymón)	10,62	0	
<b>TOTAL</b>	<b>172,09</b>	<b>0</b>	

Considering the total Planted Area, Conservation and HCV areas, the **Total Certified Area corresponds to 9.388,01 ha.**

<b>1.7.4 Calculation of the Number of Production Units (N) to Sample for the Mill</b>				
N = 0.8√Y, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed.				
<b>For the Mill, how many units make up the production base?</b>				
<b>Owned estates (Y)</b>	<b>N = 0.8√Y</b>		<b>Smallholders (Z)</b>	<b>N = 0.8√Z</b>
19	0.8√19= 3.48 Eq. =4		0	0
<b>Explanation as to the selection of estates sampled</b>				
For the sample of four farms to visit, priority was given to farms not visited during the certification audit performed in 2015, as a result, three new farms were selected: Guanacastales (Lupo Nuevo), Cebú and Buena Vista. The fourth farm selected was Palmas San Alejo, visited during the 2015 audit and it was selected due that it is the biggest managed unit and also the farm nearest the company main office building and mill.				
Another criterion to select the farms on the sample was the belongingness to different anonymous societies (as seen in table 1.7.1 the 19 farms belong to 5 different anonymous societies).				
Additionally, two extra farms (Paulaya and Ekono) were visited by the auditors as they were located on the way back to the main office building and provided the opportunity to performed some interviews to workers /farm managers.				
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 interview. The farms ws. Comments are added as applicable.				
<b>Oil palm plantation.</b>	<b>Operation</b>	<b>No of sample sites</b>	<b>No of Interviews</b>	<b>Comments.</b>
Guanacastales (Lupo Nuevo). Agromeza. 01	Harvest (FFB cutters, FFB transport and loose fruit pickers), agrochemical applications and management.	1	22	Non conformity against 4.7.3 was detected.
Cebu	Harvest (loose fruit pickers)	2	19	Compliance with RSPO P&C was found.
Buena Vista	Harvest, management,	2	11	Compliance with RSPO P&C was found.
Palmas San Alejo	Agrochemical application	1	7	Non conformity against 4.7.3 was detected.
<b>Visitas adicionales</b>				
Paulaya	Management	1	1	Compliance with RSPO P&C was found.
Ekono	Agrochemical application	1	2	Compliance with RSPO P&C was found.
<b>1.7.5 Calculation of the Number of Sub Contractors to be sampled.</b>				
N = 0.8√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.				
<b>Number of sub-contractors.</b>				
<b>Mill and workshops</b>		<b>Farms</b>		
Approved:	32	Approved:	21	
On site during audit: Y	22	On site during audit: Y	17	
Number to audit: = 0.8√Y	0.8√22=3.75 Eq.=4	Number to audit: = 0.8√Y	0.8√17= 3.29 Eq. = 4	

Names	Activity	Audited	Names	Activity	Audited
Tubal Caín	Metal mechanics construction	NO	Urlin Manzanares Maldonado	Transportation of FFB to mill	NO
Nahún Sánchez	Metal mechanics construction	NO	Rene Cruz Valenzuela	Transportation of FFB to mill	NO
Anibal Castillo	Maintenance	NO	Luis Fernando Cruz Lazo	Transportation of FFB to mill	NO
Luis Rodríguez	Metal mechanics construction	YES	Ivis Rolando Marquez López	Transportation of FFB to mill	NO
Construcciones Refractarias (Julio Martínez)	Refractory construction	NO	Marcelo Argueta Bonilla	Transportation of FFB to mill	NO
Mecanizaciones Acosta	Industrial mechanics	NO	Jesús Gerardo Andrade	Transportation of FFB to mill	NO
INPRO	Civil construction	NO	Julio César Osorto Alvarez	Transportation of FFB to mill	NO
Nelbis Maldonado	Instrument calibration	NO	Wibert Garay Lobo	Transportation of FFB to mill	NO
Alfredo Espinal	Air Conditioning maintenance	NO	Emigidio López	Transportation of FFB to mill	NO
SERMAPREC	Mechanical and generator services	NO	Arnoldo Murillo Aguilera	Transportation of FFB to mill	NO
SEMI	Electrical services	NO	Oscar Velasquez Guardado	Transportation of FFB to mill	NO
Roxana Lizette García (workers interviewed)	San Alejo Cafeteria	YES	José Reyno Ramirez Ayala	Transportation of FFB to mill	NO
Servicios de Protección y Seguridad BET EL. / SEPROSE	Security Services	YES	José Alberto Tejada Ramírez	Transportation of FFB to mill	NO
Florencio Cortés Rodríguez	Transportation of FFB to mill	NO	Marvin Escalante Sánchez	Transportation of FFB to mill	YES
José María López Trejo	Transportation of FFB to mill	NO	Juan Alberto Montoya Núñez	Transportation of FFB to mill	NO
Marvin David Escalante	Transportation of FFB to mill	YES	Hector Adilio Sales Guardado	Transportation of FFB to mill	NO
Oscar Humberto Velásquez	Transportation of FFB to mill	NO	Secundino Medina	Transportation of FFB to mill	NO
Roger Alexander Hernández Gonzáles	Transportation of FFB to mill	NO	Victor Manuel Paz (Centro de Acopio Lean)	Transportation of FFB to mill	YES
Eduin Almendares	Transportation of FFB to mill	NO	Transportes Paz Berganzo	Transportation of FFB to mill	YES
Froilan Armando Almendares	Transportation of FFB to mill	NO	Transportes Liconsa .Owner son was interviewed	Transportation of FFB to mill	YES
Iris Maritza Cabalero	Transportation of FFB to mill	NO	Servicios de Protección y Seguridad BET EL. / SEPROSE. Company representative and part of workers were interviewed.	Security services.	YES

Martir Norris	Transportation of FFB to mill	NO			
Bayron Fernell Garay	Transportation of FFB to mill	NO			
José de la Paz Padilla	Transportation of FFB to mill				
Martin Euceda (Transortes Liconá). The driver who is the son of the owner was interviewed).	Transportation of FFB to mill	YES			
Leitzer Bibian Cruz Ventura	Transportation of FFB to mill	NO			
Santiago Zavala	Transportation of FFB to mill	NO			
Wilberto Euceda de León	Transportation of FFB to mill	NO			
Melvin Antonio García	Transportation of FFB to mill	NO			
Evelio Herrera Ferrera	Transportation of FFB to mill	NO			
Secundino Medina	Transportation of FFB to mill	NO			
Eduardo Vaquedano	Transportation of FFB to mill	NO			
Orlando Ramírez (driver was interviewed). Centro de Acopio Esparta.	Transportation of FFB to mill	YES			

Note: several service providers transport FFB from growers from the mill collection centers to the mill. As the model is MB the collection centers were not visited. It was verified at the mill entrance that the company has strict control in recording the origin and quantity of the company own fruit as well as the growers fruit.

#### **Explanation as to the selection of sub-contractors sampled:**

The selection of interviewed subcontractors was based on their presence at the mill at the time of the audit, in that way, the drivers of trucks bringing fruit to the mill were interviewed when they were waiting in line to enter to the mill (service providers driving their own trucks as well as drivers contracted by service providers were interviewed). Security guards were interviewed at their work place in farms, offices and mill and the security company representative was interviewed at the AGROTOR /TORNABE office where documents were reviewed to verify compliance with Honduras labour law and other legal requirement. Providers delivering welding services/metalmechanics at the mill were asked to come to the mill office for interview.

During documental review, contracts, permits, driver licenses, insurance and proof of compliance with legal requirements were found in order.

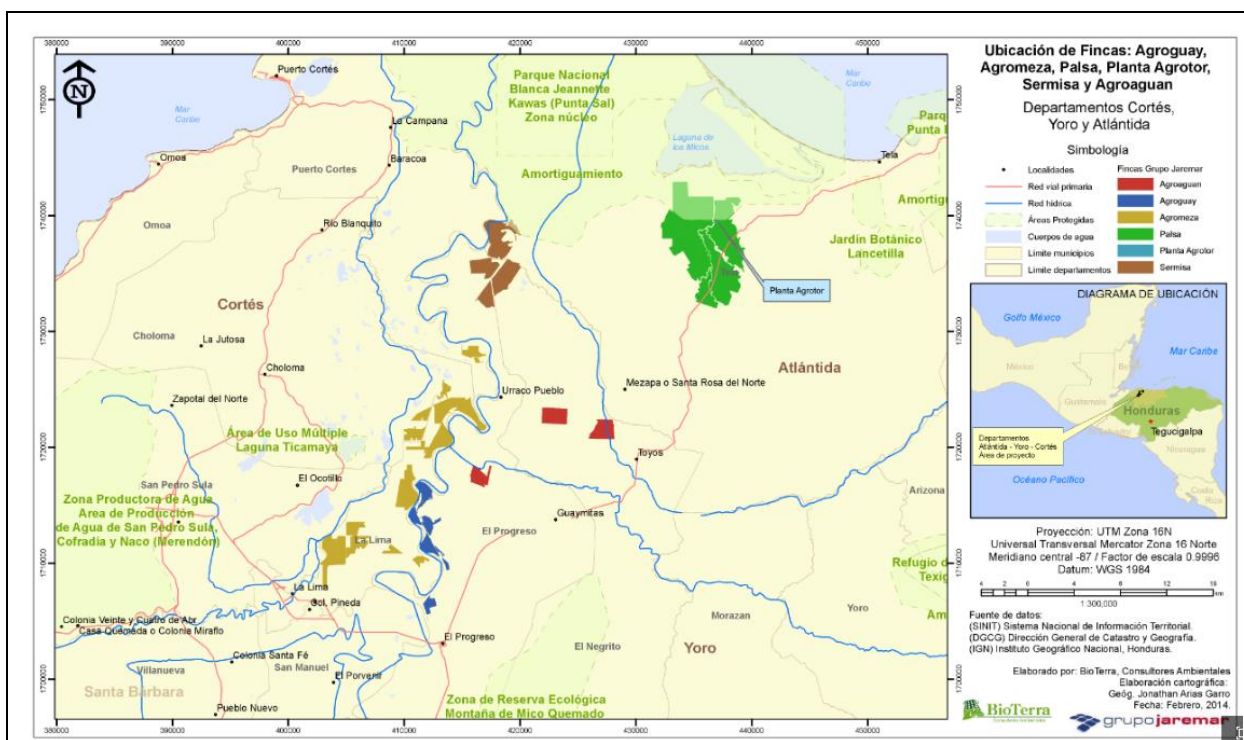
#### **1.8 Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 year implementation plan**

Today, Jaremar is receiving fruits from independent growers from UNPALA.

#### **1.9 Location Map for this Certification Unit**

Note: En verde se observa la localización de la extractor AGROTOR rodeada de las fincas Palmas San Alejo (Palsa), en color rojo se indica la localización de las fincas de Agroaguán S.A., en color azul se indica la localización de las fincas de Agroguay, en color Amarillo se indica la localización de las fincas de Agromeza y en color café se indica la localización de las fincas de Sermisa.





2. PARTIAL CERTIFICATION			
The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.			
2.1 Management Organization			
Item	Criteria	(Yes/No)	Description (if applicable)
2.1.1	Is the operation conducting a partial certification?	NO	There is no partial certification been conducted.
2.2.2	Is any company of the group, member of the RSPO? Which one?	N/A	There is no partial certification been conducted.
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 no partial certification been conducted.
2.2.4	Is there a clear and achievable time-bound plan prepared and in place?	N/A	There is no partial certification been conducted.
2.2.5	Does the plan include all subsidiaries?	N/A	There is no partial certification been conducted.
2.2 Time-bound plan			
<b>Description:</b> N/A			
<b>Initial:</b> N/A			
<b>Alterations:</b> N/A			
<b>Justifications:</b> N/A			
<b>Acquisitions:</b> N/A			
2.3 Progress made on the time-bound plan			
Does not apply. No partial certification under conduction.			
2.4 Non-compliances on the partial certification rules			
Does not apply.			

3. AUDIT PROCESS	
3.1 IBD - The Certification Body	
IBD takes pride in being the largest certifier in Latin America and the only Brazilian certifier of organic products with accreditation through IFOAM (international market), ISO Guide 65 (European market regulation CE 889/07), Demeter (international market), USDA/NOP (North-American market), COR (Canadian market) and INMETRO/MAPA (Brazilian market), making its certificate global.	
Located in Botucatu-SP, Brazil, IBD has been in operation since 1992. Initially focused exclusively on the certification of organic product, after 2004, IBD began including certification services in the social-environmental area through the EcoSocial, Integra, RSPO and UEBT ( <i>Union for Ethical BioTrade</i> ) programs. Today, IBD certifies	

over 5,000 producers, covering an area of approximately 520 thousand hectares in cultivation and 3 million hectares under wild harvest management, throughout 16 countries.

For more information regarding IBD Certificações, access [www.ibd.com.br](http://www.ibd.com.br). RSPO Membership N<sup>o</sup>: 8-0090-08-000-00. RSPO accredited by ASI on November 4<sup>th</sup>, 2014, worldwide (accreditation code RSPO-ACC-020).

### 3.2 Audit Team

<b>Lead auditor</b>	Ingrid Ayub
<b>Audit team</b>	Ana María Uribe (A.U.), Cuahtémoc Cedillo (C.C.), Pedro Cerrate (P.C.)

### 3.3 Audit Methodology

#### 3.3.1 Audit Agenda

Date	Time	Location	Program	Auditor(s)
16/06/2016	8:00-8:30 a.m.	Tornabe Mill office.	Opening meeting	I.A., C.C., P.C., A.U.
16/06/2016	8:30-9:00 a.m.	Tornabe Mill office.	Presentación por parte de la empresa	I.A., C.C., P.C., A.U.
16/06/2016	9:00 a.m.-5.00 p.m.	Tornabe Mill office.	Inicio revisión documental y entrevistas principios 1 y 6 (C.C.), 4 (A.U.) y 7 y 8 (P.C.)	C.C., P.C., A.U. *
17/06/2016	7:00 a.m.-2:30 p.m.	Visit to Buena Vista, Cebú, Guanacastales and San Alejo farms.	Evaluation of RSPO P&C on the field.	C.C., P.C., A.U.
17/06/2016		Mill, communities and mill office.	Inspection to mill, interview to service providers and stakeholders. Documentary review and interviews of principles 2, 3 y 5.	I.A.
18/06/2016	8:00 a.m.-1:00 p.m.	Tornabe Mill office.	Documental review.	I.A., C.C., A.U., P.C.
20/06/2017	8:45-12:00a.m.	Tornabe Mill office	Visit to mill (A.U., P.C.). Documentary review and interviews (I.A. and C.C.)	I.A., C.C., P.C., A.U.
20/06/2017	1:00-2:45 p.m.	Tornabe Mill office	Preparation of closing meeting	I.A., C.C., P.C., A.U.
20/06/2017	2:45-4:30 p.m.	Tornabe Mill office	Closing meeting	I.A., C.C., P.C., A.U.

\*Note: Ingrid Ayub performed the RSPO SCC audit the 16/06/2016 from 9 a.m. to 5 p.m. The schedule is in the AGROTOR SCC audit report.

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

Name	Category
<b>MILL WORKERS (Mill and supply base)</b>	
Andrés Gonzales	Processes Manager
Ismael Fuentes	Statistics (Tornabe Mill)
Manuel Hernández	Production Manager (Tornabe Mill)
Manuel Flores	E trace responsible for Tornabé and Caicesa mills/ General manager assistant
Suyapa Díaz	RSPO Certification Coordinator
Gilberto Burgos	Certifications Coordinator
Luis Alonso García	Agriculture Manager
Josué López	Scale fiscal
Roberto Mejía	Scale operator
César Urrea	Fruit quality control inspector
José Porfirio López	Fruit quality control Inspector assistant
Ramón Ordoñez	Laboratory responsible
Samuel Chaves	Laboratory analyst
Herson Saldivar	Biogas plant responsible
Nestor Coto	Mill supervisor / health and safety
Leonardo Ortiz	Social Responsibility responsible
Danny Alfredo Gabrie	General Manager
José Alfredo Gutiérrez	Security responsible for Agroindustrial división Jaremar Group.
Lensi Salinas	Human Resources Responsible
Selvin Lara	Payroll assistant
Geybi Cárdenas	Contralora for the consolidated group.
Mauricio Ortiz Mejía	Health and safety supervisor.
Darwin Edgardo Morales Hernández	Industrial mechanic / maintenance. Garifuna community

	member.
Omar Orlando jimenez	Nurse at TORNABE clinic
Fernando Antonio Salas	Physician at TORNABE clinic
Marco Tulio Velásquez Zelaya	Manager of Agroguay
Margarito Jimenez Velasquez	Field supervisor at Buena Vista farm.
<b>Workers interviewed at farms</b>	
David Morales	Manager of west division. Guanacastales, Finca Lupo Nuevo.
Juan Carlos Sevilla Martínez	Farm manager at Guanacastales Lupo Nuevo farm.
Eduar Noel López Vázquez	Harvest worker at Guanacastales Lupo Nuevo farm.
Junior Arnoldo Flores Mayorga	Harvest worker at Guanacastales Lupo Nuevo farm.
Abraham Hernández Banegas	Harvest worker at Guanacastales Lupo Nuevo farm.
Denis García Sánchez	Harvest worker at Guanacastales Lupo Nuevo farm.
Jarlin Rodríguez Núñez	Field activities supervisor at Guanacastales Lupo Nuevo Farm.
Henry Avilés	Agrochemicals applicator at Guanacastales Lupo Nuevo Farm.
Meunín López García	Agrochemicals applicator at Guanacastales Lupo Nuevo Farm.
Juan Carlos Barahona Betanzos	Agrochemicals applicator at Guanacastales Lupo Nuevo Farm.
José Baudilio Alvarado Gómez	Agrochemicals applicator at Guanacastales Lupo Nuevo Farm.
Sebastián Hernández	Agrochemicals applicator at Guanacastales Lupo Nuevo Farm.
Antonio García Ramírez	Agrochemicals applicator at Guanacastales Lupo Nuevo Farm.
Yesenia Canales Serrano	Loose fruit picker at Guanacastales Lupo Nuevo Farm.
Yolani Canales Sineón	Loose fruit picker at Guanacastales Lupo Nuevo Farm.
Carmelinda Hernández Rodríguez	Loose fruit picker at Guanacastales Lupo Nuevo Farm.
Christian Castro	Storage manager at Guanacastales Lupo Nuevo Farm.
Armando Ortega	ISO systems assistant at Guanacastales Lupo Nuevo Farm.
Levi Leyva Leyva	ISO systems assistant at Guanacastales Lupo Nuevo Farm.
Marco Tulio Velasquez Zelaya	Manager of Agroguay farms
Margarito Jimenez Velasquez	Supervisor of Buena Vista farm
Olman Castillo	Harvest worker at Buena Vista farm
Walter Mejilla	Harvest worker at Buena Vista farm
Daniel Gonzalez	Harvest worker at Buena Vista farm
Osmin Gámez	Harvest worker at Buena Vista farm
Marvin Zavala	Harvest worker at Buena Vista farm
Jony Molina	Harvest worker at Buena Vista farm
Joel Espinal	Harvest worker at Buena Vista farm
Eddin Alvarado	Transport of FFB with mule pulled cart. Buena Vista farm.
Pastor Alvarado	Transport of FFB with mule pulled cart. Buena Vista farm.
Ismael Flores	Storage manager at Buena Vista farm.
Justo Lemus	Harvest workers at Finca Ekona.
Jayson Flores	Harvest workers at Finca Ekona.
Erlin Marel Orellana Funez	Field activities supervisor at Paulaya farm.
Manuel Recino	Agrochemical applicator at Palsa farm
Joseaba Rodriguez	Agrochemical applicator at Palsa farm
Wilder cruz	Agrochemical applicator at Palsa farm
Arnold Alfaro	Agrochemical applicator at Palsa farm
Carlos Valerio	Agrochemical applicator at Palsa farm
Herly Cruz	Agrochemical applicator at Palsa farm
Rene Quintanilla	Agrochemical applicator at Palsa farm
Ever Vanegas	Loose fruit picker at finca Cebú
Nestor Antonio Aguilar	Loose fruit picker at finca Cebú

Evers Zelaya	Loose fruit picker at finca Cebú
Carlos Daniel Padilla	Loose fruit picker at finca Cebú
OscarDamian Lezama	Loose fruit picker at finca Cebú
Denis Padilla	Loose fruit picker at finca Cebú
Santiago Osorto	Loose fruit picker at finca Cebú
Darwin Ochoa	Loose fruit picker at finca Cebú
Denis Pinto	Loose fruit picker at finca Cebú
Sergio Flórez	Loose fruit picker at finca Cebú
Jose Luis romero	Loose fruit picker at finca Cebú
Oscar Manuel padilla	Loose fruit picker at finca Cebú
Ramiro Isaguirre	Loose fruit picker at finca Cebú
Osmas Martínez	Loose fruit picker at finca Cebú
Policarpo Díaz	Loose fruit picker at finca Cebú
Rene Martínez	Loose fruit picker at finca Cebú
Jhon Milton García	Loose fruit picker at finca Cebú
Merly Zabala	Loose fruit picker at finca Cebú
Armando ortega	Loose fruit picker at finca Cebú
<b>Service providers</b>	
Armando Martínez	Driver for Victor Manuel Paz truck
Axel SiaeI Paz Garbanzo	Truck owner and driver
Selvin Euceda	Driver for Transportes Licona
Giovanny Castro	Driver for Orlando Ramírez
Albin Jesús Leinez	Servicios de Protección y Seguridad BET EL.
Rigoberto Reyes Borjas	Security worker Guard working for Servicios de Protección y Seguridad BET EL. / SEPROSE. Paulaya farm.
Oscar Ramon Dominguez	Security worker Guard working for Servicios de Protección y Seguridad BET EL. / SEPROSE. Paulaya farm
<b>Stakeholders consultation /Community members</b>	
Marco Antonio Cruz	Presidente del Patronato de la Aldea Tibombo
Carlos Yanes	Director. Centro Educativo 3 de Octubre San Alejo School. 3 de octubre community.
Noemí Yadira Castañeda	Director. Centro Educativo Ladislao Enamorado. Zoilabé community.
Noemí Guerrero	Sub Director. 1 st and 4 th grade. Centro Educativo Ladislao Enamorado. Zoilabé community.
Ana Orellana	Teacher (6 th grade). Centro Educativo Ladislao Enamorado. Zoilabé community.
Saray Mejía	Kindergarden Director Centro Educativo Ladislao Enamorado. Zoilabé community.
Griselda Suazo	Teacher (2 nd. grade). Centro Educativo Ladislao Enamorado. Zoilabé community.
Ramón Lainez	President of the Patronato de la Comunidad de Zoilabé.
Juan Carlos Benítez	Director. República de Honduras School. Santiago Community.
Adalinda Yamileth chaves	Director. Colegio Florian Turcios, Cebú community.
Sobeida Castellanos	Teacher. Colegio Florian Turcios, Cebú community.
Jorge Alberto Rey	Representative of the water board of the Cebú community. Interviewed at the Cebú farm office.
<b>3.3.3 Outline of how stakeholders consultation was managed.</b>	
The stakeholders / community members were interviewed by one auditor in their communities of residence and place of work. The stakeholders were interviewed individually.	
<b>3.3.4 Issues that arose during stakeholder consultation and company responses.</b>	
<p><b>Note:</b> only possitive comments regarding the company operation and company projection to communities were received.</p> <p>The company pays the salary of three teachers for a local public school, has installed internet at the school and always help with repairs on the electricity system and others.</p> <p>The company has repair the building and constructed toilets at the local school. Always help with health fairs where community memebers can receive medical attention.</p> <p>The company has constructed a community center.</p> <p>Th company provided a car to transport a community member to the hospital to receive a long term therapy after he resulted paralytic as an assault victim. The community member did not have a work relationship with the company.</p> <p>Interviewed members have not heard any type of land conflict involving the company.</p>	

The company collaborates with the education of communities regarding environmental aspects. There are several environmental education projects as recycling.

<b>4. AUDIT FINDINGS</b>		
<b>4.1 Summary of findings.</b>		
<b>Principle 1: Commitment to Transparency.</b>		
Summary for Principle 1:		
<b>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.</b>		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company maintains an updated list of stakeholders with which it interacts. The list contains contact details.</p> <p>The company has adequate and suficiente means and tools to inform and communicate with stakeholders.</p> <p>Public information is available as required by RSPO. and its dissemination and management is described in the Request and Delivery of Information procedure (P-SEI).</p>	<p>To ensure attention and constructive response to stakeholders, the company has the Internal and External Communications procedure (P - CIE, Revision 13, dated 01/22/2016).</p> <p>Procedure P-CIE covers all elements required in 1.1.1 and contains an appropriate response time frame for requests for information from interested parties.</p>	YES
<b>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.</b>		
Summary of the findings for 1.2:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company makes available to interested parties the following documents:</p> <ul style="list-style-type: none"> <li>• Titles of ownership / rights of use</li> <li>• Safety and Occupational health plan</li> <li>• Plans and impact assessments relating to environmental and social aspects</li> <li>• Documentation in High Conservation Value (HCV) áreas and plans for preventing and reducing pollution</li> <li>• Details of claims and complaints</li> <li>• Negotiation Procedures</li> <li>• Continuous improvement plans</li> <li>• Public summary of the certification evaluation report</li> <li>• Human Rights Policy</li> </ul>	<p>Administrative company documents are available to the public, as required in 1.1.1.</p> <p>The Department of Human Resources is the area responsible for channeling this information, located in different departments of the company. According to Procedure P-CIE to receive the information request, the available format for this purpose should be filled in, and the confidentiality agreement signed. Commercial confidentiality restrictions apply or when disclosure of the information could derive in negative environmental or social consequences.</p>	YES
<b>Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</b>		
Summary of the findings for 1.3:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company has a documented Code of Ethical Conduct and Good Business Practices which is widely spread amongl workers, customers and stakeholders.</p>	<p>It should be noted that the Jaremar Group has received significant recognition for its Corporate Social Responsibility (CSR) performance.</p>	YES
<b>Principle 2: Compliance with applicable laws and regulations.</b>		
Summary of Principle 2:		
<b>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations</b>		
Summary of the findings for 2.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company was found to be in compliance with relevant legal requeriments. The legal minimum wage or above is paid to workers, workers are affiliated to the Instituto Hondureño de Seguridad</p>	<p><b>Compliance with labour law</b></p> <p>The payments to the Instituto Hondureño de Seguridad Social are made by social reason. A sample of payments for april 2016 were reviewed and found</p>	YES

<p>Social and workers receive all other legal established benefits as paid vacations, maternity leave, thirteen and fourteenth month payment, previous notice and dismissal payment.</p> <p>Through a sample review, compliance of legal labour requirement by service providers was verified.</p> <p>The existence of social responsibility and infrastructure and vehicle insurance was verified.</p> <p>Operational permits for a sample of farms and the mill were found in compliance and municipal taxes payments were found up to date.</p> <p>Regarding environmental aspects, the boiler emission analysis shows results within the accepted legal parameters.</p> <p>There are documented and implemented procedure that gives the guidelines related with compliance of legal requirements.</p>	<p>in compliance</p> <p>There is a copy of the updating of minimum wage establishing minimum wages for industry and agriculture depending on the number of workers the company has. All workers receive all least the corresponding minimum wage.</p> <p>There are 3 shift of 8 hours each at the mill so the excess of extra hours corresponds to extraordinary activities due to urgent necessary repairs or others.</p> <p><b>Compliance with labour law by Tornabe Mill service providers</b></p> <p>The company Servicios de Protección y Seguridad S de RL or Bet El provides security service for the Jaremar Group and for the Tornabe mill and its supply base. It provides 55 men that works on 8 hours shifts. The security company is BASK certified and counts with the next permits which are within the validity period: operational permit (N.549), payrolls to the IHSS, permits to carry guns and others.</p>	
<p><b>Criterion 2.2: The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights</b></p>		
<p>Summary of the findings for 2.2:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>Most of the land where the own FFB entering Tornabe mill comes, from were bought by the Jaremar group from the Tela Railroad Company Ltd. These farms are owned by different unoperative social reasons that own the land and lease it to the social reasons that own the farms were the supply base for the mill is produces.</p> <p>The company also produces fruit on lease land. The company has a data base of lease contracts, where each contract has a validity period of two years. The contracts are signed by both parts and are within the validity period. The social reasons have the following numbers of lease contracts: Agromesa (7), Agroguayma (3), Agroaguan (5), Sermisa (6), Palsa (9) for a total of 30 lease contracts for the Tornabe S.A. mill supply base.</p> <p>Boundaries are well marked by natural features as rivers or fences and are well maintained.</p> <p>There have been no disputes as confirmed by interviewed stakeholders and company personnel.</p>	<p>Example of Purchase Deed. Deed N. 128. Granted by Tela Railroad Company LTD. In favour of AGROMESA dated dec. 28, 2002. With the folloeing lot areas: 40 ha 3639 m2, 126 ha 6573 m2, 1 ha 938 m2, 2 ha 8892 m2, 111 ha 6452. Total= 282.64. Registered on the property registration of San Pedro Sula Tomo 4414 Inscription N. 90.</p>	<p>YES</p>
<p><b>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.</b></p>		
<p>Summary of the findings for 2.3:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>There have been no negotiated agreements as there are no recognized legal, customary or user rights by third parties identified.</p>	<p>As indicated in the HCV studies performed at the company farms, there are no HCVA identified. There are no recognized legal, customary or user rights identified.</p>	<p>YES</p>
<p><b>Principle 3: Commitment to long-term economic and financial viability.</b></p>		
<p>Summary of Principle 3:</p>		
<p><b>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</b></p>		
<p>Summary of the findings for 3.1:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>There is a business plan for División Agroindustrial</p>	<p>The agricultural projects are considered as an</p>	<p>YES</p>

<p>Grupo Jaremar that covers a period from 2016 to 2026. The plan considers the palm areas under production by company and farm. There are projections for ten years per farm and lot.</p> <p>The business plan considers the quality of genetic material and the company has its own laboratory for seed production and three nurseries with plantings from 2014, 2015 and 2016 which accounts with 120.000 plants in inventory.</p> <p>The business plan considers the projection of FFB production and the projection of Oil Extraction Rate which for Tornabe S.A. mill is the same one for every year covered in the business plan: 21.95 %.</p> <p>Regarding the production cost there are three structures of cost: agricultural cost in function of the areas under production, harvest cost in function of the FFB production and extraction cost. Numbers are not presented due to confidentiality reasons.</p> <p>The plan considers the projected price of CPO based on the CIF Rotherdam price.</p> <p>There is an annual replanting programme considered in the business plan. It is considered as a minimum age for replanting the age of 29 years old but there are several lots under production with much older palm due that they have not diminished the production yields.</p>	<p>investment in the first three years and on the fourth year the projects are capitalized.</p> <p>The projection of FFB production for Tornabe Mill own supply base is the following:  2016: 276 131 MT of FFB  2017: 254 501 MT of FFB  2018: 273 556 MT of FFB  2019: 272 183 MT of FFB  2020: 266449 MT of FFB</p> <p>For Tornabe mill own supply base there are the next projected replanting areas:  2016: 792 ha  2017: 463 ha  2018: 380 ha  2019: 412 ha  2010: 844 ha</p>	
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<b>Principle 4: Use of appropriate best practices by growers and mills.</b>		
Summary of Principle 4:		
<b>Criterion 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.</b>		
Summary of the findings for 4.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>Standard operating procedures (SOP) for the mill and farms are properly documented.</p> <p>The farm personnel are trained in the Standard Operating Procedures (SOPs) and count with instructional manuals.</p> <p>The procedures and tasks to be performed are available in a written manner and visible at the workplace. There is daily supervision and control on the tasks performed supported by a program called TRANSFORMATE.</p> <p>The reception of FFB is recorded and the origin and quantity of fruit can be followed.</p>	<p>Examples of procedures and codes:</p> <ul style="list-style-type: none"> <li>Weighting of fruit, code P-FR –EP 07/04/2016</li> <li>Palm kernel procedure, code P-PP 07/04/2016</li> <li>Reception of FFB, date 22/06/2016, indicates the weight, number of FFB, and origin of fruit.</li> </ul>	YES
<b>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield</b>		
Summary of the findings for 4.2:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company has procedures for soil and leaf sampling and analysis and keeps records of fertilizers application.</p> <p>There is a biomass generation program in place that considers pruning of palms, empty fruit bunches fiber and others as a source of organic matter and a water treatment system with water use for fertiirrigation.</p>	<p>Examples of procedures and records:</p> <ul style="list-style-type: none"> <li>Record of fertilizers application, code I –PF-CC-04, date 26/01/2016</li> <li>Foliar sample procedure, code P-AF, date 01/01/2013</li> <li>Annual pruning with dry matter consideration</li> </ul>	YES
<b>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</b>		
Summary of the findings for 4.3:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The Company has performed maps with the different texture of soils. The maps are from 2012 and are</p>	<p>As an example, Buena Vista farm soil texture maps shows 80 % of franco soils and 20 % of franco</p>	YES

updated frequently by the Company personnel.  The Company uses a Google earth software tool to determine the percentage of slope.  There is a road maintenance program in place..  To avoid soil compactation, the Company use mule pulled carts to transport the FFB within the farm limits.	arcilloso soils.  There is a procedure for road maintenance, code P - TM, date 09/05/2015; with a yearly budget per farm.	
<b>Criterion 4.4: Practices maintain the quality and availability of surface and ground water.</b>		
Summary of the findings for 4.4:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
The company counts with a water program that comprises protection of water sources, water treatment and water consumption which includes the amount of water consumed per mt of FFB processed.	There are maps showing the water courses and wetland. The POME are use on fertirrigation and there are physic/chemical analysis available. There are yearly comparative analysis regarding the use of wáter per MT of FFB processed.  <ul style="list-style-type: none"> <li>• Protocol for the respect of riparian zones, code O –PRT-07, date 01/08/2014</li> <li>• On april 2016 the consumption of wáter per MT of FFB processed was of 1.63 m3.</li> </ul>	YES
<b>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques</b>		
Summary of the findings for 4.5:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
The company counts with strategies for pest control, biological control and general considerations reagrding integrated pest management.  The IPM is a strategy that comprises a variety of methods for pest control, as physical, mechanical, chemical, biological, genetical and cultural.  The diferente methods are used on diferente stages: preventive, observational and application.	Examples of procedures: <ul style="list-style-type: none"> <li>• Procedures: pest eradication with sawmills, code I –PF-CE-02.</li> <li>• Pest eradication with shovel, code I –PF-CE-03</li> <li>• Palm poisoning, code I – PF- CE 04</li> <li>• Palm treatment, code I –PF CE -05</li> <li>• Fly control (larva), code I- PF –CE 12</li> </ul>	YES
<b>Crterion 4.6. Pesticides are used in ways that do not endanger health or the environment.</b>		
Summary of the findings for 4.6:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
There is a plan for the reduction on the use of agrochemicals and there are detailed records of agrochemical applications. All workers that are in contact with agrochemicals have been trained in safe agrochemical management and the risks that the activity presents. There is evidence that the company performs medical and cholinesterase analysis to the workers that works with pesticides.  There is a matrix of environmental impacts which analyses each of the proceses.  The company has an agreement with a company named Recycle for the collection of agrochemical empty containers.	Related documents and procedures: <ul style="list-style-type: none"> <li>• Agrochemical reduction plan, code O PL - 07</li> <li>• Personnel counts with the proper PPE to performe the activities</li> <li>• Last Recycle company empty container collection was done 06/07/2015</li> <li>• Training records by Dr, Castro Días.</li> <li>• Training records on Integrated Pest Management delivered by engeneer Exeli Arias.</li> <li>• Training records on proper use of PPE delivered by Mauricio Mejia.</li> </ul>	YES
<b>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented</b>		
Summary of the findings for 4.7:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
The company has a health and safety policy which identifies and controls the risks inherent in the developing of activities, ensuring that the worker has	Related documents, procedures and evidence: <ul style="list-style-type: none"> <li>• Health and safety policy, code O –OP-03</li> </ul>	YES / NO



<p>all safe working conditions.</p> <p>There is a joint working committee made up with equally number of workers and company representatives in charge of monitoring health and safety issues.</p> <p>There are procedures to investigate work accidents and the Company has its own clinic to attend workers. Despite the above, a non conformity regarding safety aspects was established against criterion 4.7.3.</p> <p><b>New non conformity 2016-01.</b> It was observed at Palsa farm (Palmas San Alejo) and Nuevo Lupo (Guanacastales) that agrochemical applicators has been adequately trained and provided with PPE before going to the field. The transport of agrochemicals is not done in a safe manner from the agrochemical storage to the farm, as each worker carry the 20 liter container with agrochemical mixture in its own bicycle or motorcycle. The transport of agrochemicals from the storage to the field has been identified as a risky activity on the company risk matrix: Unsafe conditions: "CI02 transport of agrochemical mixture to the application point. Grade: 21. High risk.</p>	<ul style="list-style-type: none"> <li>The payment of workers affiliation to the IHSS was verified.</li> <li>Document: STSS -0530002 (19/10/ 2004) – Reglamento general de medida preventivas de accidentes de trabajo y enfermedades profesionales.</li> </ul>	
<b>Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained</b>		
Summary of the findings for 4.8:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
The company has a training program directed to workers which contains a matrix specifying the courses that are going to be delivered during the year.	Training records: <ul style="list-style-type: none"> <li>Training on theRSPO principles and criteria, date:10/09/15.</li> <li>Firefighting, delivered by Jose David Medrano, date: 10/06/2016</li> </ul>	YES
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.</b>		
Summary of Principle 5:		
<b>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</b>		
Summary of the findings for 5.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company EIAs are made by social reason: Agrotor (mill), Palsa, Agromesa, Sermisa, Agroguay and Agroguan. Each social reason owns several farms.</p> <p>As a result of the EIAs performed, Environmental Actions Plans were developed for all farms.</p> <p>The company monitors the implementation of environmental action plans.</p>	As an example, the PALSA EIA was reviewed: Ambitec S.A. consulting company that make the EIA s. DAC ( Diagnóstico Ambiental Cualitativo) It contains the matrix of activities by process and Matrix of significance and description of environmental aspects of the processes. Date may 2005. Environmental License N. 006-2015, for the project AGRICOLA TORNABE S.A. de C.V. issued January 29 th, 2015 and valid until January 29 th. 2020. Expediente 2005-A-197. Renovation.	YES
<b>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, shall be identified and their conservation taken into account in management plans and operations.</b>		
Summary of the findings for 5.2:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
At corporate level, an HCV study was performed by BIOTERRA in march 2014, lead by RSPO approved assessors. The locations covered were the departments of Atlantida, Cortés, Colón and Yoro. The study concludes that there are no HCVA on any of the Jaremar farms under study. The study concludes that there are no HCV 1 on the farms and	It is important to note that eventhough no threatened and endangered species were identified in the HCV studies, after the studies were performed, Jaremar personnel have identified threatened species as Felis jaguarondi on one of the farms and consequently implemented training and socializing program for the protection of the species.	YES

<p>that fauna species observed at farms are common species mainly of generalist habits with the presence of small reptiles , common birds and small mammals. Farms are immerse in a mosaic of agriculture and cattle farms and are impacted and disturbed areas.</p> <p>There is a corporative technical report: Biodiversity assessment on palm oil plantations belonging to Grupo Jaremar, prepared by Alicia Medina , M Sc. Honduras, 2013 which was presented as na input for the HCV study performed by BIOTERRA.</p>	<p>Additionally, there is a complete strategy to protect primates as some were refered as passing by the farms. The plan includes environmental education through talks to sensibilize the workers force and stakeholders about protection and conservation of specis. All service providers in the area are invited.</p> <p>There are management plans which consider, between others, the placement of signs communicating prohibition to hunt, contaminate water or throw trash on farms, to coordinate with wildlife species the relocation of wild species found on farms, to actively participate in local programs regarding conservation.</p> <p>There is a corporate plan for the conservation of endagered species in which training sesions for workers are included per farm and mill. The plan contains a statement indicating that disciplinary measures that will be applied to the workforce that mistreat, hunts, or capture the identified species within plantations.</p>	
<b>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b>		
Summary of the findings for 5.3:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>There is an Integrated Waste Management plan dated 2016 where all sources of waste products and pollution are identified and documented. The waste is intended to be reduced, recycled, re use and disposed in an environmentally and socially responsible manner.</p>	<p>The waste management plan for división agrícola Grupo Jaremar, enero 2016, was elaborated by Lic. Miguel Ordoñez and considers all type of waste (paper, cardboard, plastic, veterinary pharmaceuticals, burned oil, tires, agrochemical containers, spare parts, glass , hospital residues, and others) and aspects as storing, recollection, transport, treatment and final disposition of materials as well as records keeping. For each residue the disposal measure is indicated. The plan also covers organic waste but this are treated in detail in the plan for the eficiente use of energy and fuel as this are manly utilize to produce energy. The leaves and other palm parts are left on the plantation lots to improve soil organic matter contente.</p> <p>The plan has included the creation of a pet called Basurín to be used during environmental education activities at local schools. The pet is made of recycled material.</p>	YES
<b>Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.</b>		
Summary of the findings for 5.4:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>There is a plan for the efficient use of energy and fuels. The plan is a corporate plan for the Agroindustry division of Grupo Jaremar and applies to all mills and farms in the group. The plan covers the agricultural use, industrial use and domestic use.</p>	<p>The plan has a section dedicated to use of alternative energy sources as biomass (fibers and shells) .</p> <p>There ia a section dedicated to the production of Biogas under the responsibility of Energéticos Jaremar (ENERJA) through the treatment of the POME of Agrícola Tornabe and the capture of methane in three covered anaerobic lagoons. The biogas is use for the generation of electric energy and as a fuel for the operation of boilers.</p>	YES
<b>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</b>		
Summary of the findings for 5.5:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company has a policy that prohibits the use off ire for land preparation or waste treatment.</p>	<p>Policy 0-PRT -01. from may 1 st. 2013.</p>	YES
<b>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and</b>		

<b>monitored.</b>		
Summary of the findings for 5.6:		
Findings:	Comments:	Compliance
<p>There is a program to follow the the carbon emissions in the company which contains measures, actions, responsible, frequency of ejecution and schedule.</p> <p>The company reutilizes waste energetic materials, reduces the consumption of electric energy, has a maintenance program for machines and utilizes biodigestors to capture the methane generated at oxidation ponds. Emissions comply with national legislation and annual exams are performed. The last emissions quality evaluation was performed on may 2016.</p> <p>The measures of the carbon emissions consider plantations, process and transport.</p>	<p>The company has been measuring its carbon emissions since 2012 with diferente methodologies finalizing with the ISCC methodology which leads to the certification of the company in march 2016 (Certificate N. EU-ISCC – CERT DE 137-20160013.)</p> <p>The company complies with the requirement of the RED and the certification system ISCC EU.</p>	YES

<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills.</b>		
Summary of Principle 6:		
<b>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</b>		
Summary of the findings for 6.1:		
Findings:	Comments:	Compliance
<p>A Social Impact Assessment was conducted by Enlaza during 2013 with the objeteive to identify the positive and negative impacts on stakeholders, generated by the operation and management of Jaremar Group.</p> <p>Actions plans have been developed to minimize the found negative impacts and enhance the positive ones. The plans are updated once a year.</p> <p>The SIA was conducted with the participation of the affected parties.</p>	<p>Through the study, impacts were identified in social, environmental and economic aspects, such as:</p> <ul style="list-style-type: none"> <li>• Right of access and land use.</li> <li>• Economic conditions (eg remuneration) and work (SISO) of the employees.</li> <li>• Regional identity.</li> <li>• Social infrastructure (mainly related to health and education).</li> <li>• Local and regional food security.</li> <li>• Impacts on the environment (water, waste, endangered species, etc.)</li> <li>• Differential effects between men and women</li> </ul> <p>Derived from the study plans were generated to avoid or mitigate negative impacts and promote positive ones.</p>	YES
<b>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</b>		
Summary of the findings for 6.2:		
Findings:	Comments:	Compliance
<p>The company maintains an updated list of affected or interested parties and a procedure which extensively details the mechanisms for consultation and communication between the company and interested parties, as well as the recording of the communication, responsible, response time, tracking and resolution.</p> <p>The company has a FPIC approach that has been included in the communication procedure..</p>	<p>The individuals responsible for communication and consultation with stakeholders in the company are well defined as well as the functions to be fillfilled. Interviews with stakeholders confirmed that they know who the persons are and which the mechanisms to communicate with the company are.</p>	YES
<b>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</b>		
Summary of the findings for 6.3:		
Findings:	Comments:	Compliance
<p>The company has established the P-CIE procedure</p>	<p>According to interviews performed to workers, it was</p>	YES /NO

<p>that includes mechanisms to receive and address complaints and claims from internal and external stakeholders, which are accepted and use by stakeholders.</p> <p>Priorities and response times to complaints and claims are well defined and are appropriate for proper resolution.</p> <p>There are records of communication between the company and interested parties including records of responses and actions taken as a result of an inquire or complaint. Despite the above, a non conformity against this criterion was raised due that there are no records of monitoring and resolution of complaints regarding independent producers.</p> <p><b>New non conformity 2016-002</b></p> <p>There are no records of the follow up measures neither the resolution of complaints established by independent growers</p>	<p>evidenced that workers are well aware of the mechanisms to establish a complaint, grievance or claim, even against their immediate boss or supervisor.</p>	
<p><b>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</b></p>		
<p>Summary of the findings for 6.4:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>Eventhough the company has not affected customary rights it has developed the procedures and / or protocolos to identify the legal and customary rights and to identify, where appropriate, people with rights to compensation. The procedures for identifying such rights include participation of company officials and stakeholders.</p> <p>Given that there is no claim or legal dispute from communities or ethnic groups on company-owned land, the only customary rights that have been identified and mapped in conjunction with communities and stakeholders are the ones defining roads, power lines and water supply sources which are, anyway, defined by the Honduran government institutions.</p>	<p>The company conducts its operations on lands that has no historical or current controversy regarding its legal property. In fact, in the land acquisition procedure (P-CO, 01/05/13 Revision 03) the following aspect is mentioned: b) We do not buy lands that are within national parks or buffer zones, or lands that are ethnic assets or affect cultural heritage or where customary rights disputes exist.</p>	<p>YES</p>
<p><b>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.</b></p>		
<p>Summary of the findings for 6.5:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>The company has signed working contracts (signed by both parts) with permanent and transitory workesrs which can be for 6 months or 11 months and twenty-five days. The payment and working conditions are established in the contract and the contracts are writte in Spanish (the local language).</p> <p>Through documental review and interviews It was evidenced that company pays its workers an amount greater or equal to the legal minimum wage established by law.</p> <p>Documentation of pay and conditions are available. Labour laws, union agreements and direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) are available in spanish.</p>	<p>Most of the workers come from 17 communities near the grounds of the company, so their houses are located in those communities. Workers have access to basic services (potable water, electricity) in their communities where there are health centers, schools and churches and have access to transportation, soccer fields and green areas for recreation.</p> <p>At the mill there is a dining room that provides adequate food to workers during working hours (including night).</p>	<p>YES</p>

<b>Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel</b>		
Summary of the findings for 6.6:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company recognizes, in its policies, the right of freedom of association.</p> <p>Employees have the right to freely organize in order to bargain working conditions. At the company there is a joint commission conformed by workers and company representatives which is valid for two years and is supported by the Ministry of Labour to address issues in the area of occupational health and safety. The commission also deals with labour conditions.</p> <p>There is evidence of the monthly meetings of the joint commission, as it is established by Honduran regulations.</p>	<p>The document called Joint Committee of Workers (I-SSO-04, Revision 02, dated 06/06/2016) describes the manner in which the commission operates.</p>	<p>YES</p>
<b>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.</b>		
Summary of the findings for 6.7:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>According to interviews with interested parties and employees, minors (below 18 years young) are not hired.</p> <p>The social responsibility policy establishes the company compromise to not recruit minors. The policy is widely visible in the different areas of the company.</p> <p>Field visits and interviews evidenced that minors below 18 years of age are not hired.</p>	<p>At the mill external and internal walls there are informative boards indicating that it is forbidden to hire minors.</p>	<p>YES</p>
<b>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.</b>		
Summary of the findings for 6.8:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>A policy which includes equal opportunities for all employees have been documented.</p> <p>During interviews and review of policies it was evidenced that employees and groups including local communities and women have not been discriminated.</p> <p>Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>As part of the Social Responsibility Policy, the company states: no discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, political affiliation or age.</p>	<p>Interviews with workers of ethnic groups or some evidente disability evidenced that no discrimination was practiced against them during hiring or during their work.</p>	<p>YES</p>
<b>Criterion 6.9: A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.</b>		
Summary of the findings for 6.9:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The company has established a policy that prohibits</p>	<p>There is a proposal awaiting approval from senior</p>	<p>YES</p>

<p>any form of sexual harassment, labor or violence. This policy is contained in the Social Responsibility Policy. The Commitment to the Code of Ethical Conduct signed by each worker is based on the abovementioned policies.</p> <p>The company has also established a protocol for the treatment of complaints of harassment (labour and sexual) to adequately address complaints.</p> <p>There is a gender committee and interviews with female and male workers in offices and farms confirmed that no cases of sexual harassment have occurred in the company.</p>	<p>management to guide the activities that the gender committee should undertake. The goal is to implement the activities starting on July 2016.</p> <p>The company has a specific complaints mechanism that respects the anonymity, when required.</p>	
<b>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>		
Summary of the findings for 6.10:		
<p><b>Findings:</b></p> <p>The interviews show that independent producers clearly understand the terms of the sale of fruit and consider it fair, legal and transparent. They said payments of fruit delivered to the mill are made in a timely manner, even noted that they are paid on the same day if required.</p> <p>The price of the fruit is determined by the international price of crude palm oil in Rotterdam (CIF Rotterdam); in the contract that the company subscribes fruit vendor is clearly stated to be paid per metric ton at least 14% of the price of crude palm oil Rotterdam CIF. This price can increase if fruit production is low, as it has happened during the month of June 2016.</p>	<p><b>Comments:</b></p> <p>Competition between mills in Honduras at the time of this analysis (end of June 2016) has increased the prices per tonne of fruit.</p> <p>It was found that on the scales and fruit collection centers the company report through posters the fruit price paid on average to the previous month and the current price of fruit. The company has also implemented a very efficient communication mechanism that informs via cell messages the fruit prices as well as other information of interest to producers.</p> <p>The company provides historical information on prices if required.</p>	<p><b>Compliance</b></p> <p>YES</p>
<b>Criterion 6.11: Growers and mills contribute to local sustainable development wherever appropriate.</b>		
Summary of the findings for 6.11:		
<p><b>Findings:</b></p> <p>The needs and priorities for local development have been identified in consultation with local communities.</p> <p>The actions are framed in the three pillars of Jaremar Group for Corporate Social Responsibility: Education, Welfare and Environment.</p>	<p><b>Comments:</b></p> <p>According to information provided by Human Resources, approximately 80% of permanent and temporary employees of the company are from surrounding communities. The growth of the company is demanding more labor force and therefore involve greater job creation for local communities.</p> <p>The company contributes with education paying for extra teachers at public schools, provides material to students and collaborates with building repairs. The company also participate in housing projects, promote health fairs attended by medical teams and support potable water projects. Regarding environment, the company has agreements with foundations (Prolansate and FUCSA) and works with recycling projects in communities.</p>	<p><b>Compliance</b></p> <p>YES</p>
<b>Criterion 6.12: No forms of forced or trafficked labour are used.</b>		
Summary of the findings for 6.12:		
<p><b>Findings:</b></p> <p>During the audit and interviews with personnel from AGROTOR /Tornabe (mill and farms) it was evidenced that no forms of forced or trafficked labour are used.</p> <p>There was no evidence of contract substitution along the audit process.</p>	<p><b>Comments:</b></p> <p>The policy on social responsibility (O-PO-02 code, Revision 3 dated 10.20.2015) as part of respect for human rights enunciated: No forced labor.</p> <p>Interviews with field workers of the company show that forced labor is not given nor any form of coercion, threat or violence exerted to force the</p>	<p><b>Compliance</b></p> <p>YES</p>

No evidence of migrant workers was found.	worker to perform a job.	
<b>Criterion 6.13: Growers and millers respect human rights.</b>		
Summary of the findings for 6.13:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>A policy to respect human rights has been documented and communicated to all levels of the workforce and operations.</p> <p>Interviews with workers at the mill and farms evidenced that workers feel that their human rights are fully respected.</p>	The policy has been widely communicated to all levels of the workforce and operations, and also to stakeholders.	YES

<b>Principle 7: Responsible development of new plantings.</b>		
Summary of the findings for principle 7:		
<b>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</b>		
Summary of the findings for 7.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The Agroguay – Paulaya farm is the farm where new plantings are present in the company. There is an Environmental Impact Assessment made by the company Ambitec, S.A. with SERNA registration number RE-004-2002, dated on May 2012 an update it for Paulaya in February 2014.</p> <p>A Social Impact Assessment, was made by the company ENLAZA for each of the organizations on September 2013. The study included a public consultation on April 2013 conduct by ENLAZA.</p> <p>There are not outgrower involved in the development.</p>	<p>There are records of the attendance list to the public consultations developed by ENLAZA, where it is evidenced that community leaders, FFB suppliers, firefighters, teachers, employees, NGOs and representatives of environmental government entities attended.</p> <p>As a result of the studies, an identification and assessment matrix for the environmental aspects per activity previous to planting was developed (Revision: 11, Date: April, 7 2016 Code P-AA.</p> <p>Also a stakeholders management plan was developed which is updated every year in base of SEIA in order to mitigate the impacts and promote the positive aspects. The last updating was performed in January, 2016.</p> <p>The company has a budget for the social projects which was updated on January, 22 2016.</p>	YES
<b>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</b>		
Summary of the findings for 7.2:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>A soil characterization study was conducted in Paulaya by MSc. Julio Herrera on March 2014. The study area was used to plant sugar cane.</p> <p>A topographic study was included in the soil study and it was determined that the area is formed by alluvial soil, and in general the topography is flat with some cases of slightly wavy formation.</p> <p>The planting procedure establishes the planting of oil palms only in suitable soils.</p>	<p>The study was made exploratory till semi detailed level, making soil descriptions with a density of 20 hectares (1/0.20km<sup>2</sup>) average, equal to 6.25Has/0.25cm<sup>2</sup>. In addition, they collected 25 composed samples in the first 30cm in 32 lots</p> <p>The information obtained in field and laboratory, allowed the identification of 6 basic soil units defined by their textural stratigraphy and 2 basic mapping units.</p> <p>The 67.9% of the study soils are clay loam and the remaining 32.1% is composed of silty clay.</p>	YES
<b>Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area containing one or more high Conservation Values</b>		

Summary of the findings for 7.3:		
Findings:	Comments:	Compliance
<p>The farms that were use for new plantations were dedicated to sugar cane production in the past and no primary forest have been destroyed after 2015.</p> <p>A High Conservation Value (HCV) study including the land use chance analysis was made on March 2014, by BIOTERRA, where they describe that there are not HCVs in the area where the new plantings were going to be planted.</p> <p>The company has an Environmental Management Plant made by BSc. Miguel Angel Ordoñez, Revision 02, May 2016, where it is included a conservation plan for riversides and trees around the new planting areas project.</p>	<p>The company followed all new planting procedures previous to plant oil palm on farms previously use to produce other agricultural products.</p>	YES
<b>Criterion 7.4: Extensive plantings on steep terrain, and/or on marginal and fragile soils, are avoided.</b>		
Summary of the findings for 7.4:		
Findings:	Comments:	Compliance
<p>In general, no peat soils were detected in the area, and palms are planted just in suitable soils. Land use capacity maps, soil maps and maps of land suitability for oil palm where developed for each of the farms where there are new plantings.</p>	<p>A soil characterization study was conducted in Paulaya by MSc. Julio Herrera on March 2014. The study area was used to plant sugar cane.</p> <p>A topographic study was included in the soil study made by MSc. Julio Herrera on March 2014. It was determined that the area is formed by alluvial soil, and in general the topography is flat with some cases of slightly wavy formation. There are not fragile, marginal and peat soils as determined by the study.</p> <p>The information obtained in field and laboratory, allowed the identification of 6 basic soil units defined by their textural stratigraphy and 2 basic mapping units.</p> <p><b>The 67.9% of the study soils are clay loam and the remaining 32.1% is composed of silty clay.</b></p>	YES
<b>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</b>		
Summary of the findings for 7.5:		
Findings:	Comments:	Compliance
<p>There are no legal, customary or user rights identified in the new plantings area. Eventhough the proposed area shows no presence of indigenous communities affected by the development of new plantations a CLPI process was performed with the representatives of the local community.</p>	<p>In the HCV study made by BIOTERRA, it is determined that there is no evidence of indigenous communities in the area. On January 29, 2014 a public consultation was made and they also have a meeting with WFF to know more about the neighbours of Paulaya. According to the Social Impact Assessment, it was determined by census that the neighbour communities are constituted as follows: Colonia 4 de Marzo has a population of 217 people, Colonia La Democracia has 399 people, Colonia Omonita located at 500m has 206 people.</p>	YES
<b>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.</b>		
Summary of the findings for 7.6:		
Findings:	Comments:	Compliance



<p>Most of the land where the own FFB entering Tornabe mill comes from were bought by the Jaremar group from the Tela Railroad Company Ltd. These farms are owned by different unoperative social reasons that own the land and lease it to the social reasons that own the farms were the supply base for the mill is produces.</p> <p>The company also produces FFB on lease land and there is a data base of lease contracts, where each contract has a validity period of two years. The contracts are signed by both parts and are within the validity period. The social reasons have the following numbers of lease contracts: Agromesa (7), Agroguayma (3), Agroaguan (5), Sermisa (6), Palsa (9) for a total of 30 lease contracts for the Tornabe S.A. mill supply base.</p>	<p>Eventhough the company produce FFB on their own property land and lease land, and that there is no evidence of conflicts for land or lost of rights by local people, the company has developed a series of procedures to guide the adquisition of land.</p> <p>They also have a Land Acquisition Procedure, Revision 04, September 01, 2014, code P-CO and a Customary Rights Protocol, Revision 06, May 09, 2015, code O-PRT-11 that evidence the steps to follow the negotiations and compensation in case of disputes and establishes a system for calculating and distributing a fair and legal compensation.</p> <p>They also have a Conflict Resolution Protocol, Revision 01, March 01, 2016, Code O-PRT-16.</p>	YES
<p><b>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</b></p>		
<p>Summary of the findings for 7.7:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>There is no use of fire in the preparation of new plantings</p>	<p>They don't use fire in the preparation of new plantings</p>	<p>YES</p>
<p><b>Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.</b></p>		
<p>Summary of the findings for 7.8:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>Agroguay – Paulaya has a preventive maintenance program in order to reduce the emissions and they also have a monitoring program for GHG.</p> <p>There is a Greenhouse Gas Assessments in conformity with ISCC Directive 2009/28/EC of the EUROPEAN PARLIAMENT and of THE COUNCIL of 23 April 2009. It was elaborate by Andres Gonzalez using 2015 as base year. Report issue in January 2016.</p> <p>The company is ISCC certified since march 2016.</p>	<p>Agroguay - Paulaya make the first carbon footprint assessment on 2012, using the PAS 2050 methodology.</p> <p>Greenhouse Gas Assessments. Elaboratee by SNV, PAS 2050 methodology. Jaremar Group. 2012</p> <p>Greenhouse Gas Assessments. Elaborated by Andres Gonzalez, PAS 2050 methodology. Jaremar Group. 2013</p> <p>On January 19, 2016, they make a new assessment using the ISCC methodology in order to get certify with this standard. The program contains measures, actions, responsible, frequency of execution. Thye company get the Certificate N. EU-ISCC-CERT-DE-137-20160010, valid from 30/03/2016 to 29/03/2017. Complies with the requirement of the RED and the certification system ISCC EU.</p>	<p>YES</p>
<p><b>Principle 8: Commitment to continual improvement in key areas of activity.</b></p>		
<p>Summary of the findings for principle 8:</p>		
<p><b>Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations</b></p>		
<p>Summary of the findings for 8.1:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>The company has a corporate Continuous Improvement Plan (Code O-PL-03) where they set indicators for each area of the process in order to improve every year the quality and sustainability of the company.</p>	<p>They have a Measure Indicator Document, Revision 35, Code O-IM, date 22/03/2016. They also have a tool for the Measure, Analysis and Improvement for the Environmental Impacts and waste reduction, Code P-MA, Revision 13, date 12/10/2015.</p> <p>The Company has a corporate plan to reduce de use of</p>	<p>YES</p>

	pesticides, Code O-PL-07 (07/01/2016) with the objective to minimize the use of pesticides until elimination. There is a Corporate Internal Audit Program in place , Revision 05, date 07/04/2016, which establishes the steps, date, auditors and standard for the audits. They made an Internal Audit for RSPO P&C based in the Honduras National Interpretation, date October 15-16, 2016 and there is a Corrective Action plan for each no conformity, Revision 03, date 21/10/2016.	
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<b>RSPO Supply Chain Certification</b>		
<b>Supply Chain Module</b>	<b>E - Mass Balance</b>	
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<b>Description</b>		
<p>The mill receives and processes FFB coming from its own 19 RSPO certified farms as well as from uncertified independent growers farms. There is no separation on time or space for the processing of certified and uncertified fruit reason why the mill is certified under the Mass Balance model.</p> <p>The company keeps daily records of the amount of certified fruit and non certified fruit entering the mill as well as the quantity of MT of certified oil produced.</p> <p>The mill has the e trace Sub License ID CB34588 issued on 03-02-2016. Type: mil. Certified Volume : 47 023 MT of CPO and 10 724 of PK. Program: Mass Balance. The mill keeps updated records on the e trace platform.</p>	<p>The AGROTOR /TORNABE mill sells part of the oil to CAICESA mill, another mill owned by the Jaremar group, as CAICESA is the one that export oil. AGROTOR has a palm kernel crusher but the PKO is covered by a SCC certificate.</p> <p>There is control of the quantity of CPO and PK produced every day, which is then summarized on a weekly and monthly basis.</p> <p>The company has estimated the production of CPO and PK for the next twelve months, as follows:</p> <ul style="list-style-type: none"> <li>- CPO = 46 264 metric tons (MB)</li> <li>- PK = 10 532 metric tons (MB)</li> </ul> <p>The reported amount of oil corresponds only to the volume of oil that is possible to produce from the volume of RSPO certified fruit received and processed at the mill with the mill corresponding OER.</p>	YES
<b>Documented Procedures</b>		
<p>There are documented procedures and formats to ensure the correct implementation of the Mass Balance supply chain model. Andrés Gonzáles, head of process and manufacturing, is the responsible person for the implementation of the RSPO standards in the mill and demonstrated a sound knowledge of the procedures to be followed.</p> <p>There are documented procedures in place, which explains what type of information has to be registered at the FFB reception points and there is a person in charge of statistics that keeps control of the daily volumes of certified and non certified fruit entering the mill and the corresponding volume of certified oil produced.</p>	It was found that the procedures are fully implemented and that the personnel have sound knowledge of the RSPO standard and how to perform the activities required.	YES
<b>Purchasing and goods in</b>		
<p>The company receives certified fruit as well as non certified fruit. The origin of fruit is recorded on the scale at the mill reception point. Only the volumes of fruit coming in from the Jaremar group certified farms are classified and recorded as certified as the independent growers that delivers fruit to the mill are not certified yet.</p> <p>Overproduction has not occurred yet but the mil is</p>	There are daily controls reporting the amount of certified fruit and uncertified fruit entering to the mill.	YES

aware that in case of overproduction of certified fruit, it should be communicated to the CB.		
<b>Record keeping</b>		
<p>There are daily records of certified and uncertified FFB received and processed.</p> <p>Updated sales records of certified and uncertified products (CPO and PK) are available.</p> <p>At the moment, the mill has only sold certified PK but not certified CPO. The CPO produced at the mill remains in the country for internal consumption. The PK is sold to CAICESA, another mill on the Jaremar Group which is the mill in charge of exporting oil.</p> <p>There are no outsourced activities performed.</p>	<p>There is a daily control on the quantity of certified and uncertified FFB received and certified and uncertified volumes of products produced at the mill.</p> <p>There are statistics for volumes of RSPO certified CPO and PK which are updated daily and reviewed once a month by the upper management. The statistics includes the inicial inventory of certified FFB entering the mill, volume of FFB processed at the mill and final inventory of certified FFB at the mill.</p> <p>Regarding the RSPO certified CPO, the statistics includes the initial inventory of RSPO CPO, the daily volume of RSPO CPO produced, different types of sales or transfers of RSPO CPO, total sell of RSPO CPO, total volume of RSPO CPO transferred, final inventory of RSPO CPO at the different locations managed by AGROTOR, and total final inventory. The same statistics are maintained for PK.</p> <p>There are also daily records of the production parameters as CPO extraction rate and PK extraction rate (the last one not intended to be considered in the SCC module E).</p> <p>Every month a production balance report is generated and it is reviewed by the upper management and contemplates the amount of certified and uncertified FFB received and certified and uncertified CPO and PK produced and sold.</p>	YES
<b>Processing</b>		
There are no outsourced activities in the production of oils at Tornabé / AGROTOR. The mill has a capacity of 90 MT/hour and in the last 12 months processed a total of 403 053 MT of FFB from which approximately 50 % corresponds to RSPO certified fruit.	The only process run at the mill is the extraction of CPO from oil palm FFB. The CPO and PK are sold to a refinery owned by the same group (Jaremar Group) and part of the PK / PKO is sold to CAICESA ( another mill of the Jaremar Group which is in charge of exports).	YES
<b>Claims &amp; Trademark use</b>		
No unapproved claims by the company were detected.	No unapproved claims by the company were detected.	YES

#### 4.2 Non conformity register.

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

Major non-conformities raised during a main assessment will prevent 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	
<b>Non-compliance</b>	2015-01
<b>Date raised</b>	10/04/2015
<b>Major or Minor</b>	Minor (it was erroneously categorized as minor when it is a major non conformity).
<b>Reference of standard</b>	4.7.2
<b>Standard requirement</b>	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.

<b>Evidence of non compliance</b>	"The organization determined as a method for identifying risk analysis job. However, this method does not guarantee the assessment of the risks to which workers are exposed in each of its activities; therefore it has not been contemplated the situations that may endanger the lives of workers. Documented and implemented plans for action identified activities are evident, but in the field potentially dangerous activities that were not covered were observed." 2015 audit report.	
<b>Correction at this audit</b>	<b>Full</b>	There is a matrix that identifies all activities where there is risk for workers. Health and risk are evaluated on the matrix and there is mention of the PPE to be use in order to prevent damage. There is the revision record of the procedure to identify and evaluate risk (P- GR rev. 02) reviewed the 12/05/2015.

4.2.2 Verification of previous assessment non-compliances		
<b>Non-compliance</b>	2015-02	
<b>Date raised</b>	10/04/2015	
<b>Major or Minor</b>	Minor (it was erroneously categorized as minor when it is a major non conformity).	
<b>Reference of standard</b>	5.2.2	
<b>Standard requirement</b>	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.	
<b>Evidence of non compliance</b>	"It was evidenced that on the report of wildlife species at risk (Report of Technical Assessment of Biodiversity in the Palm Oil Mills of the Jaremar Group – 2013, Page 81), that the bird species known as Electron carinatum is identified as Vulnerable (VU) by the UICN. Nonetheless, there is no management plan." 2015 audit report.	
<b>Correction at this audit</b>	<b>Full</b>	A corporative plan for the conservation of the species electron <i>carinatum</i> was documented and implemented. The conservation plan included the printing and delivering of informative brochures about vulnerable and endangered species as well as the socialization with workers of the conservation plan for species. There are several records that show the implementation of the plan actions.

4.2.3 New non-compliances raised at this audit		
<b>NC number</b>	01-2016	
<b>Date raised</b>	16/junio/2016	
<b>Major or Minor</b>	Major	
<b>Reference of standard</b>	4.7.3	
<b>Standard requirement</b>	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.	
<b>Evidence of non-compliance</b>	It was observed at Palsa farm (Palmas San Alejo) and Nuevo Lupo (Guanacastales) that agrochemical applicators has been adequately trained and provided with PPE before going to the field. The transport of agrochemicals is not done in a safe manner from the agrochemical storage to the farm, as each worker carry the 20 liter container with agrochemical mixture in its own bicycle or motorcycle. The transport of agrochemicals from the storage to the field has been identified as a risky activity on the company risk matrix: Unsafe conditions: "CI02 transport of agrochemical mixture to the application point. Grade: 21. High risk.	
<b>Date of closing:</b>	<b>20/06/2016.</b> Corrective actions: To include in the transport of agrochemicals protocol and work instructives related with agrochemical transportation that all activities involved with the transportation of agrochemicals should include the proper and required equipment and materials.	

	<p>To communicate to personnel the updated protocol and work instructives regarding agrochemical transportation.</p> <p>To buy cargo bicycles for the transport of agrochemical mixtures to the work area.</p> <p>To adapt existent equipment for the transportation of agrochemicals mixtures to the work area.</p> <p>To include in the bymonthly EAT (Evaluaciones de Condiciones de Ambiente de Trabajo), the evaluation of the safe agrochemical mixture transportation.</p> <p>To check the effectiveness of the planned actions.</p>
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4.2.4 New non-compliances raised at this audit	
<b>NC number</b>	02-2016
<b>Date raised</b>	20/06/2016
<b>Major or Minor</b>	Mayor
<b>Reference of standard</b>	6.3.2
<b>Standard requirement</b>	<p>6.3. There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p> <p>Documentation of both the process by which a dispute was resolved and the outcome shall Be available.</p> <p>6.3.2 Documentación tanto de los procesos por los cuales se resolvió una disputa, como de su resultado debe estar disponible.</p>
<b>Evidence of non-compliance</b>	There are no records of the follow up measures neither the resolution of complaints established by independiente growers.
<b>Date of closing:</b>	<p><b>28/06/2016.</b></p> <p>Corrective actions:</p> <p>To Include in the process of internal and external communication the monitoring mechanism for the complaints from independent producers</p> <p>To implement a format for tracking complaints</p> <p>To replace the complaints books for mailboxes in all the collection centers.</p> <p>To review the complaints at the weekly meeting with Independent Producers in order to provide solutions to those complaints which solution are within the management department. or for its referral to the vice president of agroindustry operations according to their criticality.</p> <p>Monthly review of complaints from independent producers in the management review meeting for its recording in the meeting minutes and follow-up actions</p> <p>To post on the bulletin boards placed at collection centers the outcome of complaints.</p> <p>To check the effectiveness of the planned actions.</p>

4.2.3 Observations	
<b>Date raised</b>	20/06/2016
<b>Reference of Standard</b>	6.8.1, 6.8.2, 6.8.3
<p>Despite the presence of Garifuna indigenous communities in the immediate environment of the company (El Triunfo de la Cruz, Tornabé y San Juan), the presence of only two workers of this ethnic group was detected at the AGROTOR mill. While it has been found that there is no discrimination in the company of any kind, it would be important and inclusive to inform about job opportunities, at the time, to these communities.</p>	

4.3 Lead Auditor Recommendations for the RSPO Principles & Criteria certification.	
<b>Grant/ Renewal/ Extension*</b>	<input type="checkbox"/>
<b>Maintenance*</b>	<input checked="" type="checkbox"/>
<b>Suspension</b>	<input type="checkbox"/>
<b>Refuse / Withdrawal Certificate</b>	<input type="checkbox"/>
* 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.

None.


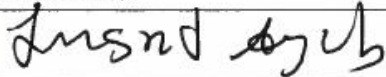
### 1. FORMAL SIGNING OF AUDIT FINDINGS

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

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

I also confirm:

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

<b>Name</b>	Gilberto Antonio Burgos
<b>Position</b>	Coordinador Líder de Sistemas de Gestión
<b>Signature</b>	
<b>5.2 Signing by the Lead Auditor.</b>	
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.	
<b>Name</b>	Ingrid Ayub
<b>Position</b>	Lead Auditor
<b>Signature</b>	
<b>Date</b>	20/06/2'16

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

Verification 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.