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Roundtable on Sustainable Palm Oil

Public Summary Report

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Certification assessment against the
Ghana National Interpretation of RSPO Principles & Criteria for Sustainable Palm Oil 2015 &
the RSPO Supply Chain Certification Standard 2014

Norpalm Ghana Ltd.,
Pretsea, Takoradi, Ghana

Date of assessment: 10-13 August 2015

Date of re-audit: 11 & 15 July 2016

Report prepared by:

Carol Ng Siew Theng
(RSPO Lead Auditor)

Certification decision by:

Abdul Qohar
(Director of PT TUV Rheinland Indonesia)

Certification Body:

PT TUV Rheinland Indonesia
Menara Karya, 10th Floor
Jl. H.R. Rasuna Said Block X-5 Kav.1-2
Jakarta 12950,Indonesia
Tel: +62 21 57944579
Fax: +62 21 57944575
www.tuv.com/id

TABLE OF CONTENTS

1.0 SCOPE OF CERTIFICATION ASSESSMENT	3
1.1 National Interpretation Used	3
1.2 Type of Assessment	3
1.3 Location and Maps	3
1.4 Description of Supply Base	6
1.5 Dates of Plantings and Replanting Cycles	7
1.6 Other Achievements and Certifications Held	8
1.7 Area of Plantation (Total, Planted and Mature)	9
1.8 Organisational Information / Contact Person	9
1.9 Description of Company History, Socioeconomy & Environment	9
1.10 Time Bound Plan for Other Management Units	11
1.11 Compliance to Rules for Partial Certification	11
1.12 Plan for certification of associated smallholders	11
1.13 Approximate Tonnages Certified	11
1.14 Recommendation for Certification	11
1.15 Date of Certificate Issued and Scope of Certificate	11
2.0 ASSESSMENT PROCESS	12
2.1 Certification Body	12
2.2 Qualifications of Lead Assessor and Assessment Team	12
2.3 Assessment Methodology	14
2.4 Stakeholder Consultation and Stakeholders Contacted	16
2.5 Date of Next Surveillance Visit	16
3.0 ASSESSMENT FINDINGS	17
3.1 Summary of Findings	17
3.2 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions	60
3.3 Noteworthy Positive Components	78
3.4 Issues Raised by Stakeholders and Findings Pertaining to Issues	78
3.5 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client	88
APPENDICES	89
Appendix 1: Details of Certificate	89
Appendix 2: Certification Audit Plan	90
Appendix 3: List of Abbreviations	91
Appendix 4: List of Stakeholders Interviewed and Contacted	98
Appendix 5: Observations and Opportunities for Improvement	100

1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

On 10-13 August 2015, the operations of the palm oil mill(s) and its supply base of FFB were assessed against RSPO Principles & Criteria 2013, with reference to the scheme smallholder guidance as per the Ghana National Interpretation (GH-NI) 2011, and the RSPO Supply Chain Certification Standard 2014. The company was reaudited on 11 & 15 July 2016 and assessed against the Ghana National Interpretation of the RSPO Principles & Criteria for Sustainable Palm Oil (GHNI-2015). The company has opted to implement Supply Chain Module E – CPO Mills: Mass Balance.

1.2 Type of Assessment

The main certification assessment was carried out on one palm oil mill, one estate and one smallholder scheme under Norpalm Ghana Ltd. (NGL). NGL's palm oil mill is integrated with a Palm Kernel Oil (PKO) mill, which is not included in this certification scope.

1.3 Location and Maps

Table 1: GPS locations for all estates and mills included in certification assessment

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Norpalm Mill*	Pretsea, Takoradi, Ghana	4° 55' 41" N	1° 53'47" W
Norpalm Ghana Ltd.	Pretsea, Takoradi, Ghana	4° 55' 41" N	1° 53'47" W
Norpalm Smallholder Scheme	Pretsea, Takoradi, Ghana	4° 55' 41" N	1° 53'47" W

*Note: Norpalm mill's palm oil mill is integrated with a palm kernel oil mill



Figure 1: Location of Norpalm Ghana Ltd. (NGL) within Ghana

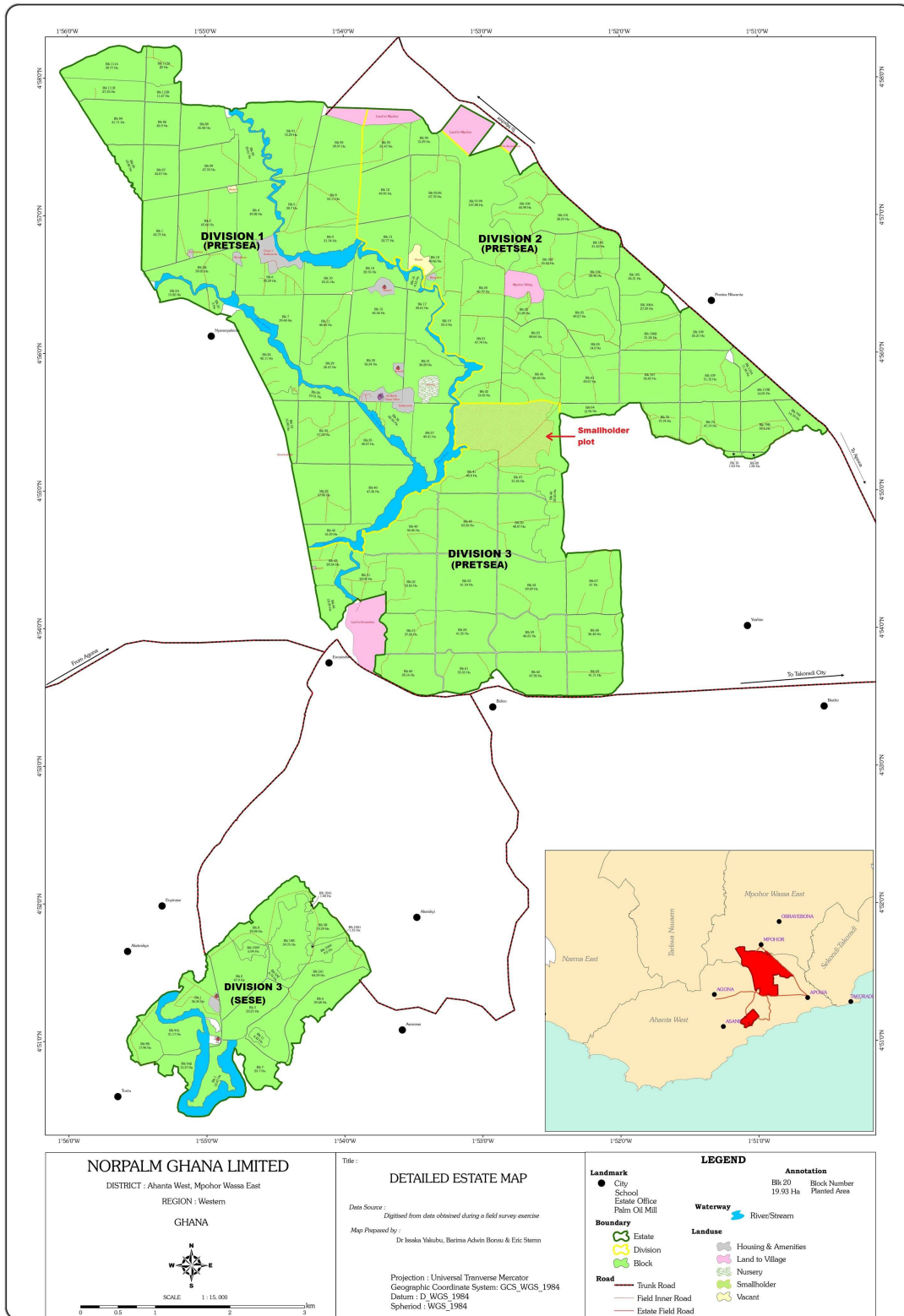


Figure 2: Detailed Estate Map of Norpalm Ghana Limited

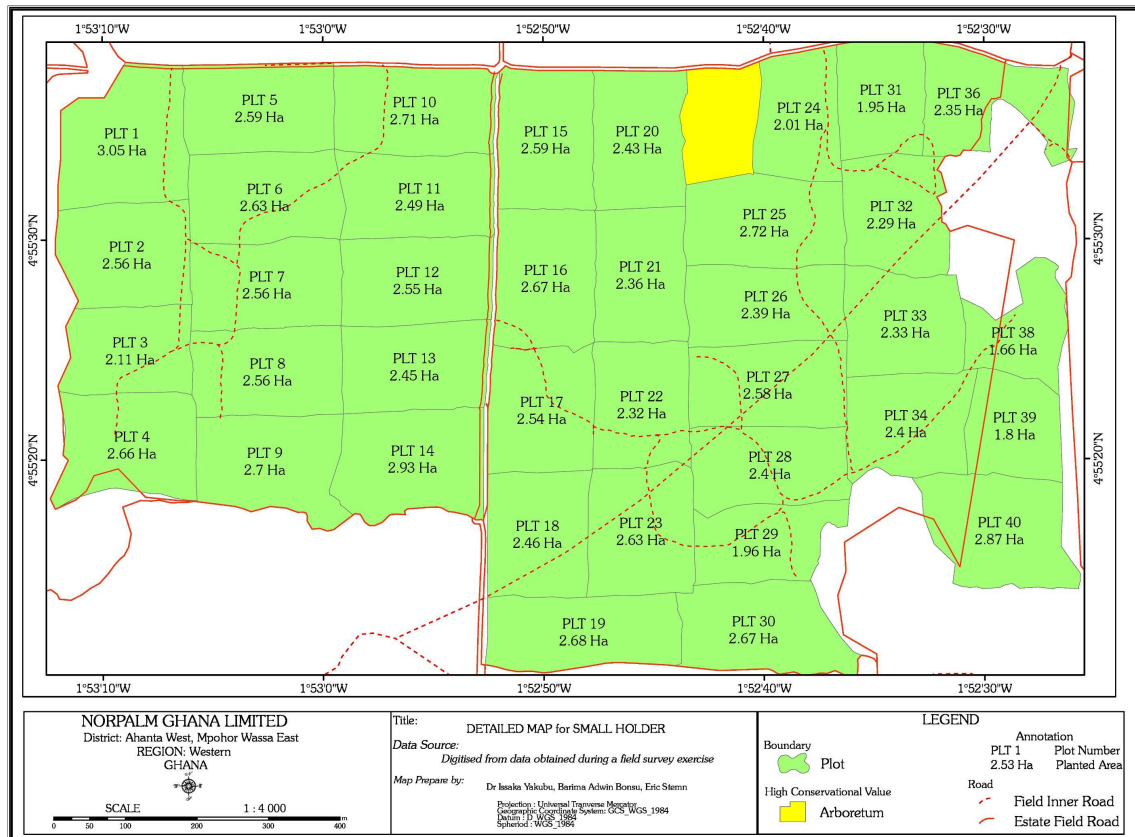


Figure 3: Detailed map of scheme smallholder area

1.4 Description of Supply Base

Table 2: FFB Supply Information for Norpalm Ghana Ltd. Palm Oil Mill for year 2014, 2015 and 2016

FFB Contributors	Total FFB supplied in year 2014 (MT)		Total FFB supplied for year 2015 (MT)		Total FFB supplied for year 2016 (MT)	
	Tonnes	%	Tonnes	%	Tonnes	%
NGL Estate (Nucleus)	35,544.91	53.39	42,008.67	51.84	50,867.45	56.46
NGL Smallholder	752.81	1.13	918.74	1.13	1,375.04	1.53
Sub Total	36,296.84	54.52	42,927.41	52.97	52,242.49	57.99
Other suppliers *	30,283.55	45.48	38,111.73	47.03	37,852.54	42.01
Grand Total	66,581.27	100	81,039.14	100	90,095.03	100

* Not within the scope of NGL's certification

Table 3: Certified tonnages claimed, total and projected CPO and PK production from NGL Palm Oil Mill and Palm Kernel Oil Mill

	Amount (MT)		
	FFB	CPO	PK
Actual Total Production for year 2014	66581.27	11,357.33	3,329.06
Actual OER and KER for year 2014	-	OER: 17.06%	KER: 5%
Actual Total Production for year 2015	81,039.28	14,076.61	4,051.96
Actual OER and KER for year 2015	-	OER: 17.4%	KER: 5%
Actual Total Production for year 2016	90,095.03	15,413.30	4,504.75
Actual OER and KER for year 2016	-	OER: 17.02 %	KER: 5 %
Projected Total Production for year 2017	95,852.00	16,669.00	4,792.60
Projected OER and KER for year 2017	-	OER: 17.39%	KER: 5%
Projected Certified Production for year 2017	50,752.00	8,825.77	2,537.6

1.5 Dates of Plantings and Replanting Cycles

The company's replanting cycle currently does not follow the best practice of 25 years. The company's replanting program from year 2016 to 2020 shows that areas planned for replanting would have a life span of 28 to 32 years. The company also has an area of 57.4 ha covering areas planted in year 1963 to 1966 which have not been replanted until the time of audit. Although these areas are no longer productive, these palms have been maintained due to ongoing land disputes, and the company does not wish to fell the palms until these disputes have been resolved, in order to prevent community people from making claims on the land once they are cleared.

Information on the dates of plantings are as per the table below.

Table 4: Age and year of plantings of estates in audit scope supplying to NGL Mill

Age & Year of Plantings	Oil palm planted area at each estate(ha)	
	NGL Estate	NGL Smallholder
1963	18.39	-
1964	8.00	-
1965	7.85	-
1966	20.70	-
1974	14.33	-
1984	182.30	-
1985	40.50	-
1986	184.90	-
1987	127.50	-
1988	205.60	-
1991	114.70	-
1992	188.40	-
1993	48.10	-
1994	235.30	-
1995	77.30	-
1996	-	91.60
1999	58.09	-
2000-2011	-	-
2002	249.40	-
2003	172.38	-
2004	507.80	-
2005	564.28	-

2007	148.57	-
2008	198.00	-
2009	16.05	-
2010	262.83	-
2012	282.11	-
2013	98.50	-
2014	-	-
2015	-	-
2016	-	-
TOTAL	4,031.60	91.60

*Note: Plantings from year 2002 to year 2013 are all replanted areas.

Table 5: Planned and actual oil palm replanting activities for NGL Plantation

Year	Total planned re-planting area (ha)	Year of planting of areas planned to be replanted	Total planned replanting area for each estate (ha)	
			Nucleus	Smallholder
2015	-	-	-	-
2016	197	1974, 1984	197	-
2017	225.5	1985, 1986	225.5	-
2018	333.1	1987, 1988	333.1	-
2019	114.7	1991	114.7	-
2020	237.5	1992, 1993	237.5	-

1.6 Other Achievements and Certifications Held

Table 6: Details of other certifications or awards held by NGL Plantation and Mill

Name of mill / estate	Certification Standard / Award achieved	Certification Body / Awardee	Date Achieved
Norpalm Ghana Ltd.	Best Agri – Business Company	Association of Ghana Industries	2012
Norpalm Ghana Ltd.	Environmental Compliance and Environmentally Sound Design and Management	USAID	2012
Norpalm Ghana Ltd.	Bronze Award in recognition of continuous loyalty and safety consciousness over past 10 years	Enterprise Insurance Company Ltd.	2009
Norpalm Ghana Ltd.	Contribution to VAT/NGIL Revenue in Western Region	Ministry of Finance and Economic Planning	2006

1.7 Area of Plantation (Total, Planted and Mature)

Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for Norpalm Ghana Limited

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production* (tonnes)	Average yield/ ha*
NGL Estate	4561.05	4031.60	3933.37	98.5	35294	8.97
NGL Smallholders	91.60	91.60	91.60	-	786.90	8.59
TOTAL	4652.65	4123.2	4024.97	98.5	36080.9	8.96

* From July 2014 to June 2015

Table 8: Land use data for NGL Limited

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	Land clearing area	HCV/ Potential HCV areas* (ha)	Land used for other purposes (ha)		
					Unplantable area	Bulding, of- fice and Road	Nursery
NGL Estate (Nucleus)	4561.05	4031.60	-	163.32	87.27	203.67	8.13
NGL Small-holders	91.60	91.60	-	1.92	-	-	-
TOTAL	4652.65	4123.2	-	165.24	87.27	203.67	8.13

1.8 Organisational Information / Contact Person

Contacts details of the company are as follows:

Company Name:	Norpalm Ghana Limited
RSPO Membership no.	1-0162-14-000-00
Address:	P.O. BOX MC1249 TAKORADI
Contact Person:	Mr. Charles Mate-Kole
Telephone:	Tel : +233 244093499
Email:	Email: Cmate-kole@norpalmgh.com

1.9 Description of Company History, Socio-economy & Environment

Norpalm Ghana Limited is a private limited owned company involved in the cultivation of palm trees and processing the harvested fruits into palm oil and palm kernel oil for sale. The company has a Certificate of Incorporation no. B-2,076 for Norpalm Ghana Limited issued by the Registrar of Companies Ghana on 30 October 1994. The company's history is as follows:

1974 to 1983 – State Farms Corporation
 1983 to Aug 2000 – National Oil Palms Limited
 September 2000 – current – Norpalm Ghana Limited

The company's palm oil mill capacity as stated in the mill's Environmental Management plan for March 2014 is 150,000 MT of palm oil per annum, with operating capacity of 80,000 MT of palm oil per annum. The current

mill's capacity is therefore 20 MT/hour, and the company currently has plans to upgrade the mill capacity to 30 MT/hour. The mill's integrated PKO mill has a crushing capacity of 40MT/day.

The company's estate covering 4561.05 ha comprises three (3) divisions, of which the the northern area comprised of the 3 divisions is named Pretsea, while the southern area which makes up part of Division 3 is named Sese (see Figure 2). The Pretsea estate is located in the Mpohor district while the Sese estate is located in the Ahanta West District, both within the Western Region of Ghana. The company had allocated a land area of 91.6 ha for 38 smallholders. Currently, the majority of operations at the smallholder farms are carried out by workers engaged by the company. There are only a few farmers who carry out work in their own fields.

Total company staff is 284 consisting of 174 permanent employees and 110 casual workers including harvesters, FFB carriers, sprayers, fertilizer applicators, field marshalls and technical services. The company also engages 31 contractors to supply labour for harvesting and field maintenance work.

Table 9: General Information on Norpalm Ghana Limited's estate (including smallholder scheme)

No.	Aspect	Description					
1.	Surrounding stakeholders						
		Mpohor District (Pretsea Estate)	Ahanta District (Sese Estate)				
	North-east & south east	Twifo Hemang, Lower Denkyira, Komenda Edina Eguafu, Abrem	-				
	North	-	Mpohor District; Torkwa – Nsuaem Municipal Assemblies				
	East	Ahanta-West district	Sekondi- Takoradi Metropolitan Assembly (STMA)				
	South	The SAEMA	Gulf of Guinea				
	West	The Wassa West District	Nzema East Municipal Assembly				
2.	Soil type						
		Parent Material	Land unit/ Physiographic	Soil series	Texture		Slope (%)
					Topsoil	Subsoil	
		Upper Birimian phyllite	Hilly terrain	Atewa Asikuma	Silt loam	Clay	20 - 40
			Undulating to rolling terrain	Atewa Asikuma Ansum	Silt loam	Clay	5 – 16
			Lowland/ valley	Oda Temang	Loam/ S loam	Clay loam/ L sand	1 – 2
		Granite	Upland	Agona Nkwanta Akroso	Sandy loam	Sandy clay loam	2 – 10
			Lowland	Nta Ofin	L sand	L sand/ course sand	1 – 2
		Mixed alluvial	Flood plain	Butre	Loam	Clay loam	1 - 2
		All land area is defined as moderately to marginally suitable for oil palm production, with limitations due to steep slope, granite areas and poor drainage condition on lowland, waterlogged areas.					
3.	Hydrology	Butre River is the primary river flowing through the plantation					
4.	Climate	Tropical; Average temperature of 30°C					
5.	Vegetation	Tropical rainforest interspersed with shrubs; Main vegetation types: a) Oil palm plantation, b) gallery forest, c) bamboo stand					
6.	Topography	Undulating with general height of 70m; Highest elevation ranges between 150 to 200 meters above sea level					
7.	Rainfall	Annual mean of 1500mm; Range from 1300 to 2000mm					

* Reference sources:

1) High Conservation Value Assessment for Norpalm Ghana Limited by Proforest – January 2014

2) Soil investigation on the plantation of Norpalm Ghana Ltd., Takoradi, Western Division by the CSIR Soil Research Institute dated January 2013

1.10 Time Bound Plan for Other Management Units

The company does not own any other management units, and therefore is not required to have a time bound plan

1.11 Compliance to Rules for Partial Certification

The company does not own any other management units, and therefore is not required to comply with the rules for partial certification of uncertified management units.

1.12 Plan for certification of associated smallholders

As explained, the company has included their scheme smallholder group within the certification scope of this audit.

The company currently has not plan for group certification of their independent smallholders.

1.13 Approximate Tonnages Certified

The approximate tonnages certified, based projected production in 2017 for company owned estates only are as follows:

Crude Palm Oil (CPO)	: 8,826 tonnes
Palm Kernel (PK)	: 2,538 tonnes

1.14 Approval for Certification

Norpalm Ghana Ltd. has established and maintains an effective system to ensure compliance with the RSPO principles and criteria. The audit team has confirmed through the audit process that the company's practices complies with, adequately maintains and implements the requirements of the Ghana National Interpretation 2011 of the RSPO Principles and Criteria.

PT TUV Rheinland Indonesia approves Norpalm Ghana Ltd. as a producer of RSPO Certified Sustainable Palm Oil.

1.15 Date of Certificate Issued and Scope of Certificate

The scope of the certificate covers production of palm oil from Norpalm Ghana Ltd. and its supply base, which includes NGL estate and NGL smallholders. The date of certificate issued is December 28th, 2016. Further details of the certificate are as per Appendix 1.

2.0 ASSESSMENT PROCESS

2.1 Certification Body

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 500 locations in 65 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, and SA 8000. PT TUV Rheinland Indonesia's office is located in Jakarta, Indonesia.

2.2 Qualifications of Lead Assessor and Assessment Team

Name	Position	Qualifications / Experience
Carol Ng	Lead Auditor	<p>Education: B.Sc. Biotechnology & B.Sc. Environmental Management - Monash University.</p> <p>Trainings attended: RSPO Lead Auditor Course – Wildasia; RSPO Supply Chain Certification Systems training course – David Ogg & Partners; RSPO Malaysian National Interpretation Requirements and Certification – SIRIM; Implementation of RSPO Principles & Criteria - QA Plus; RSPO Stepwise Support Programme - Proforest/WildAsia; OHSAS18001:2007 Auditor/Lead Auditor Training – Neville Clarke; ISO14001 Auditor/ Lead Auditor Training – Neville Clarke; SA8000 5 Day Basic Auditor Course – Global Group; Elaborating on the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop – Verité; Certification Body Biodiversity Forum & Workshop – RSPO; 2nd Biodiversity Seminar – RSPO; Environmental Quality Act 1974 – Department of Environment; ISCC System Certification Seminar & ISCC System GHG Training – ISCC.</p> <p>Working experience: RSPO Lead Auditor (since March 2015), CDM Auditor (since year 2012), Assistant Manager (since year 2012) and Project Engineer (since year 2009) for TUV Rheinland Malaysia; currently responsible for conducting and coordinating RSPO certification projects; previous experience in year 2009 in implementing sustainable practices in Sime Darby plantations to comply with RSPO requirements, performing RSPO internal audits and implementing sustainability projects. Prepared training materials and conducted several RSPO requirements trainings and workshops to plantation management teams (2008).</p>
Dr. Savinder Kaur	Auditor (Social)	<p>Education: Bachelor of Engineering (Hons) (Civil Engineering), Universiti Sains Malaysia (1999); Master of Science in Highway and Transportation Engineering, Universiti Sains Malaysia (2000) and Ph.D. in Environment & Resource Studies, Mahidol University, Thailand (2008).</p> <p>Trainings attended: November 2010: Auditor's Training Course on the Malaysian Criteria and Indicators 2002 (Malaysian Timber Certification Council); May 2012: Auditor's Training Course on the Malaysian Criteria and Indicators (Natural Forest) (Malaysian Timber Certification Council); September 2012: Lead Auditor's Training Course for Roundtable on Sustainable Palm Oil (RSPO) (Proforest and WildAsia); November 2012: ISO 14001 Lead Auditor's Training Course (by SGS (M) Sdn. Bhd.)</p> <p>Working experience: Experience in project administration and community development with the Indigenous Knowledge Network Project (2004); Co-ordinated social development/sustainable livelihood projects as Consultant Environmental Sociologist for Orang Asli in Pahang under the United Nations Development Programme (UNDP)/Global Environment Facility (GEF) (2004-</p>

		<p>2007); Contract Social auditor/technical expert for sustainable forest management (Malaysia Criteria and Indicators (MC&I)(Natural Forest) & Forest Stewardship Council (FSC) and Roundtable for Sustainable Palm Oil (RSPO) for SGS (M) Sdn. Bhd. (2006-present). Consultant Environmental Sociologist for due diligence, social impact assessments for sustainable forest and oil palm management and has worked with various rural communities in Malaysia and Indonesia on High Conservation Value Forest assessments (HCVF) with Malaysian Environmental Consultants (MEC) Sdn.Bhd (2006-2011). Social Screening Consultant for the Sarawak Railway Screening Project-Social Screening Social commissioned by the Bintulu Development Authority, Sarawak and assisted in APEC Transboundary Marine Spatial Planning and Management Project (with Sea Resources Management (SRM) Sdn. Bhd. from 2010-2011. Conducted Participatory Needs Analysis for Local Community Oil Palm Mill in Telupid, Sabah with Alter Palm Oil Trade, Japan (2010-2011). Trainer for social impact assessment for PACOS Trust, Sabah. Registered HCV assessor with RSPO (2010). Social and HCV Auditor for TUV Rheinland Malaysia RSPO Principles & Criteria (2014-)</p>
<p>Hendra Fachrurozy</p>	<p>Auditor (Supply Chain & Best Practices)</p>	<p>Education: Bachelors Degree in Forestry - Bogor Agriculture Institute. Indonesia, (1995 to 2000).</p> <p>Trainings attended: ISO 9001 : 2008 lead auditor course - Neville Clark (2011), ISO 14001 : 2004 lead auditor course - TUV Rheinland Indonesia (2011), SMK3 auditor course – Department of manpower and transmigration of the Republic of Indonesia (2009), Sustainable Forest Management (SFM) – Forestry Education and Training Centre (2010), Timber Legality of Verification - Forestry Education and Training Centre (2010), RSPO Lead Auditor Course – Pro Forest & Wild Asia (2011), RSPO SCCS Lead Auditor Course – David Ogg and Partners (2012), ISPO Lead Auditor Course – Indonesian Sustainable Palm Oil Commission (2012), RSPO RED Lead Auditor Course – RSPO & Brinkman Consultant (2013).</p> <p>Working experience: Experienced as Junior Consultant at PT Surveyor Indonesia (2002 s/d 2010), assesor for SFM –mandatory (PHPL & PHTL), assessor for industry performance assessment (IPHHK)-mandatory, auditor for Timber Legality of Verification, auditor for SMK3, auditor for QMS and EMS and auditor for RSPO & ISPO at TUV Rheinland Indonesia.</p>
<p>Aswan Hasibuan</p>	<p>Auditor (OSH)</p>	<p>Education: Bachelor of Industrial Engineering, University of North Sumatera.</p> <p>Trainings attended: RSPO Lead Auditor Course – Wildasia, ISO 9000:2000 Series Auditor / Lead Auditor Training - PE International (Jakarta), IEMA Advanced EMS Auditor (IEMA / EARA ISO 14001) Auditor / Lead Auditor Training Course - PE International (Jakarta), OHSAS 18001 Lead Auditor Training Course - PE International (Jakarta)</p> <p>Working experience: Experienced in Quality Control from 1994-2004. Auditor for Quality Management System since 2004 – present. Auditor for Environmental Management System since 2005 – present. Auditor for OHSAS 18001 since 2007 - present. Conducted over 100 Quality Management System audits since 2004, over 50 Environmental Management System audits since 2006 , and over 25 OHSAS audits since 2007</p>

2.3 Assessment Methodology

The certification assessment was conducted between 10 and 13 August 2015 as per the assessment program below. The assessment was carried out in accordance with PT TUV Rheinland Indonesia's RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the Ghana and recorded their findings.

Due to the location and proximity of the estate, mill and smallholder scheme, combined with common management systems, it was possible to carry out both field and document assessments of all sites within the time frame without compromising the integrity of the assessment in anyway.

The estate, smallholder scheme and palm oil mill were visited and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non conformities raised to the certification body 30 days after the closing meeting. Due to the long process for closure of the major non-conformities, a re-audit was conducted on 11 & 15 July 2016 to reconfirm the validity of the information found during the certification assessment and to verify the closure of all non-conformities. The certification assessment agenda is as explained below.

Certification Assessment Agenda.

Date	Location/ Main sites	Main activities
10 August 2015	Norpalm Main Office (AM)	<ul style="list-style-type: none"> Opening Meeting Introduction by TUV audit leader. Introduction to company background and source of FFB by respective managers Finalization of audit plan <p>Document review for mill: FFB supply information, FFB reception records, CPO & PK production records, OER & KER, legal requirements register, land titles, Standard Operating Procedures (SOPs), internal audit records, training records, OSH and accident records, OSH committee meeting records, risk assessment, medical check records, training records, overview of company policies, waste management records, workers' contracts, pay slips, check-roll, minutes of meetings for various committees, smallholder scheme documents, policies, grievance records, trade union meeting minutes, social impact assessment and management plan</p> <p>On-site visit to mill: Mill compound, loading ramp, workshop, EFB pond, scheduled waste stores and chemical stores, mill waste skips</p> <p>Interviews: Mill manager, mill assistants, mill workers, HR manager and HR staff, office clerk</p> <p>Stakeholder Consultation Meeting</p> <ul style="list-style-type: none"> Introduction to RSPO and purpose of meeting Open discussion and comments from stakeholders
11 August 2015	Norpalm Main Office	<p>Document review for estate: Area statements, FFB supply information, Re-planting program, Estate and scheme smallholder maps – topography, legal requirements register, land titles, boundary stones maps & records, best practices and IPM records, road management plan, water management plan, Standard Operating Procedures (SOPs), internal audit records, training records, OSH and accident records, OSH committee meeting records, risk assessment, medical check records, training records, HCV assessment and management plan, overview of company policies, waste management records, procedures and management plans, Workers' contracts, pay slips, check-roll, minutes of meetings for various committees, smallholder scheme documents, policies, grievance records, trade union meeting minutes, social impact assessment and management</p>

		<p>plan</p> <p>On-site visit to estate: Butre river buffer zones, Edufame shrine at block 20, sloped area at block 22 & 102 (Mpohor Valley), land application at block 17 & 30 (Division 1), landfill, housing at Camp 3 (Division 2), IPM implementation, pheromone traps, replanted areas (block 63), EFB application areas</p> <p>Interviews: General Manager (regarding land dispute), estate manager, estate assistants, HR manager and HR staff, office clerks, casual workers (4 persons.), General Agriculture Worker's Union (GAWU) representatives (6 persons) executives, smallholder farmers and gender committee (5 persons), sprayers (18 persons) & harvester (1 person), carriers (2 persons) and loose fruit pickers (1 person)</p>
12 August 2015	Norpalm Main Office	<p>Document review for smallholders estate: Smallholder agreements, meeting minutes with smallholders, Suppliers/contractors' contracts, employment records, deduction consent forms, pay slips, check-roll,</p> <p>On-site visit to scheme smallholder area: Smallholders work area,</p> <p>Interviews: Contract workers (22 sprayers), smallholder executives (6 persons), and contractors (23 persons)</p>
13 August 2015	Norpalm Main Office	<p>Continue document review for P&C</p> <p>Document review for supply chain: Supply chain SOPs, mass balance sheet, FFB reception reports, CPO & PK dispatch records, SCCS training records</p> <p>Interviews: Mill manager, mill assistants, chief clerk, weighbridge personnel.</p> <p>Preparation for closing meeting</p> <p>Presentation of findings</p>

Agenda for Re-audit and Verification of Closure of Major Non-conformities

An on-site re-audit to confirm the validity of information found during the certification assessment and to verify the closure of major NCs raised was done on 11 July and 15 July 2016 by the lead auditor and local expert/auditor, as per the agenda below

Date	Location / Main sites	Auditor	Main activities
11 July 2016	NGL main office	Carol Ng & Ivy Osei-Sampah	<p>Verification of validity of existing company procedures and records pertaining to RSPO P&C and SCCS:</p> <p>Document review for mill: FFB supply information, FFB reception records, CPO & PK production records, OER & KER, legal requirements register, Standard Operating Procedures (SOPs), internal audit records, training records, OSH and accident records, OSH committee meeting records, risk assessment, medical check records, training records, overview of company policies, waste management records, workers' contracts, pay slips, check-roll, minutes of meetings for various committees, smallholder scheme documents, policies, grievance records, trade union meeting minutes, social impact assessment and management plan</p> <p>Verification of closure of major NCs:</p> <p>Documents reviewed: Contracts between 3rd party contractors with NGL, working contracts of 3rd party contracted workers, sampled payment summaries, samples files of contractors containing workers' payslips, contracts, SSNIT payment evidence and insurance payment evidence, sexual harassment & reproductive right training records</p> <p>Interviews: 5 third party contractors, 9 casual workers, gender committees representatives</p>
15 July 2016	NGL Main office	Carol Ng & Ivy Osei-Sampah	<p>Verification of validity of existing company procedures and records pertaining to RSPO P&C and SCCS:</p> <p>Document review for estate & smallholders: Area statements, FFB supply information, Replanting program, Estate and scheme smallholder maps – topography, legal requirements register, land titles, boundary stones maps</p>

		<p>& records, best practices and IPM records, road management plan, water management plan, Standard Operating Procedures (SOPs), internal audit records, training records, OSH and accident records, OSH committee meeting records, risk assessment, medical check records, training records, HCV assessment and management plan, overview of company policies, waste management records, procedures and management plans, Workers' contracts, pay slips, check-roll, minutes of meetings for various committees, grievance records, trade union meeting minutes, social impact assessment and management plan, Smallholder agreements, meeting minutes with smallholders</p> <p>Verification of closure of major NCs (continued):</p> <p>Documents reviewed: Memo from NGL management to 3rd Party Contractors, minutes of meeting between NGL management and 3rd party contractors, memo from 3rd party contractors to NGL management, sampled contracts signed by both worker and contractor, Leave roster for contract workers.</p> <p>Interviews: 10 third party contractors, 6 slashers who are contract workers, 4 harvesters.</p>
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2.4 Stakeholder Consultation and Stakeholders Contacted

The stakeholder consultation involved both external and internal stakeholders. External stakeholders were notified to make comments on the certification assessment by placing an invitation to comment on the RSPO website. Stakeholders included those immediately linked with the operation of the company such employees, out-growers, the local government, NGO's, trade and labour unions and local communities.

Stakeholder consultation took place in the form of meetings and interviews. Meetings with stakeholders were held to seek their views on the performance of the company with respect to the sustainability practices outlined in the RSPO Principles & Criteria, and to comment on aspects where improvements could be made. Meetings with local communities were held at their respective premises within and near the company's area. A stakeholder consultation meeting was also held Akroma Plaza, Takoradi on 10 August 2015. Letters inviting individual stakeholders to the stakeholder consultation meeting were prepared and sent to the individual stakeholders, while electronic mail and telephone calls were made to arrange the meetings.

In all the interviews and meeting, the objectives of the RSPO and the purpose of the assessment was clarified at the outset followed by an evaluation of the relationship between the stakeholders and the company before discussion proceeded to obtain the stakeholders feedback on the company's compliance to different aspects of the RSPO Principles & Criteria. Although several stakeholders were not familiar with RSPO but they agreed with its objective and expressed their willingness to collaborate in the promotion of sustainable palm oil in Ghana. In all interviews and meeting, the assessment team did not restrict discussion of both the positive and negative aspects of operations conducted by the company.

The stakeholder consultation meeting held with stakeholders during the audit was extensive and productive, with an attendance of 24 attendees. This was followed by site inspections, including visits to the local communities, interviews with land claimants and contractors, and inspections of worker amenities and infrastructure. All stakeholder issues raised were recorded and forwarded to the management for their written response, and this is summarized in Section 3.4. The list of stakeholders that attended the stakeholder consultation meeting and stakeholders interviewed during the assessment is included as Appendix 4.

2.5 Date of Next Surveillance Visit

The next surveillance visit is planned for October 2017.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

During the certification assessment, 11 nonconformities were assigned against Major Compliance indicators while 7 nonconformities were assigned against Minor Compliance Indicators of the RSPO P&C GH-NI 2011, while a total of 2 major nonconformities were raised against the RSPO Supply Chain Certification Standard 2014. 23 observations or opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in Section 3.2. The observations & opportunities for improvement are listed in Appendix 5.

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria GH-NI 2011 and the RSPO Supply Chain Certification Standard 2014.

A) RSPO Principles & Criteria GH-NI 2011

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 & forms to allow for effective participation in decision making.

Findings:

The company has a documented procedure for community/other stakeholders' consultation procedure version 1 approved on 11 April 2015, regarding facilitation of the consultation and communication process between management, farmers, local communities and other affected external stakeholders. It is stated that in case of any requests of information, then feedback will be provided within 5 working days of receipt of the communication. In any cases where investigation is required, then completion of the investigation is required.

The company has a folder for requests and responses where it was sighted various letters from stakeholders, which were mostly requests for donations. There were no requests for information sighted. Some sample letters and the company's response sighted were as follows:

- 1) Request for Oil Palm Materials for PhD Research from the Council for Scientific and Industrial Research, Oil Palm Research Institute dated 2 June 2014. The request was for 100 palms to be used for developing diagnostic tools for the detection and control of Fusarium wilt disease. The company responded as per letter dated 7 October 2014 stating agreement to provide the requested samples.
- 2) Letter requesting "Study on Palm Oil Plantations from 29th June to 11th July 2015" from the International Labour Organization to update ILO's knowledge and policy guidance on the plantation sector. There is evidence of email response from the company's management to the ILO representative on 16 June 2015 requesting further information on what the discussions will be centred on.

However, many request letters from stakeholders were not attached with the company's responses, while several response letters from the company were also not attached with the corresponding request letter. For some requests for donations, there were sighted no letters of response from the company, but internal memos for approval of the request or appreciation letters from the requesting stakeholder were sighted. Therefore the timeframe between when the company received the request and when the company responded could not be determined and it could not be confirmed if responses made were timely or appropriate. This was noted as an observation.

NGL have agreements with farmers regarding smallholder project example agreement between NGL smallholder project and the farmers "DK Mensah (plot 40) dated on 27 November 2014. The content in the agreements include:

- The company will support the farmer with a facility to establish of oil palm plantation. The facility will be used to acquire the inputs below; labor, cover crop seeds, oil palm seedling, tools, herbicides, insecticides, fertilizers, transport,
- The company shall supply seedlings and cover crop at cost to the farmer and debit the account of the farmer.
- To allow the company's smallholder manager or his representative access to the farm to inspect the oil

palms and where necessary advise or direct and the case may be on any matter relating to the successful cultivating, maintenance and harvesting of the farm,

- To repay the facility through deduction by the company at source at the rate of 20% of annual gross income,
- Obtained from the supplied crop to Norpalm Ghana Limited. Deduction will be made monthly and shall be linked to monthly crop output,
- Commencing from the date of first harvest of crop in the fourth year and continuing until facility is fully paid and thereafter to sell all FFB produced from the farm to the company,
- To share net proceeds from sale of oil palm trees in allocated plot after the end of their life span in the following 70% and 30% to the farmer and the company respectively,
- NGL undertakes to do the following for the smallholder such as provide pest and disease control services, provide agricultural advisory services, provide engineering services, provide management and administrative services, provision of roads and any other service reasonably required for the smooth execution of the smallholder project.

However, copies of these contracts between scheme managers and smallholders are not provided to the smallholders. The contracts have several discrepancies, e.g. missing dates, missing signature of witnesses etc. Moreover, only 30 out of 38 smallholders have signed the agreements. This was raised as **Non-conformance 2015-01 of 20**.

Compliance status: Non-compliance

Non-conformance 2015-01 of 20 (Minor non-conformity):

Copies of contracts between scheme managers and smallholders are not provided to the smallholders. The contracts have several discrepancies, e.g. missing dates, missing signature of witnesses etc. Moreover, only 30 out of 38 smallholders have signed the agreements.

See also observation no.1 in Appendix 5

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.

Findings:

The company has a notification letter on official contact persons for enquiries, concerns and grievances, which is attached with the list of NGL's policies available for stakeholders. The policies include the following:

- i) NGL Code of Business Conduct
- ii) Human Rights Policy
- iii) Non-discrimination / Equal opportunities policy
- iv) Sexual Harassment Policy
- v) HIV/AIDS Policy
- vi) Child Labour Policy
- vii) CSR Policy
- viii) Community Consultation Policy
- ix) Safety, Health and Environmental Policy
- x) Quality Policy
- xi) Transport Policy
- xii) Slopes and Buffer Zone Policy and many others

The letter, which is posted on community notice boards, stated that in case of any requests for access to these policies, the requester shall fill out a Public Information Request form and contact the company for any information. However the list does not include all documents required to be made publicly available as per IN 1.2.1, i.e.:

- i) Land titles / user rights (once the the company has obtained these)
- ii) Occupational Safety and Health Plans

- iii) Plans and impact assessments relating to environmental and social impacts
- iv) HCV documentation
- v) Pollution prevention and reduction plans
- vi) Details of complaints and grievances
- vii) Negotiation procedures
- viii) Continual improvement plans
- ix) Public summary of certification assessment report

Distribution of the company's notification on publicly availability of documents is currently also apparently limited to local communities, company visitors, suppliers and those who can view the company's and community notice boards, and not other interested parties such as government bodies and NGO's. This was noted as an observation.

Smallholder farmers and their representatives which meet regularly with NGL were interviewed. While the smallholder representatives informed that they have been provided with the company's management plans, ordinary smallholders interviewed were not aware on the company's business management plan, which indicates lack of communication on the company's plan from the company or smallholder representatives down to the other smallholders. This was noted as an observation.

Compliance status: Non-compliance

Non-conformance 2015-02 of 20 (Major non-conformity):

The company has not yet defined the list of company's publicly available documents which include:

- i) Land titles / user rights (once the the company has obtained these)
- ii) Occupational Safety and Health Plans
- iii) Plans and impact assessments relating to environmental and social impacts
- iv) HCV documentation
- v) Pollution prevention and reduction plans
- vi) Details of complaints and grievances
- vii) Negotiation procedures
- viii) Continual improvement plans
- ix) Public summary of certification assessment report

See also observation no. 2 in Appendix 5

Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.

Findings:

The company has a documented Code of Business Conduct which requires all NGL personnel including Board of Directors, permanent staff, contract workers and casual workers to act in accordance with the requirements of the code and apply it to their conduct and work with NGL. Should any employee become aware of or suspect any violation of the Code or have concerns that some activities are being carried out by others which breach the code, these concerns should be reported. The Code specifies the following:

- Illegal payments – bribery and corruption: The code states that the company conducts its business honestly and transparently and does not seek to exercise improper influence on any individual or entity. They do not offer, give, request, or receive any bribe of any description or value to reward the improper performance of someone's duties or for any other purpose.
- Due Diligence: Prior to engaging new employees, contract staff members or industry partners, the company shall carry out risk-based due diligence which is includes consideration of bribery risk. The level and complexity of the due diligence which is carried out shall be proportional to the perceived risk, and shall be documented
- Accuracy of accounts and records: The company commits to maintain internal accounting controls and ensure that books, records and accounts reflect accurately, transparently and in sufficient detail, all transactions in connection with their business. The company shall not deliberately falsify information or data in the media or operate outside the limits of our delegated boundary.

- Confidentiality: All confidential information is to be protected from unauthorized access
- Conflicts of interest: Employees that become aware of any business, financial or other relationships with suppliers, business associates, competitors or other employees that might influence or appear to influence the exercise of their business judgement are required to declare this to their manager to enable the best course of action.

However, the Code of Conduct has not yet been set within the framework of the UN Convention Against Corruption, in particular Article 12. This was noted as an observation.

Compliance status: Compliance with observations

See also observation no. 3 in Appendix 5

Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.

Findings:

Evidence of efforts to comply with legal requirements and maintain validity of legal documents was sighted as follows:

- Certificate of Incorporation no. B-2,076 for Norpalm Ghana Limited issued by the Registrar of Companies Ghana on 30 October 1994.
- Certificate of Registration for factory (palm oil mill) of Norpalm Ghana Limited, registered in pursuance of section 3 of the Factories, Offices and Shops Act 1970 for palm oil and palm kernel oil processing, dated 17 February 2015 and valid until 31 December 2015.
- Environmental Permit no. EPA/EMP/CU 619/14/0084 issued by the Environmental Protection Agency (EPA) on 20 October 2014 to certify that authorisation has been given to Norpalm Ghana Ltd located at Pretsea, off Ewusiejo Junction to continue the operations of the oil palm processing plant from May 2014 to April 2017.
- Fire Certificate of NGL Palm Oil mill issued by the Ghana National Fire Service on 13 December 2014, and is valid for 12 months.
- Records of annual total water consumption for year 2014 showed that water usage was below the permitted water usage per annum as stated in the company's Water Use Permit, i.e. water usage was 87,191 m³ for year 2014.
- The company has made payments to the Water Resources Commission annually as required in their Water Use Permit, e.g payment of GHC 2,151.64 was made on 27 March 2015 to the WRC, which corresponds with the amount required to be paid as stipulated in their invoice dated 25 February 2015.
- The company has water use permit (**no. NGLID250/13**) from Water Resources Commission issued dated on **December 23, 2013** and validity period till **3 years** since **January 1, 2014** where raw water from the Butre River and one (1) borehole at Ewusiejoe in the Ahanta West District Assembly in the Western Region. Based on permit it that the company has compliance to Water Resources Commission Act (Act 522, 1996) and Water Use Regulation 2001 (LI 1692). The permit states permission for the company to abstract raw water from :
 - Butre river at Ewusiejoe in the Ahanta West District Assembly of the Western Region for nursery plantation and industrial at annual rate of **710,400 m³**,
 - One (1) borehole at Ewusiejoe in the Ahanta West District Assembly of the Western Region for domestic purposes at annual rate of **10,220 m³**.

As explained under Criterion 4.4 below, the company has demonstrated compliance to permit no.NGLID250/13 because volume of water consumption is not in excess from volume in permit.

However, the following non-compliances were found and raised as **Non-conformance 2015-03 of 20:**

- i) The wages paid to casual workers who worked for the full month of April to May 2015 is not in accordance with the Labour Act 2003 (Act 651) Clause 76 (1a), i.e. the minimum monthly remuneration does not correspond to the amount represented by the worker's daily wage multiplied by twenty-seven.
- ii) The company could not submit evidence of monitoring of volume of domestic water usage. As such it could not be determined if annual domestic water usage is in compliance with the limit set in the company's Water Use Permit which is 10,220m³ per annum for domestic use

The company does not yet have an environmental permit for the two divisions of their estate Pretsea and Sese, however there is evidence that the company is currently in process of obtaining the permits for the two divisions, as seen in 2 letters dated 8 January 2015 from the Environmental Protection Agency (EPA) to NGL's Managing Director. The letters stated that the company's Environmental Management Plan (EMP) for Pretsea and Sese submitted to EPA for the purpose of obtaining environmental approval was reviewed by the EPA with a few issues identified. The company was requested to revise the reports and resubmit and also to make a processing fee payment to the EPA. The company has made the required payment to the EPA as seen from 2 receipts dated 11 June 2015 for each EPA collection by the Natural Resources division of the EPA.

The company has engaged a lawyer, i.e. Ameta Chambers to provide updates on any applicable legal requirements. The company has a document listing all the relevant laws and regulations applicable to the company, submitted by the company's lawyer firm on 30 July 2015. The list includes all legal requirements related to land laws, environmental and sanitation laws, finance and taxation laws, business and employment/labour laws & others. The company has provided a memo dated 4 May 2015 to all managers, assistant managers and sectional heads stating that it is their responsibility to ensure all statutory and legal requirements are complied with. However, the company currently does not have a documented system or mechanism such a procedure and legal compliance monitoring format for monitoring and ensuring legal compliance. This was raised as a non-compliance. In addition, the company quoted the National Building Regulation, 1996 (li 1630) as a reference for development and maintenance of their housing. However, a copy of this legislation is not available at the company premises. This was raised as a negative observation.

Compliance status: Non-compliance

Non-conformance 2015-03 of 20 (Major non-conformity):

- i) The wages paid to casual workers who worked for the full month of April to May 2015 is not in accordance with the Labour Act 2003 (Act 651) Clause 76 (1a), i.e. the minimum monthly remuneration does not correspond to the amount represented by the worker's daily wage multiplied by twenty-seven.
- ii) The company could not submit evidence of monitoring of volume of domestic water usage. As such it could not be determined if annual domestic water usage is in compliance with the limit set in the company's Water Use Permit which is 10,220m³ per annum for domestic use

Non-conformance 2015-04 of 20 (Minor non-conformity):

The company currently does not have a documented system or mechanism such a procedure and legal compliance monitoring format for monitoring and ensuring legal compliance

See also observation no. 4 in Appendix 5

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

Findings:

It was found during interviews with community representatives and NGL management that the company's land area comprised land area of 10,741.54 acres (or 4652.65 ha) from 13 different surrounding communities. It was confirmed from a document entitled 'Road Map to Norpalm's Land Title Deed' that these community areas were under 7 Divisional Stools under the Hotopo Division, Mpohor, Pretsea, Apowa Division, Pumpuni Division; Akentenchie and Fretsi the Akentenchie of Division and well as Butre, Ase-masa, Ahuntomano, Aketekyi Division and Butre Division. It was informed during interviews with the community representatives and NGL management that due to land disputes in these areas between the communities during the 1960's the land was taken over by the government and was put under the management of a fully state-owned company, National Oil Palms Ltd, until a sales and purchase (S&P) agreement with NGL was made in May 2000. However, the government failed to pay compensation to the local communities after the takeover resulting in dissatisfaction among the communities until today under NGL's management who still demand compensation.

The company's documented asset sales and purchase (S&P) agreement for takeover of NOPL's assets with the Government of the Republic of Ghana (Government of Ghana or GoG) dated 25th May 2000 was

sighted. The S&P agreement was facilitated by the Divestiture Implementation Committee (DIG) as the agent of the GoG to sell the assets to NGL. Under clause 7.2 of this S&P document, it was stated that upon receipt of full purchase payment, the DIG would ensure that the buyer (i.e. NGL) obtains the title to the land for 50 years with an option to renew. However, it was informed by the company that to date, the GoG had not carried out the terms of this clause and the land title was not given to the company. As such, to date, the company has no land title or other legal document showing legal ownership of the land. This was raised as **Non-conformance 2015-05 of 20**. However, the efforts of the company to obtain legal ownership of the land is recognized as below:

It was informed during the audit that some of the leases for NGL's land have expired in year 2015 or will expire in year 2016 (documentation on the total number and details of leases was not provided by the company during the audit), following which the company can only obtain new leases for the land upon agreement of the community representatives who are the traditional owners of the land. The company has demonstrated efforts to obtain the leases to own the land as well as to ease the dissatisfaction of the local communities by carrying out a survey of the total land area. This survey was carried out by an external third party, Bright Star Services, which started the process in year 2011. The maps of all areas owned by the respective communities were mapped out with the participation of the relevant communities and all meetings with the community people to demarcate the land were recorded on video by the company. During this audit, the surveyor was interviewed and the finalized maps of areas belonging to each community were sighted. The maps are currently under valuation by the local Land Valuation Board. Once the review is completed and compensation value is decided, the company will proceed to compensate the local communities as decided by the Land Valuation Board.

It was confirmed through interviews with local community members present at the Stakeholder Consultation Meeting that they had participated in the land survey and knew that the process had completed. The community members, however, complained that they still had not received any information on the rate of compensation, and this was due to the ongoing valuation process as confirmed with the surveyor during the on-site audit.

The company has a map entitled "plan of land for Norpalm Ghana Limited – shewn edged pink". It was showing all boundary pillars issued by chairman of the land of Ghana. The pillars are made with stones/concrete with the pillar number indicated on the top of pillar. The company has legal boundaries of the land under their company demarcated with boundary stones with quarterly monitoring done, as seen from quarterly monitoring report for July 2015 which lists all boundary stones (pillars) with notes on their condition, action taken, date of planned next visit and location for 54 boundary stones. It was noted in the report that at least 25 boundary stones were missing with some broken or covered in soil, and actions taken to replace the missing stones and repair or maintain the others was noted in the report. Photographic evidence of several boundary stones being replaced or repaired were sighted. During field visit in corner of block 111A, it was confirmed that a boundary stone and gap area was available as boundary between community land with NGL's area. Boundary between land area belonging to different smallholders are marked by stacked palm fronds as well as nameplates of land owners on each smallholder areas which facilitates the identification of the location.

The company is currently involved in 2 other ongoing land disputes which have gone to court and the company had engaged a law firm, Keddey, Bodza-Lumor, Asempah and Co. to represent them in both cases. A letter from the law firm dated 15 December 2014 entitled "Confirmation of Law Suits – Norpalm Ghana Ltd." acknowledges that there are currently only 2 ongoing law suits within the company which are pending from year to year without resolution. The details of the 2 cases are as follows:

- 1) Suit no. E1/14/05: Ebusuapanyin (head of the royal family) Paul K. Gyemfa vs. the DIC and Norpalm Ghana Ltd., where the Ebusuapanyin claimed for the recovery of possession of 687.36 acres of land on which the company has its plantation and for compensation and damages of trespass. The letter from the lawyer stated that upon challenging the plaintiff's capacity to maintain the action, there has been null (no response). A letter dated 20 July 2015 from the law firm dated 20 July 2015 states that there has been no update to the case for a long time and the law firm has proceed to file a motion to strike out the suit for want of prosecution on 20th January 2015.
- 2) Suit no. E1/64/13: Norpalm Ghana Ltd. vs Wayoe Engineering Services Ltd. The case was initiated by the company. The background to the suit was that the stool of Biakakrom applied to Norpalm for a new cemetery. Under pressure from the Traditional Council, District Assembly and

Regional Coordinating Council, the company released 10 acres of land of their landholding for this purpose. However, it was later found and confirmed in letter dated 20 July 2015 from the law firm that the defendant (Wayoe Engineering Services Ltd) was carrying construction work as they had been granted a lease for construction by the Stool of Biakakrom. As seen in letter from the company's HR manager to their law firm dated 13 July 2015, the company is seeking to drop the court case as they no longer wish to pursue the matter. It was explained by the company that their intent was to make the communities understand that they should not request land from them under one pretense and then sell the provided land for another use that was not agreed by the company. As the respective stool has apologized, the company sees no need to further pursue the case.

As the company is seeking to have both cases dropped and the plaintiff has not been able to support his claim, no maps of the affected areas have been developed.

The company's lawyer who was engaged to handle both cases above had passed on in April 2015, and the lawyer is currently in progress to engage a new lawyer, as seen from email correspondences of the company dated 3 August 2015 regarding selection of a new lawyer. This was noted as an observation and the status of the cases will be followed up the following audit.

As informed by the company and also confirmed with the communities, there is another ongoing land dispute at block 44/43 of the company between 2 chiefs. The company is not directly involved and has not engaged in mediating the dispute as it is the company's position that since the company does not direct ownership of the land, they have advised the chiefs to settle the dispute in a manner of their choosing and then refer to the company for compensation of the land once they have resolved the dispute.

There is no evidence that the company has instigated violence in any of the cases above.

Compliance status: Non-compliance

Non-conformance 2015-05 of 20 (Major non-conformity):

The company has no land title or leases under the company's name. The efforts of the company to obtain legal ownership of the land is confirmed to be in progress.

See also observation no. 5 in Appendix 5

Criterion 2.3: Use of land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

Findings:

As explained above, the entire land area is currently still under the traditional ownership of the 13 local communities who have the authority to sign leases to the company for legal use of their land. Hence, the map showing the extent of customary rights of the communities covers the entire estate area. As these leases have expired or will expire in year 2016, and the local communities were previously not compensated by the Government of Ghana which took over the land and handed it over to NGL, the company is currently in process to obtain the agreement of the community leaders to sign renewed leases for the company for 50 years. As informed by the communities during the Stakeholder Consultation Meeting, their agreement to sign the new leases will be after acceptance of compensation from the company, which will be carried out after valuation of areas owned by the respective communities is completed. These areas, which have mapped out by the company's surveyor, Bright Star Services, were undergoing the valuation process at time of this audit. The maps of all areas owned by the respective communities were mapped out with the participation of the relevant communities and all meetings with the community people to demarcate the land were recorded on video by the company.

It was confirmed through interviews with local community members present at the Stakeholder Consultation Meeting that they had participated in the land survey and knew that the process had completed. All meetings were done in the local language. The chiefs themselves or their appointed representative from their community were present at said meetings.

Compliance status: Full compliance

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

Findings:

The company has a 5 year business management plan period of year 2016 to 2020. The management plan includes a description of political and economic prediction from 5 years period, commercial issues including planning for 5 years financial performance and commercial operation. The estate 5 year operation planning is also explained on the document, which covers activities such planning for 1). manuring activities according to fertiliser application, spraying, weeding (paths/circles & interline), pruning & sanitation; control of pests and diseases, FFB harvest, replanting programs, 2). FFB production & yield trends (year 2012 to 2015 (actual) & year 2016 to 2020 (projection)), 3). Cost of production (plantation, FFB harvest, transport & CPO & PKO production); 4). Forest prices (CPO prices: USD 862, PKO prices : USD 800; 5). Financial Indicator (profit or loss).

The company also has an annual replanting program period of 2016 to 2020. Detail information of replanting program below :

- Year 2016 : 197 ha (year of planting 1974 & 1984) with total of cost is GHC 938,466
- Year 2017 : 225 ha (year of planting 1985 & 1986) with total of cost is GHC 1,230,728
- Year 2018 : 333 ha (year of planting 1987 & 1988) with total of cost is GHC 2,163,963
- Year 2019 : 115 ha (year of planting 1991) with total of cost is GHC 876,129
- Year 2020 : 237 ha (year of planting 1992 & 1993) with total of cost GHC 2,016,235

Areas planted in years 1963 to 1966 is not included in the replanting program because it may be used for community purpose.

The company's 5 year business management plan period of year 2016 to 2020 has included operational plans for smallholder areas. It has shared with the smallholder representatives in regular meetings with the company. One of programmes relate of improvement is implementation of RSPO certification. Smallholder association members interviews informed that they were aware of the company's business management plan and that this had been shared with them and a copy had been provided to them. However, ordinary smallholders interviewed were not aware on the company's business management plan, which indicates lack of communication on the company's plan from the company or smallholder representatives down to the other smallholders.

Compliance status: Compliance with observations

See observation no. 2 in Appendix 5

Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.

Findings:

The company has Standard Operating Procedures (SOP) for estate and scheme management activities as follows:

- SOP001 Collecting of samples for Foliar analysis,
- SOP002 Preparation of samples for foliar analysis,
- SOP003 Tying of Malayan Knife,
- SOP004 Sharpening of Malayan Knife,
- SOP005 Transport of Labour to and from Field,
- SOP006 Harvesting and Pruning,
- SOP007 Collection of FFB and picking of loose fruits,
- SOP008 Pest
- SOP009 Loading of FFB into a Vehicle,
- SOP010 Transporting of FFB,
- SOP011 Movement in Field ,

- SOP014 Preparing for Spraying/fogging,
- SOP015 Mixing Pesticide/herbicides,
- SOP017 Spraying /Fogging in the Field,
- SOP018 Returning Spraying Equipment to the Store,
- SOP019 Loading of Fertilizer,
- SOP021 Fertilizer application,
- SOP022 Washing of Fertilizer bags,
- SOP023 Circles and Path/Interline Weeding,

The company also has SOPs for mill operations, including the receiving of FFB at the weighbridge, Loading Ramp, Sterilizer process, hoisting and threshing, pressing and clarification process, CPO analysis, and CPO despatching.

All procedures are available in working area which is updated. The company checks implementations of SOPs through inspections and monitoring by supervisors and mandores. The company has a mechanism to check consistent implementation of operational procedures, but this mechanism is not documented to ensure consistent implementation for all procedures pertaining to the plantation and mill. This was noted as an observation.

Compliance status: Compliance with observations

See observation no. 6 in Appendix 5

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Findings:

The company has evidence that they have implemented good agriculture practices at both the company's estate and smallholder areas based on standard operating procedures (SOP) so that sustained yield obtainable. Evidence of Good Agriculture Practices (GAP) implemented was sighted from records of interline weeding, cyrcle & path weeding (manual & chemist), pruning & sanitation, mulching (fertilizer, EFB & re-use effluent in field). Whereas, GAP activities were confirmed to be also carried out in smallholder areas including interline weeding and pruning on March-August 2015 (interline weeding) and October 2014-July 2015 (pruning) in all smallholder plots except plot no. 38 (JB cobbinah).

Smallholder estates/areas are managed by the company and the company has carried out training to workers who in charge on smallholder areas regarding Good Agriculture Practice (GAP). Smallholders interviewed were able to demonstrate understanding of the technique required to maintain soil fertility so that they agree with company if company carry out fertilizing, developing of terrace on slope areas, cover crop, etc.

The actual yield in year 2014 in NGL estate is 10.30 tonnes/ha (Division 1 estate : 11.80 tonnes/ha, Division 2 estate : 10.30 tonnes/ha and Division 3 estate : 8.60 tonnes/ha) and in smallholder areas is 9.81 tonnes/ha. Whereas, actual yield in year 2015 (till July 2015) for NGL estate is 8.50 tonnes/ha (Division 1 estate : 8.0 tonnes/ha, Division 2 estate : 9.2 tonnes/ha and Division 3 estate : 8.5 tonnes/ha) and in smallholder areas is 7.70 tonnes/ha. The information above is consistent with their FFB production are nucleus estate are 35,544.91 tonnes and smallholder areas are 752.81 tonnes in year 2014. Whereas, in year 2015 (till July 2015) that FFB production from nucleus estate are 26,119.50 tonnes and smallholder areas are 590.70 tonnes.

Auditee has maintained for records of fertilizer (inorganic and organic) inputs to field. Based on summary of fertilizer application : inorganic fertilizer used at NGL estate in year 2014 included Urea : 45.8 tonnes (0.34 kg/palm), Rock Phosphate (RP) : 49.7 tonnes (4.6 kg/palm), Triple Super Phosphate (TSP) : 10.7 tonnes (0.99 kg/palm), Potassium chloride (KCl) : 13.2 tonnes (1.22 kg/palm), NPK 15-15-15 : 2.4 tonnes (0.05 kg/palm), NPK 10-10-30 : 2,498.5 tonnes (5.03 kg/palm), Kieserite : 3.5 tonnes (0.20 kg/palm), Borate : 0.7 tonnes (0.06 kg/palm) and year 2015 (till July) are Urea : 8.1 tonnes (0.14 kg/palm), TSP : 5 tonnes (0.24 kg/palm), KCL : 35.3 tonnes (0.66 kg/palm), NPK 15-15-15 : 65.5 tonnes (1.35 kg/palm), NPK 10-10-30 : 1,358.2 tonnes (3.03 kg/palm), Borate : 19.4 tonnes (0.11 kg/palm). The company has recommendation of fertilizers for year 2014 & year 2015 but all fertilizers was applied in year 2014 was below the recommenda-

tion such as urea : - 0.67 kg/palm, RP : - 2.40 kg/palm, TSP : - 0.66 kg/palm, KCl : - 0.44 kg/palm, NPK 15-15-15 : - 3.58 kg/palm, NPK 10-10-30 : - 2.50 kg/palm, Kieserite : - 0.33 kg/palm and Borate : - 0.10 kg/palm. It condition was issued as observation. Whereas, smallholders have applied NPK 10-10-30 year 2014 (2nd round) is 348 bags (@ 50 kg/bag) and year 2015 (till July or 1st round) is 441 bags (@ 50 kg/bag).

Two observations/opportunities for improvement were noted as below:

- 1) Fertilizer application should be appropriate with fertilizer recommendations so that nutrient needs of the field are fulfilled
- 2) The company should include samples of their smallholder land when conducting out leaf analysis for smallholder areas to determine the fertility of the area due to low FFB yield of the area

NGL has carried out nutrient analysis by third party year in 2013 and 2015 as stated on oil palm leaf nutrient analysis report no. TDI036/2013 dated 8 November 2013 and precision farming services dated on 8 November 2014 for year 2014 and no. TDI013/2015 dated 29 May 2015 and precision farming services dated on 29 May 2015 for year 2015. Leaf nutrient analysis including smallholder areas.

Summary of leaf analyses done on oil palm leaves year 2015 are as follows:

- **Nitrogen** : Most of the analysis results show nitrogen levels are high in leaves. The company needs to get more Potassium+ Copper as well as Boron back into the palm trees either by using Foliar (aeroplane) or soil fertilizer application,
- **Boron** : Deficiency first appears as retarded growth of young tissues. Placement of B should be into the weeded circle. An application of 2-3 kg/ha of solubor or sodium borate is recommended. It can be apply as a foliar or as a soil application. Best time to apply a soil application is when climatic conditions is of such that the chances for rain is good after soil applications.
- **Magnesium and calcium**: It is clear that Mg as well as Ca is on norm or in the case of calcium a tendency to be high.
- **Sulphur**: The most leaves shows a tendency to be very deficient. Current sources of N (ammonium sulphate) and Mg (Kieserite) appear to be sufficient to meet the S needs of the crop – apply as soil application with fertilizers.
- **Potassium**: Deficiency is very common. The high nitrogen makes potassium even more of a problem and company need to get more potassium in the leaves.
- **Phosphate**: This is the first year that company start to observe P deficiencies in the leaves.

Whereas, summary of leaf analyses done on oil palm leaves year 2014 are :

- **Nitrogen**: More than half of the leaf analyses are low in nitrogen or there is tendency to be low. In areas with an extended dry period, the last N application should be at least 3-4 months before the beginning of the dry season (high N levels in leaves result in more water consumption).
- **Calcium**: A lot of blocks are very high in Calcium. It is a good sign because it most properly represents a good root system, able to take up nutrition's very efficient.
- **Potassium**: It is problematic in a lot of blocks and need to be implicated. Deficiency is very common and is the major yield constraint.
- **Sulphur**: It is very low and most definitely deficient. It will directly influence the oil content of seed as well as yield and need to be applied.
- **Boron**: B is so far the only micronutrient of general significance.

NGL has carried out soil analysis by Council for Scientific and Industrial Research – Soil Research Institute (CSIR-SRI) on March to April 2012 (as stated on soil investigation report no. C.S.I.R-S.R.I / CR / F.M.T / 2013 / I) where the result of investigation below :

Land Form	Soils	Areas (%)	Suitability for oil palm
Hilly terrain	Atewa & Asikuma (Cutamic & Plinthic lixisol)	10.7	Marginally suitable but improved to moderate by terracing
Undulating to rolling terrain	Asikuma, atewa & ansum (Plinthic, Cutanic & Gleyic Lixisol)	24.1	Moderate
Low land (valleys)	Oda & temang (Haplic Gleysol & Gleyic Arenasol)	6.5	Marginal "require drainage"
Uplands	Agoma, Nkwanta & Akroso (Plinthic & Gleyic Lixisol)	40.4	Moderate
Low lands	Nta & Olin (Epigleyic arenosol & Gleyic Arenosol)	4.0	Marginal "require drainage"

	Haplic Gleysol)		
Flood plains of the major rivers	Batre (Haplic gleysol)	14.3	Marginal "require drainage"

The company has a nutrient recycling program through yearly manuring program according to fertilizer recommendation by agronomist and soil analyzer, as explained on the indicator no. 4.2.1 and 4.2.2 above.

Asides from the an-organic fertilizer program above the company also applies organic fertilizer through EFB application and POME (land application) on the plantation area and palm residues after replanting. There is EFB application report (actual vs budget) year 2014 is 6,520 tonnes & 17,974 tonnes and year 2015 (till August 2015) is 1,900 tonnes & 0 tonnes. EFB application areas on block 68 (YoP 2013) but there is EFB not distributed to field example block 112B. There is land application via furrows but volume of POME was discharged not available because company have not flowmeter. Whereas, block 68 (year of planting 2013) has implemented palm residue as inorganic fertilizer. During site visit, good ground cover was observed at newly replanted areas (planted in year 2012) and sloped area with year 2012 plantings at block 63 was also observed to be well terraced to reduce erosion. EFB is recycled in the field, as observed at year 2012 planted areas, the EFB is applied in squares areas adjacent to subsequent palms in one layer.

Compliance status: Compliance with observations

See observation no. 7 in Appendix 5

Criterion 4.3: Practices minimise and control erosion and degradation of soils.

Findings:

The company has a Soil Map for NGL estate & smallholder areas with scale of 1 : 600,000 & 570,000 which includes information on the soil types in company & smallholder areas. Based on soil map as well as topographical map with scale 1:400,000 that there are marginal or fragile soil and no peat soil. All company & smallholder areas suitable for oil palm but all areas under category of marginal or fragile soils shall be managed through terracing and proper drainage.

According to the topography map, NGL areas and its smallholder area are generally undulating with an average height of about 70 m. The highest elevation range between 150 m to 200 m above sea level. Based on HCV assessment that the topography of the concessions is generally flat with spots of moderately steep hills and spots of slopes likely to be above 30 degrees occurring in some areas. Based on the HCV assessment report that found some areas within the concession exceeding this 30 degree threshold that has already been established with oil palm. Whereas, the result of slope measurement in division 2 & 3 is slope of 5.3 to 23.0 degree.

Rainfall on year 2014 by weather station is volume : 2,190 mm & raindays : 81 days (weather station at camp 1), volume : 1,793 mm & raindays : 83 days (weather station at Nursery), volume : 1,588 mm & raindays : 72 days (weather station at SESE) and volume : 1,492 mm & raindays : 80 days (weather station at Watch Dog). Rainfall on year 2015 (till July 2015) that volume : 661 mm & raindays : 39 days (weather station at camp 1), volume : 1,067 mm & raindays : 36 days (weather station at Nursery), volume : 809 mm & raindays : 25 days (weather station at SESE) and volume : 981 mm & raindays : 37 days (weather station at Watch Dog). Whereas, based on HCV assessment report that the mean annual rainfall is 1,500 mm and range from 1,300 to 2,000 mm. The wet period is between March and July while November to February is relatively dry months. The rainfall pattern has been favourably supportive of agricultural activities. That is condition will makes difficult to physically have access to some areas with difficult terrain in the estate, especially during the rainy seasons.

The company has strategy to prevent erosion on the spots of moderately steep hills areas and spots of slopes likely to be above 30 degrees areas such as planting of cover crops (*legumenase*), terrace, vetiver grass and frond stacking. The result of observation to field was found staking midrib & EFB application in year of planting 2010 (block 10A) and was found cover crop, vetiver grass & terrace in year of planting 2012 (block 058). The company have plan regarding no oil palm replanting shall take place on these areas exceeding the 30 degree threshold

NGL has a yearly road maintenance program as seen from the documented road maintenance plan year 2015 with breakdown into monthly road maintenance schedule at Division 1-4 and SESE with operation in form of filling of potholes, reshaping, and fixing of culvert. Road maintenance activities was on break on August 2015 because of the rainy season. According to the report of road maintenance that company has carried out road maintenance. It was sighted in the field that the condition of road is good and can be passed. The company should conduct the program as planned to ensure that all road condition always in good condition.

Based on soil map that no peat soil in estate so the company is not required to carry out water level management, subsidence of peat soils monitoring or drainability assessments.

The company have management strategy for other fragile and problem soil such as develop of drainage straight on sandy areas - SESE division (block 111A & 112A) and terrace & cover crop on slope areas.

Compliance status: Full compliance

Criterion 4.4: Practices maintain the quality and availability of surface and ground water.

Findings:

The source of water at NGL is from natural source i.e Butre River and rainfall. NGL has documented a water management plan or water reduction program made in year 2015. The document includes information about the present water utilization and resources both in the mill and plantation areas for domestic and operational company's activities.

NGL has a water use permit with permit no. NGLID250/13 from water Resources Commission dated on 23 December 2013, the permit valid for 3 years starting from January 1, 2014 to December 31, 2017. According to the permit the company is allowed to use 710,400 m³ per annum (from Butre River at Ewusiejoe in the Ahanta West District Assembly of the western region) for nursery plantation and industrial purposes paying therefor a water charge of GHC 0.003 per m³ and 1 (one) borehole at Ewusiejoe in Ahanta West District Assembly of the Western Region for domestic purposes paying therefor a water charge of GHC 0.002 per m³ at annual rate of 10,220 m³. Information of rainfall year 2014 & 2015 was explained under criterion 4.3 above.

The company have action plan for implementation of water reduction program such as eliminate steam wastage from low pressure vessel, place order for a new valve to replace faulty valve on sterilizer no.1 to prevent steam leakage, store condensate from hotwell and use for factory cleaning, investigate the possibility of recycling hydrocyclone waste water, introduce the use of 2nd rubber hoses for cleaning instead of hydrant hose, regulate water feeding into hydrocyclone tank, direct all 3rd party vehicle to wash at private washing bay to prevent misuse of water, and draw up and implement a programme to communicate the need for water conservation to all employees.

NGL has several programs to protect their water resources incorporated with the company's HCV management program, in which all water resources have been identified, and buffer zones on each side of river have been delineated. Chemical application is prohibited in all defined buffer zone both in riparian river and buffer dam. It was sighted in the field that the company put markings on the trees located along the river riparian zones. There is type of marking i.e red paint marking.

It was confirmed from site visit to Butre river that riparian river buffer zones are maintained by establishing red paint markers to indicate 25m buffer zone areas where chemical application, including fertilizer application, is not allowed. Moreover, there is sign board "no chemical / spraying". Buffer zone in form of lowland/swamp. During audit on areas it (block 9A & year of planting 2004) that the company has carried out manual weeding. Several male contracted sprayers interviewed stated that they were aware of requirements to avoid spraying at the rivers, and scheme smallholder representatives interviewed also informed that they have been trained on this requirement by the company. Manuring workers interviewed also confirmed that they understand the requirement not to carry out manuring at the marked areas.

The result of water analysis dated on 29 June 2015, 21 May 2015, 22 April 2015, 20 March 2015, 30 January 2015, 30 July 2014, 30 June 2014, 30 April 2014, 28 March 2014, 25 February 2014, 27 January 2014 by council for scientific and industrial research - water research institute showed that all parameters (pH, conductivity, BOD, COD, TSS, NO₂-N, TDS, oil/grease, T.PO₄) are below the threshold or EPA guideline values except total coliform for water sample from Aboabo upstream & downstream and Butre upstream & downstream. It was found that quality of treated effluent discharged is not in compliance with the EPA guide-

lines for discharge into water bodies which is 50ppm for BOD and 250ppm for COD. However, all treated effluent is not discharged into water bodies but discharged and retained in the field, and currently the EPA has no such guidelines for discharge into land. Norpalm Ghana Ltd. as well as several other oil palm plantations in Ghana has requested the EPA to come up with such guidelines, and as informed by the EPA to the audit team, the EPA is currently looking into that request. The company is requested to continue to follow up with the EPA on this matter.

The mill monitors and documents their effluent production. It was sighted the monthly monitoring report of effluent produced from mill operation such as for period January to December 2014 was 40,507.66 m³ while FFB generated was 66,579.12 tonnes, which is an average of 0.61 m³ tonnes of effluent produced per tonne FFB milled. For year 2015, up until July 2015, the amount of effluent generated was 32,931.54 m³ of effluent from total of 55,102.30 tonnes FFB milled, which is an average of 0.60 m³ tonnes of effluent produced per tonne FFB milled.. The mill has carried out appropriate treatment of mill effluent to required levels.

The quality of effluent is monitored every month by external laboratory (Council of Scientific and Industrial Research (CSIR), Environmental Chemistry Division - Water Research Institute). There are 10 effluent water parameters which shall be monitored every month i.e. pH, Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), Total Dissolved Solids (TDS), Total Suspended Solids (TSS), Oil and Grease, Conductivity (Cond), Phosphate, Nitrate, and Total Coliforms. Effluent was taken from pond no.1 & 8 as samples to analysis. Result of effluent analysis period of February, March & May 2015 below :

Period	Pond 1 (mg/l)	Pond 6 (mg/l)	Pond 8 (mg/l)
11 May 2015	20,940	-	1,856
26 March 2015	19,050	-	272
06 February 2015	18,420	1,420	865

Based on information above that BOD is within the legal limits.

NGL mill has records of monitoring of water use every month, e.g. for year 2014 are total water consumption is 87,191 m³ to produce 11,357.33 tonnes of CPO from 66,579.12 tonnes of FFB, which amounts to 7.68 m³ of water per tonnes of CPO or 1.31 m³ of water per tonnes of FFB milled. Monitoring of water consumption for year 2015 is ongoing, and up until July 2015, total water consumption is 66,903 m³ of water used to process 9,469.40 tonnes CPO from 55,102.30 tonnes of FFB milled. This is equivalent to 7.07 m³ of water per tonnes CPO, and 1.21 m³ of water per tonnes FFB milled.

Based on analytical report dated 30 May 2015 by Council for scientific and industrial research - water research institute that water samples from camp 3 boreholes & mill borehole are bacteriologically safe to be used as drinking water sources. They conform to WHO guidelines and Ghana Standards GS 175-1 (2013) of the bacteriological parameters tested. The result of analysis for water sample from mill borehole dated on 29 May 2015 is not suitable for portable use without treatment. Whereas, water sample from camp 3 borehole is suitable for potable use.

Compliance status: Compliance with observations

See observation no. 8 in Appendix 5

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

Findings:

The company has a documented manual on Integrated Pest Management dated January 2015, which covers IPM practices for nursery, main-nursery, immature plantation and mature plantation. For immature plantation, the main pests covered included rhinoceros beetles, rodents, caterpillars, while for mature plantations the main pests and diseases identified are leaf miner, weaver birds, palm weevil, fusarium (vascular wilt disease). In actual, the main pests that affect the estate are leaf miner and rhinoceros beetles (at immature areas).

The manual describes the monitoring steps for leaf miner and specifies that fogging will be done for the pest if external adults are found to be above 1.0 (number of external adults divided by number of trees sampled). As part of biological control of this pest, the company has planted *turnera subulata* which is a beneficial plant that attracts the natural predators of leaf miner pests. Plantings of this plants throughout

the plantation were observed during visits to the field. Rhinoceros beetles are a common pest at new planting areas, and sample monitoring reports of 10 pheromone trap buckets at Sese area were sighted.

Monthly leaf miner monitoring reports showing calculation of population indices and remarks (whether fogging was carried or not) was sighted. Fogging with Evisect is done only when monitoring results are above 1.0, as stated in the manual. It was seen from chemical usage records that 32.7 kg of Evisect used in February 2015 and 38.4kg used in May 2015.

There is evidence of IPM training done for the Pests and Diseases team on Integrated Pest Management done on 5 May 2015 for 17 participants. The training materials used during the training were sighted and found to be adequate.

All pest monitoring and treatment is done by the company at the scheme smallholder areas.

Compliance status: Full compliance

Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

Findings:

The company use agrochemicals which are registered under the Environmental Protection Agency (EPA) as seen from the company's revised Register of Pesticides as per Part II of EPA Act 1994 (ACT 490). However, the company is still use the EPA's Register of Pesticide Part II of EPA Act 1994 (ACT 490) dated 2013 as their reference for chemical control, however the latest applicable version is dated December 31st 2014. This was noted as an observation.

The company also maintains records of Estate Chemical Usage for year 2014 and 2015, which include Glyphader (a.i.; 480g/l glyphosate), Garlon 4 (480g/l triclopry), Corta (Trichlopyr 480g/l), Evisect WP (Thiocyclam Hydrogen oxalate 500g/l) and Pawa (lambda cyhalothrim 25g/l). However, records of pesticides use is not including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications. This was raised as **Non-conformance 2015-06 of 20**.

From records of chemical usage, it was confirmed that the company's usage of pesticides in year 2014 decreased if compared to year 2013, for example Garlon 4 in year 2013 was 0.33 kg/ha compare to year 2015 0.13 kg/Ha, for example as visited in block 210, it was observed that the company applied garlon 4 for Circle and path with dosage of 0.2liter Garlon mixed with 20 liters of water. However, the pesticide usage in 2014 to 2015 was compared and it was found that usage in 2015 had increased, and there is no plan to minimize use of pesticide. This was raised as **Non-conformance 2015-07 of 20**

It was confirmed that there is no Pesticides that are categorized as World Health Organisation Class 1A or 1B use in Norpalm Ghana Limited Operation.

The company has a list of Pesticide Sprayers (about 42 persons) and Fertilizer applicator (about 78 persons). Training record sighted showed that their names were all recorded in training held on July 28th, 2015 regarding spraying and application of fertilizer respectively. According to the interview with workers in Blok 314 Ntafrewaso Division, there are three workers who have been working for 3 months, according to them; they have training of agrochemical awareness and safety from their senior and contractor. The company also has installed sign boards in the field to make workers aware of environment effects of pesticide and fertilizer application along buffer zone and riparian

During site visit to Pretsea estate, 18 male contracted sprayers were interviewed. It was observed that the sprayers were provided with adequate PPE, i.e. goggles, overalls, wellington boots, rubber gloves, and heavy duty masks (respirators), which are provided free by the company. It was informed by the sprayers that there is a designated washing area for sprayers where they change their clothes after work and the PPE and spraying equipment is stored there. In the small holder scheme, sprayers were also found using PPE, including masks, goggles, overall, handgloves and wellington boots. Overalls and others PPE are

washed at the washing facility located at Smallholder Office area before brought home for drying.

Used pesticide containers are stored in the chemical store with MSDS and emergency kit such as eye-wash, Fire extinguishers, etc. The chemical containers used by the company as well as their smallholders are collected and sold back their suppliers. Evidence of chemical containers weighed amount sold to Chemical (contractor) as seen from weighbridge slip dated 11 August 2015 was sighted. This practice of returning chemical containers was confirmed through interviews with about 14 smallholders as well as their smallholder association representatives; however, some smallholders stated that they bury their pesticide containers. This was raised as **Non-conformance 2015-08 of 20**.

The company does not conduct aerial application of chemicals. Application is done through the typical method of spraying used sprayer's knapsacks.

To develop pesticide applicator competency, the company and a chemical supplier provide training of chemical usage, and the company also provided training on best practices, as well as training on chemical handling and disposal for smallholder farmers in Norpalm area. The training was conducted on June 24th, 2015, with about 21 smallholder farmers present out of 40 invited.

Chemical waste material like empty containers of herbicide and pesticide are submitted to supplier Louis Dreyfus Commodities, which a supplier of the pesticides for the company. For example in August 2nd, 2015 Norpalm sent 980 kg of empty container bottles to the supplier for reuse.

Specific annual medical surveillance is conducted for sprayers and pesticide operators, fertilizer applicators and mill operator. This examination is conducted annually, with last medical surveillance conducted on June 2015 for Welders, Sterilizer, Boiler Operators, Press & Digester Operator, Leaf Miner team, Chemical Sprayer and Nursery and development Fertilizer applicator (90 persons).

All chemical sprayers interviewed confirmed that they had undergone medical surveillance and they have not experienced any health issues. As there are no female sprayers, requirements on no work with pesticides to be undertaken by pregnant or breast-feeding women do not apply.

There are several observations where safe practices pertaining to usage of chemicals require improvement, i.e.:

- 1) It was observed at housing of Camp 3 at a security guard's housing that a spraying knapsack was kept directly in front of his house. His wife informed that the knapsack is used for spraying his personal plantin farm at the back of the housing area. This poses a chemical risk to the worker's family which includes young children. Also, how and where the knapsack is cleaned is unclear and poses a contamination risk to the environment. Consideration is required into the provision of safe spraying and storage facilities for workers carrying out spraying at their own personal farms at the housing area.
- 2) Smallholder farmers interviewed stated that they bring their PPE and spraying equipment home to wash. As the audit team was unable to observe the spraying and washing practices of the farmers, it is unclear whether the smallholders have adopted safe practices to avoid chemical contamination of themselves and their families.
- 3) No warning signs placed at areas which have been sprayed (as informed by workers)
- 4) No clean water for washing hands is available at trucks used to bring chemicals to the field. Sprayers also do not bring any food or drinking water to the field, which may be due to lack of safe and clean area in the field to store their food and water while they work

Compliance status: Non-compliance

Non-conformance 2015-06 of 20 (Major non-conformity):

Records of pesticides use is not including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications.

Non-conformance 2015-07 of 20 (Major non-conformity):

There is no plan to minimize use of pesticides. As seen from records of chemicals usage in 2015 (first semester), the usage of chemicals had increased compared to the usage in year 2014

Non-conformance 2015-08 of 20 (Minor non-conformity):

Some smallholder farmers interviewed informed that although some return their empty pesticide containers to the company, some bury their pesticide containers in soil.

See also observations no. 9 and 10 in Appendix 5

Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.

Findings:

The company has a safety policy which is valid, company has Health, Safety & Environment (HSE) plan as guidance for every employee in safety manner during working in Norpalm. The company's procedure is that the HSE plan is reviewed and renewed annually.

Hazard Identification and Risk assessment done in plantation covering all activities, was available for year 2015 and updated for year 2016, both approved by Estate Manager. This risk assessment covering all operations where health and safety is an issue from office, field and road, chemical store, generator house, worker residence, tools store, sign board and warning sign placed in to remind all people to be aware both in plantation, mill as well as the water treatment (POME) pond. The company's risk assessment for all company's operational activities does not include identification of PPE as risk control method for any activity, although in practice, the risk control method for certain activities such as spraying and harvesting includes PPE. This was noted as an observation.

Training record for safety training for sprayer, fertilizer applicator, harvester, as observed in block 314 and block 210, all workers equipped by appropriate PPE such as overall, masks, Wellington Boots, and gloves. Training record said that the worker has been trained in 28-April 2015 by Divisional Headman, observed at Sese division EFB applicator, Harvester and Manurer use appropriate PPE as Wellington Boots, hand-gloves and overalls. However, an independant farmer transporting FFB was observed not wearing covered shoes or boots, but instead was wearing sandals while unloading FFB at the ramp. This is not in accordance with the mill's safety procedures and was raised as a non-conformity.

The company appointed Mr. Frank Gidiglo as responsible person for Health and Safety as per his title as Senior Safety Supervisor. The company also has a HSE Committee which meets on a monthly base quarterly to discuss about health, safety and welfare issues, as example meeting records sighted on on April 1st, 6th May, 3rd June and 5th august 2015. Some discussions sighted included that fenced areas should be inspected periodically.

The company has developed an emergency procedure named as Crisis Management Procedure for Handling major Emergencies, some situation identified as emergency situation as major fires in any part of factory or field, major spillage, any major epidemic threatening the lives of a large number of workers within the estate, explosion of a pressurised vessel at any part of the factory, major release of toxic material of the agrochemical store due to fire or explosions, major floods, storm and earthquakes, serious accident in factory or field, major drought resulting in drying of water dams, arson/industrial action, attacked by arm robbers/thieves, attack by inhabitant in neighbouring villages, overflow of effluent from the ponds into major rivers, bird flu/swine flu, and election violence. The company prepared emergency equipment in both the estate and the mill for emergency situation, such as Fire Extinguisher, Hydrant, etc, also first aid equipment available in both area, company has health post which is operate by nurse inside the office area. during 2014 there are 29 accident which are 6 categorized as Lost Time Accidents (LTA), and for the first semester in 2015 there are 20 cases with 6 LTA reported, Investigation for LTA conducted and recommended need to approved by highest authority to ensure corrective action.

All workers, including daily paid workers are provided with medical care and are covered by accident insurance.

The company uses LTA Metrics in calculating lost time injury, all accident calculated lost time accident. During 2014 there are 49 cases wit 18 LTA and for 2015 until 2nd quarter 22 cases with 5 LTA,

Investigation reports for sampled accidents were sighted, however several sample accident investigation reports sighted was not yet approved by an authorized person to ensure proposed corrective action stated in the report is implemented. This was noted as an observation.

Compliance status: Non-compliance

Non-conformance 2015-09 of 20 (Major non-conformity):

An independant farmer transporting FFB was observed not wearing covered shoes or boots, but instead was wearing sandals while unloading FFB at the ramp. This is not in accordance with the mill's safety procedures.

Se also observations no. 11 and 12 in Appendix 5

Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

Findings:

The company has training program covering RSPO aspect such as:

- Prevention of sexual harassment, conflict resolution, HCV, and Sustainability Palm Oil policy held on February 3rd, 2014
- Best Agriculture Practice on June 06th, 2014
- Agrochemical Training held on March 2015. Working Safety Training April 2015

KRPPT Training Programs covering operational, harvesting, welding, HCV for all employees, refreshment /Meal break, Mobiles phone, Smoking policy and welfare facilities was provided to all workers.

Records of training for each employee are maintained, e.g. as sampled for one staff, his personal file were recorded his history as employee since the beginning, and the file included information about what training that he has during his services in company, for example records of trainings attended such as Global Information System (GIS), Risk assessment, HIRARC, Global Positioning System (GPS), Occupationa Safety & Health, and others. This record kept well as personnel record by HR.

However, it was found that the company has not carried training on the latest Supply Chain Certification System 2014 standard. Previous training was done based on the old standard. This was raised as a non-conformity.

Compliance status: Non-compliance

Non-conformance 2015-10 of 20 (Major non-conformity):

The company has not carried training on the latest Supply Chain Certification System 2014 standard. Previous training was done based on the old standard

Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

Findings:

The company's environmental impact assessment for the mill is available as part of their Environmental Management Plan (EMP) dated March 2014 valid for period 2013 to 2015, which covers the mill only. It is stated in the document that it was the 2nd EMP submission prepared by the company. This latest EMP (2nd submission (generation)) is approved by the Environmental Protection Agency (EPA) as seen from letter no. CU 619/01/40 dated 16th April 2014 from the EPA. The company also has an Environmental Permit no. EPA/EMP/CU 619/14/0084 for Norpalm Ghana Limited to continue operation of the Oil Palm Processing Plant at Pretsea, Off Ewusiejo Junction in the Ahanta West District Assembly from May 2014 to April 2017 issued by the Environmental Protection Agency, dated 20 October 2014. The company has paid EIA permit fee and EIA processing fee dated on 19 May 2014 by ecobank.

The mill is in process of construction of additional effluent ponds in order to match up expanding production capacity and the company has submitted letter to the regional director of EPA dated on 6th August 2015 for permit to construct the effluent ponds. The EPA has replied letter it to NGL dated on 6th August 2015 (letter

no.CUWR/14/Vol.I/047) that company is required to submit their application form (EA 1) to facilitate the approval process. The environmental management plan for the mill includes the following activities:

- Activity is replace existing turbine with one of a bigger capacity with timing is year 2014 & pic: technical manager,
- Maintenance of all machinery with timing is year 2013 & 2015 & pic : -,
- Installation of additional boiler with timing is year 2015 & pic : technical manager,
- Continuous monitoring of environment all parameters with timing is quarterly & pic : technical manager,
- Education of workers with timing is once a year for plantation and mill workers & pic : technical manager & SHEQ manager,
- Development of environment all report for the EPA with timing is monthly, quarterly and yearly for EMP & pic : SHEQ manager,
- Construction of bund walls around storage tanks with timing is year 2015 & pic : technical manager & SHEQ manager,
- Desilting of effluent ponds with timing is year 2014/2015 & pic : Safety Health, Environment & Quality (SHEQ) manager,
- Provision of anaerobic digester for the treatment of effluent with timing is 2014/2015 & pic : technical manager & SHEQ manager,

The company also has separate Environmental Management Plans (EMP) dated July 2014 including an environmental impact assessment, for Pretsea & Sese plantation. The EMPs have both been submitted to the Environmental Protection Agency (EPA) of Ghana in year 2015, with confirmation letters of receipt from the EPA sighted and dated 8 January 2015 for the EMP for Sese Estate, and 29 July 2015 for the EMP for Pretsea estate. Both letters requested for permit and processing fee payment, which has been done by the company as seen from payment receipts. Both EMPs include Chapter 3 on Operational Impact Identification, which describes all environmental impacts and planned actions pertaining to the following:

- Land Use Management
- Land Preparation
- Plantations Activities
- Workshop Operation & Activities
- Agrochemicals and Pesticide Management
- Soil Fertility Management
- Fire Risk and Prevention
- Biodiversity Conservation
- Potential Release into Water
- Potential hazards in the Working Environment

Chapter 4 of the documents describes the Current Environmental Management of Identified Impacts while Chapter 5 includes an Environmental Action plan which information of activity, objective, timeframe (2014, 2015 or 2016), budget and responsibility. Activities planned in the management plan period of 2014-2016 includes :

- Continuous monitoring of the environment parameters
- Environmental education
- Creating of Fire belt (for Sese Plantation) and Environmental Audit (for Pretsea Plantation)
- Review & Revision of EMP
- Preparation of Annual Report (AER)

Based on annual environmental report for the year 2014 (finalized February 2015) that the company has implemented it such as develop & submission environmental report to EPA, environmental quality monitoring with all parameters, develop/construct of new effluent ponds & furrows in the field to increase the capacity of storage and also for recycling of the POME into the fields for irrigation, continuous education or sensitization of workers on environmental issues, scheduled plant maintenance, construction of new offices for outside fruit purchase (OFFP), installation of a new sterilizer, casting of terazzo on the factory floor, RSPO sensitization on environment, annual medical examination for workers, scheduled preventive maintenance on mill equipment and statutory inspection of pressure vessels and lifting equipment, quarterly monitoring of noise, ambient air quality, stack emissions and monthly effluent quality monitoring, provision and servicing of fire extinguishers and provision of protective gears for workers (overall safety boots, wellington boots, rain coats, ear plugs, disposable nose masks, plain goggles, etc).

Environmental action for year 2015 are proposed installation of a new and efficient boiler and steam turbine to ensure optimization of biomass usage, reduce reliance on fossil fuel energy and resort to use of more renewable energy, install new electrical installation panel and power correcting banks to reduce energy losses. The company conducts monitoring of the environmental management plans identified above for the period of year 2015 to 2017.

Compliance status: Full compliance

Criterion 5.2: The status of rare, threatened or endangered species (ERTs) 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.

Findings:

The scope of HCV Assessment Norpalm (nucleus) estate and smallholder estate with total areas is 4,433 ha such as Pretsea : 3,835 ha, Sese : 458 ha, smallholder : 100 ha. The company areas (estate & smallholder areas) is located at Ewusiejoe (Pretsea) and Sese site in the Mpohor and Ahanta West District respectively of the Western Region of Ghana. The Pretsea site lies on longitude 04° 55' W and on latitude 1° 53' N while the Sese site (Division 5) lies on longitude 04° 51' W and latitude 1° 55' N.

Identification of conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered species, which could be significantly affected by the grower or miller was done integrated with HCV assessment that was conducted for the entire company's nucleus and smallholder's area. The assessment was conducted by Proforest in year 2014 using an interpretation of the Global HCVF Toolkit for use in Ghana (November 2006). Assessment team from Proforest consist of 3 members, i.e. a Lead Assessor, Social Expert and Biological surveyer. Methodology assessment process consist of a combination of desk based literature reviews, consultations with experts and stakeholders, a preliminary field survey, primary data collection in the form of fauna survey and ground truthing of the plantation to verify the accuracy of collected data. Communities consultation was carried out date of 12 to 14 February 2013 (date of 12 February 2013 : community consulted are Mpohor Yabiw and Pretsea, date of 13 February 2013 are community consulted are Ewusiejo & Butre and date of 14 February 2013 : community consulted are Hotop & Sese).

According to the assessment result there 4 (four) identified HCV areas in NGL's area i.e.

1. **HCV 3.** Rare or threatened ecosystem/priority habitats. In Ghana, lowland swamps and wetlands are listed as among the rare ecosystems needing additional protection. The concessions contain wetland that drain directly into the Butre River. The wetland areas at Sese and Pretsea were considered as HCV 3.
2. **HCV 4.1** Areas critical to water catchments are all rivers in the concessions. Location of HCV 4.1 is Butre River.
3. **HCV 4.2** Area critical to erosion control is varied but diffused in the concession. Location of HCV 4.2 is block 53/54, block 102 vs mpohor yabey, corner block 10A1/10B & corner block 8.
4. **HCV 6** Areas critical to the traditional/cultural identity of communities. There are a few areas that are considered as sacred by the communities interacted with. These include fetish shrines (at Pretsea, Nana Bekai and Manganese Bosom), sacred groove (edufambe), cemetery and burial sites/grounds.

The company has a documented list of HCV management recommendations for all identified HCV areas as documented on HCV assessment report.

HCV management recommendation each identified HCVs i.e :

- HCV 3: These areas should continue to be excluded from conversion. Periodic patrols will be carried out to ensure that the area is not being encroached on. Where necessary, NGL will implement intervention measures to ensure that the ecological health of the area is maintained. The company has been well mapped and delineated on the ground.
- HCV 4.1: Riparian vegetation and buffering of rivers and streams. These are mapped out and respected. Management recommendations include protection and maintenance of buffer zones, erosion control practices for all areas with slopes of above 15 degrees.
- HCV 4.2 : It area excluding replanting in areas above 30 degrees while implementing strict erosion control measures in areas with slopes between 17 to 30 degrees.

- HCV 6 : Subject to agreement with the host communities concerned, an appropriate management area should be set aside for the protection and maintenance of the two burial with those areas excluded from all forms of conversion activities.

The company has developed a HCV management plan based on the HCV management recommendations. The HCV management plan for each identified HCV areas are i.e :

- All HCVs: Accurate mapping of all HCVs and their management areas in the concessions should be carried out including mapping of steep slopes, designation of a responsible person for all "HCVs" to provide training and ensuring that field workers adhere to management recommendation for HCV areas,
- HCV 3 : Quarterly water quality testing for major river and all other rivers that are sources of water for host communities, regular meeting with the host communities on control and prevention of water pollution and protection HCV areas especially HCV 3 areas.
- HCV 4.1 : Workers and staff responsible for HCV delineate 10 meter buffer zone on each side of streams (< 5 meter width), HCV field team to delineate 20 meter buffer zones on each side of rivers with width of 5-20 m, HCV field team to delineate 60 meter buffer zones on each side of major rivers with width greater than 20 meter (e.g. the Cross River), chemical application teams are trained to respect buffer zones, plant trees in buffer zone where necessary, regular monitoring to ensure that buffer zones requirements are respected (if buffer zone are not respected, corrective actions must be taken immediately),
- HCV 4.2 : HCV or environmental management field team are trained to implement and respect erosion control recommendation, areas with slopes above 30 degrees are excluded from replanting, areas with slopes between 17 and 30 degrees are identified and mapped (such areas may be planted on condition that erosion control measures such as terracing is implemented), road construction/replanting team trained to implement erosion control measures, SOP for terracing is in place and implemented, silt pits are built to avoid sediments being discharged into rivers, appropriate leguminous cover crops and native tree species that do not have invasive properties are selected for revegetating denuded buffer zones to avoid invasion and cover crop are planted immediately after clearing to avoid erosion of soils during the first rains.
- HCV 6: To identify appropriate management areas for those HCV 6 areas (burial grounds) and delineate those areas, negotiate management decisions for HCV areas following the company's FPIC procedures and regular (yearly) evaluation of changes in community needs.

The company has carried out HCV monitoring dated on 27 to 28 July 2015 by HCV team. The result of monitoring are weed control in most of the buffer zone areas were done manually, buffer zone warning signage were intact on both sides of roads, some fauna (e.g crabs) and flora (e.g. date palm) peculiar to non-exploited areas were observed, the red markings on some buffer zone trees were overgrown with ferns and some level of encroachment was observed around some social HCVs. Whereas, the result of detail was available too where the results included current status, remarks and remedial action, timelines and person responsible each HCV location.

Furthermore, the company has carried out HCV management plans such as :

- HCV 3: Workers, smallholder and surrounding communities have been socialization of HCV areas especially lowland/swamp and no spraying and no destructive.
- HCV 4.1: Marking of oil palm trees in riparian zones with red color, no chemical spraying and fertilizer application in such area,
- HCV 4.2: EFB application, appropriate leguminous cover crop application, terrace & leguminous cover crop application on block 58,
- HCV 6: The company has delineated burial grounds and held several meetings with the host of communities to discuss about protection of cemetery & shrine, patrol.

Moreover Workers, smallholder and surrounding communities have been educated on no hunting, no capture, no harm, no collect or no kill the rare, threatened and endangered (RTE) species.

The Mangamese shrine was visited and found to still be in good condition but there is corn plantation own community (Bokro community) surrounding the shrine, and these activities may impact the condition of the shrine.

There are no identified HCV areas set-asides with existing rights of local communities located within the estate or smallholder areas.

Compliance status: Full compliance

Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner

Findings:

NGL has a documented Waste Management Plan which corresponds with the identification of wastes produced from estate and mill activities. Wastes identified and management plans is summarized as follows included:

- EFB recycled in the field for mulching
- Palm oil mill effluent (POME) is recycled in the field for land application, never to be discharged to water courses
- Domestic waste which are collected from worker's quarters and disposed at a landfill. Currently the company also has a plan to purchase 6 new waste skips for collection of wastes segregated into biodegradable and non-biodegradable wastes. Currently pilot plan has been started at the mill where separate waste bins have been placed. Dissemination to the workers on requirements to segregate waste has not been done yet but is being planned. It was observed at the housing at Camp 3 that wastes are being disposed at a landfill located behind the housing area with no waste separation and waste burning being done. This was noted as an observation.
- Pesticide containers are collected from the communities (smallholders) for disposal at the dumpsite. However, as informed by the company, in actual practice, the chemical containers used by the company as well as their smallholders are collected and sold back their suppliers. Evidence of chemical containers weighed amount sold to Chemical (contractor) as seen from weighbridge slip dated 11 August 2015 was sighted. This practice of returning chemical containers was confirmed through interviews with about 14 smallholders as well as their smallholder association representatives, however, some smallholders stated that they bury their pesticide containers. This was raised as a non-compliance
- Medical wastes are incinerated at the clinic
- Fertilizer bags are triple rinsed and used for loose fruit collection
- Scrap metals which are sold to EPA certified scrap metal dealers. Sighted sample receipt of sale dated 17 July 2015 of scrap metal to contractor named Bismark Kwofie on 17 July 2015. This contractor has submitted an application for approval as a scrap metal collection contractor as seen in Environmental Assessment Registration Form received by the EPA on 21 April 2015.
- Boiler ashes used for land filling and disposed where necessary
- Used oil (scheduled wastes) which are collected by EPA certified buyer. Sighted sample receipt of sale of 6 drums of used oil on 3 July 2015 to contractor named Axis Consult. The contractor has an Environmental Permit issued on 21 May 2013 and expired on November 2014. However, there is no evidence that the consultant has obtained a new permit or any follow-up by the company prior to selling used oil to this contractor. This was noted as an observation.
- Used batteries (scheduled wastes) and used tyres, which are collected by EPA certified buyer. Sighted a letter of approval dated 24 March 2015 to sell 23 used tyres to contractor named Mr. Francis Nkrumah who has submitted an application for approval as a scrap metal and used tyre collection contractor as seen in Environmental Assessment Registration Form received by the EPA on 23 March 2015
- Sewage, collected and disposed of by competent professional

However, there were several observations found pertaining to the waste management plan and implementation, as follows:

- 1) The company's document waste management plan is not dated so it is not clear for what period the plan is applicable for, while targets, results of monitoring for year 2014 and status is not updated in the plan, although evidence was observed of implementation of the plan
- 2) The company has a plan for segregation of waste into biodegradable and non-biodegradable wastes, which is not yet implemented and only pilot phase conducted at the mill. It was observed at the housing at Camp 3 that wastes are being disposed at a landfill located behind the housing area with no waste separation and waste burning being done. The implementation of the plan will be observed during the next surveillance audit.
- 3) The contractor, Axis Consult which is engaged by the company to collect their used oil has an EPA permit issued on 21 May 2013 and expired on November 2014. There is no evidence that the consultant has ob-

tained a new permit or any follow-up by the company prior to selling used oil to this contractor.

Compliance status: Compliance with observations

See observation no. 13 in Appendix 5

Criterion 5.4: Efficiency of energy use and use of renewable energy is maximized.

Findings:

The company have action plan for implementation of energy management program period of 2012-2016 where it is a part of the environmental permit condition. It is program such as :

- Preventative maintenance: regular maintenance program for all equipment/machinery (include genset) in mill.
- Driving habits
- Purchasing : purchase of vehicle shall be appropriate class of vehicle, engine, new technologies for fuel efficiency and utilize the best practices
- Conduct inventory of all electrical equipment and compute electricity consumption of the equipment,
- ensure all lighting bulbs in the premises are energy saving bulbs and calculate the energy gain from using energy saving bulbs,
- Ensure all steam pipes are properly lagged to reduce steam losses,
- Implement the commitment to replace the existing turbine with a bigger one to increase electricity generation and reduce dependence on the national grid,
- Ensure the effective operations of the burning installations including the biomass boiler to improve fuel consumption efficiency and minimize smoke/air emission,
- Conduct regular maintenance and repairs on the energy consuming equipment to optimize efficiency,
- Set benchmark for energy consumption for your facility,
- Organize awareness seminars for all workers on the efficient utilization of electrical energy/fuels to promote energy use efficiency and help meet the set benchmark,

The company has a steam turbine that is run by steam generated from the boiler, which is the main source of energy for factory. The boiler uses fibre year 2014 amount of 3,047.52 tonnes (0.27 tonnes/tonnes CPO) and year 2015 amount of 2,240.10 tonnes (0.24 tonnes/tonnes CPO) which are waste products from the palm fruit processing or sources of renewable energy. Whereas, palm kernel shells and cake is sold to third parties.

The company has record of fuel usage year 2014 is 140,163 litter (3.07 litter/tonne FFB or 9.63 litter/tonnes CPO) and per July 2015 is 88,499 litter (2.48 litter/tonne FFB or 6.47 litter/tonnes CPO). Total volume of diesel from FFB transport and genset.

Compliance status: Full compliance

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.

Findings:

During this audit, there was no replanting activity in nucleus areas & smallholders areas so that there was no evidence of land preparation by burning.

However, NGL does not have a policy of no use of fire for preparing land for replanting and for waste disposal. It has stated as observation.

Compliance status: Compliance with observations

See observation no. 14 in Appendix 5

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

Findings:

There is a register of significant environmental aspects which can generate potential environmental pollution & emission based on assessment result as documented in Norpalm's Environmental Management Plan. Identified pollution or waste sources include EFB, fibre, palm kernel shells, palm kernel cake, methane gas from POME, boiler ash, boiler emission (NO_x, SO_x, NO₂, PM₁₀, CO₂, etc), noise, waste engine oil/scheduled waste, scrap metals, scrap tyres, scrap batteries, sewage, empty fertilizer sacks, empty chemical containers, chemical waste, clinical waste, office waste, domestic waste, laboratory waste, worn out PPE's and empty poly sheets.

Source of GHG emission in NGL are land conversion, N₂O from fertilizer application, fertilizer manufacture & transport, fossil fuel consumption and POME.

The company has strategies to reduce GHG emission i.e reduce water per tonnes FFB processed thereby reducing volume of POME thus reducing gas emissions, to increase the capacity of effluent ponds thus increasing retention time and improving gas emissions, long term plan is to install biogas plant to capture gases for energy generation where feasibility studies already completed, reduce fossil use through diesel generator by installing boiler and steam turbine thus increasing renewable energy to total power consumption, replacement over of obsolete/old mill equipment with new and energy efficient ones, intensify periodic or preventive maintenance of vehicles in order to reduce exhaust emissions, increase further the use of EFB to complement conventional inorganic fertilizer in the estate, intensify further cover crop use in the entire estate, ensure "no planting" in riparian buffer zones during any replant, recovery plants to be planted in riparian buffer zones to ensure that the natural environment in these areas are maintained and also support life of native organism/species, and encourage the growth of naturally occurring plants species like bamboo in riparian buffer zone.

Moreover, plans to reduce or minimize of GHG emission and their implementation was available where it has integrated with environmental management plan, for example, inventory of all electrical equipment and compute electricity consumption of the equipment, ensure all lighting bulbs in the premises are energy saving bulbs, ensure all steam pipes are properly lagged to reduce steam losses, commitment to replace the existing turbine with a bigger one to increase electricity generation and reduce dependence on the national grid, ensure the effective operations of the burning installations including the biomass boiler to improve fuel consumption efficiency and minimize smoke/air emission, maximize using renewable energy, develop of new ponds and furrows. Moreover, the company has an action plan for implementation of energy management programme at factory, office, residential areas, and in general.

Pollution prevention and control plan for domestic waste and factory waste was available such as domestic waste: mainly from solid waste comprising of garbage and rubbish or from the use of finished product and factory waste : transfer liquid effluent between ponds & develop of new ponds, maintenance of machinery include of boiler & gen-set in order of the control of gaseous emissions and using solid waste as organic fertilizer & renewable energy.

Some evidence of implementation of the plan was sighted, for example NGL mill has carried out inspection & maintenance on gen-sets dated on 29 July 2015 and preventive maintenance dated on 03 July 2015, development of new ponds & furrows ongoing since May 2015, applying fertilizers (an-organic) appropriate doses, EFB application, replace electrical bulbs (flourecent tube) with energy saving types.

The company has carried out monitoring of GHG emission for assessment year 2013. The result of the company's existing PalmGHG summary report (final emission) are 20.72 ton CO₂e/ton CPO (total field emission from own crop: 1,337.01 tCO₂e, from group : 336.37 tCO₂e, from outgrower: 329,724.99 tCO₂e and total mill emission: 2,661.92 tCO₂e). Monitoring of GHG emission dated on 15 November 2014 was done using software of PalmGHG Calculator version 2.0.1 created by RSPO. However, at the time of the initial audit, RSPO had issued software of PalmGHG calculator version 2.1.1 and the company has not used this latest version of the PalmGHG calculator in their assessment of GHG emissions using year 2014 data. This was raised as **non-conformity (NCR no.11 of 20)**.

Compliance status: Non-compliance

Non-conformance 2015-11 of 20 (Major non-conformity):

The company's monitoring results of GHG emissions using the palm GHG tool has not been updated for year 2014 data.

See also observation no. 15 in Appendix 5

Criterion 6.1: Aspects of plantation and mill management including replanting 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.

Findings:

There is a social impact assessment titled, 'Report of a Social Impact Assessment for Norpalm Ghana Limited (NGL) (Preatsea Operations) prepared by Tetley & Associates dated October 2014. The report is a detailed assessment which includes a profile of NGL and its stakeholders, assessment methodology, sampling, identification of positive and negative social impacts and mitigation of the identified impacts. The direct social impacts observed and/or anticipated include the following:

1. Avoidance of loss of farmlands, destruction of community conservation areas and NTFP collection sites
2. Avoid/reduce pollution
3. Maintain high quality of life and working conditions of worker in the Plantation and Mill
4. To reduce or avoid scarcity of land and its implications on local food security
5. The effects of economic and physical displacement
6. To reduce the impact of influence of migrant workers and exposure to health risk e.g. HIV/AIDS

There is evidence of stakeholders' participation during the assessment as observed in the list of participants and record of input from stakeholders in the SIA. The sampling methodology adopted was sound and adequate for the SIA. A total of 210 households were involved in the survey across the 12 communities that fall under the Pretsea operations. About 26% (10 out of the 38 smallholder farmers) were sampled. Internal stakeholders such as the General Agricultural Workers' Union (GAWU) local union executives, Senior Staff Association (SSA) and employees from various divisions were interviewed in this study. Structured questionnaires and focus group interviews were used to elicit information from these respondents.

There is an Action Plan For Social Impact Assessment (Pretsea Operation) (undated) for mitigation and monitoring of identified social impact. The SIA management plan is based on a timetable outlined as follows:

1. Issues raised
2. Action (that should be taken)
3. Responsibility (Persons-in-charge for implementation of actions)
5. Timeframe/Date (Time-line)

Evidence of implementation of the Social Impact Management Plan is as follows:

1. Issue raised in SIA: To reduce the impact of influence of migrant workers and exposure to health risk e.g. HIV AIDS. The corresponding mitigation plan is that NGL would develop an HIV and AIDS policy for workplace. Evidence of implementation is as follows:

- HIV/AIDS Non-Discriminatory Policy dated 8 August 2013 "To guide both the company and employees' to ensure that employees are empowered with HIV prevention information and skills will enable them to adopt behaviours that safeguard against the spread of the virus.

Nonetheless, there is a lack of adequate documentation to capture the participation of affected parties in the SIA implementation plan. This was raised as a negative observation. In addition, it is unclear whether the company considers differential access to marginalised sectors of society, e.g. women and migrant workers (from other regions within Ghana)

The frequency of review of the SIA has not been specified by the company. This was raised as a negative observation.

The SIA and its Social Impact Management Plan involved the Scheme Smallholders (SHS). This was confirmed in an interview with the smallholder executives on 12 August 2015.

Compliance status: Compliance with observations

See observations no. 16 and 17 in Appendix 5

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

Findings:

The company has a documented procedure for community/other stakeholders' consultation procedure version 1 approved on 11 April 2015, regarding facilitation of the consultation and communication process between management, farmers, local communities and other affected external stakeholders. It is stated that in case of any requests of information, then feedback will be provided within 5 working days of receipt of the communication. In any cases where investigation is required, then completion of the investigation is required. However, there is lack of evidence that the procedure was developed in collaboration with local communities and other affected or interested parties. The procedures have also not been provided to the local communities so that they are aware of the procedure and provide their input. This was noted as an observation.

The management has a notification letter of official contact person(s) for enquiries, concerns and grievances which listed the names, designation and contact numbers of 6 contact persons from Norpalm, including the Technical Manager, HR/Admin Manager, Plantation Manager, Assistant CSR/Community Relations Manager, Assistant OFP Manager, and Security Coordinator and states that any requests will be responded to in 5 days. It was informed by the company that this list is put up on community notice boards. Contact person appointment letters were also sighted and entitled, 'Appointment letter for Ms. Evelyn Bawuah as Assistant Manager, CSR & Community Relations' dated 18 February 2014. The work scope of this personnel is listed as follows:

- Craft Community Relations improvement strategies and programs to improve the company's relations with the communities that contribute land to Norpalm.
- Liaise with the HOD on Stakeholders meetings at the Regional & District Levels
- Based on SIA craft social intervention projects that meet the needs of the communities within the catchment area of the company.
- Responsible for the company's ongoing CSR flagship projects e.g. Social Interaction with Chiefs & Queen mothers, Palm oil for SHS & other institutions, Farmers Awards Day, Scholarship Awards etc.
- Ensure the establishment of relations with the chiefs and opinion leaders of the 13 communities that contribute land to Norpalm by the end of March 2014.
- Ensure that the concerns of the communities on land and community improvement projects are brought to the attention of management for redress.
- Craft out at least two CSR projects with justification for company sponsorship after the SIA is conducted through the collaboration with Proforest by the end of June 2014.

It was found by the audit team that the company and/or their appointed surveyor had engaged in frequent meetings with the 13 community chiefs and their representatives who are owners of the company's area in order to demarcate the land for dispute resolution and determination of compensation. Some community leaders, such as the chief of the Mpohor division interviewed agreed to the resolution process and have no issues with the company. However, it was found during interviews with community representatives during the Stakeholder Consultation Meeting that some community representatives, especially from the Aketenkyi Community feel that there is lack of engagement from the company with regards to the following:

- Contributions to community development and support
- Slow response on matters pertaining to the land survey results
- Lack of transparency on payment made to the Administrator of Stool Land
- Lack of effort taken by the company to discuss with the Aketenkyi community regarding the terms of renewal of the leases which are going to expire very soon
- Lack of engagement of individual community chiefs as all meetings are done together with all chiefs who have different issues and concerns
- Lack of follow-up to resolve several issues raised in the Report on Committee of Enquiry on lands oc-

cupied by the National Oil Palms Plantation Limited (NOP) dated December 1998.

This dissatisfaction is likely to result in the members of the Aketenkyi Community refusing to renew the leases of their land for use of the company. This is noted as an observation, in which action from the company is required to avoid escalation into a more significant dispute.

There is also a need for the scheme managers to improve their communication with all smallholder farmers, e.g. to communicate the results of the land survey carried out for individual farmer plots and to allay concerns about the fate of the farmers after replanting.

A list of stakeholders is available. The list of stakeholders includes statutory/government bodies, local communities/native people, workers' organisations, trade unions, smallholders, outgrowers, independent suppliers of materials and services (e.g. contractors, vendors, traders etc.), others (schools, hospitals etc.) complete with contact name, telephone and address.

Records of all communication with stakeholders are maintained with samples sighted as below:

- Letter from NGL to Mr. John Ansah Smallholder Farmers Association titled, 'Meeting Public Address system' dated 8 July 2014. Agenda: review of FFB performance (January-June 2014) and Field Operations (RSPO issues, BMP issues, Harvesting & Maintenance).
- Minutes of Meeting of Dept of Econs and Agribusiness (LEGON) Joint Meeting With Smallholders and Outgrowers dated 7 November 2014. Validating meeting with Norpalm, attended by 5 outgrower farmers and 5 Smallholder farmers.
- Letter from NGL to The Secretary Ahantaman Oilpalm Farmers Association titled, 'Notice of A Meeting' dated 21 November 2014. NGL's invitation to meet the executive committee for a discussion on their activities and the way forward for the two outfits.
- Letter from the HRM to The Assemblyman of Equisiejoe titled, 'Invitation To A Meeting Between Management of Norpalm Ghana Limited And Opinion Leaders of Equisiejoe and Hotopo' dated 30 July 2015 inviting these stakeholders for a special meeting.

There are ad-hoc meetings between NGL and the smallholders' association, which was confirmed by the smallholder executives during an interview on 12 August 2015. Nonetheless, the following gaps were observed for which a negative observation was raised:

1) There is lack of evidence that the company's documented procedure for community/other stakeholders' consultation procedure version 1 approved on 11 April 2015 was developed in collaboration with local communities and other affected or interested parties. The procedures have also not been provided to the local communities so that they are aware of the procedure and provide their input.

2) Further engagement with some members of the community is required as it was found during interviews with community representatives during the Stakeholder Consultation Meeting that some community representatives, especially from the Aketenkyi Community feel that there is lack of engagement from the company with regards to the following:

- Contributions to community development and support
- Slow response on matters pertaining to the land survey results
- Lack of transparency on payment made to the Administrator of Stool Land
- Lack of effort taken by the company to discuss with the Aketenkyi community regarding the terms of renewal of the leases which are going to expire very soon
- Lack of engagement of individual community chiefs as all meetings are done together with all chiefs who have different issues and concerns
- Lack of follow-up to resolve several issues raised in the Report on Committee of Enquiry on lands occupied by the National Oil Palms Plantation Limited (NOPL) dated December 1998.

This dissatisfaction is likely to result in the members of the Aketenkyi Community refusing to renew the leases of their land for use of the company. This observation requires urgent action from the company to avoid escalation into a more significant dispute.

There is a need for the scheme managers to improve their communication with all smallholder farmers, e.g. to communicate the results of the land survey carried out for individual farmer plots and to allay concerns about the fate of the farmers after replanting. This was raised as a negative observation.

Compliance status: Compliance with observations

See observations no. 18 and 19 in Appendix 5

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.

Findings:

NGL has a documented grievance mechanism titled; 'Communication, Grievance And Negotiation Procedure' dated 15 April 2015. The procedure covers internal and external stakeholders, e.g. employees and community relations.

For employees of NGL, there are several platforms to voice out grievances, e.g. Departmental Meetings, Quarterly durbar, GAWU-Management Meeting, Senior Staff Association (SSA)-Management Meeting, Standing Negotiation Meeting and SSA Salary Negotiation. For community relations, the procedure covers Fair Compensation for Land, Dispute Settlement With the Communities, Meetings with the Communities, Community Consultation and Dispute Settlement procedures.

In addition, there is a Grievance & Trade Dispute Procedure dated 15 August 2013 to address disputes between the employer and the union.

There is also a policy and procedure to facilitate anonymous complaints, via the Whistle Blowing Policy dated 12 April 2015. This policy covers situations where an individual (the whistleblower) raises a concern about a risk, malpractice or wrongdoing that affects others such as clients, suppliers, other staff, the company or the public interest and is intended to assist individuals who believe they have discovered malpractice or impropriety. There is a clause in the policy which states that "All whistleblowing disclosures made to the parties above will be treated as confidential and will be reported to the HR & Admin Manager", ensuring confidentiality of complaints.

There is also a standard operating procedure titled, 'SOP For Whistleblowing: How To Raise A Concern' dated 12 May 2015 to implement the said policy. This includes a 'Raising A Concern Form'. An example of implementation of the grievance mechanism is as follows:

- Letter from The Executives Smallholder Farmer to the Plantation Manager, NGL titled, 'Request for a Meeting with Norpalm Management' dated 7 October 2014 whereby smallholder farmers who are dissatisfied with the FFB pricing requested a meeting with the company to discuss the pricing.

From an interview with the Smallholder Executives on 12 August 2015, it was confirmed that this dispute resolution mechanism has been established through open and consensual agreements with smallholders. As determined on the procedure in case a dispute cannot be resolved between the affected parties, an intermediate person who will be chosen by the affected parties may be invited.

Compliance status: Full compliance

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 stakeholders to express their views through their own representative institutions.

Findings:

NGL's compensation policy is tied into the Communication, Grievance And Negotiation Procedure' dated 15 April 2015. The procedure covers fair compensation for land, dispute settlement with the communities, meetings with the communities, community consultation and dispute settlement procedures.

- 1) The company needs to document in precise detail all negotiated agreements and compensation to the affected parties when the land compensation issue is resolved in the future.
- 2) Documentation should include written minutes of meetings and not only video recordings, for easy reference in case there is a need to refer back to an issue being discussed as it is more time-consuming to check video recordings as opposed to meeting minutes.

These were collectively raised as a negative observation.

Compliance status: Compliance with Observations

See observation no. 20 in Appendix 5

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.

Findings:

NGL maintains documented contracts for permanent staff, both senior (management level) and junior staff. Examples of contracts sighted are as follows:

- Appointment letter for a junior permanent employee as Permanent Security Guard dated 7 February 2005. The contract outlines the job description, salary, benefits such as 30% commuted allowance, ESB, free medical care and that the terms and conditions of employment are subject to the Collective Bargaining Agreement (CBA).
- Appointment letter for senior permanent staff titled, 'Offer of Employment as Senior Supervisor Administration-Employee Training & Development' dated 1 September 2009. The contract outlines the job description, salary scale, benefits e.g. 20% of monthly salary as housing allowance, 20% of monthly salary as duty allowance, free canteen, ESB-10% of monthly salary + 7.5% contribution from employer and Social Security and National Insurance Trust (SSNIT)-5% of monthly salary + 12.5% contribution from Employer.
- The more recent contract for junior permanent staff hired as a Factory Hand' dated 12 January 2015 (signed on 22 January 2015). The contract period is for three months (12/01/15-31/03/15) and states that the company will provide free lunch and free medical care until the personnel is hooked to the NHIS. The contract also states that the company shall pay 18.5% (Employer 13% and Employee 5.5%) every month to SSNIT as social security contribution. Termination clause is also included, i.e. two weeks' notice to terminate the contract or pay cash in lieu of notice. The employee is subject to the rules and regulations of the company and the Collective Bargaining Agreement (CBA) between Management and the Union of the company.
- Renewal of Contract Employment for a worker dated 1 April 2015. The contract is the same as above, except for the change in the duration of employment, i.e. 6 months (1/04/2015-30/09/2015).

For unionised workers, i.e. permanent junior staff who are members of the GAWU local union, there is a collective bargaining agreement which detail out payments and conditions of employment i.e. working hours, deductions, overtime, sickness, holiday entitlement, and maternity leave, reasons for dismissal, period of notice, housing condition and other welfare issues. The documents are available in English and Ghanaian languages. The collective bargaining agreement is reviewed once in three years with an annual salary review. The most recent review was in 2014.

The information in the collective bargaining agreement is conveyed to workers during induction. During interviews with the permanent junior staff/workers, it was confirmed that the workers understood the content of agreement and that NGL is implementing the agreement in a consistent manner. Note that contract and casual workers are yet to be unionized (see non-compliance raised in 6.6.1).

There is a Policy and Procedure For Employer Orientation dated 14 June 2013 whereby NGL is required to provide orientation and training to all new employees within ninety (90) days of the employee's hire date. The new employee orientation sessions provides training on various policies, occupational safety policies and all SOPs. The Human Resources Department is responsible in coordinating a new employee orientation training programme. Supervisors/ Division Heads are responsible for ensuring that all new employees attend the new employee orientation session. The probationer employees are sensitised on the following policies and SOPs during the orientation programme:

- Probation Policy dated 10 August 2013 and its corresponding SOP for Employee Probation. The probationary period is from 3 to 6 calendar months in length from the date of hire.
- Training policy dated 15 August 2013 and its corresponding SOP For Employee Training;
- Compensation Policy dated 16 September 2013 and its corresponding SOP For Compensation;
- Performance Appraisal Policy dated 16 September 2013 and its corresponding SOP For Performance Appraisal;
- SOP For Workmen's Compensation dated 22 January 2014, on the need for the company to provide insurance cover to any employee of Norpalm Ghana Limited who is injured or incurs an occupational

disease or death, normally without regard to fault, in accordance with the Workman Compensation Act 1987 (PNDCL 187).

- Staff Loan Policy & Procedure dated 13 March 2014, i.e. a provision for a loan for all permanent employees of the company who have been employed for a continuous period of at least one year.
- Salary Scales for Junior Employees for 2015;
- Salary Scale for Senior Employees for 2015; Includes a list of perks enjoyed by the Assistant Managers.
- SOP For NGL Annual Leave

There are also pay slips for each employee. Workers' pay slips are based on the check-roll which is filled in by the respective supervisors of the workers whereas staff have a fixed monthly salary, the amount is stated in the employment contract. Workers work eight hours a day for 5 days a week. The audit team confirms that permanent workers do not work on public holidays and weekends days and that the overtime working hours and payments are in accordance with the Labour Act, Act 651 (2003). The audit team conducted random checks on the following junior and senior permanent workers' slips and found them to be sound (apart from the non-conformity raised in 2.1.1):

- Employee Salary Advice Slip for Justice Gorman (Supervisor) for April 2015 dated 10 August 2015;
- Employee Salary Advice Slip for Amidu Braimah (Security) for May 2015 dated 10 August 2015;
- Employee Salary Advice Slip for Charles Achisey (Finance Department) for April 2015 dated 10 August 2015;
- NGL Employee Salary Advice Slip for Diana Essien (Fertiliser Application 3) for June 2015 dated 12 August 2015.

Payroll Summary for Mill Maintenance Department workers for July 2015 found that the payment is detailed out in a transparent manner. Details of the payroll summary include monthly basic, COLA, Overtime, Other Income, Gross Income, Union Dues, SSF (5.5%), Tax Relief, Pay As You Earn (PAYE), Insurance Premium, ESB Deduction (9%), Leave Fund, Loan Deduction, Staff Purchase, Credit Union Loan, MBG Loan, Total Deductions and the net payable amount. Deductions are also clearly stated on the payslips. Apart from statutory deductions as per Section 70 of the Labour Act, Act 651 (2003) such as SSNIT, income tax and provident fund (ESB), there are other deductions as stipulated above. The audit team confirms that the deductions are done with written consent from the employees. An example of consent for deductions sighted was for the leave fund:

- Memo from the Union to the Human Resources Manager (HRM) titled, 'Implementation of Leave Fund' dated 9 January 2015 provides a list of workers who have agreed that 8.34% of basic monthly salary is deducted at source effective January 2015 as leave fund which must be remitted to the Union for its management (list of workers and signatures attached).

The audit team also confirms that all permanent staff, both senior and junior are insured as per the Workmen's Compensation Act 1987 (Pndcl 187).

Contract workers

NGL regulates contract managers in terms of complying with relevant legislation related to employment, especially the Labour Act, Act 651 (2003), Labour Regulations, LI 1833 (2007) and the Social Security Law, PNDCL 247 (1991) with special attention to statutory deductions such as SSNIT. Firstly, there are written agreements between NGL and contractors (contract managers):

- Harvesting and Maintenance Contract Agreement between NGL and Mary Saighoe Enterprise (Contractor) dated 1 January 2014. The contract includes the clause "the Contractor is obliged to pay his/her workers according to the Company's approved rate for field workers and also ensure that s/he and all his/her workers strictly adhered to the Sexual harassment, HIV, Child Labour, Non-Discrimination/ Equal Opportunity, Safety, Health and Environment policies of the Company."

Second, NGL pays 13% as employer SSNIT contribution every month in the contract rate to each contractor. As such, NGL demands that the contractors submit relevant receipts for statutory payments and insurance cover for their workers:, as seen from the following documents:

- List of Contractors who have Submitted Pay-in Slips and SSNIT Payment Receipts
- NGL Social Security Contribution Employer's No: 501A003 for June 2015
- Memo from the Plantation Manager to All Contractors titled, 'Insurance Cover For Contract Labour' dated 10 February 2015. The management observed that the contractors did not provide insurance cover for their workforce and for those who have it's about to expire or already expired. The management issued a

warning to the contractors to renew the insurance cover, failing which NGL may revoke their contracts.

- Memo from the Plantation Manager to All Field Contractors titled, 'Non-Payment of Workers SSNIT Contribution' dated 19 June 2015. The management observed that some harvesting and maintenance contractors had not been paying their workers' social security contribution. NGL warned that effective July 2015, "no contractor will be given the clearance to receive his/her cheque unless he/she presents a photocopy of social security cards and the receipts of the SSNIT contribution payment of his workers. This must also reflect on the salary advice which are given to the workers."

Proof of NGL's SSNIT payment of statutory deductions, i.e. SSNIT on behalf of the contract manager is seen from the following documents:

- Official Receipt: Social Security & National Insurance Trust dated 11 August 2015 (ref: 16687846) from John Let Ent. for a total of GH¢910.09.
- SSNIT Contribution Payment Advice dated 11 August 2015 (ref: 50120150800239) from from John Let Ent. for a total of GH¢910.09.

The method of monitoring of SSNIT for the contract workers and whether these workers are being paid by their contract managers (retention of pay slips) is laudable and should be maintained. This was raised as a positive observation.

Nonetheless, several non-compliances (collectively raised as a major non-compliance) pertaining to the pay and conditions of contract workers were found as follows:

- i) There is no documented evidence of direct contracts of employment between the contract managers and the contract workers. Contract workers interviewed on 12 August 2015 assert that they do not have signed contracts of employment with their respective contract managers. (Only a template of the contract between contract managers and contract workers was shown to the auditors).
- ii) The company carries out monitoring of contractors to ensure they make payments of salary, SSNIT, and National Health Insurance Scheme (NHIS) for their worker in accordance with legal requirements, however the monitoring fails to encompass other aspects of worker's benefits. As such, several contract workers interviewed assert that they are not granted benefits such as paid sick leave, annual leave, maternity leave and public holidays.
- iii) There is no clause in the contract managers' contract (with the company) on the need for compliance with the Labour Act 2003 (Act 651).
- iii) The company does not have a clear policy on the employment of contract workers. There were a number of contract workers interviewed on 11 August 2015 that have yet to be absorbed as permanent staff although they have been employed continuously as contract workers for more than 6 months (some as long as seven years). Due to this, they are deprived of benefits accrued to permanent workers and their dependents such as housing, full subsidy for schooling etc.. This is not in compliance with the Labour Act 2003 clause 75 which states that "a temporary worker who is employed by the same employer for a continuous period of six months and more shall be treated under this Part as a permanent worker."
- iv) There are gaps in knowledge on pay conditions amongst casual workers, e.g. these workers are not aware of the method of overtime calculation.

In addition, casual workers interviewed on 11 August 2015 come from nearby villages but they prefer if the company could provide housing to them. This was raised as a negative observation.

Workers housing conditions and other facilities were observed to be poor and inadequate to meet the needs of the workers, which was confirmed through interviews with workers and site visits i.e.:

- i) Workers living in Camp 2 have been living in the housing area without any electricity supply for at least 7 years
- ii) There are serious leakages from the roofs at both Camp 3 and Camp 2 which have not been addressed by the company.
- iii) Stagnant water observe at the drains at Camp 2, which can become breeding sites for mosquitoes and result in malaria cases
- iv) Shower rooms are shared between too many workers, e.g. at Camp 2, only one shower room available for 96 households with no separate shower room for male and female workers. There is no running water for bathing, and workers collect water from a pipe and bring the shower room to bath. Shower room has no roof and walls are low, which allows other to easily peek into those showering
- v) Workers at Camp 2 complained that if they fall sick at night, it is difficult to seek medical treatment be-

cause they unable to contact any company personnel at night and there is no clinic nearby.

The company has constructed some new housing in Camp 3 which with somewhat improved condition and facilities, however, many workers still live in the old housing, with no ongoing new housing construction observed although it was informed by the company that they have plans to replace the old housing.

Compliance status: Non-compliance

Non-conformance 2015-12 of 20 (Major non-conformity):

Several non-compliances pertaining to the pay and conditions of contract workers were found as follows:

- i) There is no documented evidence of direct contracts of employment between the contract managers and the contract workers. Contract workers interviewed on 12 August 2015 assert that they do not have signed contracts of employment with their respective contract managers.
- ii) The company carries out monitoring of contractors to ensure they make payments of salary, SSNIT, and NHIS for their worker in accordance with legal requirements, however the monitoring fails to encompass other aspects of worker's benefits. As such, several contract workers interviewed assert that they are not granted benefits such as paid sick leave, annual leave, maternity leave and public holidays.
- iii) There is no clause in the contract managers' contract (with the company) on the need for compliance with the Labour Act 2003 (Act 651).
- iv) The company does not have a clear policy on the employment of contract workers. There were a number of contract workers interviewed that have yet to be absorbed as permanent staff although they have been employed continuously as contract workers for more than 6 months (some as long as seven years). Due to this, they are deprived of benefits accrued to permanent workers and their dependents. This is not in compliance with the Labour Act 2003 clause 75 which states that "a temporary worker who is employed by the same employer for a continuous period of six months and more shall be treated under this Part as a permanent worker."
- v) There are gaps in knowledge on pay conditions amongst casual workers, e.g. these workers are not aware of the method of overtime calculation.

Non-conformance 2015-13 of 20 (Minor non-conformity):

Workers housing conditions and other facilities were observed to be poor and inadequate to meet the needs of the workers, which was confirmed through interviews with workers and site visits i.e.:

- i) Workers living in Camp 2 have been living in the housing area without any electricity supply for at least 7 years
- ii) There are serious leakages from the roofs at both Camp 3 and Camp 2 which have not been addressed by the company.
- iii) Stagnant water observe at the drains at Camp 2, which can become breeding sites for mosquitoes and result in malaria cases
- iv) Bathrooms are shared between too many workers, e.g. at Camp 2, only one bathroom available for 96 households with no separate shower room for male and female workers. There is no running water for bathing, and workers collect water from a pipe and bring the shower room to bath. Shower room has no roof and walls are low, which allows other to easily peek into those showering
- v) Workers at Camp 2 complained that if they fall sick at night, it is difficult to seek medical treatment because they unable to contact any company personnel at night and there is no clinics nearby.

See also observation no. 21 of Appendix 5

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.

Findings:

There is a public statement on freedom of association in English-proof of public display is evident at a notice board at the entrance to the NGL office. The General Agricultural Workers' Union (GAWU) is the local union that represents junior permanent staff.

Nonetheless, the company has not adequately demonstrated that all personnel have the right to form and join trade unions of their choice and to bargain collectively, with evidence as follows:

- i) At present, all the 150 members of the local union (under Ghana Agricultural Workers' Union or GAWU)

are permanent junior staff. Casual, temporary and contract workers are not members of GAWU.

ii) Also, the company has not adequately communicated the rights to freedom of association to its employees. For example, an interview with casual workers on 11 August 2015 revealed that they are not members of the local union (GAWU) and that they are under the impression that the union is only for permanent workers. Similarly, the local union representatives are not familiar with Section 79 (1) of the Labour Act 2003 (Act 651) which states that 'Every worker has the right to form or join a trade union of his or her choice for the promotion and protection of the worker's economic and social interests.'

Casual, contract and temporary workers do not fall under Section 79 (2) which prohibits the following categories of workers to join trade unions: "a. policy making; b. decision making; c. managerial; d. holding a position of trust; e. performing duties that are of highly confidential nature; or f. an agent of a shareholder of an undertaking."

These were collectively raised as **Non-conformance 2015-14 of 20.**

The company has adequately documented and disseminated the minutes of meeting with the GAWU local union:

- Minutes of Norpalm Ghana Limited Standing Negotiating Committee (SNG) Meeting dated 25 September 2014
- Highlights of Meeting Board Chairman and the Union/SSA Executives dated 20 February 2015
- Union Management Meeting dated 26 February 2015
- Norpalm CBA Review for the Year 2014

However, GAWU local union executives do not keep the minutes of meetings or document their meetings with their own members and meetings with the management. There is a need for the GAWU local union to keep records of all meetings and improve document control. This was raised as a negative observation.

Compliance status: Non-compliance

Non-conformance 2015-14 of 20 (Major non-conformity):

The company has not adequately demonstrated that all personnel have the right to form and join trade unions of their choice and to bargain collectively, with evidence as follows:

i) At present, the all 150 members of the local union (under Ghana Agricultural Workers' Union or GAWU) are permanent junior staff. Casual, temporary and contract workers are not members of GAWU.

ii) Also, the company has not adequately communicated the rights to freedom of association to its employees. For example, an interview with casual workers on 11 August 2015 revealed that they are not members of the local union (GAWU) and that they are under the impression that the union is only for permanent workers. Similarly, the local union representatives are not familiar with Section 79 (1) of the Labour Act 2003 (Act 651) which states that 'Every worker has the right to form or join a trade union of his or her choice for the promotion and protection of the worker's economic and social interests.'

Casual, contract and temporary workers do not fall under Section 79 (2) regarding types of employees prohibited from joining trade unions

See also observation no. 22 of Appendix 5

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.

Findings:

There is documented evidence that the minimum age requirement is met. Random checks of staff and workers' employment contracts and personal details at NGL office as well as on-site checks on by the audit team demonstrate compliance to the minimum age requirement of Ghana, i.e. 15 years, as per Children's Act, Act 560, 1998.

NGL has a Child Labour Policy dated 7 November 2013 which clearly stipulates that children under the age of 15 are not permitted to work in the estate. The policy states:

- NGL recognizes its responsibility and is committed to take an effective role in reducing and eradicating child labour within its catchment area and supply chain. Child labour can limit or damage the physical, mental, social or psychological development of children and undermine a child's right to childhood, development and education.
- Hazardous work: Any work which is likely to jeopardize children's physical, mental or morals should

not be done by anyone under the age of 18 or (16 under strict conditions).

- Basic Minimum Age: The minimum age for work should not be below the age for finishing compulsory schooling, which is generally 15.
- Light work: Children between the ages of 13 and 15 years old may do light work, as long as it does not threaten their health and safety, or hinder their education or vocational orientation and training.

The clause requiring full compliance on the part of the contract managers (contractors) with the Code of Conduct on Child Labour is part of the standard contract, as seen in contracts titled, 'Harvesting and Maintenance Contract Agreement between NGL and Mary Saighoe Enterprise (Contractor)' dated 1 January 2014 which states that "The Contractor is obliged to..... ensure that s/he and all his/her workers strictly adhere to the Sexual harassment, HIV, Child Labour, Non-Discrimination/ Equal Opportunity, Safety, Health and Environment policies of the Company."

Compliance status: Full compliance

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.

Findings:

There is a Non-Discrimination/Equal Opportunity Policy dated 14 June 2013. The policy declares that NGL "is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and proscribes unlawful discriminatory practices." The policy includes a complaints procedure.

Furthermore, the company is also committed to fair employment practices whereby the policy states that "We are committed to eliminating discrimination and encouraging diversity amongst our workforce. We treat all of our Employees, whether Permanent, on Contract or Casual Worker fairly and with respect. Decisions related to recruitment selection, development or promotion are based upon merit and must not be influenced by factors such as gender, marital status, race, ethnic origin, colour, nationality, disability, religion, sexual orientation or age."

In addition, there is a special HIV/AIDS Non-Discriminatory Policy dated 8 August 2013 "To guide both the company and employees' to ensure that employees are empowered with HIV prevention information and skills will enable them to adopt behaviours that safeguard against the spread of the virus and discrimination.

Interviews with the GAWU executives on 11 August 2015 and contract workers on 12 August 2015 confirm that there are no known incidences of discrimination to date.

There is a Recruitment Policy dated 14 June 2015 which outlines NGL's processes in relation to the recruitment, selection and appointment of the best people for available positions. The Policy statement declares that "The NGL's objective is to recruit, select and appoint the best for the job. This will be done within approved establishment and budget limits. Selection will be on the basis of merit and the principles of equal opportunity will apply." Interviews with the GAWU on 11 August 2015 and contract workers on 12 August 2015 confirm that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.

However, as explained under CR6.6 above, the company has not adequately demonstrated that all personnel have the right to form and join trade unions of their choice and to bargain collectively, with evidence as follows:

- i) At present, the all 150 members of the local union (under Ghana Agricultural Workers' Union or GAWU) are permanent junior staff. Casual, temporary and contract workers are not members of GAWU.
- ii) Also, the company has not adequately communicated the rights to freedom of association to its employees. For example, an interview with casual workers on 11 August 2015 revealed that they are not members of the local union (GAWU) and that they are under the impression that the union is only for permanent workers. Similarly, the local union representatives are not familiar with Section 79 (1) of the Labour Act 2003 (Act 651) which states that 'Every worker has the right to form or join a trade union of his or her choice for the promotion and protection of the worker's economic and social interests.'

This is an indication of potential discrimination to contracted workers and was noted as a negative observation.

Compliance status: Compliance with observations

See observation no. 23 in Appendix 5

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.

Findings:

NGL has a Gender Discrimination, Sexual and Workplace Harassment Policy dated 19 June 2013 to prevent sexual and all other forms of harassment and violence and has established a five-member gender committee on June 2015, representing all levels of the workforce to implement the sexual harassment policy. The policy outlines NGL's commitment to a working environment that is free from all forms of gender discrimination including sexual and other workplace harassment. The policy declares that "the company prohibits harassment and will not tolerate any form of harassment that interferes with an individual's work or performance or creates an intimidating, hostile, or offensive working environment." The sexual harassment policy includes the following details: Definition of sexual harassment & Gender discrimination, complains procedure and grievance mechanism. Evidence of dissemination of the policy to the workforce are as follows:

- NGL Safety Talk 20-24 October 2014 titled, 'Sexual and Workplace Harassment Policy'
- Safety Talk Recording Sheet: Sexual Harassment at the Workplace on 30 October 2014

The gender committee has had two meetings since its inception in June 2015 and written one official letter to kickstart its programmes:

- Minutes of Gender Committee Meeting Held on June 15, 2015 complete with attendance list dated 15 June 2015. Agenda: The establishment of a gender committee. Selection of 2 executives of the gender committee, i.e. the Chairman and Secretary.
- Minutes of Gender Committee Meeting Held on August 7, 2015 complete with attendance list dated 7 August 2015. Agenda: To discuss the need to go through some learning process or capacity building to equip members with knowledge and the requisite skills so as to perform their roles as gender committee members effectively.
- Letter from Norpalm (Gender Committee) to the Hon. Mrs. Nana Oye Lither, Ministry of Gender, Women & Children's Affairs, Accra titled, 'Capacity Building For Norpalm Gender Committee Members' dated 8 August 2015. Letter requesting the ministry to conduct a training workshop for the gender committee, management and the executive of the local union and senior staff association.

However, apart from the above, there is no documented evidence of any actual programmes or implementation plan for particular issues faced by women, such as violence and sexual harassment in the workplace, training on women's rights; counselling for women affected by violence etc. This was raised as major **Non-conformance 2015-15 of 20**.

There is no written policy on the protection of reproductive rights for women. Elements of this policy are included in the Collective Agreement for Junior permanent staff (unionised workers) and the Senior Staff Handbook. However, this is not accessible to all levels of the workforce such as temporary, casual and contract workers. There is no evidence of training on women's reproductive rights. An interview with casual workers on 11 August 2015 reveals that there is no specific break time for casual workers to breast-feed their babies. This was raised as major **Non-conformance 2016-15 of 20**.

Furthermore, there is no crèche at Norpalm which can support nursing mothers and new mothers who lack access to affordable day-care. This was raised as a negative observation.

There is a grievance mechanism which is part of the sexual harassment policy. The grievance mechanism is outlined as follows:

- Any employee who feels discriminated or sexually harassed must initiate a written and signed complaint immediately to the HR. (or use a complaint form)
- Within five (5) working days of receiving the complaint, the HRM will:

- Notify the person (s) charged of a complaint
- Initiate the investigation to determine whether there is a reasonable basis for believing that the alleged violation occurred.
- Within 21 working days of the complaint being filed, the HRM or any other person conducting the investigation will conclude the investigation and submit a report.
- If it is determined that a violation in the policy has occurred, the Human Resource Manager will recommend appropriate disciplinary action.
- Within five (5) days after the investigation is concluded, the HRM will meet with the complainant and the respondent separately in order to notify them in person of the findings of the investigation and to inform them of the action being recommended.
- The complainant and the respondent may submit statements to the HRM challenging the factual basis of the findings. Any such statement must be submitted no later than five (5) working days after the meeting with the HRM.
- The company's decision will be in writing and will include finding of a fact and statement for or against disciplinary action. If disciplinary action is to be taken, the sanction will be stated.

Condition of confidentiality is stated in Part D of this policy. To implement the grievance procedure, NGL has drawn up a Positive Assurance For Compliance With Sexual Harassment and All Forms of Violence Against Women/Non-Conformance Report form and Gender Discrimination and Sexual Harassment Complaint Form

Nonetheless, there is no grievance mechanism for the reproductive rights policy. This was raised as minor **Non-conformance 2015-17 of 20**

An interview with the scheme smallholders on 11 August 2015 (individual farmers) and 12 August 2015 (smallholder executives) revealed that the scheme smallholders have not been sensitised on the contents of the sexual harassment and reproductive rights policy. This was raised as minor **Non-conformance 2015-18 of 20**

Compliance status: Non-compliance

Non-conformance 2015-15 of 20 (Major non-conformity):

The company has a policy to prevent sexual and all other forms of harassment and violence and has established a five-member gender committee on June 2015, representing all levels of the workforce to implement the sexual harassment policy. However, there is no documented evidence of any actual programmes or implementation plan for particular issues faced by women, such as violence and sexual harassment in the workplace, training on women's rights; counselling for women affected by violence; child care facilities, breast-feeding breaks, etc

Non-conformance 2015-16 of 20 (Major non-conformity):

There is no written policy on the protection of reproductive rights for women. Elements of this policy are included in the Collective Agreement for Junior permanent staff (unionised workers) and the Senior Staff Handbook. However, this is not accessible to all levels of the workforce such as temporary, casual and contract workers. There is no evidence of training on women's reproductive rights. An interview with casual workers on 11 August 2015 reveals that there is no specific break time for casual workers to breast-feed their babies.

Non-conformance 2015-17 of 20 (Minor non-conformity):

There is a grievance mechanism which is part of the sexual harassment policy but there is no grievance mechanism for the reproductive rights policy.

Non-conformance 2015-18 of 20 (Minor non-conformity):

An interview with the scheme smallholders on 11 August 2015 (individual farmers) and 12 August 2015 (smallholder executives) revealed that the scheme smallholders have not been sensitised on the contents of the sexual harassment and reproductive rights policy.

See also observation no. 24 in Appendix 5

Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.

Findings:

Interviews with the smallholders and outgrowers on 11 August 2015 confirm that the current and past prices paid for FFB are publicly available. This is also evident from the following documentation:

- Purchased Fruits Receipts for J.B.K. Koomson (Plot No: 30) (handwritten) dated 8 August 2015 (ref: 0001031) clearly states the rate per metric tonne of FFB.
- Purchased Fruits Receipts for J.A. Quayson (Plot No: 1) (handwritten) dated 7 August 2015 (ref: 0001037);

Whenever there is a review in FFB, this is communicated to the smallholders and outgrowers, e.g. Memo from PLM to GM titled, 'Review of Nyankumase-Kruwaa FFB Prices' dated 21 January 2015.

NGL has a Code of Business Conduct which applies to the Board of Directors, all permanent staff, contract staff and casual workers. Additionally, the Code states that, "all third party contractors, agents, consultants or other business associates must follow the principles of this Code when they work with, or on behalf of NGL." The Code of Business Conduct showcases NPG's commitment to high safety, health, and environment and quality standards. The Code further declares that "We Do Not Make or Accept Any Illegal Payments (Illegal payments-bribery and corruption). NPG conducts its business honestly and transparently and does not seek to exercise improper influence on any individual or entity. We are subject to domestic and international anti-bribery and corruption laws which target bribes in relation to both commercial entities and public officials."

Evidence of implementation of the policy in line with this criterion are written agreements between NGL and contractors (contract managers) and suppliers:

- Contract titled, 'Agreement for the Supply of Fresh Fruit Bunches (FFB) between Abewura and NGL' dated 2 January 2015 for a period of 12 months.
- Contract between NGL and contract manager, titled, 'Harvesting and Maintenance Contract Agreement' between NGL and Mary Saighoe Enterprise (Contractor) dated 1 January 2014. The contract details out the description of work; that the contractor shall provide: records as directed by the company and tools related to the harvesting operations; that the company shall pay the agreed rates per tonne at the end of each month, that the company shall deduct 5% WHY on income made by the contractor on behalf of the government of Ghana etc. The contract is reviewed on an annual basis.

Interviews with the contractors and suppliers on 12 August 2015 confirm that they understand the contractual agreement they enter into, and that contracts are fair, legal and transparent. They also confirm that NGL determines the rates in consultation with the contractors/suppliers.

Interviews with the contractors and suppliers on 12 August 2015 confirm that payments are made in a timely manner.

As for smallholders, there are examples of agreements between the company and individual smallholder, examples of which were sighted for smallholders named John Ansah Prah (Plot 9) and Francis Cujajoe (Plot 28), both dated January 1996. There are newer contracts of agreement which supersede the previous agreement cited, e.g. Agreement between Norpalm Ghana Limited Smallholder Project and the Farmers: DK Mensah Plot 40 dated 27 November 2014. The agreement details out the following:

- The entitlement of 2.5 ha. per smallholders
- The farmer, from his facility has to bear the cost of labour, cover crop seeds, oil palm seedlings, tools, herbicides, insecticides, fertilizers and transport: i.e. the farmer must repay the facility through deduction by the company at source at the rate of 20% of annual gross income.
- The company shall supply seedlings and cover crop at the cost to the farmer.
- The farmer shares net proceeds from the sale of oil palm trees in allocated plot after the end of their life span in the following percentages 70%-30% to the farmer and the company respectively.
- NORPALM's Obligations to the Smallholder Project: such as to provide pest and disease control services; provide agricultural advisory services; provide Management and Administrative Services; provision of roads and any other service reasonable required for the smooth execution to the Smallholder project.

Proof of transparency in FFB weighing is seen through the NGL Smallholders Farmers Field Receipt dated:

- FFB Weight receipt for JBK Koomson 2015 (computer printout) dated 8 August 2015 (ref: 118057). Details of the printout include: Customer No, Customer Name, Date: Time In/Time Out, Product No, Plot No, User ID, Vehicle No, Driver, Owner's Name, 1st, 2nd and net weight.
- FFB Weight receipt for Bugadams Enterprise dated 3 August 2015 (ref: 117735) (handwritten): Details include Name of farmer, Plot no, Date, Ripeness classification, Weight (MT), Rate: Total weight (MT), rate per metric tonne of FFB, Amount (GH¢), Name of weighing clerk and Name of driver.
- FFB Weight receipt for J.A. Quayson (Plot: 1) (computer printout) dated 7 August 2015 (ref: 117972).

Compliance status: Full compliance

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

Findings:

NGL has a Corporate Social Responsibility Policy dated 12 March 2013 which declares that "We strive to align our business value, purpose and strategy with the needs of our shareholders, suppliers, customers, employees, the society and other stakeholders, whilst embedding such responsibility and ethical principles into everything we do."

To support the policy, NGL has a Commitment To Corporate Responsibility statement which states that:

- "NGL behaves responsibly in all aspects of our business to create an environment that helps us to successfully deliver our business plans, continue our growth strategy, and contribute to social and economic development of the communities within our area of operation and the country as a whole.
- Our goal is for NGL to make a significant contribution to real progress in economic and social development in the communities within our catchment area and above all, to be a company that delivers on its responsibilities".

In addition to that, NGL has a Social Policy dated 17 July 2015 which states, among others that:

- The company is committed in identifying deficiencies and gaps within the community infrastructure and skill base and provide necessary empowerment support through a scheme of carefully designed support and build up programs that include the areas of education and health welfare.
- The company is committed in preserving indigenous cultural values through building religious places of worships and restoring or leaving intact historical sites.

NGL has a planning document and budget for community assistance titled 'Norpalm Ghana Limited 2015 Budget (2nd half of the year) for CSR covering Education, Health and Community Development'. As such, the CSR projects carried out in the first half of 2015 are listed as follows:

- Supply of 2 drums to CPO to schools in June 2015 (worth GH¢ 10,551.24). The recipients were 10 SHS, 1 Voc. Institute, 2 nursing training and 1 teacher training colleges.
- Scholarship to communities in NGL (2014/15) Academic Calendar for Catchment 2 area in June 2015 (worth GH¢. 13,800.00) School fees for the 6 existing beneficiaries have been paid.
- Support to Neighbour schools (Annual sports) in (worth GH¢ 3000.0)
- Teaching learning materials and catering instruments for NOPP JHS (worth GH¢ 1250.00) presented to the schools in June 2015.
- Donation of 200 pieces of Branded T-Shirts to the Effia-Nkwanta Regional Hospital Blood Bank (worth GH¢ 5000); presented in June 2015
- Cash donation to the Regional National Service Secretariat (worth GH¢ 2000.00) in support of the National Sanitation Day organised in the Western Region in May 2015.

Evidence of implementation of the Corporate Social Responsibility Policy are as follows:

- Memo from the HRM to GM titled, 'CSR to the Communities' dated 12 February 2015. Recommendation from the HRM to the GM to sanction GH¢9,400 to meet the requests of 6 local communities for sponsorship for installation of new chiefs, odikro, nifahene, asrakahene, establishment of Ahanta Community radio and general community development (Mpohor).
- Letter from Asemasa Catholic Primary School, Ahanta to The Transport Manager, Norpalm titled, 'Letter of Appreciation' dated 1 April 2015. This is a letter of appreciation from the school and the

community for helping the school with money which represented transport to Ankyernyin to participate in games.

- Memo from Asst CSR/Com. Relations Manager to HRM titled, 'CSR-Donation of Branded T-Shirt to Effia-Nkwanta Blood Bank dated 21 April 2015. Request to sanction GH¢4700 to purchase 200 pieces of branded T-Shirts to be donated to the blood bank.
- Memo from Asst CSR/Com. Relations Manager to TM titled, 'CSR-Distribution of CPO to Government Assisted SHS and Training Institutes dated 21 April 2015. Request for approval of distribution of two (2) drums of palm oil to 14 SHS, nursing and teacher training colleges.
- Memo from Snr.Admin Sup. to HRM titled, Request For Teaching Learning Materials dated 11 May 2015. Request for approval of GH¢1250 to acquire teaching materials as support to NOPP school.
- Memo from Asst CSR/Com. Relations Manager to HRM titled, 'NGL Scholarship Presentation For The 2013/2015 Academic Year' dated 2 June 2015. Request for approval of GH¢14,400 as 6 terms fees for 4 beneficiaries.

Nonetheless, there is dissatisfaction from the communities and the smallholders on the company's CSR. This has to be investigated and appropriate solutions employed with the participation of affected parties. The company must build a deeper rapport with the local communities by improving communication and enhancing its social engagement. This was raised as a negative observation.

There is evidence that efforts and/or resources have been allocated to improve smallholder productivity, evident from a memo from the OFP/SHD Manager to the Secretary-Smallholder farmers Association titled, 'Smallholder Fertilizer Application 2015' dated 8 July 2015. The memo states that:

- "To help Smallholder farmers increase their yield, NGL promised to supply one bag of fertiliser for every tonne of FFB delivered.
- The cost of labour for application will also be provided free of charge to ensure that the entire exercise is effective and successful."

Interviews with the smallholder farmers on 11 August 2015 confirm that this is the current practice by NGL.

Compliance status: Compliance with observation

See observation no. 25 in Appendix 5

Criterion 6.12: No forms of forced or trafficked labour are used

Findings:

There is no evidence of forced or trafficked labour at NGL as the audit team randomly checked contracts for temporary employees and found that these employees had signed contractual agreements. Interviews with casual and temporary workers on 12 August 2015 confirm that workers enter into employment voluntarily and freely and can terminate their contracts giving a notice as per their agreement. An interview with the GAWU local union executives on 11 August 2015 did not reveal any outstanding issues pertaining to forced or trafficked labour. For permanent junior employees, the CBA between GAWU and NGL clearly stipulates terms and conditions of termination of agreement. Senior staff are free to resign by giving one month's notice in writing or forfeit one month's salary in lieu of notice.

An interview with the GAWU local union executives on 11 August 2015 did not reveal any elements of contract substitution amongst its members who are junior employees of NGL. An interview with contract workers on 12 August 2015 also confirmed the same.

There are no migrant workers (foreign nationals) employed at NGL. Nonetheless, NGL has a Temporary Worker Policy dated 19 November 2014 which covers all temporary employees and temporary agency staff. The policy states that "NGL is committed to a comprehensive policy of equal opportunities in employment in which individuals are selected, trained, appraised, promoted and otherwise treated on the basis of their relevant merits and abilities, and are given equality of opportunity...Without prejudice to the terms and conditions of employment mutually agreed to by the parties, the minimum wage, hours of work, rest period, paid public holidays, night work and sick leave are applicable to a contract of employment with a temporary worker."

Compliance status: Full compliance

Criterion 6.13: Growers and millers respect human rights.

Findings:

NGL has a Human Rights Statement and a separate Policy dated 14 June 2013 which declares: "NGL supports and respects the protection of locally and internationally recognised Human Rights in our areas of operation. We uphold and promote Human Rights within our sphere of influence which can include, but is not limited to, Employees, Contract Staff, Industry Partners and suppliers. The Human Rights statement of policy covers the rights of employees and the rights of communities."

The policy also expresses support for the promotion of community empowerment and improvement to quality of life through the Corporate Social Responsibility Policy.

Compliance status: Full compliance

Principle 7: Responsible Development of New Plantings

Findings:

The company was established in the 1974 and planted with oil palm since 1984 as explained under Section 1.9. There was not evidence found that the company had carried out any new plantings since year 2005, only replanting activities carried out on their existing land. Hence Principle 7 is not applicable.

Compliance status: Not applicable

Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

Findings:

Findings pertaining to the company's action plans for continual improvement are as below:

- Reduction in use of pesticides: There is no plan to minimize use of pesticides. As seen from records of chemicals usage in 2015 (first semester), the usage of chemicals had increased compared to the usage in year 2014. This was raised as **Non-conformance 2015-07 of 20** under CR4.6.
- Environmental impacts: The company has strategy to prevent erosion on the spots of moderately steep hills areas and spots of slopes likely to be above 30 degrees areas such as planting of cover crops (*legumenase*), terrace, vertiver grass and frond stacking, as explained under CR 4.3. The company also has Environmental Management Plans developed separately for Norpalm estate and mill and approved from the Environmental Protection Agency (EPA). Details of the plans are described under CR5.1 above. The company has also has conducted a HCV assessment and developed a HCV management plan as described under CR5.2 above.
- Waste reduction: NGL has a documented Waste Management Plan which corresponds with the identification of wastes produced from estate and mill activities. Wastes identified and management plans is summarized as described under CR5.3.
- Pollution and greenhouse gas (GHG) emissions: There is a register of significant environmental aspects which can generate potential environmental pollution & emission based on assessment result as documented in Norpalm's Environmental Management Plan. The company has strategies to reduce GHG emission as described under CR5.6.
- Social impacts: The company has Action Plan For Social Impact Assessment (Pretsea Operation)

(undated) for mitigation and monitoring of identified social impact. The SIA management plan is based on a timetable based on issues raised, actions to be taken, responsibilities, and timeframe/date. Evidence of implementation of the plan is further described under CR6.1

- Optimising the yield of the supply base: The company has a documented continuous plan which covers improvement plans pertaining to oil yield, environment, OSH, and social aspects, including objectives, short-term and long-term targets, actual implementation in year 2014, reporting frequency and responsible persons. The aspects covered in the plan include the following:
 - 1) For optimising the yield of supply base:
 - FFB Yield improvement by adopting industry best practices and SOP implementation;
 - Harvesting standard improvement;
 - OER improvement to 18% (short term) and 222-23% (long-term)
 - 2) For reducing environmental impacts:
 - Water use reduction from 1.4 (short-term) to 1.1 (long-term);
 - Electricity usage reduction per unit production by replacing main switch gear panels and capacity banks to improve energy efficiency with long term target of 19.5 kwh/ton;
 - Increase renewable energy production from the boiler to 85% (long-term) and installation of a new boiler to increase mill capacity
 - Domestic wastes by introducing waste skips for segregated wastes
 - POME quality improvement by construction of 4 new ponds (permit still pending from the government)

The company has a 'Detailed Action Plan for Oil Loss Reducton and the Improvement of Oil Extraction Rates (OER) in Norpalm Mill as at 11 July 2015', which includes actions to be taken for each item listed, responsible persons, timing and progress. The items listed include:

- Improve management of FFB receipt into the factory
- Minimise Loss of Fruits and Bunch Transfer Hopper
- Minimise Threshing Fruit Losses
- Improve Digestion Station Operation
- Improve Clarification Station Operations
- Ensure adequate supply of steam, water and air
- Improve overall uptime of process machinery

The status of detailed action plans for items above are ongoing or mostly completed.

Compliance status: Compliance with observations

B) RSPO Supply Chain Certification Standard

NGL has opted to implement the Supply Chain Module E – CPO Mills: Mass Balance. The findings are described below:

E.1 Definition

Findings:

NGL Mill is located in Western Region – Republic of Ghana. NGL mill has production capacity of 30 tonnes FFB/hours (CPO) and 2 tonnes PK/hours (PKO) and the location of NGL Mill within Division 1 estate.

The mill processes Fresh Fruit Bunches (FFB) from NGL Estate (Division 1-3 estate and Smallholders) and Independent suppliers (OPF). The certified raw materials are FFB from NGL's nucleus estate and NGL scheme smallholder areas and non-certified raw material are FFB from Outside Fruit Purchase (OFF) or independent suppliers. Both are supplied to the Norpalm's POM. This is stated in the company's SOP for RSPO SC & Traceability (Mass Balance) dated on February 2015 section 1.5.a.

The mill has mechanism to receive FFB both from certified sources and non-certified sources. The mechanism of FFB receipt for non-certified raw material (FFB from OFP supplier) is OFP supplier will approach the weighbridge office and create a vendor form. Subject to approval, OFP suppliers shall supply non-certified raw material to the mill. Payment will be made by finance department to OFP suppliers based on raw materials quantities supplied. Whereas, vendor form is not required for certified raw material.

Mill gate security is responsible to check security seals and condition of raw material transport vehicles. Security to enter the vehicle number. Weighbridge attendant will obtain driver's details, suppliers details and the origin of the fruits.

The weighbridge attendant will weigh and record the certified and non-certified raw material received from certified Norpalm's estate and OFP suppliers respectively. The SHEQ supervisor will key in these data accordingly into the daily production report and mass balance calculation sheet (daily certified CPO and certified PK production record).

Incoming certified and non-certified FFB received in year 2014, 2015 and 2016 has been explained in **Table 2** above.

Compliance status : Full Compliance

E.2 Explanation

Findings:

NGL POM is processing FFB to be CPO, PK and palm kernel cake (PKC). NGL POM also has a palm kernel mill to continuously process palm kernel (PK) to PKO & PKC so that all PK products are converted to PKO & PKC. The palm kernel mill is not included in the scope of this audit.

Data on actual FFB, CPO and PK production for year 2014, and 2015 as well as projected production data for year 2016 is summarized in Table 3 in Section 1.4 above, and below:

	Amount (MT)		
	FFB	CPO	PK
Actual Total Production for year 2014	66581.27	11,357.33	3,329.06
Actual OER and KER for year 2014	-	OER: 17.06%	KER: 5%
Actual Total Production for year 2015	80,895.93	14,076.61	4,044.8
Actual OER and KER for year 2015	-	OER: 17.4%	KER: 5%
Projected Total Production for year 2016	75,483	13,190.62	3,774.15
Projected OER and KER for year 2016	-	OER: 17.47%	KER: 5%
Projected Certified Production for year 2016*	51,200	8945.00	2,560

Up until the time of this audit, auditee has not registered in eTrace and or Green Palm. This was raised as non-conformity (**NCR no.2015-19 or 20**).

Compliance status : Non Compliance

Non-conformance no.2015-19 of 20

Auditee has not registered in eTrace and or Green Palm

E.3 Documented procedures

Findings:

The company has a procedure (SOP) of RSPO supply chain & traceability (Mass Balance) (issued date on February 2015). The scope of their procedure is to cover the entire supply chain activities and record data from the intake of certified and non-certified raw material till the delivery of certified and non-certified product. Certified raw material is FFB from Norpalm estate & smallholder estate and non-certified raw material is FFB from OFP supplier. NGL POM has implemented **Mass Balance (MB)** model.

Mechanism of RSPO supply chain & traceability (mass balance) below :

- **Purchasing and goods in :**

The Mill gate security is responsible to check security seals and condition of raw material transport vehicles. Security to enter the vehicle number. Weighbridge attendant will obtain driver's details, supplier details and the origin of the fruits.

The mechanism for handling non-conforming material is that the mill security and weighbridge attendant with consult with the plantation manager or technical manager. If they are in doubt on the source/origin (certified or non-certified) of the raw materials. In such events, FFB transport vehicles would be denied entry and offloading until proper clarification is sought and authorization given from the authorized personnel. If the RSPO certification of an FFB supplier is found to be invalid, it should be brought to the notice of the technical manager or the plantation manager who would then decide on course of action and or classify it as a non-certified source. An updated list of certified suppliers will then be distributed to the respective mill sections for this purpose on a timely basis.

The weighbridge attendant will weigh and record the certified and non-certified raw material received from certified Norpalm's estate and OFP suppliers respectively. The SHEQ supervisor will key in these data accordingly into the daily production report and mass balance calculation sheet (daily certified CPO and certified PK production record).

- **Processing :**

The processing of certified and non-certified raw materials is carried out continuously on a daily basis, depending on the raw material intake and recorded in accordance with the mass balance principle. The production of CPO and PKO can be traced through the Daily Production Report. It keeps an account on the quantity of certified and non-certified raw materials being processed, certified and conventional CPO and PKO produced and delivered, and the stock levels of the certified and conventional CPO and PKO. The daily production record assures that the volume of certified CPO and PKO delivered does not exceed that produced by the mill.

- **Sales & good out :**

The sales and marketing activities for certified and non-certified CPO and PKO are handled by the finance department at Norpalm Ghana Limited. On the ground information pertaining to the production, dispatch and stock levels of certified CPO and PKO is fed back from the Norpalm's mill to the finance department through the mass balance document. This, in turn, would assist in the planning and management of sales forecast for certified products. Norpalm's mill would pre-determine and manage the dispatches of certified and non-certified products to the refinery, based on its stock position. The daily and monthly closing for certified CPO and PKO under RSPO should always remain positive. The certified CPO and PKO delivery quota is determined by the mill's annual production and monitored/revised during the annual RSPO surveillance audits. Under RSPO SCCS implementation, certified CPO delivery transaction from certified mill will be identifiable by stamping "CPO/MB" on weighbridge tickets and delivery orders. Similarly, "PKO/MB" stamp is applied for certified PKO delivery.

- **Mass balance record monitoring & record keeping :**

Management has established a mass balance calculation format (i.e daily certified CPO and certified PKO production record) for the SHEQ supervisor to update and monitor the mass balance supply chain and traceability activities regularly. The ticket records and volume for incoming certified raw materials and outgoing certified products (CPO and PKO) shall to be documented and calculated in a mass balance record. The data compiled in the record must be supported through documents in the form of the list of

suppliers of certified sustainable raw materials, FFB dispatch chits, certified CPO and PKO weighbridge tickets, delivery orders, weighbridge documents and records, any returned certified CPO and PKO weighbridge tickets from refinery, daily production report, sales contract and invoices. All the relevant documents in relation to RSPO SCCS certification must be kept for minimum of 5 years. In the event that non-certified fruit is received and labelled on certified fruit, the mill must make amendments to the mass balance receiving file. The amount of non-certified fruit received as certified must be moved in the mass balance file from the "certified" column to the "non-certified" column with the appropriate notes being made. In the event that non-certified CPO or PKO is sent as certified CPO or PKO, the mill must collaborate with the receiving refinery to amend the mass balance file as well as the corresponding documents. The volume of oil labelled as certified must be transferred from the "certified CPO or PKO" column into the "non-certified CPO or PKO" column of the mass balance document with the appropriate notes being made. Subsequently, if the shipping documents have been labelled wrongly with the certified CPO or PKO claim, these documents must be amended accordingly to indicate that the shipment made consisted of non-certified oil.

• **Verification :**

Validity and latest status of respective RSPO certificates is to be monitored on yearly basis. Transporter involved with the movement of certified and non-certified CPO and PKO must be sub-contractors of the company either through a signed and enforceable agreement or a self-declaration letter to agree and comply with intent and requirement of RSPO. Transporters need consent to allow access into their operation system, transaction and information to third party certification bodies that are duly approved by RSPO. The SHEQ supervisor or management representative is responsible to check and monitor all the raw materials entered in mass balance record, pertaining to raw material intake, production, OER, KER, dispatch figures and stock balance and verify this against traceability document and daily and monthly production reports. SHEQ supervisor as RSPO supply chain management representative will report to technical manager for further advice and direction if he/she encounters any problem/issues with regard to mass balance activities. Where, the technical manager is responsible to implement, manage and verify all the overall mass balance traceability activities and confirm traceability figure are accurate on daily and monthly basis in accordance to the certification requirements of the RSPO system.

The company has other procedures (SOP) relating to supply chain & traceability i.e SOP RSPO supply chain & traceability (Management Review) dated on February 2015, SOP RSPO supply chain & traceability (Management Record) dated on February 2015, and SOP RSPO supply chain & traceability (Internal Audit) dated on February 2015.

HR manager has assigned a person, i.e. SHEQ supervisor as RSPO supply chain coordinator per dated on 4 May 2015 where he have overall responsibility for and authority over the implementation of SCCS requirements and compliance with all applicable requirements. The SHEQ supervisor is expected to be able to demonstrate awareness of the facilities procedures for the implementation of SCCS standard.

Compliance status : Full Compliance

E.4 Purchasing and goods in

Findings:

The mill has a mechanism to receive FFB both from certified sources and non-certified sources where it has explained on indicator E.3 above. The mill gate security checking security seals and condition of raw material transport vehicles and write the vehicle number on log book. The weighbridge attendant will obtain driver's details, supplier details and the origin of the fruits. The weighbridge attendant will weigh and record the certified and non-certified raw material received from certified Norpalm's estate and OFP suppliers respectively. The SHEQ supervisor will key in these data accordingly into the daily production report and mass balance calculation sheet (daily certified CPO and certified PKO production record).

The volume of FFB received from NGL estate & the smallholders in year 2014 are 36,297.72 tonnes (company estate: 35,544.91 tonnes and smallholders: 752.81 tonnes) and OFP suppliers is 30,283.55 tonnes. Whereas year 2015, FFB receipt from the company's estate & smallholders is 42,927.41 tonnes (company estate: 42,008.67 tonnes and smallholders: 918.74 tonnes) and OFP suppliers is 38,111.73 tonnes. The volume of CPO production in year 2014 was 11,357.33 tonnes with OER: 17.06% and PKO production in year 2014 was 1,532.70 tonnes with PKOER: 2.3%. Whereas, the volume of CPO production in year 2015 was 14,076.61 tonnes with OER: 17.4% and PKO production is 1,806.20 tonnes with PKOER: 2.23%.

During the time of this certification audit, the company has not separated the volumes of certified and non-certified FFBs received but according to their procedure, once they are certified, the company will start separating their volumes of certified and non-certified FFBs received. The existing condition is that FFB dispatch chits & FFB weighbridge tickets from the company estate & smallholders are separated from records from OFP suppliers. Moreover, the company has prepared a mass balance calculation sheet which shows separate data on volumes of certified and non-certified FFBs received, volumes of certified and non-certified CPOs & PKOs produced, and volumes of certified and non-certified CPOs & PKOs dispatched. The management representative and weighbridge attendant was interviewed and was able to demonstrate understanding on how to fill in information to table of mass balance calculation sheet. If information on FFB source on FFB despatch chits & FFB weighbridge ticket states it is from the company estate & smallholders, hence the volume received is stated as as certified status. Whereas, other sources are stated as as non-certified status.

Based on interview with weighbridge officer during audit, it was confirmed that she understood the difference between certified FFB and non-certified FFB and that she will be responsible for verification of correctness of documents for certified and non-certified FFB.

The company is aware they are required to inform the CB by email if there is projected over production of certified tonnage. This procedure will be applied after they are certified.

Compliance status : Full Compliance

E.5 Record keeping

Findings:

The company has established a mechanism for control and maintenance of the data and document used in raw material receipt, production process and product despatch, as stated on procedure (SOP) of RSPO supply chain & traceability (Mass Balance) (issued date on February 2015). All the relevant documents in relation to RSPO SCCS certification will be maintained for minimum of 5 years.

The company's format of mass balance calculation sheet include of information about incoming certified FFB (from NGL estate and smallholders) and non-certified (from OFP), processed FFB, extraction rate (OER & PKOER), certified & non-certified status of products (CPO & PKO), amount of products dispatched as certified & non-certified status, and stock balance. In the procedure (SOP) of RSPO supply chain & traceability (Mass Balance) (issued date on February 2015) it is stated that the company requires/is to prepare the mass balance calculation sheet on daily and monthly basis but is not required to provide it on a three-monthly basis. It was raised as non-conformity (**NCR no.2015-20 of 20**). Moreover, the company's template for mass balance does not include a section for balance on a three monthly basis. It was raised as non-conformity too (**NCR no.2015-20 of 20**).

Based on procedure that all volumes of palm oil product that are delivered are deducted from the material accounting system according to actual daily conversion rate. The material balance can show deliver product sales from a positive stock. This requirement is well understood by the management representative.

Compliance status : Non-compliance

Non-compliance no. 2015-20 of 20

- In the company's RSPO SCC & traceability (mass balance) procedure, there is no requirement stated to conduct a balance on a three-monthly basis
- The company's template for mass balance does not include a section for balance on a three monthly basis

3.2 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

During the certification assessment, 11 nonconformities were assigned against Major Compliance indicators while 7 nonconformities were assigned against Minor Compliance Indicators of the RSPO P&C GH-NI 2011, while a total of 2 major nonconformities were raised against the RSPO Supply Chain Certification Standard 2014. 23 observations or opportunities for improvement were identified. For all non-conformances, the company has taken the necessary corrective action to close these non-conformances and this was verified by the audit team through document review, as well as an on-site verification and reaudit conducted on 11 and 15 July 2016 as well as checks of documents submitted by the company. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

Criterion 1.1 SS Guidance: Scheme managers must ensure that participant smallholders are provided copies of:

- **Contracts between scheme managers and smallholders (criterion 1.2);**
- **Up-to-date records of debts and repayments, charges and fees (criterion 6.10).**

Scheme managers must have database of land titles/smallholders' user rights.

=> For outgrower schemes, the individual farmer must proof that he is entitled to the land before he can join the scheme. The scheme manager has copies of the land title/smallholder's user rights.

=> For smallholder schemes, the scheme manager has a copy of the land title covering the concession available for smallholders.

Scheme manager must ensure that copies of following documents are available at vantage points (e.g. through association representatives, in office of extension staff):

- **Training materials in IPM and safe use of agro-chemicals (criterion 4.6);**
- **Health and safety plan (criterion 4.7);**
- **Plans and impact assessments relating to environmental and social impacts (criteria 5.1, 6.1, 7.1, 7.3)**
- **Pollution prevention plans (criterion 5.6);**
- **Details of complaints and grievances (criterion 6.3);**
- **Negotiation procedures (criterion 6.4);**
- **Procedure for calculating prices, and for grading FFB (criterion 6.10);**
- **Continuous improvement plan (criterion 8.1).**

Brief summaries of the documents mentioned above can be made available to all participant smallholders.

Non-conformance 2015-01 of 20 (Minor non-conformity):

Copies of contracts between scheme managers and smallholders are not provided to the smallholders. The contracts have several discrepancies, e.g. missing dates, missing signature of witnesses etc. Moreover, only 30 out of 38 smallholders have signed the agreements.

Cause analysis:

1. Initially, farmers were called to pick the agreements and submit them after signing. Some farmers submitted their signed agreements but others did not.
2. There were also discrepancies on the Agreements

Correction:

1. A meeting was held between NGL and all Smallholder Farmers on the signing of the agreement. Other Smallholder related issues were also discussed.
2. Signed agreement dispatched to farmers

Corrective Action:

Quarterly meetings will be held with smallholder executives and members to resolve all smallholder related issues. A monitoring register has also been developed to monitor all smallholder activities.

Verification result:

The company provided evidence of a smallholder meeting held on 27 August 2015 with all smallholders, including signed attendance lists and photos. Copies of the contract agreements with all 38 farmers which were dated and signed by the farmer, company management representative as witnesses. Receipt of the documents was confirmed by the smallholder farmers during re-audit in July 2016.

Auditor Conclusions: Closed

Criterion 1.2.1 (Major indicator): Publicly available documents shall include, but are not necessarily limited to:

- Land titles/user rights (Criterion 2.2);
- Occupational health and safety plans (Criterion 4.7);
- Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);
- HCV documentation (Criteria 5.2 and 7.3);
- Pollution prevention and reduction plans (Criterion 5.6);
- Details of complaints and grievances (Criterion 6.3);
- Negotiation procedures (Criterion 6.4);
- Continual improvement plans (Criterion 8.1);
- Public summary of certification assessment report;
 - Human Rights Policy (Criterion 6.13).

Non-conformance 2015-02 of 20 (Major non-conformity):

The company has not yet defined the list of company's publicly available documents which shall include:

- iv) Land titles / user rights (once the company has obtained these)
- v) Occupational Safety and Health Plans
- vi) Plans and impact assessments relating to environmental and social impacts
- vii) HCV documentation
- viii) Pollution prevention and reduction plans
- ix) Details of complaints and grievances
- x) Negotiation procedures
- xi) Continual improvement plans
- xii) Public summary of certification assessment report

Cause analysis:

1. A list of some publicly available document were defined but not available on the company notice boards though they were pasted in the communities
2. However, the defined ones were not complete

Correction:

1. A list of all documents to be made publicly available have been redefined.
2. The list has now been posted on the company's notice boards and community notice places in the community

Corrective Action:

- 1) NGL has instituted quarterly visits to the communities to ensure that list company's documents on notice boards are still available and legible. Where some documents are lost, they will be replaced.
- 2) A register for monitoring these visits has been developed

Verification result:

The company has defined a list of publicly available documents, which is entitled "Norpal Ghana Limited Policies Available for Stakeholders" dated 21 August 2015. The list is posted on notice boards and including the following documents which is stated to be available and can be reviewed by its' stakeholders:

NGL Code of Business Conduct
Human Rights Policy
Non-Discrimination/Equal Opportunity Policy
Sexual Harassment Policy
Whistleblowing Policy
HIV/AIDS policy
Child Labour Policy
Corporate Social Responsibility (CSR) Policy
Community Consultation Policy
Occupational Safety & Health Plan
EIA and SIA Action plans
HCV Documentation

Pollution Prevention Plan
Negotiation Procedure
Continuous Improvement Plan

Auditor Conclusions: Closed

Criterion 2.1.1 (Major indicator): Evidence of compliance with relevant legal requirements shall be available.

Non-conformance 2015-03 of 20 (Major non-conformity):

- i) The wages paid to casual workers who worked for the full month of April to May 2015 is not in accordance with the Labour Act 2003 (Act 651) Clause 76 (1a), i.e. the minimum monthly remuneration does not correspond to the amount represented by the worker's daily wage multiplied by twenty-seven.
- ii) The company could not submit evidence of monitoring of volume of domestic water usage. As such it could not be determined if annual domestic water usage is in compliance with the limit set in the company's Water Use Permit which is 10,220m³ per annum for domestic use

Cause analysis:

- (i) Wages for casual workers were paid according to the number of days they reported to work instead of been paid 27 days minus their absent days.
- (ii) The company use to measure the water use at the Mill without measuring the domestic water use (S.S. SHEQ)

Correction:

- (i) A memo has been issued to all concerned. August 2015 payment was made in accordance with this law.
- (ii) Measuring meters are installed and records are now available (S.S. SHEQ)

Corrective Action:

A register for monitoring compliance of the Labour Act 2003 (Act 651) clause 76 (1a) has been developed and will be endorsed monthly by the finance manager
A register to monitor the amount of water used is in compliance with the limit set in the water use permit. Where water use exceeds the limits payments will be made on the difference. (S.S. SHEQ)

Verification result:

- i) Sampled payslips of contract workers directly employed by Norpalm were reviewed during verification audit on 11 July 2016 and it was confirmed that month payment for 7 workers payslips sampled for month of April 2016 and 3 workers payslips sampled for month of March 2016 was paid at rate of daily wage (13.92 cedis/day) times 27 days, except where workers were absent, in which the worker is paid as follows: 27 days minus the no. of days absent times their daily wage. This was also confirmed from monthly payment summaries of all contracted workers directly contracted by Norpalm for months of March 2016 and April 2016. This is higher than the legal requirement as per the Labour Act Act 2003 Clause 76 (2) which specifies that a temporary worker or a casual worker referred to in subsection (1)(a) is not entitled to 1/27 of his or her minimum monthly remuneration as specified in that paragraph for each day the worker is absent from work during the month.
- ii) The company has installed a water meter and showed manually written records of water consumption recorded in a log book to record the company's water consumption.

Auditor Conclusions: Closed

Criterion 2.1.3 (Minor indicator): A mechanism for ensuring compliance shall be implemented.

Non-conformance 2015-04 of 20 (Minor non-conformity):

The company currently does not have a documented system or mechanism such a procedure and legal

compliance monitoring format for monitoring and ensuring legal compliance

Cause analysis:

Norpalm had a system of monitoring the legal requirement but the those systems were not documented

Correction:

A Checklist for monitoring and ensuring legal compliance of all applicable laws and regulation has been developed and implemented

Corrective Action:

The checklist for monitoring and ensuring legal compliance of all applicable laws and regulation will be monitored quarterly by the various departmental head

Verification result:

The company has provided a list of Legal conformances for Norpalm Ghana Ltd which includes the list of legal requirements and their sections, brief description, compliance status and actions. The laws listed included the following:

- Environmental related laws such as te Environmental Protection agency Act, 1994 (Act 490), Environmental Assessment Regulation, 1999(L.I.1652) Environmental Permit, Water Resource Commission Act, 1996 (Act 522), Water use Regulation, 2001(L. I. 1692), etc
- Safety and Health health related laws such as the Factories Offices and Shops Acts, 1970 (ACTS 328), Pesticide control and Management Act,1996(Act 528), the Food Factories (Welfare) Regulations, 1959 (Abstract Regulations Order, 1960 (L.I.33), Ghana National Fire Service Fire Precautions (Premises) Regulations, 2003(L.I1724), etc
- Finance and taxation laws such as the Customs and Exercise(Duties and other taxes) Amendment Act, (Act 809), Internal Revenue (Amendment) Act, 2010 (Act 814), Value Added Tax (Amendment) Act 2010, (Act 810), etc
- Business & employment/labour laws such as Labour Act, 2003 (Act 651), National Health Insurance Act, 2012 (Act 852), and the Education(Amendment) Act, 2010 (Act 802)

However, there are some legal requirements as listed in the GH-NI 2015 (latest version which supersedes the 2011 version) which were not included in the company's legal requirements list.

- Ghana Constitution 1992 (Because of Human Rights Policy)
- Incorporated Private Partnerships (Amendment) Act, 2012 (Act 836)
- Land Title Registration Law, PNDCL 152, 1986, Lands Commission Act, Act 767 (2008), Lands Commission Act, 1994 and other land related laws,
- National Water Policy, June 2007
- Ghana Water and Sewerage Corporation Act, Act 310 (1965)
- Irrigation Development Authority Act, 1977 and other irrigation related laws
- Wild Animals Preservation Act, Act 43 (1961) and other wildlife related laws

The above legal requirements are others which may be applicable to the company's operations should be reviewed by the company and considered for inclusion in the legal conformances list. This is noted as an opportunity for improvement.

Auditor Conclusions: Closed with observations

Criterion 2.2.1 (Major indicator): Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.

Non-conformance 2015-05 of 20 (Major non-conformity):

The company has no land title or leases under the company's name. The efforts of the company to obtain legal ownership of the land is confirmed to be in progress.

Cause analysis:

1. The Government of Ghana (GOG) per an Asset Sale and Purchase Agreement (ASPA) between

- GOG and Norpalm ASA gave Norpalm Ghana Ltd a 50-yr lease on the land on which it is currently operating.
2. At the time of takeover most of the leases had not expired but 15 yrs down the line most of the leases had expired remaining 3 that are still holding.
 3. It must be stated that it is the responsibility of DIC (Diverstitute Implementation Committee) acting for GOG to renew the expired leases for NGL. However, to fast track this process, NGL proactively consulted the GOG represented by the Westren Regional Coordinating Council (RCC) to draw up a Roadmap for the renewal of the expired leases and eventually the land title for NGL.
 4. The Roadmap involves resurvey of all NGL lands which has been done. Validation of the values on all NGL lands is ongoing. After the validation a stakeholder meeting will be convened to deliberate on payment of compensation to the landowners and renewal of all leases.
 5. Whilst waiting for all the above processes to be executed the TUV advised NGL to do two things that are needful (HRM)

Correction:

1. A letter from the Western Regional Lands commission confirming NGL's right of use of the lands it is operating on (pending the renewal of the leases) has been obtained.
2. Subsequently the chiefs/landowners have signed an Memorandum of Understanding (MOU) with NGL indicating their preparedness to renew all the expired leases for the company whilst NGL also fulfils its part of the MOU

Corrective Action:

Roadmap to acheive the land titles and leases has been developed and it is been monitored

Verification result:

The company wrote in to the Lands Commission on 19 August 2016 and received a response letter dated 20 August 2015 from the Regional Lands Officer of the Lands Commission entitled "RE: Norpalm Ghana Limited Assets from the Government of Ghana". The response letter states that the Western Regional Lands Commission had studied the Assets Sale and Purchase Agreement between NGL and the DIC duly executed on 25 May 2000 as well as a copy of the handing over notes duly signed by the NOPL/DIC and NGL on 12 September 2000. It is confirmed in the letter that NGL has purchased and the Ghana Government has transferred all its interest held in the property of the defunct National Oil Palms Limited (NOPL) to NGL. Hence the letter confirms the right of NGL to the use of the subject land for NGL's plantations pending the renewal of the leases and title deeds. The letter is accepted as evidence of the right of the company to use the land legally pending the process to obtain the land titles and leases to the land.

Auditor Conclusions: Closed

Criterion 4.6.2 (Major indicator): Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided

Non-conformance 2015-06 of 20 (Major non-conformity):

Records of pesticides use is not including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications.

Cause analysis:

Pesticides records available did not include active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications.(PLM)

Correction:

New records of pesticides use which includes active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications has been prepared.(PLM)

Corrective Action:

A register for monitoring pesticides use in the estate which includes the active ingredients has been developed (PLM)

Verification result:

The company has developed an Agrochemical Usage Monitoring Sheet for chemicals used in year 2014, 2015 and 2016. The monitoring sheet includes data each estate block name and their hectare, % active ingredients, budget (litres) for each block, and monthly usage of chemicals, including hectare treated, quantity in litres and quantity per ha. The monitoring sheets sighted currently include data on usage of Garlon 4, Glyphosate and Evisect.

The LD 50 for these pesticides as well as for other chemicals not commonly used but in stock was recorded and stated as follows:

- Garlon 4 (General 1.581mg/kg male and 1.38 mg/kg female, and dermal->5.000mg)
- Kalach (General, 2.000mg/kg Dermal 2.000 mg/kg)
- EVISECT (General 540mg/kg and 2.000mg/kg),
- CORTA (general 713mg/kg, Dermal 2.000mg/Kg)
- Glypader (General 4.230mg/Kg and Dermal 5.000mg/kg).

Auditor Conclusions: Closed

Criterion 4.6.3 (Major indicator): Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.

Non-conformance 2015-07 of 20 (Major non-conformity):

There is no plan to minimize use of pesticides. As seen from records of chemicals usage in 2015 (first semester), the usage of chemicals had increased compared to the usage in year 2014

Cause analysis:

Though there were intentions to minimize pesticide usage, there was no documented plan to minimize use of pesticides (PLM)

Correction:

A statement has been circulated on the judicious use of pesticides.
Also a pesticide usage trend and target has been developed and being monitored(PLM) The Pesticide usage trend has been attached.

Corrective Action:

The Pesticide use register is used to monitor this non-conformance(PLM)

Verification result:

The company came up with a plan for reduction of usage of chemicals in their memo 'Judicious Use of Chemicals' which states that NGL will ensure the promotion of various methods of pest and weed control which are ecologically sensitive. These methods comprise cultural, biological, and physical measures and moderate use of chemicals, with chemicals to be used as a last resort with a combination of ecologically sensitive and EPA approved chemicals. However, as the use of leguminous cover crops was not done in the initial plantings, there is a presence of large woody weeds in a large area of the plantation. The company has embarked on a 5 year wood growth control program which will only be completed in year 2017, following which the company expects to see a reduction of weedicide use in the plantation. At the time of reaudit, chemical usage records sighted showed chemical usage was similar to the previous year, indicating the program as mentioned above is still ongoing. While for pests, the company mentioned that they will continue to monitor the leaf miners on a regular basis and will only intervene in pockets of areas which exceed the economic injury level. Evidence of implementation of this plan was already found during the certification audit, where monthly leaf miner monitoring reports showing calculation of population indices and remarks (whether fogging was carried or not) was sighted. Fogging with Evisect is done only when monitoring results are above 1.0, as stated in the manual. It was seen from chemical usage records that 32.7 kg of Evisect used in February 2015 and 38.4kg used in May 2015.

Auditor Conclusions: Closed

Criterion 4.6 Scheme Smallholder Guidance: Scheme managers will provide regular training to scheme smallholders on agrochemical use (see criterion 4.8), especially on how:

- Chemicals should only be applied in accordance with product label.
- Appropriate safety equipment can be acquired and used (or provided by nucleus estates).
- All precautions attached to the products should be properly observed, applied and understood.
- Chemicals should be securely and safely stored. All chemical containers must be properly disposed off and not use for other purposes (and see criterion 5.3).
- Pesticides should be applied by proven methods that minimise risk and impacts.
- Proper disposal of waste material, according to procedures that are fully understood by workers and managers. (Also see criterion 5.3 on waste disposal).
- The pesticide register of the Environmental Protection Agency should be made available to the farmers (e.g. by posting it at the collection centers).

Scheme manager's records will also show:

- Justification of all chemical use.
- List of all agro-chemicals used.
- Records of pesticides supplied to smallholders.
- Documentary evidence that use of chemicals categorised as World Health Organisation Type IA or IB, or listed in the Stockholm or Rotterdam Conventions, and paraquat is eliminated.
- Evidence of CPO residue testing, as required by the supply chain.
- Annual health screening for all smallholders using or handling agrochemicals categorised as World Health Organisation Type IA or IB, or listed in the Stockholm or Rotterdam Conventions, and paraquat.
- There should be no chemical spraying by pregnant women or children, and children should not have access to the field during spraying activities.

Scheme managers should inform the Environmental Protection Agency and the Ministry of Food and Agriculture when in possession of obsolete chemicals.

To import chemicals, the scheme managers need to obtain a Chemicals Import License as required by the EPA.

Material Safety Data Sheets of all chemicals used, need to be available on site.

Non-conformance 2015-08 of 20 (Minor non-conformity):

Some smallholder farmers interviewed informed that although some return their empty pesticide containers to the company, some bury their pesticide containers in soil.

Cause analysis:

A training for smallholders was organized but not all farmers were present (OFP/SM M)

Correction:

A new training has been organized for all the smallholder farmers and all the farmers attended(OFP/SM M)

Corrective Action:

The quarterly meeting arranged between the smallholder executives and members will resolve any future occurrences. A monitoring register has also been developed to monitor all smallholder activities.(OFP SM/M)

Verification result:

The company provided records of a meeting held with 28 smallholder farmers (some were not present) on 27 August 2015 regarding several matters, including the RSPO audit findings. The meeting included briefing on proper chemical container management as seen from the meeting minutes. Photos and signed attendance lists of the meeting were sighted. During re-audit on 12 July, a spraying marshal interviewed informed that now pesticide containers of the smallholder farmers are triple rinsed and stored securely until disposal. There was no evidence found that smallholders are continuing to bury their containers in soil.

Auditor Conclusions: Closed

Criterion 4.7.3 (Major indicator): 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.

Non-conformance 2015-09 of 20 (Major non-conformity):

An independent farmer transporting FFB was observed not wearing covered shoes or boots, but instead was wearing sandals while unloading FFB at the ramp. This is not in accordance with the mill's safety procedures.

Cause analysis:

There was an existing system to check the wearing of boots to the mill. However this nonconformity is an indication of system failure. In this particular case the security men on duty were not vigilant.

Correction:

- 1.A meeting has been organised between Safety , Security and the Outside Fruit purchase(OFP) sections
- 2.Boots have been distributed to the OFP agents

Corrective Action:

A register to monitor any future occurrences has been developed.

Verification result:

The company provided documented evidence of meeting held with their security personnel and OFP farmers, as seen in meeting minutes entitled "Norpalm Safety, Security and OFP Agents Meeting on Wearing Boots and other PPEs before entering the security gate before offloading of fruits on ramp – 18th August 2015@ Security Office". Attendance list signed by 15 participants and photos of the meeting were sighted. The actions to be taken as stated in the meeting minutes was that security personnel are to check and enforce wearing of safety boots and shoes during fruit evacuation, that individuals do not enter the mill bare chested and without wearing seat belt, helmet and other necessary PPE's, and both OFP agents and security personnel to ensure all FFB transporter drivers have their driver's licences.

During re-audit carried out at the Mill on the 15th July 2016 and it was observed that all workers at the mill were wearing a complete personal protective equipment in accordance with the mill's safety procedures. Two independent farmers transporting FFB were observed wearing boots during transport and offloading FFB at the ramp.

Auditor Conclusions: Closed

Criterion 4.8.1 (Major indicator): A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme

Non-conformance 2015-10 of 20 (Major non-conformity):

The company has not carried training on the latest Supply Chain Certification System 2014 standard. Previous training was done based on the old standard

Cause analysis:

A training was undertaken on Supply Chain but the training material was not on the latest Supply Chain Certification System 2014 standard.

Correction:

A training has been organized on the latest Supply Chain Certification System 2014 standard for all stakeholders

Corrective Action:

Supply chain SOP has been edited to meet required supply chain documentation training.

Verification result:

The company provided evidence of training on the Supply Chain Certification Standard 2014, particularly on implementation of Module E – CPO Mill: Mass Balance in training done on 23 September 2015 for 44 personnel. The training materials, signed attendance list and photos of the training were sighted. During reaudit on 15 July, mill personnel interviewed had a reasonably good understanding on the implementation of the standard.

Auditor Conclusions: Closed

Criterion 5.6.3 (Minor indicator): A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.

Non-conformance 2015-11 of 20 (Major non-conformity):

The company's monitoring results of GHG emissions using the palm GHG tool has not been updated for year 2014 data.

Cause analysis:

Palm GHG report was done through the assistance of a consultant. Norpalm was still awaiting the installation and reports for 2014

Correction:

Palm GHG has been installed and the 2014 report has been generated

Corrective Action:

A register for monitoring palm GHG has been developed

Verification result:

The company has redone their calculations of the company's GHG emissions using the PalmGHG tool version 2.1.1 using year 2014 data. The PalmGHG calculations includes calculations of emissions from the plantation/field which was determined to be 6090.868 tCO₂e for own crop, -239.69 tCO₂e for group, and 73595.28 tCO₂e for outgrowers. Mill emissions were calculated to be -9327.37 tCO₂e, the negative figure being largely due to sales of palm kernel shell. While the Palm Kernel Crusher emissions were determined to be 18755.57 tCO₂e. The final emission per product was calculated to be 4.42 tCO₂e/product for CPO and 4.42 tCO₂e/product for PK.

Auditor Conclusions: Closed

Criterion 6.5.2 (Major indicator): Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.

Non-conformance 2015-12 of 20 (Major non-conformity):

Several non-compliances pertaining to the pay and conditions of contract workers were found as follows:

- i) There is no documented evidence of direct contracts of employment between the contract managers and the contract workers. Contract workers interviewed on 12 August 2015 assert that they do not have signed contracts of employment with their respective contract managers.
- ii) The company carries out monitoring of contractors to ensure they make payments of salary, SSNIT, and NHIS for their worker in accordance with legal requirements, however the monitoring fails to encompass other aspects of worker's benefits. As such, several contract workers interviewed assert that they are not granted benefits such as paid sick leave, annual leave, maternity leave and public holidays.
- iii) There is no clause in the contract managers' contract (with the company) on the need for compliance with the Labour Act 2003 (Act 651).
- iv) The company does not have a clear policy on the employment of contract workers. There were a number of contract workers interviewed that have yet to be absorbed as permanent staff although

they have been employed continuously as contract workers for more than 6 months (some as long as seven years). Due to this, they are deprived of benefits accrued to permanent workers and their dependents. This is not in compliance with the Labour Act 2003 clause 75 which states that "a temporary worker who is employed by the same employer for a continuous period of six months and more shall be treated under this Part as a permanent worker."

- v) There are gaps in knowledge on pay conditions amongst casual workers, e.g. these workers are not aware of the method of overtime calculation

Cause analysis:

- i) Norpalm had contract agreements with contractors but there were no contracts of employment between the contract managers and the contract workers.
- ii) Norpalm has not been monitoring other aspects of contract worker's benefits such as paid sick leave, annual leave, maternity leave and public holidays. This was an oversight.
- iii) Norpalm had a contract agreement between the company and the contractors but the contract was not showing compliance with the labour Act 2003 and will be rectified
- iv) Norpalm has approximately 300 permanent workers and due to the seasonality factor of our operation we engage casual labour to support in the peak. In line with ensuring that we comply with the labour Act 2003 Management has decided to migrate the casuals to Third Party contractors by June 2016. Three contractors have been identified who will handle these contracts effective June 2016.
- v) Overtime and pay condition was informal discussed during meetings and because of this most employee were not abreast with it.

Correction:

- i) New contract agreement between contractors and contract workers have been developed and signed by both parties.
- ii) Monitoring of contractors to ensure that they make payments of salary, SSNIT, and NHIS for their workers is still on-going. Training has been done for contractors on the Labour Act.
- iii) Norpalm has now developed a new contract agreement between the company and the contractors showing compliance with the labour Act and these contracts have been signed by both parties .
- iv) Norpalm has approximately 300 permanent workers and due to the seasonality factor of our operation we engage casual labour to support in the peak. In line with ensuring that we comply with the labour Act 2003 Management has decided to migrate the casuals to Third Party contractors by June 2016. Three contractors have been identified who will handle these contracts effective June 2016. Temporary workers. Policy has been attached.
- v) Overtime and pay condition has been discussed during the general company durbars with management and staff

Corrective Action:

A Social register has been developed to monitor the compliance of the labour Act 2003 (Act 651). The developed social register includes :

- i) Monitoring of new contract agreement between contractors and contract workers.
- ii) Monitoring of contractors to ensure they consistently pay salary, SSNIT, and NHIS for their workers.
- iii) We are also monitoring payment receipts from SSNIT and we also have to give clearance to accounts before they prepare payments to contractors. Scanned copies of receipts and clearance chits have been attached
- iv) Management has written to all the contract Managers to ensure they comply with section 20(1) of the labour Act 651 which deals with all leave related issues under the labour law. They are also to ensure that thier workforce enjoy paid sick leave, maternity leave as well as public holidays. We have also written to them to submit to us names of their workers who are eligible for leave so we can monitor.
- v) The calculation of overtime has been enshrined in the CBA for workers. (The CBA is the Collective Bargaining Agreement and a picture of the section explaining the calculation of overtime has been attached)

Verification result:

- i) During on-site verification done on 11 July 2016, signed contracts between several contracts managers and contract workers were observed. However, it was found that for several contractors, e.g. William Gebu Enterprise, contracts with workers were signed recently on 30 June 2016 only, while contracts for workers under contractor named Nana Nwianwiah III was signed on 5 July 2016. However it could not be determined whether contracted workers had received a copy of the contracts as no contract worker could be interviewed. During the further on-site verification on the 15 July 2016, 6 contract workers were interviewed 5 of them work under a contractor named Milyarth Enterprise confirmed signing of contract but 3 of them did not receive copies of their contract, while 2 others stated they recently received copies of their contract. The other contract worker who works for a third party contractor named Jerry Ocran also confirmed receiving a copy of his contract. As there are inconsistencies between different contractors, NGL should further monitor their contractors supplying labour to ensure all contracted workers received copies of their working contracts from the contractors.
- ii) The company has taken initiative to monitor the contractors provision of benefits to their workers by requiring the contractors to provide copies of pay slips, insurance payment and SSNIT payment records. As a form of monitoring third-party contractors and ensuring that annual leave is granted to their workers, the management of Norpalm sent Memos to all contractors whose workers are due for annual leave (that is workers who have worked for a minimum of 200 days in a year) to ensure that they are granted.
In a meeting held on the 13th of July 2016 between the Norpalm Management and contractors, it was discussed and explained to the contractors the modalities of calculating the annual leave of the workers, putting up a leave schedule and roster, and was agreed that third party contract workers be granted 14 working days annual leave provided they have worked for a minimum of 200 days in a year and be paid the official national minimum wage of GHS9.00 per day as their salary while on leave. A memo dated 14th July 2016 from the Field Contractors Association (Third Party Contractors) of Norpalm Ghana Limited to the Plantation Manager stated that the association has agreed to grant all workers who have worked for a minimum of 200 days in the year an annual leave. The memo also states the agreement of the contractors to grant their workers all statutory benefits under the labour law, such as sick leave, maternity leave, and breastfeeding breaks of 1 hour to nursing mothers. And have also committed to submit all records of the mentioned activities to the office of NGL regularly. In all a total number of 88 contract workers are due for annual leave. This was confirmed by 10 contractors interviewed on the 15th of July.
Interview with 6 contract workers who work as slashers for Milyarth Enterprise revealed that a meeting was held with all the contract workers and their various contractors on the 13th July 2016 and were briefed about the changes and the benefits that will be enjoyed by the workers as their statutory rights under the labour Act. Workers listed benefits such as annual leave, sick leave, public holidays, maternity leave and breastfeeding breaks.
- iii) Contracts with all third party contractors were sighted dated 4 January 2016 and included a clause with requirement to comply with the Labour Act 2003.
- iv) During re-audit on 11 July 2016, 9 casual workers employed directly by the company from different areas of work (harvesters, FFB carriers, marshalls, technical services, security and spraying) which have worked for the company between 1 year to 7 years (employed by the company for more than 6 months) were interviewed and it was confirmed that they are now receiving the same legally required benefits as permanent workers, including 15 days paid annual leave entitlement, paid sick leave (no limit), 3 months paid maternity leave and breastfeeding breaks for nursing mothers, and overtime worker on rest days and public holidays paid at double rate. However at the time of this verification, the workers' status had not been changed to permanent but still on 6 months contract basis. The company does not intend to employ their casual workers as permanent workers but has instead opted to migrate a total of 427 of their casual workers to be employed by 5 of their third party contractors, as seen from memo issued by Human Resources (HR) to the General Manager on 28 June 2016. At time of verification, this migration of workers was in progress and planned to be completed by end of July 2016, after which the respective contractors will issue payments to these casual workers. The casual workers interviewed informed that they had been informed by the company that their payments rates and benefits would not change as a result of this migration, and they would still receive all the statutory benefits as would a permanent. The company management reiterated this arrangement. This non-conformity is closed on the basis that the company's casual workers are confirmed to have been treated as a permanent worker through receipt of equivalent benefits (as per the requirement of Labour Act 2003 clause 75, which specifies that temporary workers who have worked continuously for a period of 6 months or more shall be treated as a per-

manent worker, with no requirement that said workers must be employed as permanent workers). However, the ongoing arrangement to migrate the company's casual workers to be employed by 3rd party contractors is noted as a negative observation for the following reasons:

- While 3rd party contractors make one year contracts with their workers (longer than 6 months contracts issued by Norpalm to their directly employed casual workers), this arrangement still does not provide long-term job security as enjoyed by permanent workers.

- There is higher risk that 3rd party contractors may not provide the statutory benefits currently enjoyed by the casual workers, although this is requirement of the company which was confirmed to be communicated to the contractors as well as the casual workers.

- The payslips provided by 3rd party contractors to their currently employed workers (and will most likely provide to the company's casual workers in process of being absorbed by them) were sighted to be not detailed, i.e. only states the final pay received, but does not list any deductions or information on how the total pay is calculated, which is unlike the company's own payslips which contains additional information on deductions, overtime paid, etc, and is more transparent.

- At time of the re- audit on 11 July 2016, work contracts or working agreements between the casual workers in process of being migrated under the 5 respective contractors had not been completed. However, it was informed to the auditor that the payment at the end of July would be made by the contractor. By right, contracts of employment of the migrated workers by the 3rd party contractor should have already been available at the beginning of the month.

The effectiveness of implementation of this arrangement in ensuring the casual workers are still accrued the same benefits as permanent workers will be evaluated during the next audit.

- v) Casual workers interviewed have a good understanding of the overtime payment calculation, which is double rate if they work on rest days and public holidays.

Auditor Conclusions: Closed with observations

Criterion 6.5.3 (Minor indicator): Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.

Non-conformance 2015-13 of 20 (Minor non-conformity):

Workers housing conditions and other facilities were observed to be poor and inadequate to meet the needs of the workers, which was confirmed through interviews with workers and site visits i.e.:

- i) Workers living in Camp 2 have been living in the housing area without any electricity supply for at least 7 years
- ii) There are serious leakages from the roofs at both Camp 3 and Camp 2 which have not been addressed by the company.
- iii) Stagnant water observe at the drains at Camp 2, which can become breeding sites for mosquitoes and result in malaria cases
- iv) Bathrooms are shared between too many workers, e.g. at Camp 2, only one bathroom available for 96 households with no separate shower room for male and female workers. There is no running water for bathing, and workers collect water from a pipe and bring the shower room to bath. Shower room has no roof and walls are low, which allows other to easily peek into those showering
- v) Workers at Camp 2 complained that if they fall sick at night, it is difficult to seek medical treatment because they unable to contact any company personnel at night and there is no clinics nearby.

Cause analysis:

Norpalm inherited these housing facilities from the previous company which were already in bad conditions during Norpalm's takeover. However, regular works have been ongoing on the housing to improve it.

- i) Electricity is currently available in Camp 3 but due to cash flow issues we have not been able to extend power to camp 2, however, electric poles have been bought for extending electricity to the Camp 2
- ii) Due to above conditions, some of the structures have leaking roofs and the Maintenance section is working on them progressively.
- iii) A shallow pit had been created around the Camp due to some ongoing work at the place and during the rainy season, some water collected in the shallow pit.
- iv) Bathrooms are shared between workers in Camp 2 and there is no running water in the Camp

however, collecting of water from a pipe and bringing it to the shower room to bath is a normal practice in the Ghanaian culture.

- v) There is a Health Post at the factory site. Workers at Camp 2 complained that if they fall sick at night, it is difficult to seek medical treatment because they are unable to contact any company personnel at night and there is no clinics nearby

Correction:

- i) Provision of electricity to Camp 2 will be done by 2nd Quarter of 2016
- ii) All the leakage issues in the Camps have been resolved.
- iii) The pit has been covered with Laterite.
- iv) New bathrooms have been built for the workers in Camp 2
- v) Emergency contact numbers have been pasted at the doorposts of the workers in the camps and the occupants will have been educated on what to do in case of any emergencies

Corrective Action:

A register to monitor the regular maintenance and improvement of the workers housing conditions and facilities in the Camps has been developed.

Verification result:

The company had provided photos of actions taken to resolve the issues above, i.e. repairs done to houses having leaking roofs, stagnant drains covered up with soil, new bathrooms constructed at Camp, and emergency contact numbers posted at various locations of worker's housing. During re-audit on July 2016, it was confirmed from interviews with workers staying at Camp 2 that electricity supply was now provided to the housing, and the above repairs and improvements had been done.

Auditor Conclusions: Closed

Criterion 6.6.1 (Major indicator): A published statement in local languages recognising freedom of association shall be available.

Non-conformance 2015-14 of 20 (Major non-conformity):

The company has not adequately demonstrated that all personnel have the right to form and join trade unions of their choice and to bargain collectively, with evidence as follows:

- i) At present, the all 150 members of the local union (under Ghana Agricultural Workers' Union or GAWU) are permanent junior staff. Casual, temporary and contract workers are not members of GAWU.
- ii) Also, the company has not adequately communicated the rights to freedom of association to its employees. For example, an interview with casual workers on 11 August 2015 revealed that they are not members of the local union (GAWU) and that they are under the impression that the union is only for permanent workers. Similarly, the local union representatives are not familiar with Section 79 (1) of the Labour Act 2003 (Act 651) which states that 'Every worker has the right to form or join a trade union of his or her choice for the promotion and protection of the worker's economic and social interests.'

Casual, contract and temporary workers do not fall under Section 79 (2) regarding types of employees prohibited from joining trade unions

Cause analysis:

- i) All employees have the right to join any trade union of their choice and this has been communicated to all employees
- ii) However, all contract workers can form unions under their respective contractors and this was to effectively communicated as well.

Correction:

- i) A memo has been issued to the Union executives to educate members on other staff eligibility to join

the Union and this will also be discussed during an official company durbar.

- ii) Management has met with workers and contract managers on their rights and their contract workers right to freedom of association.

Also the Deputy General Secretary and the Senior Industrial Relation Officer of GAWU have met contractors and explained to them the importance of unionization and also the position of the law on unionization.

Corrective Action:

Norpalm per se has no obligation towards the workers of the third party contractor the company has engaged.

Subsequently, new employees and contracted workers as part of their orientation by company and contractors will be introduced to GAWU and Section 79 (1) of the Ghana Labour Act 2003 (Act 651)

Verification result:

6 slashers who work as contract workers working for Millyart Enterprise and Jerry Ocran (contractors), as well 4 as harvesters working for Nana Nwianwiah (a third party contractor) were interviewed on the 15th of July 2016. The workers of Milyart Enterprise explained that they have been informed of the Freedom of Association, and their right to join or form a workers union of their choice, but 3 women out of them stated that they are old and even beyond 60years and as a result are not allowed by law to even pay Social security contribution (SSNIT), and that they are only working to earn a living so do not see the need to join any workers union. On the other hand the worker (slasher) for Jerry Ocran and the 4 others for Nana Nwianwiah stated that they have been made aware of their right to unionise and attended the briefing from GAWU and are interested in joining the workers union but are trying to talk to their other work colleagues into agreeing on the union dues deduction since that has been some of the reasons why they are not unionized. This was accepted as evidence that the company has communicated the right to unionise to casual, temporary and contract workers.

Auditor Conclusions: Closed

Criterion 6.9.1 (Major indicator): A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce

Non-conformance 2015-15 of 20 (Major non-conformity):

The company has a policy to prevent sexual and all other forms of harassment and violence and has established a five-member gender committee on June 2015, representing all levels of the workforce to implement the sexual harassment policy. However, there is no documented evidence of any actual programmes or implementation plan for particular issues faced by women, such as violence and sexual harassment in the workplace, training on women's rights; counselling for women affected by violence; child care facilities, breast-feeding breaks, etc

Cause analysis:

As stated, Norpalm had a gender committee but there were no implementation plan for particular issues faced by women, such as violence and sexual harassment in the workplace, training on women's rights; counselling for women affected by violence; child care facilities, breast-feeding breaks, etc.

Correction:

An implementation plan for particular issues faced by women has been developed and currently being implemented. As part of the implementation plan for the gender related programmes, a training has been organized for all workforce including permanent and contract workers.

Corrective Action:

A register to monitor the activities of the Gender Committee has been developed.(HRM). We initially planned to have the meetings in June and October 2015 but this could not come on. We however had the first session which was a trainer of trainers session from 13-15th April 2016

Verification result:

The company conducted a training on sexual harassment, domestic violence prevention and reproduc-

tive rights policy on 13 – 15 April 2016 done for 37 participants, mainly contractors, office assistants. The training material were sighted and confirmed to cover all relevant topics pertaining to sexual harassment and women's rights, including issues pertaining to gender inequality and vulnerability of women, definition of sexual harassment, and the company policy on sexual harassment. During reaudit on 11 July, 5 third party contractors and 9 casual workers were interviewed and confirmed that they had participated in the training and were able to explain the sexual harassment policy, the grievance procedure for sexual harassment and domestic cases. It was also confirmed that the training covered women's right, a counselor, i.e. a female medical assistant was made available by the company, and that the company is providing child care facilities and permits breast feeding breaks (nursing mothers are allowed to go home at 2pm instead of their normal working hours).

Auditor Conclusions: Closed

Criterion 6.9.2 (Major indicator): A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.

Non-conformance 2015-16 of 20 (Major non-conformity):

There is no written policy on the protection of reproductive rights for women. Elements of this policy are included in the Collective Agreement for Junior permanent staff (unionised workers) and the Senior Staff Handbook. However, this is not accessible to all levels of the workforce such as temporary, casual and contract workers. There is no evidence of training on women's reproductive rights. An interview with casual workers on 11 August 2015 reveals that there is no specific break time for casual workers to breastfeed their babies.

Cause analysis:

The company earlier on did not draft the reproductive rights policy because we thought the sexual harassment policy which we had will cater for that.

Correction:

A Trainer of Trainers course on the Reproductive Rights Policy has been organized by the company. This training was done from the 13th – 15th April 2016. A follow-up training has been done by the trainers to train the entire workforce on the reproductive rights policy. They are also assigned to train all newly engaged employees.

Corrective Action:

As part of the Gender committee's responsibility, regular checks will be done to affirm workers knowledge on the reproductive rights and this will be monitored by the social register.

Verification result:

The company has developed a comprehensive reproductive rights policy conducted a training on sexual harassment and reproductive rights policy on 13 – 15 April 2016 done for 37 participants, mainly contractors, office assistants. The training material were sighted and confirmed to cover all relevant topics pertaining to reproductive rights, including the definition of reproductive health and reproductive rights, family planning, unsafe abortions, maternal mortality rates. During Major NC verification done on 11 July, 5 third party contractors and 9 casual workers were interviewed and confirmed that they had participated in the training and were able to explain the reproductive rights policy. It was also confirmed that the training covered women's right, a counselor, i.e. a female medical assistant was made available by the company, and that the company is providing child care facilities and permits breast feeding breaks (nursing mothers are allowed to go home at 2pm instead of their normal working hours).

Auditor Conclusions: Closed

Criterion 6.9.3 (Minor indicator): A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.

Non-conformance 2015-17 of 20 (Minor non-conformity):

There is a grievance mechanism which is part of the sexual harassment policy but there is no grievance

mechanism for the reproductive rights policy.

Cause analysis:

Because there was no policy for reproductive rights, a grievance mechanism for the reproductive rights policy were not developed

Correction:

A grievance mechanism/complaints procedure for the reproductive rights policy has been developed

Corrective Action:

A register to monitor the grievance mechanism for the sexual harassment policy and the reproductive right policy

Verification result:

The company has revised their reproductive rights policy to version dated 28 August 2015. The updated version includes a grievance mechanism for any NGL employee whose reproductive rights have been infringed. In the procedure it is stated that the complaint can be submitted to the company's gender committee and the committee will investigate the complaint within 5 working days of receiving the complaint. If it is found that a violation has occurred, the committee will recommend appropriate disciplinary action and the complainant will be taken through a counselling session. During reaudit in July 2016, workers interviewed confirmed that they are aware of the reproductive rights policy and the grievance mechanism. No one reported any cases of infringement of reproductive rights.

Auditor Conclusions: Closed

Criterion 6.9 Scheme Smallholder Guidance: Scheme managers must ensure that this provision applies to personnel employed to service smallholders, as well as those working in mills and estates as well as smallholders and those they employ.

Non-conformance 2015-18 of 20 (Minor non-conformity):

An interview with the scheme smallholders on 11 August 2015 (individual farmers) and 12 August 2015 (smallholder executives) revealed that the scheme smallholders have not been sensitized on the contents of the sexual harassment and reproductive rights policy.

Cause analysis:

Though some smallholder farmer had been educated on sexual harassment, not all the scheme smallholders had been sensitized on the sexual harassment and reproductive rights policy

Correction:

All Scheme Smallholder Farmers have been sensitized on the contents of the sexual harassment and reproductive rights policy

Corrective Action:

The quarterly meetings with the Smallholders will address any issues of sexual harassment and reproductive rights. We have recently organized a sensitization meeting for the smallholders on the 24th May 2016

Verification result:

The company had held a meeting with all of their smallholders on 27 August 2016 where the company had sensitized the smallholders on the company's policies including on the sexual harassment and reproductive rights policy. Evidence sighted included signed attendance lists, meeting minutes and photos of the meeting. During reaudit in July 2016, smallholders interviewed confirmed that they had been briefed on the sexual harassment and reproductive rights policy of the company

Auditor Conclusions: Closed

Criterion SCCS E.2.2: The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

Non-conformance 2015-19 of 20 (Major non-conformity):

Auditee has not registered in eTrace and or Green Palm

Cause analysis:

Norpalm had not registered in eTrace and or Green Palm

Correction:

Registration has been done on the Green Palm platform. Green Palm Number : GP00001108

Corrective Action:

The Green Palm platform has a notification/alert where members are kept abreast with all issues related to the Green Palm trading

Verification result:

The company has registered on Green palm as seen from the completed Green palm application form provided by the company and confirmed from the Greenpalm website list of member, which shows Norpalm Ghana Limited as listed since October 2015.

Auditor Conclusions: Closed

Criterion SCCS E 5.1: a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.

b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.

c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

Non-conformance 2015-20 of 20 (Major non-conformity):

- In the company's RSPO SCC & traceability (mass balance) procedure, there is no requirement stated to conduct a balance on a three-monthly basis
- The company's template for mass balance does not include a section for balance on a three monthly basis

Cause analysis:

1. A Supply Chain document was available but there was no statement made in the document to conduct a balance on a three-monthly basis
2. A template for mass balance with a section for balance on a three monthly basis was not included in the document

Correction:

1. An additional statement has been made in the RSPO Supply Chain document to conduct a balance on a three-monthly basis
2. A template for mass balance has been added to the section for balance on a three monthly basis

Corrective Action:

Supply chain SOP has been edited to meet this requirement

Verification result:

- 1) The company provided a revised SOP for RSPO Supply Chain and Traceability (Mass Balance) revised on September 2015, which has been revised to include the statement that "The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. The site shall ensure that the output of RSPO mass balance material supplied to customers from the physical site does not exceed the input of RSPO certified material received at the physical site."
- 2) The company also provided a revised template of their mass balance sheet including column to balance on a 3 monthly basis.

Auditor Conclusions: Closed

3.3 Noteworthy Positive Components

No.	Clause	Positive Observation
1.	-	The Human Resource Policies are well-formulated and comprehensive which, if fully implemented and disseminated, will conduce to a strongly competent workforce.
2.	-	Tidy and clean working environment was observed within the mill .
3.	4.2	Auditee uses an OMP (Oil Palm Management Program) software which makes it easy to analyze the performance of the estate, and information updated in the system is more reliable compared to manual updating
4.	4.6	Sprayers are provided with good and adequate PPE, i.e. goggles, overalls, wellington boots, rubber gloves, and heavy duty masks. It was informed by the workers that the PPE is provided free by the company even though they are contracted workers.
5.	6.5	The method of monitoring of SSNIT for the contract workers and whether these workers are being paid by their contract managers (retention of pay slips) is laudable and should be maintained

3.4 Issues Raised by Stakeholders and Findings Pertaining to Issues

The following are comments received and issues raised by stakeholders during the stakeholder consultation meeting held on 10 August 2015 as well as throughout the onsite visit. Response from the company's management and audit verification findings pertaining to the stakeholder feedback are as noted below.

A) Issues Raised during Stakeholder Consultation Meeting

No.	Issues Raised	Management Response	Audit verification
Land title/compensation issues			
1.	History and issues pertaining to ongoing land title issue: A British private owned company acquired the land pre-independence. Post-independence in 1957, the land was acquired by the Government but no compensation was given to the affected local communities. This resulted in land disputes that continued even after the lease was given to Norpalm in year 2000. The company inherited these problems. There was report done by a Committee of Inquiry set up by the government regarding the dispute and there were several outstanding issues, such	i) NGL was not in existence in 1974. NGL began operations in September 2000 and has consistently paid it's ground rent to date. Records of payment are available ii) All lands have been acquired legally as per the Assets and Sales Agreement with the Government of Ghana, for which due consideration was paid. Both 44, and 43 were part of the initial NOPL assets acquired by Norpalm. However, there is a dispute between Aketenkye and Ewusiejo. The two communities are working among themselves to address the issue of ownership. Norpalm facilitated this process.	It was informed during the audit that some of the leases for NGL's land have expired in year 2015 or will expire in year 2016 (documentation on the total number and details of leases was not provided by the company during the audit), following which the company can only obtain new leases for the land upon agreement of the community representatives who are the traditional owners of the land. The company has demonstrated efforts to obtain the leases to own the land as well as to ease the dissatisfaction of the local communities by carrying out a

	<p>as: i) Underpayment of rent since before 1974 ii) Land acquisition of 44, 43 was done illegally iii) Issue of squatters on the land had not been rectified. iv) Overgrown palm trees in block 344 v) The company is supposed to pay GHC 100/tree to chiefs for felling of trees (unclear comment) vi) There was a time when Norpalm was paying rent directly to the chiefs. Later, they started paying to the Administrator of Stool Land as per the 1992 Constitution which required the company to pay 55% of revenue to the Administrator of Stool Lands, which is to be used for the benefit of the community. However the communities have no idea how much the company has been paying and if it according to the constitution. They want the company to be transparent on this.</p> <p>Almost all the traditional rulers complain about Norpalm's handling of the land issue.</p>	<p>iii) There are no squatters on NGL land. iv) NGL has not replanted 44 because of the issue between the 2 communities (Aketenkye and Ewusiejoe). When the Title issues are over and feuding communities have resolved the issues it will be ceded out to the rightful owner of the land to guarantee operation peace. Norpalm will not replant this area. v) Not true. The company's obligation when it comes to felling of trees is to the District Assembly that oversees the area and not the Chiefs. vi) Not true. Details of stool lands ground rent disbursements is captured in : Article 267 of the 1992 constitution of Ghana, sub-section 2 a,b,c mandates Norpalm to pay Annual ground rent into the stool lands Administration accounts. Article 267 sub-section 6 of the 1992 Constitution details out a formula for the disbursement of the amount paid by Norpalm Ghana Limited to the stool lands. Records of these payments are available at the office of the administrator of stool lands. Additionally, NGL shares details on these payments with the chiefs. It's surprising as all traditional rulers were part of the stakeholders forum that addressed the land issue and for which several milestones have been achieved. It will be pertinent to know what the exact issues are. Please note that not all the relevant chiefs were present at the TUV stakeholder forums. Some communities were represented by elders who probably were not up to date with the progress made on the land issues.</p>	<p>survey of the total land area. This survey was carried out by an external third party, Bright Star Services, which started the process in year 2011. The maps of all areas owned by the respective communities were mapped out with the participation of the relevant communities and all meetings with the community people to demarcate the land were recorded on video by the company. During this audit, the surveyor was interviewed and the finalized maps of areas belonging to each community were sighted. The maps are currently under valuation by the local Land Valuation Board. Once the review is completed and compensation value is decided, the company will proceed to compensate the local communities as decided by the Land Valuation Board.</p> <p>It was confirmed through interviews with local community members present at the Stakeholder Consultation Meeting that they had participated in the land survey and knew that the process had completed. The community members, however, complained that they still had not received any information on the rate of compensation, and this was due to the ongoing valuation process as confirmed with the surveyor during the on-site audit. The audit team acknowledges and has sighted evidence, confirmed through interviews, of NGL's efforts to engage with the communities to resolve this issue which is still ongoing.</p>
<p>2.</p>	<p>The community also does not know how much Norpalm is paying for community development. The community has not seen any real positive impacts to the community since 100 years of planting oil palm. The company's lease will expire next year and new lease will be between the company and the communities.</p> <p>The community is hesitant to renew the lease agreement with</p>	<p>NGL has been on the land for almost 15 years and not 100 years. The divested Company was totally run-down. NGL has had to work hard to bring the company to a sound state now even though not profitable until recently several CSR activities have been done within the communities(13) and still counting. The independent SIA outlines a number of positive impacts from NGL's operations.</p> <p>To enhance communication Board and Mgt meets all chiefs once a year</p>	<p>During the certification audit, there was sighted evidence of NGL's CSR activities, i.e. NGL has a planning document and budget for community assistance titled 'Norpalm Ghana Limited 2015 Budget (2nd half of the year) for CSR covering Education, Health and Community Development'. As such, the CSR projects carried out in the first half of 2015 are listed as follows:</p> <ul style="list-style-type: none"> ▪ Supply of 2 drums to CPO to schools in June 2015 (worth GH¢ 10,551.24). The recipients

	<p>Norpalm next year unless tangible benefits are seen within this year.</p>	<p>for a social interaction night where issues of mutual interest are discussed.</p> <p>This is contrary to the milestones achieved with the stakeholders forum and the conclusions reached.</p>	<p>were 10 SHS, 1 Voc. Institute, 2 nursing training and 1 teacher training colleges.</p> <ul style="list-style-type: none"> ▪ Scholarship to communities in NGL (2014/15) Academic Calendar for Catchment 2 area in June 2015 (worth GH¢. 13,800.00) School fees for the 6 existing beneficiaries have been paid. ▪ Support to Neighbour schools (Annual sports) in (worth GH¢ 3000.0) ▪ Teaching learning materials and catering instruments for NOPP JHS (worth GH¢ 1250.00) presented to the schools in June 2015. ▪ Donation of 200 pieces of Branded T-Shirts to the Effia-Nkwanta Regional Hospital Blood Bank (worth GH¢ 5000); presented in June 2015 ▪ Cash donation to the Regional National Service Secretariat (worth GH¢ 2000.00) in support of the National Sanitation Day organised in the Western Region in May 2015. <p>Nevertheless, based on the feedback from the local communities, NGL should consider further engagement with community leaders to identify and assist with areas where the communities need assistance. This was noted as a negative observation.</p>
3.	<p>Norpalm has assisted in the construction of road, employment, and minor CSR activities.</p> <p>However, the scholarship for students was awarded on a regional scale rather than specific divisional area. The company should provide localized scholarships to support the local communities.</p>	<p>This is quite contrary to what is expressed in 2 above and asserts our emphasis that a lot has been done.</p> <p>Scholarships are awarded on a district basis. The communities fall under the Districts. It is not regional. There is an independent team made up of the ministry of education, the district assemblies and opinion leaders in the communities. NGL has no influence of who the scholarships are given to.</p>	<p>During the certification audit, there was sighted evidence of scholarship to communities in NGL (2014/15) Academic Calendar for Catchment 2 area in June 2015 (worth GH¢. 13,800.00) School fees for the 6 existing beneficiaries have been paid. However, the actual distribution of all scholarships provided could not be verified during the audit due to lack of time.</p>
4.	<p>Question to auditors: Can the company get certification if the company has no rights to the land? Reason for questions: Chiefs were not consulted in the acquisition of the land even though the community has questioned Norpalm several times. Negotiations have been ongoing since 10 years ago. Norpalm informed that they are</p>	<p>The Company's rights to the land it is operating on is enshrined in the Assets Sales And Purchase Agreement signed with the Government of Ghana.</p> <p>NGL/Govt of Ghana and Chiefs have come far with the process for signing new leases for the Company.</p> <p>There is a process for all such land</p>	<p>The audit team has raised Non-conformance 2015-05 of 20 (Major non-conformity) regarding the issue that the company has no land title or leases under the company's name. This has been closed with letter from the Lands Commission dated 20 August 2015 confirmin NGL's legal right to use the land pending the renewal of leases and title</p>

	working on obtaining land acquisition certificate. The government of Ghana sold plantation but never talked about land compensation. The community is aware that the Lands Commission survey department was commissioned to survey the boundary and this survey is done. However, Norpalm has not approach the communities to discuss the rate of compensation.	issues. Currently the lands have been valued and is due for validation by the Lands Valuation Board before publication. The Chiefs can only be informed after the figures have been published. At this stage, the details of the figures are not available yet. NGL is not aware of these figures.	deeds. The company is still in discussion with the local community heads to compensation matters in order to come to an agreement on the renewal of the leases and title deeds under NGL's name.
5.	All land surveys have been completed. Previously, the government did not pay compensation to previous land owners from which the land came from. A new lease will be prepared between the communities and the company, the government will no longer be involved.	NGL is paying for all these processes. The land re-demarcation exercise was done by a hired surveyor with the land owners themselves determining their respective boundaries.	Noted as information by the audit team.
OSH and Labour issues			
6.	Since Norpalm took over, things have improved a lot. However, during drives around the area, it was observed some workers are not implementing certain safe practice. The Factory Inspectorate would like conduct some trainings for the workers to enhance their knowledge on safety. The Factory Inspectorate is not aware of any major accidents that have occurred within the company.	Noted	The audit team raised non-conformance 2015-09 of 20 (Major non-conformity) on a finding that an independant farmer transporting FFB was observed not wearing covered shoes or boots, but instead was wearing sandals while unloading FFB at the ramp. This is not in accordance with the mill's safety procedures. See CR4.7 under Section 3.1.
7.	Visits by the Labour Department normally done once every 3 months, while a detailed inspection of Norpalm with an inspection report prepared. Checks cover all labour issues, e.g. child labour, contracts (for permanent and contract workers), possible discrimination between permanent and contract workers, worker deductions, income tax, SSNIT, worker's compensation, and checking for any prohibited deductions. To date, no major issues found at Norpalm. There are no big differences observed between management of contracted workers and permanent workers.	Noted	The audit team had found some issues pertaining to worker's compensation, i.e.: i) Non-conformance 2015-03 of 20: The wages paid to casual workers who worked for the full month of April to May 2015 is not in accordance with the Labour Act 2003 (Act 651) Clause 76 (1a), i.e. the minimum monthly remuneration does not correspond to the amount represented by the worker's daily wage multiplied by twenty-seven ii) Non-conformance 2015-12 of 20: Several non-compliances pertaining to the pay and conditions of contract workers were found, pertaining to lack of employment contracts, withholding certain statutory benefits, no requirement for contractors to comply with labour requirements, lack of

			policy on contract workers and lack of awareness of worker on overtime payment calculation. See Section 3.1 for further information.
8.	Contract workers were observed using different PPE from permanent workers and should have more safety training	PPE is given to all workers irrespective of the category . Observation has been noted though. However, auditors can confirm from field visits that the same PPEs are made available for all workers and they have all received adequate trainings	The audit team raised non-conformance 2015-09 of 20 (Major non-conformity) on a finding that an independent farmer transporting FFB was observed not wearing covered shoes or boots, but instead was wearing sandals while unloading FFB at the ramp. This is not in accordance with the mill's safety procedures. See CR4.7 under Section 3.1 for further information.
9.	Housing & Transport: Norpalm's performance in this area is adequate. There is currently no regulation pertaining to housing, however if there is an agreement with the company and worker's union on housing specifications, the company must abide by it.	NOTED	It was found that Workers housing conditions and other facilities were observed to be poor and inadequate to meet the needs of the workers, which was confirmed through interviews with workers and site visits. This was raised as non-conformance 2015-13 of 20 (Minor non-conformity). See CR6.5 under Section 3.1 for further information.
10.	<p>i) The company does not prevent workers from forming unions.</p> <p>ii) Currently, the company has one union and another union for senior management staff is being established</p> <p>iii) The company has no history of strikes</p> <p>iv) However, contract workers are not part of trade union. This must be addressed.</p>	<p>i) Noted</p> <p>ii) Senior Staff have rescinded decision to join Union and are now in a Senior Staff Association.</p> <p>iii) NOTED</p> <p>iv) Contract workers have their own association which has access to management. They meet with management. All workers have also been informed of their rights to unionise if they so wish. Management is not against the forming of unions.</p>	The company has not adequately demonstrated that all personnel have the right to form and join trade unions of their choice and to bargain collectively, as it was found some casual workers as well as GAWU members interviewed were not aware that non-permanent workers are allowed to join the union. This was raised as non-conformance 2015-14 of 20 (Major non-conformity). See CR6.6 under Section 3.1 for further information.
11.	The company does not employ local community members to senior positions even though they have the necessary qualifications. Community members are employed in junior positions and field work only. There was an instance about 4-5 years ago where a local community member was shortlisted for a managerial position, but he received the job interview invitation letter only after the date of the interview had passed.	Company employs personnel based on experience, qualification and skill etc in accordance with the constitution and labour laws of Ghana. No discrimination is made in this regard. Where local community applicants have requisite qualification they are given priority.	Insufficient time to evaluate this claim further. This was noted as observation no. 25 in Appendix 5.

RSPO Certification Assessment Report
Norpalm Ghana Ltd, Takoradi, Ghana

12.	<p>The issue above (no hiring of local community members to senior positions) is an issue of communication.</p> <p>The company needs to develop a policy of employment for the communities to give priority to the local communities. The company should specify procedures for a person who does not meet qualifications, and if there a policy to train them. There needs to be an HR representative (liaison officer) who communicates this policy with the community.</p>	<p>It is a mis-conception and not a communication issue.</p> <p>All personnel are hired after communicating these vacancies in the widely read local media. Priority is given to community members who have the requisite requirements for the positions advertised. There is no undue influence which may breed discrimination other against qualified Ghanaians.</p>	<p>Further engagement with some members of the community is required as it was found during interviews with community representatives during the Stakeholder Consultation Meeting that some community representatives, especially from the Aketenkyi Community feel that there is lack of engagement from the company with regards to several aspects. See observation no. 18 in Appendix 5 for more information.</p>
13.	<p>One of the positive impacts of the company is creation of job opportunities. However, there is a local law which requires the company to give priority to the local communities for job vacancies If a community member has the qualifications as an outsider, then he should be given priority for employment. Norpalm should have a community representative to disseminate information on job vacancies to the companies.</p>	<p>Agreed. Company abides by this .</p>	<p>Insufficient time to assess the hiring practices of the company. This was noted as observation no. 25 in Appendix 5.</p>
14.	<p>Some of the company's temporary workers (casual labour) have been working continuously for up to 13 years but received no benefits or tokens of appreciation for their long service.</p>	<p>Not True. Can you provide details of this staff member who has been working for 13years ? Long service awards is given to all who have continuously served for the qualifying periods.</p>	<p>This claim was not verified further due to lack of time, but it is acknowledged by the audit team that provision of long service awards are at the company's discretion and not a requirement.</p>
15.	<p>Norpalm has 295 employees. Contract employees fall under 26 sub-contractors. Casual labour: must work in a seasonal employment. Temporary worker: Characterised by prolonged employment (not seasonal, i.e. continuous). After 6 months of continuous employment, the contract has to be closed. Temporary worker is different from casual worker. The temporary worker get more protection than a casual worker. At the end of six months, if the company fails to renew the worker's contract, the temporary worker automatically becomes a permanent worker. There must be some sort of appreciation to long-service workers.</p>	<p>Noted</p>	<p>Noted as information by the audit team.</p>
16.	<p>The company employs a lot of people from the communities</p>	<p>Management responses to issues raised in 11,12 and 13 addresses</p>	<p>Noted as a positive comment</p>

	<p>which is positive for the communities. The company would do well to expand its operations so as to benefit the communities in which it operates.</p>	<p>this concern. Company is desirous of such expansion if land owners will provide land for the purpose. Currently Company helps individuals with land to achieve this objective.</p>	
Environment management			
17.	<p>When the company carries out spraying, sometimes the spray overflows into the river, especially from Sese to Butre Area. This occurred annually and results in death of fish.</p>	<p>The Company has a buffer zone policy where chemicals are not used close to waterbodies. The company only uses chemicals that are approved for use. This can be verified by regulatory bodies. No such reports have been received from the communities or from regulatory bodies and there is no evidence to suggest that Norpalm's operations are impacting adversely on aquatic resources.</p>	<p>NGL has several programs to protect their water resources incorporated with the company's HCV management program, in which all water resources have been identified, and buffer zones on each side of river have been delineated. Chemical application is prohibited in all defined buffer zone both in riparian river and buffer dam. It was sighted in the field that the company put markings on the trees located along the river riparian zones. There is type of marking i.e red paint marking. See CR 4.4 in Section 3.1 for further information.</p>
18.	<p>EPA permit is done for the mill. Environmental Management Plans for the estates have been done, submitted to the EPA and revised by the company based on EPA's comments. EPA permits for the estates are currently being prepared. POME is currently pumped and treated, previously it was used for land application</p>	Noted	<p>It was confirmed that Environmental Permit no. EPA/EMP/CU 619/14/0084 was issued by the Environmental Protection Agency (EPA) on 20 October 2014 to certify that authorisation has been given to Norpalm Ghana Ltd located at Pretsea, off Ewusiejo Junction to continue the operations of the oil palm processing plant from May 2014 to April 2017.</p>
19.	<p>The company has applied for permit for construction of 4 new effluent ponds.</p>	Noted	<p>It was confirmed that the mill is in process of construction of additional effluent ponds in order to match up expanding production capacity and the company has submitted letter to the regional director of EPA dated on 6th August 2015 for permit to construct the effluent ponds. The EPA has replied letter it to NGL dated on 6th August 2015 (letter no.CU/WR/14/Vol.I/047) that company is required to submit their application form (EA 1) to facilitate the approval process.</p>
20.	<p>Recently there was over flow of effluent which results in spillage into the river. Occurred within last 2 weeks</p>	<p>This was thoroughly investigated and there was no evidence to support this allegation</p>	<p>There was no evidence of this issue provided by stakeholder or found during the audit.</p>
21.	<p>There was a radio discussion regarding Norpalm's spillage into the river, but it was concluded</p>	Noted	<p>Noted as information for the auditor</p>

	that the pollution was not from the river		
Consultation and Communication			
22.	<p>The chiefs should be allowed to have a representative on the company's board, so that they can know more about the company's policies. However, regular engagement by the company with the communities would also be acceptable to help them to understand such policies</p>	<p>International best practice demands that we make our policies available to various stakeholders. The Chiefs do not need to be on the board to be conversant with Company policies.</p> <p>The Board and management meet Chiefs, Queen mothers and opinion leaders formally once a year for social interaction dinner where issues of mutual interest are discussed</p>	<p>The need for further engagement between the company and community leaders to avoid misunderstandings was noted as observation no. 18 in Appendix 5.</p>
23.	<p>The company is hiding behind states laws (regarding the land issues) to avoid communication with the chiefs.</p> <p>If there is no communication with the chiefs, how can the company demarcate boundaries?</p> <p>Most of the negotiations, e.g. land disputes vary from place to place. The company cannot treat every community the same because communities vary significantly.</p> <p>Chiefs agree that the land is acquired from the state. However, Norpalm must go to the grassroots and deal directly with the chiefs, who are the next generation of descendants whose ancestors gave the land. The community says that the relationship is only one-sided because Norpalm says that we are dealing with the Ghana Government and therefore, have no dealings with the chiefs and governments.</p> <p>Norpalm must engage with the individual communities. If Norpalm wishes to stay in Ahanta, they should change their attitude towards the chiefs and the community. The company and the community should have a win-win situation. Currently, it is difficult to go to the company for assistance</p>	<p>This is incorrect. Norpalm has institutionalised a social forum where it deals directly with the chiefs, Queen mothers and opinion leaders within the communities.</p> <p>Secondly, Kundum festival periods the Company visits all the 13 communities and makes presentations directly to the chiefs and elders of the community towards the celebration of the Kundum festival.</p> <p>We have also had 3 stakeholder meetings on NGL land title issues.</p> <p>We also organise an annual farmers day where we give awards to deserving farmers within the community. It is also a forum to receive all the concerns of the farmers and the community.</p> <p>The open door policy of Management to receive Chiefs at any time of the day to discuss issues of mutual interest go a long way to attest to the fact that we have constant consultation with chiefs and opinion leaders.</p> <p>It must be noted that the company deals with 13 communities some with other sub-chiefs.</p> <p>It is therefore not true that Norpalm has a one sided relationship with the community. We deal with all manner of stakeholders.</p> <p>There is evidence to attest to the fact that Norpalm has given assistance to the chiefs and the communities consistently</p>	<p>The need for further engagement between the company and community leaders to avoid misunderstandings was noted as observation no. 18 in Appendix 5.</p>
24.	<p>The name of the divisional chief of Aketenkyi was not on the company's notice board while</p>	<p>This was a clear oversight, when the issue was raised by the acting Abusua payin we rectified it same</p>	<p>Noted as aspect for improvement by NGL.</p>

	some other chief's name appears on the notice board. This is disrespectful to the Aketenkyi Chief.	day. The Abusua payin is very much aware that this has been rectified some six months ago	
Outgrower's issues			
25.	Complained that the company engages middlemen or agents to collect their FFB. The company has specified a minimum quota of FFB that can be delivered from one farmer but most farmers cannot meet this quota and are forced to use an agent. The agents benefit more than the farmers. If one produces 100 tonnes, 50% of profits deducted.	The Company engages Commissioned Agents who buy fruits on its behalf. The Agents are paid a commission for thier services rendered and do not benefit more than the farmer. The amount paid to the farmer is determined by the company and not by the agent. Records are available for verification.	This claim could not be verified in detail since it involved the FFB agents and it there was no evidence sighted of amount deducted by agents from farmers. NGL should look into this matter further to determine if agents are unscrupulously deducting payment to outgrowers.
26.	There is lack of transparency on the pricing allocation. The company has not invited farmers to discuss the prices	The Company has an FFB pricing policy and will do more to engage more with farmers with regards to pricing.	Interviews with the smallholders and outgrowers on 11 August 2015 confirm that the current and past prices paid for FFB are publicly available. This is also evident from the following documentation: <ul style="list-style-type: none"> ▪ Purchased Fruits Receipts for J.B.K. Koomson (Plot No: 30) (handwritten) dated 8 August 2015 (ref: 0001031) clearly states the rate per metric tonne of FFB. ▪ Purchased Fruits Receipts for J.A. Quayson (Plot No: 1) (handwritten) dated 7 August 2015 (ref: 0001037); Whenever there is a review in FFB, this is communicated to the smallholders and outgrowers, e.g. Memo from PLM to GM titled, 'Review of Nyankumase-Kruwaa FFB Prices' dated 21 January 2015.
Others			
27.	Norpalm has come a long way from the dilapidated plantation left behind by the National Oil Palm. Ltd. Hope that Norpalm will be able to meet international standards.	Norpalm , under the current management has transformed the plantation by implementing world class Oil Palm best management practices . We have also subjected ourselves to RSPO audits and the ILO SCORE programme all aimed at meeting International standards.	Noted as a positive comment
28.	The company should improve on their corporate social responsibility and also engagement of stakeholders.	The Company will step up Corporate Social Responsibility drive and also intensify its on-going engagement with its surrounding communities.	This was noted as observation no. 24 in Appendix 5.

B) Issues Raised during Stakeholder Interviews On-site

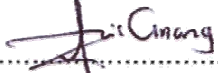
No.	Issues Raised	Management Response	Audit verification
1.	No electricity for months at housing at Camp 2 since generator broke down. Bad water leakages at housing which the workers have complained about with no response by the company.	The Company is in the process of acquiring a transformer to extend electricity to the Camp 1. The Company is currently rolling out a rehabilitation programme and will carry out the repair works. Leakages will be evaluated and repaired ASAP.	Issues pertaining to poor condition of housing was raised as non-conformance no. 13 of 20. See CR6.5 of Section 3.1.
2.	Roof leakage at old housing of Camp 1 which has not been addressed by the company after 2 weeks, although informed to the affected workers that repair parts will come.	The Company is currently rolling out a rehabilitation programme and will carry out the repair works. Leakages will be evaluated and repaired.	Issues pertaining to poor condition of housing was raised as non-conformance no. 13 of 20. See CR6.5 of Section 3.1.
3.	It would be good if the company could provide safety helmets to harvesters. Loose fruit pickers and carriers also request for raincoats to protect them when it rains	We will do a pilot and based on the response do a roll out. We will provide raincoats during the rainy seasons.	The company's risk assessment for all company's operational activities does not include identification of PPE as risk control method for any activity, although in practice, the risk control method for certain activities such as spraying and harvesting includes PPE. This was noted as observation no. 11 in Appendix 5.


3.5 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client

It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of Norpalm Ghana Ltd.

Signed on behalf of PT TUV Rheinland Indonesia


.....
Name: Eric Agyeyi Amang
Position: General Manager
Date: 15 November 2016


.....
Name: Carol Ng Siew Theng
Lead Auditor
Date: 14 October 2016


APPENDICES

Appendix 1: Details of Certificate

Certificate

Standards: The Ghana National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil (GHNI 2015) and RSPO Supply Chain Certification Systems: 2014


Certificate Registr. No. : 824 502 16055

Certificate Holder : PT TUV Rheinland Indonesia certifies : 
Norpalm Ghana Ltd.
Prentsea, Takoradi, Ghana
and its company owned estates according to the annex.

RSPO number: -
Scope : Palm Oil Production and Management System

Validity: An audit was performed, Report No. 824 502 16055. Proof has been furnished that the requirements according to the Ghana National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil (GHNI 2015) and RSPO Supply Chain Certification Systems: 2014 are fulfilled.
The due date for all future surveillance audits is 28-10 (dd.mm).
The certificate is valid from 28 December 2016 until 27 December 2021.
The certificate shall remain valid for the period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

RSPO registered parents company* : Norpalm Ghana Limited
(RSPO Member No. : 1-0162-14-000-00)
* Name of the RSPO registered member company of which the certificate holder is a subsidiary
Date of first certificate : December 28, 2016

Indonesia, 27-02-2017 
PT TUV Rheinland Indonesia
Director.

The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above mentioned data. Only an original and signed certificate is valid.

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Annex to certificate

Standards: The Ghana National Interpretation of the RSPO Principles and Criteria for Sustainable Palm Oil (GHNI 2015) and RSPO Supply Chain Certification Systems: 2014

Certificate Registr. No.: 624 502 16055

Location: **Norpalm Ghana Ltd.**
 Address : Pretsea, Takoradi, Ghana

The palm oil mill and supply base covered in certification scope are:

Name of Mill / Estate	Location	GPS Locations	
		Latitude	Longitude
Norpalm Mill	Pretsea, Takoradi, Ghana	4° 55' 41" N	1° 53'47" W
Norpalm Ghana Ltd.	Pretsea, Takoradi, Ghana	4° 55' 41" N	1° 53'47" W
Norpalm Smallholder Scheme	Pretsea, Takoradi, Ghana	4° 55' 41" N	1° 53'47" W

CPO Tonnage Total Production* : 16,669.00 tonnes
 PK Tonnage Total Production* : 4,792.60 tonnes
 Company Estates FFB Tonnages* : 50,752.00 tonnes
 FFB Tonnages from other sources* : 45,100.00 tonnes
 CPO Tonnage claimed for certification* : 8,825.77 tonnes
 PK Tonnage claimed for certification* : 2,537.60 tonnes

*Data provided for year 2017

Scope of SCCS & supply chain model assessed :

FFB receipt, produce and delivery of CPO & PK with implementation of the following SCCS :

Identity Preserved
 Mass Balance



PT TÜV Rheinland Indonesia
 Director

Indonesia, 27-02-2017

Issued by PT TÜV Rheinland Indonesia

10001-4-2014-01 TÜV Rheinland Indonesia is required to comply with ISO 9001 and ISO 14001 requirements for approval

Appendix 2: Certification Audit Plan

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Ab-brev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
Saturday, 8 August 2015	Travel to NGL's site	Carol Ng (CN), Dr. Savinder (SK), Hendra Fachrurozy (HF) and Aswan Hasibuan (AH),		
Sunday, 9 August 2015	Rest day for audit team	All auditors		
	Local expert to travel to NGL (by own transport)	Ivy Osei – Sampah (IOS)		
Monday, 10 August 2015 – Opening Meeting and start audit for NGL Palm Oil Mill				
08.00-09.00	<ul style="list-style-type: none"> Opening Meeting at NGL Main office Introduction by TUV audit leader. Introduction to company background and source of FFB by respective managers Finalization of audit plan 	All Auditors & local expert	NGL Top Management and Related Managers	
09.00-12.30	<p>Mill supply base & production records</p> <ul style="list-style-type: none"> FFB reception records CPO & PK production records OER & KER <p>Environment, Legal Requirements (Document review only)</p> <ul style="list-style-type: none"> Transparency & ethical conduct Legal requirements (environment) Waste management Continuous improvement plan 	CN	Mill manager / assistants	<p>Mill general data</p> <p>RSPO Principle 1 : all Principle 2 : CR 2.1 (all) Principle 5 : CR 5.1, 5.3 Principle 8 : all</p>
09.00-12.30	<p>Environment, GHG, energy efficiency (Document Review only)</p> <ul style="list-style-type: none"> EIA/ Aspects Impacts analysis GHG analysis and management Energy efficiency monitoring and records 	HF	Mill manager / assistants	<p>RSPO Principle 5 : CR 5.1, 5.4, 5.6</p>
09.00-12.30	<p>Legal Requirements, OSH, Training, SOPs (Document review only)</p> <ul style="list-style-type: none"> HIRARC OSH Committee & safety records Accident records Medical checks Insurance coverage for workers Training & PPE issuance SOPs & Internal audit 	AH	Mill manager / assistants	<p>RSPO Principle 2: IN2.1.1 (OSH) Principle 4: CR4.1, 4.6, 4.7, 4.8</p>
09.00-12.30	<p>Social aspects – Labour policies, local communities, communication, CSR (Document review only)</p> <ul style="list-style-type: none"> Personnel records Labour policies Trade union representatives & records Communication & consultation procedures/ complaints Social Impact Assessment & Management CSR activities 	SK	Mill manager / assistants	<p>RSPO Principle 2: IN 2.1.1 (social) Principle 6: all Principle 8 (Social)</p>
12.30-13.30	Break and lunch			

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
13.30-15.00	Travel to Akroma Plaza Hotel Prepare for Stakeholder Consultation Meeting	All auditors	Top management / assistants	NGL top management may be present to greet stakeholders and give a introduction prior to the meeting
15.00 – 17.30	Stakeholder Consultation Meeting <ul style="list-style-type: none"> • Introduction to TUV Rheinland & RSPO by audit team • Open discussion and comments from stakeholders 	All auditors		NGL top management is requested not be present during this meeting. Only NGL staff who are Labour Union representatives, Gender Committee/female staff representatives and villager representatives are requested to be present.
17:30	End of Day 1	All Auditors		
Tuesday, 11 August 2015 – NGL Estate				
08.00-12.30	Estate production data <ul style="list-style-type: none"> • Area statements • FFB supply information • Replanting program Environment, GHG, Legal Requirements <ul style="list-style-type: none"> • Transparency & ethical conduct • Legal requirements (environment) • Integrated pest management • EIA/ Aspects Impacts analysis • Waste management • GHG analysis and management • Energy efficiency monitoring and records • SEIA & GHG monitoring for new plantings (if applicable) • Continuous improvement plan • Field visit (as required) 	CN	Estate manager / assistants	RSPO Principle 1 : all Principle 2 : CR 2.1 (all) Principle 4 : CR 4.5 Principle 5 : CR 5.1, 5.3, 5.4, 5.6 Principle 7 (if applicable): CR 7.1, 7.8 Principle 8 : all
08.00-12.30	Land legality, best practices, financial viability, and HCV <ul style="list-style-type: none"> • Land titles & land conflicts (if any) • Boundary stones • Management plan & replanting program • Soil fertility & management (sloped areas, marginal soils, peat areas, EFB application, etc) • Water management plan & river protection • High Conservation Value assessment and management • Use of fire for replanting (if applicable) • New plantings best practices (if applicable) • Field visit (as required) 	HF	Estate manager / assistants	RSPO Principle 2: CR2.2 , CR2.3 Principle 3 (all) Principle 4: CR4.2, CR 4.3, CR4.4 Principle 5: CR 5.2, 5.5 Principle 7 (if applicable): CR 7.2, 7.3, 7.4, 7.7
08.00-12.30	Legal Requirements, OSH, Training, SOPs <ul style="list-style-type: none"> • Field operations (spraying, harvesting, manuring) • Worker interviews • Chemical stores 	AH	Estate manager / assistants/ workers	RSPO Principle 2: IN2.1.1 (OSH) Principle 4: CR4.1, 4.6, 4.7, 4.8

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	<ul style="list-style-type: none"> • Workshops • HIRARC • OSH Committee & safety records • Accident records • Training & PPE issuance • SOPs & Internal audit • Field visit (as required) 			
08.00-12.30	<p>Social aspects – Workers, local communities, communication, CSR</p> <ul style="list-style-type: none"> • Workers/ Contractor interviews & personnel records • Labour policies • Trade union representatives & records • Housing • Local communities • Contracts • Working hour & overtime records, pay slips • SEIA for New Plantings (if applicable) • Field visit (as required) 	SK	Estate manager/ assistant manager/ local communities / workers	<p>RSPO</p> <p>Principle 2: IN 2.1.1 (social)</p> <p>Principle 6: all</p> <p>Principle 7 (if applicable): CR7.1 (social), 7.5 & 7.6</p> <p>Principle 8 (Social)</p>
12.30-13.30	Break and lunch			
13.30-17.30	<p>Continue document checks at estate office</p> <p>- all aspects</p>	All auditors	Estate manager / assistants	
17.30	End of 2nd day audit			

Wednesday, 12 August 2015, NGL Smallholder

08.00-12.30	<p>Smallholders production data</p> <ul style="list-style-type: none"> • Area statements • FFB supply information • Replanting program • Smallholder/ outgrower certification plan (if applicable) • Smallholder namelist and maps <p>Environment, GHG, Legal Requirements</p> <ul style="list-style-type: none"> • Transparency & ethical conduct • Legal requirements (environment) • Integrated pest management • EIA/ Aspects Impacts analysis • Waste management • GHG analysis and management • Energy efficiency monitoring and records • SEIA & GHG monitoring for new plantings (if applicable) • Continuous improvement plan • Field visit & smallholder interviews (as required) 	CN	Smallholder estate manager / assistants	<p>RSPO</p> <p>Principle 1 : all</p> <p>Principle 2 : CR 2.1 (all)</p> <p>Principle 4 : CR 4.5</p> <p>Principle 5 : CR 5.1, 5.3, 5.4, 5.6</p> <p>Principle 7 (if applicable): CR 7.1, 7.8</p> <p>Principle 8 : all</p>
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RSPO Certification Assessment Report
Norpalm Ghana Ltd, Takoradi, Ghana



Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Ab- brev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
08.00-12.30	Land legality, best practices, financial viability, and HCV <ul style="list-style-type: none"> • Land titles & land conflicts (if any) • Boundary stones • Management plan & replanting program • Soil fertility & management (sloped areas, marginal soils, peat areas, EFB application, etc) • Water management plan & river protection • High Conservation Value assessment and management • Use of fire for replanting (if applicable) • New plantings best practices (if applicable) • Field visit & smallholder interviews (as required) 	HF	Smallholder estate manager / assistants	RSPO Principle 2: CR2.2 , CR2.3 Principle 3 (all) Principle 4: CR4.2, CR 4.3, CR4.4 Principle 5: CR 5.2, 5.5 Principle 7 (if applicable): CR 7.2, 7.3, 7.4, 7.7
08.00-12.30	Legal Requirements, OSH, Training, SOPs <ul style="list-style-type: none"> • Field operations (spraying, harvesting, manuring) • Worker interviews • Chemical stores • Workshops • HIRARC • OSH Committee & safety records • Accident records • Training & PPE issuance • SOPs & Internal audit • Field visit & smallholder/worker interviews (as required) 	AH	Estate manager / assistants/ workers	RSPO Principle 2: IN2.1.1 (OSH) Principle 4: CR4.1, 4.6, 4.7, 4.8
08.00-12.30	Social aspects – Workers, local communities, communication, CSR <ul style="list-style-type: none"> • Workers/ Contractor interviews & personnel records • Labour policies • Trade union representatives & records • Housing • Local communities • Communication & consultation procedures/ complaints • Social Impact Assessment & Management • Contracts • Working hour & overtime records, pay slips • SEIA for New Plantings (if applicable) • Field visit & smallholder/worker interviews (as required) 	SK	Estate manager/ assistant manager/ local communities / workers	RSPO Principle 2: IN 2.1.1 (social) Principle 6: all Principle 7 (if applicable): CR7.1 (social), 7.5 & 7.6 Principle 8 (Social)
12.30-13.30	Break and lunch			
13.30-17.30	Continue document checks at smallholder estate office - all aspects	All Auditors		Principle 1 Principle 2 Principle 3 Principle 5 Principle 6 Principle 7 Principle 8

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
17.30	End of 3rd day audit			
Thursday, 13 August 2015 – NGL Mill Supply Chain audit and continuation of P&C audit				
08.00 onwards	Travel to Accra for return flight to Dubai & Malaysia (by flight or car – to be confirmed) EK 788 – Emirates; Departure:17:50	SK		NGL to assist to transport arrangement (to be confirmed)
08.00-12.30	Supply Chain audit – NGL Mill <ul style="list-style-type: none"> • Interview of NGL smallholder group manager and group management documentation • Document review. • Review of supply chain management system • Check of supply chain related documentation • Interviews with supply chain personnel Management plan & financial viability	HF	NGL Smallholder Group Manager and Mill Manager	Supply Chain Certification Standard 2014 Module E – CPO Mills: Mass Balance RSPO Principle 3: all
08.00-12.30	Environment, GHG, Legal Requirements, Social aspects (where not covered on Day 1 audit) <ul style="list-style-type: none"> • Mill site visit & worker interviews (as required) Transparency & ethical conduct • Legal requirements (environment) • SEIA & GHG monitoring for new plantings (if applicable) • Continuous improvement plan • Workers/ Contractor interviews & personnel records • Trade union representatives & records • Housing • Local communities • Working hour & overtime records, pay slips 	CN	Mill manager / assistants	RSPO Principle 1 : all Principle 2 : CR 2.1 (all) Principle 5 : CR 5.1, 5.3, 5.4, 5.6 Principle 8 : all
08.00-12.30	Legal Requirements, OSH, Training, SOPs <ul style="list-style-type: none"> • Mill inspection • Workshops & stores • HIRARC • OSH Committee & safety records • Accident records • Training & PPE issuance • SOPs & Internal audit • Field visit & smallholder/worker interviews (as required) 	AH	Mill manager / assistants	RSPO Principle 2: IN2.1.1 (OSH) Principle 4: CR4.1, 4.6, 4.7, 4.8
12.30-13.30	Break and lunch			
13.30- 15.00	Continue document check at mill	All auditors		All
15.00 – 16.00	Preparation for Closing Meeting	All auditors		
16.00 – 17.30	Closing meeting <ul style="list-style-type: none"> • Presentation of findings by the audit team. • Questions and answers. Final summary by team leader.	All auditors & local expert	Top Management/ Managers/ assistants	
17.30	End of audit			

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure - EM/QM Element - Standard Chapter
	Return travel for local expert (by own transport)	IOS		
Friday, 14 August 2015 – Return travel for auditors				
Morning	Travel to Accra (by flight or car – to be confirmed) ET 920 – Ethiopian Airlines; Departure time: 12.10pm	CN, HF, AH		

Appendix 3: List of Abbreviations

ASPA	Asset Sale and Purchase Agreement
BOD	Biological Oxygen Demand
CBA	Collective Bargaining Agreement
CSIR	Council of Scientific and Industrial Research
CSR	Corporate Social Responsibility
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CPO	Crude Palm Oil
DIC	Diverstitute Implementation Committee
EIA	Environmental Impact Assessment
ERTs	Endangered, Rare & Threatened species
EMP	Environmental Management Plan
EPA	Environmental Protection Agency
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
GAP	Good Agricultural Practices
GAWU	General Agricultural Workers Union
GEA	Ghana Employers' Association
GH-NI	Ghana National Intepretation
GM	General Manager
GOG	Government of Ghana
GSBA	Globally Significant Biodiversity Area
GSOPP	Golden Star Oil Palm Plantations
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HRM	Human Resources Manager
HSE	Health, Safety & Environment
IPM	Integrated Pest Management
IUCN	International Union for Conservation of Nature
JHS	Junior High School
KPI	Key Performance Index
LCC	Leguminous Cover Crops
LTA	Lost Time Accident
MOP	Muriate of Potash
MOU	Memorandum of Understanding
MSDS	Material Safety Data Sheets
NGL	Norpalm Ghana Ltd.
NGO	Non-Government Organization
NHIS	National Health Insurance Scheme
OPF	Outside Purchased Fruit
OSH	Occupational Safety & Health
PAYE	Pay As You Earn
P&D	Pests & Diseases
PK	Palm Kernel
PKC	Palm Kernel Cake
PKO	Palm Kernel Oil
PKOER	Palm Kernel Oil Extraction Rate
POME	Palm Oil Mill Effluent
POPEG	Palm Oil Producers Employers Group
PPE	Personal Protective Equipment
RCC	Regional Coordinating Council
RM	Relation Manager
RP	Rock Phosphate
RTE	Rare, Threatened and Endangered
SHE	Safety Health and Environment
SHEQ	Safety Health, Environment & Quality

SIA	Social Impact Assessment
SRI	Soil Research Institute
SS	Smallholder Scheme
SSF	Social Security Fund
SSNIT	Social Security and National Insurance Trust
SOA	Sulphate of Ammonia
SOP	Standard Operating Procedure
SPH	Stand Per Hectare
TDS	Total Dissolved Solids
TSP	Triple Super Phosphate
TSS	Total Suspended Solids
WB	Weighbridge
WRC	Water Resources Commission

Appendix 4: List of Stakeholders Interviewed and Contacted

No.	Name of Stakeholder	Institution / Position
Stakeholders Interviewed during Public Consultation Meeting		
1.	Ben Yaw Frimpong	Factory Inspectorate
2.	Elizabeth Acquah	Labour Administrator
3.	Nana Bika-Yena	Regent of Aketenchie
4.	David A. Nicol-sey	Head of Stool Family Aketenchie Stool Land
5.	Joseph Essien	Head of Stool Family Ewusiejoe
6.	John E. Kwame	Representative of Families
7.	Francis K. Quaisie	Secretary to the Chief of Ewusiejoe
8.	Kweku Bissie	Representative of Nana Nwiah Mabuli II, Hotopo Division
9.	Isaac Abban Mensah	Proforest
10.	Justice Knvaw Annissal	-
11.	Peter Vanderpaye	West Africa Commission Ltd
12.	Dr. Ernest Anderson	Medical Practitioner - Kwesimintim Polyclinic
13.	Nana Koratsiaga	Egyam Village Chief
14.	Nana Aboakye	Popuneni Village Chief
15.	Daneil Forson	Egyam Village representative
16.	Dominic Quaicoe	Egyam Village representative
17.	Joseph Quaicoe	Aketenchie Village representative
18.	Nana Twiba III	Aketenchie Village Chief
19.	Nana Kwampong	Abuah-Mpohor Village Chief
20.	Nana Daikoname	Ahanta-Yabwi
21.	Manfred Omysun	Secretary
22.	Zachariah Masah	Driver
Stakeholders Interviewed On-Site (Certification Audit)		
1.	George Mensah Dwumfour	Assistant Plantation Manager
2.	Lilian Adjeley Sowah	Senior Admin Sup. (Employee Relations)
3.	Benard Sandow Baani	(Asst. Plantation Manager, PFP/Smallholder NGL)
4.	Susana Enyonan Agbogbo	Casual worker (BMP Maintenance)
5.	Rosina Awuliba	Casual worker (BMP Maintenance)
6.	Monica Yalley	Casual worker (BMP Harvesting)
7.	Dorothy Tangwayire	Casual worker (BMP Harvesting)
8.	Francis Kwofie	GAWU Exec. (Local Vice Secretary)
9.	Frank Yankey	GAWU Exec. (Local Union Secretary)
10.	Frank Cobbinah	GAWU Exec. (Local Union 1st Vice Chairman)
11.	Jennifer Nana Yalley	GAWU Exec. (Local Union 2nd Vice Chairman)
12.	Wisdom Anioo	GAWU Exec. (Local Union Trustee)
13.	Eric Ocloo	GAWU Exec. (Local Union Chairman)
14.	Joseph Akwasi Bawuah	Gender Committee
15.	Benard Sandow Baani	Gender Committee

RSPO Certification Assessment Report
Norpalm Ghana Ltd, Takoradi, Ghana



16.	Charity Fuwaku	Gender Committee
17.	Lilian Adjeley Sowah	Gender Committee
18.	Eric Ocloo	Gender Committee
19.	Benjamin Oteng	Harvester (5yrs) -Alice Appiah (Contractor)
20.	Grace Gasper	Loose Fruit Picker (5yrs)-Alice Appiah (Contractor)
21.	Elizabeth Quofi	Loose Fruit Picker (3yrs) Alice Appiah (Contractor)
22.	Vida Cobbinah	Loose Fruit Picker (6yrs) Alice Appiah (Contractor)
23.	Bernard Taylor	Sprayers (Contractor-Kingsley Opprang) (5yrs)
24.	Kofi Amuasi	Sprayers (Contractor-Kingsley Opprang) (4yrs)
25.	Daniel Afrankwah	Sprayers (Contractor-Kingsley Opprang) (4months)
26.	Stephen Arhin	Sprayers (Contractor-Kingsley Opprang) (3yrs)
27.	Stephen Armah	Sprayers (Contractor-Kingsley Opprang) (1 yr)
28.	Kwasi Manu	Sprayers (Contractor-Kingsley Opprang) (4yrs)
29.	Clifford Doyle	Sprayers (Contractor-Kingsley Opprang) (3yrs)
30.	Samuel Yankey	Sprayers (Contractor-Kingsley Opprang) (1yr)
31.	Paul Offah	Sprayers (Contractor-Kingsley Opprang) (4yrs)
32.	Thomas Asmah	Sprayers (Contractor-Kingsley Opprang) (6yrs)
33.	Francis Essien	Sprayers (Contractor-Kingsley Opprang) (4yrs)
34.	Matthias Manu	Sprayers (Contractor-Kingsley Opprang) (4mths)
35.	Kingsford Packson	Sprayers (Contractor-Kingsley Opprang) (8 mths)
36.	Stephen Nyame	Sprayers (Contractor-Kingsley Opprang) (3yrs)
37.	Emmanuel Kumah	Sprayers (Contractor-Kingsley Opprang) (2yrs)
38.	Philip K. Nkrumah	Sprayers (Contractor-Kingsley Opprang) (3yrs)
39.	Matthew Kofi	Sprayers (Contractor-Kingsley Opprang) (3yrs)
40.	Charles Acquah	Sprayers (Contractor-Kingsley Opprang) (4yrs)
41.	Joseph Baidoo	Smallholders Association (Asst. Chairman)
42.	J.B.K. Koomson	Smallholders Association (Asst. Sec)
43.	Francis Quaicoe	Smallholders Association (Chairman)
44.	Paul Eddeh	Smallholders Association (Member)
45.	John Ansah Prah	Smallholders Association (Secretary)
46.	Cecilia Quaicoe	Smallholders Association (Treasurer)
47.	Samuel Pinto	Contractor (Samuel Pinto Ent.)
48.	Nii Boy Homotey	Contractor
49.	Mary Saighoe	Contractor (Mary Saighoe Ent.)
50.	Nana Ayebofo	Contractor
51.	Francis Yorke	Contractor (Tenera Ventures)
52.	William Gebu	Contractor
53.	David Okyere	Contractor (David Yaw Okyere Ent.)
54.	Stephen Nico	Contractor (Elder Nico)
55.	John Kwefie	Contractor (John Let. Ent.)
56.	Kingsley Oppong	Contractor (Kingsley K.Oppong Ent.)
57.	Pious Nyamenim Ent.	Contractor (Pious Nyamenim Ent.)
58.	Gad Ametepe	Contractor (Gad Ametepe Ent.)
59.	Solomon Ewesi	Contractor (Solomon Ewesi Ent.)
60.	Jerry Ocran	Contractor (Jerry Ocran Ent.)
61.	Elanezas Armoro	Contractor (Ramafat Ventures)
62.	Mary Yankey	Contractor (Je Mary Ent.)
63.	Sammy Nwianwiah	Contractor (Nana Nwianwiah)
64.	Alice Appiah	Contractor (Alice Appiah Ent.)
65.	Veronica Ankamah	Contractor (Veronica Ankamah Ent.)
66.	Richard Sampson	Contractor (Richson Ventures)
67.	Isaac Cobbinah	Contractor (Ike Cobby Ventures)
68.	Addamensah Tony	Contractor (Toddamens Co. Ltd.)
69.	Millicent Arthur	Contractor

Stakeholders Interviewed On-site (Re-audit)		
1.	Nana Nwianwiah III	Contractor
2.	Elder Stephen Nico	Contractor
3.	Diana Amoah	BMP Carrier
4.	Sofiah Gyim	Fertilizer applicator
5.	Janet Essandoh	BMP Carrier
6.	Antionnette Zokpo	BMP Carrier
7.	Nyakko Abednego	BMP Marshall
8.	James Wilson	Technical Services Department
9.	Francis Danna	Security
10.	Joseph Ampah	Security
11.	Francis Kudjoe	Marshall - spraying

Appendix 5: Observations and Opportunities for Improvement

No.	Observations / Opportunities for Improvement	Criteria
1.	For some requests for donations, there were sighted no letters of response from the company, but internal memos for approval of the request or appreciation letters from the requesting stakeholder were sighted. Therefore the timeframe between when the company received the request and when the company responded could not be determined and it could not be confirmed if responses made were timely or appropriate.	1.1.2
2.	Ordinary smallholders interviewed were not aware on the company's business management plan, which indicates lack of communication on the company's plan from the company or smallholder representatives down to the other smallholders.	1.2 & 3.1
3.	The company's Code of Conduct which describes ethical conduct policies has not yet been set within the framework of the UN Convention Against Corruption, in particular Article 12	1.3.1
4.	The company quoted the National Building Regulation, 1996 (li 1630) as a reference for development and maintenance of their housing. However, a copy of this legislation is not available at the company premises.	2.1.2
5.	The company has 2 ongoing court cases involving Ebusuapanyin (head of the royal family) Paul K. Gyemfa who has claimed recovery of possession of 687.36 acres of land on which the company has its plantation, and a case brought by the company against Wayoe Engineering Services Ltd. for construction work being carried out on 10 acres of land which was given to the Stool of Biakakrom to be used as a cemetery. The company is currently seeking to have both cases struck out in court as the plaintiff in the first case has been inactive in pursuing the case for years, while the company has received an apology from the Stool of Biakakrom and hence sees no need to pursue the case. The progress of closure of both cases will be followed up at the next surveillance audit.	2.2
6.	The company has a mechanism to check consistent implementation of operational procedures, but this mechanism is not documented to ensure consistent implementation for all procedures pertaining to the plantation and mill.	4.1.2
7.	1) Fertilizer application should be appropriate with fertilizer recommendations so that nutrient needs of the field are fulfilled 2) The company should include samples of their smallholder land when conducting out leaf analysis for smallholder areas to determine the fertility of the area due to low FFB yield of the area	4.2.2
8.	It was found that quality of treated effluent discharged is not in compliance with the EPA guidelines for discharge into water bodies which is 50ppm for BOD and 250ppm for COD. However, all treated effluent is not discharged into water bodies but discharged and retained in the field, and currently the EPA has no such	4.4

	guidelines for discharge into land. Norpalm Ghana Ltd. as well as several other oil palm plantations in Ghana has requested the EPA to come up with such guidelines, and as informed by the EPA to the audit team, the EPA is currently looking into that request. The company is requested to continue to follow up with the EPA on this matter.	
9.	The company is still use the EPA's Register of Pesticide Part II of EPA Act 1994 (ACT 490) dated 2013 as their reference for chemical control, however the latest applicable version is dated December 31st 2014,	4.6.1
10.	<p>There are several observations where safe practices pertaining to usage of chemicals require improvement, i.e.:</p> <p>1) It was observed at housing of Camp 3 at a security guard's housing that a spraying knapsack was kept directly in front of his house. His wife informed that the knapsack is used for spraying his personal plantin farm at the back of the housing area. This poses a chemical risk to the worker's family which includes young children. Also, how and where the knapsack is cleaned is unclear and poses a contamination risk to the environment. Consideration is required into the provision of safe spraying and storage facilities for workers carrying out spraying at their own personal farms at the housing area.</p> <p>2) Smallholder farmers interviewed stated that they bring their PPE and spraying equipment home to wash. As the audit team was unable to observe the spraying and washing practices of the farmers, it is unclear whether the smallholders have adopted safe practices to avoid chemical contamination of themselves and their families.</p> <p>3) No warning signs placed at areas which have been sprayed (as informed by workers)</p> <p>4) No clean water for washing hands is available at trucks used to bring chemicals to the field. Sprayers also do not bring any food or drinking water to the field, which may be due to lack of safe and clean area in the field to store their food and water while they work</p>	4.6.5
11.	The company's risk assessment for all company's operational activities does not include identification of PPE as risk control method for any activity, although in practice, the risk control method for certain activities such as spraying and harvesting includes PPE.	4.7.2
12.	Several sample accident investigation reports sighted was not yet approved by an authorized person to ensure proposed corrective action stated in the report is implemented.	4.7.7
13.	<p>1) The company's document waste management plan is not dated so it is not clear for what period the plan is applicable for, while targets, results of monitoring for year 2014 and status is not updated in the plan, although evidence was observed of implementation of the plan</p> <p>2) The company has a plan for segregation of waste into biodegradable and non-biodegradable wastes, which is not yet implemented and only pilot phase conducted at the mill. It was observed at the housing at Camp 3 that wastes are being disposed at a landfill located behind the housing area with no waste separation and waste burning being done. The implementation of the plan will be observed during the next surveillance audit.</p> <p>3) The contractor, Axis Consult which is engaged by the company to collect their used oil has an EPA permit issued on 21 May 2013 and expired on November 2014. There is no evidence that the consultant has obtained a new permit or any follow-up by the company prior to selling used oil to this contractor.</p>	5.3.3
14.	NGL does not have a policy of no use of fire for preparing land for replanting and for waste disposal	5.5.1
15.	The company does not have a soft copy of the Palm GHG tool to do the updates but it is done through a consultant	5.6.3
16.	There is lack of adequate documentation to capture the participation of affected parties in the SIA implementation plan.	6.1.3

17.	The frequency of review of the SIA has not been specified by the company	6.1.4
18.	<p>1) There is lack of evidence that the company's documented procedure for community/other stakeholders' consultation procedure version 1 approved on 11 April 2015 was developed in collaboration with local communities and other affected or interested parties. The procedures have also not been provided to the local communities so that they are aware of the procedure and provide their input.</p> <p>2) Further engagement with some members of the community is required as it was found during interviews with community representatives during the Stakeholder Consultation Meeting that some community representatives, especially from the Aketenkyi Community feel that there is lack of engagement from the company with regards to the following:</p> <ul style="list-style-type: none"> - Contributions to community development and support - Slow response on matters pertaining to the land survey results - Lack of transparency on payment made to the Administrator of Stool Land - Lack of effort taken by the company to discuss with the Aketenkyi community regarding the terms of renewal of the leases which are going to expire very soon - Lack of engagement of individual community chiefs as all meetings are done together with all chiefs who have different issues and concerns - Lack of follow-up to resolve several issues raised in the Report on Committee of Enquiry on lands occupied by the National Oil Palms Plantation Limited (NOPL) dated December 1998. <p>This dissatisfaction is likely to result in the members of the Aketenkyi Community refusing to renew the leases of their land for use of the company. This observation requires urgent action from the company to avoid escalation into a more significant dispute.</p>	6.2
19.	There is a need for the scheme managers to improve their communication with all smallholder farmers, e.g. to communicate the results of the land survey carried out for individual farmer plots and to allay concerns about the fate of the farmers after replanting.	6.2 SS Guidance
20.	<p>1) The company needs to document in precise detail all negotiated agreements and compensation to the affected parties when the land compensation issue is resolved in the future.</p> <p>2) Documentation should include written minutes of meetings and not only video recordings, for easy reference in case there is a need to refer back to an issue being discussed as it is more time-consuming to check video recordings as opposed to meeting minutes.</p>	6.4.3
21.	Casual workers interviewed on 11 August 2015 come from nearby villages but they prefer if the company could provide housing to them.	6.5
22.	The company has adequately documented and disseminated the minutes of meeting with the GAWU local union. However, GAWU local union executives do not keep the minutes of meetings or document their meetings with their own members and meetings with the management. There is a need for the GAWU local union to keep records of all meetings and improve document control.	6.6.2
23.	The company has not adequately demonstrated that all personnel have the right to form and join trade unions of their choice and to bargain collectively, as it was found that casual, temporary and contract workers are not members of GAWU and casual workers on 11 August 2015 revealed that they are not members of the local union (GAWU) and that they are under the impression that the union is only for permanent workers. This was raised as non-conformance no. 14 of 20 and is an indication of potential discrimination against contract workers, hence noted as an observation under Criterion 6.8.2	6.8.2
24.	There is no creche at Norpalm which can support nursing mothers and new mothers who lack access to affordable day-care.	6.9.2

25.	There is dissatisfaction from the communities and the smallholders on the company's CSR. This has to be investigated and appropriate solutions employed with the participation of affected parties. The company must build a deeper rapport with the local communities by improving communication and enhancing its social engagement.	6.11.1
26.	There are some complaints by community leaders that local community members are not given job opportunities or passed over for promotions	-