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# **RSPO P&C Surveillance assessment PUBLIC SUMMARY REPORT**

UNIVANICH PALM OIL PUBLIC COMPANY LIMITED  
Lamthap Mill and its Supply Bases

|                                 |                                 |
|---------------------------------|---------------------------------|
| Date of assessment:             | January 29-31, 2015             |
| Number of ASA: (1 to 04):       | 2                               |
| Report prepared by:             | Chaiyaporn Seekao, Lead auditor |
| Certification decision made by: | TÜV NORD INTEGRA bvba           |

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## 1 Scope

### 1.1 Organizational information/Contact person

|                            |   |
|----------------------------|---|
| Principle Contact Person   | Dr. Palat Tittinutchanon                            |
| Business address           | 258 Aoluk-Laemsak Road, Aoluk, Krabi 81110 Thailand |
| Group Name (If applicable) | UNIVANICH PALM OIL PUBLIC COMPANY LIMITED           |
| Office Number              | +66 75-634-634                                      |
| Mobile Telephone Number    | +66 81 968-5965                                     |
| Fax                        | +66 75-681-124                                      |
| E-mail address             | palat.t@univanich.com                               |
| Web site                   | www.univanich.com                                   |

### 1.2 Certification details

|                               |   |
|-------------------------------|---|
| RSPO membership number:       | 1-0074-09-000-00                          |
| Parent company as applicable: | UNIVANICH PALM OIL PUBLIC COMPANY LIMITED |
| Certificate number:           | 64812                                     |
| Date of previous assessment   | March 17-20, 2014                         |
| Date of issue certificate     | 19/06/2014                                |
| Date of expiry certificate    | 9/05/2018                                 |

### 1.3 Identity of certification unit

Palm oil mill and plantation owned by Univanich Public Company Limited (referred to hereafter as Univanich) were assessed against RSPO Certification Systems, RSPO P&C Generic version 2013.

| Name of Mill and Plantation | Location  | Coordinates            |
|-----------------------------|---|------------------------|
| Lamthap Mill                | 142 M.1 Tumbon Thungsaithong, Lamthap District, Krabi 81112, Thailand | 8.000322N ; 99.330686E |

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|                |   |                        |
|----------------|---|------------------------|
| Lamthap Estate | Lamthap Est ; 142 M.1 Tumbon<br>Thungsaithong, Lamthap District, Krabi,<br>Thailand             | 8.000322N ; 99.330686E |
|                | Khlongtom Div: M.5 Tumbon Khlongtom Nua,<br>Khlongtom District, Krabi, Thailand                 | 7.991150N ; 99.206970E |
|                | Cha uat Div : 173/2 M.6 Tumbon Tha Pracha,<br>Cha aut District, Nakhonsrithammarat,<br>Thailand | 8.001820N ; 99.953549E |

**Remark:** Based on the size of area and location of Khlongtom division and Cha uat division, which are located nearby Lamthap estate, the management system at these divisions is controlled by Lamthap estate manager.

See **Error! Reference source not found.** Map further below.

#### 1.4 Production volume

Lamthap mill and its supply base is one of mill and supply bases owned by Univanich. There are another two mills (TOPI mill and Siam mill) and other estates under the ownership of Univanich. Each mill and its supply base will be reported in a separate report. The table below is the description of Lamthap mill on the production in last year and expected production in 2015.

| Projected production from last<br>12 months (MT) |                   |                   | Actual production (MT) |                   |                   | Projected production for next<br>12 months <sup>2/</sup> |       |     |
|--|-------------------|-------------------|------------------------|-------------------|-------------------|--|-------|-----|
| FFB  | CPO               | PK                | FFB                    | CPO               | PK                | FFB  | CPO   | PK  |
| 3,534  | 706 <sup>1/</sup> | 176 <sup>1/</sup> | 3,083                  | 616 <sup>1/</sup> | 154 <sup>1/</sup> | 5,302  | 1,060 | 265 |

**Remark:** 1/ CPO and PK production were calculated based on average annual production in 2014 of 20% of oil extraction and 5% of palm kernel extraction

2/ Production for next 12 months in 2015 is projected by using all inputs of projected amount of FFB supplied by Lamthap estate including Khlongtom division, and Cha uat division. In particular, estimated FFB production is reflected to the actual production when all FFB produced by Lamthap Estate are supplied to Lamthap mill only In 2014, a part of the FFB were delivered to another mill (not RSPO certified). Estimated CPO and PK production were based on annual production in 2014 of 20% of oil extraction and 5% of palm kernel extraction.

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Due to the distance between Lamthap mill and estates of Univanich (Siam estate, Chean Vanich estate, TOPI estate and Lamthap estate), Lamthap mill is only supplied by Lamthap estate and its divisions. Moreover, independent growers are also supplying FFB but they are not included within this certification. The independent growers have the right to supply their FFB to any mill depending on the gate price of each mill. Therefore, Table above shows CPO and PK that are consequence from production of FFB supplied by Lamthap estate and its divisions. FFB purchased from independent smallholders for processing of CPO and PK is not included to show in Table above.

Based on the RSPO P&C certificate issued for Lamthap mill and its supply base last year showing that tonnage of certified volume of CPO and PK were 706 tons and 177 tons, respectively. Based on the estimated FFB production in 2015 (detail of estimated FFB production in each estate is provided in Table under 1.5 of description of fruit supply base) when reflecting to actual production, quantity of CPO and PK will be higher since in 2014 a part of the FFB were delivered to another mill (not RSPO certified). The certified production of CPO and PK are estimated based on average annual production in 2014 of 20% of oil extraction and 5% of palm kernel extraction.

### 1.5 Description of fruit supply base

The Fresh Fruit Bunches (FFB) for Lamthap mill are supplied by one (1) estate owned by Univanich Public Company Limited. There are also two (2) divisions under the control of Lamthap estate.

Independent growers are also supplying FFB but are not included in this certification. There are no contracts between the independent growers and Univanich. The independent growers have the right to supply their FFB to any mill of their choice. In calendar year 2014, each estate with its respective planted area had supplied following quantity FFB to Lamthap mill as shown below.

| Name of Plantation |                    | Area (Ha)    |              | Estimated FFB Production in 2015 (ton/year) |
|--------------------|--------------------|--------------|--------------|---|
|                    |                    | Total        | Planted      |   |
| Lamthap Estate     | Lamthap Estate     | 145.3        | 86.3         | 1,726                                       |
|                    | Khlongtom Division | 161.7        | 143.5        | 2,870                                       |
|                    | Cha uat Division   | 295.8        | 35.3         | 706   |
| <b>Total</b>       |                    | <b>602.8</b> | <b>265.1</b> | <b>5,302</b>                                |

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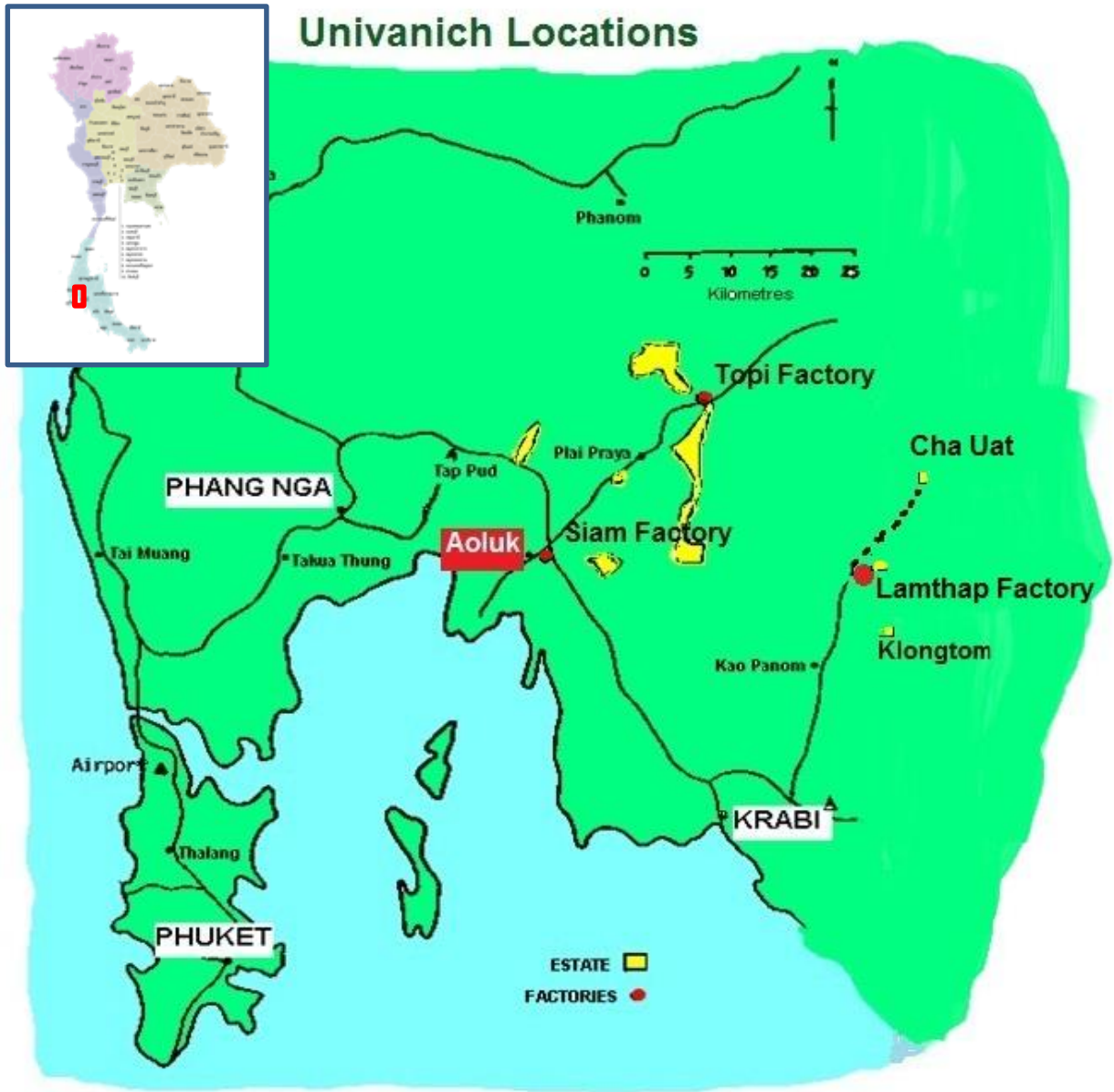
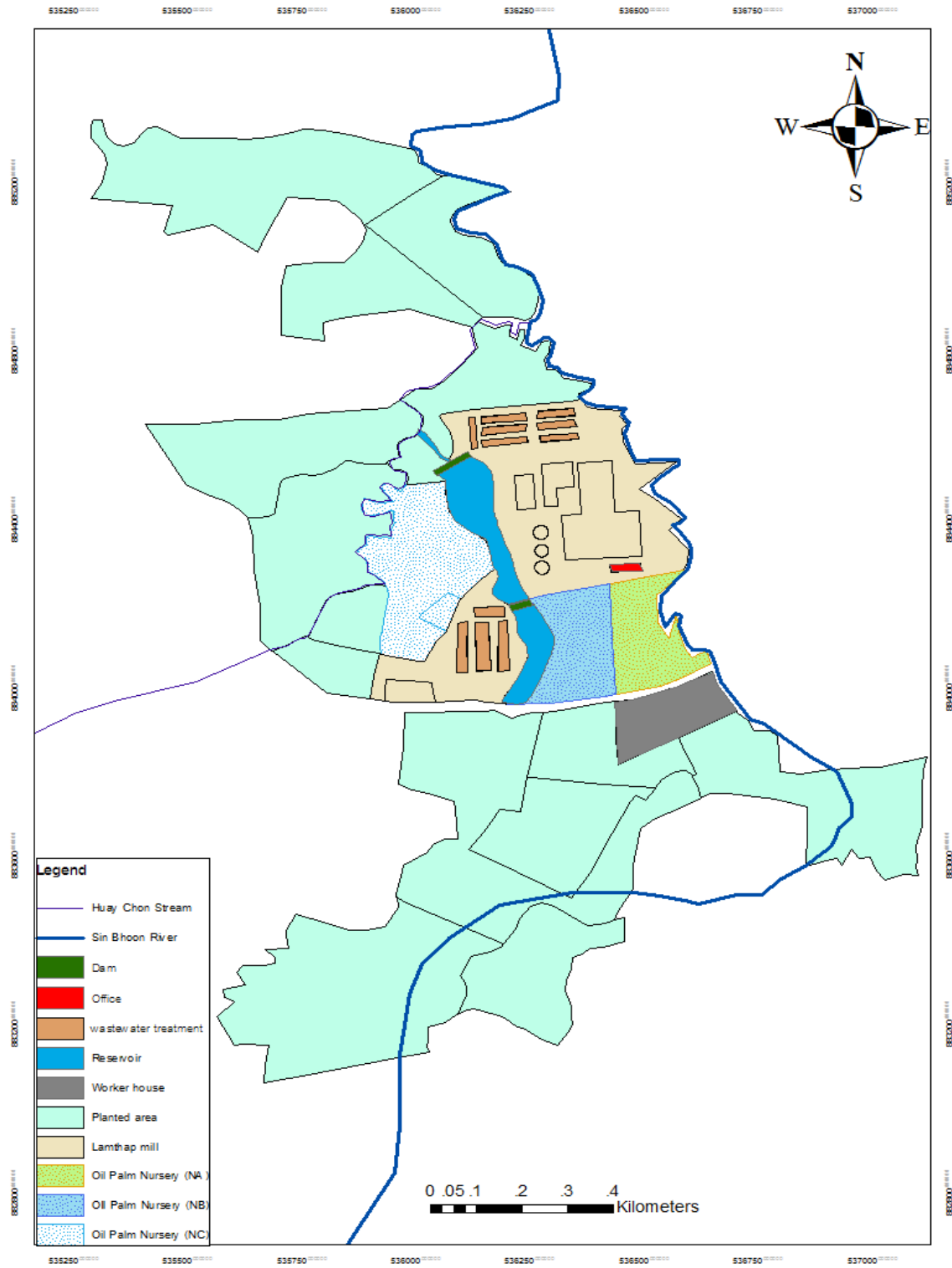


Figure 1-1 Geographical Map of production units owned by Univanich and Lamthap mill and its supply base

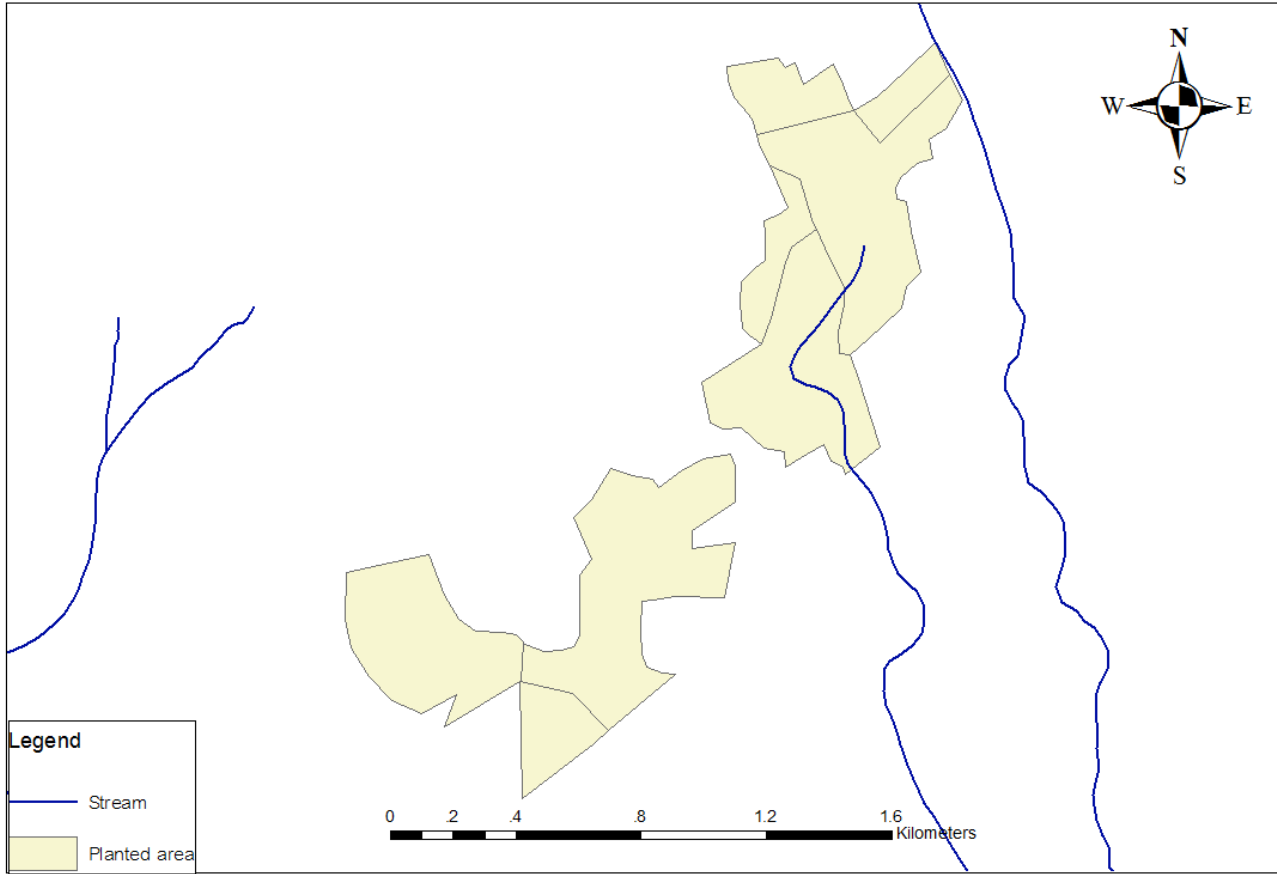
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**Figure 1-2 Map of Lamthap Estate Block**

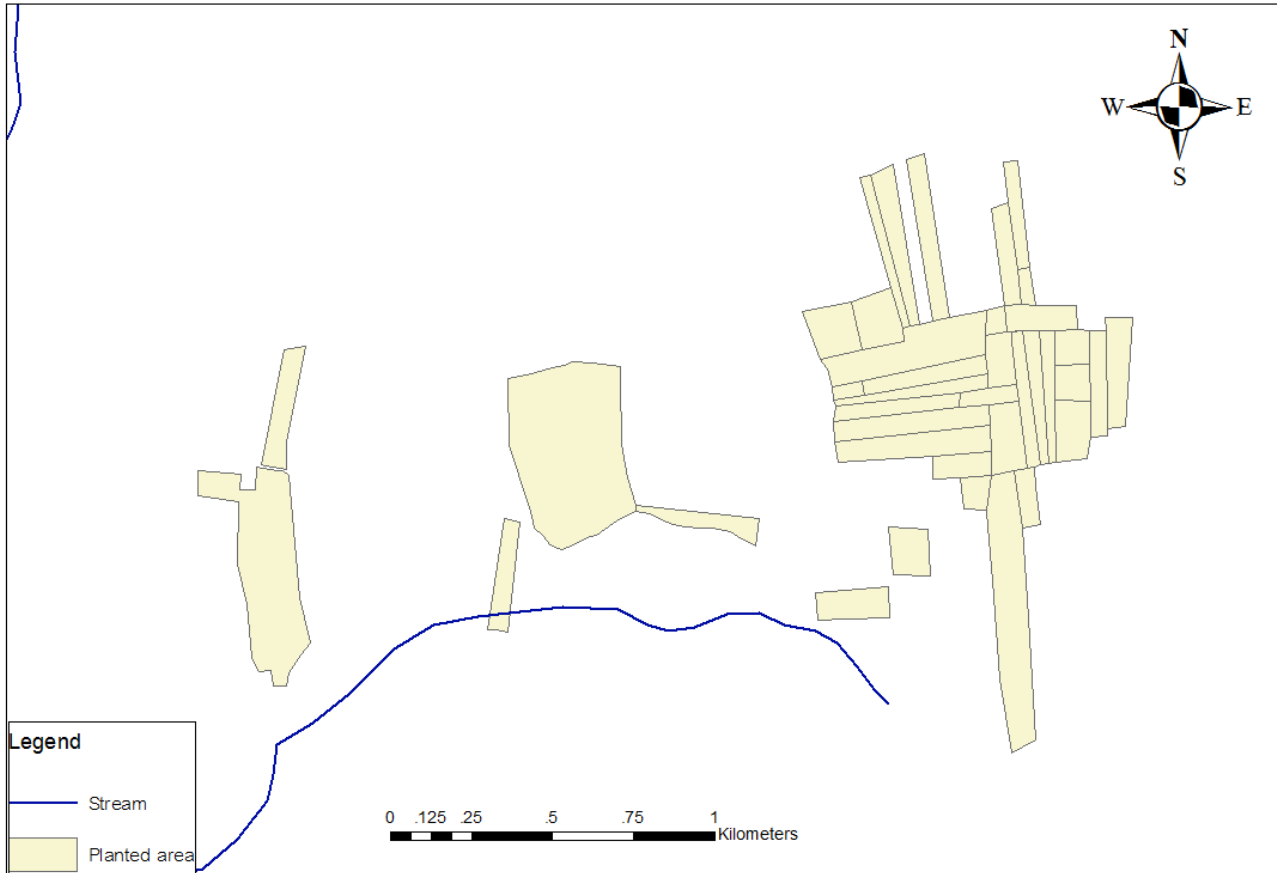


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**Figure 1-3 Map of Khlongtom Division**

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**Figure 1-4 Map of Cha uat Division**

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## 1.6 Date of planting and cycle

### 1.6.1 Planting program for each estate

| Year                                | 1989 | 1991 | 1999 | 2001 | 2003 | 2005 | 2007 | 2008 | Total |
|-------------------------------------|------|------|------|------|------|------|------|------|-------|
| Planted area in Lamthap estate (ha) | 88.3 | 55.2 | 16.6 | 23.5 | 6.8  | 38   | 16.3 | 20.4 | 265.1 |

### 1.6.2 Replanting program for each estate

| Year of replanting | Planted area (ha) in each estate |                     |                  | Total area to be replanted (ha) |
|--------------------|----------------------------------|---------------------|------------------|---------------------------------|
|                    | Lamthap Division                 | Khlong tom Division | Cha-uat Division |                                 |
| 2016               | 0                                | 44.6                | 0                | 44.6                            |
| 2017               | 0                                | 43.7                | 0                | 43.7                            |
| 2018               | 0                                | 0                   | 0                | 0                               |
| <b>TOTAL</b>       | <b>0</b>                         | <b>88.3</b>         | <b>0</b>         | <b>88.3</b>                     |

## 1.7 Time-bound plan

Univanich does not have any mills and estates other than those being certified in this second surveillance audit process, so there is no time bound plan for other units of mill and estates.

## 1.8 Progress of associated smallholders or outgrowers towards compliance with relevant standards - should be in accordance to the 3 year implementation plan.

Univanich has no associated smallholders or outgrowers. Approximately 70% of FFB for Lamthap mill is supplied by independent smallholders and outgrowers.

## 2 Partial certification

### 2.1 General

Organizations that have a majority holding\* in and / or management control of more than one autonomous company growing oil palm will be permitted to certify individual management units and/or subsidiary companies only if all the following are complied with the requirements mentioned below.

*\*Majority shareholding: the largest shareholding. Where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control*

| Requirement  | Finding/ Compliance |
|--|---------------------|
| The parent organization or one of its majority owned and / or managed subsidiaries is member of RSPO.  | Not applicable      |
| For groups with complex management structures the following are required:<br><br>(a) A statement of the ultimate controlling shareholders and directors in the managing agency company/companies.<br><br>(b) Ditto in respect of each of the operating groups.<br><br>(c) Application for membership by the top asset owning company/companies.<br><br>(d) Application for membership by the managing agency company/companies | Not applicable      |

If one of above mentioned requirements is non-compliant, this leads to a major non-conformity.

The following requirements about a time bound plan (2.2) and requirements for uncertified management units and/or holdings (2.3) are applicable, if the registered RSPO member is the holding company or one of its subsidiaries.

### 2.2 Requirements for time-bound plan

| Requirement   | Finding/ Compliance  |
|---|--|
| A challenging time-bound plan for certifying all its relevant entities (Relevant entities – including both the business units and parent company(ies)' commitment to RSPO, membership status and involvement with palm oil for each subsidiary) is available. The time-bound plan should contain a list of subsidiaries, estates and mills. | All units of Univanich are certified. It is not applicable for the independent smallholders as independent smallholders are not considered to have the time bound plan |
| The time bound plan is appropriate (in particular, the time scale is sufficiently challenging, taking into account circumstances around each entity), taking into account comments received from stakeholders following the public consultation process.  | All units of Univanich are certified. It is not applicable for the independent smallholders as independent smallholder are not considered to have the time bound plan  |

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|  |  |
|--|--|
| What is the progress of this plan since the last audit? (if the last audit was done by another CB, the time-bound plan shall be accepted at the moment of first acceptance and only check continued appropriateness shall be checked).   | All units of Univanich are certified. It is not applicable for the independent smallholders as independent smallholders are not considered to have the time bound plan |
| Are there any revision to the time-bound plan or to the circumstances of the company e.g. due to acquisitions/disposals, emergence/re-emergence of land disputes and/or labour conflicts?  | All units of Univanich are certified. It is not applicable for the independent smallholders as independent smallholder are not considered to have the time bound plan  |
| If the previous question was answered with yes, the plan shall be reviewed for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent). | All units of Univanich are certified. It is not applicable for the independent smallholders as independent smallholder are not considered to have the time bound plan  |

Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance is raised. Where there is evidence of systematic failure to proceed with implementation of the plan, a major non-compliance is raised.

### 2.3 Requirements for uncertified management units and/or holdings

| Requirement  | Finding/ Compliance  |
|--|--|
| No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure. | All units of Univanich are certified. Thus, it is not applicable |
| Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5. and 7.6.  | All units of Univanich are certified. Thus, it is not applicable |
| Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.  | All units of Univanich are certified. Thus, it is not applicable |
| Legal non-compliance, if any, are they being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.  | All units of Univanich are certified. Thus, it is not applicable |

Assessment of above mentioned requirements is based on the following approach:

Positive assurance statement, which is based upon self-assessment (i.e. internal audit) by the organisation. This would require evidence of the self-assessment against each requirement.

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Targeted stakeholder consultation may be carried out by the certification body. If this has already been conducted by a certification body, other certification bodies may request the summary report through the organisation.

If necessary, the certification body may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements.

For the requirements mentioned in the section, the approach to defining major and minor non-compliance can be applied from the relevant national interpretation. For example, if a non-compliance against a 'major indicator' in a non-certified holding/management unit is identified, the current certification assessment cannot proceed to a successful conclusion until that is addressed.

Failure to address any of the requirements may lead to certification suspension(s) (consistent with the RSPO Certification Systems document rules on non-compliance).

### 3 Assessment process

#### 3.1 Certification body

TÜV NORD INTEGRA is a certification and inspection body which operates in agriculture and horticulture and the food and feed processing industry. TÜV NORD INTEGRA offers all certification schemes with an added value in the agriculture and food industry, the legal systems as well as the private systems.

TÜV NORD INTEGRA is active in Belgium but also in a large number of other countries all over the world.

TÜV NORD INTEGRA is member of the internationally operating German inspection and certification organisation TÜV NORD.

TÜV NORD INTEGRA is accredited by ASI for RSPO P&C and RSPO SCC.

TÜV NORD INTEGRA is accredited by the Belgian accreditation body BELAC

- for the standard ISO 17020 for inspection organisations (Certificate Number 103-INSP).
- for the standard EN 45011 for product certification (Certificate Number 103-PROD).
- for the standard ISO 17021 for certification of quality systems (Certificate Number 103-QMS).

#### 3.2 Qualifications of the assessment team

##### 3.2.1 Qualification of the lead auditor: Chaiyaporn Seekao (CS), Ph.D candidate

| Requirement   | Qualifications  | Compliance |
|---|---|------------|
| A minimum of post high school (post secondary school) training in either agriculture/forestry, environmental science or social sciences;                        | <ul style="list-style-type: none"> <li>- May, 2010-present, Ph.D candidate (Environmental Management) full Scholarship at The International Postgraduate Programs in Environmental Management (Hazardous Waste Management), Chulalongkorn University, THAILAND</li> <li>- April, 2006, hold Master of Science (Sustainable Land Use and Natural Resource Management) degree from Kasetsart University, THAILAND.</li> <li>- April, 2002, hold Bachelor of Science (Fisheries) degree from Kasetsart University, THAILAND</li> </ul> | Yes        |
| At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science); | <ul style="list-style-type: none"> <li>- October 2009 to present: work at TÜV NORD (Thailand) Ltd. and was responsible for several standards such as ISO9001:2008, GMP, HACCP, FAMI-QS, GLOBALG.A.P and RSPO</li> </ul>   | Yes        |

|  |   |            |
|--|---|------------|
|  | <ul style="list-style-type: none"> <li>- Year 2008-2009: worked at Team Consulting Engineering and Management Co., Ltd., consultancy company, and was responsible for conducting the Environmental Impact Assessment (EIA) study which includes HCV, biodiversity social and health impact assessment for many mega-projects which were engaged by both domestically and internationally recognized companies</li> <li>- Year 2006-2008: worked Virbac (Thailand) Co.,Ltd.</li> <li>- Year 2005-2006: worked at Food and Agriculture Organization of the United Nations (FAO) with responsible for establishing the tsunami assistance for agricultural farmers in Southern provinces of Thailand</li> <li>- Year 2002-2005: worked at Department of Fisheries, Ministry of Agriculture and Cooperatives</li> </ul> |            |
| <p>Training in the practical application of the RSPO criteria, and RSPO certification systems;</p>   | <ul style="list-style-type: none"> <li>- RSPO Lead Auditor Course Organized by Stepwise Support Programme during April 12-16, 2010, Johor Bahru, Malaysia</li> <li>- HCV and its application in RSPO Organized by WildAsia during August 28-29, 2012 at Krabi, Thailand</li> </ul>  | <p>Yes</p> |
| <p>Successfully completion of an ISO 9000:19011 lead assessors course;</p>   | <ul style="list-style-type: none"> <li>- ISO 9001:2008 Series Auditor/Lead Auditor Training Course (Course No: A17086 Certificated by IRCA) Organized by Robere &amp; Association (Thailand) Ltd. October 26-30, 2009, Bangkok, Thailand</li> </ul>   | <p>Yes</p> |
| <p>A supervised period of training in practical assessment against the RSPO criteria or similar sustainability standards, with a minimum of 15 days assessment experience and at least 3 assessments at different organisations.</p> | <p>Having more than 15 days of audit in more than palm oil companies (March 2010 – November 2012)</p> <ol style="list-style-type: none"> <li>1. RSPO P&amp;C auditor for pre-audit of Univanich's mills and estates, Krabi, Thailand that organized by GIZ during March 15-17, 2010 (3 days)</li> <li>2. RSPO P&amp;C auditor for Main Audit of PT. PERKEBUNAN NUSANTARA IV (PERSERO), Medan, Indonesia during October 25-29, 2010 (5 days)</li> <li>3. RSPO supply chain auditor for main audit of Lam Soon (Thailand) for 2 refinery in Trang and Samutprakarn, Thailand during March 13-17, 2012 (3</li> </ol>   | <p>Yes</p> |



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|--|--|--|
|  | <p>days)</p> <ol style="list-style-type: none"> <li>4. RSPO supply chain auditor for stage 1 audit of Energy Absolute, Bangkok, Thailand on March 29, 2012 (1 day)</li> <li>5. RSPO P&amp;C auditor for state 1 audit of Univanich's mills and estate, Krabi, Thailand during April 6-7, 2012 (2 days)</li> <li>6. RSPO supply chain auditor for main audit of Lam Soon (Thailand) for 2 refinery in Trang and Samutprakarn, Thailand during April 30-May 1-6, 2012 (5 days)</li> <li>7. RSPO supply chain lead auditor for main audit of Energy Absolute, Bangkok, Thailand during May 14-16, 2012 (3 days)</li> <li>8. RSPO P&amp;C auditor for main audit of United Palm Oil Industry Public Company Limited (UPOIC), Krabi, Thailand during June 26-29, 2012. (5 days)</li> <li>9. RSPO P&amp;C lead auditor for main audit of Univanich, Krabi Thailand during October 8-12, 2012</li> <li>10. RSPO supply chain lead auditor for state 1 audit of T S Oil Industry Co.,Ltd, Bangkok, Thailand on October 22, 2012 (1 day)</li> <li>11. RSPO supply chain lead auditor for main audit of T S Oil Industry Co.,Ltd, Bangkok, Thailand during November 9-10, 2012 (2 days)</li> <li>12. RSPO supply chain lead auditor for main audit of Thai Oleochemical, Rayong, Thailand during February 14-15, 2013</li> <li>13. RSPO supply chain lead auditor for main audit of UPOIC, Krabi, Thailand during March 14-15, 2013</li> <li>14. RSPO supply chain lead auditor for surveillance audit Lamsoon PCL, Samutprakarn, Thailand during May 2-3, 2013</li> <li>15. RSPO supply chain lead auditor for main audit at Oleen Co.,Ltd, Thailand on June 17, 2013</li> <li>16. RSPO supply chain lead auditor for main audit at Mars Petcare, Thailand on June 25, 2013</li> <li>17. RSPO supply chain lead auditor for main audit at Bangchak PCL, Thailand on September 26, 2013</li> </ol> |  |
|--|--|--|

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|--|--|--|
|  | 18. RSPO supply chain lead auditor for main audit at Dalian Talent, Thailand during December 24-25, 2013 |  |
|--|--|--|

### 3.2.2 Assessment team members

| Requirement   | Assessor                     | Qualification   | Compliance |
|---|------------------------------|---|------------|
| Field working experience in the palm oil sector, or demonstrable equivalent.  | Mr. Chaiyaporn Seekao (CS)   | <ul style="list-style-type: none"> <li>• Since 2010 experience as RSPO auditor performing 10 RSPO P&amp;C audits</li> <li>• Year 2005-2006: worked at Food and Agriculture Organization of the United Nations (FAO) with responsible for Closely coordinate with governmental sector, international organization, national organization, embassy, university and NGOs where has involved in providing tsunami relief to establish the tsunami assistance database, Involve to study and establish the short and long term plans to assist the tsunami victims in Thailand especially recovery their household, occupation and livelihood and Conduct the public hearing/consultations for obtaining the comments and any feedback from all stakeholders.</li> </ul> | Yes        |
|   | Ms Saowalak Thongsong (ST)   | Having experiences in CDM projects associated to oil palm mill in the last 3 years  |            |
| Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use.  | Mr. Chaiyaporn Seekao (CS)   | More than 3 years auditing experience against GLOBALG.A.P which is the standard concerning to good agriculture practices. More than 5 years experience with Department of Fisheries in involving to establish the Good Agriculture Standard released by Department of Fisheries of Thailand   | Yes        |
| Health and safety auditing on the farm and in processing facilities, for example OHSAS 18001 or Occupational, Health & Safety Assurance System. | Mr. Chaiyaporn Seekao (CS)   | More than 3 years auditing experience against GLOBALG.A.P which is the standard concerning to the health and safety on the farm and processing level  | Yes        |
|   | Mr. Pongrat Khamnungkit (PK) | Work for TUV NORD (Thailand) for almost a decade and had responsible to audit against ISO9001, ISO14001, TIS18001 and Thai Labor Standard (TLS) 8001 which includes OHSAS.  |            |
|   | Ms Saowalak Thongsong (ST)   | Work for TUV NORD (Thailand) for almost a decade and had responsible to audit against, ISO14001, TIS18001 and Thai Labor  |            |

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|  |                              |   |     |
|--|------------------------------|---|-----|
|  |                              | Standard (TLS) 8001 which includes OHSAS.   |     |
| Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes.             | Mr. Chaiyaporn Seekao (CS)   | More than 10 environmental and social impact assessment (ESIA) for huge project in Thailand and overseas  | Yes |
|  | Mr. Pongrat Khamnungkit (PK) | Work for TUV NORD (Thailand) for almost a decade and had responsible to audit against ISO9001, ISO14001, TIS18001 and Thai Labor Standard (TLS) 8001 which includes OHSAS.  |     |
|  | Ms Saowalak Thongsong (ST)   | Work for TUV NORD (Thailand) for almost a decade and had responsible to audit against TIS18001 and Thai Labor Standard (TLS) 8001 which includes OHSAS.   |     |
| Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS). | Mr. Chaiyaporn Seekao (CS)   | <ul style="list-style-type: none"> <li>• Year 2008-2009: worked at Team Consulting Engineering and Management Co., Ltd., consultancy company, and had responsible for Conduct the Environmental Impact Assessment (EIA) study which includes HCV, biodiversity social and health impact assessment CS also performed an audit and monitor at project sites during the construction and commissioning period, to ensure that all construction and commission process/activities meet with EIA mitigation measures.</li> <li>• Year 2006-2008: worked Virbac (Thailand) Co.,Ltd with responsible as GMP and HACCP coordinator (QMR) to coordinate with Department of Fisheries for GMP and HACCP certification,</li> <li>• Year 2005-2006: worked at Food and Agriculture Organization of the United Nations (FAO) with responsible to coordinate with governmental sector, international organization, national organization, embassy, university and NGOs</li> <li>• Year 2002-2005: worked at Department of Fisheries, Ministry of Agriculture and Cooperatives</li> </ul> | Yes |
|  | Mr. Pongrat Khamnungkit (PK) | Work for TUV NORD (Thailand) for almost a decade and had responsible to audit against ISO9001, ISO14001, TIS18001 and Thai Labor Standard (TLS) 8001 which includes OHSAS.  |     |

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|  |                              |  |     |
|--|------------------------------|--|-----|
|  | Ms Saowalak Thongsong (ST)   | Work for TUV NORD (Thailand) for almost a decade and had responsible to audit against 1, ISO14001, TIS18001 and Thai Labor Standard (TLS) 8001 which includes OHSAS. |     |
| Fluency in the main languages relevant to the location where the specific assessment is taking place, including the languages of any potentially affected parties such as local communities. | Mr. Chaipayorn Seekao (CS)   | Thai language is our mother language.  | Yes |
|  | Mr. Pongrat Khamnungkit (PK) | Thai language is our mother language.  |     |
|  | Ms Saowalak Thongsong (ST)   | Thai language is our mother language.  |     |

### 3.3 Assessment methodology

#### 3.3.1 General overview

The assessment was carried out following the TÜV NORD Integra RSPO P&C Certification Procedure. During the assessment the assessors use the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

The second surveillance assessment for the mills and their supply base of Univanich was done during 29-31 January 2015. This period of surveillance assessment covered all mills and their supply bases owned by Univanich. Lamthap mill and its supply base is one of production units owned by Univanich. Onsite inspection was carried out at Khlongtom division. However, documents related to Khlongtom division and Cha uat division were also reviewed at Lamthap mill, as those relevant documents are kept there. The second surveillance assessment comprised three phases:

- Monitoring of all non-conformities from previous assessments to confirm whether or not there was continued compliance, even if the non-conformities had been closed out.
- Background investigations (published disputes if any, public comments on preliminary announcement, laws and regulations concerns related to land, environmental and social aspects), map of land right and prohibited areas from relevant governments, and followed by interviews with RSPO management, employees and other stakeholders (associated people, NGOs, land regulators, social watchers, labour union).
- Verification of compliance with each principle and some example criteria as well as seeking the evidence of continued implementation of all plans that have drawn up since the previous assessment.

The summary public report of surveillance assessment includes Corrective Action Requests, Corrective Action Taken Plan, Verification of Corrective Action Taken, and Progress on implementation of Corrective Action which will be checked during the second Surveillance Audit Assessment Agenda.

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### 3.3.2 Assessment agenda

The audit schedule is as below.

**Table 3-1 Audit Schedule**

| Date/ Time <sup>1)</sup><br>Site                           | Focus/<br>Standard<br>Requirement/<br>Chapter                                | Subject   | Auditor<br>(Initials)   | Contact <sup>2)</sup>  |
|--|--|---|---|--|
| 29.1.2015  | Lamthap mill<br>and estate   |   | (2 MD)  |  |
| 09.00-09.30  | Opening<br>meeting at mill   | Introduction<br>Find tune the understanding on the audit plan and<br>briefings the RSPO audit process   | Team  | All  |
| 09.30-12.00 (CS will<br>move to access estate<br>on 10.30) | Principle 1-4<br>(principle 3<br>cover both mill<br>and selected<br>estates) | <ul style="list-style-type: none"> <li>● P 1.1, 1.2 (Commitment to transparency)</li> <li>● P 2.1, 2.2, 2.3 (Compliance with applicable laws and regulations)</li> <li>● P 3 (Commitment to long-term economic and financial viability)</li> <li>● P 4.1 (operating procedure for mill), 4.4 (water use and mill effluent)</li> <li>4.7 (occupational health and safety) , 4.8 (worker contractors),</li> </ul>   | CS<br>responsible<br>for P.3 and<br>4 + ST<br>responsible<br>for P.1 and<br>2 (separate<br>audit +<br>separate<br>interview +<br>separate<br>contact<br>person) | Mgr and staff<br>(separate<br>contact<br>persons as<br>the audit<br>team was<br>split) |
| 10.30-12.00 at<br>Khlongtom Division of<br>Lamthap estate  | All<br>requirements  | <ul style="list-style-type: none"> <li>● General issues for RSPO certification assessment</li> <li>● Justification for RSPO principles and criteria</li> <li>● P 1.1, 1.2 (Commitment to transparency)</li> <li>● P 2.1, 2.2, 2.3 (Compliance with applicable laws )</li> <li>● P 3 (Commitment to long-term economic viability)</li> <li>● P 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8 (Use of appropriate best practices)</li> <li>● P 5.1 (Environmental impact assessment), 5.2 (HCV assessment), 5.3 (waste management), 5.4 (efficiency of fossil fuel use), 5.5 (use of fire for preparing land), 5.6 (plan to reduce pollution, emission, GHG)</li> <li>● P 6.1 (SIA), P 6.2 (procedure on the consultation and communication with local communities), 6.3 (Dispute resolution), 6.4 (Compensation for loss of legal or customary right), 6.5 (Pay and conditions for employee), 6.6 (Freedom of association for trade union), 6.7 (child labor), 6.8 (discrimination), 6.9 (sexual harassment), 6.10 10 (FFB mill gate price), 6.11 (contribution to local development), P6.12 (forced or trafficked labor), (respect human rights)</li> <li>P7 (NPP)</li> <li>P 8 (continual improvement)</li> </ul> | CS  | Mgr and staff  |

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|   |  |   |   |  |
|---|--|---|---|--|
| 13.00-17.00 at Lamthap mill                         | Principle 5-8 (principle 8 cover both mill and selected estates) | <ul style="list-style-type: none"> <li>• P.5.1 (Environmental impact assessment), P. 5.2 (HCV and threatened or endangered species), P 5.3 (Waste management), 5.4 (Efficiency of energy use), 5.6 (Pollution reduction plan)</li> <li>• P.6.1 and 6.2 (SIA), P.6.3 (complaints and grievances), P.6.4 (compensation for loss of customary right), P.6.5 (wage payment), P6.6 (freedom of association), P6.7 (child labor), P.6.8 (discrimination), P6.9 (sexual harassment), P.6.10 (FFB mill gate price)</li> <li>• P 7 (new area)</li> <li>• P.8 (commitment for continuous improvement)</li> </ul>  | ST  | Mgr and staff  |
| 13.00-17.00 at Khlongtom Division of Lamthap estate | All requirements   | Con't from the morning  | CS  | Mgr and staff  |
| 17:00   |  | End of day 1  |   |  |
| <b>30.1.2015</b>                                    | <b>Topi mill and its supply base</b>                             |   | (3 MD)  |  |
| 09.30-12.00 at TOPI mill                            | Principle 1-4 (principle 3 cover both mill and selected estates) | <ul style="list-style-type: none"> <li>• P 1.1, 1.2 (Commitment to transparency)</li> <li>• P 2.1, 2.2, 2.3 (Compliance with applicable laws and regulations)</li> <li>• P 3 (Commitment to long-term economic and financial viability)</li> <li>• P 4.1 (operating procedure for mill), 4.4 (water use and mill effluent) 4.7 (occupational health and safety) , 4.8 (worker contractors),</li> </ul>  | PK  | Mgr and staff  |
| 09.00-12.00 at TOPI estate                          | All requirements   | <ul style="list-style-type: none"> <li>• General issues for RSPO certification assessment</li> <li>• Justification for RSPO principles and criteria</li> <li>• P 1.1, 1.2 (Commitment to transparency)</li> <li>• P 2.1, 2.2, 2.3 (Compliance with applicable laws )</li> <li>• P 3 (Commitment to long-term economic viability)</li> <li>• P 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8 (Use of appropriate best practices)</li> <li>• P 5.1 (Environmental impact assessment), 5.2 (HCV assessment), 5.3 (waste management), 5.4 (efficiency of fossil fuel use), 5.5 (use of fire for preparing land), 5.6 (plan to reduce pollution, emission, GHG)</li> <li>• P 6.1 (SIA), P 6.2 (procedure on the consultation and communication with local communities), 6.3 (Dispute resolution), 6.4 (Compensation for loss of legal or customary right), 6.5 (Pay and conditions for employee), 6.6 (Freedom of association for trade union), 6.7 (child labor), 6.8 (discrimination), 6.9 (sexual harassment), 6.10 10 (FFB mill gate price), 6.11 (contribution to local development), P6.12 (forced or trafficked labor), (respect human rights)P7 (NPP)P 8 (continual improvement)</li> </ul> | CS responsible for P.3, 4 and 5 + ST responsible for P.1, 2 and 6 (separate audit + separate interview) | Mgr and staff (separate contact person while split the team) |

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|                                    |  |  |   |  |
|------------------------------------|--|--|---|--|
| 13.00-17.00 at TOPI mill           | Principle 5-8 (principle 8 cover both mill and selected estates) | <ul style="list-style-type: none"> <li>• P 5.1 (Environmental impact assessment), 5.2 (HCV assessment), 5.3 (waste management), 5.4 (efficiency of fossil fuel use), 5.5 (use of fire for preparing land), 5.6 (plan to reduce pollution, emission, GHG)</li> <li>• P.6.1 and 6.2 (SIA), P.6.3 (complaints and grievances), 6.5 (Pay and conditions for employee), 6.6 (Freedom of association for trade union), 6.7 (child labor), 6.8 (discrimination), 6.9 (sexual harassment), 6.10 10 (FFB mill gate price), 6.11 (contribution to local development), P6.12 (forced or trafficked labor), (respect human rights)</li> <li>• P.8 (commitment for continuous improvement)</li> </ul>   | PK  | Mgr and staff  |
| 13.00-17.00 at Chean Vanich estate | All requirements   | <ul style="list-style-type: none"> <li>• General issues for RSPO certification assessment</li> <li>• Justification for RSPO principles and criteria</li> <li>• P 1.1, 1.2 (Commitment to transparency)</li> <li>• P 2.1, 2.2, 2.3 (Compliance with applicable laws )</li> <li>• P 3 (Commitment to long-term economic viability)</li> <li>• P 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8 (Use of appropriate best practices)</li> <li>• P 5.1 (Environmental impact assessment), 5.2 (HCV assessment), 5.3 (waste management), 5.4 (efficiency of fossil fuel use), 5.5 (use of fire for preparing land), 5.6 (plan to reduce pollution, emission, GHG)</li> <li>• P 6.1 (SIA), P 6.2 (procedure on the consultation and communication with local communities), 6.3 (Dispute resolution), 6.4 (Compensation for loss of legal or customary right), 6.5 (Pay and conditions for employee), 6.6 (Freedom of association for trade union), 6.7 (child labor), 6.8 (discrimination), 6.9 (sexual harassment), 6.10 10 (FFB mill gate price), 6.11 (contribution to local development), P6.12 (forced or trafficked labor), (respect human rights) P7 (NPP)</li> <li>P 8 (continual improvement)</li> </ul> | CS responsible for P. 1, 3, 4 and 5 + ST responsible for 2, 6 and 8 (separate audit + separate interview) | Mgr and staff (separate contact person while split the team) |
| 17:00                              |  | End of day 2   |   |  |
| <b>31.1.2015</b>                   | <b>Siam mill and its supply base</b>                             |  | (1,5 MD)  |  |
| 09.00-10.30 at Siam Mill           | Principle 5.1-5.6 and Principle 6.1-6.11                         | Public consultation meeting at TOPI Mill • EIA, HCV, Burning Issues, Waste Mgt, Agrochem. • SIA, Communication, Complaint, Customary • Wages, Trade Union, Anti Child Labour/ Discrimination/Sexual Harassment, Payment to Outgrower, CSR  | CS + PK   | Stakeholders   |

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|                          |  |  |   |  |
|--------------------------|--|--|---|--|
| 10.30-12.00 at Siam Mill | Principle 1-4 (principle 3 cover both mill and selected estates)                           | <ul style="list-style-type: none"> <li>• P 1.1, 1.2 (Commitment to transparency)</li> <li>• P 2.1, 2.2, 2.3 (Compliance with applicable laws and regulations)</li> <li>• P 3 (Commitment to long-term economic and financial viability)</li> <li>• P 4.1 (operating procedure for mill), 4.4 (water use and mill effluent) 4.7 (occupational health and safety) , 4.8 (worker contractors),</li> </ul>   | CS responsible for P.4 + PK responsible for 1, 2, and 3 (separate audit + separate interview) | Mgr and staff  |
| 13.00-15.30              | Principle 5-8 (principle 8 cover both mill and selected estates)                           | <ul style="list-style-type: none"> <li>• P 5.1 (Environmental impact assessment), 5.2 (HCV assessment), 5.3 (waste management), 5.4 (efficiency of fossil fuel use), 5.5 (use of fire for preparing land), 5.6 (plan to reduce pollution, emission, GHG)</li> <li>• P.6.1 and 6.2 (SIA), P.6.3 (complaints and grievances), 6.5 (Pay and conditions for employee), 6.6 (Freedom of association for trade union), 6.7 (child labor), 6.8 (discrimination), 6.9 (sexual harassment), 6.10 10 (FFB mill gate price), 6.11 (contribution to local development), P6.12 (forced or trafficked labor), (respect human rights)</li> <li>• P.8 (commitment for continuous improvement)</li> </ul> | PK responsible for P.5 and 8 + ST responsible for P.6 (separate audit + separate interview)   | Mgr and staff (separate contact person while split the team) |
| 16.30-17.00              |  | Closing meeting  | All   | All  |
| Audit duration           | 3 days spent for the assessment on site<br>6.5 person days used for the assessment on site |  |   |  |

### 3.4 Outline of how stakeholder consultation was managed

#### 3.4.1 Summary

Mills and estates owned by Univanich have held regular meeting with stakeholders voluntarily without being bound by RSPO requirement after the certification audit. Those stakeholders who are listed by Univanich for each mill and their supply bases will be invited to participate the public consultation meeting once a year at TOPI mill. Univanich supported the smallholders who live near the Lamthap mill to attend the public consultation at TOPI mill as there is a distance of about 100 km between the mills. Based on the minutes of previous public consultation meeting on 18 March 2014, there was no concern raised by stakeholders.

After the first surveillance audit last year, it was also observed from the application completed by Univanich that there were no changes which affect the community and environment. However, stakeholder consultation meeting was organized during the second surveillance assessment at the club of Siam mill. The stakeholders, including local community leader and representatives of governmental agencies concerned, were then invited to discuss



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critical issues related to community concerns as well as brainstorming for community development together. Some of the items agenda for the public consultation meeting were as follows:

- The impact caused by Lamthap mill and Lamthap estate on the Environment and Conservation.
- The impact caused by Lamthap mill and Lamthap estate on social and community development.
- How to promote sustainable palm oil
- Determine issues of community that will affect either by direct or indirect impacts from the mill and estates, as well as determine how to improve the solutions.

Agenda above covered on relevant issues on community and environment, mechanism to raise the complaint and grievances, maintain environmental conditions, corporate social responsibility including how to provide financial support, scholarships, welfare, sanitation and improve the quality of life of stakeholders who live around the estates. The discussion with stakeholders was well organized and freedom was given to the stakeholders to reveal their perspectives, either negative or positive. The minutes were recorded in a proper manner for confirmation by Univanich after which the results were incorporated in the assessment finding.

### 3.4.2 List of contacted stakeholders

Public consultation meeting was held at club of the Siam mill, and below is the list of stakeholders who were attending the meeting (see Table 3-2 )

**Table 3-2 List of stakeholder at Lamthap mill and its supply base**

| No  | Statutory Bodies                                       | Name in Contact List       |
|-----|--|----------------------------|
| 1.  | M.8 Village Chief, Thungsaithong, Lamthap              | Mr. Theerapong Noochaikaew |
| 2.  | Smallholder, Thungsalhthong                            | Mr. Suthep Maneemai        |
| 3.  | M.1 Village Chief, Ban Sai Nai, Thungsaithong, Lamthap | Mr. Suphit Panchoo         |
| 4.  | SAO Member, Thungsaithong, lamthap                     | Mr. Kerm Khongsiri         |
| 5.  | Mill's Contractor                                      | Mr. Wirat Long Hon         |
| 6.  | Villager   | Mr. Nukul Srichoo          |
| 7.  | Villager   | Mr. Thanit Rodyoo          |
| 8.  | Villager   | Miss Pennapha Nakkri       |
| 9.  | Smallholder  | Mrs. Salee Tawisuwan       |
| 10. | Smallholder  | Mr. Prathop Chumpol        |

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|     |             |                          |
|-----|-------------|--------------------------|
| 11. | Villager    | Mr. Pratheep Kaoluan     |
| 12. | Villager    | Mr. Daecho Pechruenthong |
| 13. | Employee    | Mr. Kittisak Saisara     |
| 14. | Employee    | Mr. Nid Boonnakkaew      |
| 15. | Employee    | Mr. Saroj Pueksawas      |
| 16. | Employee    | Mr. Samart Sriroj        |
| 17. | Villager    | Mr. Wimonthorn Kaoluan   |
| 18. | Villager    | Mr. Sakchai Srichai      |
| 19. | Smallholder | Mr. Wichain Kaewjuer     |
| 20. | Smallholder | Mr. Saibop Panchoo       |

## 4 Assessment findings

### 4.1 Summary of findings by RSPO Principle and sample of the Criteria

The assessment team conducted a thorough assessment of each principle and some example criteria. Over the 5 year period of the life of the certificate, there will be 4 annual surveillance audits in which different criteria will be assessed. Evidences were sought for conformity with the RSPO Generic Version 2013 and their implementation. The summary of the assessment can be seen below, where “Findings/Comments” column reflects the findings in accordance with each criteria and indicator or evidences that were, and when non conformity was found, a summary of the non-conformity can be found in 4.2.2.

| FINDINGS/COMMENTS   | COMPLIANCE |
|---|------------|
| <b>Principle 1: Commitment to transparency</b>  |            |
| <b>Criterion 1.1 (C.1.1)</b><br><b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>   |            |
| Transparency procedure P-AM-01, which contains information on environmental, social and legal issues, has been established by the central office of Univanich since the initial assessment. Until now, there was no significant change on this procedure. Lamthap mill has announced transparency procedure to the stakeholders since the first public consultation meeting done on March 20th, 2012 before the date of certification assessment in order to inform the right of stakeholders to ask the relevant information showing the transparency of company’s operations. Stakeholders were informed the right to request information on environmental, social and legal issues by top management of Univanich during the latest public consultation meeting held at the club of Siam mill on 31 January 2015. Lamthap mill and estate maintain a system of request for information and responses. Not only stakeholder but also workers at mill and estates have the right to request any recorded information. Result of review of correspondence found that there were no requests for information from the stakeholders proposed to Lamthap mill and Lamthap estate since the initial assessment (Indicator 1.1.1 and 1.1.2). | <b>Yes</b> |
| <b>Criterion 1.2 (C.1.2)</b><br><b>Management documents are publicly available, except where these are prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes</b>   |            |
| As Lamthap mill and Lamthap estate used the same facility located in the mill for administration activities, it was showed that copies of management documents were available and ready for transparency purpose on request. Details of documents that are prepared for publicly disclosure are listed below (Indicator 1.2.1):<br>- The mill and estate decided to make a list of land deed/license and prepare a map  | <b>Yes</b> |

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|   |                   |
|---|-------------------|
| <p>showing the boundary of legal land ownership for transparency purpose rather than make a copy of the land deed available. However, land deed can be shown within in few minutes after submitting the request</p> <ul style="list-style-type: none"> <li>- The mill and estate have a health and safety plan that consists of policy signed by top management, annual training plan, quarterly meeting to identify and address health and safety issues. At the time of audit, risk assessment and health and safety plan are in process of reassessment by the independent third party, who was hired by the company.</li> <li>- The mill and estate have prepared the environmental impact assessment report which identified significant impact using ISO14001 approach. Mitigation plans to reduce the significant impact are also addressed. Social impact assessment done by consultation with stakeholders and action plans are prepared and addressed relevant issues raised by stakeholders. These documents were made up by the head quarter of Univanich which is located in Siam mill and apply for all mills and estates. For instance, latest environmental management program FV301 revision 00 is also prepared to be publicly available at Lamthap mill office</li> <li>- Copies of HCV assessment report carried out by Forest Industry Organization of Thailand was available at all site visited</li> <li>- Pollution prevention plans have been developed by using report of environmental monitoring done by Environmental Research and Technology Co.,Ltd, as the baseline information.</li> <li>- The mill and estate maintain a system of receiving complaints. Records of written complaints and issues raised by stakeholders will also be maintained even though there are no complaints given by stakeholders.</li> <li>- Procedure and processes of negotiation associated with land acquisition were available. The final process of negotiation associated with land acquisition will be judged at the court as final solution.</li> <li>- Human right policy and summary of previous public consultation meeting were available on the company's board</li> <li>- Central office of Univanich at Siam mill and management representative has prepared a consolidated improvement plan for both mill and estates. Continuous improvement plan developed by the central office of Univanich was distributed to all mills and their supply base for further implementation</li> </ul> |                   |
| <p><b>Criterion 1.3 (C.1.3)</b><br/> <b>Growers and millers commit to ethical conduct in all business operations and transactions.</b></p>  |                   |
| <p>Top management of Univanich modified policy of the company according to the requirement of RSPO P&amp;C generic version 2013 standard. Policy committing to a code of ethical conduct and integrity in all operations and transactions is one of the policies. This policy is available at the company board at Lamthap mill and Khlongtom division for communication to all levels of the workforce and operation. Supervisor are also assigned by the mill and estate manager to communicate with their staffs on relevant policies. Investigation on the presence of forms of corruption and fraudulent use of funds and resources to gain benefit and money for the company was checked with stakeholder during the public consultation meeting. Result confirmed that there is no any form of corruption and fraudulent use of funds (Indicator 1.3.1)</p>  | <p><b>Yes</b></p> |
| <p><b>Principle 2: Compliance with applicable laws and regulations</b></p>  |                   |
| <p><b>Criterion 2.1 (C.2.1)</b></p>   |                   |

| <b>There is compliance with all applicable local, national and ratified international laws and regulations</b>   |                             |
|--|-----------------------------|
| <p>Lamthap mill and estates maintains a copy of all licenses on file. Latest list of relevant laws and regulations which needs to be respected by mills and estates was developed in the form FV R01 revision 1 dated 25 July 2013. This list remains unchanged because there is no change on laws and regulations related to mill and estate operation. However, list of relevant law and regulations have recently been reviewed on the beginning of year 2015. Sample of documents and records of Lamthap mill and estates were examined for assessment of legal compliance. Inspection of some significant licenses and reports showed that almost all implementation was done in compliance with laws and regulations as details given below (indicator 2.1.1).</p> <ul style="list-style-type: none"> <li>- Univanich holds land deeds and contracts for all land used for oil palm cultivation. Land deeds and contract were done according to the Land Development Act B.E. 2551 (2008), Land Renting for Agriculture Act B.E. 2524 (1981), Agricultural Land Reform Act (No. 2) B.E. 2532 (1989) and Ministry of Environmental and Natural Resources.</li> <li>- Estates used only chemicals that have been registered with Department of Agriculture. For instance, paraquat with registration number of 694/2547 (2004) and glyphosate with registration number of 1528/2550 (2007) have been reviewed during the assessment.</li> <li>- Waste disposal done by authorized company namely Mahachai Aeksirioil who hold the license number 3-106-5/46 issued by Department of Industry Work</li> <li>- Boiler inspector license issued by Department of Industry Work was inspected.</li> <li>- Results of environmental monitoring on the last quarter of year 2014 at Lamthap mill which was done by Environmental Research and Technology Co.,Ltd, who holds the license number Wor.-099 for environmental monitoring and analysis. Results revealed that neither Total Suspended Particulate (TSP), sulphur dioxide, nitrogen dioxide nor carbon monoxide level exceeded the notification of the Ministry of Industry B.E. 2549 (1996) setting for emission released from the factory. This report was also submitted to Krabi Provincial Industry Office for consideration as required by Act no. 30 of an Industry laws B.E. 2535 (1992).</li> <li>- Lamthap mill treats effluent in anaerobic ponds until relevant parameter meet with the national standard and applies of the treated effluent for oil palm cultivation. The treated effluent is tested monthly at an independent laboratory even though there is no discharge of treated effluent in the environment. It was done in accordance with the Notifications of Ministry of Industry No 2 B.E. 2539 (1996). Moreover, biogas power plant using POME from the mill was constructed to utilize waste from mill's operation</li> <li>- Inspection of payment records at Lamthap mill and estates since the beginning of year 2015 until the date of audit, showed that workers were paid in accordance with the notification of Ministry of Labour indicated the minimum legal wage for Krabi province is 300 Baht/day. The records of payment for sub-contracted worker were also reviewed and it was found that sub-contracted workers were paid in accordance with the respective award rates.</li> </ul> <p>However, it was found that even though daily workers/wagers, who have not been recruited through a general normal procedure of the company, preferred to work without requesting for public holiday and annual leave, public holiday off and annual leave are still required for those daily workers/wagers. During the assessment and interview with daily workers confirmed that they had to work on public holidays and have never used annual</p> | <p><b>No (NC 1of 5)</b></p> |

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| <p>leave, in order to gain the wage for their family. Based on this consequence, major non-conformity was raised against Indicator 2.1.1.</p> <p>In order to ensure that all operations are still in compliance with laws and regulations, the central office of Univanich has established procedure for the provision of the laws and regulations revision 00 dated 1.4.2012 and work instruction SD/SMR-006 dated 17.02.2012 for reviewing any updating relevant laws and regulations every 3 months. On the other hand, if there is any update on law and regulation, updates on the changes will be done via website: <a href="http://www.npc-se-co.th">www.npc-se-co.th</a> and will be sent to the responsible person's email automatically (Indicator 2.1.2).</p> <p>A Mechanism for ensuring compliance was established through the internal audit by local staffs and hired subcontractor from consultancy company. This mechanism was used to monitor the compliance with the relevant laws and regulation as well as requirements of the standard (Indicator 2.1.3).</p> <p>Latest list of laws and regulations, revealed that there have been no significant changes in relevant laws and regulations affecting the mill and estate operations since the certification assessment in 2012. If there is any update on law and regulation, its updates on the changes will be done via website: <a href="http://www.npc-se.co.th/index/index.asp">http://www.npc-se.co.th/index/index.asp</a> and will be sent to the responsible person's email automatically (Indicator 2.1.4).</p> |                   |
| <p><b>Criterion 2.2 (C.2.2)</b><br/> <b>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</b></p>  |                   |
| <p>Univanich has the full right to use the lands for oil palm cultivation because all square meter of land for Lamthap mill and Lamthap estate, including two divisions, have been alienated with the licenses or land permits e.g. Nor Sor 3, Nor Sor 2, Nor Sor 4, Nor Sor 3 Kor and Nor Sor 4 Jor from the governmental authorities concerned. All licenses have no expiry date. There is no land area change since the initial assessment in 2012 (Indicator 2.2.1).</p> <p>The boundaries of Khlongtom division was inspected at several places and at every instance found to be demarcated by pillars. Land maps indicated the boundary of Lamthap estate and Khlongtom division and Cha uat division were prepared properly. All property boundaries were coincident with surveyed map (Indicator 2.2.2).</p> <p>Even though all areas of land can be showed by deed, license and land permits, Lamthap mill and Lamthap estate have established the mechanism on how to resolve the disputes/conflict (if any) which is already presented to the first public consultation meeting held in 2012. Latest public consultation meeting held at the club of Siam mill was used to repeat the mechanism in resolving any disputes and conflicts. Result of public consultation meeting confirmed that there are no disputes or conflicts on the land use right (Indicator 2.2.3, 2.2.4, 2.2.5 and 2.2.6).</p>   | <p><b>Yes</b></p> |
| <p><b>Criterion 2.3 (C.2.3)</b><br/> <b>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</b></p>   |                   |
| <p>Univanich have the full right to use the lands for oil palm cultivation. Maps showing the extent of recognized legal are indicated in the land deed and land licenses. Maps were also integrated and indicated in the procedure of the company (Indicator 2.3.1).</p>  | <p><b>Yes</b></p> |

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| <p>Investigation on conflict on land rights with other users was done through in-depth interview with stakeholders during the public consultation meeting at club of Siam mill. Result of meeting confirmed that there is no conflict on the land use for all areas of Univanich. Inspection of the complaint records to verify whether there are any complaints that diminish the customary rights of stakeholders showed there was no complaint on customary right raised by stakeholders. Therefore, it was confirmed that there is no customer rights of other users because all square meters of land owned by Univanich are bound with the land deeds (Indicator 2.3.2, 2.3.3 and 2.3.4).</p>   |                   |
| <p><b>Principle 3: Commitment to long-term economic and financial viability</b></p>   |                   |
| <p><b>Criterion 3.1 (C.3.1)</b><br/> <b>There is an implemented management plan that aims to achieve long-term economic and financial viability</b></p>   |                   |
| <p>Central office of Univanich is responsible for making a decision and approval of business plan for 2015-2017. Univanich is committed to business, economic and financial sustainability of the palm oil business. The annual budget plan for Lamthap mill includes production forecast of amount of CPO based on amount of FFB from different sources, OER trends in next 3 years and its operation costs i.e. use of electricity from both purchasing from EGAT and their owned biogas as well as amount of budget for purchase of FFB from independent small growers, and production cost. Regarding production costs or cost per tonnage of CPO trends, there are many activities with regard to the production of CPO and PK that can be counted in term of financial e.g. bunch reception, sterilizing, stripping, oil extraction, clarification, oil storage &amp; transfer, nut &amp; kernel plant, boiler house, power plant, upkeep mill building, supervision and other. The management plan of Lamthap estate includes forecast of FFB production per ha, budget for harvesting and collection of FFB, budget for transportation of FFB from estate to mill, budget for plantation maintenance (i.e. fertilizer application, weeding, pest and disease control, EFB application, and POME application), and expected volume of amount of rainfall, the estate performance to produce FFB/ha according to the plan is also evaluated monthly and yearly. Parameters used for preparation of annual budgetary plan of mill and estate have remained the same with previous budgetary plan during 2011-2014 (Indicator 3.1.1).</p> <p>Replanting program for 2016-2017 will be applicable for Khlongtom division of Lamthap estate. Long term plan program is subject to annual review basis by Dr Palat Tittinutchanon at the end of every year. Budgetary plan for replanting program is allocated and decided by Dr Palat as well. However, this plan can be changed if quantity of FFB supplied by smallholders is less than expected (Indicator 3.1.2).</p> | <p><b>Yes</b></p> |
| <p><b>Principle 4: Use of appropriate best practices by growers and millers</b></p>   |                   |
| <p><b>Criterion 4.1 (C.4.1)</b><br/> <b>Operating procedures are appropriately documented, consistently implemented and monitored</b></p>   |                   |
| <p>Relevant procedures and work instructions were established by collaboration between Lamthap mill, TOPI mill and Siam mill. Estate managers have also worked together to establish procedures for palm oil operation. These written documents are based on document hierarchy structure in compliance with ISO9001:2008. List of procedures is remaining the same, but some revisions are observed during the second surveillance audit. Here below are some procedures and work instructions used in the mill and estates (Indicator 4.1.1 and 4.1.2).</p>   | <p><b>Yes</b></p> |



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| <ul style="list-style-type: none"> <li>• Agrochemical storage operation “Document no. 4.9”</li> <li>• Maintenance of engines and vehicles for agriculture “Document no. 4.7”</li> <li>• Fertilizer application and soil improvement “Document no. 4.3”</li> <li>• Harvesting and transporting of FFB from estate to mill “Document no. 4.1”</li> <li>• Integrated Pest Management program “Document no. 4.6”</li> <li>• Irrigation in the plantation “Document no. 4.11”</li> <li>• Palm oil nursery management “Document no. 4.2”</li> <li>• Pruning technique and implementation “Document no. 4.4”</li> <li>• Replanting program and methods “Document no. 4.12”</li> <li>• Road maintenance “Document no. 4.8”</li> <li>• Training “Document no. 4.10”</li> <li>• Weed protection and elimination “Document 4.5”</li> <li>• Safe working practices for both Lamthap mill and estates</li> <li>• Application of pesticide. Riparian zone management is also addressed in this procedure with explanation that buffer zone of at least 15 meters on both sides of the canals in the estates has been delineated to ensure that they are free of agrochemical usage.</li> </ul> <p>In addition, it was found that procedures are in place to ensure that duties and services are performed in a consistent manner. Moreover, Univanich applied internal audit to check consistent of implementation of procedure with written SOPs. Latest internal audit for all sites was carried out by well-trained internal auditors during 21-23 November 2014. It was used to check the compliance with RSPO P&amp;C generic version and written procedures (Indicator 4.1.2). Records of the monitoring by internal audit and action taken to solve non-conformity with the requirement of the standard are available (Indicator 4.1.3).</p> <p>Based on the results of verification on the records for selected activities in estate e.g. harvesting, application of agrochemical, fertilizer application, road maintenance and irrigation in the plantation as for example, it was found that the implementations were done in compliance with the documented procedures and work instructions. For the mill, some records of selected activities e.g. FFB receiving from the supply base and smallholder, oil extraction, nut and kernel production were observed. Weighing bill issued by the weighing department of Lamthap mill could show origin of FFB source between their own estates and smallholders. Based on the records, it was also found that the implementation in the mill was done in compliance with written procedures. Regarding to boiler operation, for example, the mill operators recorded operating parameters hourly of boiler onto shift log sheets which are then reviewed by the registered supervisor. In additional, records of operation activities based on the relevant procedures and work instructions are kept properly and could be shown when requested (Indicator 4.1.4)</p> |   |
| <p><b>Criterion 4.2 (C.4.2)</b><br/> <b>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield</b></p>  |   |
| <p>Lamthap estate, Khlongtom division and Cha uat division apply different fertilizers depending on the purpose of the use and results of foliar nutrient analysis. At the time of surveillance assessment, there were 5 formulas of fertilizer composition of 18-46-0, 0-0-60, 0-0-27, 0-46-0 and 16-16-8. The estate recorded fertilizer application for each block of the estate. Fertilizer application is done almost every week but cover 2 times a year/block based on the result of foliar analysis. Latest record on 24 December 2015 in the log sheet showed that Khlongtom division applied fertilizer formula 0-46-0 at 3 tonnes for bock F4. The implementation of fertilizer application could be divided into 2 methods: spraying by</p>  | <p style="text-align: center;"><b>Yes</b></p> |



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| <p>worker directly or use the fertilizer spraying machine. The implementation was consistent with procedure of fertilizer application and soil improvement “Document no. 4.3” (Indicator 4.2.1 and 4.2.2).</p> <p>Foliar samples of Lamthap estate were taken and analysed by “Applied Agricultural Research SDN. BHD” at Malaysia. The laboratory for foliar sample testing remains the same since previous assessment. Foliar nutrient analysis for each estate owned by Univanich is done annually, but number of leaf sample is subject to the land area and decision of plantation director (Dr Palat Tittinutchanon). Latest foliar analysis result for block F4 of Khlongtom division done on 24 May 2014 showed that nutrient status of Ash, Nitrogen, Phosphorus, Potassium, Magnesium and Boron were 9.23, 2.78, 0.21, 0.75, 0.28 and 14.2, respectively. The results of foliar analysis of each estate are monitored by Plantations Director, Dr. Palat Tittinutchanon, again. He will make a recommendation for fertilizer application on the basis of foliar samples analysis (Indicator 4.2.3).</p> <p>The relevant work instructions for practices to maintain and improve soil fertility, remains the same since the previous assessment especially procedure with regard to fertilizer application and soil improvement “Document no. 4.3”. The estate has EFB and POME application program in place as described in the Fertilizer application and soil improvement “Document no. 4.3”. Also decanter cake is applied in the Lamthap estate and Khlongtom division. Application of EFB for improving soil fertility was carried out for all blocks of Lamthap estate. Meanwhile, POME was applied for Lamthap estate only due to long distance between Lamthap mill and Khlongtom division. In Lamthap estate, is POME is applied by sprinkler irrigation (Indicator 4.2.4)</p>   |   |
| <p><b>Criterion 4.3 (C.4.3)</b><br/> <b>Practices to minimize and control erosion and degradation of soils</b></p>  |   |
| <p>Procedure for soil conservation practices no. P-SI01/2000, describing how to minimize and control erosion, has not changed since last audit. Estates have committed to control and minimize soil degradation by using the topography map with contour lines from Royal Thai Survey Department to delineate sensitive areas of erosion. Map showing the areas of fragile soils for Khlongtom division is not necessary based on both result of topography map with contour lines and results from inspection which found that there were no areas with slopes over than 20%. Even though no fragile soil has been found, conservation soil practices were continuously implemented such as terracing/platforms and frond stacking against the slope. Moreover, all blocks of Lamthap estate and divisions are planted with mature palm oil. Result from inspection found that blocks of Khlongtom division were planted with legume cover e.g. <i>Mucuna bracteata</i> to prevent the bare ground which is cause of soil erosion. Refer to the finding in the indicator 4.3.2 and 4.2.3, the relevant management strategy dealing with sandy soil was established especially procedure for soil conservation practices no. P-SI01/2000 (Indicator 4.3.1, 4.3.2 and 4.3.6)</p> <p>The estates have an annual budget and annual plan for road maintenance. Locations of road where maintenance is needed to be carried out of Khlongtom division were defined in road maintenance program. Road maintenance plan for 2015 was already established. Approximately 10 percent from total length of 2 kilometers of road, that needs maintenance, was carried out in January 2015 by the workers of the estates as rollers and excavators are available on site. However, road maintenance program for year 2015 is still present to maintain good condition of road. The main practice of road maintenance remained the same which is the use of rouge to compress soil surface by using road roller vehicle until it is smooth and strengthen (4.3.3).</p> | <p style="text-align: center;"><b>Yes</b></p> |

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| <p>Based on the EIA report, HCV report and the results from public consultation meeting, there are no peat soil at any estates owned by Univanich. Therefore, drainability assessment prior to replanting on peat is not necessary (Indicator 4.3.4 and 4.3.5)</p>   |   |
| <p><b>Criterion 4.4 (C.4.4)</b><br/> <b>Practices to maintain the quality and availability of surface and ground water</b></p>   |   |
| <p>Estates have a policy which state that natural surface water will not be used for irrigation of palm oil cultivation purpose. This policy statement remains the same since the initial assessment. The use of ground water will only be allowed for worker consumption (not for drinking) and only in the summer season. Procedure on water management plans described in P-PT-13 revision 00 dated 5 November 2012 is also still valid. Site inspection demonstrated that Lamthap mill constructed a huge reservoir with approximate capacity of 10,000 cubic meters to store rainwater. Even though there is no reservoir at Khlongtom division, rainwater from 8 months of rainy season is sufficient for palm oil plantation. Water stored in reservoir will be used for mill and nursery area of Lamthap estate only.</p> <p>To protect water courses at Khlongtom division, 15 meters buffer consisting of naturally occurring local vegetation, on both sides of canal is allocated where no agrochemicals can be used . During the assessment, it was observed that there is many native vegetation along a waterway canal. Result from field inspection confirmed that agrochemicals are never used to control weed along the canal. As reuse of POME is not applied in Khlongtom division, inspection of the leakage or discharge of POME into water bodies is not applicable. For the water consumption at mill, water stored in the reservoir is pumped for processing. Therefore, the use of water for both mill and estate does not result in adverse impacts on other users surrounding the Lamthap mill and Lamthap estate (Indicator 4.4.1 and 4.4.2).</p> <p>Lamthap mill have monitored the effluent water quality at the inflow (before pumping effluent into the first wastewater treatment pond) and outflow (after treatment by using total 9 wastewater treatment ponds) monthly. Not only BOD but also COD, pH, suspended solid, oil and grease (O&amp;G) of effluent are analyzed monthly in according to the requirement of Department of Industry Work. The analysis of effluent is done by Saint Environment Co.,Ltd, external laboratory who holds license no. Wor-052. Latest result of effluent analysis at outflow on last quarter of year 2014 showed BOD below 30 mg/L as required by Department of Industry Work. In addition, to support the zero discharge policy, effluent will be reused in biogas and to irrigate in the Lamthap estate. Inspection of the effluent treatment ponds of Lamthap mill found that the pond embankments were well maintained and there were adequate freeboard to prevent overflow (Indicator 4.4.3).</p> <p>Lamthap mill measures water usage per ton FFB processed monthly even though source of water is from their reservoir. Monthly records of water usage per ton of FFB in 2014 are available. Based on the production record at Lamthap mill, FFB supplied by Lamthap estate, Khlongtom division, Cha uat division and independent smallholder was 196,145 tons. Meanwhile, approximately 310,100 m<sup>3</sup> were pumped and used for the mill processing. Thus, average water usage in 2014 per tonne of FFB was 0.63 cubic meter/ton of FFB (Indicator 4.4.4).</p> | <p style="text-align: center;"><b>Yes</b></p> |
| <p><b>Criterion 4.5 (C.4.5)</b><br/> <b>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management Techniques</b></p>   |   |

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| <p>All estates owned by Univanich have formulated an Integrated Pest Management (IPM) together. IPM plan and techniques are addressed in the document procedure no. 4.11. IPM program of the Lamthap mill and divisions composes of increasing number of barn owl boxes/nests and expansion area of planting beneficial host plant. Currently, number of barn owl box installed at Khlogtom division is 10 boxes. Additionally 4 barn owl boxes are planned to be installed by the end of year 2015. IPM program also includes the establishment of beneficial host plants such as <i>Cassia cobanensis</i> and <i>Euphorbia heterophylla</i> along the roadsides and estate. To stop spreading and outbreak of leaf eating caterpillar, the estates cut damaged fronds where are heavily attached by bagworms or caterpillars. Mechanical weed control is also carried out. Moreover, rat baits are also used to facilitate workers for catching rat for food. To decide which IPM technique can be used, workers are assigned by estate manager to monitor the presence of pest daily. Workers have been given the training on how to monitor leaf-eating pests and rat. IPM training was done on yearly basis as refreshment training to existing workers. Latest IPM training for workers at Khlongtom division was done on 8 November 2014. Lamthap estate and divisions have implemented an on-going program to monitor the presence of pests in order to identify pest numbers and possible pest and diseases outbreak. IPM techniques based on natural food chain control by encouraging proliferation of snake and even workers to eat up rats were noted as the current practice at estate. (Indicator 4.5.1 and 4.5.2)</p>   | <p><b>Yes</b></p>            |
| <p><b>Criterion 4.6 (C.4.6)</b><br/> <b>Pesticides are used in ways that do not endanger health or the environment</b></p>  |                              |
| <p>The selection of chemical for weed control and the treatment is based on the inspection of field conditions before spraying. When chemical pesticides are necessary, it is responsibility of estate manager for Khlongtom division to make a decision. Justification for application of pesticides is addressed in the procedure agrochemical storage operation "Document no. 4.9". Specific pesticide is identified to be used to control the specific pest and weed. However, the justification of purchasing all chemical pesticides used in all estates has been decided by Dr. Palat Tittinutchanon, Plantations Director. From the records of pesticide usage done on last year, it was confirmed that ratio between chemical and water done by sprayer was in accordance with the written work instruction regarding to the dosage and application methods. Latest application of paraquat at block F4 of the Khlongtom division was carried out on 12 December 2014 to control narrow-leaf. Based on the record of pesticide application, it was showed that 27.6% of active ingredient of paraquat (2,4-D dimethyl ammonium) registered with Department of Agriculture of Thailand was applied for block F4 which covers 15 ha of planted area (Indicator 4.6.1 and 4.6.2). Inspection on the record book and chemical storage also confirmed that all types of chemicals used in the estates were registered under the Hazardous Substances Act B.E. 2535 (and its amendments) of Thailand. For example, the license number of glyphosate (Roundup) and paraquat (Grammoxone) issued by Department of Agriculture are 158/2554 and 694/2547, respectively. Based on the record of pesticide application; moreover, confirmed that the use of pesticide was carried out to control weeds only. It was not used to control pest and disease which is in accordance with the IPM plans (Indicator 4.6.3).</p> <p>However, the use of paraquat is still found during the assessment. Moreover, the minimization and elimination of the use of paraquat is not established as part of a plan. Therefore, minor non-conformity was raised against Indicator 4.6.4.</p> <p>Inspection at the store of Khlongtom division showed that it meets security requirement of spill containment, well ventilation, and labelling. Easy to read and understand MSDS of</p> | <p><b>No (NC 2 of 5)</b></p> |

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| <p>each agrochemical is displayed in front of the shelf where it is placed/ stacked in the store. Chemical pesticides are always kept in store which is secured with lock. Key to the store is only held by designated person responsible for chemical inventory and storage. Running water is provided to workers who have to handle with chemical pesticides. The existing agrochemical use procedure described in document no.4.9 was used to train the workers who deal with the agrochemical. MSDS and how to apply chemical properly during the training given for sprayer on 8 November 2014. Trainer for this training was supported by the chemical supplier “Syngenta”.</p> <p>Information on the areas where pesticides are used is recorded in the estate daily on a block basis. This information could be crosschecked with the active ingredient and used amount on daily basis. (Indicator 4.6.5, 4.6.6 and 4.6.9).</p> <p>Personal safety equipment or PPEs which include mask, rubber gloves, and rubber boots are provided to workers who are responsible for chemical spraying to minimize risk and impact from pesticide application. Workers are allowed to keep and clean PPE as their assets. Interview with sprayer of Khlongtom division confirmed that those PPE are provided by the estate manager. Moreover, spare PPE is available at the office and ready to disburse anytime. Application of pesticides was done by proven methods such as correct dosage, no spillage, time for application and spare water onsite for cleaning PPEs and equipment (Indicator 4.6.5 and 4.6.7).</p> <p>Facility to clean and wash the containers, equipment and also PPEs after spraying is duly provided by the estates. Water used to clean containers and PPE that contained some chemical will be reapplied in the estate in order to reduce negative impact of chemical to environment. Designated area to collect empty containers is provided by the Khlongtom division. This storage of empty container is sheltered from the rain and always locked. Once number of empty containers is enough, it will be disposed by authorized company. Record of waste disposal conducted by authorized company is available during the audit (Indicator 4.6.10).</p> <p>From the list of workers who deal with chemical spraying, it was found that women from both estates are also responsible. However, there is no turnover of sprayer since the initial assessment. All sprayers are therefore experienced worker. Besides, no pregnant or breast-feeding woman were found during the onsite assessment. Mechanism to deal with pregnant or breast-feeding women who work with chemical was verified by interviewing women sprayers (Karnchana, Ratta and Saowalak) during the audit in order to confirm whether or not women sprayer are aware on any impacts caused by spraying chemical while pregnant (Indicator 4.6.12). Application of pesticide is done by worker only. Therefore, aerially application of pesticide is not applicable (Indicator 4.6.8)</p> <p>Annual health check-up is carried out for all workers including those applying agrochemicals. All workers who deal with chemical spraying have health examination done by Thung Song Health Laboratory Co.,Ltd on 4 June 2014. The results of medical check-ups for chemical spraying workers have revealed that no one has any serious condition that may be caused by the chemicals they sprayed such as hepatic-pancreas damage (Indicator 4.6.11).</p> |                              |
| <p><b>Criterion 4.7 (C.4.7)</b><br/> <b>An occupational health and safety plan is documented, effectively communicated and implemented.</b></p>   |                              |
| <p>Univanich has a safety, health and environment policy approved by Managing Director, Safety coordinator and HR manager on 2 July 2012. Policy addressed that all accident, occupational illness and incidents are preventable through management of identified risks.</p>  | <p><b>No (NC 3 of 5)</b></p> |

Every employee has a personal responsibility to encourage safe work practices. The policy is displayed on notice boards throughout the operation sites. Existing health and safety plan, covering all activities, is described and integrated into safe working practices procedure. Recently, the occupation health and safety plan was revised by expert who was already engaged by the company to make it more realizable and professional. The result of monitoring of occupational health and safety will be reported to either estate manager or mill manager on daily basis. The record of loss time accident (LTA) at Lamthap mill and Khlongtom division for 2014 showed that no serious accident occurred during this period. In addition, an occupational health and safety committee is appointed by mill and estate which will be responsible to monitor the consequence of occupational health and safety implementation via a meeting on quarterly basis. The latest meeting of occupational health and safety committee consisting of managers, supervisors, worker representative and gender committee for October – December, done on 27 December 2014, showed that there were no concerns on health and safety raised by worker representative. In this meeting, welfare provided by mill and estate was also discussed among the committee. To confirm the safe working practices, inspection of workplace was done and found that safe working practices were being implemented (Indicator 4.7.1, 4.7.2, 4.7.4, and 4.7.7)

Personal protective equipment (PPEs) were provided by the company to all workers at the work place. In particular, sprayers are provided with appropriate PPEs such as mask, rubber gloves, protective cloth and rubber boots. Meanwhile, workers who work at mill are also provided with appropriate PPEs such as safety shoe, ear plugs and/or ear muffs and safety helmet. Even though there were no records of accident which affect the health of worker seriously, a proper recording system is in place and ready for use at any time which includes: how and when the accident occurred, who was injured, root cause of accident, and the mechanism to deal with accident cases. Estates and mill have a documented annual training programme for safety. All new hired workers are required to be trained on occupational health and safety before starting his/her career. First aid training conducted by specialist from Lamthap hospital was given to all workers on 22 October 2014 (Indicator 4.7.3).

With regard the requirement for Indicator 4.7.5, here below are finding to make this Indicator non-conformity.

- There are no instructions and signs used to communicate with the workers at the chemical storage
- Accident procedure is not available at the workplace
- There is no person who has been trained in first aid present at the workplace
- First aid equipment and kits are not available at worksite

Risk assessment is established under the collaboration between estates and mill. Based on the result of risk assessment, it revealed that all activities of estate and mill have been taken into account to identify the risk that could occur and affect to worker's health and safety. There are 3 levels of identified risk ranging from low risk (33-55 scores), medium risk (55-77 scores) and high risk (77-100 scores). Risk assessment that was initial conducted by the Univanich was also revised by the expert who was hired by Univanich. Safe working practices procedure was established to minimize those identified risks. There are many signs and procedures available at the points which are identified as high risk. During the assessment, it was observed that the implementation of the workers are in compliance with the written procedure(Indicator 4.7.2).

All workers are provided with medical care in case of injury form work. Even though accidental insurance is not provided by the company for all workers, they will be paid by the company in the event of an injury. Moreover, social insurance is also provided by the



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| <p>company for all workers including daily workers (minimum wage workers). The social insurance is also cover for all types of severe (Indicator 4.7.6)</p>  |   |
| <p><b>Criterion 4.8 (C.4.8)</b><br/> <b>All staff, workers, smallholders and contractors are appropriately trained.</b></p>  |   |
| <p>Lamthap mill and Lamthap estate have an annual training program for calendar year 2014 and 2015 which was approved by Engineering Manager. The annual training program is integrated for all mills and estates of Univanich. The training program includes, for example, firefighting, boiler operation, air pollution monitoring, waste management, handling of hazardous wastes, integrated pest control and agrochemical spraying. New employee will be given the training on company's rules and regulation, health and safety concerns and relevant work instruction to their area of work. However, there is only one new staff since the previous assessment. Her position is occupational health and safety officer. Not only the new staff but also all existing staff has the individual training record. Record of selected worker could be shown upon request. For instance, record for new staff (Occupational health and safety officer) and chemical sprayer showed that they been trained for rules of the company and health and safety practice on 23 August 2014. For chemical sprayer, she has been trained against procedure no. 4.9 on 8 November 2014 (Indicator 4.8.1 and 4.8.2)</p>  | <p style="text-align: center;"><b>Yes</b></p> |
| <p style="text-align: center;"><b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b></p>   |   |
| <p><b>Criterion 5.1 (C.5.1)</b><br/> <b>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 continual improvement.</b></p>   |   |
| <p>Univanich has appointed staff, who hold whether Bachelor and Master degree on environmental background, to assess the environmental impact by using the approach of an environmental management system (ISO14001). Relevant provincial governmental agencies follow; Krabi Provincial Office of Natural Resources and Environment, Than Bok Khorani National Park, and Khlong Praya Wildlife Sanctuary, are invited to read and comment on the EIA assessment report. They have returned a confirmation during September-October 2012 after the review to confirm that there is no any objection to EIA report done by Univanich. The environmental risk assessment was also conducted to determine risk scale ranging from 3 levels; low (normal), medium (abnormal) and high (critical). Score of possibility of adverse effects is used to rank the impacts. Based on the system of scoring, if the result of scoring was higher than 54 scores, the mitigation plan needs to be established. Both environmental impact assessment and environmental risk assessment seen during the surveillance audit are the same since initial assessment because there is no change that might affect to the environment. Identified risks for either mill or estate are also remaining the same. For instance, either emission or explosive from boiler operation had a highest score of possibility of adverse effect and could result in huge damage on both social and environmental aspects. Therefore, changes in current practices were not addressed since there is no change on identified impacts. The impact on environment from operation of estates, for example, consists of using persistent chemical and erosion. Procedures to deal with identified risks in mill and estates were established since before the initial assessment in 2012. They are now still valid and in place for implementation. Monitoring of the implementation and a review of the implementation was also carried out by expert who was engaged by the company. The</p> | <p style="text-align: center;"><b>Yes</b></p> |

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| <p>expert was assigned to review the effectiveness of the mitigation measures. The results of the review by expert at the mid of year 2014, showed that there are no required changes to current mitigation measures and/or operational change. In particularly, as long as the emission from the mill resulted from monitoring are in compliance with the laws, operation changes are not required (Indicator 5.1.1, 5.1.2 and 5.1.3)</p>   |                   |
| <p><b>Criterion 5.2 (C.5.2)</b><br/> <b>The status of rare, threatened or endangered species and other 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 operations managed to best ensure that they are maintained and/or enhanced.</b></p>  |                   |
| <p>This criterion was raised as a major non-conformity during the initial assessment but was closed by engaging the HCV assessor Forest Industry Organization, Ministry of Natural Resource and Environment of Thailand, to execute the assessment during 6-9 November 2012. As there is no change on the land area for both mill and estates, HCV conducted by Forest Industry Organization of Thailand is still valid. Based on the HCV report, it was confirmed that there is no presence of RTE in the planted area and adjacent area. However, it was found that small jungle nearby the block F1 and F2 of Lamthap estate was classified by Forest Industry Organization as HCV 1.1. Conservation management plans to avoid damage and to prevent the deterioration of forest area were established and suggested by Forest Industry Organization. Those management plans, for example, are coordination with the forest officer from governmental agency, post the visible signs to limit the access into forest area for workers, and monitor any deterioration of forest area monthly. Singpun canal in Lamthap estate was also identified as HCV5 by Forest Industry Organization as some affects caused by estate's activity may not be safe for downstream communities who use water from Singpun canal for their consumption. To deal with this case, a management plan was also established by the company in compliance with the suggestion obtained from HCV assessor. This management plan and implementation were described in criterion 4.4. Monitoring of implementation especially on buffer consisting of local vegetation along Singpun canal was carried out by supervisor of the estate. Result of monitoring confirmed that vegetation buffers are in good condition to prevent the deterioration of the water quality in Singpun canal. The result of monitoring was also reviewed by estate manager. Even though HCV 1.1 (mountain) located nearby the estate is identified, this mountain is protected by Forest Department. Moreover, since RTE are not presented in the planted area, no hunting signs for animals which are available in the estate. The company also set the training plan for year 2015 to educate the workforce about the list of RTEs. The training is planned to be conducted in November 2015. (Indicator 5.2.1, 5.2.2, 5.2.3, 5.2.4 and 5.2.5).</p> | <p><b>Yes</b></p> |
| <p><b>Criterion 5.3 (C.5.3)</b><br/> <b>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner</b></p>  |                   |
| <p>Waste products and all sources of pollution are identified and listed in the document no. FV104 revision 00 and updated in December 2011. Lists of waste and pollution sources indicated in document FV104 remain the same since the initial assessment in 2012. Waste management plan code FV301 revision 00 established by Lamthap mill and estate is reviewed annually, however, operational changes are not required. Those identified wastes, either solid or liquid, will be managed in different method such as reuse, recycle or disposal by authorized company as described in this procedure. For example, decanter cake, POME, POME cake and waste water generated by mill are listed as available waste for reuse in Lamthap estate and divisions of Lamthap estate. Waste home which has been</p>  | <p><b>Yes</b></p> |

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| <p>seen since initial assessment is still available at Lamthap mill. It is the permanent storage which provides sufficient containment system to deal with used liquid chemical in laboratory and obsolete lubricant/oil of mill and Lamthap estate. Solid wastes can be collected at the waste home as well in separation zone away from the area to deal with liquid chemical. For wastes generate by Khlongtom division, they will be stored in the waste storage and will be disposed separately. Waste storage at Khlongtom division is a permanent storage sheltered from rain and with the sufficient containment system to prevent any leakage to environment of agrochemical that may remain in the containers due to improper clean-up after use. For wastes generate by mill, waste home is used to store wastes. However, the disposal of wastes is done by authorized company namely Mahachai Aeksirioil who hold the license number 3-106-5/46 issued by Department of Industry Work. (Indicator 5.3.1, 5.3.2 and 5.3.3)</p>  |                   |
| <p><b>Criterion 5.4 (C.5.4)</b><br/> <b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b></p>   |                   |
| <p>Univanich and estates have a plan to strive for continuous efficiency improvement in the use of renewable energy. Renewable energy that is generated from either biogas or turbine (palm fibre is used as fuel in boiler) is the most successful of Univanich for all mills. Capacity of a biogas plant located in Lamthap mill is 1.9 MW. Based on the records of electricity generated by biogas and turbine at Lamthap mill in 2014 showed that approximately 4,785 MWhr was generated by turbine and about 1,400 MWhr was generated by biogas. Electricity generated by biogas is not only for sale to the public through the Provincial Electricity Authority's grid (PEA) but also for use in crushing mill. Even though Lamthap mill could generate the electricity from renewable sources, the purchasing of electricity from PEA is still required at times of certain emergency or when the power generation system in the mill breaks down. The use of oil or fossil fuel for all vehicles and any purposes e.g. OFP wheel loader, factory wheel loader, factory drum truck, office pick up and excavator at Lamthap mill recorded in 2014 was 64,000 litres. The volume of fossil fuel used in 2014 was less than last year, about 5,000 litres. Meanwhile, total CPO production resulted from processing of FFB of 196,145 ton was 33,909. The amount of CPO production in 2014 was a result from processing FFB supplied by Lamthap mill, Khlongtom division, Cha Uat division and other independent smallholders. Therefore, result of monitoring direct fossil fuel used per ton of CPO last year was equal to 0.52 liter/ton CPO (Indicator 5.4.1).</p> | <p><b>Yes</b></p> |
| <p><b>Criterion 5.5</b><br/> <b>Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</b></p>   |                   |
| <p>Inspection at Lamthap estate confirmed that there was no evidence of open burning in the estate. Site inspection confirmed that there is no remain evidence of land burning in the planted area of Khlongtom division. To demonstrate the effectiveness of zero burning polity, stakeholder interview during the public consultation meeting held at the club of Siam mill confirmed that land burning during replanting at Lamthap estate and Khlongtom division is never carried out. Stakeholder confirmed that only excavators, fitted with a chipping bucket, are used for felling and shredding in the mature palm oil trees for replanting (Indicator 5.5.1 and 5.5.2).</p>   | <p><b>Yes</b></p> |
| <p><b>Criterion 5.6</b></p>   |                   |



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| <p><b>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b></p>  |                                    |
| <p>All mills of Univanich have documented a pollution and emission control plan FV102 revision 00 dated 4 January 2012 that identifies the sources of emissions and methods for control. This document is not changed since the initial assessment. Environmental quality monitoring report done by Environmental Research and Technology Co., Ltd is a good resource that has been taken into account to develop the pollution and emission control plan. Based on this assessment, pollution in mill are still mainly from boiler, generator and vehicles. However, as long as the emission released through stack of mill doesn't exceed the requirement of laws, the management plan to reduce gaseous emissions is not necessary (Indicator 5.6.1).</p> <p>Significant pollutions and greenhouse gas (GHG) emission caused by mill and estate operations have not been identified. Therefore, there were no plans to reduce or minimize those emissions. Based on this consequence, major non-conformity was raised against Indicator 5.6.2.</p> <p>The latest result of air quality monitoring done on December 2014, reveal that there were no emission parameters that exceeded the required standards set by the relevant authorities such as Industrial Emission Standards, Notification of the Ministry of Industry, dated December 4th, 2006; Opacity Standard, Notification of the Ministry of Industry, dated December 4th, 2006 and Notification of the Ministry of Natural Resources and Environment, dated December 9th, 2005. However, there is no evidence showing that significant pollutants and emissions are reported to RSPO. Therefore, minor non-conformity was raised against Indicator 5.6.3.</p> | <p><b>No (NC 4 and 5 of 5)</b></p> |
| <p><b>Principle 6: Responsibility consideration of employees and of individuals and communities affected by growers and millers</b></p>   |                                    |
| <p><b>Criterion 6.1</b></p> <p><b>Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.</b></p>  |                                    |
| <p>Social impact assessment was carried out by qualified staff under the recommendation of the permanent officer of Krabi Provincial Social Development and Welfare Office. SIA was done through a participatory approach during the first public consultation meeting held at TOPI mill in 2012. Questionnaire was then used to evaluate participant's opinion whether they have been affected by mill and estate's operation. Results after questionnaire survey was then incorporated into the social impact assessment report. To make this SIA report reliable, Krabi Provincial Social Development and Welfare Office was invited to read and comment the SIA report. Based on the official letter issued by Krabi Provincial Social Development and Welfare Office dated 5 October 2012, it was confirmed that there was no objection to the SIA report done by Univanich. During the surveillance audit, the public consultation was held at the club of Siam mill on 31 January 2015 in order to take this opportunity to follow up any concerns on mill and estate's operation raised by stakeholder. Latest public consultation meeting was also used as another channel to update SIA. Therefore, SIA will be reviewed during the public consultation meeting at least annually. Stakeholders listed and covered all mills and estates by the Univanich were invited to</p>   | <p><b>Yes</b></p>                  |

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| <p>attend this meeting and also local community member were invited to attend the public consultation meeting. Stakeholder interview was also conducted during the public consultation meeting. Based on the result of interview, it was confirmed that the stakeholders have not been affected by either mill or estate operation on following cases:</p> <ul style="list-style-type: none"> <li>- Access and use rights</li> <li>- Economic livelihood</li> <li>- Cultural and religious values</li> <li>- Health and education facilities</li> <li>- Other community values</li> </ul> <p>Therefore, plan for avoidance or mitigation of negative impacts seem not to be necessary and/or required by stakeholders. However, issues promoting livelihood of stakeholder was reviewed during the public consultation meeting e.g. CSR program and training. However, stakeholders are free to give their concerns anytime. It is responsibility of estate manager or mill manager designated by Managing Director of Univanich to handle these concerns from the stakeholders in order to ensure that mitigation plan can be done immediately (if any). Even though scope of certification is excluded of smallholder scheme, promoting plan especially educate independent smallholders for sustainable palm oil was conducted regularly (Indicator 6.1.1, 6.1.2, 6.1.3, 6.1.4 and 6.1.5).</p>   |   |
| <p><b>Criterion 6.2</b><br/> <b>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties</b></p>  |   |
| <p>Communication and consultation management guidelines are developed and documented. This guideline reviewed and updated in initiated since May 2012 is still valid. Based on the communication and consultation management guidelines, the public consultation meeting is planned to be done annually in order to ensure that the concerns of affected persons or interested parties will be presented and considered at the appropriate stage (if any). The latest public consultation meeting was done within this timeframe and was on 31 January 2015. Stakeholders were informed by management of the company once again on procedures related to how to raise a complaint and grievance, steps to deal with complaints and grievance, how to request for reviewing documents relating to environmental, social and legal issues, transparency, policy related to discrimination, respect to the grouping as the worker union, sexual harassment, EIA, SIA, risk assessment, occupation, safety, mitigation plan and possible impacts. After that, management team of the company has been invited to leave the meeting so that an interview with stakeholders by auditor team was carried out without interference from the management team staffs of Univanich (6.2.1).</p> <p>Management staff responsible for communication with affected persons or interested parties has not changed. Lamthap mill and estate manager are the representatives appointed by Managing Director of Univanich on April 8th, 2012 (Indicator 6.2.2).</p> <p>A list of stakeholders include local communities, statutory, local governments, Islamic religious leader, head of communities, NGO (if any), and local community members are kept and maintained properly. There was no significant change on the list of stakeholder. The list of stakeholders includes contact details and address so that communication with those stakeholders can be done immediately. The change of person on the list will be monitored by the mill or estate manager. Provide an employment opportunity for local people is one of Univanich's policy on the recruitment of new staff. For instance, new occupational health and safety officer is local villager. Communication on any concerns caused by mill and estate's operation can be done easily. However, stakeholders will be</p> | <p style="text-align: center;"><b>Yes</b></p> |

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| invited for participation in the public consultation meeting at least once a year (Indicator 6.2.3).   |            |
| <b>Criterion 6.3</b><br><b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</b>   |            |
| <p>The complaints, grievance and dispute procedure is documented by the central office of Univanich in April 2012 and shared to all mills and estates. This procedure is still the same. Not only stakeholder but also workers, supplier and customer can give complaints and grievance to mill and estate. When the complaints and grievance were raised, it is the responsibility of mill and estate manager to handle and resolve them. Based on the latest minute of public consultation meeting held at the club of Siam mill and also record of complaints, there was no evidence of dispute and complaints raised by stakeholder, community leader, governmental officers, and local communities (Indicator 6.3.1).</p> <p>For internal complaints and grievances, a complaint box is available for workers to drop in their complaints and grievances. Moreover, workers have the right to raise their complaint through management representative (mill and estate manager) of the company directly. Currently, there are no complaints from either external stakeholders raised during the public consultation or their employees. To ensure that the stakeholders and employees have the right to give the complaints and grievances, the procedures have been communicated and disseminated to all stakeholders. The documented complaint, grievance and dispute procedure also states that in case a dispute is unable to be resolved by two parties, the matter will be referred to the court for a final solution (Indicator 6.3.2)</p> | <b>Yes</b> |
| <b>Criterion 6.4</b><br><b>Any negotiations concerning compensation for loss of legal, customary or user 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.</b>   |            |
| <p>As Univanich holds land deeds and contracts for all land used for oil palm cultivation; therefore, customary right does not apply. However, procedure for identifying legal or user rights and also procedure for compensation are established. In this surveillance assessment, the audit team studied the whole compensation mechanism when Univanich has to pay to affected person (s) for loss of legal or customary right (if any). It was found that it is satisfactory and thus far, no legal action has been taken against the company by any party. The compensation will be made according to the decision of the independent arbitrator or court of justice (if any). Moreover, based on the results of public consultation meeting for all estates and mill as well as interviewing with local communities, it was confirmed that there is no current claim on customary right or other user rights over land (Indicator 6.4.1 and 6.4.2 and 6.4.3)</p>   | <b>Yes</b> |
| <b>Criterion 6.5</b><br><b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b>   |            |
| <p>Minimum wage payment is the common term that the company needs to follow as it is compulsory required by Department of Labor of Thailand. The minimum legal wage for Krabi province still remains at 300 Baht/day. The salary, wage and conditions of work that conformed to the legislation of Department of Labor are described in the contracts signed between the company and all workers. The terms and conditions specified in the contract are in line with the legislation such as working days, working time, salary levels, regional</p>  | <b>Yes</b> |

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| <p>minimum pay and employee insurance. The contract of each employee is kept at the central office of Siam mill including new occupational health and safety officer. However, the copied contract is also given to worker for their reference. The contract and payment records of sprayer (Rattha and Karnchana) were sampled. It was found that they received more than 10,000 Baht for working 23 days/month. The average daily wage given to these sprayers are compliant with the legislated minimum wage of 300 Baht/day. Wage payment is usually done by bank transfer (Indicator 6.5.1 and 6.5.2).</p> <p>All employees, even contractor, have been provided with suitable housing, water supplies, medical care and welfare by the company. Two bedrooms with one separate bathroom are provided for each house so that worker can bring their family to live together. Estate clinics provide medical treatment for staff, workers and their family at no cost. Water and electricity are provided to each house. Water tanks are also provided for the workers to trap and store rain water for using in drought and when water supply is not being used. Residents are allowed to grow their own grown vegetable (backyard garden) at their house. Even though affordable food could not provide by estate to all workers directly for free, estates could show their effort to contact food seller to come into the estate for selling food with low prices comparing to the fresh markets. For school aged children, the estate provides some financial aid to reimburse for fossil fuel costs as school bus for transporting of all children to attend the school is not provided by the estate (Indicator 6.5.3 and 6.5.4).</p> |                   |
| <p><b>Criterion 6.6</b><br/> <b>The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b></p>   |                   |
| <p>Policy to respect the right of all personnel to form and join trade unions signed by Managing Director on 8 April 2012 is not changed. Employees of Univanich therefore have the right to freedom of association and to form or join labor union. This policy is posted on the company boards for all sites visited. Even though all workers aware of this policy, workers in all sites did not form any labour union or join any labour association at the time of surveillance assessment (Indicator 6.6.1).</p> <p>Instead of forming labor union, workers in each estate will elect their own leader to be worker representative. A worker representative will be responsible to raise issues of concerns to the estate manager. Meanwhile, all workers still have the right to raise their concerns anytime. The meeting between employee and representatives of worker at Lamthap estate, was incorporated into occupational health and safety meeting. The last meeting was done on 13 November 2014. Management representatives, representatives of worker, women representative and security officer have joint that meeting and discussed relevant topics. The main matters that were discussed included RSPO, health and safety concerns and welfare (Indicator 6.6.2).</p>  | <p><b>Yes</b></p> |
| <p><b>Criterion 6.7</b><br/> <b>Children are not employed or exploited.</b></p>  |                   |
| <p>According to the child labor policy posted at the company boards, no worker under 18 years of age is allowed even though the labour laws of Thailand allowed employers to hire employees/workers of above 15 years of age. Inspection of records at the Lamthap mill and Khlongtom division confirmed that no workers under 18 years of age were observed either at any work location or in the contract between company and worker (indicator 6.7.1)</p>   | <p><b>Yes</b></p> |

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| <p><b>Criterion 6.8</b><br/> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b></p>   |                   |
| <p>Univanich anti-discrimination policy is signed by Managing Director on 8 April 2012 and displayed on the notice boards at the Lamthap mill and Khlongtom division. This policy is remaining unchanged. The policy is socialized in the contract with workers. Interview of staff and workers indicated that they are treated equally under the equal opportunities policy. No discrimination on the job vacancies announcement was observed This was inspected through job vacancy for occupational health and safety officer position. It was found that this job vacancy announcement indicated only position that is looked for, basic qualification either education background or working experience. Interview with staff and migrant workers who moved from the north-eastern part of Thailand confirmed that there was no discrimination in relation to ethnicity, religion or gender. This was also found in the initial assessment. Inspection at worker house and records also showed that migrant worker and worker from local communities are living together at worker houses and salary rate for migrant worker and local worker are the same (Indicator 6.8.1, 6.8.2 and 6.8.3).</p>   | <p><b>Yes</b></p> |
| <p><b>Criterion 6.9</b><br/> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b></p>   |                   |
| <p>Univanich policy on prevention sexual harassment and other forms of violence against women is documented and displayed on the notice boards of the Lamthap mill and Khlongtom division. This policy was signed by Managing Director on 8 April 2012 and remains unchanged. Women representatives are elected among the female workers at the mill and estates. They are also the member of HSE committee of which the gender committee is a part. As the women representatives stay at the worker house provided by the company, any concerns associated with the health, safety, welfare and even any violation on sexual harassment can be discussed among workers at all the times. During the HSE committee meeting, women representative will be responsible to raise any concerns on sexual harassment and any violence against female workers to the management representatives (if any). The non-occurrence of sexual harassment and any violence was confirmed thought the minute of meeting and during the interview of female staff and workers.(Indicator 6.9.1 and 6.9.2)</p> <p>In case of any violation to women, the grievance and complaint procedures are established. This procedure is used to deal with the violation cases. Procedures were used to give training to women employees in order to ensure that they understand the grievance mechanism. Based on the result of interview women employees during the surveillance audit, it was confirmed that that they understood the policy and knew the grievance mechanism for complaints such as go to any members of gender committee or go to estate or mill manager who is appointed by Managing Director as the management reprehensive to resolve any concerns of workers. There are only positive perspectives disclosed by women workers who were interviewed during the surveillance audit (Indicator 6.9.2 and 6.9.3).</p> | <p><b>Yes</b></p> |
| <p><b>Criterion 6.10</b><br/> <b>Growers and millers deal fairly and transparently with smallholders and other local businesses.</b></p>  |                   |
| <p>Univanich has made fair, legal and transparent agreement with their FFB suppliers or independent growers. Even though there are no purchase contracts to bind with independent growers, they will be informed by the mill of daily FFB price through phone</p>   | <p><b>Yes</b></p> |

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| <p>call. Even though the distance from the main road to the Lamthap mill, where small grower can see the FFB price, is about 2 km it will not be affected to small grower's decision because they have been informed by phone call in advance. This is the same procedure that was found since the initial certification assessment. The price of FFB is determined by the purchasing department of Siam Palm mill according to the manual of FFB purchasing (OFP manual-pricing mechanism/calculation). However, FFB gate price must be aligned with the FFB gate price designated by Krabi Provincial Internal Trade Office. The daily price of FFB is always posted at the mill gate for 3 possible grades of FFB with OER at 13%, 15% and 17%. The FFB price posted at Lamthap mill gate on date of the surveillance audit was 4.2 Baht/kg of FFB. Records of mill gate price last year were also observed and found that they are available to the public when needed (Indicator 6.10.1, 6.10.2 and 6.10.3).</p> <p>The payment to independent growers comparing to the gate price throughout year 2014 was consistent with FFB price. Payment record for independent smallholder was crosschecked during the surveillance assessment. The payment on 1 October 2014 was done in according to FFB gate price on the same date of 5.25 Bath/kg (Indicator 6.10.3).</p> |                   |
| <p><b>Criterion 6.11</b><br/><b>Growers and millers contribute to local sustainable development where appropriate.</b></p>   |                   |
| <p>Univanich has operated the corporate social responsibility since the establishment of the company even though they have not been certified for CSR. CSR program is still running every year to maintain relationship with local communities. Result of interview with community leader, who lives in this community more since several decades, during the public consultation confirmed that Univanich has done last year many things for the local communities and governmental sectors such as local road construction/maintenance, allow local communities to use their roads for transporting and reduce the distance, young oil palm donation, recovery mangrove area, donation their land for villager, donations to local school, and other activities requested by local communities and governmental sectors, for example (Indicator 6.11.1). Currently, Univanich does not have scheme smallholders being certified in this second surveillance audit process. Therefore, indicator 6.11.2 regard to efforts and/or resource allocation to improve smallholder productivity is not applicable.</p>   | <p><b>Yes</b></p> |
| <p><b>Criterion 6.12</b><br/><b>No forms of forced or trafficked labour are used.</b></p>  |                   |
| <p>Univanich mills and all estates have a special labour policy for anti-trafficking labour or forcing labour displayed at notice board of every site. This policy consisted of statement of the non-discriminatory practice, no contract substitution, post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices as well as decent living conditions was released and signed by the Managing Director. Even though some workers moved from provinces in Eastern region of Thailand, result from interview with these workers confirmed that they made their own decision to work at estate without being forced by staff of the company. They also know their right on how to terminate the work and how can return. Until now, for example, they still work as sprayer since the first year of recruitment without substitution of the contract to work in other job and/or area (Indicator 6.12.1, 6.12.2 and 6.12.3)</p>   | <p><b>Yes</b></p> |
| <p><b>Criterion 6.13</b></p>   |                   |



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| <b>Growers and millers respect human rights</b>   |            |
| Policy to respect human right for all level of the workforce and operation is recently released by top management of Univanich. This policy is available at the workplace. Workers were informed on policy during the occupation health and safety meeting done on 27 December 2014. Then, supervisor of each department was responsible to communicate this policy to their staffs who were not participating in this meeting (Indicator 6.13.1)   | <b>Yes</b> |
| <b>Principle 7: Responsible development of new plantings</b>  |            |
| <b>Criterion: All</b><br><b>No new planting planned on any estate .</b>   |            |
| Principle 7 is not applicable to this assessment because there is no new planting.  | <b>Yes</b> |
| <b>Principle 8: Commitment to continual improvement in key areas of activity</b>  |            |
| <b>Criterion 8.1</b><br><b>Growers and mills regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>  |            |
| <p>Univanich can clearly demonstrate improvement in social, environment and health management system. Action plan for continuous improvement of relevant activities were established for year 2014. The records of relevant activities in last 3 years were incorporated into the plan for the purpose of monitoring the continuous improvement. Here below are the example of plans that were already established by the Univanich for Lamthap mill and estate.</p> <ul style="list-style-type: none"> <li>- Expected volume of agrochemical usage especially glyphosate and paraquat was established for year 2015 at 900 litres and 350 litres, respectively. These volumes of agrochemical are less than the actual volume used in 2013 and 2014.</li> <li>- The environmental improvement is based on issues identified during the implementation of EIA and risk assessment. An example is the installation of wet scrubber to reduce emission from flue gas and boiler in 2012. All environmental parameters need to be in compliance with the national standards as the environmental quality reports need to be submitted to Department of Industrial Work. However, as long as the emission resulted from monitoring are in compliance with the laws, some improvement to reduce the level of particular air quality; for example, will not be considered by the company</li> <li>- Lamthap mill, Lamthap estate and divisions have fully utilized wastes from processing either EFB, POME, decanter cake or frond stacking to recycle in the field. Mill and estate monitored the amount of waste recycling in the last 3 years and found that recycling of POME in the estate was increased every year. Waste collection site or worker called “waste home” was constructed to segregate the waste between “recycling waste” and “waste that need to be disposed”.</li> <li>- Social improvement will not only focus on the worker but also on the stakeholders. The reduction of accidents occurred by either mill or estate as well as improvement of amenities and worker house are monitored in the last 3 years by the estate and mill. Communication with the stakeholder periodically is a good example to ensure</li> </ul> | <b>Yes</b> |

Lamthap mill and its supply base <29-31.1.2015>

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| <p>that any concerns on social aspect will be resolved by management representative of mill and estate immediately</p> <ul style="list-style-type: none"><li>- Optimising the yield of the supply base was done through fertilizer application plan. The fertilizer application will be done in accordance with the result from foliar testing. Moreover, EFB and POME which are wastes from mill operation will be used in the estates for improving soil fertility</li></ul> |  |
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#### **4.2 Sample criteria for inclusion in this report on an annual basis during the lifetime of the certificate**

All criteria were inspected.



Lamthap mill and its supply base <29-31.1.2015>

### 4.3 Noteworthy positive components and identified non conformances

#### 4.3.1 Details of noteworthy positive components

Univanich is recognized as the first pioneer of the palm oil industry in Thailand for four decades. Modern agricultural practices were enhanced and managed by the collaboration with Unilever from Cambridge, UK in the last 15 years. All facilities and utilities of mill and estates were designed by the expert from Unilever before the construction in order to meet with the safety procedure of the company. Until the present, the facilities and utilities are well maintained in good conditions. Even though the company has never been certified for other standards such as ISO9001:2008, ISO14001 and others, the management system and operation processes are well established. Computerized system has been provided for the traceability purposes. As Univanich is the first pioneer of the palm oil industry in Thailand, the communities located surrounding the mill and estates are recently established. Corporate Social Responsibility implemented by Univanich helps in maintaining the sustainable development with the local community adjacent with the mills and estates.

#### 4.3.2 Status of non-conformities previously identified.

This section gives an over view of action taken to close out non-conformities raised during the previous audits.

If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.

| Non Conformity Number 1  |  |
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| RSPO – Criterion : 2.1 (indicator 2.1.1)   |  |
| Location   | Lamthap mill   |
| <b>Description of Finding/Objective Evidence:</b>  |  |
| Evidence of some operations showed that they have not done in accordance with the relevant laws and regulation as follows: <ul style="list-style-type: none"> <li>- Waste generator (mill) need to get the permission or Sor-Kor 2 from the Department of Industry Works before disposal of waste from the mill, but mill has not submitted the application and got the approval since year 2012.</li> <li>- There is no safety officer responsible on the safety issues at the mill as required by Labour Ministry Department related to the safety management for occupational health and work environmental B.E. 2549 (2006)</li> </ul> |  |
| Classification   | <input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor |
| <b>Comment</b>   |  |

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| <b>Non Conformity Number 1</b>  |
|---|
| <ul style="list-style-type: none"> <li>- Since 26th March 2014 onward, the company could use Sor Kor 2 system to dispose their hazardous wastes especially used oil and lubricant . This is the way of disposal the hazardous wastes in accordance with the laws</li> <li>- Contract between the company and new safety officer has been reviewed. Based on her experience and background, it is fully complied with the competency required by the mill</li> </ul> <p>Follow up with the non-conformity raised during the previous audit was carried. Result showed that company has taken an actions to close out non-conformity properly</p> |

| <b>Non Conformity Number 2</b>  |  |
|---|--|
| <b>RSPO – Criterion :</b> 2.1 (indicator 2.1.3)   |  |
| Location  | Lamthap mill   |
| <b>Description of Finding/Objective Evidence:</b>   |  |
| <p>Relevant laws and regulations are required to monitor the compliance as addressed in procedure PV2 Rev.00 “Identification of related laws and regulations and follow up”, but there was no evidence to show and confirm that the mill has checked the compliance with any laws and regulations.</p> <p>-</p>   |  |
| Classification  | <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor |
| <b>Comment</b>  |  |
| <p>In fact, the company has a good tool to check the compliance with the laws and regulations concerned, but there is no responsible person to monitor on this. Now, the responsible person was assigned by the management. Based on their responsibility and knowledge, the check on compliance with laws was used to monitor the compliance</p> <p>During the second surveillance assessment, it was also confirmed that relevant laws and regulations have been listed. This list was used to check the compliance. Its result was reviewed by mill and estate manager</p> |  |

| <b>Non Conformity Number 3</b>   |  |
|--|--|
| <b>RSPO – Criterion :</b> 4.7 (indicator 4.7.5)  |  |
| Location   | Lamthap mill and estate  |
| <b>Description of Finding/Objective Evidence:</b>  |  |
| <p>Risk assessment for each operation that could affect to occupational health and safety of workers are documented, but there was no documented procedure to control the identified risks or dangers.</p> |  |
| Classification   | <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor |
| <b>Comment</b>   |  |

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| <b>Non Conformity Number 3</b>   |
|--|
| <p>Documented procedures to minimize identified risks have now been established in accordance with the existing risk assessment for occupational health and safety in order to respond to the NC raised from the audit on time. For more transparency; however, the company has engaged independent expert to review and carry out the risk assessment once again. So, the existing risk assessment that was recently done will be revised by independent expert even though the procedure to control the risks especially in estate was done and complied with the standard</p> |

### 4.3.3 Detail of Non Conformities identified during this ASA

This section gives an overview of new or revised non-conformities raised during this audit.

| <b>AUDIT OUTCOME</b>      |          |                               |
|---------------------------|----------|-------------------------------|
| <b>During this audit,</b> | <b>2</b> | <b>Non-Conformities MAJOR</b> |
|                           | <b>3</b> | <b>Non-Conformities MINOR</b> |

| <b>Non Conformity Number 1</b>   |   |                                |  |
|--|---|--------------------------------|--|
| <b>RSPO – Criterion :</b> RSPO P&C Generic Version 2..1.1  |   |                                |  |
| Location   | Khlontom division of Lamthap estate       |                                |  |
| <b>Description of Finding/Objective Evidence:</b>  |   |                                |  |
| Daily wage worker had to work on public holidays and have never used their right for annual leave in order to gain the revenue for their family even though they are willing to work in public holidays and do not need to request for annual leave  |   |                                |  |
| Classification   | <input checked="" type="checkbox"/> Major | <input type="checkbox"/> Minor |  |
| <b>Corrective action planned (by company):</b>   | <b>Deadline for implementation</b>        | : 31 March 2015                |  |
| The company released the policy with respect to labour laws. This policy states that workers who work at the estate need to take a rest on public holidays even though they want to work for gaining the money. If workers who are willing to work without requesting for annual leave, they will be paid by the company at the minimum wage of 300 Bath/day |   |                                |  |
| <b>Review of corrective action</b>   |   |                                |  |
| Once the policy was released, the company has started to implement accordingly. Daily workers are required to take a rest even though they want to work on the public holidays. Moreover, company plan to pay for their living expenses for food to offset if they will not be paid for daily wage.  |   |                                |  |
| Closed: <input checked="" type="checkbox"/> Yes  | <input type="checkbox"/> No               |                                |  |
| The implementation of the corrective action will be counter checked during the annual surveillance audit.  |   |                                |  |
| Lead Auditor or Auditor, Date  | Chaiyaporn Seekao, 30 March 2015          |                                |  |

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| <b>Non Conformity Number 2</b>   |  |   |
|--|--|---|
| <b>RSPO – Criterion :</b> RSPO P&C Generic Version 4.6.4   |  |   |
| Location   | Khlontom division of Lamthap estate    |   |
| <b>Description of Finding/Objective Evidence:</b>  |  |   |
| There is no objective evidence showing that use of paraquat has been planned to be minimized or eliminated especially at the nursery area  |  |   |
| Classification   | <input type="checkbox"/> Major         | <input checked="" type="checkbox"/> Minor |
| <b>Corrective action planned (by company):</b>   | <b>Deadline for implementation</b>     | : Next surveillance                       |
| Company established the plan to eliminate the use of paraquat in the estate. However, paraquat is still required to be used in the young palm oil nursery to control broadleaf and narrow-leaf which can be grown very fast between the rows of young palm oil. Workers are required to collect all loose fruit to prevent it become young palm oil or weed in the future. Alternative chemical especially Alion herbicide (Indaziflam) will be used to control broadleaf weed instead of paraquat |  |   |
| <b>Review of corrective action</b>   |  |   |
| Plan to minimize and stop using of paraquat is established. All estates supplying FFB to Lamthap mill decided to stop using paraquat. Paraquat can be allowed to use in palm oil nursery area which is located in Lamthap estate only. However, the implementation for elimination of the use of paraquat will be verified in the next surveillance assessment   |  |   |
| Closed: <input type="checkbox"/> Yes   | <input checked="" type="checkbox"/> No |   |
| The implementation of the corrective action will be counter checked during the annual surveillance audit.  |  |   |
| Lead Auditor or Auditor, Date  | Chaiyaporn Seekao, 30 March 2015       |   |

| <b>Non Conformity Number 3</b>  |                                     |   |
|---|-------------------------------------|---|
| <b>RSPO – Criterion :</b> RSPO P&C Generic Version 4.7.5  |                                     |   |
| Location  | Khlontom division of Lamthap estate |   |
| <b>Description of Finding/Objective Evidence:</b>   |                                     |   |
| Here below are nonconformities raised against indicator 4.7.5   |                                     |   |
| <ul style="list-style-type: none"> <li>- There are no instructions and signs used to communicate with the workers at the chemical storage</li> <li>- Accident procedure is not available at the workplace</li> <li>- There is no person who has been trained in first aid present at the workplace</li> <li>- First aid equipment and kits are not available at worksite</li> </ul> |                                     |   |
| Classification  | <input type="checkbox"/> Major      | <input checked="" type="checkbox"/> Minor |
| <b>Corrective action planned (by company):</b>  | <b>Deadline for implementation</b>  | : Next surveillance                       |

| <b>Non Conformity Number 3</b>  |                                  |
|---|----------------------------------|
| <p>Univanich has corrected above mentioned NCs against indicator 4.7.5 with following implementation:</p> <ul style="list-style-type: none"> <li>- Instructions and signs of dangerous for chemical were already posted at the chemical storage of Khlongtom division to communicate with the workers</li> <li>- Accidental procedure is now established and posted on the board of the estate. There are two cases of the accident. Minor injuries will be treated by clinic of the estate. For major or serious accidental cases, company will provide transportation service for further treatment at the nearest hospital</li> <li>- At least one person who works at Khlongtom division will be trained on 8 May 2015</li> <li>- Mobile first aid kits are now provided at the workplace. There are 3 set of first aid kits. The number of first aid kits are consistent with number of team for working in the estate.</li> </ul> |                                  |
| <b>Review of corrective action</b>  |                                  |
| <p>The company has corrected the non-conformity. Instruction and signs used to communicate with workers at the chemical storage was already posted. Accident procedure was already established and used to communicate with the worker. First aid kits are already provided. However, the first aid training is planned to be conduct by May. Therefore, this non-conformity is still outstanding. Action undertaken to close this non-conformity will be verified in the next surveillance assessment</p>  |                                  |
| Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |                                  |
| The implementation of the corrective action will be counter checked during the annual surveillance audit.   |                                  |
| Lead Auditor or Auditor, Date   | Chaiyaporn Seekao, 30 March 2015 |

| <b>Non Conformity Number 4</b>   |   |                                |
|--|---|--------------------------------|
| <b>RSPO – Criterion :</b> RSPO P&C Generic Version 5.6.2   |   |                                |
| Location   | All mill and all estates                  |                                |
| <b>Description of Finding/Objective Evidence:</b>  |   |                                |
| <p>Currently, the company has done well to prevent the emission of methane by construction of the methane capture generating on average 100,000 gold standard CER (The gold standard for CDM); however, some greenhouse gas (GHG) emissions caused by other activities at mill and estate have not been identified e.g. boiler and transportation.</p>   |   |                                |
| Classification   | <input checked="" type="checkbox"/> Major | <input type="checkbox"/> Minor |
| <b>Corrective action</b>   | <b>Deadline for implementation</b>        | 31 March 2015                  |
| <p>Plan to reduce the emission of GHG was established for both mill and estate activities. All activities that cause GHG emission were identified such as FFB transport from estates to mill, emission from stack of the mill, land conversion, fertilizer manufacture and transport, and N<sub>2</sub>O from fertilizer application. Even though biogas was constructed for many years to capture methane, Univanich started to reduce GHG from other activities. The plan to reduce GHG emission from these activities will be implemented during 2015-2016. Based on number of GHG emission from each activity confirmed that the company plan to reduce GHG emission every year. For instance, GHG from fuel consumption or transportation will be reduced to 150 tC<sub>2</sub>O<sub>e</sub> by 2016.</p> |   |                                |
| <b>Review of corrective action</b>   |   |                                |

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| <b>Non Conformity Number 4</b>   |                                  |
|--|----------------------------------|
| All activities that are cause of GHG emission are identified. Major GHG emission from methane gases was controlled by biogas. For other GHG, Univanich started to reduce GHG emission such as reduce the fuel consumption for FFB transportation from estates to mill. The monitoring of the GHG reduction is now starting implementation. |                                  |
| Closed: <input checked="" type="checkbox"/> Yes  | <input type="checkbox"/> No      |
| The implementation of the corrective action will be counter checked during the annual surveillance audit.  |                                  |
| Lead Auditor or Auditor, Date  | Chaiyaporn Seekao, 30 March 2015 |

| <b>Non Conformity Number 5</b>  |  |   |
|---|--|---|
| <b>RSPO – Criterion :</b> RSPO P&C Generic Version 5.6.3  |  |   |
| Location  | All mill and all estates               |   |
| <b>Description of Finding/Objective Evidence:</b>   |  |   |
| Currently, significant pollutants and emissions from mill and estates were not reported regularly to RSPO   |  |   |
| Classification  | <input type="checkbox"/> Major         | <input checked="" type="checkbox"/> Minor |
| <b>Corrective action</b>  | <b>Deadline for implementation</b>     | 31 March 2015                             |
| PalmGHG which is released by RSPO is now adopted to use for monitoring the significant pollutants and emissions. Results of the monitoring done recently will be reported to RSPO annually before the audit.  |  |   |
| <b>Review of corrective action</b>  |  |   |
| The company adopted the PalmGHG to monitor the significant pollutants and emissions. However, the report of the monitoring to RSPO is not carried out. Therefore, this non-conformity is still outstanding and need to be follow up in the next surveillance assessment |  |   |
| Closed: <input type="checkbox"/> Yes  | <input checked="" type="checkbox"/> No |   |
| The implementation of the corrective action will be counter checked during the annual surveillance audit.   |  |   |
| Lead Auditor or Auditor, Date   | Chaiyaporn Seekao, 30 March 2015       |   |

#### 4.4 Issues raised by stakeholders

Stakeholder meeting was held on 31 January 2015 at the club of Siam mill. Complaints received:

No complaints raised by stakeholders during the public consultation meeting

Company response and proposed action to be taken:

Not necessary

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#### Audit team findings

Based on this consequence of discussion between stakeholders and auditor team confirmed that there is no negative impact concerned by stakeholder.

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## 5 RSPO Supply Chain Certification

*(remove this section in case of RSPO P&C Group Certification)*

The palm mill mentioned in the scope of the audit was audited against the requirements of the following:

- RSPO Supply Chain Certification Systems. November 2011.
- RSPO Supply Chain Certification Standard. November 2011.

### Supply chain model for which the mill applies:

**Segregation**

Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill, the implementation of any processing controls (for example, if segregation is used), and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without segregating the material then only Mass Balance is applicable.

**Mass Balance**

Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.

### 5.1 Findings by criteria

| Criterion  | Compliance | Comments  |
|--|------------|---|
| <b>1 Documented procedures</b>   |            |   |
| 1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: |            |   |
| a) Complete and up to date procedures covering the implementation of all the elements in these requirements  | Yes        | Procedures and/or work instructions covering the implementation of all the elements required to handle certified RSPO products especially CPO was established into one document. It was used by responsible person who works at Siam mill |



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|  |     |  |
|--|-----|--|
| b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.  | Yes | Mr. Skulrath, the director of sale and marketing, is assigned by top management as responsible over the implementation and monitor the compliance with the RSPO SCC standard |
| 1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.   | Yes | Based on their current instruction and implementation, receiving of certified FFB from each estate was done in compliance with the standard                                  |
| <b>2 Purchasing and goods in</b>   |     |  |
| 2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.   | Yes | SAP system is a useful tool to verify the volume of certified and non-certified FFBs received. The procedure SD-001 also covers this implementation                          |
| 2.2 The facility shall inform the CB immediately if there is a projected overproduction.   | Yes | System to deal with the overproduction case and mechanism to inform CB is available  |
| 2.3 For facilities that are required to announce and confirm trades in the RSPO IT system (all facilities up to the final refinery and excl. traders) this shall include making Shipping Announcements and Shipping Confirmations in the RSPO IT system on the level of each shipment.   | Yes | Based on their implementation to confirm trades of CSPO showed that it was done in compliance with the standard  |
| <b>3 Record keeping</b>  |     |  |
| 3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.  | Yes | Records of receiving certified FFB have been well kept and maintained. Weighting of certified FFB from each estate and sale documents of certified CPO were also kept        |
| 3.2. Retention times for all records and reports shall be at least five (5) years.   | Yes | Retention time for all report is established to maintain at least for 5 years  |
| 3.3 Supply chain actors who take legal ownership of and physically handle RSPO certified sustainable oil palm products and who are part of the supply chain of RSPO certified sustainable oil palm products before and up to the (final) refinery need to register their transaction in the RSPO IT system upon the moment of physical shipment. Actors who must register include mills and refineries. Actors who must not register include traders and all operators after the final refinery. | Yes | Based on their implementation to confirm trades of CSPO showed that it was done in compliance with the standard  |
| <u>Specific for Segregation</u><br>3.4 The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.   | N/A | Only MB will be applied by the facility  |

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|   |     |  |
|---|-----|--|
| 3.5. The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.  | N/A | Only MB will be applied by the facility  |
| <u>Specific for Mass Balance</u><br>3.6 a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.  | Yes | Three month basis for verifying the balance of certified FFB from estates and delivery of RSPO certified CPO was set and implemented. However, sell short which is one option suggested by the standard will not be applied by the company |
| 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.   | N/A | There are only 2 products in the scope of P&C certification. Conversion ratio stated by RSPO is therefore not applicable   |
| c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.  | Yes | Internal accounting system has been set in compliance with the rule. Based on Univanich policy sell short will not be applied  |
| 3.7. The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.  | Yes | The following trade name "product name/MB" is used to indicate in sale document  |
| 3.8. In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement. | N/A | There is no outsource activity to an independent palm kernel crush.  |
| <b>4 Sales and good out</b>   |     |  |
| 4.1. The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:  |     |  |
| a) The name and address of the buyer;   | Yes | Only invoice will be issued to customer who received certified RSPO product. However, name and address of buyer will be indicated in that invoice.   |
| b) The date on which the invoice was issued;  | Yes | Date on which invoice issued will be indicated in all documents to be sent to customer e.g. invoice and weighting bill   |
| c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)   | Yes | Supply chain model for which facility complied with will be addressed in all documents to be sent with the product e.g. invoice and weighting bill   |
| d) The quantity of the products delivered;  | Yes | Quantity of products delivered to customer will be addressed in the weighting bill and invoice   |
| e) Reference to related transport documentation.  | Yes | COA and transportation of oil letter approved by Internal Commerce Department are another document done in every lot/batch   |
| <b>5. Processing</b> (only for segregation)   |     |  |

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|  |            |   |
|--|------------|---|
| <p>5.1. The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material*; up to 5 % contamination is allowed. (*The background of guaranteeing the minimum standard of 95% segregated physical material is due to physical intermixing of two product flows (certified and conventional oil) in processing, which is technically unavoidable. )</p> | <p>N/A</p> | <p>Only MB will be applied by the facility</p>  |
| <p>5.2. The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.</p>   | <p>N/A</p> | <p>Only MB will be applied by the facility</p>  |
| <p>5.3. In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:<br/>The crush operator conforms to these requirements for segregation<br/>The crush is covered through a signed and enforceable agreement</p>   | <p>N/A</p> | <p>Only MB will be applied by the facility</p>  |
| <p><b>6 Training</b></p>   |            |   |
| <p>6.1. The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems</p>  | <p>Yes</p> | <p>All selected employee were trained on RSPO introduction and the relevant implementation established as the procedures or work instruction on 29 November 2014</p>  |
| <p><b>7 Claims</b></p>   |            |   |
| <p>7.1. The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.</p>  | <p>Yes</p> | <p>Product name/MB is used to show the claim as either RSPO certified product or not. Neither RSPO logo nor RSPO trademark are used</p>   |
| <p><b>8 Complaints</b></p>   |            |   |
| <p>8.1 The facility shall:</p>   |            |   |
| <p>a) keep a record of all complaints made known to the facility relating to a product's compliance with requirements of the RSPO SCCS and make these records available to the certification body when requested</p>   | <p>Yes</p> | <p>Complaint procedure established for using with other standards has been seen. It will also be used to control the complaints related to product's compliance with requirement of RSPO supply chain certification</p> |
| <p>b) take appropriate action with respect to such complaints and any deficiencies found in</p>  | <p>Yes</p> | <p>No any complaints received yet</p>   |

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|  |     |                                |
|--|-----|--------------------------------|
| products or services that affect compliance with the requirements for certification; |     |                                |
| c) document the actions taken.   | Yes | No any complaints received yet |

## 5.2 Noteworthy positive components and identified non conformances

### 5.2.1 Details of noteworthy positive components

The SAP system is useful tool for dealing with the certified FFB and delivering of certified CPO. Even though there are 3 mills owned by Univanich, but every time for confirming trade as RSPO certified, the director of sale and marketing who works at Siam mill will be responsible. Therefore, sale documents showing whether RSPO certified CPO are reviewed and confirmed by director of sale and marketing. Confirm trade in RSPO eTrace will be monitored by the director of sale and marketing rather than allowing all mill to do separately.

### 5.2.2 Detail of non-conformity

| AUDIT OUTCOME     |                          |
|-------------------|--------------------------|
| During this audit | 0 Non-Conformities MAJOR |

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## 6 Certified organization's acknowledgement of internal responsibility

### 6.1 Date of next surveillance visit

The next surveillance audit is scheduled within 9-12 months from certification date.


### 6.2 Date of closing non-conformities

|                               |                              |
|-------------------------------|------------------------------|
| All major NCs closed by       | 30 March 2015                |
| All minor NCs to be closed by | Next surveillance assessment |

### 6.3 Formal sign-off of assessment findings

|                                      |   |
|--------------------------------------|---|
| Name of Client:                      | Lamthap mill  |
| Client number:                       | 44632   |
| Certificate number:                  | 74172   |
| Certification Decision Date:         | 22/07/2015  |
| Issued by                            | TÜV NORD Integra  |
| Address                              | Statiestraat 164<br>2600 Berchem, Antwerp<br>Belgium    |
| Telephone                            | +32 3 287 37 60   |
| Fax                                  | +32 3 287 37 61   |
| Email                                | info@tuv-nord-integra.com                               |
| Website                              | www.tuv-nord-integra.com                                |
| Scope                                | FFB, CPO and PK   |
| Name of Mill: Lamthap mill           |   |
| Scope (Summary of suppliers of FFB): | Lamthap estate, Khlongtom division and Cha uat division |
| Annual certified volume CPO:         | 1,060 ton   |
| Annual certified volume PK:          | 265 ton   |

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|   |   |
|---|---|
| Annual volume FFB (in case of group certification):   |   |
| Type of certification:  | Single site: Yes      Group Certification: No |
| Certifier (contact person)  | Gerrit De Weerd                               |
| Signature:<br> |   |