PUBLIC SUMMARY REPORT

INDEPENDENT SMALLHOLDER GROUP
INITIAL RSPO CERTIFICATION ASSESSMENT

The Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group
Plaipraya District, Krabi Province, THAILAND

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TABLE of CONTENTS

SUMMARY.......................................................................................................................................................... 1
Abbreviations Used.............................................................................................................................................. 1

1.0 SCOPE OF CERTIFICATION ASSESSMENT................................................................................................. 1
1.1 National Interpretation and Assessment Document Used................................................................................ 1
1.2 Certification Scope........................................................................................................................................... 1
1.3 Location and Maps......................................................................................................................................... 1
1.4 Description of the Independent Smallholder as a FFB Producer........................................................................ 3
1.5 Area of Plantation........................................................................................................................................... 4
1.6 Date of Planting and Age profile.................................................................................................................. 4
1.7 Approximate Tonnages Certified................................................................................................................... 5
1.8 Time Bound Plan......................................................................................................................................... 6
1.9 Date of Certificate Issued and Scope of the Certificate................................................................................... 6
1.10 Other Certification Held................................................................................................................................ 6
1.11 Organisational Information / Contact Person............................................................................................. 6

2.0 ASSESSMENT PROCESS.................................................................................................................................. 6
2.1 Certification Body............................................................................................................................................ 6
2.2 Qualifications of the Lead Assessor and Assessment Team............................................................................ 6
2.3 Assessment Methodology, Programme, Site Visits.......................................................................................... 7
2.4 Stakeholder Consultation and List of Stakeholders Contacted....................................................................... 7
2.5 Date of Next Surveillance Assessment Visit................................................................................................ 8

3.0 ASSESSMENT FINDINGS.................................................................................................................................. 8
3.1 Summary of Findings – Assessment against RSPO P&C (TH-NI) for Independent Smallholder.......................... 8
3.2 Summary of Findings – Assessment against RSPO Standard for Group Certification................................. 17
3.3 Detailed Identified Nonconformities, Corrective Actions and Auditor Conclusion.......................................... 20
3.4 Noteworthy Positive Components................................................................................................................ 21
3.5 Issues Raised by Stakeholders and Findings with Respect to Each Issue....................................................... 21
3.6 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings............................ 21

LIST of TABLES

1  GPS Location of the Group Office.................................................................................................................... 3
2a Total Smallholder Members, Total Planted Area and Total Plots................................................................. 3
2b Actual FFB Production for 2011 and Projected FFB Production for Jan – Dec 2012................................. 3
2c Average FFB Production per Hectare for 2011 and Projected FFB Production for 2012.............................. 3
3  Total mature and Immature Area.................................................................................................................... 4
4  Age Profile of the Palms.................................................................................................................................. 5
5a Approximate FFB and CPO Tonnages Produced in 2011 and Budgeted for 2012........................................ 5
5b Approximate PK Tonnages Produced in 2011 and Budgeted for 2012....................................................... 5
5c Approximate PKO Tonnages Produced in 2011 and Budgeted for 2012...................................................... 5
5d Approximate PKE Tonnages Produced in 2011 and Budgeted for 2012.................................................... 5

LIST of FIGURES

1  Location Maps of the Group and UNIVANIC Partnering Mill in Krabi Province, Thailand............................ 1
2  Location of the Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group in Plaipraya District, Krabi Province, Thailand.................................................. 2
3  Location of Krabi Province in Thailand........................................................................................................ 3

List of Appendices
A  Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group RSPO Certificate Details
B  Assessment Programme
C  List of Stakeholders Contacted
D  Supply Chain Assessment for the FFB Sales
SUMMARY

BSi has conducted initial certification assessment of Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group operations comprising group of Independent Smallholder members, Group Management/Group Manager, FFB supply chain, support services and infrastructure. This group meets the requirement for the group certification based on the RSPO definition whereby this group members growing oil palm, where the family provides labour, the farm provides the principle source of income and the planted area of oil palm is below 50 hectare in size. The initial certification assessment was conducted on 6 – 9 May 2012. BSi concludes that the Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group operations, Group Manager, Group Members and Internal Control System comply with the RSPO requirements for sustainable FFB production.

The Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group were also assessed against the RSPO Supply Chain elements related to independent smallholder’s FFB production and sales for the compliance to the RSPO requirement for the FFB sales and delivery to the palm oil mill. During this assessment it is noted that there is no FFB purchased by the group. It is found that the group have implemented Segregation system to ensure traceability of the out-going FFB without any mixing of uncertified FFB. They have the control until the point where the ownership transferred to the mill. It is found that the mill that purchasing the FFB from this group taking up the traceability records from there onward.

BSi recommends that the Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group, Group Manager and Group Members be approved as a producer of RSPO certified sustainable Fresh Fruit Bunches.

ABBREVIATIONS USED

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPO</td>
<td>Crude Palm Oil</td>
</tr>
<tr>
<td>EFB</td>
<td>Empty Fruit Bunch</td>
</tr>
<tr>
<td>RTE</td>
<td>Rare, Threatened and Endangered</td>
</tr>
<tr>
<td>FFB</td>
<td>Fresh Fruit Bunch</td>
</tr>
<tr>
<td>GIZ</td>
<td>German Society for Technical Cooperation</td>
</tr>
<tr>
<td>GPS</td>
<td>Global Positioning System</td>
</tr>
<tr>
<td>HCV</td>
<td>High Conservation Value</td>
</tr>
<tr>
<td>ICS</td>
<td>Internal Control System</td>
</tr>
<tr>
<td>IPM</td>
<td>Integrated Pest Management</td>
</tr>
<tr>
<td>ISO</td>
<td>International Standards Organisation</td>
</tr>
<tr>
<td>MSDS</td>
<td>Material Safety Data Sheet</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Government Organisation</td>
</tr>
<tr>
<td>NIWG</td>
<td>National Interpretation Working Group</td>
</tr>
<tr>
<td>NPK</td>
<td>Nitrogen Phosphate Potassium</td>
</tr>
<tr>
<td>OAE</td>
<td>Office of Agriculture Economics</td>
</tr>
<tr>
<td>OER</td>
<td>Oil Extraction rate</td>
</tr>
<tr>
<td>OHS</td>
<td>Occupational Health and Safety</td>
</tr>
<tr>
<td>P&amp;C</td>
<td>Principle &amp; Criteria</td>
</tr>
<tr>
<td>PK</td>
<td>Palm Kernel</td>
</tr>
<tr>
<td>PKE</td>
<td>Palm Kernel Expeller</td>
</tr>
<tr>
<td>PKO</td>
<td>Palm Kernel Oil</td>
</tr>
<tr>
<td>PPE</td>
<td>Personal Protective Equipment</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>RSPO</td>
<td>Roundtable on Sustainable Palm Oil</td>
</tr>
<tr>
<td>SEIA</td>
<td>Social &amp; Environmental Impact Assessment</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard Operation Procedure</td>
</tr>
</tbody>
</table>

1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation and Assessment Document Used

The operations of the independent smallholder group, group management, Group Manager, Group Members and their supply bases of FFB were assessed against the following documents as a reference:


1.2 Certification Scope

The scope of Certification covers Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group, Group Manager and the Group Members who have been formally accepted to join the group and comply with the group rules, requirements of the RSPO Standard for Group certification and Sustainable palm oil production.

1.3 Location and Maps

The Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group is located in Plaipraya District, Krabi Province, Thailand. Figure 1 shows location of the farmers group and Partnering mill, UNIVANICH. Figure 2 shows the location of the farmers group and their plot.

Figure 1: Location of the Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group and Partnering Mill (UNIVANICH) in Krabi Province, Thailand
Figure 2: Location of the Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group in Plaipraya District, Krabi Province, Thailand

Legend
- Independent Smallholder Plots in the Plaipraya District
Figure 3: Location of the Krabi Province in Thailand where the Independent Smallholders are located.

The GPS location of the group office is shown in Table 1 below.

Table 1: GPS Locations of the Group Office

<table>
<thead>
<tr>
<th>Group</th>
<th>Longitude</th>
<th>Latitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Oil Palm Smallholders Production</td>
<td>98° 55’ 12.25”E</td>
<td>08° 34’ 38.79”N</td>
</tr>
<tr>
<td>(UNIVANICH-PLAIPRAYA) Community Enterprise Group</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.4 Description of the Independent Smallholders as a FFB producer

Fresh Fruit Bunch is produced from plots owned and managed by group members. These FFB is sold individually to UNIVANICH Palm Oil Mill and one of the collection ramp belongs to the group member. During the certification assessment, it was highlighted to the audit team that the Independent Smallholders prefers to sell individually to maintain their freedom to sell directly to the palm oil mill. Due to this reason they have not formed the Group Marketing. Smallholder numbers and planted area is shown in Table 2a. The budgeted FFB productions (certified) for the year 2012 is listed in Table 2b and 2c. As per RSPO requirement, the Independent Smallholders Group Management has collected FFB production data for the year 2011 as shown in Table 2b and 2c.

Table 2a: Total Smallholder Members, Total Planted Area and Total Plots

<table>
<thead>
<tr>
<th>Group</th>
<th>Total Members</th>
<th>Total Area (ha)</th>
<th>Total Plots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Oil Palm Smallholders Production</td>
<td>158</td>
<td>645.76</td>
<td>242</td>
</tr>
<tr>
<td>(UNIVANICH-PLAIPRAYA) Community Enterprise Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>645.76</td>
<td>242</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Source</th>
<th>Actual FFB (mt) For 2011</th>
<th>Budgeted FFB (mt) for 2012</th>
<th>Projected increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Oil Palm Smallholders Production</td>
<td>11,767</td>
<td>12,035</td>
<td>2.3</td>
</tr>
<tr>
<td>(UNIVANICH-PLAIPRAYA) Community Enterprise Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total FFB Production</td>
<td>11,767</td>
<td>12,035</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Note: The average projected increase is only about 2.3%. This projection is made in anticipating the replanting program and immature area in the group.

Table 2c: Average FFB production per hectare for 2011 and Projected FFB Production per hectare for 2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Oil Palm Smallholders Production</td>
<td>11,767</td>
<td>18.22</td>
<td>18.64</td>
</tr>
<tr>
<td>(UNIVANICH-PLAIPRAYA) Community Enterprise Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total FFB Production</td>
<td>11,767</td>
<td>18.22</td>
<td>18.64</td>
</tr>
</tbody>
</table>

It is noted that the FFB production per hectare in 2011 is 18.22 mt/ha because there are members whose plots are still under immature stage. Some of these areas will be coming into harvesting in 2013. The projected FFB for the year 2012 increased only about 2.3% due to anticipating the replanting plan. The average yield per hectare is forecast to increase to 18.64 mt/ha in 2012.

Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group was developed as an Independent Smallholders farmers group through initiative from GIZ and OAE. Both GIZ and OAE acted as consultant and supported the implementation of the RSPO requirements for the Group Certification. The same consultant was involved in preparing the Independent Smallholder Group in Chonburi as well as in UPOIC Nuakhlong-Khaopanom.
and Suratthani. All these four groups are using similar Management System, ICS Documentation procedures and similar group structure. Due to this reason, most of the findings on the management systems and ICS are similar except site specific documents. The Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group was assessed by BSI. This RSPO Certification initiative was part of GIZ and OAE’s commitment to certify the Independent Smallholders towards RSPO certification. The reference documents used for the assessment are listed in the section 1.1 above. A formal Stakeholder Notification was posted on the RSPO website, BSI website and the group office notice board for 30 days for the stakeholders to give their comments about the RSPO certification of the Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group. There were no comments neither feedback received within the 30 days of the notification period from stakeholders.

This summary report covers the findings of the assessment of the Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group and the compliance of the independent smallholders.

The independent smallholders comprise individual independent smallholders planted oil palm and managed by a central committee which acts as a group management assisted by a RSPO Co-operator acting as Group Manager and a ICS system administrator. This group was developed from a loose group through initiatives from GIZ, OAE by partnering with UNIVANICH palm oil mill. Group members are those able to adhere to the RSPO requirements. Advice through training in best oil palm management practices was given by GIZ, OAE and partnering palm oil mill since 2010. There are 158 independent smallholder members in this group covering an area of 645.76 ha planted with oil palm. The independent smallholders are selling the FFB to UNIVANICH palm oil mill which is acting as a partnering mill although the independent smallholders do not have any obligation to sell the FFB to this mill. UNIVANICH mill already developed traceability records for the FFB received from this independent smallholder group.

The Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group members are smallholders who are depends on the income from their farming work. Initially their land was planted with fruit trees and rubber. Due to the poor and unstable price of these crops, and difficulty in getting farm workers, the group members switched to oil palm cultivation which relatively has stable price and not as labour intensive as the earlier agriculture crops. The farming land was originally from the government and the farmers now have various types of ownership such land title, lease title, land use right and allowed to plant agriculture crops. The independent smallholder palms were planted in various years through conversion from original crop. The planting year and age profile is shown in Table 4. It is also noted that about 54.56 hectare was replanted from oil palm to oil palm and from other crops as well. The audit team’s inspection in the field, document verification, land history and interview with surrounding land owners and government officials confirm that this land was previously planted with either oil palm or other agriculture crops. There is no evidence of any replacement of primary forest or loss of HCV.

In order to bring the independent smallholders into compliance of RSPO certification requirement, group management was formed comprising smallholder members who were elected. This group management acted as group manager and started to communicate all the RSPO certification requirements to each of the members since 2010 to ensure the members can be included into the RSPO certification assessment.

BSI audit team visited a sample of the group members during the certification assessment and checked their status and compliance with RSPO group certification requirements and relevant standards. The methodology is explained in section 2.3 below.

### 1.5 Area of Plantation

The area of palms at the independent smallholders group is listed in Table 3.

<table>
<thead>
<tr>
<th>Group</th>
<th>Mature (ha)</th>
<th>Immature (ha)</th>
<th>Total (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group</td>
<td>627.20 (97%)</td>
<td>18.56 (3%)</td>
<td>645.76</td>
</tr>
</tbody>
</table>

| Total | 627.20 | 18.56 | 645.76 |

### 1.6 Date of Plantings and age profile

Palms of the independent smallholder members in the Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group were planted between 1975 and 2012. There is about 18.56 hectare of immature area. This immature area was replanted from oil palm to oil palm by group members. About 97% of the palms are matured. It is noted that the Plaipraya District was one of the first area in Southern Thailand planted with oil palm through initiative from Uniliver Group which was supplying planting material. This is one of the reason why there are palms aged between 28 – 37 years old still can be seen during the field inspection to the group members plots. There are group members did not carry out replanting at the age of 25 years due to financial difficulty and fully depends on income from the oil palm production. Replanting means no source of income for the family. Furthermore these older palms are producing 16 – 18mt FFB/hectare on average. The group now developed a group replanting plan to assist these group members to go through the replanting gradually. The age profiles of the palms are shown in Table 4.
Table 4: Age profile of the palms

<table>
<thead>
<tr>
<th>Planted year</th>
<th>Total Planted Area (ha)</th>
<th>Age of the palm (years)</th>
<th>% of total Planted area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975 – 1977</td>
<td>16.80</td>
<td>35-37</td>
<td>2.60</td>
</tr>
<tr>
<td>1981 – 1982</td>
<td>12.00</td>
<td>30-31</td>
<td>1.86</td>
</tr>
<tr>
<td>1983 – 1984</td>
<td>27.52</td>
<td>28-29</td>
<td>4.26</td>
</tr>
<tr>
<td>1987 – 1988</td>
<td>33.76</td>
<td>24-25</td>
<td>5.23</td>
</tr>
<tr>
<td>1989 – 1990</td>
<td>25.44</td>
<td>22-23</td>
<td>3.94</td>
</tr>
<tr>
<td>1993 – 1994</td>
<td>59.84</td>
<td>18-19</td>
<td>9.27</td>
</tr>
<tr>
<td>1995 – 1996</td>
<td>72.64</td>
<td>16-17</td>
<td>11.25</td>
</tr>
<tr>
<td>1999 – 2000</td>
<td>77.44</td>
<td>12-13</td>
<td>11.99</td>
</tr>
<tr>
<td>2001 – 2002</td>
<td>63.52</td>
<td>10-11</td>
<td>9.84</td>
</tr>
<tr>
<td>2003 – Oct 2005</td>
<td>61.44</td>
<td>8-9</td>
<td>9.51</td>
</tr>
<tr>
<td>Nov 2005– 2006</td>
<td>12.16</td>
<td>6-7</td>
<td>1.88</td>
</tr>
<tr>
<td>2007 – 2008</td>
<td>21.44</td>
<td>4-5</td>
<td>3.32</td>
</tr>
<tr>
<td>2009 – 2010</td>
<td>8.96</td>
<td>2-3</td>
<td>1.39</td>
</tr>
<tr>
<td>2011 – 2012</td>
<td>12.00</td>
<td>0-1</td>
<td>1.86</td>
</tr>
<tr>
<td>Total</td>
<td>645.76</td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

Note: Planting in 2011 - 2012 is area replanted form oil palm to oil palm.

1.7 Approximate Tonnages Certified

The approximate tonnages of FFB certified reported during this certification assessment was based on the budget for the year 2012. As per the RSPO Standard for Group Certification and THNI for Independent Smallholder requirement all the members have at least last year’s (2011) FFB production record. These records were checked and audited during the document audit. During this assessment, the approximate tonnage certified includes the production from all the group members. The national regional reference OER figure for FFB to CPO conversion rate is 17.4% for the year 2011. This data was obtained from the Office of Agriculture Economics (OAE) through the Independent Smallholders Consultant, GIZ. The group management control system is using the OER given by the partnering palm mill to make FFB conversion to CPO. The FFB production is converted to CPO based on the 19% Oil Extraction Rate (OER) given by the partnering palm oil mill, UNIVANICH Palm Oil Mill which is higher than the average national OER. This OER is written on the weighbridge ticket and invoice from the mill is used as a guidance to calculate the CPO conversion. This OER figures was confirmed by the Group Manager, Independent Smallholder members, Group Management and the representative from the palm oil mill. The OER is based on the palm oil mill’s grading procedure. The detail of the Certified FFB, CPO, PK, PKO and PKE production is shown in Table 5a, 5b, 5c and 5d below.

While the FFB to CPO conversion is based on the OER obtained from the partnering palm oil mill, the PK, PKO and PKE is based on the RSPO Standard for Group certification document (RSPO Certification Documents Review Draft: April 2012) whereby the Standard PK rate of 6% of FFB, of which 45% is counted as Certified Palm Kernel Oil and 55% as Certified Palm Kernel Expeller.

Prepared by BSI Group Singapore Pte Ltd for Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group, Thailand
1.8 Time Bound Plan

Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIRPRAYA) Community Enterprise Group is a member of RSPO since April 2012. RSPO Membership No: 1-0119-12-000-00

There are total of 158 independent smallholders in this Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIRPRAYA) Community Enterprise Group. All the members are formally joined this group and has individual agreement with the group management to comply with the RSPO certification requirements. All the formal members and their plots are included during this assessment. There are no members excluded from certification. Therefore there is no time bound plan required at this initial certification assessment.

1.9 Date of Certificate Issued and Scope of Certificate

The scope of the certificate includes the production of FFB from the Independent Smallholder Group: Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIRPRAYA) Community Enterprise Group, group manager and group members. RSPO Certificate details are included as Appendix A. The certificate issue date will be the date of the RSPO approval of the Assessment Report.

1.10 Other Certifications Held

No other certification held by the group or the members. This is the first experience for the independent smallholder group and members to go through a certification process. They have shown the full commitment to implement and comply with the RSPO group certification requirements.

1.11 Organisational Information / Contact Person

Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIRPRAYA) Community Enterprise Group contact details as follows:

Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIRPRAYA) Community Enterprise Group
592, Aoluk Prasaeng Road, Plai praya District, Krabi Province, 81160 Thailand.
Contact Person: Mr. Krittana Paperanon,
Phone: +66 756 346 34
Fax: +66 756 344 87
Email: Krittana.p@univanchich.com

2.0 ASSESSMENT PROCESS

2.1 Certification Body

BSI Group Singapore Pte Ltd
3, Lim Teck Kim Road #10-02
Genting centre
Singapore 088934
Phone: +65 6270 0777
Fax: +65 6270 2777
Scheme Manager: Mr Aryo Gustomo
Email: Aryo.Gustomo@bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK’s National Standards Body. BSI provides independent, third-party certification of management systems. BSI has a Regional Office in Singapore and an Office in Thailand, Kuala Lumpur and Jakarta.

2.2 Qualification of the Lead Assessor and Assessment Team

Senniah Appalasamy – Lead Assessor
He holds degree in Resource Economics from Agriculture University of Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCSS and RSPO NPP in Malaysia and Indonesia. He has completed ISO 9001:2008, RSPO SCSS awareness training, RSPO Lead Auditor Training Course and International Sustainable Carbon Certification (ISCC) Lead Auditor training. Beside RSPO, he is also qualified as ISCC lead auditor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member.

Aryo Gustomo – Team Member

He holds degree in Agriculture science majoring on Agronomy graduated from Bogor Agriculture University. He is a specialist in oil palm plantation with agronomy background. He had more than 5 (five) years working experienced related to oil palm industries i.e. as Plant breeder/agronomist in one of the Malaysian oil palm seed producer and as a field assistant in oil palm Plantation Company in Indonesia. He had been involved in several RSPO certification audits as a lead auditor/auditor during his career with one of the RSPO approved certification body. Trainings he has completed include ISO 9001, 14001, RSPO Lead auditor courses, RSPO SCSS awareness training as well as training on HCV identification and management. Currently he works for BSI Group Singapore Pte Ltd as a RSPO scheme manager for ASEAN and one of the RSPO lead auditor/auditor.

Suravet Surakool – Team Member

He holds BSc in Industrial Electronics and Diploma in Computer. He graduated in 1997 from Rajabhat Institute, Chachaeongsa, Thailand. His Diploma obtained from Rajasitharam Technical College, Thailand. He has completed lead auditor training in ISO 9001: 2000, OHSAS 18001 and ISO 14001. He is involve in certification assessment since 2003 as an auditor and subsequently as a lead auditor for ISO 9001, OHSAS 18001 and ISO 14001. He is also auditor for TLS 8001, Local Social Accountability Standard and conducted various assessment sponsored by the Thai Labour Department. He has experience in local legal issues and
workers welfare issues. He is fluent in local language. He has undergone internal RSPO awareness training in March 2012.

**Kittsopon Thaninsiri Phithaya – Team Member and Translator**

He is the BSI Thailand training manager and organise internal and external training. He has vast experience in managing human resource and understands labour issues. He is fluent in local language. His role was to assist in the translation during the internal and external stakeholder interview and translate the ICS documents for the auditors during the document verification. He is also having experience in local regulation related to land ownership and environmental issues.

### 2.3 Assessment Methodology, Programme, Site Visits

The assessment was conducted to assess the compliance of the Independent Smallholder Group and its members against the RSPO requirement for Independent Smallholder Group certification. The assessment program is included in Appendix B.

This assessment was conducted using the documents as per in section 1.1 above as a reference during the assessment of the independent smallholder Group Manager, Group Members and Internal Control System. BSI Audit team conducted the certification assessment of the Independent Smallholders operation by conducting document review, field visit, and interview with Group Management Committee, Group Manager, ICS Administrator, Group Members and stakeholders. During this certification assessment a sample of independent smallholder members and their plots were selected from the group. The sampling was based on RSPO sampling formula.

**Sampling formula and method of calculating the smallholder members to be assessed.**

During this certification assessment a sample of independent smallholder members and their plots were selected. The sampling was based on RSPO sampling formula. \( N = 0.8VY \), where \( Y \) is the number of smallholder members, with the result rounded up to the next whole integer.

For the purpose of sampling, risk assessment of group members and the group manager was carried out prior to the certification assessment through document review on the application details provided by the group manager. This includes details of members, size of the plot, management structure, diversity of terrain, area planted after 2005, result of internal assessment, the geographical location, distance from the palm oil mill/collection ramp and information gathered from stakeholder. Based on the information gathered prior to the assessment, BSI audit team concluded that the risk is medium. A total of sixteen (16) group members were selected from 158 members. The samples are selected at various locations based on the distance from the mill. Samples are widely spread to cover the overall distribution of the group members.

Plots of the members selected were visited and inspected followed by document assessment for each member’s records and data relevant to group certification and THNI for Independent Smallholder. Interview was conducted at the field during the visit to the plot. Field operations such as harvesting, grass cutting and FFB transportation was checked during the field visit. Checklist which was developed based on the RSPO Standard for Group certification and THNI for Independent Smallholders were used to guide the collection of information.

The assessment program includes assessment against all the applicable RSPO requirements for Independent Smallholder Group Certification. The methodology for collection of objective evidence includes physical inspection of the independent smallholders’ facilities, members’ plots, and interview with members, Group Manager, Group Management Committee, ICS Administrator, workers and review of documents. The block inspection was aligned with the field operation schedule in order to inspect the operation and interview the smallholder member and workers.

The assessment process was based on random sampling and therefore nonconformity may exist which have not been identified this time. Currently this summary report was reviewed by RSPO Secretariat through external peer reviewer.

### 2.4 Stakeholder Consultation and List of Stakeholders Contacted

During the Independent Smallholder Assessment consultation was conducted involving internal and external stakeholders. Prior to the assessment external stakeholders were notified by posting the Stakeholder Notification letter on the RSPO website and BSI website for 30 days. Since the independent smallholders group does not have their own website, the Stakeholder Notification was posted on the group’s office notice board. During the stakeholder notification period, BSI did not receive any feedback from stakeholders during the 30 days notification period.

During the assessment meeting were held with internal and external stakeholder in the absent of the group members and group management to allow the stakeholders give their feedback freely.

During the meeting, the stakeholders were asked open end questions to seek feedback on the performance of the Independent Smallholder Group’s performance with respect to RSPO requirements and aspects that they consider need improvements. Issues discussed were related to legal issues, land ownership issues, agriculture management practices, environment and social performance. Stakeholders included are those immediately linked with the operation of the Independent Smallholder Group such as workers, group members, family members, village head, government officials, school teachers and representatives from the partnering mill. Stakeholder consultation took place in the form of meetings and interviews without the present of the group management members and interview with...
workers was without the present of the smallholder member.

It is noted that during the Independent Smallholder assessment there was no negative comments or complaints received. Issues raised and discussed are summarized in section 3.5. The list of stakeholders contacted is included as Appendix C.

2.5 Date of Next Surveillance Assessment Visit

The next surveillance assessment visit is planned before the first anniversary of the RSPO approval of the initial certification.

3. ASSESSMENT FINDINGS

The assessment findings are reported in two parts. Section 3.1 is referring to the finding based on the RSPO Principles & Criteria for Thailand (TH-NI) Indicators and Guidance for the Thai RSPO Establishment: Approved 7 June 2011, RSPO Principles & Criteria (TH-NI) Guidance and Indicators for Independent Smallholders under Group certification(Approved 9 October 2012).

Section 3.2 is referring to the findings of the Independent Smallholder assessment based on RSPO Standard for Group Certification: 26 August 2010.

Both findings include the assessment of the independent smallholder members, group manager, group management committee, Internal Control System and supply chain elements.

During the Independent Smallholders assessment there were two major nonconformities, two minor nonconformities and two observations were identified. The group management submitted corrective action plan and evidence of implementation for all the major nonconformities to BSI audit team. The corrective action plan and evidence of closing out the major nonconformities was assessed by the audit team. It is found that the evidence sufficient to address the major nonconformities and close out the major nonconformities. The group manager also submitted corrective action plan for the two minor nonconformities. The corrective action plan is sufficient to address the minor nonconformities. The progress of the closing out the minor nonconformities and observation will be verified during the next annual surveillance assessment.

Based on the findings during the Independent Smallholders assessment and with the close out of the major non conformities, BSI conclude that Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group, Group Manager and Group Members comply with the RSPO requirements for the independent smallholder group certification.

BSI recommends that Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group approved as a RSPO Certified FFB producer and Sustainable Palm Oil.

3.1 Summary of Findings

(Based on the RSPO Principles & Criteria for Thailand (TH-NI) Indicators and Guidance for the Thai RSPO Establishment: Approved 7 June 2011 and RSPO Principles & Criteria (TH-NI) Guidance and Indicators for Independent Smallholders under Group Certification (Approved 9 October 2012)

Principle 1: Commitment to transparency

Criteria 1.1: Oil palm growers and mills provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

1.1.1 Records of requests and responses to be kept and maintained for a specified and appropriate duration

Records of request and response are recorded on the guest records section on the farm record book. The group members are aware that they need to records any information given to stakeholders. Group manager have separate record when the information is forwarded from the group management to the group members and stakeholders. These records also incorporated with visitor’s information and information given to them. The group members and group management maintain these records for five years as per the internal document control.

Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1 Group management documents related to environmental, social and legal issues must be prepared and made publicly available. These, at least, include the following documents:
- Legal land titles or land use rights;
- Agreement between group manager and members.

Publicly available documents are land title and evidence of land use rights, location map and farm layout of the group members plots/blocks, application and agreement between the group manager and group members, internal audit documents, registration of the group with the local authority, safety and health plan, simplified Social Impact Assessment, details of complaints/grievances, negotiation procedures, simplified budget for the group, group policies, copies of relevant government law, agriculture manual covering oil palm best practices, sustainability manual, farm operation and production records, training records, FFB sales records and continuous improvement plans. All these documents are in local language to allow the group members read and understand easily. All group members are given a copy of the relevant documents. Group documents and records are maintained for a minimum of five years.

Group manager share the information related to RSPO requirements for Sustainable Oil Palm Production by
independent smallholders and explain to the group members. This is also explained in the group sustainability manual.

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

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

2.1.1 Evidence of compliance with the laws and regulations which are relevant and significant for oil palm production

Group manager and group members have adequate knowledge regarding legal requirements related to their operation. Implementation of the related legal requirements relevant to oil palm cultivation, including those related to the group activities are checked regularly by group manager and through the local district government agriculture extension officer. This was revealed by the agriculture officer during interview.

The group manager, group management and the partnering palm oil mill’s extension officer regularly provide an up-to-date list of applicable laws and regulation to ensure the group and members are aware of the latest regulations. During this initial certification it is noted that external assistance and training was given by GIZ and OAE including preparing list of relevant documents to ensure the group management understand the requirement of this indicator.

Sample of legal documents were checked in the group office during ICS audit. The group manager ensures that group members abide to the relevant and significant laws and regulations such as the use of legally registered pesticides and herbicide. Group manager monitor the group member to check their compliance with any relevant law and regulation prior to joining the group and during internal audit. Group management hold a list of relevant, significant and up-to-date laws and regulations such as the Hazardous Substances Act, the Agricultural Standards Act, the Regulations Governing Land Tenure or Land-use Right, the Oil Palm Bunch Notification of the Ministry of Agriculture and Cooperatives.

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

2.2.1 Documents or evidence showing legal land ownership or lease, landuse rights, history of land tenures or actual land uses and customary rights or that the right to use the land is accepted without any legitimate claims and contests by local communities.

It is also noted that the land was initially developed as a traditional farming land for many years ago from generation to generation and handed over to the family members.

All the group members have maps, farm layouts and evidence showing legal land ownership in the form of land title and land use right. The land is owned for many generations and being used for agriculture. There are various types of land ownership noted and each ownership comes with particular rights or term of use. Types of ownership checked are Chanod, Sor Por Kor and Por Bor Tor S Nor. Group members understand the terms of the ownership and able to explain the history of the land use prior to oil palm planting. These details are made available to the group manager prior to joining the group.

However, a major nonconformity was raised against this indicator. It is noted that the land use right was given to the group member who applied for membership for managing the plot on behalf of the parents or the original land title owner. It is not clear whether the management right to use the land is given freely by the family member/owner. Sample checked shows Khun Ekapat, Khun Sumeechai, Khun Sorawan and Khun Wipat claimed that they are given concern to manage the land. However there is no documentary proof seen during the assessment. During the assessment, document check on Khun Sumeechai’s land use right shows that he does not have any document to proof that he has the land use right for the plot number C. Audit team was not provided with the document during the assessment. This nonconformity was closed prior to finalising this summary report. Please refer to section 3.3 for details.

Group manager ensure that group members lands are not claimed or contested by any third parties or local communities and there is no violation of customary rights. There is no dispute noted during this assessment and no issues were raised by the stakeholders during interview. Group manager have negotiation procedure to address any conflict if identified.

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

2.3.1 Farm layouts showing the boundary of legal land rights or the extent of recognized customary rights which are agreed upon in a participatory manner (including criteria 7.5 and 7.6).

Group manager collect farm layouts from individual members and establish a common farm layout for members. This is available on the farm record book and copy maintained by ICS. Members whose land acquisition is by obtained from legal purchase, group manager checks the documentary proof of land holding rights such as transfer of land rights, purchase of land, payment and other agreements based on the details provided during application to join the group.

During the field visit the boundary stones and markings were inspected. The boundary is based on the type of
land ownership. Clear boundary stone as required by local regulation and clear marking available in the field. No dispute was noted during interview with the neighboring plot owners. There were no encroachment issues noted or highlighted by the stakeholders who were interviewed during the stakeholders’ consultation.

**Principle 3: Commitment to long-term economic and financial viability**

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

### 3.1.1 An annual budgetary plan of the group

The group manager and the group management committee with participation from members developed estimate income and expense document for the group in the form of an annual budgetary plan. Annual budget is used as guidance by the group manager and group members to ensure management plans in the budget are implemented to achieve the economic financial out come. The annual budget includes operational cost and revenue, production and target, cost of production, cost of replanting and allocation for the continuous improvement in farm practices. Cost of RSPO certification is included as well.

Although it is a very simple plan, it shows the income generated for the group through membership payment and incentive from the partnering mill for producing sustainable Fresh fruit Bunches. The expenses include cost of training, internal and external audit. The group manager also set out plans for accepting new prospective members. Consideration is also given to members who wish to expand the plantation areas. Group manager and the management committee give advice for the group members to develop their own annual budgetary plan. Individual members have their own budgetary plan which covers their oil palm farming activities.

### 3.1.2 When the need for replanting becomes apparent, this should be included in the budgetary plan of the group in an appropriate and timely manner.

Replanting programme is available during this initial assessment. The oldest palms are about 28 - 37 years old and the replanting cycle takes place at the palm age of 25 years. The group manager, group management and group members aware that they need to consider the replanting plans in the budgetary plan to assist the group members to go through the replanting smoothly. Individual group members have their own planning as well which includes replanting plans.

It is also noted that the replanting cycle exceed the 25 years cycle because the height of the palms are generally lower compared to the same age palms in neighbouring Malaysia. There is no much difficulty in harvesting and the crop recovery from tall palms. This is also another reason for the average yield of 16-18 mt/ha/year from the older palm.

**Principle 4: Use of appropriate best practices by growers and millers**

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

4.1.1 Documents on management practices in key activities of oil palm farming are established.

The independent smallholder group was given external support and assistance by GIZ, OAE and local universities in developing their own agriculture manual covering oil palm management and Sustainability manual, manuring guidance, good agriculture practices, farm record books and training materials which includes safe working instructions for all type of work. The group also have Sustainability manual covering all the requirement of RSPO Group certification. Group manager and ICS administrator ensures that all group members have a copy of these manual and regularly collect the information recorded in the farm record book.

4.1.2 Evidence of implementing management practices in key activities of oil palm farming

Initially the independent smallholders were receiving farming advises from local agriculture extension officers and these officers regularly check the farming activities. Since the formation of the group, the group manager and farm advisers (farm adviser is part of the Group management System trained by the external consultant) ensure that the good agriculture practices are implemented by group members. This is checked through internal audits and monthly field visit/inspection by the farm advisers to selected members plots.

The group organises regular training for the group members in order to review and enhance their knowledge on good agriculture practices. During the assessment it is noted that farm record book is updated by the group members. These records includes FFB harvesting and sales, fertilizer application, grass cutting, herbicide application, rainfall records, training attended, advise received from farm adviser and guest visit details.

The most recent internal RSPO audit was carried out on 9 – 20th February 2012. Corrective action plans are prepared for any findings and it is checked during the subsequent visits. Group members carry out daily monitoring through field inspection. It is a routine that the members prepare monthly records and send to the ICS administrator for record updating purpose.

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

4.2.1 Records of fertilizer usage or evidence of soil fertility maintenance.

Leaf sampling is carried out to determine the nutrient level in the palms. Recommendation is made based on the result from leaf analysis. Fertilizer recommendation is received from local university. During the preparation period for the RSPO assessment, the partnering consultants (GIZ and OAE) brought Agronomist from
local university to visit the independent smallholders and their plots for visual inspection prior to the fertilizer recommendation. Partnering mill gives credit for the purchase of fertilizer.

Fertilizer application is recorded in the farm records book each time fertilizer is applied. Inspection to the farm record book shows that group members apply at least three rounds of NPK compound fertilizer annually. Some of the members apply very small quantity of EFB (about 20 mt) annually on selected area between palm rows. Most of the group members are unable to apply EFB due to the high transport cost.

External training is provided to group members to explain the importance of best practices for soil fertility maintenance such as frond sampling for nutrient analysis, need for fertilizer recommendation, application method and frequency.

4.2.2 Records of annual FFB harvest.

All the group members assessed have at-least last years’ FFB record. FFB harvested is recorded in the farm record book by the group members. The weight is based on the weight bridge ticket received at the palm oil mill. These monthly records is checked and verified by the Group Manager and ICS administrator and updated in the ICS documentation.

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

4.3.1 Evidence of management practices of oil palm farming to minimize and control erosion and degradation of soils (by considering the specific topographic and climate conditions)

During the field visit it is noted that only selective and circle herbicide spraying carried out. Majority of the farmers use grass cutting because the herbicide is costly. Soft grass and soft weeds are maintained to minimize erosion during heavy rainfall. Erosion is also controlled through frond stacking along the inter-row to minimize the speed of the running surface water during heavy rainfall. It is also noted that some farmers constructed silt pits in the field to minimize erosion and surface runoff. Immature area is planted with cover crop and soft grass is established to avoid any bare ground.

4.3.2 The establishment of terracing practices or other efforts in planting oil palm on slope lands during or prior to replanting.

Majority soil is sandy clay loam with mix of gravel. There is no peat or fragile soil. Terrain is flat to undulating. Road are well maintained because there is no heavy trucks using these roads. FFB is transported with 1mt pick up vehicles to the palm oil mill and collection ramp. Plots are close to government roads.

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

4.4.1 Evidence of efforts to reduce the run-off of chemicals to natural water courses including the maintenance of natural water courses to avoid contamination.

During field visit it is noted that most of the group members’ plots are away from water course. There were plots close to manmade canal and natural streams. Buffer zones are managed along these waterways with natural vegetation. No chemical treatment carried out along the buffer area. No planting of palms closed to the streams and canal.

Group members are provided with knowledge on maintaining the quality and availability of water resources such as maintaining buffer zones by avoiding spraying and maintaining natural vegetation.

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

4.5.1 An Integrated Pest Management (IPM) Plan or Documented IPM for oil palm farming exists and is implemented.

IPM is documented in the agriculture manuals prepared by the external consultants. This manual describes all the IPM techniques and methods to be used by the group members in managing oil palm pest and disease. The techniques include prevention through planting beneficial plants such as tunera subulata.

Group manager provides knowledge to group members to understand the IPM techniques such as biological control for pest. Initially the training was conducted by external resources from GIZ, OAE, extension officers from the district agriculture office and partnering mill. Manuals related to IPM practices kept in the group office and copy is distributed to group members. Group members aware how to identify pest attacks if any by conduction visual observation. Group member aware of IPM and planting of beneficial plants such as tunera subulata will help in preventing pest problem. Group members are able to explain the IPM and pest control measures including census of leaf eating pest. They are also aware of the benefit of barn owl. At the moment there are no barn owl boxes in the smallholders’ plots. There was no rat damage found on developing bunches during the field visit. No rat bait is used by the group members. Partnering mill indicated that their FFB quality check at the ramp reveal that the rat damage is below 2%. The partnering mill is planning to assist the group members to construct barn owl box as a future preventive measure. During field visit it is also noted that there is no serious pest attack.

However, during the field audit it is noted that there is no any IPM implementation such as beneficial plants. A minor non conformity was raised against indicator 4.5.1. because the requirement is in all cases, members should demonstrate evidence on how to bring IPM techniques into practice, for example the introduction of biological methods like planting host plants, i.e. coral vine (Antigonon leptopus Hook) and sage rose (Turnera ulmofolia L.) for predator insects to control leaf eating caterpillars.
There is no pesticide usage noted during this assessment. Agrochemical used mainly is herbicide for the circle and selective weeding.

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

4.6.1 The pesticides used are legally registered pesticides in accordance with the Hazardous Substances Act B.E. 2535 (1992) and its amendments.

4.6.2 Records of chemical pesticide use.

4.6.3 Proper and safe storage of pesticides.

Agrochemicals used are legally registered in accordance to the Hazardous Substances Act B.E. 2535 and regularly checked by the Field Extension Officers from the Department of Agriculture. It is noted that only approved and registered agrochemicals which are permitted by the local relevant authorities are used.

There is no type 1A and 1B agrochemical used. The group members aware of the requirement in RSPO related to use of paraquat. Paraquat was last used in 2011 and the group members are using glyphosate alternative. No blanket spraying noted during the fields visited.

Record of Agrochemical used for the targeted weeds with appropriate dosage as per the recommendation on the label is recorded in the farm record book. Record shows date, type of herbicide used and quantity used. PPE is implemented and given by the group member to spraying worker if they hire outside worker. Most of the spraying is carried out by the group members themselves. The applicator and the group members involved in spraying have annual medical check up at government clinic. No female workers or female family members and children involve in handling chemical. Interview with village head, neighbouring farmers and family members confirm that there are no female and children handle chemical spraying.

The group members visited ensures that agrochemicals are stored at the store separated from the housing area and stock records maintained by the group members who keep stock. MSDS is available in local language.

However, a Minor nonconformity was assigned against indicator 4.6.3. During the visit there are members who not complying with this requirement. It is found that there is no appropriate safe pesticide storage store. Wooden box and Plastic drum used for storage. It is not locked. Some of the agrochemicals are kept under the wooden seat. This was found during the field visit to Khun Kanya and Khun Sapawan plots. The group manager has submitted corrective action plan to sufficiently address this non conformity.

Majority of the group members do not keep any stock. Those members using agrochemical collect the empty containers and kept in the store. These empty containers are delivery to the seller for further disposal through the authorised collectors.

Interview with group manager and group members reveal that there is no toxicity case. Record of training available, conducted by Group Manager, agrochemical supplier, local district agriculture extension officers and by external consultants from GIZ and OAE. Last training conducted on February 2012 and attended by all members.

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

4.7.1 An occupational health and safety policy of the group and monitoring the implementation by group members.

The group has OSH policy and described in the Sustainability Manual and "Occupational Health & Safety for Oil Palm Smallholders and Workers” manual is used as a guidance document for matters related to OSH. This is prepared by GIZ and OAE. A copy is provided to all group members. OSH Plan includes training programme developed by the group manager. This information is shared with all the group members to ensure the group members attend the required training. Group Manager, Field adviser and group chairman ensure that group members implement the safety aspects in their daily activities.

4.7.2 Records of accidents related to work.

Guidelines on accident and emergency procedures are available and briefed to all group members. Standard form is prepared for recording any accident occurred. During assessment it is noted that there is no any major accident. This was confirmed by the stakeholders interviewed, surrounding farmers, group members and workers. Only common minor thorn pricks cases highlighted by workers. Safety measures explained to workers by group members and included in safety training. Interviews with workers confirmed knowledge of the plans and procedures for emergency.

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

4.8.1 Training program and records on trainings received by farm workers and group members.

Annual training programme is developed by the group manager to cover all group members. Group members conduct briefing to their workers if any. There is no contractors involve in the group members activities. Training includes awareness on relevant RSPO standard, legal requirements, SOP, soil and water management, IPM, agrochemical use, OSH, farm record keeping, Good Agriculture Practice and functions of group members and responsibly. Training records are documented in the individual farm record book.
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

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

5.1.1 An appropriate and documented environmental impact assessment.

The external supporting team from GIZ and OAE organised the SEIA and HCV assessment covering four Independent Smallholder Group: Sustainable Oil Palm Smallholders Production (Univanich – Plaiprayra) Community Enterprise Group, Community Enterprise Group for Sustainable Palm Oil Production (Chonburi), UPOIC (Nuakhlong-Khaopanom) Independent Smallholders group and Community Enterprise for Sustainable Oil Palm Producer Group (Suratthani).

Environmental and Social Impact identification was carried out by the members and group manager which covers the activities during the initial planting of oil palm from previous crop by interviewing the neighbouring farmers and community. This was arranged by the external consultants and conducted by a team of university professors from Faculty of Economics, Prince of Songkla University. This study was supported by experts from Thai Forest Industry Organisation (State Enterprise under Ministry of Natural Resources and Environment) with experience in HCV assessment. The significant positive impact identified was increase in family and workers income. Since oil palm is less labour intensive, the group members have more time to spend with family and better quality of life. Through this study, the group members are also made aware of the possible negative impacts such as contamination of agrochemical if not used appropriately.

Group manager and group members are also aware that they must undertake environmental impact assessment by consulting members and community when replanting take place, the group members expand their land holding and clearing the remaining natural vegetation.

Criterion 5.2: The status of rare, threatened or endangered species and high conservation value habitats if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

5.2.1 A list of Rare, Threaten and Endanger Species (RTEs) and High Conservation Value (HCV) habitats within the boundaries of the oil palm plantations of the group and in the surrounding areas.

At initial stage of forming the independent smallholder group, external consultants collected information related to HCV habitat within and adjacent area with the group members plots. It is noted that the group members’ plots were previously cultivated with different crops such as fruit tree and rubber. There is no any kind of HCV or RTE identified within and adjacent boundary area. Boundary is also planted with either oil palm or other agriculture crops.

Documented list of RTE and protected species was prepared based on the local government regulation and similar to the RTE listed in THNI. This list is available to all the group members. Although there is no RTE within and adjacent area, interview with group manager and members reveal that they are able to name RTE species (i.e. Rhinoceros, wild buffalo, Deer and Tapair) and aware of the regulation. Training on HCV was given to all group members by external trainer from local university and consultant.

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

5.3.1 An appropriate and safe management of pesticide containers and other hazardous agrochemicals.

5.3.2 Must ensure that group members are made aware of the effort to dispose of pesticide containers and other hazardous agrochemicals in a responsible manner.

Waste products have been identified and documented. Waste product mainly includes empty agrochemical containers, fertilizer bags and farm waste such as palm frond. Those group members using herbicide avoid pollution by collecting empty herbicide containers and all the members collect fertilizer bag. This is disposed through through the authorised collectors by municipal waste collectors. These containers subsequently sent to sub-district sanitary landfill. Fertilizer bags are washed and reused for loose fruit collection with water stored in drums. This water is then applied back to the field as liquid fertilizer. Palm frond is stacked in the field as an organic fertilizer.

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

This criterion is not applicable to Independent Smallholders Group and members. However, the Independent Smallholders are aware that they must use energy efficiently as a cost saving measure and always consider energy saving.

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

5.5.1 In the case where fire is used for land preparation for oil palm replanting, a documented impact assessment must be conducted.

Group members are aware that they cannot use fire for land preparation during replanting from oil palm to oil palm or from any other crop. Zero burning techniques have been explained to group members through internal training by GIZ and representatives from OAE. During field visit there is no evidence of any kind of burning signs noticed. Interview with stakeholders’ i.e
government officers, village head and neighbouring farmers confirmed that fire is not used.

During the interview, the group manager and group members highlighted that there are no pest and disease problem. So the use of fire during replanting is unlikely. However they are aware that fire is only permitted in special cases which involve elimination of pest and diseases where recommendation from relevant government agencies must be in place prior to use of fire.

Household waste is disposed through government municipality waste collectors. Some group members owns fire extinguisher and kept at their house. This is for any emergency purpose.

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

This criterion is not applicable to Independent Smallholders Group and members.

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

**Criterion 6.1: Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

6.1.1 Records or evidence of a consultative meeting to assess social impacts conducted with the affected stakeholders.

The group manager, chairman, his assistant and the group members assessed able to explain the social impacts of their operations. They have not received any complaints regarding their operation.

Through the assistance from GIZ and OAE, SEIA was conducted for the whole group involving group management, group members, surrounding farmers, communities and other internal (i.e. family members and relations) and external stakeholders (partnering palm oil mill, suppliers and workers).

The SEIA was conducted by University Professors and experts from Faculty of Economics, Prince of Songkhla University, Hat Yai, Songkhla, Thailand in early January 2011 as a pilot SEIA involving four Independent Smallholder Group including this Sustainable Oil Palm Smallholders Production (Univanich – Plaipraya) Community Enterprise Group. The other three groups are Community Enterprise Group for Sustainable Palm Oil Production (Chonburi), UPOIC (Nuakhlong-Khaopanom) Independent Smallholders group and Community Enterprise for Sustainable Oil Palm Producer Group (Suratthani). The Social Impact Assessment includes detail on positive and negative effects and documented affected parties.

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

6.2.1 Procedures on consultation and communication.

6.2.2 Records of communication and response to the recommendations from stakeholders.

Procedure on open and transparent system of consultation and communication with local stakeholders and external stakeholders is available. An identified line of communication is developed for the group. The partnering mills’ extension officer communicates with the group management and members in providing technical advice and ensures communication between the group members and the partnering mill is effective.

Records of communications and consultations are available at the group ICS. Stakeholder lists are available and up dated. Record of request and action taken is recorded. The group chairman, deputy chairman and group manager communicates with the stakeholders. Last meeting among the group members was held on 5th April 2012 and attended by 96 group members.

**Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.**

6.3.1 An established mechanism for dealing with complaints and grievances open to affected stakeholders.

6.3.2 Evidence showing the dispute resolution process and outcome.

Complaints and negotiation procedures is available in the sustainability manual. Group manager and members are aware of the procedure. Suggestion/complaint box is placed at the group office for the members and stakeholder to send their grievances if any. Stakeholders are aware of this procedure. This was confirmed by stakeholders during interview.

During the assessment it is noted that there are no complaints launched to the group management.

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

6.4.1 Evidence of compensation to eligible persons according to legal and customary rights.

6.4.2 The process on achieving the result of negotiated agreements including any compensation requests is open to the public.

Group manager and group members aware of procedure for negotiations for any lost of legal and customary rights. There are no any issues related to loss of legal right to land because the group members are having their own land ownership documents. Stakeholders
interviewed did not raise any issues related to compensation or lost of legal and customary rights.

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

6.5.1 Evidence of wage payment.

There are no permanent workers hired for oil palm operation. Temporary or seasonal workers are hired during harvesting, maximum twice per month and sometime for herbicide spraying. Contract between workers and group members are made verbally and accepted with transparently with freedom of choice by the workers. Interview with workers reveal that they know the group member for many years and they accept and prefer verbal agreement because of the good relationship with the smallholders. Pay is determined by task and ranges from 250 - 350 Thai Baht. Harvesting rate ranges between 310 – 350 Thai Baht. According to sub-district Agriculture and Administration officer, there is no minimum wage for agriculture workers hired on daily basis. The minimum wage applies to industrial sectors and range from 180 Thai Baht, varies from province to province. Workers are paid equal wages for similar job or task.

Wage payment is documented. Workers sign to acknowledge receiving their wage. Interview with workers reveal that they receive wages without any deduction. Workers own their own housing and return to their housing after work.

**Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

This criterion is not applicable to Independent Smallholders Group and members.

**Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision and when not interfering with education programmes. Children are not exposed to hazardous working conditions.**

6.7.1 Evidence showing that child labour is not used as stipulated in the laws and regulations.

Group members are provided with training and briefing to understand the requirements of national labour law, Ministrail Order on agriculture labour protection and RSPO requirement related to child labour. Group manager and group management committee ensure that group members are not employing any child labour. Interview with surrounding farmers and community reveal that there is no child labour hired. There are no group members children work in the farm. Children’s education is given priority. It is common among group members that the children help the group members to update the farm record book at home. There is a documented group policy not to hire child labour.

**Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age is prohibited.**

6.8.1 A publicly available equal opportunities policy for workers.

There is a publicly available equal opportunities policy. No evidence of discrimination among workers including between male and female workers. Workers are treated equally with regard to working opportunities. This was confirmed by workers interview and feedback from stakeholder.

**Criterion 6.9: A Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.**

6.9.1 A policy on preventing sexual harassment, violence and on the protection of women’s reproductive rights.

Policy on preventing sexual harassment and violence against women and protection is documented as one of the group Policy. The grievance mechanism to address sexual harassment issues is similar to the complaint procedure as highlighted in indicator 6.3 above. Interview with workers, female family members and external stakeholder reveal that there is no any kind of harassment took place.

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

6.10.1 Records of Fresh Fruit Bunch (FFB) prices.

6.10.2 Records or evidence showing the payment according to the agreed condition.

The pricing mechanism for FFB and other services provided by the partnering mill’s extension officer to the group manager and this information is available to all members. Members have freedom to choose the mill to sell their FFB. UNIVANICH has three mills, namely UNIVANICH mill, Lamthap Mill and Aoluk Mill. At the moment, all the group members sell their FFB to only UNIVANICH mill which is situated at the locale marked 4035 on the location map in Figure 2. The other two mills are located far from this group at approximately 40-90km away. The external ramp is belongs to one of the group member. The group is not purchasing any FFB from external source. According to the group chairman, since this is a new group, they have no plan to make group sales. Group members directly deal with the mill and ramp on price and they prefer to keep this freedom. Payment received individually and group members have evidence of receiving payment. These records are also given to ICS administrator for documentation and record keeping.
Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

This criterion is not applicable to Independent Smallholders Group and members.

Principle 7: Responsible development of new plantings

Although there is no new planting at the time of assessment, this principle was assessed to assess the status of the planting after 2005. Group members’ plots established after 2005 are not in primary forests or any area containing one or more High Conservation Value. These areas are formerly planted with other agriculture crops. It is converted to oil palm because it gives better income to the family. Rubber planting was affected by disease and fluctuating price. To maintain stable family income, conversion to oil palm took place.

During this assessment it is noted that the conversion after November 2005-2010 was about 42.56 hectare. Planting in 2011 – 2012 was replanted from oil palm to oil palm. Group manager and group members aware of RSPO requirement related to planting after November 2005. Since there are planting after 2005, principle 7 was assessed.

7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

7.1.1 Evidence of land use history for new plantings.

7.1.2 Evidence of social and environmental impact assessment undertaken through a participatory approach of group members and neighbouring communities

7.1.3 Appropriate management plan according to the results of social and environmental impact assessment.

The plan is brought into practice

Group members have land use history and evidence of the previous use. Previously this land was used for other agriculture crops such as fruit trees and rubber.

A baseline assessment incorporating the SEIA was conducted by University Professors and experts from Faculty of Economics, Prince of Songkhla University, Hat Yai, Songkhla, Thailand in early January 2011 through a participatory approach of group members and surrounding community. This study was supported by experts from Thai Forest Industry Organisation (State Enterprise under Ministry of Natural Resources and Environment) with experience in HCV assessment.

The significant positive impact identified is increase in family and workers income. Since oil palm is less labour intensive, the group members have more time to spend with family and better quality of life. Through this study, the group members are also made aware of the possible negative impacts such as contamination of agrochemical if not used appropriately. To reduce the impact to environmental, the farmers are choosing to do grass cutting rather using herbicides.

Criterion 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

7.2.1 Maps showing soil suitability or soil survey.

The soil suitability advice is given by the sub-district agriculture officers based on the agriculture departments’ survey. It is a main constraint for the independent smallholder member to develop a comprehensive soil map without the external assistance from the agriculture departments due to the technicality and cost.

7.3 New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

7.3.1 Evidence showing no expansion of new planting areas for oil palm occurred in primary forests or on any High Conservation Values area/habitat.

Prior to accepting members into the group, Group managers consult relevant local sub-district agriculture officials to ensure that the members who are accepted into the group with planting after 2005 are not replaced any primary forest or any area required to maintain or enhance one or more HCV. Group manager also checks the land use history. Records shows planting are carried out by replacing previous agriculture crops and evidence available are such as land use history, legal land rights and land use rights. Interview with surrounding agriculture land owners reveal that there is no primary forest or HCV.

Criterion 7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

7.4.1 In case where new plantings are established on steep terrain, marginal or fragile soils, a protection plan should be in place and brought into practice.

Planting after 2005 is from previous agriculture land with flat to undulating terrain. There is no steep terrain or marginal fragile soil.

Criterion 7.5 No new plantings are established on local peoples’ land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

7.5.1 Evidence showing the agreement of previous landowners with their free, prior and informed consent, FPIC.

The land ownership documents show that the land belongs to the group member who has planted on his own land. Any purchase was transferred to the new owner through voluntarily and adequately compensated in accordance to local law.
Criterion 7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

7.6.1 Evidence of transfer of rights, payments or agreed compensation.

The land ownership documents i.e. land title and land use right documents show that the land belongs to the group member who has planted on his own land. Transfer of rights is mutually agreed through legal process.

Criterion 7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

7.7.1 Evidence that burning is not used for land preparation.

During field visit to immature area shows that no fire was use when previous crop is replaced with oil palm. This is also confirmed by the sub-district agriculture officer and neighboring stakeholders.

Principle 8: Commitment to continuous improvement in key areas of activity

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

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

Growers and mills prepare a plan for continuous improvement, implement, monitor, and regularly to review major of operational activities. These must include, but not necessarily be limited to the following indicators:

8.1.1 A plan on continual improvement in the main group activities.

The continuous improvement plan includes training enhancement to the group members focusing on best agriculture management practices. The Group Manager in consultation with the group members developed improvement plan based on the social and environmental impacts. This includes maintaining the best oil palm practices through continuous training, further improve group members farm records, minimise herbicide usage through grass cutting and encourage new members to be part of the group. The main focus of the group is to assist members to plan replanting the older palms. The status of the improvement will be assessed during the surveillance assessment.

3.2 Summary of Findings

(Based on the RSPO Standard for Group certification: 26 August 2010 reference to requirement for the Group Manager, Group members, Independent Smallholders group structure, Internal Control System and FFB Supply Chain Elements.

During the Independent Smallholder Assessment, the group manager and a sample of group members were assessed against the compliance to the requirement of RSPO Standard for Group Certification. Sampling of the member is explained in the section 2.3 above. It was assessed how the internal control system documentation and mechanism supports the group members, controls the group members’ sustainable oil palm management, monitors the group members through internal assessment to ensure they meet the RSPO requirement for group certification and assessed the supply chain element of the FFB produced and sold.

Requirement 1.0: Group requirements

The Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group is an Independent Smallholder Group formed and trained to certifiable standard with support from external consultants namely GIZ and OAE. The group is managed by a RSPO co-operator acting as a group manager who reports to a central group management committee comprised by elected group members. The committee comprise of Group Chairman, Vice Chairman, Group Manager, Internal Control System administrators, Farm Adviser and person in-charge for Marketing/public relation, OSH, Social and Labour Assessment, Environment and Oil Palm Management training. The group manager is assisted by two Internal Control System administrators to manage the group’s management documents. The group manager ensures that the group members meet the requirement RSPO standard for Group Certification.

All the 158 members formally applied (Application form SMB-001) to join the group and accepted to join the group. Once accepted to join the group, the members sign an agreement with the group manager to follow the group rules and meet the RSPO requirement for group certification. The application contains details of the group member name, photo, national identification details, age, date applied, plot size, location address, planting year, details of land ownership and farm layout.

Evaluation is made to the application by the group management and group manager through evaluation form SMB-002 prior to accepting as a group member. This is used as a group management document to monitor the group members for membership status, FFB production and transport, good agriculture practices and farm records. The approval is obtained from the group chairman prior to accepting members into the group. Once accepted, group member signs an agreement with the group manager.

Similar to other Independent Smallholder Groups supported by GIZ and OAE, UNIVANICH-PLAIPRAYA Group management has developed Sustainability Manual in 2011 and officially published on 8th January 2012. This Sustainability Manual is used as a guidance to manage Internal Control System document. The Sustainability Manual includes the responsibility of Group Manager and ICS staff, group policy and objective.
member application and registration procedure, training and competency, guidance for best farm practices and required records, OSH, Environment and social assessment documents, document control guidance, internal auditing procedure and documentation required, and records required for the sales of FFB from the group members related to supply chain elements. It is specified that the maximum number of members that can be supported by the Group Manager and ICS is 500 members. It is noted that the Group Management has the capacity to manage the group with maximum of 500 members.

All the group members sign an agreement with the Group Manager to comply with the required RSPO Standard for Sustainable Oil Palm Production and RSPO standard for group Certification, accept the group rules, allow internal assessment by the Group Manager and external assessment by RSPO approved certification body.

Group manager plan and implement training for the group members to support in achieving RSPO compliance. Group Manager is aware that once the prospective members are in compliance with the RSPO standard through initial internal assessment before accepting into the group, they shall be formally included as a member of the group. Until RSPO compliance is achieved through an initial assessment by external certification body, the FFB production from prospective member sites is not included to the total certified production of the group.

All the 158 formal group members have agreement with the Group Manager committing to achieving compliance to RSPO requirements for group certification. A copy of the agreement is kept at the ICS administrator and by the group members. Internal assessment is carried out to ensure that group members adhere to the internal requirement on group objective and policies. During this certification assessment there are no members excluded.

Regular internal assessment shows that group members continuously committed to improve their compliance with relevant RSPO requirements by adhering to group rules and system. Non compliance identified during internal assessment was addressed through corrective action to ensure compliance prior to the external assessment. Group members adopted best oil palm management practices introduced through group’s sustainability manual.

The group manager and the group management committee are elected by group members and have the capacity to manage the group certification through the formation of the group committee. Decision making is through meeting with members. Last meeting was held on 5th April 2012 to discuss the preparation for the RSPO assessment. The group legally registered with Department of Agriculture Extension in Plaiprayya District, Krabi Province on 16 February 2012 with registration number 5810601/10020. This registration is renewed annually.

Group policies are:

1. To produce oil palm in a sustainable way as per RSPO requirement.
2. To implement best management practices by considering OSH to ensure safe working environment.
3. To treat all workers and operation related persons equally. No discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age.
4. Prevent sexual harassment, violence and protect the women’s rights for reproductive.

Group Objective:
1. To produce sustainable oil palm by implementing the above policies.
2. To provide knowledge and skill to group members about sustainable palm oil production.
3. To plan and provide budget for strengthening long term economic and financial of the group.

Responsibility of the group management comprising group chairman, vice chairman, secretary, group manager, ICS administrator, farm adviser and committee members are available in the sustainability manual and the committee understands their roles. The Group Management committee members and Group Manager are able to communicate and write in local language.

The Group Manager and his personnel able to demonstrate knowledge of the requirements of RSPO Standard for Sustainable Oil Palm Production, RSPO Standard for Group Certification, and internal group procedures and policies as stated in the sustainability manual. It is also noted that there is no conflict of interest in the group management structure and they are elected by the group members.

The Group Manager through assistance from group chairman and his farm advisers monitor and evaluate all members regularly based on the monitoring schedule to ensure their compliance to the RSPO requirements. This is carried out through filed visit to the members’ plots, check the farm records, and collect the FFB sales from group members from the mill. This information is submitted to the ICS administrator for documentation and updating.

Training programme is developed by the group manager in consultation with the group management committee. Group Manager through internal and external resources provides training programmes for group members to ensure understanding of the relevant RSPO Standards for Sustainable Oil Palm Production and the RSPO Standard for Group Certification, and apply best management practices in their respective plot. Training covers GAP, agrochemical use, fertilizer application, safety and health, environment, HCV knowledge, zero burning technique for replanting, IPM, farm record keeping, reporting FFB sales to ICS administrator etc.

Group Manager and the group management committee highlighted that it is too early for them to develop a group marketing system because the group members prefer to be independent in deciding the sales of their FFB. Furthermore the group has no plans to purchase any FFB from outside source. However the Group Manager and group members aware that they must
report the sales to the Group Manager and ICS administrator to update the documentation related to the FFB traceability and they only can claim RSPO certified for the FFB produced from the certified members. Obviously all the FFB produced from the group members in this scope of the certificate.

The Group Manager and ICS administrator aware that that the total of all sales and claims of RSPO certified FFB production from group members shall not exceed the total certified FFB production of the group in its entirety. This can be further verified during the surveillance assessment when the group already start producing certified FFB. Once certified the group will be producing segregated FFB and the group is aware that they will be able to trade through GreenPalm. The ICS documentation able to track the FFB production to the group members based on the information on the sales invoice and weighbridge document issues by the palm oil mill whereby the group member number is indicated on these documents by the mill. The group has past FFB production and sales record for the year 2011 which obtained from the palm oil mill and verified with the group members records.

**Requirement 2.0: Group Management Documentation Requirement**

The Group Manager has Sustainability Manual which contains operating structure, internal control system documents, decision making process and responsibility of the personnel involve in the group management. It is indicated in the Sustainability manual that all the group management documents/ICS documents are retained for at least for 5 years throughout the validity of the RSPO certificate. Interview with the Group manager and ICS administrator reveal that they are aware of the document retention period.

During the initial assessment, records dated since late 2010 are available and updated regularly. Group started unofficially since February 2010. The Sustainability Manual includes:

1. Membership requirement and procedure to join the group.
2. Procedure for leaving the group.
3. Procedure for expulsion from the group.
4. Procedure for internal assessment protocol and entry requirement.
5. Procedure for issuing Corrective Action Request (CAR) to members with non-compliance during internal assessment and external assessment including timeline to respond to the CAR.
6. Procedure for communication between Group Management committee, Group Manager and Group Members.
7. Complaint and negotiation procedure.
8. Procedures for group monitoring and internal assessment, including carrying out and updating group risk assessment and annual surveillance of group members based on the RSPO sampling formula.
9. Procedure to record FFB production and Sales from the group members.

Group Manager and ICS administers has developed a database of the group members which includes, member information, membership number, address, contact details, application and agreement details, land ownership data and related documents, size of plots, map of the plot, GPS, FFB sales and farm records such as FFB production data (previous year and projection), fertilizer application and other details of farm management.

However, a major noncompliance was raised against criteria 2.1.6 RSPO Standard for Group Certification (covering indicator 2.1.6.1, 2.1.6.2, 2.1.6.3):

This was raised because there is inaccuracy in summary of the database. It is not updated with latest information on land use in hectare for each member covering total oil palm planted and production area. Application form, farm record book and ICS database are not same.

Audit team was provided with the latest updated accurate database. This nonconformity was closed prior to finalising this summary report. Please refer to section 3.3 for details.

**Requirement 3.0: Chain of Custody**

The Group Manager has ICS to monitor and register the sales of FFB from the group members to the palm oil mill. The ramp that purchasing the FFB is belongs to one of the group member and acting as a collection point. The FFB traceability record at the ramp is accessible to the audit team. The group manager receives the FFB sales summary from the group member as well as from the partnering palm oil mill with the member number indicated in the summary report. This facilitates the traceability by the Group Manager and to ensure that the total sales volume and claimed are from the certified group members. The Chain of Custody of the Independent Smallholder Group members stops at the palm oil mill and collection ramp. The palm oil mill and ramp takes over the chain of custody from the Independent Smallholders.

Appendix D shows the assessment against supply chain element. During this initial assessment there was no any FFB purchased by the group Manager or the Group members. Sale invoice indicated with group member’s identification number, name of the group member, palm oil mill’s name and address, date and quantity.

Sales of the FFB from the Group members reported to the ICS administrator. These records enable the Group Manager to track back where the FFB is sold. There is no contractual agreement with buyer. It is common that the group members use their own transport to deliver the FFB to the palm oil mill or the collection ramp. In case where the transport is outsourced, the legal ownership of the FFB remains on the group members. It is common among Independent Smallholder that they do not have a written agreement with the outsourced transport provider because the transport is provided either once a month or when the group members own vehicle under service. However, interview with the outsourced transport provider confirmed that the FFB ownership belongs to the group member. The outsourced transport details are available to Group Manager.
It is noted that the Group Manager and Group Committee unable to access to the GreenPalm and RSPO IT System due to the language constraints. They are only able to communicate in local language.

3.3 Detailed identified Nonconformities, Corrective Actions and Auditor Conclusions

Two major nonconformities were identified during the initial certification audit. There were two minor nonconformities and two observations were raised. The detail of the nonconformities and observations are listed in the following section. The group manager has prepared a Corrective Action Plan for the identified nonconformities. The close out evidence for the major nonconformities and evidence of implementation was submitted to the audit team. BSi audit team reviewed and accepted the Corrective Action Plan and implementation records as sufficiently addressed the nonconformities. The major nonconformities were appropriately closed. However, the continuous implementation will be checked during the annual surveillance assessment once the group start to produce certified FFB.

MAJOR NONCONFORMITIES

The details of the two major non-conformities and evidence of close out the major non conformities as follows:

**CAR reference A717171/1/2012(Major):**
2.2.1 THNI P&C for Independent Smallholder:
Documents or evidence showing legal land ownership or lease, landuse rights, history of land tenures or actual land uses and customary rights or that the right to use the land is accepted without any legitimate claims and contests by local communities.

Document check on Khun Sumeechai’s land use right shows that he does not have any document to proof that he has the land use right for the plot number C. Audit team was not provided with the document during the assessment.

The land use right was given to the group member who applied for membership on behalf of the parents or the original land title owner is not clear whether the management right and membership application consent is given freely by the family member. Sample checked shows Khun Ekapot, Khun Sumeechai, Khun Sopawan and Khun Wipat claimed that they are given concern to manage the land. However there is no documentary proof seen during the assessment.

**Corrective Action and Close out evidence:**
Group Management and Group Manager has taken immediate action by analysing the root cause and prepared a corrective action plan. All the four group members submitted letter from the actual owners giving land use right to manage the land. The land title and related documents was given to BSI auditors for verification. These documents were checked and verified by audit team through interviewing the original owners. The documents are accepted by the audit team as sufficient to close out this major nonconformity. With this evidence the major nonconformity is closed.

**CAR reference A717171/2/2012(Major):**
2.1.6 RSPO Standard for Group certification: A summary of all the data on land use (in hectares) shall be kept and regularly updated covering the entire group that includes at least the following:
2.1.6.1 Total overall land area for each group member.
2.1.6.2 Total oil palm planted area for each group member.
2.1.6.3 Total RSPO certified production area for each group member.

It is found that there is inaccurate data base related to the above information. There are three different database/figures i.e. application, GPS and land title. It is not clear which is the official data. This is found at 9 farmers records from the sampled farmers

**Corrective Action and Close out evidence:**
Group Management, Group Manager and ICS administrator has taken immediate action by analysing the root cause and prepared a corrective action plan. It is noted that there was confusion between the data written on the farm record book, application form and actual land title. This error is corrected and data was re-organised and data base prepared again. The final data was submitted to the audit team for review and verification. These documents were checked and verified by audit team through document review. The revised data base is accepted by the audit team as sufficient to close out this major nonconformity. With this evidence the major nonconformity is closed. However, the data will be re-checked and verified during each surveillance assessment.

MINOR NONCONFORMITIES

Two minor nonconformities were identified during the initial certification audit. The details of the minor nonconformities are listed in the following section. The group manager has prepared a Corrective Action Plan for the identified minor nonconformities, which BSi reviewed and accepted. The close out evidence and implementation will be checked during the annual surveillance assessment.

**CAR reference A717171/3/2012(Minor):**
4.5.1 THNI P&C for Independent Smallholder:
An Integrated Pest Management (IPM) Plan or Documented IPM for oil palm farming exists and is implemented.

In all cases, group members should demonstrate evidence on how to bring IPM techniques into practice, for example the introduction of biological methods like planting host plants, i.e. coral vine (Antigonon leptopus Hook) and sage rose (Turnera ulmifolia L.) for predator insects to control leaf eating caterpillars. It is noted during the field audit there is no any IPM implementation such as planting of beneficial plants.

**CAR reference A717171/4/2012(Minor):**
4.6.3 THNI P&C for Independent Smallholder: Proper and safe storage of pesticides.
It is found that there is no pesticide storage store. Wooden box and Plastic drum used for storage. It is not locked and not as per the SOP. Some of the chemicals are kept under the wooden seat. This was found during the field visit to Khun Kanya and Khun Sapawan plots.

**Observation for improvement**

There were two observations/opportunities for improvement was raised during this certification assessment. The progress with the observation/opportunities for improvement will be checked during the annual surveillance assessment.

**OBS 1 (2.1.1 THNI for Independent Smallholder):**

It is noted that the land belongs to Khun Sapawan was re-issued with revised land boundary whereby the boundary stone is moved in to her land. It will be an area for observation for the group member to operate within her new boundary in the future. This will be checked during surveillance assessment.

**OBS 2 (4.8.1 THNI for Independent Smallholder):**

Training program implemented. Training conducted and record of attendance is available. However the evaluation of the effectiveness of the training will be an area for improvement and to ensure that all group members attend the training.

**3.4 Noteworthy Positive Components**

It is noted that the Independent Smallholder Group members are committed to RSPO certification process because it has indirectly introduced best oil palm practices to the group members. Group members realised that best management and sustainable practices can ensure long term economic viability to the members and the group. Now the group members realised the important of good replanting plan eventually will increase their FFB production.

The Group Management and Group Manager have future plans to make the group stronger financially by producing good quality FFB and selling certified FFB for higher price.

Generally the group members have enhanced their knowledge on good agriculture practices, OSH, environment protection, legal requirement and engagement with stakeholders through much training which was new for them. The group sees introduction of RSPO requirement as a positive way to move forward to increase the family income through producing sustainable palm oil. The productivity has improved since the RSPO requirements introduced to the group about two years ago.

The partnering palm oil mill purchasing the FFB from the group members supports the group through its extension officer who consults with the group members regularly and assists in training. The partnering mill also gave the group an office inside the mill compound to organise their ICS documentation and fully independently managed by the Group Management Committee. It is also noted that the group members have freedom to sell their FFB to the mill of their choice. However, the UNIVANICH mill is partnering with this group at the moment. There is no any kind of condition set by the partnering mill.

During this assessment there was no any kind of dispute highlighted to the audit team. Interview with workers, local community, school teacher and government department officials further confirm that there is no any kind of disputes. The government officials are happy that the independent smallholders are committed to sustainable oil palm management practices.

**3.5 Issues Raised by Stakeholders and Findings with Respect to Each Issue**

Appendix C contains list of stakeholders contacted. The stakeholders contacted are those relevant to these independent smallholder group members and their activities. Methodology used was group discussion and interview by the audit team member with social auditing background. Stakeholders interviewed include participants from community representatives, surrounding farmers, group members and their group chairman, government officials from Agriculture Extension Office and Office of Agriculture Economics.

Stakeholders’ interview had positive comments about the Independent Smallholder Group’s practices. There were no issues related to legal or land disputes highlighted. Workers interviewed revealed that they are paid fairly and promptly. They confirm that they have good relationship with the independent smallholder group members despite without any written work agreement.

Group members interviewed highlighted that they are glad to be part of the group because they have improved their productivity through the best practices after joining the group. Their family income has increased. They hope that the government will ensure the palm oil price is stable. Family members confirmed that the sustainable best practices improved their living condition.

During the Independent Smallholder Assessment Notification on the RSPO and BSI website (the Independent Smallholder Group does not have a website), there was no any comment or feedback received in writing.

**3.6 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings**

Signed for on behalf of Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPEYA) Community Enterprise Group

Mr. Krittana Paperanon
RSPO Co-operator/Group Manager

Signed for on behalf of BSI Group Singapore Pte Ltd

Senniah Appalasamy
Lead Auditor
Appendix A: Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group RSPO Certificate Details

Group Name: Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group, Plaipraya District, Krabi Province, THAILAND

Certificate Number: SPO 586165

Initial Certificate Issued Date: (RSPO Approval of Summary Report)


### Sustainable Oil Palm Smallholders Production (UNIVANICH-PLAIPRAYA) Community Enterprise Group

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<th>Location</th>
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<td>Address</td>
<td>592, Aoluk-Prasaeng Road, Plaipraya District, Krabi Province, 81160 THAILAND</td>
</tr>
<tr>
<td>GPS Longitude:</td>
<td>98° 55’ 12.25”E Latitude: 8° 34’ 38.79”N</td>
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<tr>
<td>Total Number of Members</td>
<td>158</td>
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<td>Total Number of Plots</td>
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<tr>
<td>Total Certified Hectare</td>
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<tr>
<td>Fresh Fruit Bunch (FFB) Tonnage</td>
<td>12,035</td>
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<tr>
<td>CPO Tonnage Total Production (Certified)</td>
<td>2,287</td>
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<tr>
<td>PK Tonnage Total Production (Certified)</td>
<td>722</td>
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<tr>
<td>PKO Tonnage Total Production (Certified)</td>
<td>325</td>
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<tr>
<td>PKE Tonnage Total Production (Certified)</td>
<td>397</td>
</tr>
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</table>

### List of Certified Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>First Name</th>
<th>Middle Name</th>
<th>Last Name</th>
<th>Father Name</th>
<th>Spouse Name</th>
<th>Address</th>
<th>Location</th>
<th>Phone</th>
<th>Email</th>
</tr>
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<tbody>
<tr>
<td>Prajak</td>
<td>Arom</td>
<td>Kriangsak</td>
<td>Prasert</td>
<td>Somkid</td>
<td>Watchara</td>
<td>Pramot</td>
<td>592, Aoluk-Prasaeng Road, Plaipraya District, Krabi Province, 81160 THAILAND</td>
<td>Krabi Province, THAILAND</td>
<td></td>
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<tr>
<td>Narong</td>
<td>Kanya</td>
<td>Seang</td>
<td>Tamarat</td>
<td>Sathorn</td>
<td>Weerawat</td>
<td>Sombat</td>
<td>592, Aoluk-Prasaeng Road, Plaipraya District, Krabi Province, 81160 THAILAND</td>
<td>Krabi Province, THAILAND</td>
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<td></td>
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<tr>
<td>Daowilai</td>
<td>Supanit</td>
<td>Saijai</td>
<td>Lamyai</td>
<td>Narong</td>
<td>Tawatchai</td>
<td>Samran</td>
<td>592, Aoluk-Prasaeng Road, Plaipraya District, Krabi Province, 81160 THAILAND</td>
<td>Krabi Province, THAILAND</td>
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<tr>
<td>Pravet</td>
<td>Payong</td>
<td>Pian</td>
<td>Anuwat</td>
<td>Sompong</td>
<td>Sawai</td>
<td>Suthatip</td>
<td>592, Aoluk-Prasaeng Road, Plaipraya District, Krabi Province, 81160 THAILAND</td>
<td>Krabi Province, THAILAND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mongkol</td>
<td>Saroj</td>
<td>Sumeechai</td>
<td>Kwad</td>
<td>Hasanai</td>
<td>Nikom</td>
<td>Lab</td>
<td>592, Aoluk-Prasaeng Road, Plaipraya District, Krabi Province, 81160 THAILAND</td>
<td>Krabi Province, THAILAND</td>
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<td>Boonsong</td>
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<td>Sa-ngad</td>
<td>Pennee</td>
<td>Preecha</td>
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<td>Aanan</td>
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## Appendix B: Assessment Programme

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Activity</th>
<th>Senniah Appalasamy</th>
<th>Aryo Gustomo</th>
<th>Suravet Surakool</th>
<th>Kittsopon Thaninsiriphitthaya</th>
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<tbody>
<tr>
<td>6 May 2012</td>
<td>8.00 am</td>
<td>➢ Opening meeting.</td>
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<tr>
<td>Sunday</td>
<td></td>
<td>➢ Presentation by the Group manager (Brief explanation of the group structure and management).</td>
<td></td>
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<tr>
<td>Group Office</td>
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<td>➢ Finalise field inspection schedule.</td>
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<tr>
<td>at Partnering</td>
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<td>➢ Document review – Group Smallholder management department/ICS.</td>
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<tr>
<td>Palm Oil Mill</td>
<td>2.00 pm – 5.00 pm</td>
<td>➢ Continue Document review</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(UNIVANICH)</td>
<td></td>
<td>➢ Interview with Group Manager, Group Committee members.</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>➢ Stakeholder interview</td>
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<td></td>
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<tr>
<td>7 May 2012</td>
<td>8.00 am</td>
<td>➢ Opening Briefing.</td>
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<tr>
<td>Monday</td>
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<td>➢ Physical inspection of smallholder blocks and interview with members.</td>
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<tr>
<td></td>
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<td>➢ Best Field Practices/ OSH/HCV/ Environment/stakeholder interview/ workers interview/ Social Issues</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>2.00 pm – 5.00 pm</td>
<td>➢ Document review and Facility inspection.</td>
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<tr>
<td></td>
<td></td>
<td>➢ Legal, FFB data, Training, SOP, membership etc.</td>
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<tr>
<td>8 May 2012</td>
<td>8.00 am</td>
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<tr>
<td>Tuesday</td>
<td></td>
<td>➢ Physical inspection of smallholder blocks and interview with members.</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>➢ Best Field Practices/ OSH/HCV/ Environment/stakeholder interview/ workers interview/ Social Issues</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>2.00 pm – 5.00 pm</td>
<td>➢ Document review and Facility inspection.</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>➢ Legal, FFB data, Training, SOP, membership etc.</td>
<td></td>
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<tr>
<td>9 May 2012</td>
<td>8.00 am – 11.00 am</td>
<td>➢ Audit team meeting, Clarify stakeholders’ comments and prepare for closing meeting.</td>
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<td></td>
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<tr>
<td>Wednesday</td>
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<td>➢ Closing meeting</td>
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<tr>
<td></td>
<td>11.00 am – 1.00 pm</td>
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## Appendix C: List of Stakeholders Contacted

<table>
<thead>
<tr>
<th><strong>Smallholders</strong></th>
<th><strong>Local Communities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Khun Thavorn – Group Chairman</td>
<td>Farmers Surrounding the Independent Smallholder’s land holding.</td>
</tr>
<tr>
<td>Khun Sumeechai – Group member</td>
<td>Community Leader.</td>
</tr>
<tr>
<td>Khun Wittaya – Group Member</td>
<td>Mr. Anan Chimrueng, Artua Village Head School Teacher</td>
</tr>
<tr>
<td>Khun Ekapot – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Khayan – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Sopawan – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Kanya – group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Somneuk -Group Vice Chairman</td>
<td></td>
</tr>
<tr>
<td>Khun Prach – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Prasit – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Assada – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Somchoke – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Wiani – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Attaporn – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Wipat –Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Prayon – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Suthathip – Group Member</td>
<td></td>
</tr>
<tr>
<td>Khun Krittana – Group Manager and RSPO Co-operator</td>
<td></td>
</tr>
<tr>
<td>Khun Sutthisak – System Administrator, ICS and Farm Adviser</td>
<td></td>
</tr>
<tr>
<td>Khun kuakool– Group Member and Assistant System Administrator and ICS</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Internal Stakeholders</strong></th>
<th><strong>External Stakeholders</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Seasonal/Temporary Workers</td>
<td>Khun Thanasak Churnvisod -Partnering Mill Manager</td>
</tr>
<tr>
<td>Family members</td>
<td>Dr. Yotsawin Kukeawkasem – GIZ, Thailand.</td>
</tr>
<tr>
<td></td>
<td>Mr. Jonas Dallinger – CIM Expert, Office of Agriculture Economics (OAE), Thailand.</td>
</tr>
<tr>
<td></td>
<td>Ms. Julia Majail – RSPO</td>
</tr>
<tr>
<td></td>
<td>Mr. Bob Norman – GreenPalm</td>
</tr>
<tr>
<td></td>
<td>Mr. Daniel May – GIZ, Thailand.</td>
</tr>
<tr>
<td></td>
<td>Khun Sudarat – OAE, Thailand.</td>
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<tr>
<td></td>
<td>Khun Chulitha – Southern Palm Oil Mill.</td>
</tr>
<tr>
<td></td>
<td>Khun Thitinai – GIZ Krabi Province.</td>
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## Appendix D: Supply Chain Assessment for the FFB Sales (Segregated by Individual Independent Smallholder Members) (Reference to Chain of Custody section under RSPO Standard for Group Certification)

<table>
<thead>
<tr>
<th>Requirements</th>
<th>1. Documented procedures</th>
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<tbody>
<tr>
<td>The Group Manager shall have written procedures and/or work instructions to ensure implementation of all the elements specified supply chain requirements.</td>
<td>The group has written documented procedures for the FFB chain of custody with Segregation model covering certified FFB from group members. The chain of custody is under the control of the group members until the FFB reaches either the mill ramp or the outside ramp. However, since the outside ramp is also belongs to the group member, the traceability records are accessible for verification. The sales information is given to the Group Manager and ICS Administrator to update the group management document. At the FFB collection point and mill takes over the responsibility to ensure the continuity of the FFB chain of custody by indicating group member number on the weighbridge ticket and invoice. The group Manager shall have documented procedures for selling and receiving certified and non-certified FFBs. The group has documented procedures for the sales of certified FFB. No purchase of non-certified FFB by the Group manager and group members.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Purchasing and goods in</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>The Group Manager shall verify and document the volumes of certified and non-certified FFBs received.</td>
<td>No purchase of FFB.</td>
</tr>
<tr>
<td>The Group Manager shall inform the CB immediately if there is a projected overproduction.</td>
<td>The group management and Group Manager aware of this requirement.</td>
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</table>

<table>
<thead>
<tr>
<th>3. Record keeping</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Group Manager shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products.</td>
<td>FFB sales records are made by the group member in their farm record book once they receive the weighbridge ticket and sales invoice from the mill and external ramp. Monthly summary prepared and documented by ICS Administrator for all the certified FFB sold. Records verified by Group Manager.</td>
</tr>
<tr>
<td>Retention times for all records and reports shall be at least five (5) years</td>
<td>The retention period is specified as five years.</td>
</tr>
<tr>
<td>(a) The Group Manager 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.</td>
<td>All the sales of FFB records are maintained and updated on monthly basis by the group management. No CPO, PK, PKO and PKE sales during the initial certification. There is no certified FFB during this assessment.</td>
</tr>
<tr>
<td>(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.</td>
<td>Delivery/sales of FFB are deducted from the annual budgeted FFB to monitor any over production.</td>
</tr>
<tr>
<td>(c) The Group Manager can only deliver Segregated sales from a positive stock.</td>
<td>There is no certified FFB during initial assessment. However the group is aware that they cannot over sell.</td>
</tr>
<tr>
<td>The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. &quot;product name&quot;/MB or Mass Balance. The supply chain model used should be clearly indicated.</td>
<td>Independent Smallholders use Segregated Model and indicated on the weighbridge ticket. However the receiving mill confirms that the mill will be using Mass Balance model by indicated on the mill’s relevant documents. No sales contract. The group members are free to sell to the mill of their choice. It is clear that the FFB from each of the group members are certified and segregated. The partnering mill makes a marking on the weighbridge ticket to indicate the FFB is from certified group members i.e. written as RSPO and members number.</td>
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<tr>
<td>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.</td>
<td>Not applicable for the Independent Smallholders.</td>
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<tr>
<th>4. Sales and goods out</th>
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<tr>
<td>The Group Manager shall ensure that all sales invoices issued for RSPO certified products delivered include the following information</td>
<td>Group Manager checks and verifies sales through the ICS administrators.</td>
</tr>
<tr>
<td>(a) The name and address of the buyer</td>
<td>Name and address of buyer written on the invoice. Group member name and member number is written as well.</td>
</tr>
<tr>
<td>(b) The date on which the invoice was issued</td>
<td>Date is written.</td>
</tr>
<tr>
<td>(c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)</td>
<td>Product description is written as FFB. Supply chain model is Segregation identified through the group member number.</td>
</tr>
<tr>
<td>(d) The quantity of the products delivered</td>
<td>Quantity in Kilogram/tones.</td>
</tr>
<tr>
<td>(e) Reference to related transport documentation</td>
<td>Weighbridge documents include all the transport references.</td>
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<th>5. Training</th>
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<tr>
<td>The Group Manager shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.</td>
<td>The Independent Smallholder group members and ICS administer were given basic understanding of the supply chain requirement and records maintained by the Group Manager.</td>
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<td><strong>6. Claims</strong></td>
<td><strong>6. Claims</strong></td>
</tr>
<tr>
<td>The Group Manager shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.</td>
<td>No claims made by the group.</td>
</tr>
</tbody>
</table>