

# IBD

## CERTIFICAÇÕES

CREDIBILITY & TRUST



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

**AGROPALMA GROUP MILL  
(PARAPALMA MILL)**

**Tailândia, Pará, Brazil**

**Auditor Name: Ingrid Ayub**

**Audit Date: June 19 th.-June 24 th. 2017**

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1. SCOPE OF THE CERTIFICATION AUDIT					
<b>1.1 Normative references</b>					
The Palm Oil Mill and the supply base was audited against the following documents:					
<input checked="" type="checkbox"/>	RSPO International Principles and Criteria (April, 2013 version)				
<input type="checkbox"/>	National Interpretation (approved version XX/20XX)				
<input checked="" type="checkbox"/>	RSPO Supply Chain Certification (November, 2014 version)				
<input checked="" type="checkbox"/>	New Planting Procedures (November, 2015 version)				
<input checked="" type="checkbox"/>	RSPO Rules on Market Communications and Claims (June, 2015 version)				
<b>1.2 Company and Contact Details</b>					
<b>Company name</b>	AGROPALMA GROUP: Parapalma Mill				
<b>Business address</b>	Alameda Santos, 466 - 10o andar, CEP: 01418-000, São Paulo, Brasil				
<b>Scope</b>	Production of palm oil and palm kernel.				
<b>Products</b>	Crude Palm Oil and Palm Kernel.				
<b>Contact person</b>	Tulio Dias				
<b>Telephone</b>	Tulio Dias Telephone +55 11 2505 6400, +55 (11) 9 7220 5465				
<b>E-mail</b>	tuliodias@agropalma.com.br				
<b>Web site</b>	www.agropalma.com.br				
<b>Other certifications held</b>	DNV: ISO 9001, ISO 14001, OHSAS 18001, ISO 22000 and FSSC 22000. IBD Organic (only part of the Agropalma S.A. agricultural land). Ecosocial. The next organic certifications are held by part of the Agropalma S.A. agricultural land only : JAS organic. BioSuisse, USDA Organic.				
<b>1.3 RSPO Membership Details</b>					
<b>RSPO membership number</b>	1-0003-04-000-00				
<b>Parent company as applicable</b>	AGROPALMA GROUP				
<b>1.4 Audit type</b>					
<b>Date of previous audit</b>	July 18 th to July 22, 2016				
<b>Date of this audit</b>	July 19 th to July 23 rd. 2017. Closing meeting held July 24 th. as specified in the audit plan.				
<b>Main or ASA (1 to 4)</b>	ASA 1				
<b>Date of next surveillance audit</b>	Within 9 - 12 months from this audit.				
<b>1.5 Location of the Palm Oil Mill</b>					
Palm Oil Mill (POM)		Location Address	Mill Capacity	GPS Reference	
Name			MT/Hour	Longitude	Latitude
Parapalma Mill		Rodovia PA 150 Km 74, esquerdo. Tailândia, PA. - Brasil	60	2°32'36.58" S	48°42'22.41" W
<b>1.6 Palm Oil Mill Output and Approximate Tonnages Certified</b>					
The 12 month output is the average over any 12 month period and the actual production for the 12 months from the date of certification will be included in the annual summary. These figures exclude any output product from non-certified suppliers.					
For the 12 month period ending May 2017 the mill received <b>171,297.99</b> mt of FFB.					
<ul style="list-style-type: none"> <li>The estimate for the last 12 months is applicable to Annual Surveillance Audits and is the Projection for the next 12 months from the previous audit.</li> <li>The actual production for the last 12 months is the audited quantity since the last audit.</li> <li>The projection for the next 12 months is given by the company.</li> </ul>					
FFB received and processed by the mill for the 12 months prior to this audit:			<b>Mt RSPO Certified FFB:</b>	171,297.99	
			<b>Mt Conventional FFB:</b>	106,900.868	
<b>Estimate for last 12 Months (MT) [State of IP or MB] (ASA audits).</b>		<b>Actual Production for last 12 months (MT) [MB]</b>		<b>Projection for next 12 Months (MT) [MB]</b>	
<b>CPO</b>	<b>PK</b>	<b>CPO</b>	<b>PK</b>	<b>CPO</b>	<b>PK</b>
<b>Parapalma Mill</b>					
20,085	4,017	29,561.90	5,912.38	20,688	4,138
Parapalma mills receive FFB from a RSPO certified supply base conformed by the Agropalma agricultural land (Departments I, II, III, IV, V, VI, VII (XV) and VIII (XVI), leased land managed by Agropalma and a group of 233 RSPO certified associated growers, and additionally receives FFB from non certified growers. Parapalma mill does not separate RSPO certified and non certified FFB, neither on the reception patio neither during process, reason why it is MB certified. It is important to note that Agropalma Group has other 4 Palm oil mills that process FFB from the same certified supply base. All five Palm Oil Mills are located within the Agropalma S.A. grounds and are managed in an integrated way, requiring one audit processes to cover all five mills. As Parapalma Mill is the only mill RSPO MB certified, a separate report is required. However, the content of audit findings in Parapalma Mill report is very similar to the RSPO IP report for the other four mills (CRAI/AGROPAR, AMAPALMA; CPA and AGROPALMA).					
<b>1.7 General Description of Supply Base</b>					
The FFB supply base for the Agropalma Group mills (Crai/Agropar, Amapalma, Agropalma, CPA mills and Parapalma)					

comes from Agropalma S.A. own land composed by 8 agricultural sectors, leased land managed by Agropalma S.A. and 233 outgrowers (family farmers and integrated growers), as seen in the table below. All of the abovementioned FFB suppliers are covered by the certificate scope. Currently there are 192 family farmers, divided on 5 projects (I, II, III, IV and V) where each of the families/grower owns from 4 ha to 12.48 ha and 41 integrated outgrowers with oil palm planted areas between 16.65 ha and 1372.75 ha. The Company has commercial long term contracts with all of them. Some family farmers/growers are organized in associations managed by a board of directors, commanded by a president. Each family farmer is responsible for managing his/her own plantation. Agropalma S.A. provides technical assistance to each of the growers through a team of 13 professionals. Each of the growers is visited at least once a month and receives support in different areas as good agricultural practices, crop management, compliance with legal requirements, monthly price of FFB, compliance with RSPO certification system and standards and others. Through the signed contract each of the growers agree to manage their oil palm plantation according to the agronomic advice given by Agropalma S.A. and in compliance with the RSPO applicable requirements. Any of the mills Crai/Agropar, Amapalma, Agropalma and Parapalma can receive and process FFB from any source of its certified supply base, the assignment of FFB to a mill is determined by Agropalma S.A. personnel in charge of programming the production. Parapalma, additionally can receive FFB from non certified source and process them together with RSPO certified FFB.

Certified outgrowers are located in the localities of Moju, Tomé-Acú and Tailandia as the land owned by Agropalma S.A. is located in Tailandia and land leased by Agropalma and managed by Agropalma S.A. is located in Moju, all of them in the counties of Tailandia and Acará, state of Pará.

Note 1: The certified supply base for Parapalma mill (RSPO MB certified) is also the supply base for other 4 mills of Agropalma Group which are RSPO IP certified.

Note 2: Since January 2017, all agricultural activities as well as the mills belongs to Agropalma S.A. Before January 2017 some of the activities were owned by other legal societies of the same group.

### 1.7.1 Location of the Supply Base

Oil Palm Plantation (OPP)		GPS Reference	
Name	Location Address	Longitude	Latitude
Departamento I	Rodovia PA 150 Km 74, Direito. Tailândia/PA	48° 47'18"	2°31'41"
Departamento II	Rodovia PA 150 Km 74, Esquerdo. Tailândia/PA	48° 43'50"	2°32'57"
Departamento III	Rodovia PA 150 Km 74, Direito. Tailândia/PA	48° 49'35"	2°34'47"
Departamento IV	Rodovia PA 150 Km 94, Direito. Moju/PA	48° 54'15"	2°39'11"
Departamento V	Rodovia PA 150 Km 65, Esquerdo. Tailândia/PA	48° 43'37"	2°29'32"
Departamento VI	Rodovia PA 150, Km 50, Acará/PA	48° 45'10"	2°15'03"
Departamento VII or XV	Rodovia PA 150 Km 74, Esquerdo. Tailândia/PA	48° 34'36"	2°35'48"
Departamento VIII or XVI	Rodovia PA 150 Km 74, Esquerdo. Tailândia/PA	48° 38'44"	2°33'16"
Area Leased from Altino	Moju	48°57'59,24"	2°30'35,74"
192 Family Farmers and 41 Integrated Outgrowers	Tailândia, Moju and Tome-Açú	Several	Several

### 1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year

Name	Area of Oil Palm (Ha)		Estimated Tonnes FFB/Yr	Planting Years	Cycle (Years)
	Total	Production			
Departamento I	4,820	4,820	65.000	2013;2010 ;1992 1991;1989 ;1988 1987;1986 ;1985	25
Departamento II	5,194	5,167	55,000	2013;2012; 2010;1999;1 994;1993;19 92;1991;19 84	25
Departamento III	6,570	6,570	135,000	1999;199;1 997 1996;1995; 1992	25
Departamento IV	4,954	4,954	93,000	2001; 2000; 1999; 1998	25
Departamento V	6,177	5,958	120,000	2011;2010; 2007, 2004;2002; 2001	25
Departamento VI	4,107	2,989	50,000	2010, 2011, 2000, 2001, 1996, 1990, 1989	25
Departamento VII or XV	4,149	4,149	65,000	2010;2009;	25

				2008;2006	
Departamento VIII or XVI	[3,090]	[3,090]	[60,000]	2010;2009; 2008;2007	[25]
Area Leased from Altino	[505]	[505]	[7000]	2010; 2005; 2004; 2003; 2000; 1999; 1998	[25]
<b>Total own plantations</b>	<b>39,566</b>	<b>38,202</b>	<b>650,000</b>	<b>N/A</b>	<b>N/A</b>
Family Farmers and Integrated Outgrowers	[8,907]	[8,020]	[140,147]	2013;2012; 2011; 2010;2009; 200820097; 2006;2005 2004;2003; 2002;2001; 2000;19991 998;1986	[25]
<b>TOTAL</b>	<b>48,473</b>	<b>46,222</b>	<b>790,147</b>	-	-
<b>1.7.3 Biodiversity (Total Conservation &amp; HCV Area for the respective Supply Bases)</b>					
<b>Oil Palm Plantation</b>		<b>Biodiversity.(Total Conservation &amp; HCV Area) Hectares.</b>			
<b>Name</b>	<b>Conservation</b>	<b>HCV</b>	<b>Comments</b>		
Departamento I	5,500	5,500	----		
Departamento II	8,398	8,398	----		
Departamento III	4,711	4,711	----		
Departamento IV	5,958	5,958	----		
Departamento V	11,695	11,695	----		
Departamento VI	11,593	11,593	----		
Departamento VII or XV	6,791	6,791	----		
Departamento VIII or XVI	8,578	8,578	----		
Area Leased From Altino	0	0	Area leased cover only palm plantation area.		
<b>Total Company Conservation Area</b>	<b>63,224</b>	<b>63,224</b>			
Family Farmers and Integrated Outgrowers	[8,166]	[8,166]	An equivalent area to the oil palm area owned by the three growers that were excluded from the certified growers list for the present audit, was deducted from the conservation area and HCV area reported on the last audit report. The abovementioned fact based on the fact that growers on the area should left 50 % of the land they own under conservation (reserva legal). The excluded growers were José Wanderlee Marques, Valdeci Pigati Salvador and Angelo Claudine Capelozza		
<b>TOTAL</b>	<b>71,390</b>	<b>71,390</b>	-		
<b>1.7.4 Total Certified Area</b> (Total Certified Area corresponds to the sum of total Area of Oil Palm and the total Conservation Area)			<b>[119,863]</b>		
<b>1.7.5 Calculation of the Number of Production Units (N) to Sample for the Mill</b>					
N = 0.8√Y, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed.					
<b>For the Mill, how many units make up the production base?</b>					
<b>Owned estates (Y)</b>	<b>N = 0.8√Y</b>	<b>Smallholders (Z)</b>		<b>N = 0.8√Z</b>	
[9 estates. There are 8 own states plus one state that is leased but managed by AGROPALMA.]	<b>N=3</b>	<b>Smallholders below 50 ha = 203</b> (192 family farmers + 11 integrated outgrowers)  <b>Growers between 50 and 500 ha = 27 growers</b> (27 growers with plantations between 50 and 500 ha)  <b>Growers with</b>		Smallholders below 50 ha = 203; <b>N =12</b>  Growers with plantations between 50 ha and 500 ha=27; <b>N=5</b>  Growers with plantations above 500 ha = 3; <b>N=2.</b>	
		<b>with</b>			

		plantations above 500 ha = 3			
<b>Explanation as to the selection of estates sampled</b>					
<p>Regarding Agropalma S.A. own and managed land, two departments not visited during the past audit as well as one department visited during the last audit were chosen to be visited during the present audit : departments 1 and 3 (not visited last year) and department 5 (visited last year). In relation to growers, it was decided to cover a sample of farms on each of the following oil palm planted area ranges: &lt;50 ha, between 50 and 500 ha and above 500 ha. The sample includes the visit to 4 farms owned by females and 15 farms owned by males and from the 19 farms to visit, 4 of them, covering all area ranges, were visited during the past audit and 15 of them were not visited during the past audit. Besides oil palm plantation area, gender of grower and history of recent audits, location was a fact to select the farms to compose the sample, in that way 5 farms in Tailandia, 4 farms in Tomé-Acú and 10 farms in Moju were selected.</p> <p>The table below shows the oil palm plantations that were included in this audit, with the operations reviewed in the field, the number of sample sites within the plantation and the number of worker interviews. Comments are added as applicable.</p>					
Oil palm plantation.		Operation	No of sample sites	No of Interviews	Comments.
Agropalma Department 1	S.A.	Pruning, harvesting and herbicide application	3	11	Activities been performed according to procedures
Agropalma Department 3	S.A.	Harvesting	3	3	Harvesters were wearing the required PPE
Agropalma Department 5	S.A.	Pollinization, harvesting, pruning, weeding	4	10	Workers were wearing requested PPE. Some pesticide deposits does not comply with best practices and NR 31.
Silvestre Borges, projeto III, lote 123		Pruning	1	1	Only the grower was interviewed. Family work.
Luiz Mario da Silva Couthino, projeto I, lote 37		Pruning	1	1	Only the grower was interviewed. Family work.
Libanio Sarmento dos Reis, projeto I, lote 46		Weeding	1	1	Only the grower was interviewed. Family work.
Evaldo Serra de Jesús, projeto I, lote 48		Harvest	1	1	Only the grower was interviewed. Family work.
Oswaldo Serra de Jesús, proyecto I, lote 49		Harvest	1	1	Only the grower was interviewed. Family work.
Elias Nunes Cavalcante, projeto 1, lote 42		Harvest	1	1	Only the grower was interviewed. Family work.
Domingo Otávio Furtado de Lima		Harvest	1	2	The grower and a worker in charge of using the tractor were interviewed
Arnaldo Seygo		Harvest: cutting, pulling of FFB and transport of FFB on a tractor.	3	9	The owner, manager and 7 workers were interviewed.
Katsuji Futatsumori		Pruning	3	6	Two members of the owner family plus 4 workers were interviewed.
José da Silva Medeiros		None	1	1	Grower was interviewed at home. No activities performed at farm during the visit day.
Luzecy de Brito		Harvest	1	3	The grower, her brother and sister in law were interviewed when working on the harvesting activity
Maria Gorte Bezerra Gomes		Harvest	1	3	The grower, her husband and son were

				interviewed. The husband and son were harvesting
Maria Luiz do Nascimento	Pruning	1	2	The grower and a worker were interviewed
Francisco Boiba	Pruning	1	2	The grower and a worker were interviewed
Victor Aparecido Ferreira	Harvesting	1	2	Grower and a worker were interviewed
Kazuhiko Ishii	Harvesting	1	2	Grower and a worker were interviewed
Antônia Maria Nogueira	Harvesting	1	3	Grower and two workers were interviewed.
Karl Bernard	Harvesting	4	13	Grower and 12 workers were interviewed. There is no grievances mechanism established in the farm and pesticides are placed over wooden shelves.
Claudio Sugaya	Harvesting	4	4	Grower and three workers were interviewed. Wooden shelves at the pesticide storage.

#### 1.7.6 Calculation of the Number of Sub Contractors to be sampled.

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

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

#### Number of *sub-contractors*.

Mill and workshops			Farms		
Approved:	40		Approved:	38	
On site during audit: <b>Y</b>	11		On site during audit: <b>Y</b>	9	
Number to audit: = <b><math>0.8\sqrt{Y}</math></b>	3		Number to audit: = <b><math>0.8\sqrt{Y}</math></b>	3	
Names	Activity	Audited	Names	Activity	Audited
A.R.B. DA SILVA ME	Environmental Consulting	NO	A.R.B. DA SILVA ME	Environmental Consulting	NO
AMANDA FONSECA DOS SANTOS ME	Healthcare Technical Consulting (Audiometry)	NO	AMANDA FONSECA DOS SANTOS ME	Healthcare Technical Consulting (Audiometry)	NO
ANDRÉ LUIS PEREIRA REIS	Equipment Maintenance (Academy)	NO	ANDRÉ LUIS PEREIRA REIS	Equipment Maintenance (Academy)	NO
CCM COM. DE MAQ, EQUIP. DE REFR. LTDA	Equipment Maintenance (Air Conditioning)	YES	CCM COM. DE MAQ, EQUIP. DE REFR. LTDA	Equipment Maintenance (Air Conditioning)	YES
CONTROL LAB CONTROLE DE QUALIDADE PARA LABORATÓRIO LTDA	Quality Control of laboratories	NO	CONTROL LAB CONTROLE DE QUALIDADE PARA LABORATÓRIO LTDA	Quality Control of laboratories	NO
DINAEL B ALVES ME	Equipment Maintenance (power transmission towers)	NO	DINAEL B ALVES ME	Equipment Maintenance (power transmission towers)	NO

EDITORA POSITIVO LTDA	Supplier of School Materials	NO	EDITORA POSITIVO LTDA	Supplier of School Materials	NO
EXPRESS CARGO MARABA LTDA	Logistics (mail bags pick ups)	NO	EXPRESS CARGO MARABA LTDA	Logistics (mail bags pick ups)	NO
G A L MACHADO	Healthcare Technical Consulting (Insalubrity and hazardous environment).	NO	G A L MACHADO	Healthcare Technical Consulting (Insalubrity and hazardous environment).	NO
GUEDES CONTABILIDADE	General Services (Photocopies, Copy of keys, bookbinding, etc.) + C8	NO	GUEDES CONTABILIDADE	General Services (Photocopies, Copy of keys, bookbinding, etc.) + C8	NO
HAY DO BRASIL CONSULTORES LTDA	Industrial Consulting (risk analysis machines)	NO	HAY DO BRASIL CONSULTORES LTDA	Industrial Consulting (risk analysis machines)	NO
J R NASCIMENTO TRANSPORTES	Fleet (people transport)	NO	J R NASCIMENTO TRANSPORTES	Fleet (people transport)	NO
MAXXCARD FOMENTO MERCANTIL LTDA	Pharmaceutical Service	NO	MAXXCARD FOMENTO MERCANTIL LTDA	Pharmaceutical Service	NO
P C O SERVIÇOS & REPRESENTAÇÕES LTDA	Pest control	NO	P C O SERVIÇOS & REPRESENTAÇÕES LTDA	Pest control	NO
POTENCIAL HUMANORECRUTAMENTO E SELEÇÃO LTDA	Recruitment Service	NO	POTENCIAL HUMANORECRUTAMENTO E SELEÇÃO LTDA	Recruitment Service	NO
PROSEGUR BRASIL S/A	Property security	YES	PROSEGUR BRASIL S/A	Property security	YES
PROSEGUR SISTEMAS DE SEGURANÇA	Property security	YES	PROSEGUR SISTEMAS DE SEGURANÇA	Property security	YES
SERVIÇO NACIONAL DE APRENDIZAGEM INDUSTRIAL	Trainings	YES	SERVIÇO NACIONAL DE APRENDIZAGEM INDUSTRIAL	Trainings	YES
SISPONTOS SISTEMAS INTELIGENTES LTDA ME	Technical Support (Informatics)	NO	SISPONTOS SISTEMAS INTELIGENTES LTDA ME	Technical Support (Informatics)	NO
SODEXO DO BRASIL COMERCIAL S.A.	Restaurant	YES	SODEXO DO BRASIL COMERCIAL S.A.	Restaurant	YES
TRANSCIDADE SERVIÇOS AMBIENTAIS LTDA-EPP	Hospital waste transportation	NO	TRANSCIDADE SERVIÇOS AMBIENTAIS LTDA-EPP	Hospital waste transportation	NO
TRANSCIDADE SERVIÇOS AMBIENTAIS EIRELI EPP	Waste Transportation	NO	TRANSCIDADE SERVIÇOS AMBIENTAIS EIRELI EPP	Waste Transportation	NO
TRANKALLEDY TRANSPORTE LTDA ME	Fleet (people transport)	NO	TRANKALLEDY TRANSPORTE LTDA ME	Fleet (people transport)	NO
TRANSPORTADORA HEINEN LTDA-EPP	Fresh fruit bunch transport	NO	TRANSPORTADORA HEINEN LTDA-EPP	Fresh fruit bunch transport	NO
TRANSPORTADORA MOJU LTDA	Fleet (people transport)	NO	TRANSPORTADORA MOJU LTDA	Fleet (people transport)	NO
UNIVERSO AMBIENTAL AMAZONIA LTDA	Technical Consulting (Gas Emission)	NO	UNIVERSO AMBIENTAL AMAZONIA LTDA	Technical Consulting (Gas Emission)	NO
VIAÇÃO A W E LTDA	Fleet (transport of people)	NO	VIAÇÃO A W E LTDA	Fleet (transport of people)	NO

VIRTUAL COMUNICAÇÃO LTDA	Marketing	NO	VIRTUAL COMUNICAÇÃO LTDA	Marketing	NO
WPP LOCAÇÃO DE VEICULOS LTDA	Fleet (people transport)	NO	WPP LOCAÇÃO DE VEICULOS LTDA	Fleet (people transport)	NO
F. LOPES DA SILVA E CIA. LTDA.-ME	Transportation of industrial waste	NO	ÂNGELO CLAUDINE CAPELLOZA JUNIOR	Independent Producer	NO
FASE MANUTENÇÃO PREDITIVA LTDA	Industrial Consulting (data analysis)	NO	CASA VERDE SERVIÇOS AMBIENTAIS LTDA	Georeferencing Technical Consulting	NO
J.M. SERVIÇOS E MONTAGEM INDUSTRIAL LTDA - ME	Industrial maintenance	NO	F B TRANSPORTE LTDA	Agricultural Service (Leaf Forklift)	NO
J.SOBRIHO MONTAGENS INDUSTRIAIS LTDA ME	Industrial maintenance	NO	F&M COMÉRCIO LTDA ME	Transporte de fruto	YES
MM SOARES DE TRANSPORTES DE CARGAS LTDA-ME.	Empty Fruit bunch transport	YES	FUND.ARTHUR BERNARDES-FUNARBE.	Agricultural Consulting (Genetic Improvement)	NO
M. DE NAZARE E CIA LTDA EPP	Empty Fruit bunch transport	YES	INSTITUTO CAMPINEIRO DE ANAL. DE SOLO E ADUB	Chemical analysis (plant tissue)	NO
R D MONTAGEM INDUSTRIAL LTDA	Industrial maintenance	NO	SAFE DEUS LTDA EPP	Agricultural Service (Stub removing)	NO
REGAF MONTAGENS INDUSTRIAIS LTDA	Industrial maintenance	NO	SEBASTIÃO DO ESPIRITO SANTO PINHEIRO SINIMBU-ME	Agricultural Technical Consultancy	NO
RODOPALMA TRANSPORTES LTDA	Transport of Vegetable Oil	NO	BEZERRA TRANSPORTES LTDA	Transport of rural workers	YES
TRAEI INDUSTRIA DE COMÉRCIO DE TRANSFORMADORES ELÉTRICOS LTDA	Industrial maintenance	NO	N/A	N/A	N/A
R J TERRAPLANAGEM E SERV LTDA	Transporte Industria	YES	N/A	N/A	N/A

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

During the present audit it was not possible to get a service providers list from the auditee during the four first days of the audit. Due to that fact the auditors took the advantage to interview the service providers detected at the mills, farms and administrative infrastructure when their activities were coincident on time and place. In that way, some security guards, empty fruit bunch transporters and food service personnel (SODEXCO do Brasil Comercial) were interviewed. After the service providers list and information of service providers present at the operation were available, an auditor look for the service providers at the place of work and interviewed them. Emphasis was done on operational activities that involves legal permits and labour law compliance.

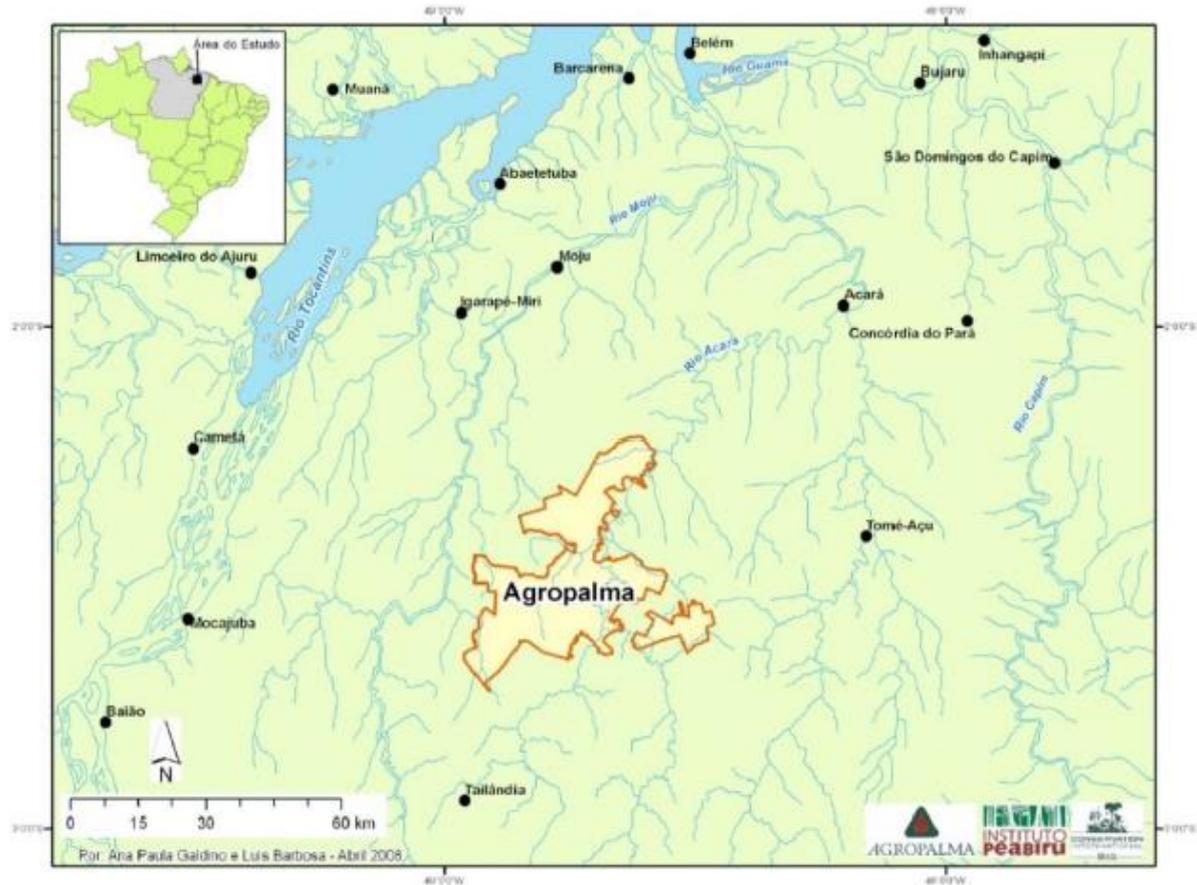
#### 1.8 Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 year implementation plan

Agropalma S.A. has a team dedicated to provide technical assistance to growers, including compliance with RSPO requirements. In that way, it was possible to certify the outgrowers in 2014 and those outgrowers have been providing certified FFB to of the Agropalma Group mills: CRAI/AGROPAR, AMAPALMA and AGROPALMA. Some growers that were found in non compliance with the requirements of the RSPO remediation & compensation procedure and others, were excluded from the certified group before the 2016 audit, when Parapalma mill received its first RSPO certification audit, and those growers continued sending FFB to Agropalma Group but received at Parapalma Mill which is MB certified. Parapalma Mill received its RSPO MB certificate in October 2016. Agropalma continues its technical assistance to growers, including those that are currently non certified, aiming to incorporate them in RSPO certification in the short term.

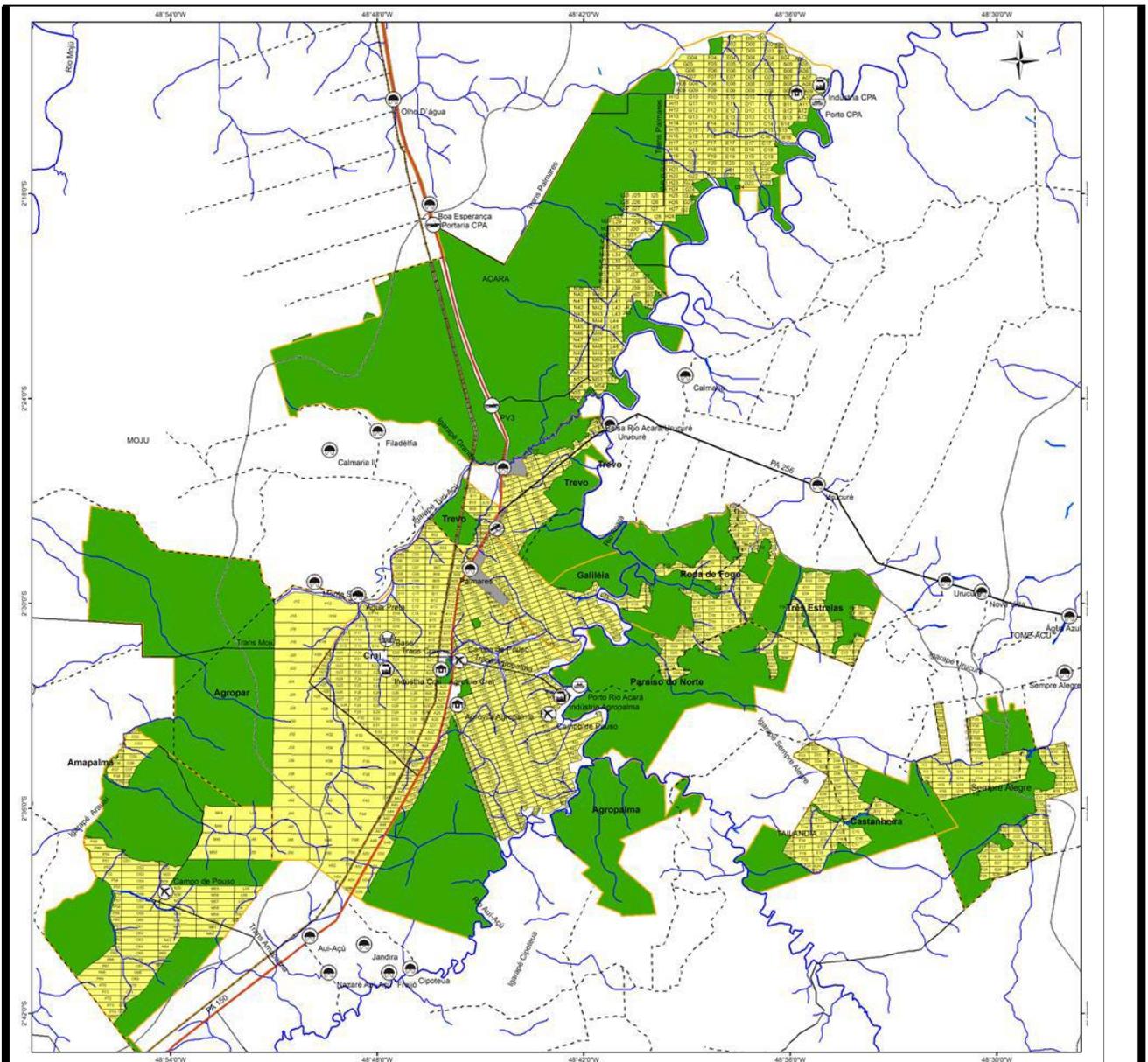
#### 1.9 Location Map for this Certification Unit

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

## Mapa de Localização das Fazendas da Agropalma



Map showing the neighbouring towns.



1.10 Summary of Net GHG Emissions			
Emissions per Product	tCO2e/tProduct	Land use	ha
CPO	-1,02	Oil Palm P planted area	55,171
PK	-1,02		
<b>Production</b>	<b>t/yr</b>	Oil Palm planted on peat	0
FFB processed	794681,23	Conservation (forested)	79,531
CPO Produced	138190	Conservation (non-forested)	0 (insignificant)
<b>Extraction</b>	<b>%</b>	<b>Total</b>	<b>134,702</b>
OER	17,39		
KER	3,34		

1.11 Summary of Field Emissions and Sinks											
Emissions	Own Crop			Group		3rd Party			Total		
	tCO2e	tCO2e/Ha	tCO2e/t FFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/Ha	tCO2e/t FFB	tCO2e	tCO2e/Ha	tCO2e/t FFB

Land Conversion	51031 3,67	12,8 7	0,82				4566 0,66	2,94	0,26	55597 4,33	10,0 8	6,99
*CO2 Emissions from Fertilizer	21133 ,6	0,53	0,03				2902 ,11	0,19	0,02	24035, 71	0,44	0,30
**N2O Emissions	29411 ,57	0,74	0,05				3422 ,49	0,22	0,02	32834, 06	0,60	0,41
Fuel Consumption	8750, 07	0,22	0,01				4528 ,25	0,29	0,03	13278, 32	0,24	0,17
Peat Oxidation	0	0	0				0	0	0	0	0,00	0,00
<b>Sinks</b>												
Crop Sequestration	- 34093 3,47	-8,6	-0,55				- 1421 39,2	- 9,15	-0,82	- 48307 2,67	- 8,76	-6,07
Sequestration in conservation area	46930 4,42	- 11,8 4	-0,76				0	0	0	- 46930 4,42	- 8,51	-5,90
<b>Total</b>	- <b>2406</b> <b>28,98</b>	- <b>6,07</b>	<b>-0,39</b>				- <b>856</b> <b>25,6</b> <b>9</b>	- <b>5,51</b>	- <b>0,49</b>	- <b>32625</b> <b>4,67</b>	- <b>5,91</b>	<b>-4,10</b>

### 1.12 Summary of Mill Emissions and Credits

	tCO2e	tCo2e/tFFB
<b>Emissions sources</b>	N.A.	N.A.
POME	155822,68	0,2
Fuel Consumption	3024.11	0
Grid Electricity	64,98	0
Utilisation	N.A.	N.A.
<b>Credits</b>	N.A.	N.A.
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	158911,77	0,2

### 1.13 Palm Oil Mill Effluent (POME) Treatment

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

Divert to anaerobic pond	100%	Divert to methane capture	0%	Divert to methane capture (electricity generation)	0%
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## 2. PARTIAL CERTIFICATION

The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

### 2.1 Management Organization

Item	Criteria	(Yes/No)	Description (if applicable)
2.1.1	Is the operation conducting a partial	NO	N/A

	certification?		
2.2.2	Is any company of the group, member of the RSPO? Which one?	N/A	N/A
2.2.3	Is there a clear relationship between the companies, where one company has the majority ownership or the management control of others?	N/A	N/A
2.2.4	Is there a clear and achievable time-bound plan prepared and in place?	N/A	N/A
2.2.5	Does the plan include all subsidiaries?	N/A	N/A
<b>2.2 Time-bound plan</b>			
<b>Description:</b> N/A			
<b>Initial</b> (mention sites and years proposed for the certification): N/A			
<b>Alterations:</b> N/A			
<b>Justifications:</b> N/A			
<b>Acquisitions:</b> N/A			
<b>2.3 Progress made on the time-bound plan</b>			
Please report upon adherence or deviation: N/A			
<b>2.4 Non-compliances on the partial certification rules</b>			
N/A			
<b>3. AUDIT PROCESS</b>			
<b>3.1 IBD - The Certification Body</b>			
IBD takes pride in being the largest certifier in Latin America and the only Brazilian certifier of organic products with accreditation through IFOAM (international market), ISO Guide 65 (European market regulation CE 889/07), Demeter (international market), USDA/NOP (North-American market), COR (Canadian market) and INMETRO/MAPA (Brazilian market), making its certificate global.			
Located in Botucatu-SP, Brazil, IBD has been in operation since 1992. Initially focused exclusively on the certification of organic product, after 2004, IBD began including certification services in the social-environmental area through the EcoSocial, Integra, RSPO and UEET ( <i>Union for Ethical BioTrade</i> ) programs. Today, IBD certifies over 5,000 producers, covering an area of approximately 520 thousand hectares in cultivation and 3 million hectares under wild harvest management, throughout 16 countries.			
For more information regarding IBD Certificações, access <a href="http://www.ibd.com.br">www.ibd.com.br</a> . RSPO Membership N°: 8-0090-08-000-00. RSPO accredited by ASI on November 4 <sup>th</sup> , 2014, worldwide (accreditation code RSPO-ACC-020).			
<b>3.2 Audit Team</b>			
<b>Lead auditor</b>		Ingrid Ayub (I.A.)	
<b>Audit team</b>		Ana María Uribe (A.U.) Dina Medem (D.M.) Andressa Keller (A.K.) Mauricio Malvoni (M.M.) Nazareth Rocha (translator)	
<b>3.3 Audit Methodology</b>			
<b>3.3.1 Audit Agenda</b>			
Date	Time	Location	Auditor(s)
19/06/17	9:00 a.m.	Agropalma S.A. offices, Tailandia/PA	Opening meeting I.A., A.U., D.M., A.K., M.M.
19/06/17	10:00 a.m.-6:00 p.m.	Agropalma S.A. offices, Tailandia/PA	Documental Review: I.A. (SCC); A.U. (RSPO P&C P.1 and P. 6 /selected criteria); D.M. (RSPO P&C criterion 2.1 and P. 6 /selected criteria); A.K. (RSPO P&C criterion 4.7 and visit to medical center); M.M. (RSPO P&C P. 4 except criterion 4.7) I.A., A.U., D.M., A.K., M.M.
20/06/17	7:00 a.m.-6:00 p.m.	Agropalma S.A. offices; localities of Tailandia, Palmares, Arauaí and Turi Acu /PA; Amapalma mill, Agropalma Departments 1 and 5.	I.A. (documental review SCC); A.U. (visit and interviews with stakeholders); D.M. (afternoon: continuation of documental review RSPO P&C P.2 and 6); A.K. (morning at Agropalma Department 1 - RSPO P&C standard / afternoon: documental review criteria 3.1, 4.7, 4.8); M.M. (morning at Agropalma Department V - RSPO P&C standard / afternoon: Agropalma Group facilities: pesticide storage, storages, laundry, changing rooms, warehouses and others). I.A., A.U., D.M., A.K., M.M.

21/06/17	7:00 a.m.-6:00 p.m.	Agropalma S.A. offices; Agropalma mill; CPA mill; growers farms in Moju and Tailandia; Agropalma Department 3.	I.A. (morning at Agropalma mill - Parapalma mill complex - RSPO SCC and P&C standards / afternoon: documental review RSPO P&C criteria 5.2, 5.5 and P.7); A.U. (visit to 7 growers in Moju); D.M. (morning at Agropalma Department III) RSPO P&C standard / afternoon: continuation of documental review RSPO P&C P.2 and 6); A.K. (visit to 3 growers in Moju and 2 growers in Tailandia); M.M. (morning continuation of documental review P.4 and criterion 8.1)	I.A., A.U., D.M., A.K., M.M.
22/06/17	7:00 a.m.-6:00 p.m.	Agropalma S.A. offices and facilities; growers farms in Tomé-Acú and tailandia)	All: meeting with Agropalma sustainability responsables to coordinate delivery of missing information. I.A. (visit to two growers in Tomé-Acú); A.U. (visit to two growers in Tomé-Acú); D.M. (visit to 1 grower in Tomé-Acú together with I.A. and at midday transfer to Belem); A.K. (morning : Interviews to mill and farm service providers, afternoon: documental review of criteria 5.3, 5.4 and 6.8.1); M.M (visit to three growers in Tailandia).	I.A., A.U., D.M., A.K., M.M.
23/06/17	7:00 a.m.-3:30 p.m.	Agropalma S.A. offices and Agropalma S.A. office in Belem	All: meeting with Agropalma sustainability responsables to coordinate delivery of missing information. I.A. (documental review criteria 5.2 (continuation) and 5.6); A.U. (review of stakeholders comments and gather of auditee opinion); D.M. (morning: documental review of criterion 2.2 in Belem office); A.K. (documental review of criterion 5.1 and indicators 6.13, 4.6.11 and 4.6.12); M.M. (gathering of missing information in general).	I.A., A.U., D.M., A.K., M.M.
23/06/17	4:00 p.m.	Agropalma S.A. office	Pre- closing meeting.	I.A., A.U., D.M., A.K., M.M.

Note: auditors meetings and preparation of closing meeting were done at night and are not contemplated in this auditors agenda. Closing meeting was performed saturday morning (24/06/2017) as previously agreed with the auditee and could be seen on the audit plan.

24/06/17	7:00 a.m.	Agropalma S.A. offices	Closing meeting	I.A., A.U., D.M., A.K., M.M.
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### 3.3.2 List of stakeholders consulted prior to and during the audit.

Name	Category
<b>AGROPALMA ADMINISTRATIVE PERSONNEL</b>	
Tulio Dias	Social and Environmental Corporative Manager
Joao Martins Jr.	Social and Environmental Analyst
Cristiane Paive	Responsible of communication with Stakeholders
Marcelo Bastos	Agropalma lawyer
Wander Antunes	Asistente comunicación social y corporative
Fabio José Sousa Gonçalves	Human Resources coordinator
Maraisa Cruz	Analyst
Heisner Caetano	Enviromental Manager
Isaac Martins	Environmental engineer
Francisco Julio de Sousa Silva	Industry administrative
Manuel Raimundo Rodrigues	Industry administrative
Alcimara Silva	
Leonardo Oliveira	Health and safety
Carmen Mendes	Health and safety
Suelen Teixeira	Human Resorces
Dienifer Marques	Responsável pela elaboração dos procedimentos
Edevaldo Ferreira de Souza	Administrative Assitant (EPIS Delivery-Rural Area)
Leila Furtado	Clinic
Ricardo Sales Tinoco	Phytosanitary and research manager
Carlos Alberto Santana de Carvalho	Agriculture manager

Edwin Almeida Assunção	Agricultural coordinator / fertilization
Josias Mescouto	Agricultural production manager
Diógenes do Nascimento Pessoa	Agronomist / responsible for departments V, VI, VII
Raquel Cristina do Amaral Melo	Agricultural manager
Ruan Patrick	Responsible for fertilization at nursery
Zeno Martins	Agriculture Manager responsible for integrated and smallholders growers
Ana Caroline Nogueira	Production analyst responsible for smallholder growers
Eredilson Carvalhos Barros	Production analyst
Alessandra Dias Bortolanza	Quality Control Manager /all mills
Solange Silva	Support and Scales coordinator /all mills
José Miranda	Industry production manager (mills)
Marcos Nunes de Moraes	Road and bridges coordinator. Environmental engineer
<b>AGROPALMA WORKERS INTERVIEWED ON THE FIELD</b>	
Ronaldo Leal Lima	Department 1- Lot E26, pruning
Jerson Neves de Souza	Department 1- Lot E26, pruning
Alexandre de Almeida Maia	Department 1- Lot E26, pruning
Jailson Sodre	Department 1- Lot E26, pruning
Ronildo Cleber da Conceição	Department 1- Lot E26, pruning
Patrick Sales	Department 1 - Lot B/C, harvesting supervisor
Antonio Francisco Rodrigues de Sousa	Department 1 - Lot B/C, harvesting / cutting
Michel Soares de Santos	Department 1- Lot B/C, harvesting / cutting
Antonio da Silva Lobato	Department 1- Abrigo Coco, mechanic
Ailtton José da Silva Oliveira	Department 3 A - Lot J12/J14, agrochemical sprayers supervisor
Luciano Xavier	Department 3 A - Lot J12/J14, herbicide sprayer
Lázaro Da Silva Lima	Department 3A agricultural worker (harvesting) between J20 and J26 lots.
Claudio Emir Oliveira Da Silva	Department 3A, rural process supervisor between J42- J44 lots
Patricia Cândido de Souza	Department 3B, rural supervisor between J48-46 lots
William de Souza Nascimento, 8658	Department Va, Lot A15, agricultural production analyst
Franciane Mendes da Silva, 21397	Departamento Va, Lot A15, Agricultural production supervisor
Clenilda Gomes Rodrigues, 18425	Departamento Va, Lot A15, agricultural worker, pollinization.
José Maria dos Anjos Portirio, 17103	Departamento V, Lot H24, agricultural worker, pruning
Raimundo Barbosa do Carmo, 15442	Departamento V, Lot H25, operator /tractor driver, harvesting
Francinaldo da Silva Pinheiro, 18164	Departamento V, Lot H25, agricultural worker, harvesting / cutting
Rizanilde da Silva dos Santos, 16850	Departamento V, Lot H25, agricultural production supervisor
Edenilso da Silva Araújo, 14277	Departamento V, Lot J26, agricultural production supervisor, manual weeding
Jobson Furtado Pina, 2967	Departamento V, parcela J26, agricultural worker, manual weeding
<b>AGROPALMA WORKERS INTERVIEWED AT AGROPALMA INFRASTRUCTURE</b>	
Paulo de Tarso	Vehicle maintenance
Maurício Ricardo Figueiredo	Vehicle maintenance
Mário Ribeiro	Fuel delivery
Jeferson Paula Moraes, 15636	Agrochemical and chemical storage responsible
<b>AGROPALMA WORKERS INTERVIEWED AT MILLS</b>	
Miguel Campos de Mendonça	Tractor operator at Agropalma mill
Geraldo Soares de Souza	Maintenance / industrial mechanics at Agropalma mill
Flavio Jesús Silva	Production operator at Agropalma mill.
Edilson Teixeira	Fire and rescue brigade. Agropalma and Parapalma mill
Francisco Rodriguez Silva	Production operator/sterilization at Parapalma and Agropalma mills
José Almir Freire Marques	Industrial processes coordinator / in charge of waste water. Parapalma/ Agropalma POME treatment ponds
Lucileya Ferreira	Scale and billing. Parapalma mill scale. FFB were being weighed at Parapalma mill scale but send to Agropalma mill (Parapalma mill was under maintenance and its scale was the one in use).
Eliany Mota	Scale and billing. Parapalma mill scale. FFB were

	being weighed at Parapalma mill scale but send to Agropalma mill (Parapalma mill was under maintenance and its scale was the one in use).
Joao Alberto Farias Cruz	Production Coordinator / Agropalma mill
Note 1: Crai /Agropar and Parapalma mil were not functioning during the audit week. Crai / Agropar workers were distributed to work at other mills. Note 2: Agropalma and Parapalma mills are adjacent. Parapalma mill workers were interviewed at AGROPALMA mill as they were doing maintenance works at Parapalma or working at Agropalma mill.	
<b>AGROPALMA SUBCONTRACTORS (MILLS AND FARMS)</b>	
Silvestre de Jesus Santos	BEZERRA TRANSPORTEES LTDA – Bus driver, Agriculture Department / A-3.
João Valtemir Morais Rodrigues	F&M COMÉRCIO LTDA ME – FFB transportation to mills
Fabio José Sardiás dos Santos	M&M – Transport of EFB (From mills to field) /Main entrance
Messias Moraes da Costa	MNG – Transport of EFB (From mills to field) /Main entrance
Jose Donato dos Santos	R J TERRAPLANAGEM E SERV LTDA – Driver / Scale/ Parapalma/Agropalma mill
Joel Meirelis Coutrin	PROSEGUR BRASIL S/A – Security services /Administrative area
André Pereira da Silva	PROSEGUR BRASIL S/A - Vigilância Patrimonial / Administrative area
Renato Borges	PROSEGUR BRASIL S/A- Security guard at Parapalma Agropalma entrance.
Inay Maia Garcia	SODEXO DO BRASIL COMERCIAL S.A. – cook / Dinning room kitchen
Breno Barros de Carvalho	SODEXO DO BRASIL COMERCIAL S.A. – Manager / Dinning room management
Walisson dos Santos Araujo Silva	SODEXO DO BRASIL COMERCIAL S.A. – Supplies inventory / Reception of products
Renato Marques de oliveira	CCM COM. DE MAQ, EQUIP. DE REFR. LTDA / Administrative area
Leandro dos Santos Queiroz	CCM COM. DE MAQ, EQUIP. DE REFR. LTDA/ Administrative area
Expedito Oliveira	SERVIÇO NACIONAL DE APRENDIZAGEM INDUSTRIAL (Senai) – Trainer / mobile and manual equipment
Rodrigo Rocha	SERVIÇO NACIONAL DE APRENDIZAGEM INDUSTRIAL (Senai) -Trainer/ Boilers / Administrative area
<b>GROWERS AND GROWER WORKERS CONSULTED AT FARMS</b>	
Silvestre Borges	Smallholder grower, pruning, projeto III, lot 123
Luiz Mário da Silva Coutinho	Smallholder grower, pruning, projecto I lot 37,
Libanio Sarmento dos Reis	Smallholder grower, weeding, projeto I lot 46,
Evaldo Serra de Jesús proyecto I lote 48	Smallholder grower, harvest/cutting, projeto I lot 48,
Oswaldo Serra de Jesús proyecto I lote 49	Smallholder grower, harvest/tractor driving, projeto I lot 49
Edvandro Portilho Borges	Worker of Silvestre Borges (projeto III, lot 123)
Domingo Otavio Furtado de Lima	Integrated grower
Alex Junior de Lima	Worker of Domingo Otavio Furtado, tractor driving
Arnaldo Seygo	Integrated grower
Cesarino Franco Mires	Worker of Arnaldo Seygo, harvest/FFB carrier lot C-12
Isac de Lima Ruis	Worker of Arnaldo Seygo, harvest/cutting, lot C-12
Jose Moraes Lima	Worker of Arnaldo Seygo, fiscal, lot C-12
Junior Castilho Luana	Worker of Arnaldo Seygo, harvest/tractor driving, lot C-17
Joao Torres de Lima	Worker of Arnaldo Seygo, harvest/cutting, lot C-17
Pablo Feitosa dos Reis	Manager of Arnaldo Seygo farm, lot C-17
Fernando Joao Pantoja	Worker of Arnaldo Seygo, harvest/cutting, lot C-17
Cristiano Andra de Botelho	Worker of Arnaldo Seygo, harvest/cutting, lot C-17
Nelson Masayuki Futatsumori	Integrated grower
Denis Kakeshi Futatsumorii	Fazenda Mariko Futatsumori, propietario
Cleb Camerino de Matos Macle	Fazenda Mariko Futatsumori, poda D-01
Rosenilson Sila de Souza	Fazenda Mariko Futatsumori, poda D-01
Guivanildo Chagas	Fazenda Mariko futatsumori, poda C-02
Roberto Barbosa Souza	Fazenda Mariko Futatsumori, poda C-02
José da Silva Medeiros	Family grower, projeto IV, lot 35.
Luzecy de Brito Silva	Family grower, projeto IV, lot 246
Elivaldo Rodrigues Martins	Luzecy s brother. Harvesting/cutting, lot 246
Ienes da Silva Pereira Martins	Luzecy s sister in law. Harvesting, lot 246
Maria Gorte Bezerra Gomes	Smallholder grower, projeto IV, lot 258

Anderson Gustavo Gomes da Silva	Son of grower María Gorte. Harvesting, lot 258
Reginaldo Gomes dos Reis	Husband of grower María Gorte. Harvesting, lot 258
Vitor Aparecido Ferreira	Integrated grower
Perivaldo F. Martins	Worker of Victor Aparecido Ferreira, tractor driving carrying FFB
Kazuhiko Ishii	Integrated grower
Ronaldo Antonio de Souza	Worker of Kazuhiki Ishii, harvest / tractor driving
Antônia Maria Nogueira	Integrated grower
Claudemar Ribeiro da Silva	Working of Antonia Maria Nogueira, harvest
Raimundo Evangelista	Worker of Antonia Maria Nogueira, harvest/ tractor driving
Karl Bernard	Integrated grower
Walter de Marcelo Gonzales	Administrative assistant at Karl Bernard farm
Ergolino de Souza Adriaio	Fiscal at Karl Bernard farm, lot 4
Antonio Walmir Santos da Maicena	Worker at Karl Bernard farm , harvest, lot 4
Reserved name	Fiscal at Karl Bernard farm, lot contiguous to lot 4
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Worker who prefers anonymity	Worker at Karl Bernard farm, harvest.
Claudio Sugaya	Integrated grower
Adriano Pereira Da Silva	Worker at Claudio Sugaya farm, harvest/ tractor driving
Silvio Xavier Correa	Worker at Claudio Sugaya farm, harvest/ carrying FFB
Robson Silva Da Lima	Worker at Claudio Sugaya farm, harvest/ carrying FFB
<b>NON GOVERNMENT INSTITUTIONS, SINDICATES AND LOCAL COMMUNITY</b>	
Wander Atunes	Presidente Asociación de Moradores Distrito de Palmares / association of Palmares residents
Sonia Rodriguez de Almeida	Association of Palmares residents – Women s Secretariat.
Marizete Ramos	Health Center coordinator at Palmares Vila
Clenis Santiago Bastos	Director of the Escola Municipal Sao Felipe- Tailandia.
María de Fátima Maia Cardoso	President of the association of Turi -Acú residents
Diego Silva Sauza	Council Fiscal- Vila Aviago community
Antonia Paez	Director of Agropalma Elementary School
Manuel Evarista Correiro Silva	Diretor dos Assalariados dos Trabalhadores Rurais de Tailândia (Vila Dos Palmares)/ Sindicato director- Tailandia Rural Workers.

### 3.3.3 Outline of how stakeholders consultation was managed.

A meeting was held between selected stakeholders and the RSPO auditor responsible for stakeholder consultation on July 20<sup>th</sup>, 2017, according to the audit plan. The auditor traveled to meet the stakeholders in their places of work. Interviews were made without Agropalma S.A. personnel to guarantee free expression and some of the interviews were performed with the presence of a single stakeholder as others were performed in group. During interviews it was evidenced the agreeable relationship between AGROPALMA and the consulted stakeholders.

### 3.3.4 Issues that arose during stakeholder consultation and company responses.

Subject raised	Company response and proposed action to be taken.	Audit team findings
<p>Representante dos Moradores do Turi-Açu (residents association) gave a positive input regarding "Agropalma" activities and mentioned there are several contributions (economic and social) as employment generation and technical support in different areas.</p> <p>However, members of the community expressed concern regarding rivers contamination by agrochemicals used.</p>	<p>Agropalma personnel manifested the need of complaints to be expressed by written means as required by the procedure. In case there is a complaint Agropalma performs inspections to possible affected zones together with complainers to verify the information. On most occasions, complainers does not transcend due that they are simple rumors.</p> <p>Agropalma performs periodical nitrogen and phosphorus analysis to river and igarapes waters in 8 sample points. For 2017 analysis results dated february 2017 shows no detection of phosphorus in any of the 8 sample points and nitrogen results are below 2.9 for all samples when</p>	<p>Data verified during audit. The auditor doesn't consider that AGROPALMA should generate a corrective action.</p>

	maximum accepted values are 3.7 according to CONAMA 357/2005.	
The director "dos Assalariados dos Trabalhadores Rurais de Tailândia"- Vila Dos Palmares manifested that it is very positive the relationship with AGROPALMA. Great benefits has been achieved for more that 4000 associates :half working day on Saturday, food subsidy, hairstyle bonus, transport from home to work, improvements on salary, progressive production bonus, transition bonus, health service and others.	Positive input. No action Required.	Positive input. No action required.
Members of the "Associação dos Moradores da Vila dos Palmares" / residentes association manifested that the relationship with AGROPALMA is very positive. Many Palmares Vila inhabitants are AGROPALMA's workers. AGROPALMA is a big employment generator and make economics and social contributions to the Vila.	Positive input. No action required.	Positive input. No action Required.
The director of São Felipe School manifested that the relationship with AGROPALMA is very positive. AGROPALMA has the young apprentice program that benefits many young community members and also make economic contributions. There are 3000 students.	Positive input. No action required.	Positive input. No action required.
The director of Agropalma school manifested that the relationship with Agropalma is very positive. Agropalma assumes all functioning costs: workers, dinning room, transport and teaching materials. It currently has 680 students.	Positive input. No action required.	Positive input. No action required.
The director of the health center at Palmares Vila manifested that the relationship with Agropalma is very positive. However, manifested that any additional help that Agropalma could deliver will be of great help.	Positive input. No action required.  The auditee evidenced the social contributions it makes. However, Agropalma manifested that the health center is under the government responsibility.	Positive input. No action required.

<b>4. AUDIT FINDINGS</b>		
<b>4.1 Summary of findings.</b>		
<b>Principle 1: Commitment to Transparency.</b>		
<b>Criterion 1.1: Oil Palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO criteria, in appropriate languages and forms to allow for effective participation decision making.</b>		
Summary of the findings for 1.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
AGROPALMA company makes available extensive information, appropriate and sufficient in relation to environmental, social and legal aspects relevant to RSPO criteria.	Training records in relevant topics were available during the audit as well as records of material delivered to growers and stakeholders as the orientation guide for	YES

<p>Information is available for farmers and stakeholders. The language used is the native one (portuguese).</p> <p>AGROPALMA company has a communication procedure on which the different communication channels are described (website and Aló Agropalma) and how to obtain information is detailed.</p> <p>Example: document code NPG 16, revision N. 14, dated 19-07-2016, elaborated by Cristiane Paiva and approved by Tulio Dias.</p>	<p>farmers: "Guia de Orientacao para o Produtor de Palma")</p> <ul style="list-style-type: none"> <li>• <b>ALÓ AGROPALMA:</b> this channel is used to receive complaints from internal staff and community members. The telephone number is 08007090706 extension 8213. This communication channel is for reception of complaints, questions, suggestions, compliments and others commentaries. The response is given in 3 weeks maximum.</li> <li>• <b>Agropalma website:</b> there is a link to send commentaries (complaints, questions, suggestions, compliments: <a href="mailto:reclamacoes@agropalma.com.br">reclamacoes@agropalma.com.br</a>. Evidence: Complaint sent anonymously on 09-01-2017</li> </ul>	
<p><b>Criterion 1.2: Management documents are publicly available except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b></p>		
<p>Summary of the findings for 1.2:</p>		
<p><b>Findings:</b></p> <p>The Agropalma website provides the list of documents that are available for consultation:</p> <p>Available documents are:</p> <ul style="list-style-type: none"> <li>• Title deed and other land related documents;</li> <li>• Occupational Health Medical Control Program, Environment risk prevention programs, PAE, Technical Report of Working Environment Conditions;</li> <li>• ECP, ECR, EIS, Probe Diagnostics and other socio-environmental studies;</li> <li>• Documents related to reviews of areas of high conservation value;</li> <li>• Integrated Management System Manual, Rules of Procedures and Operational Routines;</li> <li>• Claim Details Report;</li> <li>• Long term Economic and Financial Sustainability Plan;</li> <li>• Negotiation and Land Acquisition Procedures;</li> <li>• Continuous Improvement Plan;</li> <li>• RSPO certification reports;</li> <li>• Respect for Human Rights Policy (launched in 2016);</li> <li>• Current and historical prices paid to FFB suppliers.</li> </ul> <p>Interested parties should contact Agropalma through phone (91) 4009-8159 - or by email <a href="mailto:comunicacao@agropalma.com.br">comunicacao@agropalma.com.br</a>.</p>	<p><b>Comments:</b></p> <p>AGROPALMA website. <a href="http://www.agropalma.com.br/responsabilidade-socioambiental/politica/transparencia-coorporativos">www.agropalma.com.br/responsabilidade-socioambiental/politica/transparencia-coorporativos</a></p>	<p><b>Compliance</b></p> <p>YES</p>
<p><b>Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</b></p>		
<p>Summary of the findings for 1.3:</p>		
<p><b>Findings:</b></p> <p>The workers are all provided with a Manual of Conduct that states that Agopalma must work in compliance with national laws and ethical principles.</p> <p>Additionally, there is a Social Responsibility</p>	<p><b>Comments:</b></p> <p>Agropalma s Manual of Conduct for Employees September / 2015 is distributed to all employees at the time of been hired and employees signed a document stating that they received it. In subsection 1 it is mentioned that companies owned by</p>	<p><b>Compliance</b></p> <p>YES</p>

<p>Policy that states that Agropalma fully respects the anticorruption law.</p> <p>Agropalma is financially externally audited on a yearly basis by Ernst &amp; Young company and reports are shared with shareholders. ]</p>	<p>Agropalma Group must operate in compliance with existing national laws and ethical principles. Among the laws there is the Anti-Corruption Law.</p> <p>The document NPG 25 "Social Responsibility Policy (Ver. 02, 07/07/16) in item 5.3 " Integrity and ethics in business " there is mentioned of the company's commitment to fully respect the anti-corruption law.</p> <p>All documents are written in portuguese and are written in an easily comprehensive manner. ]</p>	
<b>Principle 2: Compliance with applicable laws and regulations.</b>		
<b>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations</b>		
Summary of the findings for 2.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>Due to the size of it operation, Agropalma S.A. must tramit and keep with validity a good number of permits and licenses and performed numerous analysis required by law with semestral or yearly periodicity as well to present operational reports.</p> <p>Evidence of legal compliance was available with the exception of the boilers gaseous emissions results. The fume values are out of legal accepted parameters for the totality of boilers in use, reason why a non conformity was established (see non conformity 001/2017).</p> <p>Agropalma has a data bases where all applicable laws are compiled.</p> <p>Agropalma has the information management system called LegNET that manages all applicable laws related with its activity. The system has a tool, called GOR, to manage the validity of all required and available licenses which automatically informs the responsible manager on the expiration of licenses related to its field.</p> <p>LegNET generates alerts when there are changes in applicale laws. The area analysis sends the change information to the area manager.</p> <p>The service provider GSTI visits once a year Agropalma S.A. operation to review the functioning of the tool.</p> <p>Agroplama works together with GSTI to guaratee compliance with law of all of Agropalma activities and to keep Agropalma updated with changes in law</p> <p><b>Observation 001 / 2017</b> None of the boilers in use at AGROPALMA GROUP complex complies with the legal required values for fumes. Analysis performed to samples collected on may 2017 with results dated june 5 th.2017 show results for fumes of 46, 67, 100, 70 and 80 % which are above the maximum value accepted by law which is of 20 % according to CONAMA 008 /1990. It was raised as an observation because all other parameters</p>	<p>Examples of compliance:</p> <p>Certificado de Registro Cadastral. Inscrição Estadual Tailândia: 152603182. Emitido pelo Dpto de Policia Federal. Divisão de controle de produtos químicos Atividade: Fabricação de óleos vegetais em bruto, exceto óleo de milho.</p> <p>Certificados de Licença de Funcionamento . No.200800747-7. Emitido pelo Dpto de Policia Federal. Divisão de controle de produtos químicos. Este certificado certifica que a Agropalma esta autorizada para exercer atividades com produtos químicos (Lei 10357 de 27 setembro de 2001). Vencimento Tailândia: 14/03/2017 Requerida emissão: 01/03/2017</p> <p><b>LICENÇA DE OPERAÇÃO AMBIENTAL</b></p> <p><b>PARAPALMA</b> Emitida pela SEMAS/PA (Secretaria de Estado de Meio Ambiente e Sustentabilidade) CNPJ de agrupação: 83.663.484/0007-71 Razão social denominação: Companhia refinadora da Amazônia- FILIAL AGROPALMA II. LO No 9491/2015. Validade: 10/09/2019.</p> <p>Informação adicional: Data de protocolo 13/03/2015. Processo No. 2015/0000006910. Tipologia licença: 1702-1 extração de oleosos brutos, de óleos essenciais vegetais e de matérias graxas animais. Licença autoriza: Operação de atividade "extração de oleosos brutos, de óleos essenciais vegetais e de matérias graxas animais".</p> <p><b>Boiler of Parapalma.</b> Processo N. 2015/6910. Colecta 11/05/2017. Results: Average value = 70%. Maximum value permitted by law= 20% (CONAMA 008/1990).</p> <p>CALDEIRAS. Inspeacao <b>Dos calderas en Parapalma.</b> <b>1467 CA 01</b> Caldeira de Vapor 01. Se abriu libro de registro el 6 de abril 2015. Inspección</p>	<p>YES/ OBS ]</p>

<p>analysed are okay. ]</p>	<p>2016: 1 al 7 de julio 2016. Próxima inspección externa: 7 de junio 2017. Julio 2016: folias 10 a 22. Inspección realizada: 3 al 16/06/2017. Próxima inspección externa a realizarse : 16/06/2018. Firma Josimar Lima. Ingeniero Mecánico: Thiago Augusto Campos.</p> <p><b>1467 CA 02</b> Caldeira de Vapor 02. Libro de registro inicia abril 2015. Inspección 2016: 3-7 de junio 2016. Múltiples registros de inspección: Julio 2016: folia 7, Maio 2017: folia 16. Inspección externa : 3 al 16 de junio 2017. Próxima inspección: 16/06/2018.</p>	
<p><b>Criterion 2.2: The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights</b></p>		
<p>Summary of the findings for 2.2:</p>		
<p><b>Findings:</b></p> <p>The company retains all ownership lands documents and records in its office in Belem de Pará.</p> <p>There is a topographic map made by Agropalma own personnel showing the land owned and managed by Agropalma where annotations are made where there is overlapping and/or conflicts with land.</p> <p>There is no land conflicts with local communities but there is a land conflict with an individual called Jose Maria Tabarana da Costa that started in 2013. In 2015, court gave the reason to Agroplama who presented land titles, but new demands were placed on court by the same individual.</p> <p>The complainants send the demand documentation to the CB IBD Certificacoes in 2015 and months later contacted RSPO denouncing Agropalma</p> <p>In 2016, the Complainants filed a new appeal with the court.</p> <p>In march 2016, the Complaints Panel of the Roundtable on Sustainable Palm oil indicated: "<b>The Complaints Panel Recommends that all the current cases by the complainants should be allowed proceed and no further actions will be taken by the Panel before Brazilian courts have ruled on this matter</b>".</p> <p>July 26 th. 2016, RSPO Complaints Panel retifies the march 2016 desision.</p> <p>During the audit and through documental review at the Agropalma S.A. office in Belem, it was verified that up to date (june 23 rd. 2017 there has been no resolution from the brazilian court neither from ITERPA:</p> <p>Process document dated 8/06/2017. Oficio 287/2017 6P.</p> <p><a href="https://www.rspo.org/members/complaints/status-of-complaints/view/83">https://www.rspo.org/members/complaints/status-of-complaints/view/83</a></p>	<p><b>Comments:</b></p> <p>. Documentation related with land purchases was reviewed and ownership verified:</p> <p><b>Leased land (terra arrendada)</b> I.E: No. 15.107.120-9 (Tailândia). Lessor/Arrendador: Altino Coelho Miranda. Área 1720 HA. No. matricula: 2604. Cartório de Acará. Assinaturas de ambas as partes em 13/01/2014.</p>	<p><b>Compliance</b></p> <p>[YES ]</p>

Boundaries at Agropalma land and supply base growers farms were found defined and relationship with local communities / stakeholders were found without conflict and positive.		
<b>Criterion 2.3: Use of land for oil palm does not diminish the legal or customary rights of other users without their free, prior and informed consent.</b>		
Summary of the findings for 2.3:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
The auditor evidenced the map that describes in an appropriate scale the extension of Agropalma's own lands. The map shows the distribution of the HA 107000 (39.566 ha are occupied by oil palm plantations, 63.224 dedicated to conservation and the remainder for other uses). Currently the plantation is divided into 8 Dptos (I-VIII) and each Department is divided into plots.	Customary rights are not in conflict with Agropalma land use. Does not apply.  There are no situations involving negotiated agreements with communities.  All of Agropalma land has been purchased through sale/purchase land deeds.	N/A
<b>Principle 3: Commitment to long-term economic and financial viability.</b>		
<b>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</b>		
Summary of the findings for 3.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
Document: Long Term Economic and Financial Sustainability Plan is updated and approved by the board of the Company, was published in 2015 (Validity: 2015-2018). Topics: values, mission, integrated management policy, environment, health, safety, social responsibility, statements required by RSPO to comply with legislation, care and union membership, non-discrimination, free party affiliation, prohibits employees discriminate in any kind. The company count on plan of projections until 2046.  Verified the summary of the replanting schedule that goes from 2016 to 2046 with projections of budgets and those already made. By 2017 it had planned for a replanting area of 757.78 and there were actually 271.81.  There is a nursery of seedlings which are prepared one year before replanting. This genetic material is what has already been used (Deli x LaMe) with the most modern lines of genetic improvement.	In the part dealing with administrative and financial management, it addresses the administrative and financial actions of the company, explains for example which factors are considered for cost, expenditure and investment adjustments: Production of CFF planned for the year; Historical extraction rate adjusted for the condition of the year, CPO price in the international market forecast for the year, estimated exchange rate for the year, national and international palm market trends, revenues based on palm market prices and In the volume of agricultural projections and oil extraction; Manpower costs planned for the year in accordance with agricultural and industrial processes; Costs of materials and utilities based on vehicle maintenance projections, industrial cessions of new investments and vehicle maintenance, industrial, remodeling and maintenance of fixed assets and maintenance and fertilization; Innovations and the need for resources; Evaluation of the need for new investments and adequacy of cash flow conditions; Strict control of cash flow to avoid the need for external resources and meet financial commitments with suppliers, employees, governments, and other transacted parties.  The company establishes three (3) variables to replant: • - Bunches measuring more than 11 meters high • - Low performance below 20 t / ha / year • - High incidence of diseases. The company count on feasibility document where extraction rates, prices for FFB, international market prices, trend in the international market, projected volume of production, labor costs are projected	YES
<b>Principle 4: Use of appropriate best practices by growers and mills.</b>		
<b>Criterion 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.</b>		
Summary of the findings for 4.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
Procedures covering all mills and plantation activities have been developed and are	Raquel Cristina do Amaral Melo – Agronomist engineer responsible for oil palm cultivation	YES

<p>available. Interviewed workers understand the procedures.</p> <p>Agropalma has a computerized system called SoftExpert Excellence Suite for the operational management of Agropalma company. The Management System is organized into folders.</p> <p>The Internal Audit Procedure applies to all company sites.</p> <p>Internal audits are performed annually, it defines the ISO9001, ISO14001, ISO18000, ISO22000 issues and covers the requirements of RSPO in the scopes of health and safety and environment. The company has internal auditors as well as lead auditors.</p> <p>The mill records the origin of all FFB entering the mills:</p> <p>The register of FFB entry is recorded at the scale where a Ticket de Pesagem is generated.</p> <p><b>Example of ticket (certified grower):</b> Ticket N. 647205; date: 06/06/2017, time : 19:09 <b>Destino: 100110 Parapalma</b> Responsible: Dpto Produtores Integrados. Parcela 3033. Grower: Jose Raupp Da Rosa. Peso líquido / Neto: 16220 kg. Productor certificado.</p> <p><b>Example of ticket (non certified grower):</b> Ticket N. 647811, date: 07/06/2017, <b>Destino : Parapalma (100110)</b>. Productor No Certificado. Parcela 3105 José Wanderley Melo. Peso líquido: 14690 kg. No certificado.</p> <p><b>Example of ticket (Agropalma S.A. own fruit / Certified):</b> Ticket N.:647179; Date: 06/06/2017 Time: 18:54 <b>Destino: 100110: Parapalma</b>, Responsible: Antonio Nerba Departamento XV. Parcelas: G-001, G-002, G-003, G-004, G-005, G-006, G-007, G-008, G-009, G-010, G-011, 012D, H-009, H-010 y H-011. Peso Líquido: 10850 kg.</p>	<p>management on Agropalma S.A.</p> <p>Diógenes do Nascimento Pessoa – Agronomist engineer responsible for operations of departamentos V, VI, VII. Interview: 9h30 – 11h30.</p> <p>NPG – “Norma procedimento geral” (reviewed on a yearly basis) and available electronically.</p> <p>NPE - Norma de procedimento específicas da implantação agrícola, fitossanidade e controle de qualidade operacional./ Specific procedure of agriculture implantation, phytosanitary and operational quality control.</p> <p>RO - Operational routines verified during audit:</p> <p>-RO-GIAC-013, revisão 16, data 21/03/2016, folha 1/9 – ref. Adubação de plantios produtivos / fertilization of productive plantations.</p> <p>-RO_GIAC-011, revisão 08, data 07/06/2017, folha 1/8 ref. Mechanized Chemical Weeding.</p> <p>-RO-GFIT-002, revisão 14, data 15/07/2016, folha 1/8 ref. controle de desfolhadores / Control of defoliantes.</p> <p><b>There are processing procedures for the Parapalma Mill, example:</b></p> <p>Esterilizacao:RO-EXT-PAP-001 Debulhamento: RO-EXT-PAP-002 Extracao de Óleo de Palma: RO-EXT-PAP-003 Clarificacao: RO-EXT-PAP-004 Recuperacao de amendoas: RO-EXT-PAP-005 Geracao de ar Compreiminido: RO-EXT-PAP-007 Geracao de Energia: RO-EXT-PAP-008 Caldeira: RO-EXT-PAP-009 Limpeza da Área de Producao: RO-EXT-PAP-010 Tratamento de Efluentes: RO-EXT-PAP-011 Operacao de Máquinas Motrizes: RO-EXT-PAP-012</p> <p>Rotina Operacional: RO-BEFT001 – Weighting and entry register of FFB, version 13/06/17.</p> <p>Rotina Operacional RO TANK 002: Control and storage of CPO. Date : 10/10/2016.</p> <p>RO-GLOGC-004 24/05/2016. 9 páginas. Programacao, Controle, Carregamento de Balsa. Section 6.2.1 Transfer of oil to vessel.</p> <p>Note: Laboratory and scale procedures are shared between the 5 Agropalma Group mills and they share codes.</p> <p><b>Ticket de Pesagem de Parapalma Mill</b> Ticket 647811, Entry 07/06/2017, Destine : Parapalma (100110). Non certified growers. Lot 3105 José Wanderley Melo. Net weight: 14690 kg.</p>	
<p><b>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield</b></p>		

Summary of the findings for 4.2:		
Findings:	Comments:	Compliance
<p>Agropalma manages and conserves the soils properly, follows the results of soil and leaf analysis to perform inorganic and organic fertilization. The fertilization is carried out in total area due to the quaternary root system, average spacing between plants 9 sqm x 9sqm.</p> <p>The mineral applications as NPK granule + boron + copper and zinc, are done twice a year.</p> <p>On the field there is planting of puerária that helps with Nitrogen fixation and weeding of weeds whose leftovers supplies organic matter to the soil, and helps to keep soil coverage protecting it from erosion.</p> <p>Agropalma delivers technical assistance to growers for a good oil palm management, hprovides recommendations for the use of fertilizers, pesticides, and cultural practices, additionally, it provides insumos aos produtores. Inputs to growers. ]</p>	<p>Edwin Almeida Assunção - Agronomist engineer responsible for mineral and organic fertilization. Interview: 14h00 - 15h20.</p> <p>RO-GIAG-010, revisão 04, data 21/03/2016, folha 1/7. Ref. Distribution of industrial by product (distribution of EFF)</p> <p>RO-GIAG-012, revisão 07, data 11/03/2016, folha 1/7 -ref. Unloading of compost carts.</p> <p>RO-GIAG-013, revisão 16, data 21/03/16, folha 1/9 - ref. Adubação dos plantios produtivos.</p> <p>RO-GIAG-009, revisão 17, data 18/07/2016, folha 1/8 - ref. Fertilization of non-productive plantations. Verified results of soil analysis - 2015/16 performed by soil laboratory at EMBRAPA, date 10/12/2015.</p> <p>Departamento Iva</p> <p>Leaf analysis 17 (folíolo) performed yearly, results verified, protocol 5200, performed 02/12/2015.</p> <p>Soil analysis, protocol 5200, performed 02/12/2015 last analysis. Next test period will initiate june 2017.</p> <p>Organic fertilization worksheet, referring to the use of empty bunch. Distributional map, date 02/05/17, departament I, benefited plants 1.520, service provider: RJ Terraplanagem.</p> <p>42 ton / EFF / ha are applied on productive plantations, aprox. 294 Kg / palm. Decomposition time of EFF is approximately 6 months.</p> <p>Analysis of nutritional content of EFB, nº T1883, date 14/09/2016, laboratory "Instituto Campineiro de analise de Solo e Adubos", high source of potassium (K). ]</p>	YES ]
Criterion 4.3: Practices minimise and control erosion and degradation of soils.		
Summary of the findings for 4.3:		
Findings:	Comments:	Compliance
<p>The road maintenance program is well defined and implemented with clear definition of the localities that requires maintenance, construction, lateral drainage and erosion control. The strategy for the cultivation of oil palm is well defined, soils are covered by legumes for Nitrogen fixation and soil coverage. There is no oil palm planted on peat soil. If there is presence of this type of soil, the areas are destined to conservation.</p> <p>There is no oil palm cultivation on peat soils neither on flooded soils.</p>	<p>On interview with Marcos Nunes de Moraes - coordinator of the roads and bridges area, ir was evidenced rotina operacional RO-GIAG-006, revisão 17, data 11/01/17, folha 1/10 - ref. Contruction and maintenance of roads.</p> <p>Agropalma has approximately 1.600 km of internal roads, road maintenance is in 40 % of the roads, coverage of holes and continuous gravel application. Erosão, manutenção estradas.</p> <p>Worksheet verified road survey and maps of Fazenda Galilea, 26/05/2017, there is description of the services and localities. ]</p>	YES ]

<b>Criterion 4.4: Practices maintain the quality and availability of surface and ground water.</b>		
Summary of the findings for 4.4:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The Hidric Resources Management defines the procedures (rotina operacional), identification of water consumption needs, choose and protection of extraction / captation points for water, measure and accompaniment of water used, trainings, records of treatment of non conformities and anex containing the water consumption monitoring payroll.</p> <p>The permanent preservation areas - APP's are in a stage of protection advance, and the oil palm plantations are respecting the APPs.</p> <p>Agropalma treats generated effluents and performs DBO analysis by external laboratories every three months. Results are in compliance with CONAMA 430.</p> <p>Monitoring of water consumption per ton of processed FFB is performed daily in all mills through daily reading by the industry responsible of each mill and records are maintained and updated. ]</p>	<p>On interview with Isaac Souza Martins – Environmental engineer, it was evidenced the general procedures standard NPG-029, revisão 01, data 26/04/2016, folha 1/5 – Hidric Resources Management Plan and NPG-018 – Control and Monitoring of waste and solid byproducts and emissions, hidric quality and atmosferic emisions.</p> <p>Also evidenced the existance of rotina operacional RO-GE-MAMB 004 – Monitoring of liquid effluents, soils and sediments and quality of river and groundwater</p> <p>Alcimara da Silva –Process engineer. Interview:</p> <p>Monitoring of water consumption per ton of processed FFB updated 22/06/2017. Records are taken daily through meter reading by the industry area responsible.</p> <p>Period: August/2016 – May/2017</p> <p>PARAPALMA            FBB processed: 209.662,210 tons            Water consumed: 216.005,360 m<sup>3</sup>            Relation: 1,03 m<sup>3</sup>/ton.</p>	YES ]
<b>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques</b>		
Summary of the findings for 4.5:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>Currently, the use of pesticides for pest and disease control is based on biological products and pheromone traps, the applications are by tractor and there is no aerial spraying. The weed management is alternated between herbicide application in the line between planting and brushing and manual crowning in the plants. When done, herbicide syrup preparation takes place in the field using the signage and equipment necessary to contain accidental spillage. Herbicide applications are not carried out in areas near water courses.</p> <p>All workers interviewed who are involved in application of herbicides and organic products have training certificates on agrochemical handling and make use of PPE as recommended in the health and safety at work management plan.</p>	<p>During the audit it was evidenced the general procedures standard – NPG030 – MIP, revisão 02, data 03/08/16, folha /15 ref. Integrated Management of pest and disease.</p> <p>The procedure define the responsables, the clasification of damage agents, indicates the damage level and methods for control and monitoring.</p> <p>Also, the next procedures were reviewed:            Specific procedure standard – NPE001, revisão 13, data 09/06/2016 folha 1/8. Control of environmental aspects and impacts and prevention of hazardous work.</p> <p>RO-GFIT-002 Defoliators control, revisão 14, data 15/07/2016, folha 1/8.            RO-GFTI003- Defoliators survey, revisão 13, data 13/07/2016 folha 1/6.</p> <p>RO-GFIT – Training MIP Integrated Pest and Disease Management, date 12/08/2016, trainer: Antonio O. M. Lopes, Whose objective is to train the collaborators in the field of plant health, in surveying pests and diseases.</p>	YES ]
<b>Criterion 4.6: Agrochemicals are used in such a way that does not endanger health or the environment. There is no prophylactic use, and where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</b>		
Summary of the findings for 4.6:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
Pesticides are used only when recommended by		YES/ OBS

<p>an agronomist and there is no use of active ingredients class 1A or 1B by WHO (World Health Organization) at AGROPALMA, neither the use of other prohibited pesticides in reknown lists. Usualy the only pesticides used are herbicides.</p> <p>Agropalma keeps detailed records of pesticides applied.</p> <p>Agrochemical storing is against what is established in NR31, itens 31.8.17 e 31.8.18, Lei nº 7.802, de 11/07/1989, Decreto nº 4.074, of 04/01/2002, and the specification of manufacturer contemplating signs and package inserts.</p> <p><b>Observation 002/2017</b> Some pesticide deposits at family farms are build with wood and on some integrated growers and family farms, agrochemical containers were found located over wooden pallets (absorbent material). It is not condemned by Brazilian legislation.</p>	<p>Rubelino Pereira Dias, 8663 - Chemical control coordinator.</p> <p>Has a team of 11 tractor operators.</p> <p>Follows the agronomic recipe according to Engenheira Agrônoma Raquel Melo.</p> <p>Exclusive use of Roundup Transorb, i.a. Glifosato, there is no use of pesticides classified as 1A e 1B according to WHO (World Health Organization).</p> <p>At Agropalma, the agrochemical spraying is done using a truck with a capacity of 11.000 liters for the transport of water to the location of application, later, the preparation of mixture (herbicide) is done at the field using signalization and necessary equipement to contain a brain stroke derrame acidental, a prepare da calda no cmapo. Os tanques de pulverização transitam vazios.</p> <p>A atividade de herbicida é liberada pelo departamento, nenhuma atividade é realizada em paralelo. As aplicações de herbicida não são realizadas em áreas próximas de curso d'água.</p> <p>Em média foram aplicados 1,67 aplicações de herbicidas no total da área tratada com herbicida em 34.700ha (entre janeiro a dezembro/2016).</p> <p>Os registros de aplicação constam o periodo de reentrada nas áreas tratadas somente após 24 horas à aplicação, e o prazo de carência para colheita é de 15 dias. Os registros aplicação contém as seguintes informações: departamento, data, ano de plantio, código do aplicador, atividade, parcelas, plantas, densidade, área, dosagem do herbicida por área tratada. Os produtores integrados e agricultores familiares adotam as recomendações técnicas da Agropalma para uso de pesticidas.</p>	
<p><b>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented</b></p>		
<p>Summary of the findings for 4.7:</p>		
<p><b>Findings:</b></p> <p>Agropalma states in its "Integrated Management Policy" linked to GIS Manual (integrated management system) principles such as respect for health and safety of its employees and service providers. In order to manage this issue has the Plan of Environmental Risk Prevention (PPRA) applies its industrial units and agricultural area. Reference: PPRA (for industrial áreas and PPRA dor agricultural áreas - validity: Sep / 16 to sep / 17).</p> <p>And according to the interviews and visits to areas of Agropalma was found the use of all PPE and effective monitoring through routine inspections at the company's units by the work safety technician, and the use of PPE is one of the items evaluated.</p> <p>The document NR11-OPERADOR DE TRATOR DE RODAS FORMACAO dated 05/10/2017 a 05/12/2017 was taken into consideration, and which included the Crai/Agropar Training from Agropalma. It includes: "CONVOCAÇÃO DE</p>	<p><b>Comments:</b></p> <p>In order to establish the risk for each activity is a study called Technical Report of Environmental Labor conditions (LTCAT) which measures the risks exposed in the workplace. With this information is established in the PPRA which measures should be taken to avoid exposure to risk by the employee.</p> <p>It was considered the quotes presented by the companies that participated in the bidding process and the PPEs registries, which detail the unit of each employee including the quantity of inputs given under the Validity Certificate, the delivery and return dates. Each of these certificates belongs to a technical sheet for each one of the materials which can be verified through internet. Any worker can be used by the worker unless they have the PPE certificate.</p> <p>The assurance engineers were the persons that attended the meeting with workers related with healthy and safety action. There</p>	<p><b>Compliance</b></p> <p>YES</p>

<p>TREINAMENTO DE NR11". Describes the organizer, mandatory participants and optional participants. The call for all workers. The document AGROPALMA-MATRIZ GESTAO 2015/2017, ATA DE REUNIAO CIPATR-NR-31.</p> <p>Ordinary meeting of (dated: 10/26/2017) "Comissão Interna de Prevenção de Acidentes do Trabalho Rural"-CIPATR was taken into consideration. The list is integrated by representatives from employees which are elected and also representatives from the enterprise which are delegated. It was included the content of a meeting where accidents were reported by management level positions, pending items, areas of improvement on both positive and negative aspects. It was verified that there is an attendance sheet where they are registered as participants of said meeting.</p> <p>All the accidents are registered in a format required by INSS. Another document available was the COMUNICACAO DE ACCIDENTE DE TRABALHO No, 2017.005.211-7/01 where they registry the name of the employer, employee, type of accident and information from the doctor and is signed by Dra. Leila Furtado.</p> <p>The Lost Time Accident document under number 2017.005.211-7/01 was revised with information from the accident occurred and signed by Dr. Leila Furtado on 01/04/. The format for the month of January 2017 was revised and it included the number of accidents, suspended persons and this is the document that feeds the "TASA DE GRAVIDADE (TG)" for 2017.</p>	<p>are two commissions; rural and industrial and are formed by representatives.</p> <p>The emergency clinic was visited. This clinic is called AMBULATORIO AGROPALMA, and is located in Villa Palma Sector. This is a fully-equipped clinic and it holds trained staff with different units and services.</p> <p>The guidance to staff in case of accident in the harvest is immediately call the coordinator and demand bus vehicle if it is not urgent. If it is urgent to call a faster car or call the ambulance. In the first aid equipment there stretcher and immobilizing equipment and sterile gloves for wounds parts of manipulation of the body.</p> <p>The registry of accidents established that the standard according to the ILO is under the range of 0-500 and stated as very good. ]</p>	
<b>Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained</b>		
Summary of the findings for 4.8:		
<p><b>Findings:</b></p> <p>With the small growers and independent growers, a training work is carried out specifically performed for the profile of these workers: An illustrative "Guide" is provided with the principles of the RSPO standard, and training is carried out reinforcing these points. In addition, illustrative and descriptive material is provided to growers with diverse information such as good hygiene practices, care with dengue, among others. It was evidenced the list of presence of growers (small and individual) on internal trainings provided by Agropalma on good agricultural practices, integrated pest management and official training required by the standards in force in the country, such as pesticides application, and tractor operation. The company gives all technical support to the grower, accompanying the activities with documented technical visits that occur approximately once a month.</p> <p>For the other employees it was verified: Verified document NPG 011, Revision 21 of 11/21/2016, establishes the training program that was developed specifically for the company and has the annual survey of the need for training ]</p>	<p><b>Comments:</b></p> <p>Verified that workers and professionals receive adequate training to carry out their duties.</p> <p>It was evidenced, by interview, that Agropalma workforce regularly receive training related to safety at work and the development of their functions. In addition, it was evidenced the use of PPE correctly from the employees interviewed in the field and the delivery of PPE to a sample of employees.</p> <p>Example of training record: presence list containing programmatic content, goal, methodology. This document is signed by the participants and by the instructor:</p> <p>Example:</p> <p>-Training NR31 correct application of pesticides, trainer: José Domingues Valente da Cruz, Técnico de segurança do trabalho (SRTE 6057/PA), Date : 14/02/2017 to 16/02/2017; Sample of workers that attended: Francimar Oliveira da Silva (20323) Gleisivando Nogueira dos Santos (16506) Robson Ferreira Dias (5130) Samuel Quaresma e Quaresma (16514) ]</p>	<p><b>Compliance</b></p> <p>YES ]</p>
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.</b>		

<b>Criterion 5.1: Aspects of plantation and mill management that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement</b>		
Summary of the findings for 5.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The procedure called Management of Environmental Aspects and Impacts, which aims to define the aspects of management procedure and environmental impacts related to processes Agropalma Group. It applies to all processes related to the Integrated Management System of Agropalma Group. This procedure meets the requirements of ISO 14001: 2004 with respect to environmental policy and procedures for analysis of environmental aspects and impacts. Reference documents: Manual Integrated Agropalma Management; ISO 14001: 2004; NPG-010 audit; NPG 011 Training Program, Development and Personnel Competence; NPG-088 Improvement Management - Corrective and Preventive</p>	<p>The plan incorporates a monitoring protocol that is adaptable and is contained in the instrument called the Environmental Impact Assessment Matrix and it was evident that this is monitored periodically considering the environmental quality indicators measured (industrial emissions, fuel consumption, etc.) by sector environmental management. In addition, it was found that the SIG manages the identified indicators and the implementation of actions to improve them.</p>	<p>YES</p>
<b>Criterion 5.2: The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.</b>		
Summary of the findings for 5.2:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>Agropalma performed an evaluation of High Conservation Values for its own land and certified supply base growers land : Availacao de Areas de Altos Valores de Conservacao (AVC). Relatório Executivo de Availacao de AVC em Escalada da Paisagem Agropalma S.A., Tailandia, <b>Janeiro 2015</b>, realizado por <b>ORBIS Exceller</b>. The study includes own Agropalma land as well as certified supply base growers land. The study was under the responsibility of <b>Arthur Wieczorek, licencia ALS Provisional N. ALS14003AW</b>. Agropalma owns 107 000 ha from which 39 000 hectares are planted with oil palm and 64 000 hectares are conservation areas (forest reserves)</p> <p>Study results identifies 4 potential HCV s: HCV 1: 56 endangered species; HCV 3: natural areas " campineras"; HCV 5: igarapés and springs and HCV 6: archeological sites. There is also a present HCV identified: HCV 4: APP (permanent preservation areas)..</p> <p>The study evaluation of High Conservation Values Agropalma S.A. from January 2015, presents on table 9.1 the summary of <b>proposed</b> management plans, actions and monitoring activities for the potential and present HCV identified on the area.</p> <p>For example, the management plan for HCVs contemplates for HCV 1, HCV 4 y HCV 5:</p> <ul style="list-style-type: none"> <li>➤ To implement a monitoring program through satellite imagery of Legal Reserves (ARL), Permanent Preservation Areas (APP) on Agropalma own land as well as on certified supply base growers land;</li> <li>➤ To incentive the implementation of a</li> </ul>	<p>From the main HCV study mentioned on the left , other studies are derived which are specifically for smaller areas, which are required for new plantation areas on both, own Agropalma land and growers land.</p> <p>At the time of the audit, Agropalma has three studies under revision at the HCV Resource Network (www.hcvnetwork.org), all of them under the responsibility of Arthur Wieczorek (Licensed Assessor):</p> <p>N.59. Report of High Conservation Values AGROPALMA S.A. Outgrowers Tomé-Acu e Tailandia-Pará, Brazil (Evaluation status IC).</p> <p>N.58. Report of High Conservation Values AGROPALMA S.A. Outgrowers Moju, Tailandia e Tomé Acu, Pará, Brazil. Evaluation status UR.</p> <p>N.57. Report of High Conservation Values AGROPALMA S.A. Tailandia-Pará-Brazil. Evaluation Status UR.</p>	<p>YES/ OBS</p>

protection program for legal reserves on growers land to control illegal extraction of wood, hunting and fishing

- To established a monitoring program for flora and fauna.

Agropalma, even before the studies were made, performed protection actions to protect the identified potential and present HCVs counting with 64 000 ha of forest reserves, forest recovery plans (a reforestation plan of 16,32 ha on APP was evidenced on Sempre Alegre e Sempre Alegre II farms) and monitoring through technical visits to growers farms to check that no new planting areas are developed without the required studies.

With respect to the Flora and Fauna monitoring program, Agropalma S.A. signed a contract on april 15 th., 2016 with Conservación Internacional de Brasil, which has as one of the objectives (objetivo 1.1.) Biodiversity Monitoring. Between the expected products there is a yearly biodiversity diagnostic analysis / sistematic reports on biodiversity monitoring.

On june 9 th., 2017, through e mail, Agropalma S.A. received the first biodiversity report : Relatorio Año 1, Junio 2017, Monitoreamento de Biodiversidade, send by Luis Piva to Joao Martins. The report includes colected data in 2015 and 2016 for the microrregión of Tomé Acu and includes fish, birds, amphibians, aquatic insects, flies, ants and wasps.

Agropalma S.A. is a proactive guardian of its conservation areas (reserve legal) and biodiversity and has a security team that regularly patrols the area to prevent logging and extraction of flora and fauna. Through interviews it was verified that Agropalma S.A. workers are aware of the zero tolerance policy that Agropalma S.A. has regarding hunting, logging and extraction of flora and fauna. Agropalma S.A. expand awareness about conservation of RTE species and wildlife in general to its FFB suppliers through talks and the booklet delivered to them: Guia de Orientacao para o Produtor de Palma. Produtores Integrados. Tailandia - Pará which communicates the penalties established by law (artigo 29) if kill, hunt, use or capture native species o migratory species and has colorfull drawings that communicates: Cacar é Crime. Devemos respeitar os animais.

Eventhough the HCV study report dated january 2015, performed by ORBIS Exceller / Arthur Wieczorek presents a proposal for the management of HCV on the area (potential and present), Agropalma S.A. has not validated in a documented form which of the proposed actions will constitute Agroplamas own HCVs management plan. As an example, Agropalma adopted and executes some of the recommended actions by the HCV study but does not execute others as indicated by the Social and Environmental Corporate Manager.

<p>Between the recommended actions that are followed/ executed by Agropalma S.A. are:</p> <ul style="list-style-type: none"> <li>✓ Reforestation of APPs, and</li> <li>✓ Biodiversity Monitoring</li> </ul> <p>Between the study recommended actions that are not followed / executed by Agropalma S.A. are:</p> <ul style="list-style-type: none"> <li>▪ To incentivate the implantation of a protection program for legal reserves on growers land (understand as integrated growers) to avoid extraction of wood, hunting and fishing.</li> <li>▪ To implement a monitoring program through satellite imagery of Legal Reserves (ARL), Permanent Preservation Areas (APP) on Agropalma own land as well as on certified supply base growers land;</li> </ul> <p>In an interview with Agropalma's corporate environmental and social manager, Agropalma indicated that the measure of encouraging the implementation of a program to protect legal reserves on farms will not be carried out by Agropalma and that the monitoring by means of satellite images is High cost so there is no definite date for implementation.</p> <p><b>Observation 003/2017</b> A non conformity with indicator 5.2.4 was established.</p> <p>AGROPALMA has not documentally validated which of the actions recommended at the HCV study report to protect and monitor the stage of potential and present HCVs, will conform its HCV management plan. Due to the above, there are some recommended actions and monitoring activities at the HCV report that has not been performed by the auditee. The lack of documented validation of which of the recommended actions and monitoring activities were adopted by AGROPALMA does not permit to monitor AGROPALMA's compliance with the HCV management plan.</p> <p>Rights of local communities on areas where potential or present HCV set asides, has not been identified.</p>		
<p><b>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b></p>		
<p>Summary of the findings for 5.3:</p>		
<p><b>Findings:</b></p> <p>There is a solid waste management plan (SWMP 30) which is in accordance with Law 12,305 / 2010. In this plan, all the solid waste generated in Agropalma complex is identified as well as the sources, allocation and disposal means.</p> <p>There is an exclusive warehouse for receiving agrochemicals empty containers, which is closed and access controlled by the warehouse supervisor. The procedure establishes that, in</p>	<p><b>Comments:</b></p> <p>In addition, it was found that other waste generated in industry, housing and agricultural areas are identified and monitored by the environmental department.</p> <p>Organic waste is burned as part of power generation at mills and part of it used as components of organic fertilizer for agricultural areas.</p> <p>A POME treatment plant for Parapalma and Agropalma mills was built in 2015. It</p>	<p><b>Compliance</b></p> <p>YES / NO</p>

<p>order to receive new products, they must provide empty containers previously. These containers are delivered to an institution called ACAP.</p> <p>Chemical waste (reagents laboratory, oils, pesticides), metals, plastics, glass, paper and others are segregated according to the degree of dangerousness and send to the company sanitary landfill or else for third company, responsible for mato third parties in charge of collection and proper disposal.</p> <p>Despite the above a non conformity was established on indicator 5.3.2.</p> <p><b>Non conformity RSPO P&amp;C 001/2017</b> It was observed at the Agropalma workshop ("Abrigo Principal Coco"), specifically at the oil exchange área, the reuse of a Cool-Gard II product container (Cool-Gard II is a chemical product described as a high-strength summer / anti-coagulation coolant mixture). Note: on the packaging there is a "no re-use" recommendation and a large message of "DANGER poison dangerous or fatal if ingested".</p> <p><b>Closed on 11/09/2017</b> The company have formally warned the employee who re-used the packaging because he was already trained not to do that. The company have also provided a refreshing training for it's employees concerning the danger of re-using packagings of chemicals.</p>	<p>manages an anaerobic treatment system to control the effluent characteristics and effluents are used in fertigation at Agropalma farms.</p> <p>AGROPALMA holds a work permit validated to 2021 according to the number 9822/2016, Item 4. Reference Document: Law 12.30572010</p> <p>Verified RO-EXT-PAP-011 procedure, Ver. 00 of 06/20/16, effluent treatment plant and the sheet (7-SB15-172 BIB Oper July / 2016) which contains information on the quality of effluent generated and it could be seen that pH is an important indicator of quality of the system is in the desired range of 7.0.</p>	
<b>Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.</b>		
Summary of the findings for 5.4:		
<p><b>Findings:</b></p> <p>Company has the internal management programs called Sifrota and Siman for management of fossil fuel consumption in vehicles / tractors and generators industries respectively for all Agropalma group. These programs monitor fuel consumption and schedule the dates of the maintenance checks, as well as in case of high fuel consumption indicate the need for corrective actions. These practices are very important to avoid increased fuel consumption and consequent generation of greenhouse gases.</p> <p>Currently, the company does not have a plan of fuel consumption targets at the expense of consumption expansion phase due to the increase of agricultural mechanization for harvesting and also the irrigation of effluent in the areas of production, which did not exist before.</p> <p>Regarding the generation of renewable energy the company documents the long hours of activity of power generation at each plant (except CPA that does not have), as well as the generation of biomass generated that is used to generate heat and power, as well as for allocation to agricultural land as fertilizer.</p>	<p><b>Comments:</b></p> <p>Currently, the consumption of fossil fuel is generated, for the most part, by the fleet of vehicles. In pairs, with lower consumption, there is the use of fuel to start industrial operations. After the processing has begun in the industry, the organic waste generated feeds the boilers that generate energy for production.</p> <p>To evidence management that is made of diesel consumption in its activities, a spreadsheet was presented to calculate the greenhouse gas emissions for agricultural activities (Spreadsheet 3_Field_Fuel_Use_2015) which informs 3,269,021.74 L of diesel consumption in all group farms for a total of 671,096.68 tons of CFF produced, with a ratio of 4,871 l / ton of CFF. For industrial activity is reported in spreadsheet "planilha_4_Mill_Sheet_2015" total consumption of 907,592.58 liters of diesel, which is a ratio of 1,352 U / ton processed CFF.</p>	<p><b>Compliance</b></p> <p>YES</p>
<b>Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice</b>		
Summary of the findings for 5.5:		

Findings:	Comments:	Compliance
<p>Agropalma S.A. does not permit the use of fire for land preparation as established on RO GIA6 -0008. The prohibition of use of fire also applies to growers that provides RSPO certified FFB to Agropalma S.A.  </p>	<p>When replanting takes place, the palms are mechanically knocked over by a machine, and the cultural remains stacked in the plots to decompose and incorporation to soil takes place supplying organic matter.</p> <p>During the audit of Agropalma S.A. own land and supply base growers, there was no evidence of fire use for land preparation.  </p>	<p>YES  </p>
<p><b>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b></p>		
<p>Summary of the findings for 5.6:</p>		
Findings:	Comments:	Compliance
<p>Assessments of all polluting activities are performed on the periodicity required by law. Other assessments not required by law are performed on a periodicity established by Agropalma S.A.</p> <p>See examples of <b>smoke analysis</b> performed to the fumes of the Agropalma S.A. boilers and presented to SEMA (Secretaria de Estado de Meio Ambiente) on the right side column.</p> <p>Note 1: all of Agropalma boilers operates with Biomass.</p> <p>Note 2: None of the Agropalma boilers fumes complies with values required by law (CONAMA 008/1990). A non conformity was established with indicator 2.1.1).</p> <p><b>Phosphorus and Nitrogen analysis</b> Agropalma S.A. measures Phosphorus and Nitrogen on superficial water courses. It counts with a map that includes latitude and longitude of 8 sample points, 7 of them within the boundaries of Agropalma own land.</p> <p><b>DBO and Oils and Fats Analysis (POME)</b> There are BOD and fat and oils analysis performed to effluents from mills. Emulsified effluents are used in fertigation on Agropalma S.A. land and separator boxes water is sent to streams with BOD analysis testifying the BOD values are within accepted legal parameters.</p> <p>There is an Environmental Impact Assessment Sheet that includes Process / Activity / Environmental Aspect / Environmental Impact. There is a filter for each aspect, there are all sources of contamination for both the agricultural and industrial part of the operation and the impacts are identified.</p> <p>In addition, there is the document NPE Controls of Mitigation of Environmental Impacts in which the mitigation measures for each one of the identified impacts are established. For example in the agricultural area it was chosen to follow up the activity of storage of glyphosate in which it was determined that it can generate chemical contamination by residue on glyphosate bags. In the document NPE Control of Mitigation of Environmental Impacts there is an action to mitigate which is to store the bags of glyphosate inside high density plastic bags and to store them in the</p>	<p>Examples of smoke analysis</p> <p>Boiler of Parapalma. Processo N. 2015/6910. Colecta 11/05/2017. Results: Average value = 70%. Maximum value permitted by law= 20% (CONAMA 008/1990).</p> <p>CONAMA 008/1990. Art. 1o "Estabelecer, em nível nacional, limites máximos de emissão de poluentes do ar (padrões de emissão) para processos de combustão externa em fontes novas fixas de poluição com potências nominais totais até 70 MW (setenta megawatts) e superiores."</p> <p><b>Examples of Nitrogen and Phosphorus analysis</b> Evidence: DOC N. 2016.12.19.01. Date :09/02/2017. Relatorio de Ensaio Universo Amazonas Consultoria e Analisis Ambientais. Resultado: Coordenadas 2° 35 29.16" S and 48°45 9.12" O Fósforo total: non detected; Nitrogeno amoniacal total: 0,60 (limite &lt; 3.7) Results of total Phosphorus and total ammoniacal Nitrogen on other sample points (Docs N. 2016.12.19.02, 2016.12.19.03, 2016.12.19.04, 2016.12.19.05, 2016.12.19.06, 2016.12.19.07, 2016.12.19.08 ) are all within accepted limits by Resolucao CONAMA 357 /2005.</p> <p>An interview and documentary review was conducted with Isaac Martins who carries out the monitoring of environmental requirements in Agropalma.</p> <p>DBO and Oils and Fats Analysis (POME) as well as other parameters are performed by external laboratories every 3 months, besides the daily monitoring analysis that are performed by Agropalma own personnel. Laboratório: Universo Amazônia Análise Consultoria Ambiental, de acordo com CONAMA 430.</p>	<p>YES / OBS  </p>

<p>supplies office for return to the supplier</p> <p>There is monitoring of waste, effluents and smoke produced by mill and waste produced by the entire operation. See criteria 5.3.1, 5.3.3, 5.6.1.</p> <p>The operation already started the use of the Palm Calculator V.3. 01 but it is use on an improperly manner. A non conformity was established in indicator 5.6.3..</p> <p><b>Observation 004/2017:</b> Eventhough there is use of the Palm Calculator version 3.01, the data for all integrated growers are reported as a single input (an estimated data for the totality of growers together instead of a data for each of the 233 growers) for each of the parameters to be evalauted. The auditee personel manifested that there is only one data for the totality of the 233 outgrowers due that they are the only FFB supplier to the mills. Additionally, there is only one imput for the 5 mills grouped together. It should be noted that outgrowers plantations varies from 4 ha to 1372.75 ha of oil palm and agricultural practices varies accordingly.</p> <p>Note: The auditee did not permit to take pictures of the computer screen when he was showing the data neither facilitated a printed version of the calculus to the auditor.</p>		
<p><b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills.</b></p>		
<p><b>Criterion 6.1: Aspects of plantation and mill management that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement</b></p>		
<p>Summary of the findings for 6.1:</p>		
<p><b>Findings:</b></p> <p>A Social Impact Assessment (SIA) was performed by the company "Estrategia Medio Ambiente". The different SIA versions were evidenced (volume 2-2004 to volume 7-2012). The last version was performed in 2012.</p> <p>The SIA is comprehensive, demonstrable and implemented.</p> <p>The SIA contains the following chapters:</p> <ul style="list-style-type: none"> <li>▪ Project development area</li> <li>▪ Recovery of worn areas</li> <li>▪ Integrated Management System</li> <li>▪ Socio-environmental criteria for contracting third parties</li> <li>▪ Socio-environmental responsibility</li> <li>▪ Communication</li> <li>▪ Legal adequacy</li> <li>▪ Programs</li> <li>▪ Proposals</li> <li>▪ Maps</li> <li>▪ Attached files</li> </ul> <p>On pages 1-2 of the SIA there is mentioned of the problems that the study area faces, according with the <b>consulted stakeholders</b>, between them : shortness of health services (25%), waste collection service (15.5%),</p>	<p><b>Comments:</b></p> <p>AGROPALMA promotes the divulgation of positive impacts through PEABIRU institute</p> <p>The documented plan shows the activities programmed per week, month and year. The activities are classified in categories: Sport, health, prevention, nutrition, education and others.</p> <p>There is a weekly and monthly budget for the activities to be performed and the functions and responsibilities of responsible staff.</p> <p>The plan includes social formation:</p> <ul style="list-style-type: none"> <li>▪ Framework for local development and local entrepreneur management</li> <li>▪ Social Manager formation course</li> <li>▪ Elaboration of rapid participatory diagnostic</li> <li>▪ Future vision construction</li> </ul> <p>The department in charge of providing technical assistance to growers has a records book ("libro de visitas o libro negro") to register impacts and corrective actions as necessary.</p>	<p><b>Compliance</b></p> <p>YES</p>

<p>potable water services (13.9%)</p> <p>On page 8 there is mention of the communities impacted by the community program to be developed by AGROPALMA:</p> <ul style="list-style-type: none"> <li>▪ Tailandia</li> <li>▪ Moju</li> <li>▪ Concado do Para</li> <li>▪ Tomé Acú</li> <li>▪ Acará</li> </ul> <p>On chapter 8 of the SIA there is mention of the impacts that Agropalma Group has in the região.</p> <p>There are updated plans as the program "Agenda XXI ODS (Objetivos Para Desenvolver Projecto Social)" developed jointly with United Nations (UN) which aims to improve the quality of life in the region. The program was developed by Agropalma and PEABIRU institute, document date: 20 april 2017.</p> <p>There is a documented plan (20/04/2017) approved by AGROPALMA and PEABIRU Institute where the social activities and chronogram implementation are shown. The social activities covers diverse aspects: Sport, health, prevention, nutrition, education and others.</p> <p>AGROPALMA has a department created exclusively to provide technical assistance, control and monitoring services of environmental-social impact to farmers (based in RSPO's P&amp;C). The directors of the department are Zeno Martins and Ana Caroline Nogueira.</p> <p>The information was verified in different documents and supported by João Martins Jr.</p>	
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**Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or mills, local communities and other affected or interested parties**

Summary of the findings for 6.2:

Findings:	Comments:	Compliance
<p>AGROPALMA count with open and transparent channels of communication and consultancy to associated farmers, local communities and stakeholders. The effectiveness of communication methods was verified through interviews performed to farmers (20/06/2017).</p> <p>Communication channels are described in indicator 1.1.2 of this report.</p> <p>External and internal communication procedure (NPG 34) describes the rules for internal and external communication ("assistencia de communication Corporativa")</p> <p>At audit time, the AGROPALMA responsible of communication was the corporate communications assessor CRISTINA PAIVA</p>	<p>There is an updated record of stakeholders (08/06/2017) that counts with the following columns: name, function, address, email, phone number.</p> <p>There are records of training regarding communication: 8-9/04/2015.</p> <p>Joel Bueckel is the responsible for communication with stakeholders and compliance of programmed activities.</p> <p>In a visit to the Palmares Vila to meet with stakeholders on June 20 th 2017, it was evidenced a letter (No 0038-2017) directed to Joel Bueckel where the residents association request a printing machine from Agropalma.</p>	<p>YES</p>

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

Summary of the findings for 6.3:

Findings:	Comments:	Compliance
<p>There are documented procedures established by Agropalma and communication channel to receive complaints, questions, suggestions, compliments and others commentaries. The procedure establishes that responses should be given in maximum 3 weeks. See examples in the column to the right.</p>	<p>Communication channels:</p> <ul style="list-style-type: none"> <li>• <b>ALÓ AGROPALMA:</b> this channel is used for the internal staff and for the community. The telephone number is 08007090706 extension 8213. This communication channel is a reception of complaints, questions, suggestions, compliments and others.</li> <li>• <b>Agropalma website:</b> there is a link to send your commentaries (complaints, questions, suggestions, compliments): <a href="mailto:reclamacoesequeixas@Agropalma.com.br">reclamacoesequeixas@Agropalma.com.br</a>.</li> </ul> <p>An example of the resolution of complaints was shown by Cristina Paiva. There is a record of January 9<sup>th</sup>. 2017 where the resolution of a complaint regarding the poor conditions of hygiene in workers accommodation was managed. On February 1<sup>st</sup>. 2017 the answer was published in the different accommodation modules due that the complaint was established in an anonymous way. The response indicates that control methods over</p> <p>Procedure : Document code NPG 16, revise 14, dated 19-07-2016, elaborated by Cristiane Paiva and approved by Tulio Dias.</p>	<p>YES</p>
<p><b>Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stake holders to express their views through their own representative institutions</b></p>		
<p>Summary of the findings for 6.4:</p>		
Findings:	Comments:	Compliance
<p>It's evidenced a document "Administrative and Financial Conduct" which searches long term economic and financial sustainability. In this document, article 6 point C show that Agropalma only buys land from private owners and with full dominion of the land. The legal department of Agropalma ensures that only land with true and valid land deed are purchased.</p> <p>There is no people identified as entitled for compensation.</p>	<p>During interviews and documental review it was evidenced that AGROPALMA has a procedure to acquire land. The procedure includes: social-environmental studies, visit to land, land estimate study, study of legal possession, native forest deforestation study, and economic offer, if applies.</p> <p>The land economic agreement and the results are registered in sale-purchase land deed of public access.</p> <p>Evidence: Purchaser: AGROPALMA Company Date: 30/03/88 Extension: 11996 ha Seller: Chain of dominion ITERPA matricula #933 Oswaldo Cruz 934 Joaquin Miranda 935 Francisco Miranda 936 Arthur Rodriguez Organizaciones Mofarrej Cia agroindustrial do Para</p> <p>The sale-purchase land deed N. 2168 was registered in "Sexto tabelionato de notas da capital Bricio Pompeu de Toledo"</p>	<p>N/A</p>
<p><b>Criterion 6.5: Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b></p>		
<p>Summary of the findings for 6.5:</p>		

Findings:	Comments:	Compliance
<p>All interviewed employees had confirmed salaries / payments according with the law and previous agreements made with the company and established on their work contract.</p> <p>Evidential document: Collective Bargaining Agreement 2017/2018 between the Union of the Rural and Industry workers and Agropalma group happened on January 23 rd. 2017.</p> <p>The salary value agreed exceeds the salary value defined by the Brazilian legislation.</p> <p>Evidential document: All new workers receive a complete document which describes the benefit offered by the Company.</p> <p>According to interviews and sites visited, the accommodations for workers within the project areas meet the conditions of cleanliness, hygiene, structure and the company works to meet NR 31 which regulates all the infrastructure for employees in Brazilian territory.</p> <p>Water supply comes from wells made by the company and whose water quality is monitored according to the law every six months. Analyses were reviewed and found in compliance with potability parameters.</p> <p>It was evidenced that the company has a new food supplier who serves meals in the dining room and delivers meals in canteens for field workers. The workers manifested satisfaction with the services provided by the new supplier.</p>	<p>The paychecks are issued monthly and workers receive payslips where all earnings and deductions are detailed.</p> <p>All procedures for salaries and payments are available at the human resources office to solve questions if they arrive.</p> <p>Standardized contracts are signed by employees and employer, with support orientation of the union and the company.</p> <p>It was verified that all employees interviewed had signed documents. Permanent orientation is provided by the union and HR. legal requirement: DEL 5452, Art 442 and 443.</p> <p>The Agropalma Group provides adequate infrastructure and educational opportunities for its employees. Infrastructure of villages, health services, leisure options (clubs and social programs) and educational development programs (school, adult education).</p> <p>Evidences: Annual analytical test No.00112, Well CPA (10/01/17). Test report groundwater extraction Grant No. 001201(15/05/17).</p>	<p>YES</p>
<p><b>Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel</b></p>		
<p>Summary of the findings for 6.6:</p>		
Findings:	Comments:	Compliance
<p>There is a statement recorded in the Administrative and Financial Conduct document which searches for long term economic and financial sustainability where freedom of association is recognized.</p> <p>The Collective Bargaining Agreement 2017/2018 signed by both parties testifies recognition of freedom of association and respect to local unions.</p> <p>According to the interviews most of the workers doesn't have interest to look for associations but they manifested that they are free to make this kind of decision when they require.</p>	<p>The meetings with union representatives are recorded in minutes and the results of the negotiations are recorded in the union agreements (Collective Bargaining Agreements)</p>	<p>YES</p>
<p><b>Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.</b></p>		
<p>Summary of the findings for 6.7:</p>		
Findings:	Comments:	Compliance
<p>Manual of Conduct, signed by each employee in item 7:34 mentions that work for children under 18 years may occur if protection is provided in specific contracts as the apprentices program: Example: "Jovem Aprendiz" program in conjunction with SENAR.</p>	<p>Agropalma group hires only 18 years as employees. Young people between ages 14 and 24 are hired as young apprentices in order to meet a legal requirement.</p>	<p>YES</p>

<p>The Social Responsibility guidelines NPG-25 07.07.2016 item 5.2.1 prohibits work of persons under 16 years in any sector of the company.</p> <p>During visits to Agropalma fields and mills and growers farms, the absence of workers under the age of 18 years old was verified.</p>		
<p><b>Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b></p>		
<p>Summary of the findings for 6.8:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>On Agropalma's Long-Term Economic and Financial Sustainability Plan, there is description of the commitment and vision of the company regarding the policy of equal opportunities.</p> <p>In the Policy of the Sustainability and Economic Plan, Agropalma's statement is also clear that it does not accept and prohibit its employees from exercising any form of discrimination, whether on skin, race, origin, disability, physical appearance, religion, sexual orientation, political orientation, syndicate affiliation, age, etc., thus giving all people the opportunity without discrimination of any kind.</p> <p>The Social Responsibility Guidelines determines, in item 5.2.4 that "the selection process, hiring and promotion of employees are based on skills, abilities, health conditions and qualities required for available jobs."</p>	<p>Agropalma truly implements its inclusion process, hiring disabled workers in the agricultural and administrative areas.</p> <p>All interviewed workers manifested there is no discrimination at all in Agropalma S.A. Workers were asked regarding discrimination, abuse, harassment of all kinds and there was no report about any discriminatory practices.</p> <p>In addition, was evidenced the document describing the "general procedures to hiring people" and some job descriptions were reviewed  </p>	<p>YES  </p>
<p><b>Criterion 6.9: A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.</b></p>		
<p>Summary of the findings for 6.9:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>There are written policies and procedures to prevent sexual harassment and other types of violence at Agropalma as well as to protect reproductive rights.</p> <p>In all interviews performed at field and mills, and where men and women were interviewed and asked about discrimination, abuse and harassment of all kinds, workers were clear manifesting that that kind of behaviour is not tolerated at Agropalma.</p> <p>Through interviews performed to women working in the agricultural and industrial areas, was found that the rights to maternity leave counts with extra benefits than the ones established by law. Agropalma grants a six months license to mothers instead of four months.</p> <p>Regarding complaints, through the "Welcome to Agropalma employee handbook", employees are informed of the existence of a complaint mechanism that can be triggered when it is necessary to.</p> <p>Also Agropalma is available to workers and others.</p>	<p>There is a "Manual de Conducta" and a "Manual de Gestante" which is distributed to all workers and where policies regarding prevention of sexual harassment and other forms of violence and protection of reproductive rights are described.</p> <p>The Manual de Conducta, in item 7.33 covers the topic of harassment.</p> <p>The company has a CIRCULAR ADMINISTRATIVE DIEC No. 16_002 of 02/15/2016 instructing about the audit committee and conducts involving equity, relationships, misconduct, verbal and physical abuse and improper conduct.</p> <p>The communication area presented to the auditor the complaints procedure already implemented.  </p>	<p>YES / OBS  </p>

<p>e-mail- reclamacoesqueixas@agropalma.com.br.</p> <p>Despite the above, it was evidenced that at 50 % of farms over 500 ha of planted oil palm visited during the audit, there is a clear lack of mechanisms for workers to complain. Consequently, a non conformity was established on indicator 6.9.3.</p> <p><b>Observation 005/2017</b></p> <p>In one of two visited family farms with areas above 500 ha of oil palm, workers indicated that they are badly treated or have seen others been treated in a bad manner by the supervisor. There is no a grievances mechanism on farm, known by workers, for the workers to complain in an anonymous way.</p>		
<p><b>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</b></p>		
<p>Summary of the findings for 6.10:</p>		
<p><b>Findings:</b></p> <p>Agropalma has different communication channels through which it describes the formula for calculating the prices paid to FFB suppliers. The international price of reference fixed by Rotterdam and the prices paid to FFB suppliers are communicate monthly to all growers. The prices paid to FFB suppliers is communicated to them by email, postal services and/or Agropalma web site</p> <p>During interviews, growers showed they know the dynamic of prices paid for FFB and agree with it. They know the price to be paid in june 2017.</p> <p>Contracts in force for services: contracts shows that the company's business relationship with the growers supplying FFB is transparent, with the disclosure of the price to be paid, production delivered, possible discounts based on the purchase of inputs, etc.</p>	<p><b>Comments:</b></p> <p>During interviews with Agropalma s certified FFB suppliers; agricultural partners (smallholders and integrated growers) demonstrated a clear understanding of the contractual agreements with Agropalma for the production and delivery of FFB, which was carried out legally and through a transparent process.</p> <p>On interviews, growers showed their appreciation and agreement of the payments made by Agropalma.</p> <p>Payment frequency is of every 15 days for integrated growers and 30 days for smallholders (agricultura familiar).</p>	<p><b>Compliance</b></p> <p>YES</p>
<p><b>Criterion 6.11: Growers and mills contribute to local sustainable development wherever appropriate.</b></p>		
<p>Summary of the findings for 6.11:</p>		
<p><b>Findings:</b></p> <p>Agropalma focuses its efforts on local development through education, and contributes economically and with materials with different educational institutions in the area.</p> <p>Education and job opportunities has been appointed as one of the deficiencies in the area on several social studies.</p> <p>AGROPALMA has a "young apprentice" program for the employment of youngsters from 14 to 18 years of age, without prejudice to the school attendance verified by interview with the director of the Sao Felipe School, Clenis Santiago Bastos. These young people receive half the minimum wage, all In accordance with Brazilian law.</p> <p>Agropalma has a school for the children of its employees, which currently has 618 students during the day and 150 students in the night</p>	<p><b>Comments:</b></p> <p>Evidence:</p> <p>Contribution evidence showed by director of human resorces department: Fabio Jose Souza</p> <p>Delivery of</p> <ul style="list-style-type: none"> <li>• Campaign for collection of school material in 2016, economic contribution for rural school education, Secretary of Education of Moju.</li> <li>• Sponsor, December 10 th., 2016, economic contribution San Francisco Assis</li> <li>• Municipal School of Basic Eduaction Boa Esperanza. November 28 th., 2016, economic contribution.</li> </ul>	<p><b>Compliance</b></p> <p>YES</p>

<p>(data taken from the school billboard). All the people who work in the school are contracted and paid by Agropalma, the school has dining service and transport for students. The school is open to children of all employees, administrative and field and mill workers.</p>		
<p>The company's business relationship with the growers that supplies certified FFB is transparent with periodic divulgation of prices to be paid, production history records and supplies purchasing advantages (fertilizers, machinery and personal protective equipment). Agropalma has a team composed by 13 professionals that delivers technical support and training to growers on monthly visits.</p>		
<p><b>Criterion 6.12: No forms of forced or trafficked labour are used.</b></p>		
<p>Summary of the findings for 6.12:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>All workers interviewed during the audit (field and mills) did not mentioned any issues related with forced or trafficked labour and all of them are at work at will.</p> <p>There is no practice of contract replacement in Agropalma. This practice is not allowed by law and it was verified by all interviewed workers that such practice does not occur at Agropalma.</p> <p>It was found that there is no practice of hiring temporary or migrant workers by the company.</p>	<p>On the document "Guidelines for Social Responsibility" it is stated that forced or degrading work is forbidden.</p> <p>According to interviews in the field, workers were fully satisfied with regard to their current working hours and time available for snacking.</p> <p>All workers are registered according to law and are treated the same way.</p> <p>Interviewed workers manifested they are satisfied with their work schedules.</p>	<p>YES</p>
<p><b>Criterion 6.13: Growers and millers respect human rights.</b></p>		
<p>Summary of the findings for 6.13:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>NPG 25 "Guidelines on Social Responsibility (Ver. 02, 7/7/16). In item 5.2 "Respect for human rights, workers and communities affected by the business" the company informs that develops its activities in accordance with the Universal Declaration of Human Rights (UN, 1948) and the ILO Declaration on Fundamental Principles and Rights at Work (ILO, 1998).</p>	<p>During interviews with employees of the agricultural and industrial areas, it showed that Agropalma implements its policy related to human rights, offering decent working conditions, absence of discriminatory practices, absence of child and slave labor, and payment of all labor rights to their employees. In addition, to the outsourced employees was noted in interview that subcontractors provide adequate conditions for work with transportation, food, water, etc. and Agropalma offers its infrastructure for their use, as well as supervision to these companies to ensure that employees receive all their labor rights provided by law.</p>	<p>YES</p>
<p><b>Principle 7: Responsible development of new plantings.</b></p>		
<p><b>Criterion 7.1: A comprehensive and participatory social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations</b></p>		
<p>Summary of the findings for 7.1:</p>		
<p><b>Findings:</b></p>	<p><b>Comments:</b></p>	<p><b>Compliance</b></p>
<p>There are SEIA for proposed new planting areas for AGROPALMA own land as well as for growers that supply FFB to AGROPALMA.</p> <p>After the past certification audit performed in July 2016, three group of studies have been set aside to comply with the requirements for new plantings to be developed by Agropalma S.A. and its FFB suppliers (growers). One set of studies is specifically for new plantings on Agropalma S.A. own land and two for Agropalma outgrowers (one for outgrowers of Tomé Acu e Tailandia and one for the outgrowers of Moju, Tailandia and Tomé- Acu).</p>	<p>The main study presents also a Síntese do Diagnóstico Sociambiental, pag 45/77 Quadro -Síntese do Diagnóstico Sociambiental which indicates that the properties destined to new plantings that belongs to AGROPALMA were legally acquired through purchase - sales deeds and constitutes public title deeds. The same situation occurred with the land of some integrated growers as others, family farmers, were beneficiaries of government land allocation projects.</p>	<p>YES</p>

<p>The main study from which most of the information for the other two sets of studies is derived is "Procedimiento para Novos Plantios-NPP RELATÓRIO EXECUTIVO DE AVAILACAO DE IMPACTOS SOCIOAMBIENTAIS (AISA), ALTOS VALORES DE CONSERVACIÓN (AVC), MUDANCA DE USO DA TERRA, EMISSOES DE GASES DO EFEITO ESTUFA (GEE) E PLANOS DE GESTAO DE NOVAS ÁREAS DE DESENVOLVIMENTO DA AGROPALMA S.A. AGRPALMA-PARÁ-BRASIL Maio de 2017. ORBIS EXCELLER. Versión en portuse 77 páginas. Arthur Wiczorek. HCVRN-ALS.</p> <p>On page 46/77 of the study it is table that summarizes the results of stakeholder consultation. The consultation was performed to 37 federal and state institutions as EMBRAPA; universities, NGO as well as local unions, community members and others. The methodology of consultation to local workers and members of local communities was through questionnaires and in the local communities the community leader, usually the president of the local residents association, was interviewed.</p> <p>Another of the studies is: Relatorio Executivo de Availacao de Impcatos Socioambientais (AISA), Altos Valores de Conservacao (AVC), Mudanca de Uso da Terra, Emissoes de Gases do Efeito Estufa (GEE) e Planos de Gestao de Novas Areas de Desenvolvimento de Produtores Integrados Parceiros da Agropalma S.A." Agropalma S.A. Tailandia- Pará, Brasil. Maio 2017. Report made by ORBIS EXCELLER. Arthur Wiczorek. HCVRN-ALS.</p> <p>The studies detailed above, presents a chapter dedicated to Classificação de Impactos socioambientais e Planos, Programas e Ações. The study detected potential positive impacts as generation of jobs and taxes, long term jobs with salaries above the regional salaries, Acquisition of social services, indirect employment, preservation of natural resources, reduction of hunting and logging pressure given to the satisfaction of needs through direct and indirect employment, valorization of already deforested areas, improvement of communication routes in the region among many others.</p> <p>Among the potential negative impacts are the dependence of the population on the opportunities offered by the company, a greater flow of people attending employment opportunities with consequences such as crimes, eventual loss of community identity due to greater exposure to the outside world, increased risks In health due to greater exposure to agricultural pesticides in the initial phase of establishment of plantations, greater health risks of local people by greater generation of garbage.</p> <p>There are tables that summarize the actions that should be taken to avoid or mitigate every potential negative impact detected.</p> <p>Agropalma has a technical team providing technical assistance to outgrowers. Technical assistance includes crop management, use of PPE, compliance with RSPO P&amp;C, FFB price and others. Growers are visted at least once a month by technical personnel.</p>	<p>The study contains a regional land use analysis that indicates that approximately 50 % of proposed land has a vegetative cover composed by capoeiras, and advanced vegetation and 50 % covered by pastures or oil palm.</p> <p>On the direct influence areas there are no traditional communities. On the region there are rural communities, in general, dedicated to agriculture, derived from proyetos de asentamiento and comunidades ribeirinhas (riverside communities).</p> <p>ZEE. According to Zoneamiento Ecológico Económico is an area of consolidation and expansion with a possibility of 50 % of Areas de Reserva Legal instead of 80 % which is the general rule for Amazonia according to Lei Forestal.</p>	
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<b>Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations</b>		
Summary of the findings for 7.2:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>The studies detailed above considers soil and topographic information. There is a chapter denominated Relevos e Solos, página 14/77 and a figure Mapa De Solos on page 17/77 regarding Agropalma S.A. proposed land for new plantings. Regarding new plantings on growers land, the study covers soil and topographic information on section 3.3.2 (page 37).</p> <p>On section Relevos e Solos, page 14, of the Agropalma S.A. own land study, it is indicated that in general, soil presents very low gradient (less than 3%) with small increases in areas close to drainages (up to 15 %). The altitude of the highest areas reaches 50 meters above sea level and 25 meters above sea level in the lowest areas.</p>	<p>The region presents uniformity regarding the type of soils with a high predominance of Latossolo Amarelo, conforme SBCS (Embrapa, 1999) with occurrence of small spots of other type of soil but with low representativity. Gradient is the main factor regarding higher or lower susceptibility to soil erosion. Basically, the same information is contained in the study for new plantings on growers land.</p>	<p>YES</p>
<b>Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area containing one or more high Conservation Values</b>		
Summary of the findings for 7.3:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>On the HCV studies for Agropalma S.A. new plantings proposed land, it was determined that forest coverloss occurred after 2005 therefore inhabilitating most of the proposed land for the establishment of new plantations.</p> <p>On section 2.2.7 Page 18/77 on the study detailed above it is indicated that the biodiversity of the zone (area of influence under study) belongs to the Centro de Endemismo Belem (CEB) (Haffer, 1969). On section 2.2.9. Cultural and Social Values of the zone are described. The region of influence is circulated by some rural nuclei in the form of small settlements and recent occupations. There are no quilombos or indigenous communities located in the area of influence of the tierra.</p> <p>Section 2.2.2.9 covers issues related with archeological areas.</p> <p>In section 3.5.1. Estoque de Carbono pela Mudanca De Uso da Terra-MUT, there is detail of the analyzed áreas for conversion expressed in t C/ha. The carbon storage values as a function of land use change are entered into the Palm Calculator, on the industry área, to estimate a change in value projection for land use change. On table 8 (page 43) values are presented considering land conversion. Carbon stock values on converted land is 133,63 t C/Total. For area 1 that has a "capoeira baja" and pastures it is of 19.81 t C/ha and on área two that has only "capoeira baja " cover the value is of 23 t C/ha.</p> <p>It is considered that new plantings will follow a planting plan which includes records of land preparation including dates of land preparation.</p> <p>In different surveys and articles considered by the HCV study it is determined that 56 threatened species of extinction were found distributed in 45 fragments of forest in the region of influence of Agropalma S.A. including the fragments and species registered in fragments of Agropalma S.A. legal reserves.</p> <p>The results of the HCV study, in section 4.4 (page 61), presents the classification of suitable and inadequate areas for new plantations according to</p>	<p>No comments. Extensive detail in the column to the left.</p>	<p>YES</p>

<p>RSPO P &amp; C 7.3.</p> <p>Table 4.5 classifies as inadequate areas the areas with current forest cover (secondary forest, capoeira alta), HCV 1 and HCV 3 and high carbon stock areas (Criteria 7.3 y 7.8. ) as well as areas that substituted forest cover and potential HCV 1 and HCV 3 between 2005 and 2017 identified through LUC analysis.</p> <p>Adequate land is considered the one with no HCVs, no forest cover (capoeira baixa, pastagem, solo exposto) between 2005 and 2017 and low carbon stock. A map was performed with inadequate areas giving as a result only 9 ha of suitable land for Agropalma S.A. proposed land for new plantings. Table 4.6 and figure 4.4 presents a summary of adequate areas: Capoeira baja: 2.04 ha, Pastagem 1.56 ha, solo exposto 0.20 ha, Capoeira Aixa 5.81 ha.</p> <p>Threats to high conservation values were identified and categorized taking into consideration what was indicated by stakeholders consulted (public and private institutions and local communities). Table 25.2 presents the classification of threats including deforestation, illegal logging, fire in forest areas, hunting, fishing, and collecting wild species. Section 5 presents a summary of management plans. Table 5.1 Classification of socio-environmental impacts and plans, programs and actions. The plans considers soils, water resources, biodiversity and GHG. Regarding biodiversity, the security department Agropalma S.A. patrols the forested areas to minimize illegal logging.</p> <p>On a landscape level, at Agropalama S.A. HCV 4 and 5 are identified.</p> <p>On section 5.3.2 (página 71) of the study the management and monitoring recommendations are presented. For HCV 1 and 3 it is recommended to monitor the stage of conservation areas through satellite images.</p> <p>Potential negative and positive impacts of new plantings were identified in conjunction with local communities through the stakeholders consultation methodology described in indicator 7.1.1. Management plans were developed accordingly.</p>		
<p><b>Criterion 7.4: Extensive plantings on steep terrain, and/or on marginal and fragile soils, are avoided.</b></p>		
<p>Summary of the findings for 7.4:</p>		
<p><b>Findings:</b></p> <p>On both studies mentioned on indicator 7.1.1 there is reference to soils and topography. There are no excessive gradients on the area as the land is flat and varies between 25 to 50 meters over sea level. There are no peat soils on the area as shown on soil maps (page 17/77 for Agropalma S.A. own land land figure 2.14 mapa de solos, pagina 27, for growers).</p> <p>There is no proposal of planting oil palm on fragil soils.</p>	<p><b>Comments:</b></p> <p>No comments.</p>	<p><b>Compliance</b></p> <p>YES/N/A</p>
<p><b>Criterion 7.5: No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their own representative institutions</b></p>		
<p>Summary of the findings for 7.5:</p>		
<p><b>Findings:</b></p> <p>The new planting areas under study are located on</p>	<p><b>Comments:</b></p> <p>No new plantings are planned to be</p>	<p><b>Compliance</b></p> <p>N/A</p>

<p>Agropalma S.A. own land and integrated growers own land purchased through purchase and sale deeds. No new plantings are planned to be established in local people land.</p>	<p>established in local people land.</p>	
<p><b>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.</b></p>		
<p>Summary of the findings for 7.6:</p>		
<p><b>Findings:</b></p> <p>The new planting areas under study are located on Agropalma S.A. own land and integrated growers own land purchased through purchase and sale deeds. No customary or users rights has been detected</p>	<p><b>Comments:</b></p> <p>No new plantings are planned to be established in local people land.</p>	<p><b>Compliance</b></p> <p>N/A</p>
<p><b>Criterion 7.7: Use of fire in the preparation of new plantings is avoided other than in specific situations as identified in the ASEAN guidelines or other regional best practices</b></p>		
<p>Summary of the findings for 7.7:</p>		
<p><b>Findings:</b></p> <p>Agropalma S.A. does not permit the use of fire for land preparation as established on RO GIA6 -0008. The prohibition of use of fire also applies to growers that provides RSPO certified FFB to Agropalma S.A.</p>	<p><b>Comments:</b></p> <p>Agropalma S.A. does not permit the use of fire for land preparation as established on RO GIA6 -0008</p>	<p><b>Compliance</b></p> <p>YES</p>
<p><b>Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.</b></p>		
<p>Summary of the findings for 7.8:</p>		
<p><b>Findings:</b></p> <p>On both studies mentioned on indicator 7.1.1 there is identification and estimation of the carbon stock and major sources of emissions for the proposed new planting areas. Example (growers study): On section 3.5 Métodos de Avilacao de Estoque de Carbono e Balanco de Emissiones de Gases de Efeito Estufa GEE, there is description of the estimating method which includes the documents "RSPO GHG Assesment Procedure for New Plantings, Version june 2014 " (RSPO 2014), methodology used in conjunction with Palm GHG version 2.1.1.</p> <p>A non conformity was established on indicator 5.6.3 due to unproper use of palm Calculator V 3.01. Eventhough the current studies for proposed new planting areas used the palm calculator V 2.1.1 instead of V.3.0.1. a non conformity was not established on criteria 7.8.1. due that GEI emissions are part of a set of studies that were elaborated several months ago and part of them (HCV studies) are under study by the HCV resource network.</p> <p>On studies mentioned on indicator 7.1.1 above, there is classification of adequate and inadequate land for the establishment of new plantings. On the study regarding Agropalma S.A. own land, Table 4.5 classifies as inadequate areas the areas with current forest cover (secondary forest, capoeira alta), HCV 1 and HCV 3 and high carbon stock areas (Criteria 7.3 y 7.8. ) as well as areas that substituted forest cover and potential HCV 1 and HCV 3 between 2005 and 2017 identified through LUC analysis.</p> <p>Adequate land is considered the one with no HCVs, no forest cover (capoeira baixa, pastagem, solo exposto) between 2005 and 2017 and low carbon stock.</p>	<p><b>Comments:</b></p> <p>The study calculus considers the main sources of GEI emissions and capture giving net emissions (emission sources-capture sources). It is considered the Life Cycle Analysis of palm oil, considering tha agricultural stage as well as the industrial stage. On section 3.5.3. the study mentions the main emission sources for the agricultural stage and in section 3.5.4. the study mentions the main sources of GEI for the industrial stage. The study considers as a unit each of the mills. For each mill the FFB supplied by own plantations, external plantations (other sections of the group or independent growers and outgrowers) is considered</p>	<p><b>Compliance</b></p> <p>YES</p>
<p><b>Principle 8: Commitment to continual improvement in key areas of activity.</b></p>		
<p><b>Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in</b></p>		

<b>key operations</b>		
Summary of the findings for 8.1:		
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<p>During the audit, it was found that the Continuous Improvement Action Plan update 2016, version June / 2016 is not updated: The presented version only contemplates the results between the period January2015 / December / 2015 and includes indicators related with Environmental Impact (effluent treatment) only. A non compliance was established:</p> <p><b>Non Conformity RSPO P&amp;C 007/2017</b> During the audit, it was found that the Continuous Improvement Action Plan update 2016, version June / 2016 is not updated, the version presented only contemplates the results between the period January2015 / December / 2015. During the audit, the Upgrade Improvement Plan was presented, only for the indicators: Environmental Impact (effluent treatment).</p> <p>The action plan for continuous improvement verified does not contemplate criterion 4.3 as required by indicator 8.1.1 for the theme related to Environmental Impacts.</p> <p>And, the continuous improvement action plan states that the report is composed of information on its goals and objectives to be achieved, however, it was not possible to clearly state this in this document. The group announces that it will launch a new edition in 2016, nor could it be shown in the plan.</p> <p><b>Closed on 11/09/2017</b> The company have sent a the action plan for continual improvement.</p> <hr/> <p>The verified action plan for continuous improvement does not contemplate criterion 4.3 as required by indicator 8.1.1.</p> <p><b>Note:</b> Agropalma presented to the auditor on 06/23/2017 at 02:30 pm (after the audit time on this topic), an update of the Continuous Improvement Action Plan with update 2017, version June 2017, including the results obtained in the year 2016, in the meantime , It was not possible to evaluate its content because of the time available to evaluate this criterion later.</p>	<p>Conclusion of the Action Plan for Continuous Improvement in 2014 and 2015, highlighted in 2015:</p> <ol style="list-style-type: none"> <li>1) Inauguration of the new palm oil mil and palm kernel crusher Parapalma, with a low GHG emission.</li> <li>2) Operation of the effluent treatment plant - POME (Palm Oil Mill Effluent) and fertirrigation.</li> <li>3) Continuous use of PalmGHG calculator from RSPO</li> <li>4) Renewal of the contract with NGO Conservation International - CI to monitor fauna and floras in areas of forests and oil palm.</li> <li>5) Plan of positions and salaries for employees.</li> <li>6) Health plan for all employees.</li> </ol> <p>Phytosanitary Management highlighted the non-use of chemical pesticides in pest and disease control, only physical and biological control. For weed control, only glyphosate is used and in low concentrations.  </p>	<p>NO  </p>
<b>RSPO Supply Chain Certification</b>		
<b>Supply Chain Module</b>		<b>E - Mass Balance</b>
<b>Findings:</b>	<b>Comments:</b>	<b>Compliance</b>
<b>Description</b>		
<p>FFB entering the mill comes from a certified supply base (Agroplama S.A. own farms, leased land managed by Agropalma S.A. and Agropalma FFB certified suppliers, all under the same RSPO certificate) and non certified growers.</p> <p>At the mill, the entrance of certified FFB is registered and its origins verified at the scale point where FFB coming into the mill is weighted. There is a ticket that accompanies the fruit from the field to the mill indicating</p>	<p>Eventhough the mill has not sell any RSPO certified mass balance CPO neither PK yet, it has complete daily records of the entrance of non certified FFB, entrance of certified FFB, total CPO produced, RSPO MB certified CPO produced, non RSPO certified CPO produced, total PK produced, RSPO MB certified PK and non RSPO certified PK. The balance starts in august 2016 as the first certification audit was performed at the mill in july 2016.</p> <p>There is control of the quantity of CPO and PK</p>	<p>YES/NO  </p>

<p>the volume, grower name and signature and a scale ticket is generated containing the following data: entrance date and hour, volume, name of grower, code of grower, lot, year of planting, transport and driver data, tare weight, gross weight, net weight and others.</p> <p>Parapalma mill is register in the Palm Trace platform but it has not sell any RSPO MB certified oil yet.</p> <p>The mill sells CPO and PK to the own AGROPALMA Group refineries (Companhia Refinadora De Amazonia and Industria Xhara Ltda (Limeira Refinery) or other customers.</p> <p>There are no transactions reported on Palm Trace regarding sells of RSPO MB CPO or PK due that no RSPO certified products have been sold yet. The mill does not deduct manually the amount of RSPO MB CPO and RSPO MB PK that has been sold as conventional (Non RSPO Certified). A non conformity was established on criterion E.2.2</p> <p><b>Non Conformity RSPO P&amp;C / SCC 001 / 2017 (E.2.2)</b> Eventhough the mill has not sell any RSPO certified mass balance CPO neither PK yet, it has complete daily records of the entrance of non certified FFB, entrance of certified FFB, total CPO produced, RSPO MB certified CPO produced, non RSPO certified CPO produced, total PK produced, RSPO MB certified PK and non RSPO certified PK. The mill has not deduct manually on Palm Trace the volumes of CPO and PK that could be sold as RSPO MB certified but were sold as conventional (non RSPO certified). On the RSPO certification audit summary report dated 22/07/2016 and the Certificate N. CA 7925 /16 there is a projection, in tons, of 20.085 of RSPO MB CPO and 4.017 RSPO MB PK for the next 12 months. <b>Closed on 23/07/2017</b> The company have deducted the sold volumes of CPO and PK.</p>	<p>produced every day, which is then summarized on a weekly and monthly basis.</p> <p>Example: Doc: RSPO Balanco de Massa-<b>Parapalma. Consolidated data for May 2017:</b> <b>Entry of RSPO Certified FFB</b> (tons):13.726,730 <b>Entry of non certified FFB (tons):</b> 2.439,260 <b>Total FFB (tons) processed:</b> 16.493,500 <b>Total CPO produced (tons):</b> 3.138,620 <b>RSPO certified CPO produced (tons):</b> 2.676,759 <b>Non certified CPO (tons):</b> 461,861 <b>Total PK processed</b> (RSPO certified and non certified in tons): 1.814,285 <b>RSPO certified PK processed:</b> 1.540,500 <b>Non certified PK processed:</b> 273,775</p> <p><b>Note:</b> due that Parapalma mill was under maintenance in june 2017, FFB from non certified growers were processed at Agropalma mill, separated on time.</p>	
<b>Documented Procedures</b>		
<p>There are documented procedures and formats to ensure the correct implementation of the supply chain model.</p> <p>On the document "Rastreabilidade dos produtos e matérias-primas" (NPE-GIND-009, Ver. 07 de 22/07/16) all the procedures related with RSPO SCC are compiled.</p> <p>- Item 5.1- Alessandra Dias Bortolanza is the responsible for the implementation and compliance with RSPO SCC requirements and when she is not present, the responsible is José Peterson Santa Brigida Jacob.</p> <p>Item 5.2 - Every mil réconds the quantity of FFB received and should communicate the CB immediately if there is unexpected overproduction (any quantity above 20 % over estimated production)</p>	<p>There are written procedures for the reception and processing of certified and non certified FFB:</p> <p>RO-BEFT-001. Rev 02. Data 13/06/2017. Folhas:15 Peggem de Materia Prima e Produtos.</p> <p>RO-BEFT-002. Rev 02. Data 13/06/2017. Faturamento de Produtos e Materias.</p> <p>As it can be seen in indicator E.4.1 below, at the scale, the origin of FFB is recorded. The data base has identified which of the FFB supliers are RSPO certified and which ones are not RSPO certified. The system collects the volumes of certified and non certified FFB entering the mill on a live time basis.</p> <p><b>Regarding processing, Parapalma mill has</b></p>	<p>YES</p>

<p>Item 5.3 – Every mil must record the monthly balance of every quantity of FFB received (FFB RSPO certified and FFB non RSPO certified)</p> <p>Item 5.4 – The certified model must be used ora n inferior model established through downgrading. IP &gt; SG &gt; MB;</p> <p>Ítem 5.5. Nomenclature as indicated: CPO must be comercialized as Óleo de Palma Bruto RSPO convencional (CPO) Mass Balance / certificado.</p> <p>Item 5.6 – On every NF´s (sales receipts) data mentioned on ítem 5.6.1 of the RSPO SCC should be mentioned, including the number of RSPO certificate.</p>	<p><b>processing procedures:</b> Example: Esterilizacao:RO-EXT-PAP-001 Debulhamento: RO-EXT-PAP-002 Extracao de Óleo de Palma: RO-EXT-PAP-003 Clarificacao: RO-EXT-PAP-004 Recuperacao de amendoas: RO-EXT-PAP-005</p> <p>Rotina Operacional RO CQEX 026: Recebimento e Embarque de Óleo Bruto. Data 23/05/2016. Nota: el laboratorio es el que se encarga del desembarque y embarque de carretas.</p> <p>Rotina Operacional CQEX 001. Rev 11. Data 21/12/2016. Folias 6. Inspecao de Recipientes Vazios e Após Carregamento.</p> <p>Rotina Operacional RO CQEX 002: Análisis de Ácidos Grasos Livres.</p> <p>Rotina Operacional RO TANK 002: Controle e Armazenamento de Óleo Bruto. Data : 10/10/2016.</p> <p>Note: it should be noted that certified and non certified FFB are processed together as the MB model does not require physical binding between the oil and certified status.</p> <p>There are training records dated may 17 th. List of attendees. Topic: Introduction to RSPO e NPE-GIND 09. Instructor: Joao Martins Jr. Duaration: 1 hora. Period: 17/05/2017 Site: Training facilities / Agropalma Time: 10 hr a 11 hr. Some of the attendees: production and maintenance coordinators, scales, control and quality: Ej. Scale: Solange Silva y Suzana de Silva who work in various mills.</p>	
<p><b>Purchasing and goods in</b></p> <p>There is a Rotina Operacional RO BEFT-001 Revisao :02, Data 13/06/2017, Folhas:15 para Pesagem de Materia Prima e Produtos. The routine applies for every Agropalma Group mills including Parapalma.</p> <p>The centralized system that is in use to register entry of FFB to the mills has a data base where all growers allowed to deliver FFB to the mills are register and there is detailed information of each of them as number of lots, date of plantation, address as well as the certification status (RSPO). The data base also contains the records of all of Agropalma S.A. own oil palm lots.</p> <p>The register of FFB entry is recorded at the scale where a Ticket de Pesagem is generated.</p> <p>The auditee contemplates to inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p><b>Example of ticket (certified grower):</b> Ticket N. 647205; date: 06/06/2017, time : 19:09 <b>Destino: 100110 Parapalma</b> Responsible: Dpto Productores Integrados. Parcela 3033. Grower: Jose Raupp Da Rosa. Peso líquido / Neto: 16220 kg. Productor certificado.</p> <p><b>Example of ticket (non certified grower):</b> Ticket N. 647811, date: 07/06/2017, <b>Destino : Parapalma (100110).</b> Productor No Certificado. Parcela 3105 José Wanderley Melo. Peso liquido: 14690 kg. No certificado.</p> <p><b>Example of ticket (Agropalma S.A. own fruit / Cerified):</b> Ticket N.:647179; Date: 06/06/2017 Time: 18:54 <b>Destino: 100110: Parapalma</b> Responsible: Antonio Nerba Departamento XV. Parcelas: G-001, G-002, G-003, G-004, G-005, G-006, G-007, G-008, G-009, G-010, G-011, 012D, H-009, H-010 y H-011. Peso Liquido: 10850 kg.</p>	<p>YES</p>
<p><b>Record keeping</b></p> <p>There is a daily control on the quantity of FFB received and products produced at the mill.</p>	<p>Eventhough the mill has not sell any RSPO MB CPO neither RSPO MB PK it has an up to date</p>	<p>YES</p>

<p>Every month a production balance report is generated and it contemplates the amount of FFB received and CPO and PK produced and sold.</p> <p>The data base "RSPO BALANCO DE MASSA - PARAPALMA" summarizes, on a monthly basis, the following data ( in tons ) :</p> <p>Entry of RSPO certified FFB  Entry of non RSPO certified FFB  Total of FFB Processed  RSPO FFB processed  Non RSPO FFB processed  Total of CPO produced  RSPO CPO produced  NON RSPO CPO produced  Total of PKO produced  RSPO PKO produced  NON RSPO PKO produced ]</p>	<p>date base fed daily with the entry of RSPO certified FFB and amount of RSPO MB CPO and PK produced. There are no deliveries registered due that there has been no sales of RSPO certified products. The data base can produce weekly and monthly reports.</p> <p>The data for the period june 2016 to may 2017 was reviewed. Following is the example for the month of april 2017:</p> <table border="1" data-bbox="719 443 1236 734"> <tr> <td>Entry of RSPO certified FFB</td> <td>15.594,110</td> </tr> <tr> <td>Entry of non RSPO certified FFB</td> <td>2.194,120</td> </tr> <tr> <td>Total of FFB Processed</td> <td>17.763,526</td> </tr> <tr> <td>RSPO FFB processed</td> <td>15.569,406</td> </tr> <tr> <td>Non RSPO FFB processed</td> <td>2.194,120</td> </tr> <tr> <td>Total of CPO produced</td> <td>3.327,064</td> </tr> <tr> <td>RSPO CPO produced</td> <td>2.920,861</td> </tr> <tr> <td>NON RSPO CPO produced</td> <td>406,203</td> </tr> <tr> <td>Total of PKO produced</td> <td>332,506</td> </tr> <tr> <td>RSPO PKO produced</td> <td>291,441</td> </tr> <tr> <td>NON RSPO PKO produced</td> <td>41,065</td> </tr> </table>	Entry of RSPO certified FFB	15.594,110	Entry of non RSPO certified FFB	2.194,120	Total of FFB Processed	17.763,526	RSPO FFB processed	15.569,406	Non RSPO FFB processed	2.194,120	Total of CPO produced	3.327,064	RSPO CPO produced	2.920,861	NON RSPO CPO produced	406,203	Total of PKO produced	332,506	RSPO PKO produced	291,441	NON RSPO PKO produced	41,065	
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<b>Processing</b>																								
<p>There are no outsourced activities in the production of oils at Parapalma Mill. The mill has a capacity of 60 MT/hour and in the last 10 months (august 2016-may 2017) months processed a total of 248.984,990 mt of FFB from which approximately 68,80% corresponds to RSPO certified fruit.</p>	<p>The only process run at the mill is the extraction of CPO from oil palm FFB. Part of the CPO and PK are sold to the refineries owned by the same group (Agropalma Group) ]</p>	<p>YES ]</p>																						
<b>RSPO Rules on Market Communications and Claims</b>																								
<b>Claims &amp; Trademark use</b>																								
<p>The auditee make the correct use of the RSPO on it's website, with RSPO trademark number and the correct RSPO statement ]</p>	<p>The use of the RSPO trademark is done on the corporate website. ]</p>	<p>Yes ]</p>																						
<b>4.2 Non conformity registers.</b>																								
<p>This section gives an over view of new or revised non-conformities raised during this assessment and of action taken to close out non-conformities raised during the previous assessments. Major non-conformities raised during a main assessment will prevent the certification body from making a positive certification decision for the concerned units/products. The NC number is comprised of 2 parts to include the year in which the NC is raised as well as a sequential number.</p>																								

<b>4.2.1 Verification of previous assessment non-compliances</b>		
<b>Non-compliance</b>	N.A. There were no non conformities during the certification audit.	
<b>Date raised</b>	N.A. There were no non conformities during the certification audit.	
<b>Major or Minor</b>	N.A. There were no non conformities during the certification audit.	
<b>Reference of standard</b>	N.A. There were no non conformities during the certification audit.	
<b>Correction at this audit</b>	<b>Full</b>	N.A. There were no non conformities during the certification audit. ]
	<b>Partial</b>	N/A ]
	<b>Not Corrected</b>	N/A ]

#### 4.2.2 New non-compliances raised at this audit

<b>NC number</b>	<b>RSPO P&amp;C 001/2017</b>
<b>Date raised</b>	June 20 th., 2017
<b>Major or Minor</b>	Major
<b>Reference of standard</b>	5.3.2
<b>Standard requirement</b>	All chemicals and their containers shall be disposed of responsibly.
<b>Evidence of non-compliance</b>	- It was observed at the Agropalma workshop ("Abrigo Principal Coco"), specifically at the oil exchange área, the reuse of a Cool-Gard II product container (Cool-Gard II is a chemical product described as a high-strength summer / anti-coagulation coolant mixture). Note: on the packaging there is a "no re-use" recommendation and a large message of "DANGER poison dangerous or fatal if ingested".
<b>Date of closing:</b>	<b>Closed on 11/09/2017</b> The company have formally warned the employee who re-used the packaging because he was already trained not to do that. The company have also provided a refreshing training for it's employees concerning the danger of re-using packagings of chemicals.

<b>4.2.3 New non-compliances raised at this audit</b>	
<b>NC number</b>	<b>RSPO P&amp;C 007/2017</b> (identified as 008/2017 on the closing meeting log)
<b>Date raised</b>	June 23 rd., 2017
<b>Major or Minor</b>	Major
<b>Reference of standard</b>	8.1.
<b>Standard requirement</b>	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the rower/mill, and shall include a range of Indicators covered by these Principles and Criteria.  As a minimum, these shall include but are not necessarily limited to: <ul style="list-style-type: none"> <li>• Reduction in use of pesticide (criterion 4.6)</li> <li>• Environmental impacts (criteria 4.3, 5.1, 5.2)</li> <li>• Waste reduction (criterion 5.3)</li> <li>• Pollution and Greenhouse Gas (GHG) emission (criteria 5.6, 7.8)</li> <li>• Social impact (criterion 6.1)</li> <li>• Optimizing the yield of the supply base</li> </ul>
<b>Evidence of non-compliance</b>	During the audit, it was found that the Continuous Improvement Action Plan update 2016, version June / 2016 is not updated, the version presented only contemplates the results between the period January2015 / December / 2015. During the audit, the Upgrade Improvement Plan was presented, only for the indicators: Environmental Impact (effluent treatment).  The action plan for continuous improvement verified does not contemplate criterion 4.3 as required by indicator 8.1.1 for the theme related to Environmental Impacts.  And, the continuous improvement action plan states that the report is composed of information on its goals and objectives to be achieved, however, it was not possible to clearly state this in this document. The group announces that it will launch a new edition in 2016, nor could it be shown in the plan.
<b>Date of closing:</b>	<b>Closed on 11/09/2017</b> The company have sent a the action plan for continual improvement.

<b>4.2.4 New non-compliances raised at this audit</b>	
<b>NC number</b>	<b>Non Conformity RSPO P&amp;C / SCC 001 / 2017.</b> The non conformity was communicated but not recorded on the closing meeting log.
<b>Date raised</b>	June 23 rd., 2017
<b>Major or Minor</b>	Major
<b>Reference of standard</b>	E.2.2
<b>Standard requirement</b>	The mill must also meet all registration and reporting requirements for the

	appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).
<b>Evidence of non-compliance</b>	Eventhough the mill has not sell any RSPO certified mass balance CPO neither PK yet, it has complete daily records of the entrance of non certified FFB, entrance of certified FFB, total CPO produced, RSPO MB certified CPO produced, non RSPO certified CPO produced, total PK produced, RSPO MB certified PK and non RSPO certified PK. The mill has not deduct manually on Palm Trace the volumes of CPO and PK that could be sold as RSPO MB certified but were sold as conventional (non RSPO certified). On the RSPO certification audit summary report dated 22/07/2016 and the Certificate N. CA 7925 /16 there is a projection, in tons, of 20.085 of RSPO MB CPO and 4.017 RSPO MB PK for the next 12 months.
<b>Date of closing:</b>	<b>Closed on 23/07/2017</b> The company have deducted the sold volumes of CPO and PK.

<b>4.2.3 Observations*</b>	
<b>Date raised</b>	26/09/2017
None of the boilers in use at AGROPALMA GROUP complex complies with the legal required values for fumes. Analysis performed to samples collected on may 2017 with results dated june 5 th.2017 show results for fumes of 46, 67, 100, 70 and 80 % which are above the maximum value accepted by law which is of 20 % according to CONAMA 008 /1990. It was raised as an observation because all other parameters analysed are okay.	

<b>4.2.3 Observations*</b>	
<b>Date raised</b>	26/09/2017
Some pesticide deposits at family farms are build with wood and on some integrated growers and family farms, agrochemical containers were found located over wooden pallets (absorbent material). It is not condemned by Brazilian legislation.	

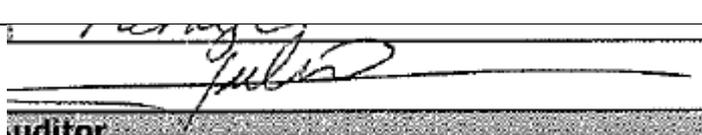
<b>4.2.3 Observations*</b>	
<b>Date raised</b>	26/09/2017
AGROPALMA has not documentally validated which of the actions recommended at the HCV study report to protect and monitor the stage of potential and present HCV values, will conform its HCV management plan. Due to the above, there are some recommended actions and monitoring activities at the HCV report that has not been performed by the auditee. The lack of validations of which of the recommended actions and monitoring activities were adopted by AGROPALMA does not permit to monitor AGROPALMA's compliance with the HCV management plan.	

<b>4.2.3 Observations*</b>	
<b>Date raised</b>	26/09/2017
Eventhough there is use of the Palm Calculator version 3.01, the data for all integrated growers are reported as a single input (an estimated data for the totality of growers together instead of a data for each of the 233 growers) for each of the parameters to be evaluated. The auditee personnel manifested that there is only one data for the totality of the 233 outgrowers due that they are the only FFB supplier to the mills. Additionally, there is only one input for the 5 mills grouped together. It should be noted that outgrowers plantations varies from 4 ha to 1372.75 ha of oil palm and agricultural practices varies accordingly.	

<b>4.2.3 Observations*</b>	
<b>Date raised</b>	26/09/2017
In one of two visited family farms above 500 ha of oil palm, workers indicated that they are badly treated or have seen others been treated in a bad manner by the supervisor. There is no a grievances mechanism on farm, known by workers, for the workers to complain in an anonymous way.	

\*Originally a NC which was evaluated by IBD internal team after appeal of the company

4.3 Lead Auditor Recommendations for the RSPO Principles & Criteria certification.	
Grant/ Renewal/ Extension*	<input type="checkbox"/>
Maintenance*	<input checked="" type="checkbox"/>
Suspension	<input type="checkbox"/>
Refuse / Withdrawal Certificate	<input type="checkbox"/>
Justification for the Recommendation	Maintenance is recommended upon proper closure of current major non conformities.
<p>* Grant / Renewal / Extension / Maintenance, in the case of open Minor nonconformities, assumes that the nonconformities will be cleared as agreed</p> <p><b>OBS: The final decision whether the company will be granted with the RSPO P&amp;C certification or not, shall rely upon the certification body, after reviewing the audit documentation and taking in account the lead auditor's recommendation.</b></p>	
4.4 Comments for next audit.	
<p>1-To request the auditee to send to the CB, previous to the audit, required documents to be verified which are not susceptible to confidentiality, as examples: results of the gaseous emissions, HCV studies that are under consultancy at the HCV network and will be available from the network in few weeks, and others. The policy of the auditee is that no pictures were allowed to be taken during the audit to documents, records and others, neither printed versions were handled to the auditors to take, forcing the auditors to handwrite or computer write numeric data and text looking at a third person personal computer screen and loosing valuable time.</p> <p>2-It is recommended that the person in charge of palm trace for the audited mills and kernel crushers to be present during the audit, or instead, make available to auditors, previous to the audit, all palm trace documentation required so it can be studied previously and solve doubts through remote means.</p> <p>Note: only palm trace transaction were handled printed to the auditor but at midday of the last audit day when requested weeks before the audit.  </p>	

5. FORMAL SIGNING OF AUDIT FINDINGS	
5.1 Acknowledgment of internal responsibility by the Client.	
<p>I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document .</p> <p>I also confirm:</p> <ul style="list-style-type: none"> <li>• Acceptance of liability in execution of the instructions given.</li> <li>• That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of IBD.</li> <li>• That during the closing meeting all agenda items were covered by the lead auditor.</li> </ul>	
Name	Tulio Dias
Position	Social and Environmental Corporative Manager
Signature	 auditor Note: full document attached.
5.2 Signing by the Lead Auditor.	
<p>I the undersigned, being the lead auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented are a true representation of the actual findings of the audit team.</p>	
Name	Ingrid Ayub

<b>Position</b>	Lead Auditor	
<b>Signature</b>		
<b>Date</b>	June 24 th., 2017	

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

Verification of effectiveness by:

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



# IBD

CERTIFICAÇÕES

