



**Public Summary Report
Palm Oil Innovation Group POIG**

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Name of company: C.I Tequendama S.A.S, La María Farm and Small-Scale Farmers

Company representative: Felipe Guerrero

Verification Date: November 26, 2014

Verifiers: María Patricia Berrío Romero and Walter Torres



Difficulties found during the verification process:

During the evaluation of the POIG indicators there were a number of difficulties found which arose from the absence of training on the standard; neither the evaluating team nor the client were familiarized with the methodologies employed to evaluate some of the indicators, also, the marking criteria and presentation of results are yet to be defined. An additional inconvenient was represented by the absence of a version of the document translated to the local language; that situation led to requiring additional time to understanding, evaluating and translating the document. In order to secure independence and avoid any conflict of interest, it is highly recommended that the body or individual in charge of training future evaluators has no connection to the client under evaluation.

Presentación de Resultados:

Palm Oil Innovation Group Charter Pilot Indicators – April 2014

POIG requirement	Proposed additional POIG indicators	Evidence (documents)	Compliance
1. Environmental Responsibility			
1.1 Breaking the link between Palm Oil Expansion and Deforestation: Forest Protection – Conserving and Restoring High Conservation Value (HCV) and High Carbon Stock (HCS) Areas: The link between oil palm expansion and deforestation will be	<ul style="list-style-type: none"> A High Carbon Stock (HCS) forest approach which combines biodiversity, carbon conservation and social considerations including community needs will be conducted prior to establishing new plantations or expanding existing ones. 	<p>At present time, no HCS–related activities have been conducted due to the absence of new plantations both at the lands owned by the company and at La María farm or the small-scale suppliers who provide fresh fruit bunches (FFB) to C.I Tequendama S.A.S.</p> <p>A company policy has established that the purchase of new properties to be employed in oil palm cultivation must be located in lands previously planted with oil palm trees; lands</p>	N/A



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<p>broken through undertaking a High Carbon Stock approach in addition to a HCV assessment, and a process of obtaining Free, Prior and Informed Consent to use land. The approach combines biodiversity and carbon conservation, as well as social considerations (including community needs).</p>	<ul style="list-style-type: none"> • HCS forest areas shall be identified and mapped; • No new plantings shall take place on HCS areas identified for conservation after March 2014. • Identified HCS forest areas are actively conserved as part of a participatory land use plan and the FPIC process, and an overall estate conservation plan that includes HCV areas, riparian zones, peat land areas and any other areas legally required to be conserved. • A report of the HCS approach shall be made public; • As part of the carbon conservation approach, the RSPO report on the potential emissions and the plan to minimise them will be made public. 	<p>that have not been previously used in agriculture must not be acquired in order not to expand the agricultural frontier.</p> <p>In order to verify that no plantings have taken place in recent years (specifically after March 2014), maps from different years have been examined to confirm that the farms owned by the company have not expanded their productive areas. Regarding FFB suppliers, there was a review of historical records of those areas and the RSPO standard certification reports over the course of several years which show changes in the productive areas caused by suppliers that have retired, not by the expansion of the productive area.</p> <p>Additionally, the Daabon Group owns Don Manuel farm, which is currently planted with banana tree crops; however, after analyzing the environmental conditions of the area and the crop requirements, it was determined the necessity to change the productive system from banana trees to oil palm trees; at verification time that change had not yet been implemented.</p> <p>Since 2009 Tequendama has performed emission measurements over activities associated whether with land use or with the production system, such as effluents, tractors, trucks, emissions from fixed sources, chimneys, and scythes. That data, along with minimization plans, are published every two years in the Sustainability Report.</p>	
<p>1.2 Peat land: a) No peat clearance: All areas of undeveloped peat lands (peat of any depth) are protected and all drainage, fires</p>	<ul style="list-style-type: none"> • Soil maps must take a precautionary approach to peat and identify all areas of soil that contains at least 20% organic material, is at least 50 cm in 	<p>Although there are no peat soils in Colombia, the company has developed farm soil maps to identify fragile soils that are to be managed in consonance with the social context and the type of fragility identified.</p>	<p>N/A</p>



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<p>or road building on peat soils is prohibited.</p> <p>b) Maintenance of peat lands: Water tables are managed in existing plantations on peat in order to minimize both the subsidence of the peat and the release of GHG emissions. Strategies are employed to progressively restore critical peat land ecosystems, with a preference for replanting on mineral soils, including via 'land swaps'.</p>	<p>depth and covers an area of at least 1 ha;</p> <ul style="list-style-type: none"> • There shall be no new plantation development on any peat soils identified, for any activities, including drainage, infrastructure and nursery development. • There shall be no use of fires on peat soils. • Where there is existing planting on peat, an assessment shall be required to determine whether there are opportunities to contribute to the restoration of critical peat land ecosystems. If opportunities are identified, a strategy for restoration shall be developed and implemented. Strategies shall seek to replant on mineral soils, including via 'land swaps'. • For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a 	<p>Likewise, the use of fire is prohibited by law and enforced (at the internal level) through the Manual of Procedures, and (at the internal external level) the Code of Conduct/Code of Ethics.</p> <p>According to soil characterization of the Colombian Caribbean region (where the plantations owned by the company and those of the suppliers are located), there were several types of soils found associated with the presence of expansive clays, vertisols, salts and sodium accumulations, aridisols, and mollisols, which are soils well suited for the implementation of livestock and agricultural activities. There are no histosols or peat soils in this region.</p>	



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	<p>network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and water gates at the discharge points of main drains (Criteria 4.4 and 7.4).</p> <ul style="list-style-type: none"> • Where drainability assessments have identified areas unsuitable for oil palm replanting, including the likely GHG emissions associated with continued cultivation, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of serious flooding and/or salt water intrusion within two crop cycles, growers and planters should consider ceasing replanting and implement rehabilitation. • Reporting shall include identification of total area of peat lands within the company land bank, the area of peat lands that is planted and the emissions associated with its cultivation. 		
<p>1.3 Greenhouse gas (GHG) Accountability: Companies shall publicly report on annual GHG emissions from all sources and on the progress towards reaching targeted reductions of non-land use</p>	<ul style="list-style-type: none"> • All sources of GHG emissions, including those related to land use and non-land use activities, shall be identified and monitored using the RSPO Palm GHG methodology or equivalent 	<p>In 2009, the first report on GHG (corresponding to 2007-2008) was published; it was developed following the PAS2050 UK methodology, not the one established by RSPO, GHG. There is no information on the GHG equivalent methodology, nor knowledge on whether the methodology used is equivalent to the one proposed by RSPO and POIG.</p>	<p>Partial Compliance</p>



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<p>GHG emissions (per tonne of CPO).</p>	<ul style="list-style-type: none"> Targeted reductions of non-land use related GHG emissions (per tonne of CPO) shall be defined. Bi-ennial GHG emissions from all sources and progress towards the targeted reductions of non-land use related emissions shall be publicly reported, 	<p>Taking into consideration that the company aims to achieve carbon neutrality, Tequendama has performed emission measurements from activities associated whether to land use or production system such as effluents, tractors, trucks, emissions from fixed sources, chimneys, and scythes.</p> <p>Additionally, the company has conducted the identification of emissions sources associated with agricultural and industrial production systems; such information is publicly available in the sustainability report which depicts the values of the emissions generated over the course of the previous two years; in other words, the 2012 sustainability report keeps track of 2010-2011 emissions, while 2012-2013 emissions should have been included in 2014 report that has not yet been published. Despite that, the emissions associated with activities unrelated to the productive system (such as the administrative), have not been identified and therefore have not been measured.</p>	
<p>1.4 Pesticides use minimization: Highly toxic, bio-accumulative and persistent pesticides shall not be used. These include chemicals on the FSC 'Highly Hazardous' list and SAN prohibited pesticide list. Producers shall by preference practice natural weed and pest control and IPM, and strive to avoid the use of toxic</p>	<ul style="list-style-type: none"> Highly toxic, bio-accumulative and persistent pesticides (PBT) shall not be used. This includes chemicals listed by the following: <ul style="list-style-type: none"> World Health Organisation Class 1A or 1B Stockholm or Rotterdam Conventions FSC 'Highly Hazardous' list SAN prohibited pesticide list Paraquat 	<p>The company has different organic certifications such as NOP, the JAS Standard, the regulations: 834/2007 and 889/2008, and the Bio Suisse Standard, which allow verifying the absence of banned or toxic substances that belong to the categories 1A or 1B as classified by WHO.</p> <p>Similarly, FFB supplying farms apply the same certifications or are in process of transition. However, 12% of the fruit processed at the Tequendama mill is not organically certified, not due to handling reasons but because of its location, these plantations are surrounded by rice fields exposed to aerial sprayings that has the potential of</p>	<p>Full Compliance</p>



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<p>pesticides, only using them as an absolute last resort. There shall be full transparency of any pesticide use.</p>	<p>Emergency use of listed pesticides is permitted subject to POIG Organising Committee approval.</p> <ul style="list-style-type: none"> • IPM plans shall emphasize non-chemical weed and pest control, such that chemicals are only used as a method of last resort. • Pesticide use and alternative methods used shall be included in public reporting. 	<p>reaching the oil palm plantations. Because of that reason, the company has managed to preserve organic farming practices of these farms through a pay per conversion system that has kept them inactive in terms of agrochemical use. In order to keep track of these farms, Tequendama provides technical support to ensure that no pesticides are being used.</p> <p>The latest Sustainability Report of the company, published in 2012, indicates that the cultivation techniques used in farms owned by the company comply with the three principles associated with maintenance of living and covered soils, integrated pest management and wise water use. Integrated pest management involves the following three different types of practices:</p> <ul style="list-style-type: none"> • Tending practices: pruning, handpicking of pests and periodic monitoring. • Biological control: it is executed through the production of entomopathogenic agents and insect predators that pose a threat to the structure and/or production of oil palm crops. • Ethological control: it is executed through the placing of traps with bait or pheromones to control the impact of some insects. <p>Additionally, in order to avoid the use of chemicals, adult and non-productive palm trees are renovated in order to maintain healthy crops. After palm trees have been cut down, they are cut and abandoned in the field for natural degradation.</p>	<p>Compliance</p>
<p>1.5 Chemical fertilizer:</p>	<ul style="list-style-type: none"> • Use of chemical fertilisers shall be minimised. SOPs shall demonstrate 	<p>Since the plantations owned by the company as well as those belonging to the suppliers have an organic</p>	<p>Partial Compliance</p>



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<p>To reduce climate and environmental impacts producers shall strive to minimize chemical fertilizer use, and preferentially use 'precision agriculture', organic fertilizers, and where possible use waste as a source of phosphorus. Phosphorus and nitrogen levels in water courses are monitored and disclosed.</p>	<p>preferential use of other methods to manage soil fertility, such as 'precision agriculture', the use of organic fertilisers and the use of organic residues as a source of nutrients, including those resulting from the processing of oil palm.</p> <ul style="list-style-type: none"> • Phosphorus and nitrogen levels in relevant water courses shall be monitored • Results of phosphorous and nitrogen monitoring in water courses shall be included in public reporting 	<p>management, no chemical fertilizers are used and all fertilization processes are carried out by using compost and mineral sources.</p> <p>The organic waste management system produces 1.500 tons/month of compost, formed of biomass manure, ash and mud. This organic matter, in addition to other products rich in nitrogen and phosphorus, constitute the most important source of nutrients of the crops.</p> <p>Vermicompost is used in plant nurseries and worm leachate is used as a foliar application biofertilizer.</p> <p>All input/output water sources involved in the harvesting /milling process are subjected to an analysis that takes into account a large number of parameters (including P and N), which are constantly monitored by the milling plant over different geographic locations in order to avoid contamination of the crops or the water sources. That analysis is performed on an annual basis taking into account preventing water spills over the course of the whole process; all wastewater must be used in fertigation.</p> <p>At the present time the levels of phosphorus and nitrogen in effluents are monitored and reported to the environmental authority as required, however the data has not been disclosed because the publication of the annual report is delayed.</p>	
<p>1.6 GMOs prohibition: The cultivation of GMOs in the management area is prohibited.</p>	<ul style="list-style-type: none"> • No cultivation of GMOs within the management area shall be permitted. 	<p>The company does not use genetically modified materials, a fact that was verified in 2013 by the NON-GMO Project.</p>	<p>Full Compliance</p>



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<p>1.7 Water accountability: The quality and quantity of water is maintained with responsible water management adopted including minimization and disclosure of water use, pollution elimination, equity with other users, and consideration of catchment level impacts of irrigation.</p>	<ul style="list-style-type: none"> • Water consumption across plantation operations shall be monitored. • The water management plan shall include measures to minimise and/or reduce water consumption by plantations and mills. • For plantations that use irrigation, the water management plan shall demonstrate that the application of water is not excessive or wasteful, by taking into account water availability and the impacts of consumption. • Water consumption by plantations and mills shall be included in public reporting. • The water management plan shall include measures designed to minimise and/or reduce pollution from both plantations and mills. • The measures in the water management plan shall be designed to ensure that the needs of other users are identified and accommodated. 	<p>Over the course of different periods of time, a series of monitoring sessions and evaluations of the irrigation system were carried out both at farms and the mill, in order to exert control over water loss and assess the overall operation of the irrigation system, engines, pipes and sprinklers. Additionally, governmental bodies such as the irrigation Corporations and Districts are responsible for conducting an external monitoring that ensures proper allocation, legal use and ecological flow, not only for company- owned plantations but also for FFB suppliers.</p> <p>The water management plan implemented by the company established a 10% reduction over a five year period. In order to achieve that goal, a series of indicators were defined which seek to provide evidence of consumption reductions vs. processed fruit, since what the company aims for is improving water use efficiency.</p> <p>Flooding or micro-sprinkling irrigation systems were implemented depending on where the plantations were located. Both methods keep track of water consumption and the execution of the irrigation activity takes into account evapotranspiration, humidity, rainfall and infiltration/field testing data.</p> <p>The Sustainability Report includes data from each company- owned plantation and from the mill, regarding the amount of concession water and the values of water reused and recycled in diverse mill activities associated to the extraction of crude palm oil, crude palm kernel oil, palm kernel cake and other byproducts; however, despite keeping track of the amount of water used in the plantations, actual consumption data has not yet been published in the</p>	<p style="text-align: center;">Partial Compliance</p>



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		<p>Sustainability Report because that publication is planned to be made over the next reporting cycle. Flow data values included in the report correspond to the highest levels allowed by the grant, not actual use. At verification time there was no consumption data from FFB suppliers.</p> <p>The water resource management plan has established activities aimed at reducing contamination from both the plantations and the mill, to its lowest possible levels. In order to minimize sweeping away organic and mineral fertilizers, drainage canals and crop covering has been implemented. At the mill, the Palm Oil Mill Effluent (POME) is handled by the Clean Development Mechanism (CDM), which is a biological digestion system to capture/mitigate the resulting methane. Such system involves four lagoons: the homogenization lagoon, the main digester, the facultative lagoon, and the aeration lagoon; it can hold up to 54,000 m³ of effluent.</p> <p>The management of water sources is carried out by the Water District Association, a public/private body in which Daabon has a board seat (representing small-scale farmers). The environmental authority, via the corporation, is responsible for allocating the flows to be captured by each property, based on the premise that the flow has the capacity to supply all users. During the dry season the corporation exerts controls access over the water. The Irrigation District exerts control over small land owners who obtain their supply from that institution by restricting access to water through the implementation of a scheduling for the use of the service.</p>	
<p>1.8 Protect and conserve wildlife:</p>	<ul style="list-style-type: none"> Where HCV 1-3 have been identified, management plans shall 	<p>Despite having an absence of HCV assessments due to the lack of new plantations, the company is undertaking the</p>	<p>Full</p>



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<p>Following comprehensive biodiversity surveys to identify HCV 1-3, in addition to ensuring the protection and survival of all rare, threatened or endangered species within their concession land, concession holders also make a positive contribution to their survival in the wild in areas beyond the concession.</p>	<p>include measures designed to contribute to the protection and survival of all rare, threatened or endangered species in the landscape beyond the management area.</p> <ul style="list-style-type: none"> • Positive contribution to the survival of all rare, threatened or endangered species in the wild shall extend beyond the concession and/or geographical presence. • Management plans include measures to protect native plants and animals, especially endangered species, and prevent the poaching of endangered species in all operation areas. 	<p>restoration of more than 14% of the net area in order to contribute to the long-term conservation of an endemic dry tropical forest located near Daabon lands, which is currently at risk.</p> <p>Additionally, the Daabon group, in partnership with regional environmental authorities is developing an annual educational program on the importance of the endemic animal species of the Colombian Atlantic region.</p> <p>Standard operating procedures and best SOP/GMP agricultural practices are designed to avoid the inclusion of non-endemic plants and illegal poaching of any animal species (particularly iguanas) included in the eating habits of the community.</p>	<p>Compliance</p>
<p>2. Partnerships with Communities</p>			
<p>2.1 Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities: Comprehensive FPIC is obtained for all oil palm development including in particular: full respect for their legal and customary rights to their territories, lands and resources via local communities own representative institutions, with all the relevant information and documents made available,</p>	<p>As part of the process for identifying legal, customary or user rights and impacts on rights holders for new and existing operations, resourced access to independent expert advice shall be offered at each stage of an FPIC or conflict resolution process to affected communities.</p> <ul style="list-style-type: none"> • Processes of consultation and negotiation shall not be constrained by local legal frameworks. • The acquisition or replanting of existing plantations shall include 	<p>Daabon’s social management plan is currently under review seedling to meet RSPO P&C 2013 and the "consent" requirement; in order to achieve this, a series of participatory surveys are being performed which aim to identify how the company is being perceived by workers, community, government and small-scale farmers.</p> <p>At the corporate level a <i>Suggestions and Complaints</i> system was put at the service of all stakeholders, and the direct participation of the vice presidency office.</p> <p>The <i>Suggestions and Complaints</i> system can be reached through e-mail or written notification delivered at the entrance of any Daabon production facility, or through direct</p>	<p>Partial Compliance</p>



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<p>with resourced access to independent advice, through a documented process, through a long-term two-way process of consultation and negotiation where the communities are informed and understand that saying no to development is an option, and not constrained by local legal frameworks. Newly acquired already planted plantation areas shall redress any lack of proper FPIC when the plantations were established. Lands will not be acquired through expropriations in the national interest ('eminent domain').</p>	<p>measures to ensure redress for any issues arising from inadequate FPIC processes when those plantations were established. Participatory surveys will identify HCV's 4, 5 and/or 6 that existed before areas were converted to oil palm.</p> <ul style="list-style-type: none"> Land shall not be acquired through expropriations in the national interest (eminent domain). 	<p>communication with the person in charge of the Social Management Division which includes a double-level claim system, in both cases, internal employees of the company.</p> <p>Although no participatory surveys have been carried out to define 4, 5 and 6 HC stocks, since the the areas where the plantations are located have been planted with oil palm trees since 1960 and have been agriculturally used since 1900, the Ministry of Interior has the authority to certify that the areas where the properties of the company are located, are not the home of any traditional, aboriginal, gypsy, raizal communities or people of African descent (or any other) found in that region.</p> <p>The lands where the plantations are located have been legally acquired or inherited; no acquisition has been carried out through land expropriation (since in Colombia that activity is only executed by the government only), and seeks to encourage small-scale farmers.</p>	
<p>2.2 Food Security: As part of the Free Prior Informed Consent process, participatory Social Impact Assessments and participatory land use planning with indigenous and local communities, food security is maintained or strengthened in order to maintain their land use choice and future food security options. This will include not undermining local control of and diversity of food production</p>	<ul style="list-style-type: none"> SIA and/or HCV assessments and participatory land use planning shall include analysis of food security issues for indigenous and local communities affected by the plantation operations. The scope of the food security assessment shall include additional impacts that oil palm production operations may have on relevant requirements including land, water, labour and infrastructure as well as substitutability between income 	<p>Although no food security assessment has ben carried out, there have been previous approaches to that topic; in the case of Daabon's area of influence, it is not acquired through land crop diversification, but through the increase of the income of the families who have been exposed to trading over the last 50 years.</p> <p>In order to avoid/mitigate the negative impacts and promote the positive impacts, the company has undertaken hard work, not only on the diversification of the crops and the preservation of the farming culture of the region, but also on the generation of low-risk income sources such as sheep, bee, pig and cattle farming (through the identification of agro-industrial business opportunities); additionally there</p>	<p>Partial Compliance</p>



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<p>systems. There is transparency of the land allocation process.</p>	<p>generation for food purchase and subsistence food production.</p> <ul style="list-style-type: none"> • Plans for avoidance or mitigation of negative impacts and promotion of positive impacts shall include measures to maintain or strengthen food security, including not undermining local control of and diversity of food production systems. • Measures designed to maintain or enhance local food security shall be included in participatory planning, including transparency in any land allocation process. • Evidence that measures identified in assessments and planning are being implemented and are effective. 	<p>has been support to the creation of footwear and embroidery production units.</p> <p>As part of the action plan to minimize the negative impact generated by oil palm production, the creation of employment opportunities for the women of the region is becoming a reality through the production of 65% of the uniforms provided to the workers by the company, manufactured by the wives of those workers.</p> <p>Although the company does not generate any land allocation process, food security-related participatory issues are now being included in the Social Management Plan, which is currently under review.</p>	
<p>2.3 Effective Conflict resolution: A balanced, accountable, mutually agreed and documented conflict resolution system is established that is accessible to smallholders, indigenous peoples, rural communities and other affected parties in order to deal with complaints, grievances and resolve conflicts to the mutual</p>	<ul style="list-style-type: none"> • The mutually agreed and documented system for dealing with complaints and grievances shall be accessible to all affected parties. • The system shall be designed to resolve disputes to the mutual satisfaction of the affected parties. • The system shall include the options of: <ul style="list-style-type: none"> ○ access to independent legal and technical advice 	<p>At the time of the visit, the Daabon Companies Stakeholders Assistance Manual was under reviewing/updating, that document will define the procedures to be followed for the handling of all requests, complaints, claims or suggestions (R.C.C.S.). Two instances have been established for such activity, the first one will be handled by the Social Management Division and the other by the Administrative Vice-presidency. The process of socialization is currently being developed; an activity addressed to the internal clients was held on September 19, 2014, while for the external clients there was</p>	<p>Partial Compliance</p>



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<p>satisfaction of the party's. The system will include the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third party mediator.</p>	<ul style="list-style-type: none"> ○ support from representatives of local communities' own choosing, and ○ third party mediation. ● Evidence that where conflicts have arisen the conflict resolution mechanism is being used and is considered mutually satisfactory including by affected parties. 	<p>no publicly available information found regarding socialization.</p> <p>The purpose of the new procedure is the handling of all potential claims or complaints in the the best possible way in seeking agreement among the stakeholders. In order to achieving this, it was decided establishing different methods of communication between the company and the stakeholders: through a written notification addressed to the Social Management Division which is to be handed out to the security guards located at the gateway of the production units; by requesting an appointment with the Head of Social Management of the Daabon Group via hotline or voicemail; and finally through e-mail.</p> <p>Although the current system has no reported any R.C.C.S., the procedure does not yet included the possibility of having access to independent legal and technical advice, the support from local communities representatives, and/or third party mediation.</p>	
<p>2.4 Social Conditions: A comprehensive social programme with regular monitoring is in operation to ensure palm oil production does not result in human rights violations, trigger social conflicts, or produce 'land grabbing', and addresses key social equity issues including housing, healthcare, education and empowerment of women.</p>	<ul style="list-style-type: none"> ● Social impact assessments and plans for the avoidance or mitigation of impacts shall incorporate the issues of potential human rights violations, social conflicts and land grabbing. ● Social impact assessments and plans for the avoidance or mitigation of impacts shall address key equity issues, including housing, healthcare, education, and empowerment of women. 	<p>Although C.I. Tequendama S.A.S has conducted a social impact evaluation carried out by the company's internal staff, it has not implemented an evaluation carried out by a third party or a plan to prevent/mitigate any potential impact that includes potential human rights violations, social conflicts and land grabbing; in addition tokey issues such as equity, housing, health care, education and female empowering.</p> <p>However, the company has started approaching these type of issues, particularly in the case of the farms located in the Department of Magdalena, by means of a proposal developed by Universidad Sergio Arboleda and through a</p>	<p>Partial Compliance</p>



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		segment of the GEF Project; a survey which is currently being developed aims at raising community baseline in Magdalena for the associations of small-scale suppliers.	
<p>2.5 Workers Rights: Palm Oil Producers shall respect worker's rights including the ILO requirements for 'decent work' and core conventions on child labour, forced or compulsory labour, freedom of association, and elimination of discrimination.</p>	<ul style="list-style-type: none"> • A decent living wage shall be provided to workers, i.e. one that is sufficient to cover all of their basic needs. • A comprehensive audit using the criteria in the SA8000 standard and involving worker representatives shall be conducted to assess and demonstrate compliance with international human rights norms and national labour laws on child labour, forced and compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, and remuneration. • A public action plan shall be developed that describes operational policies and actions consequent to the findings of the SA8000, and that references the grower's relevant operational procedures • There shall be no charging of recruitment fees to job-seekers by the company or by private 	<p>Although the company has a minimum wage policy that corresponds to the minimum wage established by the Colombian legislation, (which ought to supply the basic needs of the worker and his/her family), these earnings might increase depending on the performance of the worker, this would result in a salary above the legal minimum wage; in addition the worker receives social security payment which includes retirement fund, healthcare, occupational hazards insurance (ARL), compensation fund, and all legal social benefits such as vacation, legal bonuses, severance pay and interests over the severance pay, transportation allowance and uniforms.</p> <p>Although the Daabon Group received the SA 8000 certification, its scope only reaches banana production, not palm oil production and by-products; however a C.I Tequendama SAS pre-audit was conducted in June 2014 by a third party on Fairtrade certification, including different social issues regarding: child labor, forced and compulsory labor, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working time and remuneration. Such activity was very helpful in identifying improving opportunities that led to the development of action plans that contemplate activities that are currently being executed but have not been publicly disclosed; it disclosure is planned to take place over the 2012-2013 sustainability report to be published in late 2014 or early 2015.</p>	<p>Partial Compliance</p>



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	<p>recruitment or employment agents or brokers</p> <ul style="list-style-type: none"> • Per 6.12.3, where temporary or migrant labourers are employed, the special labour policy and procedures shall include: <ul style="list-style-type: none"> - Specific mechanisms to ensure the implementation of all ILO core convention requirements - A system for humane repatriation and an option to return upon giving birth for female migrant workers prohibited from giving birth in the receiving country - Due protection for any foreign worker found without legal documents • A mechanism shall be in place to identify, prevent, mitigate and address any violations to the human rights of workers. <p>Growers and millers conduct a risk assessment of its FFB supply chain to identify and manage forced labour, trafficking, slavery, and child labour risks.</p>	<p>The company does not charge hiring fees to job applicants; all hiring processes are carried out directly, never through third party intermediation. The hiring of migrant workers has never been a common practice in the oil palm sector, in particular, or in the Colombian agricultural context in general. Although the hiring of seasonal or temporary workforce is a practice very extended in the country, C.I Tequendama S.A.S. does not carry out these type of hirings.</p> <p>Actualmente la empresa no cuenta con un mecanismo establecido para identificar, prevenir, mitigar y atender cualquier caso de violación de los derechos humanos, sin embargo, tanto en la empresa como en las fincas que conforman la cadena de suministro se llevan a cabo actividades encaminadas a respetar los derechos humanos y se está trabajando en la identificación de cuáles son los derechos humanos que se podrían llegar a violar.</p> <p>Currently, the company does not have a mechanism to identify, prevent, mitigate or respond to human rights violations, however, a series of activities that seek to encourage the respect for the human rights are being implemented both in the company facilities and in the farms that integrate the supply chain, additionally there is an interest in identifying which human rights are more easily prone to be violated.</p> <p>The whole supply chain was RSPO certified, which is a scheme that deal with forced labor, human trafficking, slavery and child labor risk issues, efforts have been carried out to identifying and managing such risks, both for the mill and for FFB suppliers.</p>	



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POIG requirement	Proposed additional POIG indicators	Evidence (documents)	Compliance
<p>2.6 Support Palm Oil Smallholders: Contracts with smallholders are based on a fair, transparent and accountable partnership. Small holders are supported to improve economic, social and environmental outcomes including: increase productivity to a comparable benchmark of productivity for the region and a target of having the same productivity as the company nucleus plantation. The productivity gains shall be achieved without expansion that threatens local community food security or additional environmental impact, and support should include financial management and budgeting, logistics and FFB processing, and improved market access such as through group certification. Companies shall report on the support they have provided to smallholders.</p>	<ul style="list-style-type: none"> • A smallholder support programme shall be documented and monitored, which includes: <ul style="list-style-type: none"> ○ Measures to increase the productivity of smallholders to a comparable benchmark of productivity for the region, and a target of reaching the same productivity level as company estates. ○ Support relating to financial management and budgeting. ○ Support relating to logistics, FFB processing and improved market access. • Progress in implementation of the smallholder support programme shall be included in public reporting. 	<p>C.I Tequendama S.A.S manages the first association of small-scale palm growers in the country (2001) with organic certification and RSPO (since 2010). Such productive partnership effort has permitted the incorporation of over 200 agrarian families to the oil palm production chain.</p> <p>In the 2012 Sustainability Report were published the components of the program:</p> <ul style="list-style-type: none"> • Strengthening of the organization of producers: these partnerships, managed by five organizations in the departments of Magdalena and Bolivar are associations and cooperatives comprised of producers that receive the advising of the company regarding its internal operation and commercial and institutional relations. • Technology transfer for the management of oil palm crops: the company has an agronomic division for the technical support that conducts crop yield monitoring, provides technical assistance, gives recommendations on fertilizing-related issues, that aims to ensure that the producers apply the principles and techniques of good agricultural practices throughout the whole oil palm tree growth/harvesting/post-harvesting process. • Credit management: the producers are provided with the support and the advising to properly process credit applications with financial institutions. • Support activities regarding the certification: in order to give them the necessary training to comply with the standards and the required maintenance support, small-scale farmers have been included in the certification plan of the company. As part of the 	<p>Full Compliance</p>



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POIG requirement	Proposed additional POIG indicators	Evidence (documents)	Compliance
		<p>certification process, the producers are granted the payment of premiums for being organic/RSPO certified.</p> <p>•In order to facilitate the logistics, the company has a stockpiling center where the producers can take their production and FFB processings, and their products can be purchased by the company.</p>	
3. Corporate and Product Integrity			
<p>3.1 Transparency and Corruption: Producer companies shall publicize a commitment to prohibit any form of corruption including during the concession acquisition process and within their operations, and support efforts to establish and comply with anti-corruption legislation where this exists. In the absence of anti-corruption law, the producer company shall implement other anti-corruption measures proportionate to scale and intensity of management activities and the risk of corruption.</p>	<ul style="list-style-type: none"> • The ethical policy prohibiting all forms of corruption shall be publicly available. • The ethical policy shall include: <ul style="list-style-type: none"> ○ A respect for fair conduct of business; ○ A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources; ○ A proper disclosure of information in accordance with applicable regulations and accepted industry practices. • The ethical policy shall include a commitment to support efforts to establish anti-corruption legislation, and to comply with existing anti-corruption legislation. • Implementation of anti-corruption measures shall be demonstrated in 	<p>The company has a code of ethics (published in the sustainability report) which establishes the commitments to employees, shareholders, suppliers, clients and contractors; additionally it sets the commitments to the government, regarding the fight against corruption and money laundering.</p> <p>Regarding the commitments made to the state as to the fighting against corruption and money laundering, compliance with all Colombian laws and regulations, and those of the countries where businesses are being developed, has been established; so that all stakeholders must act according to the law, rejecting requests from internal and external clients, suppliers and shareholders when it is known or suspected that their purpose is to evade the law.</p> <p>On the other hand, it provides that no shareholder, employee or contractor can make illegal payments or offer bribes to public bodies or officials, in order to secure a contract, license or permit for one's own benefit or that of the company. Additionally, it forbids the possibility of carrying out trading activities with any company or person</p>	<p>Full Compliance</p>



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POIG requirement	Proposed additional POIG indicators	Evidence (documents)	Compliance
	<p>order to ensure compliance with the ethical policy, proportionate to the scale and intensity of management activities and the risk of corruption.</p>	<p>who violates the law or is suspected of taking or having taken part in fraudulent activities.</p> <p>With regards to money laundering, the company must be protected from being used for hiding or managing resources coming from illegal activities; if it comes to the knowledge of the company that a shareholder, supplier, client, employee or contractor is being involved in illegal activities, the company will inform the competent authorities about the situation.</p> <p>Finally, the company has the BASC certification which guarantees that any corruption or bribery-related activity will be overseen by the Safety Division.</p>	
<p>3.2 Traceability: Within 12 months of commitment to the Charter, all supply is fully traceable from company plantation and other suppliers' fields to their mills. Each party shall take responsibility for traceability in the components of the supply chain under their control and transparency with their supply chain partners.</p>	<ul style="list-style-type: none"> • Within 12 months, all FFB shall be fully traceable to origin either from company estates or third party suppliers. Records shall include: <ul style="list-style-type: none"> ○ Name of supplier directly supplying to mill ○ Location and coordinates of origin(s) • Measures designed to ensure that FFB is not sourced from any illegally occupied land or from any legally protected areas shall be defined and implemented, based on known levels of risk. 	<p>From the mill it is possible to trace and identify all FFBs being processed. The internal records of FFB suppliers list the name of the supplier, its location and the coordinates of origin.</p> <p>The company operates two different types of business:</p> <ol style="list-style-type: none"> 1. The arriving organic/RSPO certified fruit must have an output document issued by the farm and another document certifying the cleaning of the gondolas that are going to be used for transportation. This should be subsequently confirmed by the system, either by submitting it to the stockpiling center or to Tequendama. In any case the operators must have a list indicating if the fruit is organic/RSPO certified or conventional RSPO. Those are the only two products allowed at the mill. 2. The other component is represented by the fruit that is not RSPO certified (produced by small-scale 	<p>Full Compliance</p>



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		<p>farmers or new farms), in that case the fruit is acquired by Tequendama but must be resold, because it cannot be processed in the mill for not being certified. Such activity is carried out in order not to lose suppliers that might take part of the group of certified farms in the near future, since from the very moment that they sell their production to Tequendama, they being being prepared for the certification process.</p> <p>The internal procedures establish that the fruit entering or being traded by C.I Tequendama S.A.S, must always be traceable that is why all suppliers must submit RUT or Chamber of Commerce certificates, Banking Account, Registration and Public Instruments in addition to a visit from a health inspector and a technical visit to assess the use of agrochemicals.</p> <p>In order to guarantee that the FFB do not come from illegally occupied land or areas legally protected, the whole FFB processed by the company must come from RSPO certified suppliers.</p>	Compliance
<p>3.3 Report on Social, Labour and Environmental Performance: Disclose on the company social, labour and environmental performance including the elements of this charter, and how the organization demonstrates good governance of its sustainability system using the</p>	<ul style="list-style-type: none"> • A publicly available sustainability report shall be prepared at a minimum every two years, covering as a minimum all issues relevant to compliance with this Charter. This includes relevant RSPO indicators and the additional POIG indicators. • The public sustainability report shall include details relating to the company's governance of its 	<p>At verification time, the latest annual report found corresponds to 2010-2011 (published in 2012). The publication of the 2012-2013 is delayed but is expected to be issued by February 2015; it will include RSPO/POIG requirements information that was not included in the current sustainability report.</p>	Partial Compliance



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POIG requirement	Proposed additional POIG indicators	Evidence (documents)	Compliance
guidance of the Global Reporting Initiative or equivalent approach.	sustainability systems, consistent with the GRI Sustainability Reporting Guidelines (or equivalent approach).		
3.4 RSPO Certification and Company Operations: Producers shall meet a minimum of 50% of their plantations being RSPO certified upon commitment to the Charter, and a commitment to achieve 100% by within 2 years. This shall cover all palm oil operations, subsidiaries, acquisitions of existing plantation and fresh fruit bunch purchases from third parties, with possible alternatives to full RSPO certification for small independent producers.	<ul style="list-style-type: none"> • A minimum of 50% of the company's plantations shall be RSPO certified upon commitment to this Charter. • A documented commitment shall be made, and progress monitored, to achieve 100% RSPO certification of the company's plantations within 2 years. • A documented commitment shall be made, and progress monitored, to purchase 100% RSPO certified FFB within 2 years. Acceptable alternatives may be defined for independent smallholders. • Where there are new acquisitions of uncertified plantations, these shall be RSPO certified within 2 years of acquisition. 	Currently, all of the company plantations have been RSPO certified. RSPO certifications for two firms recently acquired by by C.I Tequendama are currently being processed: Oleaginosas Las Brisas, which is expected to be obtained by June 2015 (4.500 ha) and Palmeras Del Caribe (5.500 ha) which is expected to be certified in February 2015.	Full Compliance
3.5 Responsible Supply Chains: Producers shall independently verify and report on compliance with this charter within 12 months of commitment to the Charter, across their operations, subsidiaries and acquisitions of existing	<ul style="list-style-type: none"> • Compliance with the requirements of this Charter, including relevant RSPO indicators and the additional POIG indicators, shall be independently verified within 12 months of commitment, and then on an annual basis. • The results of the independent verification shall be publicly reported 	The current verification is the first one being carried out by an independent body, which is why there are no results from previous processes.	N/A



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POIG requirement	Proposed additional POIG indicators	Evidence (documents)	Compliance
plantation including FFB from 3rd party suppliers.	within 12 months of commitment, and then on an annual basis.		