



Palm Oil Innovation Group Verification Report
For
Agropalma Group
In
Tailândia, Acará and Tomé-Açú/Pará, Brazil

Certification Body: IBD Certificações Ltda.

Verification Dates: July 02 to 06th, 2018

Verification Type: Surveillance

Draft Report Date: 8 November 2018

Final Report Date: 5 February 2019

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Executive Summary

Agropalma's POIG audit was made combining with RSPO audit from July 02 to 06th by an interdisciplinary audit team composed by Alvaro Garcia and Mauricio Malvoni (Agronomist Engineer) and Dina Maria Medem (Food engineer).

The audit was made at Amapalma; Agropalma and CPA mills located in Tailândia and Acará/PA, considering that CRAI/Agropar and Parapalma was under maintenance, and at Agropalma's, smallholders and integrated farmers that was sampled using RSPO procedure.

As a strategy to evidence the conformity with RSPO and POIG Standards was made interviews with managers, coordinators, and Agropalma's workers at mills and fields considering the importance and hazardous activities developed. Beyond that, was interviewed employees of subcontractor companies that realize transportation, maintenance, patrimonial surveillance, food service and responsible for the health plan. For topics related with gender aspects the interviews was made exclusively by Dina Maria Medem, respecting the confidential and without presence of Agropalma's managers.

Verification Result

No non-conformities was verified as result of documentation analysis and interviews made with managers, coordinators, and Agropalma's workers, Union and Communities representative.

List of Abbreviations

FFB – Fresh Fruit Bunch;

CEB – Center of Endemism of Belem;

BOD – Biological Oxygen Demand;

1. SCOPE OF THE VERIFICATION

1.1 Normative References

The Plantation and supply base was evaluated against the following documents:

- Roundtable on Sustainable Palm Oil [Version]
- Palm Oil Innovation Group Charter Verification Indicators – March 2016

1.2 Organisation and Contact Details

Company name:	Agropalma Group
Business address:	Alameda Santos, 466 – 10o andar, ZIP CODE: 01418-000, São Paulo, Brazil
Contact person:	Mr. Tulio Dias
Telephone:	+55 11 2505 6400
E-mail:	tuliodias@agropalma.com.br
Website:	www.agropalma.com.br

1.3 Audit Type

Audit Date	July 02 to 06 th , 2018
Main Evaluation or ASA (1-4)	ASA 2

1.4 RSPO and other Certifications

RSPO certification	1-0003-04-000-00
Other certifications held	DNV: ISO 9001, ISO 14001, OHSAS 18001, ISO 22000 and FSSC 22000. IBD Organic. Ecosocial. JAS organic. BioSuisse, USDA Organic

1.5 General Description of Supply Base

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 231 outgrowers (family farmers and integrated growers), as seen in the table below. All of the above mentioned 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 39 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 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 and Agropalma, 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: During this audit Agropalma decided to include Parapalma mill to Agropalma multi-site and do not use more MB certification, considering that all production will be IP certified.

1.6 Location

Mill/Estate	Physical Address	Longitude	Latitude
Crai/Agropar Mill	Road PA 150, KM74, Direito - Tailandia, PA – Brasil	48°47'47.85°W	2°31'36.34"S
Amapalma Mill	Road PA 150, KM74, Direito - Tailandia, PA – Brasil	48°47'49.86°W	2°31'29.59"S
Agropalma Mill	Road PA 150, KM74, Esquerdo - Tailandia, PA – Brasil	48°42'17.65°W	2°32'34.06"S

CPA/Palmares Mill	Rodovia PA 150 Km 50, Esquerdo, Acará – PA – Brazil	48°35'11.78°W	2°15'10.54"S
Parapalma Mill	Rodovia PA 150 Km 74, esquerdo. Tailândia, PA. - Brasil	2°32'36.58" S	48°42'22.41 "W
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/XV	Rodovia PA 150 Km 74, Esquerdo. Tailândia/PA	48° 34'36"	2°35'48"
Departamento VIII/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 39 Integrated Outgrowers	Tailândia, Moju and Tome-Açú	Several	Several

1.7 Supply Base Statistics

Name	Plantation Area (Ha)		Annual FFB yield	Year(s) Planted	Date of Next Planting
	Total	Planted			
Departamento I	4839,63	4.686,58	65.872	2013;2010;1992 1991;1989;1988 1987;1986;1985	2035-2042
Departamento II	5.194,21	5.194,21	55.019	2013;2012;2010;1999;1994 ;19931992;1991;1984	2019-2043

Departamento III	7.554	7.554	135.835	1999;199 ;1997 1996;199 5;1992	2019-2046
Departamento IV	3.969,64	3.969,64	94.951	2001; 2000; 1999; 1998	2023-2026
Departamento V	6.173,71	5.958,65	108.897	2011;201 0;2007, 2004;200 2;2001	2026-2036
Departamento VI	4.053,25	2.825,01	37.808	2010, 2011, 2000, 2001, 1996, 1990, 1989	2025-2046
Departamento XV	4.148,52	4.148,52	75.312	2010;200 9; 2008;200 6	2031-2035
Departamento XVI	3.089,87	3.089,87	53.771	2010;200 9; 2008;200 7	2032-2035
Area Leased from Altino	506	506	7.634	2010; 2005; 2004; 2003; 2000; 1999; 1998	2023-2035
Family Farmers and Integrated Outgrowers	9029,9	8.242,51	140.147	2013;201 2;2011; 2010;200 9;200820 097;2006 ;2005 2004;200 3;2002;2	Several

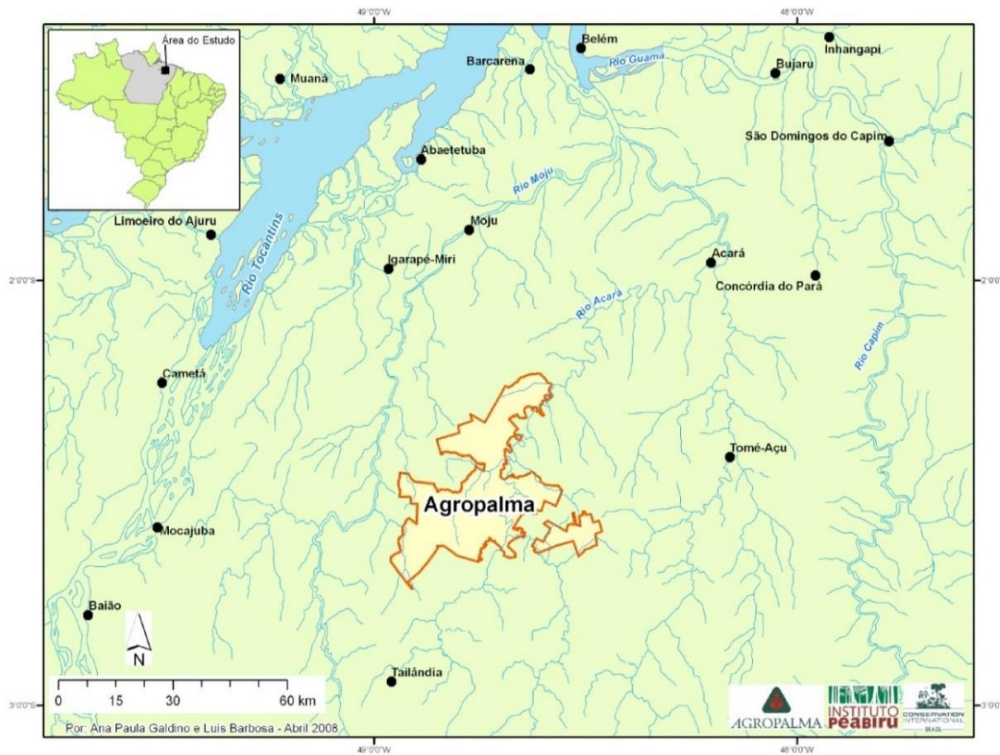
				001;2000 ;1999199 8;1986	
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1.8 HCV & HCS Areas				
Plantation	HCV Area		HCS Forest ¹	Total Conservation
Name	HCV category	Area (ha)	Area (ha)	Area (ha)
Departamento I	1 and 4	5.500	5.500	5.500
Departamento II	1 and 4	8.398	8.398	8.398
Departamento III	1 and 4	4.711	4.711	4.711
Departamento IV	1 and 4	5.958	5.958	5.958
Departamento V	1 and 4	11.695	11.695	11.695
Departamento VI	1 and 4	11.593	11.593	11.593
Departamento XV	1 and 4	6.791	6.791	6.791
Departamento XVI	1 and 4	8.578	8.578	8.578
Area Leased From Altino	None	0	0	0
Family Farmers and Integrated Outgrowers	1, 3, 4, 5 and 6	8.166	8.166	8.166

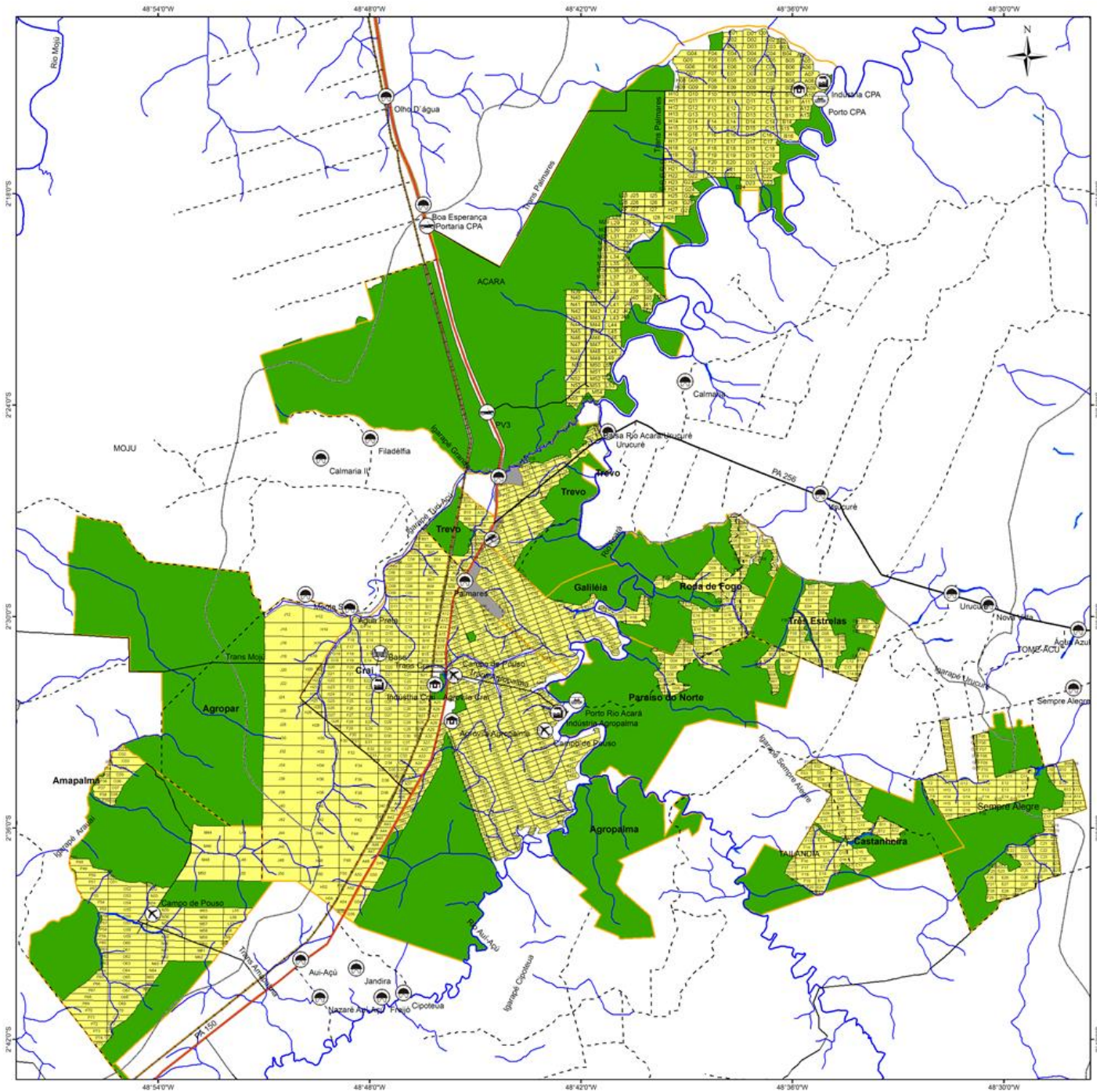
¹ Not Applicable if prior to 2014

1.9 Neighbouring Communities Map²

Mapa de Localização das Fazendas da Agropalma



² The map would show communities bordering, and/or directly affected by, the plantation operations



2. VERIFICATION PROCESS

2.1 Certification Body

Name	Accreditation Body	Accreditation Code	Expiration Date
IBD Certificações Ltda.	ASI (RSPO)	ASI-ACC-068 (RSPO)	November 02, 2019
Description: The accreditation obtained by IBD is for realize audit against P&C and SCC RSPO Standards;			

2.2 Verification Team

Name & Position	Qualification
Alvaro Garcia – Lead Auditor (AG)	Agronomist Engineer since 2002; Qualified as lead auditor for RSPO P&C and SCC Standards; UEET; and Organic Certification;
Dina Maria – Auditor (DM)	Food Engineer; Qualified as auditor for RSPO P&C and SCC Standards;
Maurício Malvoni – Auditor (MV)	Agronomist Engineer; Qualified as auditor for RSPO P&C Standards; lead auditor for Rainforest Alliance, 4C, UTZ and Organic Certification;

2.3 Verification Schedule

Date	Time	Location	Activity	Auditors
02/07/18	09:00 am	Agropalma Central Office – Tailândia/PA	Opening Opening meeting of P&C Audit - Team Presentation, ISO requirements for conducting the audit, audit plan, signing declaration of conflict of interest and answering questions	AG / DM / MV
02/07/18	10:00 am	Agropalma Central Office – Tailândia/PA	Meeting with Alcimara Santos/ Marcella Araujo/Carlos Maracanã to evaluate SCC Standard/ Principles 3 and 6	AG / DM / MV
02/07/18	12:00 am	Lunch Time	-----	-----
02/07/18	02:00 pm	Agropalma Central Office – Tailândia/PA	Meeting with João Martins/Alcimara Santos/ Marcella Araujo/Carlos Maracanã to evaluate SCC Standard/ Principles 3 and 4	AG / DM / MV
02/07/18	05:30 pm	Agropalma Central Office / Tailândia/PA	Closing Meeting of the day between company and auditors	AG / DM / MV

03/07/18	08:00 am	Agropalma Central Office / Tailândia/PA / Agropalma Mill	Meeting with Marcelo Bastos/ Tulio Dias/ Paulo Gaia/ Carlos Maracanã/Alcimara Santos and visit Agropalma Mill to evaluate SCC Standard/Principles 1, 2, 3, 4 and 6	AG / DM / MV
03/07/18	12:00 am	Lunch Time	-----	-----
03/07/18	02:00 pm	Agropalma Central Office – Tailândia/PA / Amapalma Mill / Agropalma Palm Production Fields	Meeting with Zeno Martins /Alcimara Santos; visit Amapalma Mill and Agropalma Fields to evaluate SCC Standard/Principles 1, 2, 3, 4, 5, 6 and 7	AG / DM / MV
03/07/18	05:30 pm	Agropalma Central Office / Tailândia/PA	Closing Meeting of the day between company and auditors	AG / DM / MV
04/07/18	08:00 am	Agropalma Central Office / Tailândia/PA / Integrated farmers	Meeting with João Martins /Alcimara Santos/ Igor Malus / Raimundo Junior / and visit Integrated Farmers to evaluate SCC Standard/Principles 2, 3, 4, 5, 6 and 7	AG / DM / MV
04/07/18	12:00 am	Lunch Time	-----	-----
04/07/18	02:00 pm	Agropalma Central Office / Tailândia/PA / Integrated farmers	Meeting with João Martins / Raimundo Junior/ Cristiane Paiva / Diego Rocha and visit Integrated Farmers to evaluate Principles 1, 2, 3, 4, 5, 6 and 7	AG / DM / MV
05/07/18	08:00 am	Agropalma Central Office / Tailândia/PA / Integrated farmers	Meeting with Katia Delmonte / Raimundo Junior/ Alcimara Santos / visit CPA Mill and Integrated Farmers to evaluate SCC Standard; Principles 2, 3, 4, 5, 6 and 7	AG / DM / MV
05/07/18	12:00 am	Lunch Time	-----	-----
05/07/18	02:00 pm	Agropalma Central Office / Tailândia/PA / Integrated farmers	Meeting with Ricardo Martins / Willian Oliveira / Stakeholders and visit Integrated Farmers to evaluate Principles 1, 2, 3, 4, 5, 6 and 7	AG / DM / MV
05/07/18	05:30 pm	Agropalma Central Office / Tailândia/PA	Closing Meeting of the day between company and auditors	AG / DM / MV
06/07/18	08:00 am	Agropalma Central Office / Tailândia/PA /	Meeting with João Martins and visit Agropalma Palm Fields to evaluate Principles 2, 3, 4, 5 and	AG / DM / MV

		Agropalma Palm Production Fields		
06/07/18	12:00 am	Lunch Time	-----	-----
06/07/18	02:00 pm	Agropalma Central Office / Tailândia/PA	Closing meeting - Presentation the audit results, ISO requirements for conducting the audit, questions of clarification and thanks	AG / DM / MV

2.4 Stakeholder Consultation Overview

During the audit planning was verified the official list of stakeholders updated by Agropalma and considering its features the most relevant external stakeholders to be interviewed were chosen. In total, were indicated and invited 76 stakeholders, among them representatives of local communities and associations, unions, representatives of family farmers, integrated out growers and NGOs and government agencies.

The auditor traveled to meet the stakeholders, who replied the invitations, in their work places and homes. Interviews were made without Agropalma S.A. personnel to guarantee free expression to answer the questions presented respecting the confidentiality in case of filing a complaint.

During interviews it was evidenced the good relationship between AGROPALMA and the consulted stakeholders.

2.5 Stakeholders Consulted *(Stakeholder identities are confidential)*

Stakeholder Type ³	# of Women	# of Men	Nationality	Role in community or job performed	Demographic
Workers	10	51	Brazil	Agropalma Worker	Tailândia, Acará, Tomé-Açú – PA
Indigenous People	0	0	--	---	-----
Community members	2	1	Brazil	Representative of Turiaçú and Esmeralda community; Resident of Vila Agropalma;	Tailândia and Acará – PA

³ Some stakeholder types may not be applicable

Contractors	1	7	Brazil	Logistic; Driver; Food Service; Patrimonial Surveillance; Mechanical; Health Plan	Tailândia – PA
Management and supervisor staff	10	17	Brazil	Management, supervisor of Agropalma	Tailândia and Acará – PA
National government	0	0	--	---	-----
Local government	0	0	--	---	-----
Non- Governmental Organisations	0	0	--	---	-----
Other	0	2	Brazil	Rural Worker Union	Tailândia – PA

2.6 Selection of Sites (*Sampling methodology*)

Considering the demand of estates needed to be sampled, was visited:

- Department I, II, XVI (totalizing 9 lots),
- 8 smallholders;
- 5 integrated farmers;

The methodology adopted to choose these areas was considering that this was the first audit, the logistic and the presence of the responsible people to attend the auditors;

2.7 Conformance Classification System

The findings from the evaluation are classified as follows:

- **Conformance:** when the evidence in the finding demonstrates that all the indicator requirements are fulfilled.
- **Partial Conformance:** when the evidence in the finding demonstrates partial compliance with the indicator requirements
- **Non-Conformance:** when the evidence in the finding indicates that compliance with the indicator has not been demonstrated

- **Not Applicable:** Some of the indicators can also be not applicable when the condition of the verified company during the verification does not meet the applicability of the indicator

When non-conformance or partial conformance with critical POIG indicators occurs, the company cannot be considered POIG verified until the non-conformance(s) have been corrected.

VERIFICATION CHECKLIST

****NOTE: The major Indicators for each section are highlighted in red**

POIG Indicators	Verification Finding	Conformance
1. Environmental Responsibility		
1.1 High Carbon Stock and High Conservation Values The link between oil palm expansion and deforestation will be broken through undertaking a High Carbon Stock (HCS) approach in addition to a High Conservation Value (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).		
1.1.1 Prior to establishing new plantations or expanding existing ones, ⁴ in addition to or integrated with a HCV assessment, ⁵ a HCS approach ⁶ which combines biodiversity, carbon conservation and social considerations (including community needs) has been conducted.	<p>An executive report on the evaluation of socio-environmental impacts (AISA), high conservation values (HCV), carbon stock and greenhouse gas (GHG) emissions by OrbisExceller in December / 2017 was prepared by the leading advisor Arthur Wiczorek (No HCVRN-ALS14003AW) for new plantations to be carried out in eight producers, totaling 4,789.82 hectares suitable for palm plantations.</p> <p>HCS – Not applicable. Planting was done in pasture area (Low Carbon Stock;</p>	Conformance

⁴ Does not apply to infill areas less than 2 hectares, provided this is not encroaching on protected lands (e.g. riparian zones, HCV, etc.). Where the previous HCS assessments are older than 3 years, a new assessment would need to be conducted.

⁵ This must be carried out by a licensed assessor under the HCVRN scheme.

⁶ Currently the [HCS Approach](#) and definitions are the only practical approach available. An HCS assessment is not required for areas entirely composed of non-native vegetation.

1.1.2 HCS forest areas are identified and mapped.	The forests of Agropalma, smallholders and integrated farmers are identified and mapped, as was showed at Agropalma's maps and for integrated farmers that will make new planting;	Conformance
1.1.3 After March 2014 no new plantings take place in HCS forest areas identified for conservation.	No planting in HCS areas;	Conformance
1.1.4 Community participatory mapping has identified and mapped garden and future farmlands ⁷ that are fundamental to meeting their basic food needs over the license period of the plantation, and excluded them from being considered HCS forest.	Agropalma's and farmers' s areas are private. There is no use of community areas for palm plantations;	Not Applicable
1.1.5 HCS forest areas are actively conserved as part of a community participatory land use plan including FPIC, ⁸ and an integrated conservation and land use plan (that includes HCV areas, riparian zones, and peatland areas).	Agropalma's and farmers' s areas are private. There is no use of community areas for palm plantations;	Not Applicable
1.1.6 A summary report of the HCS assessment including maps is made public.	No planting was carried out in areas characterized as HCS, nor did they contain native species;	Not Applicable
Recommendations:		

⁷ Applies to lands where communities have legal, customary or user rights to the land.

⁸ Applies to lands where communities have legal, customary or user rights to the land.

1.2 Peatland <ul style="list-style-type: none"> No peat clearance: All areas of undeveloped peatlands (peat of any depth) are protected and all drainage, fires or road building on peat soils is prohibited. Maintenance of peatlands: Water tables are managed in existing plantations on peat in order to minimise both the subsidence of the peat and the release of GHG emissions. Strategies are employed to progressively restore critical peatland ecosystems, with a preference for replanting on mineral soils, including via 'land swaps'. 		
1.2.1 Undeveloped areas of peatland (of any depth) are not developed or drained.	Has no peat soil;	Not Applicable
1.2.2 Fires and road-building on peat soils are prohibited.	Has no peat soil;	Not Applicable
1.2.3 Where there is existing planting on peat, critical peatland ecosystems are identified and assessed for restoration opportunities.	Has no peat soil;	Not Applicable
1.2.4 Based on the results of the assessment above (1.2.3), peatland restoration strategies that are time-bound and expert reviewed are developed and implemented, including those to replant on mineral soils using 'land swaps'.	Has no peat soil;	Not Applicable
1.2.5 For existing plantings on peat, records show that the water table is maintained (at an average of 50cm (between 40 - 60 cm)	Has no peat soil;	Not Applicable

<p>below ground surface measured with groundwater piezometer readings, or an average of 60 cm (between 50 - 70 cm) below ground surface as measured in water collection drains) through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and water gates at the discharge points of main drains (RSPO Criteria 4.4 and 7.4).</p>		
<p>1.2.6 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 GHG emissions, fires, flooding and/or saltwater intrusion, growers cease replanting and implement rehabilitation.</p>	<p>Identified that has no planting on areas unsuitable for palm tree;</p>	<p>Not Applicable</p>
<p>1.2.7 A report will be made public that includes assessments and maps of all peatlands (of any depth) within the company land bank, critical peatland ecosystems, planted peatlands, and degraded or planted areas identified for peatland restoration.</p>	<p>Has no peat soil;</p>	<p>Not Applicable</p>

Recommendations:		
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 GHG emissions (per ton of CPO).		
1.3.1 All sources of GHG emissions, including those related to land use and non-land use activities, are identified and monitored using the RSPO PalmGHG methodology or equivalent. ⁹	Evidenced the use of latest version of PalmGHG calculator by Agropalma;	Conformance
1.3.2 Targeted reductions of non-land use related GHG emissions (per tonne of CPO) and/or targeted adoption of technologies or techniques which reduce global emissions of CO ₂ eq are defined and documented.	<p>The company has the internal management programs called Sifrota and Siman for the management of the fossil fuel consumption in the vehicles / tractors and generators of the industries respectively for the whole group Agropalma.</p> <p>For mills, the CPA plant is the only one that makes use of fossil fuel consumption and there is an established target for the year. The others use 100% of biomass.</p> <p>The company has fuel consumption reduction target plans as part of its annual budget over consumption in the previous year and estimation for the following year. As an action to reduce fuel consumption, it started this year the optimization of fleet use, with reduction of the number of vehicles and is being implemented</p>	Conformance

⁹ The latest version of the RSPO PalmGHG methodology must be used.

	<p>system of distribution of energy generated in Parapalma for the Agropalma plant, with a view to reducing consumption.</p> <p>As a plan to reduce / mitigate the impacts the company presents the link below, available for open consultation, its strategy for reducing greenhouse gas emissions, and has already completed the installation of the new set of ponds for anaerobic treatment of waste generated at the plant, with a deadline of 2021 for the installation for capture and burning of industrial generated methane gas.</p> <p>http://www.agropalma.com.br/responsabilidade-socioambiental/politica/gestao-de-gases-de-efeito-estufa</p>	
<p>1.3.3 Annual GHG emissions from all sources and progress towards the targets documented in 1.3.2 are publicly reported.</p>	<p>Published in the Agropalma website the emission data for 2016. The 2018 Sustainability Report containing data for 2017 will be published in 2018. Public summary report RSPO will be available for consultation on the RSPO website;</p>	<p>Conformance</p>
<p>Recommendations:</p>		
<p>1.4 Pesticide use minimisation</p> <p>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 preference practice natural weed and pest control and IPM, and strive to avoid the use of toxic pesticides, only using them as an absolute last resort. There shall be full transparency of any pesticide use.</p>		
<p>1.4.1 Highly toxic, bio-accumulative and persistent pesticides (PBT) are prohibited. This includes chemicals listed by the following: a) World Health Organization Class 1A or 1B,</p>	<p>There is no use of prohibited pesticides. The only agrochemical used is glyphosate as a herbicide;</p>	<p>Conformance</p>

<p>Stockholm or Rotterdam Conventions, b) FSC 'Highly Hazardous' list, c) SAN prohibited pesticide list and d) Paraquat.</p>		
<p>1.4.2 The grower preferences natural weed and pest control and IPM.</p>	<p>Currently, the use of pesticides for pest and disease control is based on biological products and pheromone traps. Herbicide applications and spraying of biological insecticides are performed mechanically, there is no aerial spraying. Weed management is alternated between herbicide application in the line between planting and brushing and manual crowning plants. When done, herbicide preparation occurs in the field using the signaling and equipment necessary to avoid accidental spillage. Herbicide applications are not carried out in areas near watercourses.</p> <p>Evidenced the Specific Procedure Standard - NPE-GFIT-003, revision 00, dated 12/09/17 referring to the Integrated Pest and Disease Management Plan. Defines the responsible, classifies damage agents, establishes damage levels, and methods of control and field monitoring.</p> <p>It has a table identifying the main diseases and pests, category of damage, frequency of monitoring, level of damage, type of control and definition. Currently, the only type of pest control is the dispersion of shelters contaminated by entomopathogenic fungi (B. Sophorae) and endemic virus dispersion found in dead worms (O. inviare, Talima sp, Acharia s, and use of Bacillus thuringiensis). The other controls are mechanical and behavioral.</p>	<p>Conformance</p>
<p>1.4.3 Emergency use of listed pesticides is permitted subject to POIG Organising</p>	<p>Has no use of any pesticides listed by POIG;</p>	<p>Not Applicable</p>

Committee approval.								
Recommendations:								
<p>1.5 Chemical fertiliser To reduce climate and environmental impacts producers shall strive to minimise chemical fertiliser use, and preferentially use ‘precision agriculture’, organic fertilisers, and where possible use waste as a source of phosphorus. Phosphorus and nitrogen levels in water courses are monitored and disclosed.</p>								
<p>1.5.1 Use of chemical fertilisers is minimised through producers demonstrating preferential use of alternatives¹⁰ to manage soil fertility.</p>	<p>As a management strategy, the use of biomass generated in the industry as fertilizers, as well as the use of green fertilization and phosphorus sources of low solubility.</p> <p>Verified the adoption of an additional strategy using input for immobilization of aluminum to increase root depth and improve soil nutrient utilization;</p>	<p>Conformance</p>						
<p>1.5.2 Phosphorus and nitrogen levels in relevant watercourses are monitored and when the results of monitoring indicate an increased level of such elements in water due to fertiliser application, company will adjust fertiliser rates and procedures.</p>	<p>Verified a map of phosphorus and nitrogen analysis points in “igarapés” (a kind of stream) and rivers (total of 8 collection points) performed on 12/20/2017, during which fertilization is done. There is a plan for the reduction (optimization) of fertilizer use as a strategy to reduce costs, due to the history of drought in recent years and a reduction of the demand for nutrient;</p> <table border="1" data-bbox="768 1133 1549 1274"> <thead> <tr> <th data-bbox="768 1133 1037 1243">Capture point (Ref. Collect date 12/20/17)</th> <th data-bbox="1037 1133 1306 1243">Nitrogen Result (Ref. Max 3.7 mg / l)</th> <th data-bbox="1306 1133 1549 1243">Phosphorus Result (Ref. Max 0.050 mg / l)</th> </tr> </thead> <tbody> <tr> <td data-bbox="768 1243 1037 1274" style="text-align: center;">1</td> <td data-bbox="1037 1243 1306 1274" style="text-align: center;">0,50</td> <td data-bbox="1306 1243 1549 1274" style="text-align: center;">0,005</td> </tr> </tbody> </table>	Capture point (Ref. Collect date 12/20/17)	Nitrogen Result (Ref. Max 3.7 mg / l)	Phosphorus Result (Ref. Max 0.050 mg / l)	1	0,50	0,005	<p>Conformance</p>
Capture point (Ref. Collect date 12/20/17)	Nitrogen Result (Ref. Max 3.7 mg / l)	Phosphorus Result (Ref. Max 0.050 mg / l)						
1	0,50	0,005						

¹⁰ Alternative methods include: ‘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 bunches.

	2	0,90	0,005	
	3	0,80	0,005	
	4	0,60	0,005	
	5	1,50	0,005	
	6	2,40	0,005	
	7	1,40	0,005	
	8	1,60	0,005	
1.5.3 Results of phosphorous and nitrogen monitoring in water courses are included in public reporting.	Publication made in the Sustainability Report in 2016 on Agropalma's website with reference to the years 2014 and 2015 (Ref Item "Protecting and Conserving Water Resources" and page 37).			Conformance
Recommendations:				
1.6 GMOs prohibition The cultivation of GMOs in the management area is prohibited.				
1.6.1 The use of GMOs in the management area is prohibited.	There is no cultivation of GMO species;			Conformance
Recommendations:				
1.7 Water accountability The quality and quantity of water is maintained with responsible water management adopted including minimisation and disclosure of water use, pollution elimination, equity with other users, and consideration of catchment level impacts of irrigation.				
1.7.1 Water use, consumption and pollution by plantation operations and mills	Verified the Water Resources Management and Management Plan (NPG033, Ver. 1 of 02/07/2018), which establishes procedures for			Conformance

<p>are monitored.</p>	<p>water management and use in the administrative, agro-industrial, agricultural and industrial sectors and effluent disposal.</p> <p>For the emission of effluents, the company has an authorization to launch water resources, according to document No 2344/2015, due on 12/13/2019 to launch effluent in the “igarapé da portaria”.</p> <p>Presented spreadsheet generated in seedling nursery of water consumption in June / 2018 related to the Authorization No 2596/2016 valid until 15.08.2020 with consumption permit 2,119 m3 / day that shows the indicated range, with average consumption of 624 m3 / day (considering that they are in the dry season).</p> <p>Report of Analysis No 1598 of Well 01 of Vila Agropalma ref. to May / 2018 with parameters suitable for consumption considering the legislation 2914/2011 / Anvisa.</p>	
<p>1.7.2 The water management plan includes targets and measures to minimise and/or reduce water use, consumption, and pollution, including in both plantations and mills.¹¹</p>	<p>Verified as strategy for water management the adequate maintenance of industrial equipment; adoption of better extraction technologies to reduce water consumption; use of water in the nursery area based on the measurements of four meteorological stations and based on soil water balance; the effluents treated in POME's are distributed by means of self-propelled hydraulic cannon in the growing areas without addition of water and based on a rolling plan in the areas; and the reuse of water from the industries for cleaning.</p>	<p>Conformance</p>

¹¹ The scope is the entire area under management. The plan distinguishes among water that is used and that is consumed (e.g. disappears in industrial processes). It includes specific reduction targets, as well as pollution abatement measures.

<p>1.7.3 Water use, consumption and pollution by plantations and mills are included in public reporting.</p>	<p>Published at the Sustainability Report available on the Agropalma website containing indication of the BOD level of industrial effluents; and the water consumption per processed FFB (Item "Protect and Preserved Water Resources"). In addition, at the RSPO report published on the Agropalma website is informed the water consumption per FFB produced;</p>	<p>Conformance</p>
<p>1.7.4 A water stewardship assessment is undertaken involving relevant stakeholders to address water equity issues.¹²</p>	<p>Verified that there is no council created by Agropalma with a view to discussing with the surrounding communities issues related to water use.</p> <p>As justification, it was contextualized that there is no conflict over the use of water, there is a low population density in the surroundings, the annual rainfall is high (> 2.5000 mm) and in addition there was a previous evaluation by the government state regarding the granting of the concession for use by the company;</p>	<p>Not applicable</p>
<p>Recommendations:</p>		
<p>1.8 Protect and conserve wildlife Following comprehensive biodiversity surveys to identify HCV 1-3, in addition to ensuring the protection and survival of all rare, threatened or endangered species (RTE) within their concession land, concession holders also make a positive contribution to their survival in the wild in areas beyond the concession.</p>		
<p>1.8.1 Comprehensive biodiversity surveys to identify HCV 1-3 have been undertaken.</p>	<p>For the last 12 months was developed an executive report with the high conservation values (HCV), including 1-3 by OrbisExceller in</p>	<p>Conformance</p>

¹² A plan to engage relevant stakeholders is available, which entails steps towards their engagement to arrive at an equitable and sustainable use of shared water resources.

	December / 2017 for new plantations to be carried out in eight producers, totaling 4,789.82 hectares suitable for palm plantations.	
1.8.2 Management plans for all rare, threatened or endangered species include actions for their protection, survival, and prevention of poaching, in the landscape outside the management area. ¹³	<p>Agropalma have complete and updated management plans, with actions, for RTE species.</p> <p>There is an agreement between Agropalma and CI (Conventional International) in order to carry out the conservation programs for Belém’s Endemism Center (CEB). As actions established in the contract signed in 2016 is established:</p> <ul style="list-style-type: none"> - Territorial characterization of CEB with creation of geospatial, beobiophysical and socioeconomic databases; - Identification of areas for conservation and restoration within CEB; - Creation of the collaborative platform for palm for the CEB, beginning partnerships with other companies of the sector; - Creation of the "Palm Dialogue" group with other palm companies, NGOs and Academy; 	Conformance
1.8.3 The RTE management plan takes into consideration traditional hunting by	The company does not permit the communities access to the forest areas for hunting, thus it is prohibited by the law. The company’s	Conformance

¹³ Examples of positive actions for the survival of RTE species outside the plantation or concession boundaries include: environmental education programmes with neighbouring communities; business contracts with smallholders/others that include specific clauses requiring no poaching and other protection measures; reporting illegal activities to environmental/other appropriate agencies; hiring patrols for monitoring outside the concession boundary (if permitted by law); engagement with specialised NGOs or other organisations to work on species and habitat conservation; funding for protected areas outside of concession boundaries; engaging with and supporting adjacent landowners or concession holders in identifying and protecting habitats located outside boundaries that are used by RTE species for reproduction, migration, feeding, and shelter/roosting.

<p>communities outside the management area and includes specific activities to contribute to the protection and survival of RTE species affected by hunting.</p>	<p>areas are monitored to avoid the entry of hunters, as well monitoring the movement of hunters in the surrounding areas;</p>	
<p>Recommendations:</p>		
<p>2. Partnerships with Communities</p>		
<p>2.1 Free, Prior and Informed Consent 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, 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>2.1.1 Resourced access to independent expert advice is offered at each stage of an FPIC or conflict resolution process to affected communities.</p>	<p>The areas are private and there is no use by Agropalma and partner producers of community areas;</p>	<p>Not applicable</p>
<p>2.1.2 Processes of consultation and negotiation, in accordance with internationally recognised FPIC standards, are not constrained by local legal frameworks.</p>	<p>The areas are private and there is no use by Agropalma and partner producers of community areas;</p>	<p>Not applicable</p>

<p>2.1.3 When acquiring land or replanting existing plantations, measures are taken to redress any issues arising from the lack of or inadequate FPIC processes carried out when those plantations were established. In such cases, participatory surveys will be conducted to identify HCVs 4, 5 and/or 6 that existed before the plantation was established.</p>	<p>The areas are private and there is no use by Agropalma and partner producers of community areas;</p>	<p>Not applicable</p>
<p>2.1.4 Plantations have not been developed on land acquired through expropriations in the national interest (eminent domain) after March 2014.</p>	<p>Didn't occur land acquired through expropriations in the national interest;</p>	<p>Not applicable</p>
<p>Recommendations:</p>		
<p>2.2 Food security As part of the Free, Prior and 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 systems. There is transparency of the land allocation process.</p>		
<p>2.2.1 Food security for workers, smallholders, and indigenous and local communities affected by existing plantations is assessed and included in a social management plan. The scope of the food security assessment includes the additional</p>	<p>Planting is done in own areas and without access to community areas for cultivation;</p>	<p>Not applicable</p>

<p>impacts that oil palm production operations may have, including on land, water, labour and infrastructure as well as substitutability between income generation for food purchase and subsistence food production of workers, smallholders and affected communities.</p>		
<p>2.2.2 After March 2014, in new plantations or expansion of existing plantations, a minimum of 0.5 ha¹⁴ of garden or farmland per person is identified via participatory mapping, and enclaved for meeting food security needs.</p>	<p>Planting is done in own areas and without access to community areas for cultivation;</p>	<p>Not applicable</p>
<p>2.2.3 Measures designed to maintain or enhance local food security are included in participatory land use planning, including transparency in any land allocation process.</p>	<p>Planting is done in own areas and without access to community areas for cultivation;</p>	<p>Not applicable</p>
<p>2.2.4 Evidence that measures identified in assessments and planning are being implemented and are effective.</p>	<p>Planting is done in own areas and without access to community areas for cultivation;</p>	<p>Not applicable</p>
<p>Recommendations:</p>		
<p>2.3 Effective conflict resolution</p>		

¹⁴ The area may be outside the concession, and it may exceed the minimum of 0.5 ha per person (in a family unit of indigenous or local communities) depending on fallow periods, garden and farming systems, soil fertility etc.

<p>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 satisfaction of the parties. 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>		
<p>2.3.1 The mutually agreed and documented system for dealing with complaints and grievances is accessible to all affected parties.</p>	<p>There is a procedure for complaints and grievances drawn up jointly with interested parties. Supplemented by procedures "Demand Stakeholders" which guarantees anonymity, if requested.</p> <p>Communication channels:</p> <ul style="list-style-type: none"> - ALO AGROPALMA: 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. - Agropalma website: there is a link to send your commentaries (complaints, questions, suggestions, compliments): <p>reclamacoesequeixas@Agropalma.com.br</p>	<p>Conformance</p>
<p>2.3.2 The system provides a clear and known procedure with an indicative time frame for each stage.</p>	<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. The procedures are available to all parties under request.</p> <p>Procedure : Document code NPG 16, revise 14, dated 1907-2016, elaborated by Cristiane Paiva and approved by Tulio Dias;</p>	<p>Conformance</p>

<p>2.3.3 The system keeps parties to a grievance informed of its progress.</p>	<p>The procedure establishes that responses should be given in maximum 3 weeks. It is also possible to check the status of grievances, under request.</p>	<p>Conformance</p>
<p>2.3.4 The system includes the options of a) access to independent legal and technical advice; b) support from representatives of local communities' own choosing, and c) third party mediation.</p>	<p>It was verified, through register of emails and interviews with involved persons (from company and affected by the company), that was presented to the persons affected by the activity carried out by Agropalma a communiqué containing the Agropalma's complaint procedure where declare that the claimant has the right to consult technical and legal advice and also get support from elected local community representatives by themselves;</p>	<p>Conformance</p>
<p>2.3.5 Evidence that where conflicts have arisen the conflict resolution mechanism is being used and outcomes are considered mutually agreed including by affected parties.</p>	<p>According to the complaints received on the last 12 months, it was verified that there was no record conflicts.</p> <p>Verified the document "Follow-up of the Stakeholder Registers - Community and Alo Agropalma 2018". Includes: date, origin (internal / external), subject description, Complaint / Questioning / Suggestion, relevance, responsible, accomplished and closing (consolidated occurrences);</p>	<p>Not applicable</p>
<p>2.3.6 Evidence that outcomes and remedies resulting from use of the mechanism are compatible with internationally recognised human rights.¹⁵</p>	<p>According to the complaints received on the last 12 months, it was verified that there was no record of a situation characterized as a conflict.</p>	<p>Not applicable</p>
<p>Recommendations:</p>		

¹⁵ The [Universal Declaration of Human Rights](#), adopted by the UN General Assembly in December 1948, establishes internationally recognised human rights.

<p>2.4 Social conditions</p> <p>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>		
<p>2.4.1 Social impact assessments and plans for the avoidance or mitigation of impacts address the issues of potential human rights violations, social conflicts, impacts of migrant workers on local communities, and land grabbing.</p>	<p>A Social Impact Assessment (SIA) was performed by the company. 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>On pages 1-2 of the SIA there is mentioned of the problems that the study area faces, according with the consulted stakeholders, between them: shortness of health services (25%), waste collection service (15.5%), potable water services (13.9%)</p> <p>On chapter 8 of the SIA there is mention of the impacts that Agropalma Group has in the region.</p> <p>On page 8 there is mention of the communities impacted by the community program to be developed by AGROPALMA: Tailandia, Moju, Tomé Acú, Acará.</p> <p>In order to identify social impacts to promotes the positives ones and mitigate the negatives impacts, AGROPALMA continues working with the Local Peabiru Institute (Belém-Pará).</p> <p>Commitments of Institute Peabiru:</p> <ul style="list-style-type: none"> - Provide qualified team for the execution of activities; 	<p>Conformance</p>

	<ul style="list-style-type: none"> - Add actors and special forces, promoting innovative solutions to meet the challenges and qualify actions at the beginning of each project; - Peaburi should elaborate a work schedule; - Elaborate participatory diagnosis; - Elaboration of the Agenda 2030 with the ODS (Sustained Development Objectives); - A participatory workshop with focus groups, such as gymnastics competitions, artistic activities and cultural and events; - Each year Peabiru must present two reports one each four months and another one annual report. <p>All producers interviewed showed a significant improvement in their life quality and in the same way in the local economy.</p>	
<p>2.4.2 Social impact assessments and plans for the avoidance or mitigation of impacts address key equity issues, including housing, healthcare, education, and empowerment of women.</p>	<p>As result of the Social Impact Assessments Agropalma Group provides adequate infrastructure and educational opportunities for its employees. Improves Infrastructure of villages, contributes to improve health services, leisure options (clubs and social programs) and educational development programs (school, adult education). Water supply comes from pits made by the company and water quality is monitored according to the law every six months.</p> <p>As an action for Women's Empowerment was verified gender equity activities with introduction of women into activities previously performed by men, such as FFB cut activity, tractor operator, truck driver, etc, and besides that Balance of Young Apprentice Program with 50 % of women;</p>	<p style="text-align: center;">Conformance</p>

Recommendations:		
<p>2.5 Workers' rights Palm oil producers shall respect worker's rights including the International Labour Organization (ILO) requirements for 'decent work' and core conventions on child labour, forced or compulsory labour, freedom of association, and elimination of discrimination.</p>		
Terms and contracts of employment		
<p>2.5.1 Permanent, full-time employment is used for all core work performed by the company. Casual, temporary and day labour is limited to jobs that are genuinely temporary or seasonal, and account for no more than 20% of the workforce.</p>	<p>Agropalma's workforce working in core activities is contracted in a permanent way and are full time workers. All workers are permanent workers and have signed contracts as verified during interviews performed to workers on the field and mills and confirmed through documental review. Standardized contracts are signed by employees and employer, with support orientation of the union and the company. There are no migrant workers at the company and the company does not have the practice of contracting temporary or casual workers.</p> <p>Even for the employees hired through other companies contracted to realize specific activities like maintenance, food service, transportation and for patrimonial surveillance was verified that Agropalma has procedure to guarantee that these workers have a signed contract.</p>	<p style="text-align: center;">Conformance</p>
Remuneration		
<p>2.5.2 A living wage assessment for all workers, whether employed directly by the company or indirectly by a private employment agency, is conducted based on</p>	<p>Evaluation was done by Agropalma's internal team through a study called "Salary Survey of Welfare", which is an applied research in the agribusiness of the oil palm in the region of Thailand / PA with Agropalma Group workers and was carried out in April / 2018.</p>	<p style="text-align: center;">Conformance</p>

<p>a credible methodology.¹⁶</p>	<p>This survey was based on interviews with 53 employees (direct and outsourced) using the Anker & Anker (2015) methodology based on the lowest salaries paid by the company, which receive 10% above the minimum wage.</p> <p>The calculation took into account the demand for food consumption, cost of food in the local market, housing costs based on a concept of adequate housing and rental of real estate, public service costs, non-food and non-housing expenses, provision for contingencies to guarantee sustainability (5% from the previous expenses), reaching the net welfare salary of R\$ 1,645.23.</p> <p>As a complementary evaluation, a survey was made of the lowest salary paid by the Agropalma Group (for general services), where considering the minimum wage defined by the company (above Brazil) and other benefits, totaled R\$ 1974.28. If we consider productivity bonuses, the salary may be even higher.</p> <p>By way of conclusion, it was found that the salary paid including the benefits is 8% higher for the lower salary and 38% higher for the field workers who also receive for productivity bonuses.</p>	
<p>2.5.3 Wages are paid to all workers regularly, on time, directly to the worker and in legal tender or cheque.</p>	<p>All employees interviewed had confirmed the payment according with the law and previous agreement made with the company and considering their work contract.</p>	<p>Conformance</p>

¹⁶ A methodology for measuring the living wage has been established by the [Global Living Wage Coalition](#), a group of six international, multi-stakeholder standard-setting initiatives. A [report](#) published by the International Labor Organization (ILO) also reviews methodologies to estimate a living wage.

	The paychecks are issued monthly directly to the workers on time and describe with proper language what is being paid. Employees receive and are reported in the local language;	
2.5.4 Wage advances, loans and deductions are legal, recorded, communicated and available to workers upon request, and do not result in debt bondage.	Workers receive payslips where all earnings and deductions are detailed. All deductions are deductions approved by law or have been previously approved by the worker.	Conformance
2.5.5 All workers, including casual, temporary, seasonal and migrant workers, are provided compensation and benefits consistent with applicable law, including health, pension and social security.	All interviewed employees had confirmed that they receive salaries / payments according to the law and previous agreements made with the company. The company fully complies with labour law and workers receive all benefits established by law as paid holidays, 13 th. salary, INSS (tax for the Social Insurance National Institute), FGTS (Time of Service Guarantee Fund) and others. Beyond that, all employees have access to a Health Plan, receive subsidised meals at company restaurants or at the field.	Conformance
Working hours and leave		
2.5.6 The normal work week does not exceed 48 hours, not including overtime, and workers are entitled to at least one day off in 6 consecutive days. Overtime in excess of what is permitted by law is prohibited, and workers report that all overtime is voluntary.	According to the Collective Agreements signed by the company and Union and the interviews made during the audit mills work with three shift (8 hours per shift) minimizing the necessity of extra hours of work. At the field, there are no extra hours. Workers indicated that they do not work more than 48 hours a week and the working schedule contemplates one day off after 6 consecutive days of work. In the case of necessity to work extra hours, the workers were clear to inform that they are free to refuse and receive additional benefits;	Conformance
2.5.7 All workers are provided legally mandated public holidays and periods of leave consistent with applicable law, including paid annual, parental,	According to the Collective Agreements signed by the company and Union and the interviews made during the audit was verified that Agropalma respect Brazilian labour law and all employees enjoy public holidays and periods of leave. For example, the women have	Conformance

<p>compassionate and sick leave. Workers not covered under applicable laws are entitled to equivalent benefits.¹⁷</p>	<p>the minimum of 4 months for maternity and when happened a sick or accident the employee has the right to leave during the required time and receive benefit wages during this period. Beyond that, Agropalma pays the additional salary related with vacations and other additional payments required by law or negotiated via collective agreements with the unions.”</p>	
<p>2.5.8 Records are maintained and demonstrate that hours of work do not exceed the maximum allowed by local law, regulation or collective agreement or 48 hours (per 2.5.5 above), whichever is lower.</p>	<p>The records and registers of working hours were checked and were found to be in compliance.</p> <p>As reference, it was taken note of the monthly register of the employee with code 24630, where describe the labor journey, the salary, benefits and discounts that the company has to do according the law;</p>	<p>Conformance</p>
<p>Child labour</p>		
<p>2.5.9 A clear policy and compliance system is in place that prohibits child labour and its worst forms and sets the minimum age for employment consistent with applicable law.¹⁸</p>	<p>Verified the Conduct Manual, signed by each employee, that child labor is forbidden, however, it is established on item 7:34, mentions that work for children under 18 years may occur provided that the child is at least 14, will not affect school attendance, is protected by specific contracts signed by company and government agency, will perform administrative functions as an apprentice.</p>	<p>Conformance</p>
<p>2.5.10 Young workers legally permitted to work but subject to compulsory education laws only work outside school hours.</p>	<p>According with the Conduct Manual and interviews made during the audit children under 18 years may realize administrative</p>	<p>Conformance</p>

¹⁷ Entitlements for workers not covered under applicable law will be calculated on a pro rata basis, in proportion to the entitlement of a similar full-time worker.

¹⁸ Per ILO Convention 138 on the Minimum Age for Admission to Employment and Convention 182 on the Worst Forms of Child Labor.

	functions and are protect under specific contracts signed by the company and government agency.	
2.5.11 The company maintains an up-to-date list of hazardous activities and functions in the workplace that are prohibited for young workers consistent with or exceeding national regulation, where applicable.	In order to establish the risk for each activity has 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 (Program for Environment Risks Prevention) which measures should be taken to avoid exposure to risk by the employee. For the young workers is permitted realize only administrative function without any contact with hazardous situations.	Conformance
Forced or trafficked labour		
2.5.12 No fees or costs are charged to workers, directly or indirectly, for recruitment or employment services by recruitment agencies, private employment agencies or the employer. Where it is discovered that fees have been charged, workers are reimbursed the total amount paid.	Verified that the recruitment agency hired by Agropalma only indicates the employee suitable for the function of interest and Agropalma is the one who selects and directly effective the hiring, without the involvement of third parties. No fees are charged to workers, directly or indirectly.	Conformance
2.5.13 The retention of passports, other government-issued identification and any personal valuables by the employer or third-party recruitment or employment agency is strictly prohibited in policy and monitored in practice.	Was verified, through documentation and interviews with employees, that Agropalma does not practice the retention of personnel documents of employees. This practice is forbidden according to Brazilian law and Agropalma respect this right.	Conformance

<p>2.5.14 Growers and millers conduct a risk assessment of their Fresh Fruit Bunches (FFB) supply chain to identify and take steps to address risk of forced labour, human trafficking and child labour.</p>	<p>Agropalma has a department dedicated exclusively to provide technical assistance to the partners (smallholders and integrated farmers) which includes compliance with RSPO requirements. Internal audits are performed to FFB suppliers and constant training is delivered to growers and growers workers. Through monthly visits the team monitors compliance of social and environmental issues at farms part of the supply base, including human trafficking and child labour, and also establishes requirements to be fulfilled by other members of the supply chain.</p> <p>Through the register made by this department for the famers that was audited was possible to verify the result of the internal audit.</p>	<p>Conformance</p>
<p>Recommendations:</p>		
<p>2.6 Support to smallholders</p> <p>Contracts with smallholders are based on a fair, transparent and accountable partnership. Smallholders 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>		
<p>2.6.1 A smallholder support programme is developed, documented and monitored, which includes: a) Measures to increase the productivity of smallholders to a comparable benchmark of productivity for the region, and</p>	<p>Agropalma has a department dedicated exclusively to provide technical assistance to partner producers without charging for this service, and is offered the possibility of acquiring inputs for use in their activities and discount payments to be received with accessible values. Beyond the service monitors the social and environmental</p>	<p>Conformance</p>

<p>a target of reaching at least the same productivity level as company estates; b) Support relating to financial management and budgeting and c) Support relating to logistics, FFB processing and market access.</p>	<p>indicators, with verification of activity costs, payment of labour charges, palm cultivation satisfaction and other issues that may arise. Through technical assistance reports and record books of visits (black book) routinely performed every producer can show the impacts caused. Agropalma monthly releases for each producer the prices charged for the purchase of FFB, as provided in the contract signed, and for each delivery the producer is informed about the total received and is informed about the value to be received at the end of the month.</p> <p>During the interviews, the producers showed that they received adequate assistance to increase their production and know the dynamics of the prices paid by the FFB and agree with this. They know the price to be paid in June 2018. Contracts in force for services: The contracts demonstrate that the company's business relationship with FFB suppliers is transparent, with the disclosure of the price to be paid, production delivered, possible discounts based in the purchase of inputs, etc.</p>	
<p>2.6.2 Progress in implementation of the smallholder support programme is included in public reporting.</p>	<p>The last published report is AGROPALMA : RELATORIO DE SUSTENTABILIDADE 2015 where is available for download at Agropalma website . At pages 47,48 and 49 are the information regarding support to smallholders can be consulted.</p>	<p>Conformance</p>
<p>2.6.3 Report on percentage of schemed smallholders, percentage of independent smallholders and percentage RSPO certified of each.</p>	<p>Agropalma presented a complete list of all schemed smallholders and integrated farmers involved to RSPO certification. The documents are named: Inventario Agricultura Familiar 2018 and Relacao Produtores. Both are excel data bases and contains the</p>	<p>Conformance</p>

	name of the grower, lot number, number of plants, ha, plants per hectare and other information.	
<p>2.6.4 Develop a group certification plan for independent smallholder identified in the supply base of each mill within three years of the mill obtaining its own certificate and support the independent smallholders to achieve certification and progress towards POIG verification.</p>	<p>Agropalma S.A. provides technical assistance to each of the growers that 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.</p> <p>The 5 mills are now certified as RSPO IP and generally receives only RSPO certified FFB and 1 of 5 mills (Parapalma mill) that was certified as RSPO MB receives certified and non certified FFB. From now on, all the mills will be able to receive non certified and when it happens this production will be segregated and sold as conventional. The growers that were failed in complying with all RSPO standard major indicators, mainly related with remediation and compensation aspects that takes time to be solve, and that were removed from the RSPO certificate scope. Once these growers solve their non compliances, will be included in the Agropalma RSPO certificate again.</p>	<p>Conformance</p>
<p>Recommendations:</p>		
<p>3. Corporate and Product Integrity</p>		

<p>3.1 Anti-corruption and transparency</p> <p>Producer companies shall publicise 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>		
<p>3.1.1 An ethical policy prohibiting all forms of corruption is publicly available.</p>	<p>Agropalma s Manual of Conduct for Employees 2018 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 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>Conformance</p>
<p>3.1.2 The ethical policy covers: a) Bribery; b) Facilitation payments; c) Guidance and procedure for gifts and hospitality d) Disclosure of political contributions; and e) Guidelines for charitable donations and sponsorships, f) Respect for fair conduct of business; g) Proper disclosure of information in accordance with applicable regulations and accepted industry practices and h) Compliance with existing anti-corruption legislation.</p>	<p>At the new version of Agropalma´s Manual of conduct (2018) was included the item below that prohibits the acceptance of receive and give gifts for/from customers and providers related with item c and e:</p> <p>c) – Item 6.23 for receiving gifts and 6.24 for giving gift;</p> <p>For others items was verified that the Manual of Conduct continue to establish how Agropalma deal with;</p>	<p>Conformance</p>

Recommendations:		
<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>		
<p>3.2.1. Within 12 months of commitment to the Charter all mills under the management of the grower member have a traceability system in place to identify the location (at least GPS coordinates) of FFB production.</p>	<p>Agropalma has a management system called BioSalq that manages the income of all FFB entering the 5 mills</p> <p>There is a Operacional Routine RO BEFT-001 Revisao :02, Data 13/06/2017, for Raw Materials and Product Weight. The routine applies for every Agropalma Group mills including Parapalma. The routine describes in detail the procedure to allow entry of FFB to the mill.</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. The register of FFB entry is recorded at the scale where a Ticket de Pesagem is generated.</p> <p>Evidence:</p> <p>AMAPALMA / PARAPALMA's Scale:</p>	<p style="text-align: center;">Conformance</p>

	<p>Proof of delivery of CFF (brought from the plantation by the driver). Date: 07/03/2018 Supplier: Karl Bernhard Reich</p> <p>Date: 07/03/18 Supplier: Antonio Jorge Bran</p> <p>Evidence:</p> <p>AMAPALMA's Balance</p> <p>Weighing guide (brought from the plantation by the driver). Dpto.5B Year of planting: 2002</p> <p>Weighing ticket (printed by system after weighing, unloading of CFF and empty truck weighing) Date: 07/03/18 Dept .: VII Plots: 462-B01-2002 - 1081.4286 Kg 463-B02-2002 - 1081.4286 Kg 464-B03-2002 - 1081.4286 Kg 465-B04-2002 - 1081.4286 Kg 467-B05-2002 - 1081.4286 Kg 469-B06-2002 - 1081.4286 kg 470-B07-2002 - 1081.4286 Kg</p> <p>Evidence:</p>	
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	<p>AMAPALMA's Scale</p> <p>Weighing guide (brought from the plantation by the driver). Dpto.3B Plot: Fuz-a Date: 07/07/18 Year of planting: 1995</p> <p>Weighing ticket (printed by system after weighing, unloading of CFF and empty truck weighing) Date: 07/03/18 Dept .: IIIB Plots: 583-F042-1995 - 2960 Kg 584-F044-1995 - 2960 Kg 585-F046A-1995 - 2960 Kg</p> <p>Evidence:</p> <p>CPA's scale</p> <p>Weighing Guide (brought from the plantation by the driver). Date: 07/04/2018 Dept .: 06 Plot: G13 / G14 Planting year: 2012</p>	
<p>3.2.2. Within 24 months of commitment to the Charter the mills under the management of the grower member will</p>	<p>The FFB supply base for the Agropalma Group mills comes from Agropalma S.A. own land composed by 8 agricultural sectors, leased land managed by Agropalma S.A. and 231 outgrowers (family</p>	<p>Conformance</p>

<p>only source FFB from known and identified sources and not from illegal sources.</p>	<p>farmers and integrated growers). All of the abovementioned FFB suppliers are covered by the certificate scope. Additionally there are three integrated growers that were excluded from the scope certificate last year due to non compliance with the new planting requirements (plantings without proper studies, like HCV). 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 39 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.</p> <p>Agropalma only receives FFB from already registered growers on its supply base database.</p>	
<p>3.2.3. Within 24 months of commitment to the Charter the company will have a time-bound plan to bring all FFB sourced into compliance with the POIG indicators and efforts to bring non-compliant smallholders into compliance are documented.</p>	<p>Was verified the policy “Policy to Engagement RSPO and POIG FFB Supplier (NPG-55, 07/13/17) that establishes:</p> <p>Item 5.3 - Schedule of engagement and certification:</p> <ul style="list-style-type: none"> - Deadline to 100% of the suppliers with contract that must comply with the POIG standard is 2025; - For integrated producers without certificates the plan is 36 months (2019); - Conversion of two independent farmers into integrated farmers from 2020 to 2022; 	<p>Conformance</p>
<p>Recommendations:</p>		

<p>3.3 Report on social, labour and environmental performance</p> <p>Disclose the company’s social, labour and environmental performance including the elements of the POIG Charter, and how the organisation demonstrates good governance of its sustainability system using the guidance of the Global Reporting Initiative (GRI) or equivalent approach.</p>		
<p>3.3.1 A publicly available sustainability report is 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.</p>	<p>Last sustainability report was made in 2016 and the next one will be published until the end of 2018. The first version of the database to be used for the next report was verified by an e-mail sent by Agropalma on 04/10/2018 to the company responsible for done the report using GRI methodology;</p>	<p>Conformance</p>
<p>3.3.2 The public sustainability report includes details relating to the company’s governance of its sustainability systems, consistent with the GRI Sustainability Reporting Guidelines (or equivalent approach).</p>	<p>It was verified that Agropalma s sustainability report is made according to GRI Sustainability Reporting Guidelines;</p>	<p>Conformance</p>
<p>Recommendations:</p>		
<p>3.4 RSPO certification and company operations</p> <p>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.</p>		
<p>3.4.1 A minimum of 50% of the company’s plantations and mills are RSPO certified upon commitment to this Charter¹⁹.</p>	<p>100 % of Agropalma s plantations and mills are RSPO certified.</p>	<p>Conformance</p>

¹⁹ The POIG Secretariat will assess compliance as part of the Due Diligence entry requirements.

<p>3.4.2 Within 24 months of POIG membership, 100% RSPO certification of the company's plantations and mills is achieved.²⁰</p>	<p>100 % of Agropalma s plantations and mills are RSPO certified.</p>	<p>Conformance</p>
<p>3.4.3 Newly acquired plantations are RSPO certified within 24 months of acquisition.</p>	<p>There are no newly acquired plantations at Agropalma.</p>	<p>Conformance</p>
<p>3.4.4 A policy for purchasing 100% RSPO certified FFB within 24 months of signing the POIG Charter is developed, implemented and monitored for progress. Acceptable alternatives may be defined for independent smallholders.</p>	<p>Presented FFB Supplier Engagement Policy for RSPO and POIG (NPG-55, 07/13/17) that contains: Item 5.4 - Policy to purchase 100% of certified FFB: - Objective to acquire 100% of CFF certified RSPO; - Currently more than 95% is RSPO certified; - New producers with exclusive contract have 3 years to be RSPO certified; - Independent producers must have freedom of choice in being RSPO certified;</p>	<p>Conformance</p>
<p>Recommendations:</p>		
<p>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 plantation including FFB from 3rd party suppliers.</p>		
<p>3.5.1 Compliance with the requirements of the Charter, including the POIG indicators, is independently verified within 12 months after signing the commitment to this</p>	<p>The present audit is the third audit evaluating compliance with POIG indicators at Agropalma. The last audit before the current one was performed in June 2017 (12 months before the current audit);</p>	<p>Conformance</p>

²⁰ Where there are plantations waiting for a mill, the rule will only apply after mill construction has been completed.

Charter. ²¹		
3.5.2 Following the initial assessment, compliance with the requirements of the Charter, including the POIG indicators, is independently verified on an annual basis.	Agropalma s POIG audit are made jointly with the RSPO audit that are performed on an annual basis;	Conformance
3.5.3 Audit reports are made publicly available on the POIG website. ²²	Last Agropalma POIG audit was published at the POIG website.	Conformance
Recommendations:		

²¹ The POIG Secretariat will monitor compliance with this indicator.

²² The POIG Secretariat will monitor compliance with this indicator.

Appendix A – Corrective Action Plan

[TO BE SUBMITTED SEPERATELY TO THE REPORT]

Non-Compliance:		Major	Minor
Indicator:	Not applicable. No non conformity was identified;		
Description of Non-Compliance			
Corrective Action:			
Timeline for Compliance:	[24 months maximum]		

Evaluation of Corrective Actions

Compliance Evaluation:	Not applicable. No non conformity was identified;		
Evaluation Findings:			
Status:	[Corrective Action completed, and non-compliance closed Or corrective action not completed and non-compliance open]		
Evaluation Method:	[Desk review or on-site interviews/observations]	Level of Effort:	[number of days]
Assessor(s):	[Name and Specialty]		