

Annual Assessment Report 2017

POIG- Palm Oil Innovation Group

Tequendama – Extraction mill and Supply Base

Daabon - C. I. Tequendama S.A.S.

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1.1 Company and Contact Details	
Company name:	C. I. TEQUENDAMA S.A.S
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RSPO Membership Details	
RSPO membership number:	1-0132-12-000-00
Parent company as applicable:	DAABON Group

1.2 Annual Surveillance Details	
Dates of this Verification:	January 23 to January 30, 2017
Surveillance Audit:	3

1.3 Assessment Type
Annual verification of the palm oil mill and supply associated to Daabon Group - C. I. Tequendama S.A.S. under the P.O.I.G charter

1.4 Location of the Palm Oil Mill				
Palm Oil Mill (POM)	Location Address	Mill Capacity	GPS Reference	
Name		MT/Hour	Longitude	Latitude
Extractora Tequendama	Km 2 Via Fundacion a Aracataca, Municipio de Aracataca – Magdalena.	30	10°32'56.84"N	74°10'52.55"W

1.5 Palm Oil Mill Output and Approximate Tonnages Certified								
Projected Production from last 12 Months (MT)			Actual Production (MT)			Projected Production for next 12 Months (MT)		
CPO	PK	PKO	CPO/IP	PK/IP	PKO/IP	CPO/IP	PK/IP	PKO/IP
22,000		1,760	20,290	4,458	1,940	22,500	4,700	2,150

1.7 General Description of Supply Base

The entire land has been used for cattle, cotton and rice since the 1890's. Supply base consist of smallholders and own land.

1.7.1 Location of the Supply Base

Oil Palm Plantation (OPP)		Location Address	GPS Reference	
CU Code	Name		Longitude	Latitude
OPP 1	Palmares Tequendama.	Municipios de Aracataca – Magdalena	10°32'54.77'	74°10'52.63'
OPP 2	Palmares Ariguaní	Municipio de Copery – Cesar.	10°13'44.38'	73°59'59.12'
OPP 3	Palmares Gavilán.	Municipio de El Reten	10°38'39.46'	74°20'34.88'
OPP 4	Coagrobellaena Cooperative	Municipio de El Reten	10°36'39.91'	74°16'2.56'
OPP 5	Asopalthea Association	Municipio del Reten	10°36'39.91'	74°16'2.56'
OPP 6	Asopalret Association	Municipio del Reten	10°36'39.91'	74°16'2.56'
OPP 7	Coprocopal Co-operative	Municipio del Reten	10°36'39.91'	74°16'2.56'
OPP 8	Coopalbongo Co-operative	Municipio del Reten	10°36'39.91'	74°16'2.56'
OPP 9	Las Mercedes	Municipio Riohacha	11°16'25.13'	73°09'22'

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

CU Code	Name	Area of Oil Palm (Ha)		Estimated Tonnes FFB/Yr	Planting Years	Cycle (Years)
		Total/Certified	Mature/Production			
OPP 1	Palmares Tequendama.	1029	863	25.33	1979. 2011. 2012	25 yrs
OPP 2	Palmares Ariguaní	1,413	986.24	25.70	1999. 2000. 2006.	25 yrs
OPP 3	Palmares Gavilán.	922.97	705.09	23.99	1999	25 yrs
OPP 4	Coagrobellaena Co-operative	244.4	244.4	15 -17	2001	25 yrs
OPP 5	Asopalthea Association	250	250	15 -17	2001	25 yrs
OPP 6	Asopalret Association	270	270	15 -17	2001	25 yrs
OPP 7	Coprocopal Co-operative	200	200	15 -17	2001	25 yrs
OPP 8	Coopalbongo Co-operative	500	500	15 -17	2001	25 yrs
OPP 9	Las Mercedes	1,800	325	12.95	2006, 2007, 2008, 2010, 2011.	25 yrs

Notes:

OPP4, 5,6,7 and 8 are associated smallholders.

1.7.3 Percentage (%) of Planted Oil Palm by different Age Ranges					
CU Code	Planting Years by 5-year Ranges				
	Prior-1995	1995-2000	2001 -2006	2006 – 2011	2011 – 2016
OPP 1	63%	20%	7%	3%	6%
OPP 2	52%	32%	14%	2%	1%
OPP 3		42%	47%	12%	-
OPP 4		-	100%	-	-
OPP 5		-	100%	-	-
OPP 6		-	100%	-	-
OPP 7		-	100%	-	-
OPP 8		-	100%	-	-
OPP9				82%	18%

1.7.4 Biodiversity (Total Conservation & HCV Areas for the respective Supply Bases)			
Oil Palm Plantation (OPP)		Biodiversity (Total Conservation & HCV Area)	
CU Code	Name	Conservation (Ha)	HCV (Ha)*
OPP 1	Palmares Tequendama	100.1	0
OPP 2	Palmares Ariguaní	115.48	0
OPP 3	Palmares Gavilán	79.35	0
OPP 4	Coagrobellaena Co-operative	0	0
OPP 5	Asopalthea Association	0	0
OPP 6	Asopalret Association	0	0
OPP 7	Coprocopal Co-operative	0	0
OPP 8	Coopalbongo Co-operative	0	0
OPP 9	Las Mercedes	200.00	0

Note: *The HCV Ha's are also part or included in the Conservation area

Calculation of the Number of Production Units (N) to Sample for the Mill			
N = 0.8VY, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed.			
For the Mill, how many units make up the production base?			
Owned estates (Y)	N = 0.8VY	Smallholders (Z)	N = 0.8VZ
4	2	163	12.76 (13)
Explanation as to the selection of estates sampled			
The verification included field visits, document inspections and interviews within 4 owned estates, and an audit of all the co-operative offices and a minimum of 13 smallholders from the co-operatives.			



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. 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.

POIG REQUIREMENT	INDICATORS	EVIDENCE	COMPLIANCE
1. Environmental Responsibility			
<p>1.1 High Carbon Stock and High Conservation Values:</p> <p>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)</p>	<p>1.1.1 Prior to establishing new plantations or expanding existing ones, in addition to or integrated with a HCV assessment, a HCS approach which combines biodiversity, carbon conservation and social considerations (including community needs) has been conducted.</p> <p>1.1.2 HCS forest areas are identified and mapped.</p> <p>1.1.3 After March 2014 no new plantings take place in HCS forest areas identified for conservation. (MAJOR)</p> <p>1.1.4 Community participatory mapping has identified and mapped garden and future farmlands that are fundamental to meeting their basic food needs over the license period of the plantation and excluded them from being considered HCS forest.</p> <p>1.1.5 HCS forest areas are actively conserved as part of a community participatory land use plan including FPIC, and an integrated conservation and land use plan (that includes HCV areas, riparian zones, and peatland areas).</p> <p>1.1.6 A summary report of the HCS assessment including maps is made public.</p>	<p>No expansions or new plantings have been carried as seen using the Geographical Information System of the company, the interviews with the community, the smallholders and the company workers. The company has a public HCV report that indicates the conservation values are associated with migrating biodiversity and local species. No areas, besides the denominated as conservation by the company (regeneration strategy) is a natural forest. The HCV for Tequendama, and its smallholders was carried out by Proforest and included social considerations, community needs and biodiversity as a territory approach. Report available online at: http://portal.daabon.com.co/old/aabon/rsc/docs/sostenibilidad/HCVAssestmentCesar-Magdalena.pdf</p> <p>Evidence of the inclusion of community can be established with picture, attendance sheets (both included in report) and the direct confirmation of the stakeholders.</p>	<p>YES</p>

<p>1.2 Peat land:</p> <p>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.</p> <p>Maintenance of peat lands: Water tables are managed in existing plantations on peat 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>1.2.1 Undeveloped areas of peatland (of any depth) are not developed or drained.</p> <p>1.2.2 Fires and road-building on peat soils are prohibited.</p> <p>1.2.3 Where there is existing planting on peat, critical peatland ecosystems are identified and assessed for restoration opportunities</p> <p>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'.</p> <p>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) 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>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>As evidenced by the soil studies carried out annually by third parties in the company, and by the Nasa EARTH observatory maps (available at: https://eoimages.gsfc.nasa.gov/images/imagerecords/91000/91449/southamericapeat_mod_2011_lrg.jpg), there is no peat available for planting in the area.</p>	<p>N/A</p>
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<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 GHG emissions (per ton of CPO).</p>	<p>1.3.1 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> <p>1.3.2 Targeted reductions of non-land use related GHG emissions (per tonne of CPO) shall be defined.</p> <p>1.3.3 Annual GHG emissions from all sources and progress towards the targetes documented in 1.3.2 are publicly reported. (MAJOR)</p>	<p>Sources of GHG are correctly identified and monitored using Palm GHG version 3.0.1.</p> <p>DAABON is part of the CDM under the UNFCCC; thus, a detailed target of reductions (per t/CPO) and schedule of investment on mitigation of GHG's is available publically for consultation. The main component of this articulation is methane capture and use for energy purposes.</p> <p>The estimation of Greenhouse Gases is evidenced using the PalmGHG Calculator, input data is audited under the RSPO P/C requirements.</p> <p>The result of the calculation of the emissions generated: Own/Operated Plantations - 6694.21 tCO₂, Extraction Mill 6274.6 tCO₂, Independent Providers - 7925.24 tCO₂ and Small producers 3526.08 tCO₂. For a total net balance of - 11,870 tCO₂ per year. Data is publically available at http://portal.daabon.com.co/subportal/documents/GHG_Palm_Oil.pdf</p>	<p>YES</p>
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<p>1.4 Pesticides use minimization:</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.</p> <p>Producers shall by 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:</p> <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 (MAJOR) <p>1.4.2 The Grower preference natural weed and pest control and IPM</p> <p>1.4.3 Emergency use of listed pesticides is permitted subject to POIG Organizing Committee approval.</p>	<p>DAABON does not use any of the chemicals listed according to the visit to their fertilizer storage room, the interviews with the workers and their soil analysis considering they are an organic certified company (since 1991). All of the plantations are certified under the SAN and RSPO standard, in conversion to organic agriculture or fully organic.</p> <p>The document entitled Administration and Production Manual for Palm Oil Plantations - Daabon Group 2015/2020, includes the Plan for Integrated Management of Pests and Diseases (IPM) in Chapter 4 (Crop Management) numeral 6 (Beneficial vegetation).</p> <p>No pesticides declared for emergency use; when main concern diseases are detected, a precautionary approach is handled by cutting the palm tree, chopping its biomass and using antagonist fungus (trichoderma).</p>	<p>YES</p>
<p>1.5 Chemical fertilizer:</p> <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.</p> <p>Phosphorus and nitrogen levels in water courses are monitored and disclosed.</p>	<p>1.5.1 Use of chemical fertilisers is minimized through producers demonstrating preferential use of alternatives to manage soil fertility. (MAJOR)</p> <p>1.6.1 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 fertilizer application, company will adjust fertilizer rates and procedures.</p> <p>1.7.1 Results of phosphorus and nitrogen monitoring in water courses are included in public reporting.</p>	<p>There is no use of chemical fertilizers considering the organic status of the supply base associated to DAABON mentioned in 1.4. Additionally, the company demonstrated the use of Agricultural Management Units (UMAS), soils that share the same physical and chemical criteria: texture, structure and age of materials, sampling frequency for determination of crop needs: soil every 2 years and foliar annual, the evident establishment of native forage (legumes) and maintenance of (non- legume) native species, applications of organic matter (compost) produced in-house and direct application of shredded EFB's, use of native antagonistic fungus (Trichoderma spp.), application of simple amendments (sulphates),</p>	<p>YES</p>

		<p>and a Nutrition Plan based on all of the above.</p> <p>Phosphorus and Nitrogen levels are monitored in the relevant watercourses for precautionary measures (third party contamination).</p> <p>Considering that DAABON does not use Nitrogen or Phosphorus as part of their nutrition plan and the residual POME is treated and used as part of the irrigation water balance, monitoring is carried out by an independent entity (Labormar) in presence of the regional environmental authority.</p> <p>Results of phosphorus and nitrogen levels are made public at http://www.daabon.com/daabon/en/sustainability_studies.php under the PMA (Environmental Management Plans) available for each of the plantations, the independent plantations, the smallholders and the extraction mill.</p>	
<p>1.6 GMOs prohibition: The cultivation of GMOs in the management area is prohibited</p>	<p>1.6.1 The use of GMO's in the management area is prohibited. (MAJOR)</p>	<p>No GMOs are used- DAABON is also part of the "Non-GMO Project" that requires third party testing of genetic modifications of crude, intermediary and final products. See: http://www.nongmoproject.org/food-non-gmo/verified-products/results/?brandId=10296</p>	<p>YES</p>

<p>1.7 Water accountability:</p> <p>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>	<p>1.7.1 Water use, consumption and pollution by plantation operations and mills are monitored.</p> <p>1.7.2 The water management plan shall include measures to minimise and/or reduce water use, consumption, and pollution, including in both plantations and mills. (MAJOR)</p> <p>1.7.3 Water use, consumption and pollution by plantations and mills are included in public reporting.</p> <p>1.7.4 A water stewardship assessment is undertaken involving relevant stakeholders to address water equity issues.</p>	<p>DAABON carries out a constant monitoring to the water consumption of the plantations, extraction mill and human usage using measuring instruments at their intakes. The average data for the year 2016 are is 0.90 M3 TnFFB. The monitoring of the water consumption for irrigation is managed by the regional environmental authority and requires annual payments.</p> <p>A legally bound document called "Program for the Efficient and Rational Use of Water-PUEAA (in spanish) is a 5-year plan to decrease the use of natural resources. This document covers all water permits that DAABON currently holds. As part of the continuous improvement they have established themselves desired of reduction of the 4 % with base to the data of prior years. The constant monitoring of the present-day water consumption becomes evident and it compares with the historic values. The causes of the fluctuations in consumption are low climbs of production, operations.</p> <p>Water use, consumption and pollution by plantations is included in the publically available Environmental Management Plans at: http://www.daabon.com/daabon/en/sustainability_studies.php</p> <p>The implementation of the Program for the Efficient and Rational Use of water is, by itself, a water stewardship assessment that includes comments from the relevant stakeholders and the environmental authority.</p>	<p>YES</p>
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<p>1.8 Protect and conserve wildlife:</p> <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>1.8.1 Comprehensive biodiversity surveys to identify HCV 1-2 have been undertaken.</p> <p>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. (MAJOR)</p> <p>1.8.3 The RTE management plan takes into consideration traditional hunting by communities outside the management area and includes specific activities to contribute to the protection and survival of RTE species affected by hunting.</p>	<p>The company document Evaluation of HCV's dated May 12th, 2016 as part of (Available publicly at: http://portal.daabon.com.co/oldabaon/rsc/docs/sostenibilidad/HCVAssestmentCesar-Magdalena.pdf) as Global Environmental Facility Project has determined the following:</p> <ul style="list-style-type: none"> •HCV 1. Presence of species of Fauna and Flora protected by the national legislation for endemic species and internationally for its migratory conditions. • HCV 2. At a larger regional landscape level, the assesment determined the presence of ecosystems: a RAMSAR site "Santuario de Fauna & Flora de la Ciénaga Grande de Santa Marta" and the National Park "Sierra Nevada de Santa Marta". • HCV 3. (Potential) The assesment found fragments of dry tropical forests. These patches, although small and low ecological integrity, conservation is considered priority. <p>As a follow-up of the HCV assesment, the company has undertaken the "Morrococya" tortoise as the main species to be conserved in the region after consultation with the community (discussion summary available at HCV report). This species is captured because of its rareness and kept isolated from the ecosystems by placing them in community backyards-which generates a vicious cycle. The education program and assistance is being carried out in collaboration with the regional environmental office.</p> <p>Traditional hunting is not a practice associated with the surrounding communities where the DAABON production sites are located where as fishing is because of the evident development of the towns (supermarkets and malls available for groceries); thus hunting is not permitted or encouraged within its boundaries.</p>	<p>YES</p>
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2. Partnerships with Communities			
<p>2.1 Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities:</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. (MAJOR)</p>	<p>The Manual de Resolucion de Conflictos (Conflict Resolution Manual) available at daabon.com details the independent expert advice offered within processes carried out by the company, available publicly at: http://portal.daabon.com.co/subportal/documents/Protocolo%20de%20Manejo%20del%20Conflicto.pdf</p>	<p>YES</p>
<p>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>2.1.2 Processes of consultation and negotiation, in accordance with internationally recognised FPIC standards, are not constrained by local legal frameworks.</p>	<p>Land acquired by DAABON undergoes a strict due diligence process that includes local identification of HCV 4, 5, and 6, the full report is available publicly at: http://portal.daabon.com.co/olddaabon/rsc/docs/sostenibilidad/social_environmental_impact_assesstmnt.pdf, this including consultations in accordance to FPIC.</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 HCV's 4, 5 and/or 6 that existed before the plantation was established.</p>	<p>Evidence of certificates of tradition and real state registration issued by the Department of Public Instrument Records of Riohacha, Fundación, Santa Marta and Valledupar that prove no eminent domain processes have been carried out.</p>	
	<p>2.1.4 Plantations have not been developed on land acquired through expropriations in the national interest (eminent domain) after March 20, 2014.</p>		

<p>2.2 Food Security:</p> <p>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 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 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 ha of garden or farmland per person is identified via participatory mapping and enclaved for meeting food security needs. (MAJOR)</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>2.2.4 Evidence that measures identified in assessments and planning are being implemented and are effective</p>	<p>An independent, consensus-based SIA was carried out by a private university to achieve the highest levels of detail in the identification of food needs of communities. The identified stakeholders (92) are interviewed in-depth and collectively to determine the relevance of the issues surrounding the DAABON operations.</p> <p>In accordance, the company has taken measures to support food security requirements of the community. In this regard, evidence of support for livestock breeding, diversification of production within farms (honey/avocado) and diversification of income in the family are the main programs in place.</p> <p>The 0.5 ha provision have not been established because no new plantings or expansions of plantations has been carried out since 2010.</p> <p>A healthy number (more than 30) of projects addressing food security and economic security have been established by the company and are monitored by a management expert at no cost.</p>	<p>YES</p>
<p>2.3 Effective Conflict resolution:</p> <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 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>	<p>2.3.1 The mutually agreed and documented system for dealing with complaints and grievances is accessible to all affected parties.</p> <p>2.3.2 The system provides a clear and known procedure with an indicative time frame for each stage.</p> <p>2.3.3. The system keeps parties to a grievance informed of its progress.</p> <p>2.3.4 The system includes the options of a) acces to independent legal and technical advice b) support from representatives of local communities own choosing and c) third party mediation.</p> <p>2.3.5 Evidence that where conflicts have arisen the conflict resolution mechanism is being used and is considered mutually satisfactory including by affected parties. (MAJOR)</p> <p>2.3.6 Evidence that the outcomes and remedies resulting from use of the mechanism are compatible with internationally recognized human rights.</p>	<p>A pocket-sized document has been printed by the company for take home purposes and distributed at all meetings the company engages with relevant stakeholders. Evidence that the complaint system has been properly delivered is available.</p> <p>The complaint resolution handbook states the procedures and the timeframes for responses, the availability for legal access and support. The process is safeguarded by the Sustainability Department.</p> <p>As evidenced in meeting with relevant stakeholders and by the documented management system, no disputes have arisen as stated by the community.</p>	<p>YES</p>

<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 shall incorporate the issues of potential human rights violations, social conflicts and land grabbing.</p> <p>2.4.2 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>	<p>The social impact assessment, available online, includes human rights violation avoidance on the workers, and focuses on children whom are also exposed, as established by the community and evidenced in the meetings.</p> <p>The company has in place a housing improvement program (as lack of housing is not predominant), the company provides subsidized private healthcare, high school education for the older workers and it is gender oriented in the diversification of the income of the household. The information was evidenced at the embroidery meeting with women and the community/workers.</p>	<p>YES</p>
<p>2.5 Workers Rights:</p> <p>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>	<p>Terms and Contracts of Employment</p> <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>Remuneration</p> <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 a credible methodology.</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>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.</p> <p>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.</p> <p>Working Hours and Leave</p> <p>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</p>	<p>DAABON does not employ casual, temporary or day labour jobs; only full-time permanent personel as evidenced on interviews and the hiring documentation.</p> <p>The company is audited on Fairtrade USA standards yearly, which include</p> <p>The living wage assessment is being developed according to the Living Wage Coalition methodology and includes direct and indirect employers of the company. This information will be validated with the minimum wage mandatory in Colombia that is being fulfilled by the company.</p> <p>Evidence of Telegraphic Wire Transfers provided by the national bank indicate that the workers receive a timely payment carried out by a financial institution and pay-stubs delivered accordingly; claims of payments are received by human resources and evidence is available.</p> <p>Advances, Loans or deductions are recorded, communicated and established clearly in written form</p>	<p>YES</p>

	<p>is permitted by law is prohibited, and workers report that all overtime is voluntary.</p> <p>2.5.7 All workers are provided legally mandated public holidays and periods of leave consistent with applicable law, including paid annual, parental, compassionate and sick leave. Workers not covered under applicable laws are entitled to equivalent benefits.</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>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.</p> <p>2.5.10 Young workers legally permitted to work but subject to compulsory education laws only work outside school hours.</p> <p>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.</p> <p>Forced or trafficked labour</p> <p>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.</p> <p>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.</p> <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>in order to comply with the national legislation</p> <p>No casual, temporary, seasonal or migrant workers are employed by DAABON.</p> <p>The 48 hours work week is met and any other (max 12 hr) of overtime per week is monitored via software (face recognition and fingerprint), voluntary for personnel and payed up to 1.75 times the hourly salary. Evidence is available that the mandated public holidays, periods consistent with applicable lay, paid parental, vacation, sick and compassionate leave are being provided in the company. This information was validated with the workers in the extraction mill and the plantation.</p> <p>Minor age policy is evidence in Chapter XI Article 49. In the tours both in the extraction plant, own farms and small holders do not show minors in the work.</p> <p>Recruitment of the company personnel is done directly by the company and no agency is involved. No fee for employment is charged.</p> <p>No identification documents are retained by the company.</p> <p>FFB within the DAABON supply chain is bound to the RSPO certification and permanent audit of the company for child labour, forced conditions and human trafficking.</p>
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<p>2.6 Support Palm Oil Smallholders:</p> <p>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>	<p>2.6.1 A smallholder support programme shall be documented and monitored, which includes:</p> <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. (MAJOR) <p>2.6.2 Progress in implementation of the smallholder support programme shall be included in public reporting.</p> <p>2.6.3. Report on Percentage of schemed smallholder, percentage of independent smallholders and percentage RSPO certified each.</p> <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>A smallholder support program has been in place since 2001, including more than 100 families certified RSPO in 2010 and Organic in 2009. Technical assistance is provided at no cost for the smallholder, fertilization/sanitation services are available at subsidized cost and transportation of fruit to collection center is subsidized according to the information provided by the general manager of the program</p> <p>The support program is fully implemented and communicated publically, see: http://portal.daabon.com.co/old_daabon/rsc/docs/sostenibilidad/Smallholder%20v1.pdf</p> <p>Schemed Smallholders: 13%(Full RSPO Certified); Independent Smallholders: 17% (Full RSPO certified) of the total input to the extraction mill.</p> <p>All smallholders identified in the supply chain are certified since 2010 and the POIG verification includes them as part of the DAABON supply chain.</p>	<p>YES</p>
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3. Corporate and Product Integrity			
<p>3.1 Transparency and Corruption:</p> <p>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>	<p>3.1.1 An ethical policy prohibiting all forms of corruption is publicly available (MAJOR)</p> <p>3.2.2 The ethical policy covers: Bribery, Facilitation Payments, Guidance and Procedure for gifts and hospitality, disclosure of political contributions, and e) guidelines for charitable donations and sponsorship 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>During the audit, there was evidence of ethics and business commitment which is attached to the Internal Labor procedures and posted online at: http://portal.daabon.com.co/subportal/documents/cod_etica.pdf. The training provided to the code of ethics and business commitment is evidenced, in addition, all workers once they are admitted are given Internal Labor Regulations along with the Code of Ethics and Business Commitment. This document most of the relevant aspects of the POIG and national legislation- missing gift and hospitality.</p>	<p>YES</p>
<p>3.2 Traceability:</p> <p>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 (MAJOR)</p> <p>3.2.2 Within 24 months of commitment to the charter, the company will only source FFB from known and identified sources and not from illegal sources.</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>The traceability was tested on the ground and through DAABON's SAP system where the fruit is collected, processed and refined. Every farm has its own code of identification and all certifications handled by the company have a different material code. This way the company ensures traceability of RSPO, RA and POIG.</p> <p>According to the company records of inputs, the extraction mills only sources from RSPO smallholders and their own plantations. The company does, however, allows for hired service; the traceability is clear to which tanks CPO are stored.</p>	<p>YES</p>
<p>3.3 Report on Social, Labour and Environmental Performance:</p> <p>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 guidance of the Global Reporting Initiative or equivalent approach.</p>	<p>3.3.1 A publicly available sustainability report shall be prepared at a minimum every two year, covering as a minimum all issues relevant to compliance with this Charter. This includes relevant RSPO indicators and the additional POIG indicators. (MAJOR)</p> <p>3.3.2 The public sustainability report shall include details relating to the company's governance of its sustainability systems, consistent with the GRI Sustainability Reporting Guidelines (or equivalent approach).</p>	<p>Sustainability Report 2012-2017 has been hired with the BSD consultant (proof of contract evidenced) and has not been delivered.</p>	<p>NO</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 shall be RSPO certified upon commitment to this Charter.</p> <p>3.4.2 Within 24 months of POIG membership, 100% RSPO certification of the company's plantations and mills is achieved. (MAJOR)</p> <p>3.4.3 Newly acquired plantations are RSPO certified within 24 months of acquisition.</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>More than the 50% of the company's plantations are RSPO certified.</p> <p>All mills associated with DAABON's supply chain have a full traceability and RSPO certification:</p> <p>Tequendama Extraction Mill (2010) https://www.rspo.org/members/795/DAABON-Group</p> <p>Palmeras de la Costa Extraction Mill (2014) https://rspo.org/members/2529/Palmeras-de-la-Costa-S.A</p>	<p>YES</p>
<p>3.5 Responsible Supply Chains:</p> <p>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 this Charter, including the POIG indicators is independently verified within 12 months of commitment to this charter. (MAJOR)</p> <p>3.5.2 Following the initial assesment, compliance with the requiremens of the charter, including the POIG indicators, is independently verified on an annual basis.</p> <p>3.5.3 Audit reports are made publically available on the POIG website.</p>	<p>Independent verification has been carried out (2)</p> <p>Independent verification has been carried out (2) and will be annually updated parallel to the RSPO audit.</p>	<p>YES</p> <p>N/A</p>