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PUBLIC SUMMARY REPORT

RSPO ANNUAL SURVEILLANCE ASSESSMENT (ASA3)

GUADALCANAL PLAINS PALM OIL LTD (GPPOL)

HONIARA SOLOMON ISLANDS

Report Author

Allan Thomas – March 2014

raneall@ozemail.com.au

Tel: +61 412 492 353

BSI Group Singapore Pte Ltd (Co. Reg. 1995 02096-N)
1 Robinson Road
#15-01 AIA Tower
Singapore 048542
Tel +65 6270 0777
Fax +65 6270 2777
Aryo Gustomo : aryo.gustomo@bsigroup.com

PT BSI Group Indonesia
Menara Bidakara II,
Jl. Jend.Galot Subroto kav. 71-73Komplek Bidakara
Pancoran, Jakarta Selatan 12870
INDONESIA
Tel +62 21 83793174
Fax +62 21 83793287

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SUMMARY

BSI has conducted a certification assessment of the GPPOL operations comprising 1 mill, supply base, support services and infrastructure. BSI concludes that GPPOL operations comply with the requirements of RSPO Principles & Criteria: 2007 and SI NIWG Indicators and Guidance August 2010 including Annex 4: Procedures for Annual Surveillance; and Supply Chain Certification Standard: November 2011, Module – CPO and PKO Mill - Segregation:

Sustainable production of palm oil including:

Total certified volume for certificate	38020 CPO	8871 PK	3707 PKO
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BSI RECOMMENDS THAT GPPOL CONTINUE TO BE APPROVED AS A PRODUCER OF RSPO CERTIFIED SUSTAINABLE PALM OIL.

ABBREVIATIONS USED

BOD	Biological Oxygen Demand
CDC	Commonwealth Development Corporation
CIP	Continuous Improvement Plan
CLUA	Customary Land Usage Agreement
COP	Code of Practice
CPO	Crude Palm Oil
CWS	Central Vehicle Workshop
DEC	Department of Environment & Conservation
DOH	Dept. of Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior and Informed Consent
GCLC	GPPOL Community Liaison Committee
GHG	Green House Gas
GPPOL	Guadalcanal Plains Palm Oil Ltd
GPPOWA	Guadalcanal Plains Palm Oil Worker's Association
GPRDA	Guadalcanal Plains Resource Development Association
HACCP	Hazard Analysis of Critical Control Points
HCV	High Conservation Value
HCVF	High Conservation Value Forests
IE	Independent Estate (a class of Smallholder)
ILG	Incorporated Land Group
IPM	Integrated Pest Management
IRCA	International Registration of Certified Auditors
ISO	International Standards Organisation
LLB	Lease-Lease Back
LSS	Land Settlement Scheme (a class of Smallholder)
LTI	Lost Time Injuries
MG	Management Guidelines
MSDS	Material Safety Data Sheets

NARI	National Agriculture Research Institute (PNG)
NBPOL	New Britain Palm Oil Limited
NLDD	Native Land Dealing Document
OHS	Occupational Health & Safety
OPRA	Oil Palm Research Association (PNG)
PCD	Pollution Control Device
PMP	Pest Management Plan
QLQ	Quad Labour Quarters
SI NIWG	Solomon Island National Interpretation Working Group
POME	Palm Oil Mill Effluent
POPA	Palm Oil Producers Association (PNG)
PPE	Personal Protective Equipment
RAB-QSA	Internal Auditor Accreditation Body
RFI	Request for Information
SADP	Smallholder Agriculture Development Project (PNG)
SABL	Special Agriculture Business Lease
SEIA	Social and Environmental Impact Assessment
SG	Smallholder Grower
SIA	Social Impact Assessment
SM	Company Sustainability Manager
SOP	Standard Operating Procedure
TRP	Timber Rights Purchase
VOP	Village Oil Palm (a class of Smallholder)

1.0 SCOPE OF CERTIFICATION ASSESSMENT**1.1 National Interpretation Used**

The operations of the mill and the supply bases of FFB were assessed against the SINIWG: August 2010 of the RSPO Principles and Criteria: 2007.

1.2 Certification Scope

This certification assessment includes the production from ONE (1) Palm Oil and Kernel Mill and 3 company owned Estates and Small holders.

Table 1: Mill GPS Location

MILL	EASTINGS	SOUTHING
Tetere	160°13.107	09° .26.588

1.3

Table 2: Estates FFB Production during validity of the certificate (Feb 2014 & March 2015)

<i>Estates</i>	<i>2014 FFB (tonnes)</i>	<i>Feb FFB (tonnes) 2015</i>
Ngalimbiu	39441	9144
Tetere	30784	8507
Mbalisuna	52063	13993
TOTAL	122288	31644
Subtotal for validity of the certificate 2014/2015	153932	

The Tetere palm oil mill and estates are located in Guadalcanal, Solomon Islands

The GPS location of the mill is shown in Table 1.



Map 1: Location of GPPOL in relation to Solomon Islands

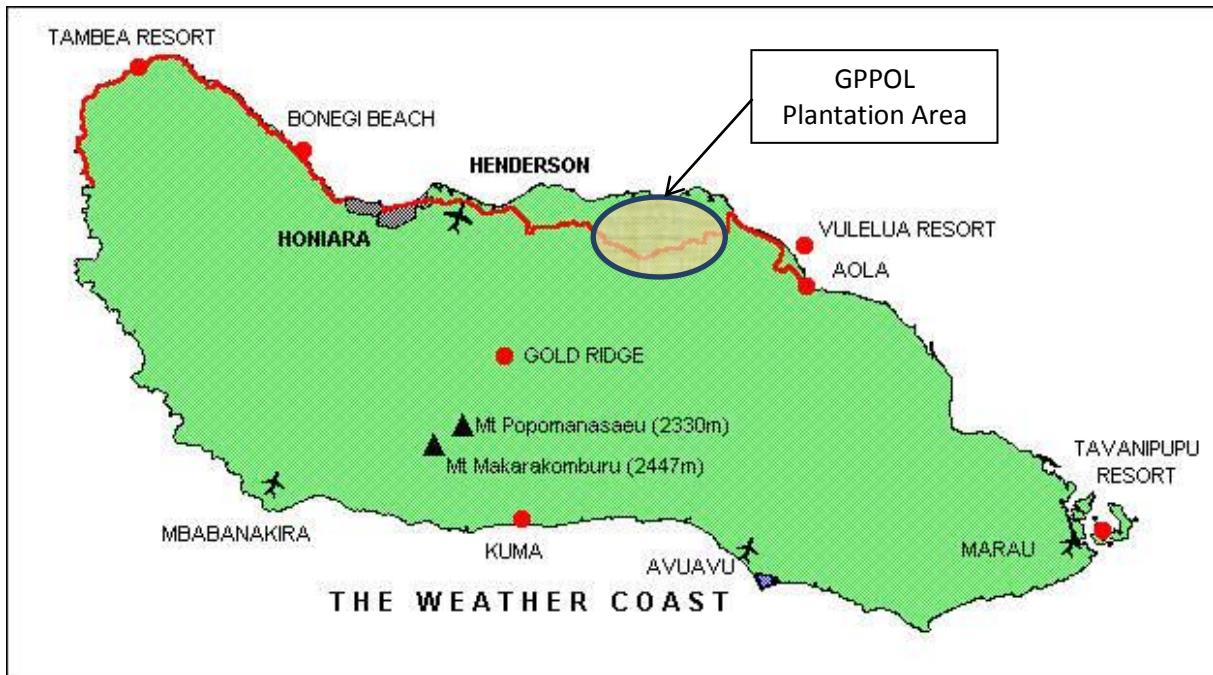
Star represents location of estates in relation to Solomon Islands



Map 2: Location of Solomon Islands

Map 3: Location of GPPOL Plantation Area

Only Main Road on Guadalcanal



1.4 Description of Supply Base

Oil palm fruit is sourced from company managed Estates and from associated Small holders.

Operations designated as Estates are company owned and managed oil palm that has been planted on State Lease as well as customary land whereby all information on titles are held by GPPOL. The areas and FFB production from Estates are listed in Table 2.

Smallholder Growers (SG's) supply approximately 10% of oil palm fruit processed by the Mill.

GPPOL has continued to hold discussions with the SG's on RSPO with regards to the continued implementation. GPPOL has re-affirmed its commitment to continue to work with the SG's on the implementation and continued management of the RSPO P&C with the aim of continuing certification.

The SG's comprise small holdings of oil palm that were developed on customary land. The Small Holder Oil Palm was developed independently of the company. The SG's manage all aspects of their small holdings of oil palm, including harvesting. FFB production is shown in Table 3.

Table 3: Small holders and FFB Production during the validity of the certificate

Small holders (Total No)	2014 FFB (tonnes)	2015 FFB tones up to March
326	12079	2780
Subtotal for certificate volume	14859	

1.5 Date of Plantings and Cycle

The company owned Estates have been rehabilitated in 2005 (following acquisition from CDC). The age profile of the palms on Estates is detailed following ethnic tensions which resulted in the Estates and mills being abandoned from 1999). The age profile of the palms on Estates is detailed in Table 4.

Table 4: Age Profile of Company Estate Planted Palms as at 2014

Year	Age	Ha	%
1983	30	26	0.4
1984	29	201	3.2
1985	28	99	1.6
1987	26	300	4.8
1988	25	103	1.6
1989	24	364	5.8
1990	23	122	1.9
1991	22	113	1.8
1992	21	30	0.5
1993	20	132	2.10
1994	19	0	0
1995	18	571	9.1
1996	17	148	2.4
1998	16	243	3.9
1999	15	13	0.2
2006	8	968	15.4
2007	7	953	15.2
2008	6	371	5.9
2009	5	125	1.9
2010	4	382	6.1
2011	3	268	4.3
2012	2	389	6.2
2013	1	355	5.7
2014	0	0	0
Total		6276	100.0%

1.6 Other Certifications Held

GPPOL are also certified to ISO 14001. They have been certified since December 2012.

1.7 Organisational Information / Contact Person

GUADALCANAL PLAINS PALM OIL LTD
PO Box 2001,
HONIARA, SOLOMON ISLANDS

Contact Person: Mr. Roger Benzie

General Manager

Phone/Fax: 677 21003

Email: rbenzie@gppol.com.sb

Table 5: Age Profile of Smallholder Planted Palms as at 2014

Year	Age	Ha	%
1994	21	544.06	45.6
1998	17	17.6	1.5
2006	9	46.15	3.9
2007	8	29.53	2.5
2008	7	60.58	5.1
2009	6	81.52	6.8
2010	5	65.68	5.5
2011	4	51.28	4.3
2012	3	69.45	5.8
2013	2	167.11	14.0
2014	1	59.98	5.0
Total		1192	100

1.8 Time Bound Plan for Other Management Units

Guadalcanal Plains Palm Oil Limited is part of the New Britain Palm Oil (NBPOL) group. Guadalcanal Plains Palm Oil Limited (GPPOL) comprises of a mill and approximately 6000 ha planted to palms, in the Solomon Islands. This operation was certified in March 2011.

NBPOL estates and mills in West New Britain were certified to PNG National Interpretation of the RSPO in 2008 and recertified. The renewal assessment was conducted in 2013 and certification was continued.

RAIL was certified to RSPO in July 2010 and re-certified in 2013.

Poliamba Estates was certified in March 2012 and recertified in 2013 (surveillance audit finished in February 2014 and advised for recertification).

Higaturu Estates in Oro Province, PNG was certified in February 2013 and finished their surveillance audit with a positive outcome and are awaiting recertification for 2014/2015.

Milne Bay Estates in Milne Bay Province PNG was certified in February 2013 and finished their surveillance audit with a positive outcome and are awaiting recertification for 2014/2015.

All the NBPOL operations in both PNG and Solomon Islands have achieved certification to RSPO in line with the previous time bound plan.

1.9 Area of Estates

The areas of planted palms at company owned and managed Estates are listed in Tables 5 & 6.

Table 5: Estates Hectare Statement 2013

Plantation	2014 YTD		
	Mature (ha)	Im-mature (ha)	Other Areas (ha)
Ngalimbiu	1944	360	
Tetere	1421	182	
Mbalisuma	2162	203	
Under Prep.			0
Roads/Compounds/ Other			445
Undeveloped			1020
Total	5531	745	1465

Table 6: Small holders Planted Area 2014

Mature (ha)	Immature (ha)
896	296

1.10 Approximate Tonnages Certified**Table 7: Approximate Tonnages Certified for the validity of the certificate**

MILL	CPO	PK	PKO
Tetere 2014	30233	7055	2948
Tetere 2015	7787	1816	759
Total certified volume for certificate	38020	8871	3707

1.11 Date Certificate Issued and Scope of Certificate**Scope**

Scope of the Certificate is for the production from the single palm oil and kernel mill and its supply base (refer Table 7 for tonnages).

Certificate details are included as Appendix A. The Certificate issue date will be the date of the RSPO approval of the Assessment Report.

Inclusion of Small holders

During the audit of GPPOL operations, the audit team was aware of the continuing efforts and resources that GPPOL had committed to the RSPO for the continuing

implementation for its Small Holders. In particular, GPPOL has continued to conduct RSPO awareness for smallholders through Solomon Islands National Interpretation Working Group (SINIWG) process and worked with the local GPPOL smallholder representatives. There continue to be monthly field days held which are well attended by out growers and presented by Out Growers department staff. GPPOL continue to work closely with the Smallholder representatives in the management of the “Planting Approval Form” which is used for environmental screening of all new SG applications for development of new areas of land to oil palm. The SI NIWG submitted the “Planting Approval Form” along with the NI to the RSPO, EB and the public review process. Since late 2009, no new Small holders have been accepted without being subjected to a field assessment in accordance with the “Planting Approval Form”. GPPOL fully support the out growers with an expanded out growers department with better resources and also support the local Oil Palm growers association.

Small holders

The SI NIWG had previously established the status of the SG’s as “associated” and this was endorsed by the RSPO EB. All Small holders at GPPOL fall under this classification.

The auditor used a questionnaire to assess the knowledge of 24 Block holders on the Principles and Criteria relating to the Round Table for Sustainable Palm Oil (RSPO); inspected the blocks and asked for feedback from the Out growers on their perception of the performance and interaction between the company GPPOL and themselves. This feedback was conducted in a confidential manner.

The audit was conducted in a pleasant atmosphere and with the utmost cooperation from the Out growers and staff of GPPOL.

Smallholders are not under any obligation or contract to supply to the mill but are associated to the company through geography and logistics. There is no Government National extension service yet present in Solomon Islands. GPPOL has therefore included Small holders in the company wide awareness programs, compliance surveys and other RSPO related work.

GPPOL has a defined list of all their smallholders and ascertained each of their location and status. These are marked on sketch maps for all small holder blocks. This is compiled into the Company small holder database. GPPOL has agreed to collect the fruit from these defined independent Small holders.

GPPOL operates an Out Grower’s Department that is dedicated to support the small holders who supply fruit to the company’s mill. This has continued to be supported by GPPOL Management with staff and a dedicated office and meeting area set aside for small holders. This has led to continued communication with grower groups. The smallholders’ land has been mapped

and GPPOL is assisting in the verification of their rights to the land which has all been well established. GPPOL supplies oil palm seedlings to the smallholders and assists them by coordinating pest and disease surveys and treatment of pest outbreaks. GPPOL also provides loans to its smallholders for purchase of seedlings, tools and fertiliser, for which it charges no interest.

GPPOL has provided training of Small holders via Field Days on the RSPO P&C, (the latest was at a workshop in October 2012). There are at least 4 completed each month in different areas that are well attended by the out growers. GPPOL has completed a baseline survey of Small holders determining their compliance with the RSPO guidelines for Independent Small holders. The survey process involved the physical inspection of all smallholder blocks and interview of each block holder to assess their understanding of sustainable practices and conformance with the relevant RSPO P&Cs.

In consideration of GPPOL’s close involvement with the individual smallholders, they can be regarded as being “Associated” with GPPOL. On the basis of this conclusion, GPPOL has complied with its commitment to achieve and maintain certification of its “Associated” smallholders within three years from the date of Initial Certification.

In consideration of the above information, the audit team concluded that it is appropriate for the continued inclusion of the smallholders in the GPPOL Certificate.

The surveillance assessment of smallholder oil palm growers of Guadalcanal Palms Oil Palm (GPPOL) in Solomon Islands was conducted against the Round Table of Sustainable Palm Oil (RSPO) criteria and indicators for Solomon Islands (SI) from the 2nd to the 6th of December 2013.

A sample of 23 smallholder growers was interviewed as a representation of the 300 (approx.) smallholders of Guadalcanal. The number of growers interviewed exceeded the RSPO sampling guidelines. These growers had a total of 142 ha under oil palm production (if you exclude one farmer who has 32ha, the average size of a block is 5ha). The growers were interviewed individually except for a group of 5 women. Information collected from the survey is presented in the Appendix 1.

The GPPOL Smallholder Affairs (SHA) and Sustainability team are to be commended for their efforts in organizing the growers for interview and patience during the interviews and field inspections that followed. The auditor was accompanied by a SHA staff at all times during the audit. The SHA representatives did not interfere with the interview.

Relevant SHA records were inspected and issues were discussed in detail with the SHA Manager and relevant SHA staffs after the field interviews were conducted.

The auditor also met with the Sustainability Manager to discuss the company’s position with the smallholder growers of Guadalcanal. It was evident GPPOL values

the smallholder growers and is working towards increasing the smallholders' hectareage.

The auditor thanks the GPPOL team, especially the SHA and Sustainability staffs as well as the smallholders of Guadalcanal.

2.0 ASSESSMENT PROCESS

2.1 Certification Body

BSI Group Singapore Pte Ltd (Co. Reg. 1995 02096-N)
1 Robinson Road
#15 01 AIA Tower Singapore 048542
RSPO Scheme Manager: **Aryo Gustomo**:
Phone: +65 6270 0777 Ext 115
Fax: +65 6270 2777
Email: aryo.gustomo@bsigroup.com

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

2.2 Qualifications of the Lead Assessor and Assessment Team

Allan Thomas Lead Assessor

Allan Thomas holds a tertiary qualification in commerce and accounting from Wollongong University in 1973 and has more than 23 years' experience in systems management and auditing of large organisations in construction, forestry, agriculture, manufacturing and in private and Government sectors both in Australia, South East Asia and the South Pacific. During the past 15 years, he has been the Manager of a large certification body based in Australia with responsibilities throughout SE Asia. He has performed over 100 comprehensive audits of management systems throughout the Palm Oil industry including Occupational Health and Safety, Environmental and Quality Management Systems. He has also advised companies on the implementation of OHS in the Oil Palm Industry. He has worked in Indonesia, Malaysia and SI in the Oil Palm industry. Allan has conducted over 2000 system audits in the last 12 years and controlled over 50 auditors when Certification Manager of SGS-ICS.

He is a Lead Environmental Auditor (ISO 14001) with IRCA, A Lead OHS Auditor (OHSAS 18001 & AS 4801) with IRCA, a Lead Quality Auditor (ISO 9001:2008) with RABQSA and also an accredited Heavy Vehicle Auditor. He has also implemented strategies for implementing and maintaining SA 8000. Allan has also been appointed a Federal Safety Officer by the Australian Commonwealth Government.

He has conducted Integrated Management assessments of a large number of palm and kernel oil mills and many oil palm plantations in Indonesia, Malaysia and Papua New Guinea. He has worked closely with RSPO in developing an audit checklist for the Principles and Criteria and developed an audit methodology. This was carried out at the instigation of Dr. Simon Lord – in 2005 prior to RT3. Dr. Lord is a former member of the Executive Board – this audit checklist was bought by RSPO in early 2006. He also performed the first base line assessment of the applications of the P&C. He is a strong advocate of environmental, safety and social accountability.

Mike Finlayson - Technical Expert Social

Mike has 20 years' experience as a development specialist in Australia, Asia and the Pacific and has worked in SI since 1985. Mike focuses on the social impact assessment (SIA) of large-scale resource projects and has recent experience in Australia, Papua New Guinea, China and the Philippines:

In 2009 Mike conducted a SIA of an expansion of oil palm for Hargy Oil Palms Limited, in West New Britain;

In 2008 Mike provided advice and participated in the conduct of an SIA for the development of a large bauxite mine on traditionally-owned land in the Cape York area of northern Australia;

Between 2007 and 2009 Mike led a team conducting a SIA of an oil & gas project in Gulf and Central Provinces of SI;

Since mid-2008 Mike has worked with Ok Tedi Mining Limited to prepare socio-economic data for mine-impacted communities, prepare a social and economic report (as an attachment to the 2009 mine closure plan), and provide advice on social and economic monitoring;

In early 2009 Mike provided advice to the University of Inner Mongolia (China) on the design and conduct of a SIA to examine the impact of mining and petroleum operations on traditional herding activities; and

In 2007 Mike conducted an economic analysis of the proposed Tampakan copper and gold mine in the Southern Philippines.

Mike aims to maximize sustainable development through the promotion of effective and practical solutions in large-scale resource industries by working with local consultants and local organizations while ensuring high quality outcomes in line with current international best practice. Mike is a member of the International Association for Impact Assessment (IAIA) and is familiar with, and has conducted studies in accordance with the Equator Principles and Global Reporting Initiative.

Mike is also a director of Project Design & Management Pty Ltd (PDM), a company specializing in development assistance and humanitarian aid, with a long history in SI. Mike is fluent in Tok-Pisin

Deane Woruba – Technical Expert- Smallholders & HCV.

Deane holds a BSc in Science of Agricultural of the Technology University of Papua New Guinea and Master in Philosophy from the University of Charles Sturt in Australia (NSW). Dean is a natural resources research scientist with over 10 years of experience in crop protection, environmental protection and socio-economics in the plantations, government, public sector and the oil and gas industry. He has been working on the development of monitoring tools for toxic chemicals and the incorporation of GIS technology into the oil palm integrated pest management (IPM) systems. Aside he has experience in environmental system management through his work for the oil and gas industry guiding a team on environmental protection and certification. Dean has experience in survey questionnaire development, conducting trainings, leading and supervising survey teams in remote locations, data management and analysis, and reporting. In 2012 Dean completed a 14001 internal auditor course in Australia.

Dean is fluent in English and Tok Pisin.

2.3 Assessment Methodology, Programme, Site Visits

A pre-audit assessment was conducted from 26 – 30 October 2009.

A further precertification assessment was conducted from the 10th to 15th of May 2010 in anticipation of approval of the SI RSPO Interpretation.

The certification assessment was conducted from 2-7 December 2010

The First ASA was conducted from 2-7 December 2011

The second surveillance assessment (ASA 2) was conducted from 3-7 December 2012.

The third surveillance assessment was conducted from 2-6 December 2013.

The single mill and its supply base including Small holders is a single certification unit as defined by RSPO. Therefore the mill was audited together with the Estates and Small holders as they represented 100% of its supply base. The 2010 SI National Interpretation of the RSPO Principles and Criteria (as found on the RSPO website) was used throughout and all Principles were assessed. The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data.

Checklists and questionnaires were used to guide the collection of information from out growers. The comments made by external stakeholders were also taken into account in the assessment.

Smallholders were also included in this audit. A total of 24 blocks were audited out of the 300 smallholder blocks. The comments from out growers were very positive about both Out Growers department and

GPPOL. There appears to be a move to get more small holders involved as they are very enthusiastic about the benefits which can be derived from growing of Oil Palm.

After the interview with each small holder was concluded the auditor inspected each block with the block holder and in the absence of any officers from GPPOL in order to gain an understanding of any issues of concern that the block holder wished to raise about the oil palm company (GPPOL).

2.4 Stakeholder Consultation and List of Stakeholders Contacted

Stakeholder consultation involved external and internal stakeholders.

Individual stakeholders were contacted and telephone calls were made to arrange meetings. Within the audit process itself, meetings were held with stakeholders to seek their views on the performance of the company with respect to the sustainability practices outlined in the RSPO and aspects where improvements could be made.

Stakeholders included those immediately linked with the operation of the company such as employees; Small holders, contractors and the research staff of the Oil Palm Research Association.

A specific point was made to interview representatives of the GPPOL Oil Palm Workers Union during the course of this assessment.

External stakeholders included organizations such as Provincial Government, NGOs and Civil Societies, who have an interest in the Guadalcanal area and resident communities in and around GPPOL.

Stakeholder consultation took place in the form of meetings and interviews. Meetings with government agencies and NGOs were held in their respective premises.

In all the interviews and meetings the purpose of the audit was clarified at the outset followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded in accordance with relevant RSPO principles, criteria and indicators. All of the stakeholders agreed with its objectives and expressed their willingness to collaborate in the promotion of sustainable palm oil in the Solomon Islands. In a number of interviews and meetings where company representatives were present this did not restrict discussion of both the positive and negative aspects of GPPOL's operations. Although company representative were present they were on the periphery and did not influence the process.

The company representatives only introduced the team and where requested to leave during meeting with stakeholders. For internal stakeholders the same procedure was followed and company representatives left once the consultations started (this was the

occurred with senior management. Employees are involved in consultation and committees).

List of Stakeholders Contacted

In addition to the management of GPPOL the following people were consulted (some managers are included below to indicate membership of various committees):

- Company employees:
 - Andrew Kerr, Sustainability Manager
 - Bernadette Ombu, Financial Controller
 - James Samu, Smallholder Assistant Manager
 - Clement Tavoria, Smallholder Officer/Training
 - Ernest Kolly, Senior Sustainability Officer
 - Craig Gibsone, Plantation Manager
 - Hiega Nuaia, GPPOWA Secretary
 - Dr Nathan Kere, Visiting Doctor
 - Pamela Isarongo, Administrator – Nursing (Tetere Clinic)
 - Harris Taimamao Guisaga, Assistant Manager (Mbalasuna Estate)
 - Rhoda David, Registered Nurse (Mbalasuna Clinic)
 - Clarence Loe, Assistant Manager (Ngalimbiu Estate)
 - Joyce Halu, Nursing Officer (Ngalimbiu Estate)
 - Charity Sagia, Mbalasuna Housing Compound Supervisor
 - Baddley Tabiru, Administration Manager
- **Others:**
 - Daniel Buto, Manager, Guadalcanal Plains Resource Development Company Limited
 - Daniel Buto, Manager, Guadalcanal Plains Resource Development Company Limited
 - Clement Tavoria, Director, GPSS
 - Greenta Tome, Director, GPSS
 - Selwyn Tavake, Managing Director, GPSS
 - Timothy Vuria, Director, GPSS
 - Job, Mbalasuna area smallholder (block in the name of George Tangithia)
 - Fulton, caretaker, Kautoga Land Purchase Cooperative Society Limited (Mbalasuna area)
 - Margaret, Binu area smallholder
 - Helena, Binu area smallholder (block in the name of Alfred Sango)
 - Samuel, Mbalasuna area smallholder

- Billy, Mbalasuna area smallholder
- John, Mbalasuna area smallholder
- Reginald, Mbalasuna area smallholder
- Discussions were also held with the GPPOL Women Friendly Support Group and some other employees.

In addition, meetings were held with the Out growers Association, many additional GPPOL staff and some residents of the Tetere and Ngalimbu housing compounds.

2.5 Date of Next Surveillance Visit

December 8-13 2014

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

As outlined in Section 2.3, objective evidence was obtained separately for each of the RSPO Indicators for the Mill and the Estates. The results for each indicator from each of these operational areas have been aggregated to provide an assessment of overall conformance of the Company's operations with each Criterion. A statement is provided for each of the Indicators to support the finding of the assessment team.

Two (2) Nonconformities were assigned against Minor Compliance Indicators.

GPPOL has prepared a Corrective Action Plan (Appendix D) for addressing the identified nonconformities that was reviewed and accepted by BSc.

Ten (10) Observations/Opportunities for Improvement were identified. Details of the Nonconformities and Observations are given in Section 3.2.

BSI's assessment of GPPOL operations, comprising one palm oil mill, estates, Small holders, infrastructure and support services, concludes that GPPOL operations comply with the requirements of RSPO Principles & Criteria : 2007 and SI-NIWG Indicators and Guidance : 2010.

BSc recommends that GPPOL continue to be approved as a producer of RSPO Certified Sustainable Palm Oil.

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

1.1.1 Records of requests and responses are to be maintained. This includes a record of all requests for information which are received either written or verbal.

GPPOL therefore intends to ensure that any requests for information or assistance or grievances are recorded and makes records of informal requests and telephone enquiries. Requestors name, address and contact details and specifics of the request are recorded as applicable. There is a record kept of the action taken including timeliness or where requests are denied.

1.1.1 Observation: There was a verbal request from DEC for a publication in October 2013 and although this was approved immediately the verbal request was not documented as required by the process.

There remains in place a 4 step process with timelines to which requests for information must be actioned.

Records of requests and responses are maintained. Responses are in English and if required GPPOL will provide interpretation.

Within the process there is also an escalation if the line manager cannot answer the request and if it is outside of his/her authority. Time limits for extending timelines can only be approved by the General Manager.

Since 2009, GPPOL Sustainability Department has continued to provide information on RSPO to smallholder growers through field days. This was evident in the awareness of some of the growers during the interviews who mentioned about fires and buffer zones.

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

A large number of relevant documents are made available through the relevant Government authorities. A number of documents are not available due to commercial confidentiality or at the discretion of the GM (1.2.1).

Documents will be able to be viewed free of charge however a charge may be made for copies of documents There is a register available of all documents to be made publicly available which has been approved by the General Manager.

Most of required policies are published and are widely available in the Group Sustainability Handbook which was last published in 2012. (www.nbpol.com.pg).

The list of documents that can be made available on request includes:

1. Land titles/Leases
2. Maps of lease areas
3. Annual Reports
4. Sustainability Reports
5. GPPOL Policies and Guidelines

6. Environmental Policies
7. Equal Employment Opportunity Policies
8. Water Management Plans
9. Sexual Harassment Policy
10. Environment Plans & Environment Permits
11. Copies of Government laws, regulations, Code of Practices.
12. DEC compliance Monitoring Reports
13. Waste Management Plans
14. Production Reports
15. FFB Pricing Information
16. Financial report
17. Employee Training.

Documents pertaining to financial information can only be shared upon the discretion of the GPPOL General Manager.

Land Titles (1.2.3) will be made available on request if appropriate. Land Titles are in the public domain and are readily available through Provincial Government offices.

Group Policies such as OHS (1.2.4), Environmental (1.2.7), HIV-Aids, Equal Employment Opportunities (1.2.2) and Sexual Harassment (1.2.6) Policies are all available. GPPOL has separate policies for the following: Health and Safety, HIV/AIDS (1.2.6), Sexual Harassment, Malaria (1.2.6) and Domestic violence (1.2.6) amongst others. These are also widely available in all operational areas throughout GPPOL. All policies viewed during this assessment were current and had been approved and authorised by Senior Management.

The GPPOL OHS Plan will be made available on request. All managers also have a copy of the OHS Plan with a specific plan for each operational area being provided. The OHS Plan is also made available on the company's web site.

During the assessment the policy was sighted in many areas including the mill and field offices and other areas such as workshops, stores and clinics.

Plans to prevent pollution are available through the Environmental Improvement Plan and Waste Management Plans (1.2.8).

Details of complaints and grievances can be made available however this will be dictated by the seriousness or sensitivity of the matter and decision will be ultimately made by the GPPOL GM (1.2.9).

All impact assessments related to environmental and social impacts such as the SEIA conducted prior to certification are available (1.2.7).

The Documented system (1.2.10) for access to customary land and negotiation procedures for settling disputes is available on request.

There is a Continuous Improvement Plan (CIP) (1.2.11), available for all operations including the mill and estates as well as all other ancillary operations. This includes: Housing, Medical, Workers welfare, EMS, OHS, Social Issues, Health, and Communication with stakeholders, Free Prior and Informed Consent (FPIC).

Management documents are available to growers on request. The price formulation information has been rolled out during field days to make growers further aware of the information.

One grower commented on lack of easy access to some company information which is available on company website as he does not have internet access. The grower was advised to consult SHA for such information.

Small Holders are encouraged by GPPOL to adopt OHS principles when working on their blocks (1.2.5).

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

Evidence that all applicable legal and regulatory requirements are implemented as prescribed - There is register of SI legal and regulatory requirements including codes of practices such as logging COP - copies of legal & other requirements are kept on site and are available on the company server. Access is available through mill, workshop and estate offices.

It appears that all applicable local, national and ratified international laws and regulations have been identified. This includes areas such as: land rights, labour laws, chemical use, environmental regulations, storage etc. There has been no evidence provided to suggest that GPPOL are not compliant with legal requirements (2.1.1).

The company has engaged the use of an independent solicitor based in the capital Honiara to ensure that all legislation is updated on a regular basis for local and national laws. All legal documents are maintained by the external company lawyer based in Honiara – SOL-LAW (2.1.3).

Examples include receiving permission from the national authority to use certain chemicals including pesticides – this license was available approving the chemicals to be used by GPPOL in the estates.

There is also an annual environmental report which is to be submitted to DEC. This is dated from November 2012-October 2013 and was submitted on 1.11.13.

Copies of all driving licenses are also maintained to ensure all operators are current.

There is evidence with regards to the compliance of laws and regulatory requirements. This is demonstrated through evidence such as Permits, Licences and Certificates which are obtained in a number of areas to show compliance to laws. There is therefore evidence that all Permits, Licences and Certificates have been obtained and are up-to-date and are complied with

The legal register is checked at least every 6 months to ensure currency. The last check was on 23.9.13.

There have been no significant changes to environmental laws since 2010.

There is a mechanism for ensuring that SI laws are being implemented – there is a documented system in place for tracking any changes to the law (2.1.2).

This information is passed on to the relevant areas of operations to ensure that all involved are aware of any changes to laws or any new laws introduced. Any changes are highlighted and managers are made aware and the changes are available on the server.

Some local people claimed the former CDC 1994 plantings at Bino after the ethnic tension in Guadalcanal in the mid-2000s. This was registered state land and now the land is now managed by a board of trustees who have divided the land to villagers. Apart from this portion, all other land used for oil palm is traditionally owned.

All growers interviewed demonstrated understanding of appropriate land laws at customary, local and national levels.

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

Documents indicate legal ownership or lease of land and External legal advice maintains all original leases and land titles with copies available in Head Office (2.2.1).

There are documents in place showing legal ownership or lease and a history of land tenure and the actual legal use of the land and include records of any transfers of deeds.

A number of leases were viewed and landowners are paid royalties as per the lease agreement which is ratified under the Department of Lands. Landowners were interviewed as part of this assessment and confirmed that payments were as the agreement with GPPOL.

During ASA 2 there was a new area being re-opened. This area had been abandoned during the crisis in 1999 and had not been managed since. This abandoned by CDC. Recently (2012) the land holders approached GPPOL to re-start this area which they agreed to. There is now a current lease dated 28.2.2013 in place with regards to this estate. This is parcel number 192-011.5.

During the audit sightings of maps for all estates were made. Maps of boundaries identified the position of boundary pegs and this was confirmed during field inspections.

There is evidence that legal boundaries (2.2.2) can be clearly identified. Boundaries are marked on maps and with titles - most are marked with boundary pegs or bounded by roads as natural boundaries. A large number of pegs were sighted in all estates during this assessment. We sighted boundary pegs in particular at

Okea where the lease area is bordered by cattle operations.

There are no operations outside the legal boundaries of the Estates as far as GPPOL is aware.

There is proof where disputes have been resolved or are being resolved – any ongoing disputes are monitored – there are none at present which affect land titles and leases apart from a minor issue at Okea that GPPOL is working through with the supposed land owners and is still an issue to be resolved. GPPOL has displayed particular patience in dealing with this issue.

There is an ongoing dispute over land on which houses and other facilities have and are being constructed at Okea. This has prevented around 100 families from moving to Okea from Ngalimbiu. The first families were to relocate in February 2013.

As discussed in the 2012 surveillance assessment, there is an ongoing dispute over land on which houses and other facilities have and are being constructed at Okea. This has prevented around 100 families from moving to Okea from Ngalimbiu. The first families were to relocate in February 2012.

The land in question is alienated land and was used by Telekom. GPPOL's approach has been to support the landowners to regain ownership of the land and subsequently enter a 50-year lease arrangement for the land, thus providing an income source to the landowners. Despite numerous meetings and many attempts by GPPOL to resolve outstanding issues, the landowner representatives (and one person in particular) have requested a number of additional benefits, including for example, advance lease payments, the rights to manage a store within the compound, payment for the housing slabs constructed by Telekom (nothing else of the houses remain at the site), and a guaranteed security contract for the 50-year lease period. The inability of the key landowner representative to enter an MOU for the lease arrangement has required input and advice by legal representatives.

GPPOL has documented the events carefully, and provided every opportunity to consult with the landowner representatives. The dispute continues and is being discussed with legal representation. GPPOL has shown remarkable constraint given the protracted discussions and extent of infrastructure built but unused.

There are no disputes with regards to the leases held by GPPOL (2.2.3).

The only disputes arise between the various trustees of the leases who squabble of royalty rights from time to time. These are nothing to do with GPPOL and their leases however at times this holds up field activities as trustees take action to prevent workers doing their jobs. During these times staff of GPPOL act as arbiters.

GPPOL use either legal means or negotiation with the party in dispute including village elders. Records of all resolutions are maintained in land title office under each parcel.

The requirements for acceptable conflict resolution processes in place and accepted by all parties however There are no significant land conflicts which involve GPPOL (2.2.4) See comments on trustees above.

The company is independent of internal land disputes however help to arbitrate to determine the rightful owner.

Dispute resolution mechanisms are in place and the question of how to deal with new plantings should be resolved according to legislation and the ongoing reconciliation process.

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

Maps are available that indicate the extent of recognised customary rights (2.3.1) and there are copies available of negotiated agreements detailing process of consent.

These documents indicate that these agreements are entered into voluntarily as minutes of any meetings are recorded. This information is recorded in English and can be translated if desired.

Current maps are available showing occupied state land and include tenure. There is no customary land within GPPOL boundaries. There are no operations on alienated land.

All Land Titles are in place for each lease area including Kautoga

There are no operations on alienated land (2.3.3)

Maps are available in appropriate scale showing extent of lease-lease back areas (2.3.2).

There are copies of negotiated agreements available detailing processes of consent - Copies of negotiated agreements are available in Land Title Officer Office and with company lawyer – SOL LAW.

Sketch maps for Small Holders developments were available (2.3.4).

There are copies of negotiated agreements available detailing processes of consent - Copies of negotiated agreements are available in Land Title Officer Office (2.3.5) and with a contracted private lawyer.

The planting approval form used by the smallholder growers includes approval of land use for oil palm to the grower by the local clan chief.

For cash crop use, locals do not prefer to register traditionally owned land to individuals, as they prefer to see the land remain under clan ownership.

There have not been any disputes arising from such land distribution. This system works well for out growers on traditionally owned land.

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

The management of GPPOL can demonstrate commitment to long term economic and financial viability through long term planning.

Annual replanting programme (3.1.2) is in place.

The following replants are planned for the next 5 years (in hectares):

Tetere:

2014 – 297, 2015 - 0, 2016 - 0, 2017 - 0, 2018 - 228.

Mbalisuna:

2014 - 0, 2015 – 0, 2016 - 253, 2017 – 0, 2018 – 0.

Ngalimbiu:

2014 - 149, 2015 - 0, 2016 - 316, 2017 - 0, 2018 – 174.

There is a five year (3.1.1) business plan for GPPOL. It is available from the General Manager. There are business plans in place that take into account crop projection, mill extraction rates, costs of production, annual replanting programmes, forecasts and financial indicators. The auditor sighted crop projections for all estates and associated SG's. All mill extraction rates are documented.

The cost of production is reviewed and compared against expenditure each year with projects in place for future years. This includes costs per tonne.

Forecasts are in place for the next 5 years on a rolling basis.

The Five Year plan is reviewed on, at least, a yearly basis with the CEO of the Group. The latest review and update was completed in August 2013.

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

GPPOL defines its Standard Operating Procedures (4.1.1) in what it terms Management Guidelines (MG's). MGs are used as the framework for all operations including milling, field and support areas such as workshops, clinics and others. GPPOL refers to MG's and the Recognised Industry Field Handbooks for guidance. Other publications are used for reference only.

These documents are available for Mill, Estates, Honiara Bulk Terminal, Transport, Construction departments, Clinics and all operational areas.

Standard Operating Procedures (SOP) are in place for each station in the process of palm oil production from weighbridge to storage.

The mill has in place work instructions for all mill activities. They are available in the mill and at the area of operations. Mill SOP's have been compiled into a mill operational manual. Adequate document control in the form of issue date and approval is still to be put in place. Many current SOP's were sighted throughout operational areas.

There have been many improvements in the control of the mill with regards to controlling hazards and reducing risk overall. This was evidenced in the many improvements made with regards to the mill. This includes improved accessibility by removing many trip hazards and improving housekeeping generally. The stairways, handrails and machine guards are all in place and in good condition.

For the mill there is in place a mechanism for monitoring effectiveness of procedures (4.1.2). The shift supervisors check that all log books are completed for all SOP's and operations when required. This is done by completing each required inspection on a scheduled (usually hourly or two hourly basis) and signing the log book, a copy of which is kept by mill management and also includes planned scheduled inspections and servicing. The operators at the mill had completed the required log sheets at each station on the required timetable from the areas sampled including boiler, power house, clarifier and sterilisation. These log sheets are collected and reviewed on a daily basis. The log sheets are used to identify breakdowns and cases of wear and tear where breakdowns may be imminent.

The SOP's are supported by routine regular scheduled preventive maintenance. This is planned and carried out under the Mechanical and Electrical Engineering divisions. Any deviation from standard procedures is reported and followed up to ensure documented practices are being followed.

Also with regards to Estates a monthly inspection (4.1.3) is undertaken by the Estate Manager although at times this can stretch to 2 months at times. Records of all inspections are maintained with copies with actions being given to the respective Divisional Managers. Areas of noncompliance are reported and followed up by the Estate Manager. These are supplemented by 6 monthly inspections by the NBPOL visiting inspector. The inspections are scored to indicate areas for improvement and record if improvements have been made since the previous inspection. This is a more far reaching inspection to ensure product quality is maintained and correct practices are being followed. There is an expectation that any issues reported will be managed and improvements made. The aim is always to improve from the previous score.

There are also SOP's in place for the mill workshop, Central Vehicle Workshop and Stores – these are all available and in place near the areas of operations.

National Codes of Practice are referenced within each SOP or Management Guidelines if applicable to that particular operation. Although National Codes of Practice in the Solomon Islands are very rare. There is Code of Practice (COP), for Oil Palm Processing. This document is referenced in the legal register, SOP's and MGs. There are also Codes of Practices for Hydrocarbon and the Central Vehicle Workshop (CWS) these are again referenced in the MG's. Other COP's which affect estates are referenced in documentation and include Logging and Landfill.

Growers are advised of best management practices by SHA during the organized field days. The implementation of the field days for 2013 has been on schedule and proof of attendance was sighted. From the sample of growers interviewed, 65% of them have attended a field day in 2013 and found it to be useful.

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

Fertiliser use is being recorded and monitored. Fertiliser inputs (4.2.1) are recorded for each estate - including recommendation and application against recommendations.

Records indicate type of fertiliser used and block numbers of areas where it is applied. They also include the recommended frequency of application.

There is evidence of periodic tissue (4.2.2) analysis including the last 5 years – and GPPOL have received the results of the tissue analysis completed for 2013.

Tissue analysis completed by external testing body and includes the location of estates and the monitoring unit – in this case Hill Laboratories in New Zealand.

Soil sampling and analysis takes place every 5 years. There is evidence of soil sampling available and this took place in 2010 and results have been received. The next soil analysis will take place in 2015.

GPPOL has soil maps in place - includes difference types of soils. These were updated following the 2010 Soil Survey however there were few changes identified since 2005 in this analysis.

There is a nutrient strategy in place (4.2.3) - EFB, Frond Stacking, Palm residues are used at replant. Use of fibre and grit to reduce use of fossil fuels in furnace which assists in power generation.

There is also a strategy for returning EFB to the field. This was noted in many replanted areas including Tetere and Okea estates.

The nutrient efficiency of the soil takes into account the age of Estates and local soil conditions.

Fronds are also used to prevent erosion following pruning and after harvesting of FFB.

It was noted that fronds are now properly stacked to reduce possibility of thorn prick injuries and also to prevent erosion.

The company supplies MOP and SOA fertilizers to growers and organize for deductions from crop sales. In the fertilizer distribution, the grower can pick up fertilizer from any of the GPPOL fertilizer storage sheds. During the audit, there were some fertilizers still to be picked up and the company is organizing to have them delivered. Commendable effort by the company.

There has been a continual improvement in the use of cover crops and fertilisers to maintain soil fertility. GPPOL has a programme of workshops or field days run by the Out growers department to ensure that all smallholders are aware of the RSPO requirements; cost benefit analysis of fertiliser use should be incorporated into these programmes.

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

All planting areas of GPPOL are on flat or slightly undulating land and it has been determined that there is little risk or erosion even in very wet times (4.3.1).

There are no slopes over 25° - therefore no planting takes place on steep slopes (4.3.2).

There is no planting on slopes over 9° (4.3.3)

GPPOL are placing palm fronds in position to reduce erosion in the form of boxing, direction of rainfall run off via construction of strategically placed drains.

As most areas are not prone to major erosion issues due to the general levelness of the land there is not much risk of erosion on each block. However a map is in place which would indicate any blocks which could be prone to erosion. Seasonal factors are considered such as wet and dry seasons however due to flat land there are no extreme conditions.

Techniques to prevent erosion as there are no steep planted areas include the following: Ensure adequate ground cover avoid over spraying of herbicides, road design and maintenance.

There is a plan in the form of scuppers and drains to help keep roads free as possible of erosion. There are no areas of high erosion risk in either GPPOL or with Small Holders.

After felling the old stands, retaining residue where soil erosion risk is significant it is GPPOL practice to use old stand as nutrients in all areas and cover crop is planted.

Riparian areas are maintained on riverbanks as well as buffer zones being in place. At this stage because of previous practices a number of buffer zones are not in line with local requirements and GPPOL will re-establish buffer zones at replanting near streams and rivers as specified in SI codes of practice.

There is a Management Guideline in place for Road Maintenance. This is prepared each year and updated when activities take place.

4.3.5 Observation: The road maintenance plan at some estates does not indicate progress against planned road maintenance arrangements. This would help indicate the status of road grading when plant is not available through breakdown and managers can be aware of the status of grading.

There are Road Maintenance plans in place for each estate indicating priority of grading and which roads are to be included within each level of priority. Priority is 1, 2 or 3 with 1 being higher priority. The grader is allocated to each estate on a weekly basis. This includes management of rainfall run off. It was noted that during this assessment that the road grader has been broken down for some 15 months affecting the road maintenance plan in some areas – this was not noted in some estates see observation above.

There are no known fragile or problems soils at GPPOL (4.3.5).

There is no peat at GPPOL (4.3.4).

Smallholder plantings at GPPOL are dated from 2007 as the oldest. There are a few blocks which needed further drainage. GPPOL has programs to dig drains where required once the rainy season is over in 2012.

Practices designed to minimise soil erosion, such as placing fronds between collecting rows and use of cover crops were clearly demonstrated.

All blocks visited were on level ground and there was no erosion noted.

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

Water courses and wetlands are protected. GPPOL will maintain and restore appropriate riparian buffer zones along all bodies of water at replanting. - as per the SI logging code of practice.

A water management plan (4.4.1) has now been documented and is being implemented and updated as required if new techniques are introduced. It includes action plans and dates for action to be completed. It has been amended to show where actions have been delayed for whatever reason.

BOD levels of discharges are monitored – but do not yet have 2 years records due to the fact there is no discharge due to ponds being originally built for 60 tonne mill and at present it is a 45 tonne mill.

GPPOL are monitoring mill water use per tonne of FFB – however only have records going back to July 2009 when a water meter was installed.

For the most recent three months the results are as follows:

September 2013	– 1.18
October 2013	– 1.13
November 2013	– 1.08

GPPOL will take action to ensure use of water does not have an adverse effect on downstream users by checking water quality in the lab including checking for e.Coli, Ph and Oil and Grease in all streams/rivers/water courses which pass through GPPOL property into downstream users. There is no evidence of GPPOL affecting water for downstream users as there has been no discharge. There are extensive graphs of 17 sample points are records which have been kept for over 3 years indicate there is little difference to the water tested both upstream and downstream. This is a requirement of the Development Consent issued by SIG and is conducted monthly.

4.4.2 Observation. There is a need to better stabilise the bank of the Metapone River which has changed course due to floods and other weather events which has left the bank steep and unstable.

Action: There has been a recent replant near the banks of the Metapone River and buffer zones have been restored and the bank erosion is now reduced and banks are becoming stabilised.

There have been replants in a number of areas and estates including Okea and Ngalimbiu and buffer zones have been re-established according to the SI Logging Code of Practice (4.4.2/3).

Water contamination is avoided for both surface and ground water during normal conditions – during abnormal conditions (that is very heavy rain) it is not possible to avoid all contamination.

Hazardous Chemicals are prevented from entering water via good management practices including: Pre-mixing of pesticides in dedicated areas, use of secure storage, use of bunding – no mixing of chemicals etc. is carried out in proximity to water courses.

GPPOL have in place a controlled centralised pesticide pit for disposal of all containers and other pesticide waste, are keeping records of containers destroyed and sent to pesticide pit, they also ensure correct dilution of fertiliser is used for field application, monitor ground water to ensure no contamination from septic. The Pesticide pit complies with the Environmental Act.

Control also includes correct storage of bulk chemicals and fertiliser, control of hydrocarbons to prevent contamination - provision of bunds, spill kits and drip trays – are adequately controlled.

4.4.3 Minor NC: The small conservation area in Tetere estate which is considered a buffer zone had some work completed on the bank of a small stream however this activity damaged the area and restoration work has not yet taken place to better protect and maintain this water course.

Action: The small conservation area has now been restored and re-established. The water course is now protected and the bank is now adequately stabilised and the water course is now once again well managed.

Extensive training takes place to ensure that workers are aware of the proper disposal of any chemical wastes including pesticides etc.

Smallholders are aware of the buffer zones for the protection of waterways. All growers interviewed understand the importance of clean water for consumption and ensure the water they consume is from a source they maintain clean so they continue to collect water from there.

There was evidence shown of wells in Villages segregated by use, one for drinking and another for washing.

Although there was no permanent ground water noted on blocks inspected, the growers are fully cognisant of the need to protect surface and ground water. This was one of the reasons why so few growers use chemical poisons for weed control.

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

GPPOL are monitoring pesticide toxicity units (a.i. x LD 50 / tonne of FFB) (4.5.1). This is recorded back to January 2007. The trend analysis indicates use of Glyphosate in the early period indicated a tendency to increase and has recently started to fall.

An IPM Program (4.5.2) is documented for relevant pests that set out techniques, chemicals to be used, locations and timeframe for implementation. The IPM was recently updated (18.11.13) to include the methods to be used to combat the outbreak of Tussock moth in Tetere estate.

Records also include the use of a rodenticide against an outbreak of rats. Use of chemical was recorded until the problem was controlled and use of rodenticide stopped.

Estates are now monitoring the IPM with regards to rat control and a record of census is now being maintained

to allow control to be introduced when infestation reaches 20% and preventive measures are to be introduced as per the IPM. At the present time the rat problem is the main issue which needs to be addressed to combat the outbreaks.

4.5.2 Observation: Although the occurrence of Ganoderma is very wide spread Tetere Estate has not completed a survey to determine the amount of infestation. This has been completed for the other estates however.

Action: All estates are now completing the Ganoderma survey on a regular basis and recording the results. They are also recording when action is taken with regards the removal of diseased palms.

A record of training for handlers of pesticides is in place and includes techniques such as PPE used and spraying control.

The use of all chemicals is justified and a plan to reduce usage has been presented. This includes chemicals used, dosages, and frequency of use (4.5.3). GPPOL are recording where pesticides are being used, quantities and against what target pest. There are records of pesticide use from 2009 to the present time. The records including all chemicals used are updated on a regular monthly basis. The plan includes insecticides, herbicides, fungicides and rodenticides.

At the moment there is an outbreak of Tussock Moth and the control of this outbreak is recorded in the updated IPM. A strategy is in place to determine the extent of the problem. Once completed a plan will be introduced to eradicate the pest. At the moment until the extent of the outbreak is determined GPPOL are using biological means to combat his pest.

The major pests of oil palm for smallholder growers in Solomon Islands is Ganoderma. There is an ACIAR funded project on Ganoderma managed by PNGOPRA in Solomon Islands with a full time staff and vehicle. Ganoderma training was scheduled into the field day programmes and materials used in the training of the smallholders was sighted.

4.5.3 Opportunity for Improvement: The materials used in the Ganoderma field training showed the use of an OPRActive Technical Note by Dr. Carmel Pilotti in 2004. This technical note is too technical for smallholder farmers. A more simplified version of this, especially the information on Ganoderma sanitation practice, would be more appropriate. The use of a lot of enlarged poster-sized photographs of this work would be valuable.

4.5.3 Opportunity for Improvement: There has not been any practical demonstration of Ganoderma sanitation (removal) to smallholder farmers. In-field practical demonstration of Ganoderma removal is now common in all NBPOL SHA and OPIC field days in Papua New Guinea, which has greatly enhanced the growers' understanding of what to do to remove Ganoderma

infected palms. The PNGOPRA Ganoderma staff advised of the lack of manpower to assist in a field demonstration of Ganoderma removal. The plantation has a Ganoderma sanitation team that could assist in a few Ganoderma removal demonstrations to smallholder growers so the growers know how to do this themselves.

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

There is documented justification (4.6.1) for all Agrochemical use determining the reason for the use of certain chemicals. There is an updated register which records products used, when required, amounts to be used and frequency of use. This is documented within the management guideline specific for pesticide usage which attempts to ensure that the most effective and least harmful chemicals are always first choice and there is avoidance of any prophylactic and indiscriminate spraying.

The SOP stipulates the maximum dose possible for each application depending on the situation. There are also plans in place to gradually reduce the use of Agrochemicals wherever possible. There are records of pesticide use and they include active ingredients used (4.6.2), area treated, amount applied per hectare and number of applications. There has been a steady reduction since 2010 in the use of agrochemicals and this is documented via usage records. At times due to issues with young palms some chemicals are used more frequently.

Paraquat is no longer used. This was stopped as of 1st April 2012.

No suitable alternative to paraquat has been identified by the RSPO at this time (4.6.5). However at present GPPOL are using BASTA which has similar qualities to paraquat while not as effective. It is GPPOL policy not to supply any other pesticides to any smallholders. This policy is strictly monitored.

All chemicals have to have senior management approval prior to use and only chemicals listed for use by SI Government are used.

Pesticides are selected to minimise risks to health and environment. This is outlined in the Pesticide Usage Management Guidelines. However due to the fact that very few pesticide types are available pesticides are not routinely rotated to reduce the possibility of resistance. There are only 9 pesticides used which are approved by the Solomon Islands Department of Environment. GPPOL Sustainability Department has an approved copy of this list of chemicals which is approved 4.6.11).

There is in place an ongoing IPM which is controlled via the management guideline with regards to the use of WHO Type 1A or 1B (4.6.3) chemicals. GPPOL is able to demonstrate that Type 1A & 1B chemicals are not used by application records and purchasing records/stock control. They only use approved chemicals from the above list.

There is no aerial spraying of pesticides in GPPOL Estates (4.6.4)

Up to date records of training (4.6.8) are kept in each estate for the following:

- Pesticide Mixers
- Pesticide Sprayers
- Any pesticide handlers in stores

The training data is also maintained to show the nature and content of the training covered.

PPE is specified in SOP's for pesticide workers and it is being used by operators on all occasions as was witnessed during this inspection. The sprayers use overalls which are exchanged daily and washed at the pesticide shed and not taken home. A number of pesticide sprayers were interviewed in the field and mixers were also included. All were using the correct PPE which is supplied by GPPOL (4.6.9) and were aware of any requirements regarding chemical handling.

Material Data Safety Sheets (MSDS) are obtained for all chemicals used and are available at the areas of mixing. No concentrates are taken into the field as all spray solutions are pre-mixed in a designated area. MSDS follow all requirements of regulation 13 Safety Act.

Storage of chemicals is in locked areas with limited access (4.6.10). All areas where chemicals are stored were adequately ventilated through cross flow ventilation. All used or damaged chemicals containers are triple rinsed and pierced prior to being placed in the designated pesticide waste pit (landfill). This was supported by the pesticide mixers who were well aware of this requirement.

Records of containers disposed are kept including numbers sent to landfill. These were sighted as each estate including Mbalisuna and Ngalimbu.

Methods of storage and disposal of chemicals (pesticides) are included in training provided.

Female sprayers or mixers who become pregnant are transferred to other duties (4.6.14).

GPPOL policy is not to use either pregnant or breast feeding mothers to work with pesticides. None were sighted.

GPPOL does not use organophosphates. However, those employees handling chemicals (sprayers and mixers) are provided with a medical check every 6 months, which

includes blood and urine samples Health checks are conducted for all pesticide operators (4.6.13). This is carried out by a medical officer on a twice yearly basis and records of these checks are kept in the relevant clinic. All pesticide operators/handlers had been screened in by October 2013 and the company clinics maintain records of screening and schedule of examination. Workers were randomly selected for interview in the field and no problems were reported.

GPPOL do not use organophosphates except for orthene on a few occasions when required.

There has been no request for CPO residue testing from the supply chain (4.6.12).

Chemicals are only applied by trained persons in accordance with the product label.

SHA is doing awareness on pesticide usage and handling during the field days. Judging from the request of the growers interviewed, more information and training is required. There are no Type 1A or 1B chemicals used on any GPPOL plantation and smallholders, for pest control.

It was noted, however, that some smallholders are using herbicide to control grass and other weeds during the establishment phase. The herbicide is available commercially in Honiara.

The smallholders in question were either trained in chemical use or have considerable experience in handling chemicals with other crops (e.g. cocoa). As a result of this finding, GPPOL has undertaken to identify any smallholder who has an interest in using herbicide, and if they wish to proceed, provide adequate training to ensure the safe and effective use of chemicals, safe storage of chemicals, and safe disposal of containers. GPPOL will not supply pesticides to out growers however (4.6.6 & 7).

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

There is an OHS Plan in place in all the following areas:

- Estates
- Mill
- Bulk Terminal
- Workshops
- Clinics
- Stores

GPPOL has in place a health and safety policy (4.7.1) which has been implemented and is being monitored. The Health and Safety policy is widely available to all workers, visitors and contractors. The policy is publically displayed on notice boards and within documentation.

The management and control of OHS matters has continued to improve overall through proactive inspections.

Hazards and Risks have been identified for all operations (apart from the Tertiary treatment plant which has only recently been constructed) and in all areas (4.7.2). This also includes the degree of risk as well as the controls in place. Procedures and plans are in place to address all operations.

These have been made specific and distributed to all areas and to the respective managers and supervisors.

The safety management plans were sighted in each area visited and each one was current. There are regular documented inspections taking place which ensure that OHS Policy is being implemented. These are carried out at least 3 monthly and more often in higher risk areas. The most recent risk assessment was undertaken and updated as of November 2013.

All work areas visited did have available a copy of the health and safety risks for their operations and they were all current.

MSDS (4.7.2) presented are compliant with central stores now being responsible for obtaining, managing and distributing them. They were available for each product used.

GPPOL has provided the required PPE appropriate to the task after the hazard has been identified and the risk assessed. The level of proper use of PPE has increased for both workers and contractors in all areas including mill, workshops, estates etc. A very positive outcome was the absence of the use of incorrectly marked containers holding hazardous substances. In fact all areas of Safety Management have improved greatly since the pre-audit.

4.7.2 Observation: A number of minor OHS issues requiring attention were observed during this audit including: 1 gas bottle gauge broken, Tertiary treatment plant to be included in the risk register, petrol stored below electrical boards,

Correct footwear has now been issued to all harvesters from January 2012. Safety boots were issued to cutters in early 2012 and this has resulted in a reduction in Lost Time Injuries. Based on data collected for 2013 so far this rate has continued to fall. Management have in the last 12 months also provided gloves for harvesters and off siders which has resulted in a large fall in the number of palm nail injuries being reported.

There is evidence in place that all workers have been adequately trained (4.7.3) in safe working practices as complete records are in place for all training including pesticide workers. There are training records in all areas indicating the type of training completed and areas for training.

PPE is available for all workers in regards to pesticide applications and use of other hazardous areas such as the mill and is being used correctly in areas visited during this audit.

Workers involved in areas of high risk are being trained in work practices – this includes pesticide operations, fire fighting, construction safety and plant repair and service. Records of training are being maintained. The area around the mill is now very tidy and housekeeping as improved considerably.

Adequate signage promotes the use of PPE addressing when and what type of PPE is to be used and under what circumstances. Sign management and placement has improved and is now better controlled.

Accident and Emergency procedures are in place for a number of scenarios and areas such as evacuation for fire, vehicles accidents, felling accidents etc. are now being simulated on occasions rather than just fire (4.7.5).

4.7.5 Minor Conformity: However GPPOL are required to show evidence of testing of emergency drills such as evacuations, spill control, vehicle accidents in all operational areas and this has not taken place as required. There was no evidence of drill in a number of areas including Workshop, Okea and Tetere. Records of drills are not at times inclusive of the results of these activities.

Action; All areas have now completed the required emergency drills including workshop, Okea and Tetere. These were all dated and documented. There has been some variation on the types of drill and scenarios being tested.

Fire Hose reels are now available and in place and the fire pump were tested and started immediately. Although the person who is required to start the pump was not available.

4.7.5 OFI: There are not enough people in the mill who are trained to start the fire pump. In the case of emergency this would not be effective if there is only 1 trained person.

An overall company OHS Manager (4.7.4) has been appointed for GPPOL who coordinates the implementation and management of the OHS policy. An OHS representative is in place in all the following operations areas:

- Mill
- Bulk Terminal
- Estates
- Motor Vehicle Workshop
- Stores

All areas have regular meetings and these are held regularly (at least 3 monthly) (4.7.4) to discuss OHS matters in all areas. There is a standardised agenda which is followed when they have meetings.

Most areas are also holding Tool Box talks to disperse current or topical information or to reinforce safety issues such as use of PPE and Safety Alerts etc. This is now being recorded at this is routinely carried out at morning muster. All these department meetings observations and issues feed into a combined meeting which covers all operations for GPPOL which is chaired by the company OHS Manager. These Heads of Department OHS Meetings are held at least monthly. They are very detailed – the latest meeting for October was reviewed and included attendance by the Heads of Departments and OHS reps.

A first aid clinic (4.7.6), staffed by a qualified health workers is now provided by each Estate division (accessible by the mill). Workers trained in first aid with a first aid kit are now present in the mill and all estate offices as well as the provision of well stocked mobile first aid kits. The first aid kits are well stocked and GPPOL has now trained a large number of first aiders in each area being enough available in the case of other first aiders being absent. There are ample first aiders in the mill to cater for back shifts also.

Records of worker First Aid Training are in place and displayed on the OHS Notice boards although there have been some new first aiders trained and appointed and these details are not yet displayed on the noticeboards.

There are current records kept by Administration of First Aiders training including copies of certificates awarded and expiry dates and as above these are not all on display so that workers are ware of whom the first aiders are in each area.

GPPOL monitors a number of Safety performance indicators such as lost time injuries and regularly reviews all incidents (4.7.7). All accident records are kept and reviewed. The information is reviewed by Management during company safety meetings to ensure objectives are being achieved and all incidents fully investigated. This was verified during the audit.

There has been a marked reduction in injuries due to better practices and increased awareness in all areas. At present GPPOL are below the targets for LTA. There are records of all LTI going back to early 2010 indicating that the overall rates of injuries and illness is falling.

There are records in place for all incidents (4.7.7), injuries and also near misses. There is now consistency in the completion of the injury forms and this has been standardised throughout the company.

All departments provide details of LTA's which are then centralised into a report for the whole company and are reported at the main GPPOL OHS Committee meetings and then to the Group and finally to the Board of Directors. Records indicate that a level of LTA's is below acceptable maximum and rates and frequency are reducing. The Sustainability Department maintain extensive records indicating any trends including

improvements due to innovation such as gloves for harvesters.

All workers are covered by Workers Compensation accident insurance (4.7.8).

Smallholder growers hire workers who come to do periodic tasks like harvesting and weeding. The smallholders ensure the hired workers are well aware of safety issues and safe practice if followed. From the interviewed population, there were no records of injuries or incidences.

There were no reports of serious injuries occurring on the smallholder blocks, common sense tends to prevail. GPPOL has action plans to ensure that safe practices are carried out.

Criterion 4.8: All staff, workers, Small holders and contractors are appropriately trained.

An annual training plan (4.8.1) is prepared following the identification of training needs by department heads. Training is provided by both internal and external trainers. Training records are maintained for each training event by the relevant department.

Much of the training for field workers is focused on basic skills. However, GPPOL aims to introduce a cadet scheme in 2014 to recruit new graduates and train them as future managers. Job descriptions have been developed for management positions and can be used to help assess performance against required skills.

While the Solomon Islands does not have a formal apprenticeship scheme, trade training courses are provided in Honiara. These typically include two years of coursework followed by six months of work experience. GPPOL has provided places for 6 to 12 students each year, generally in the workshop, and has employed several of the students on a permanent basis following their completion of studies.

Until June 2013 a local doctor worked at Tetere Clinic for half a day each week. The doctor's visits were used to treat patients and train health staff. Although the doctor no longer visits Tetere, he has indicated that GPPOL's health workers are well trained. In addition, GPPOL's health workers can phone him if they need any medical advice.

GPPOL trained 30 employees in 2012 in basic first aid training or in first aid refresher courses, and trained an additional 26 employees and contractors in 2013. First aid training opportunities are provided for security contractors and other community members.

Some training has also been provided to local communities in 2013, including for example, training in financial and business management. GPPOL is currently undertaking training of smallholders and encourages this

training to be passed on to anyone working on their blocks. There is a strong tradition of training by family members who attend field days provided by GPPOL. This is completed and updated at least annually. (4.8.2).

Training for smallholder growers is through field days. Growers who attend field days tend to train others working in their oil palm block what they learn from the field day trainings.

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

An Environmental Aspects and impacts register (5.1.1) has been developed and is reviewed and updated at least bi-annually the last update being in October 2013. The register is comprehensive and clearly identifies significant environmental aspects and also nominates any legal requirements or restriction classed within the aspects.

This register covers all operations impacted upon by GPPOL. This register also includes occasional operations such as housing construction and any other projects. GPPOL are also requiring contractors to provide aspects register as well as hazards and risks assessment depending on the contract type. For example housing construction.

All environmental impact assessments have been carried out for all areas of GPPOL. All departments visited did have current Environmental Impacts and assessments available which were current. These were sighted in all estates and in the mill.

An environmental improvement plan (5.1.2) has been developed and is being updated as goals are achieved. The plan includes assessment of impacts including soil and water resources, air quality (see criterion 5.6), biodiversity and ecosystems, and people's amenity (see criterion 6.1 for social impacts), both on and off-site.

5.1.2 Observation: Although the Environmental Plan is now up to date some of the older achievements going back to 2009 could be removed and GPPOL needs to concentrate on current plans and monitor these.

Action: The Environmental plan is now updated as targets are achieved. This includes the date and what was achieved in each area where targets are set. This also includes the criterion which is stipulated in each case. Road base from a number of rivers is now obtained from a supplier and GPPOL negotiate with this supplier rather than with landowners.

There are improvement plans in place for all activities to reduce impacts of the GPPOL operations.

The Environmental Improvement plan has been updated recently (October 2013) to show progress since September 2009 and therefore current status of any improvements is now known due to the completion of the plan as objectives are met..

During the audit it was noted that all small holder audited have changed practices from widespread use of fire as carried out traditionally, to minimal use of small fires for gardens and no fires used for clearing, prior to planting or replanting. This remains the case and out growers do not routinely use fire for clearing and none was noted on any blocks inspected during this assessment.

The first smallholder blocks were established in January 2007. The area has been subject to considerable environmental degradation for at least the past 100 years yet all blocks visited have incorporated relevant environmental criteria such as buffer zones in their establishment.

The growers showed awareness of pollution to the environment from oil palm activities, even from plantation and mill operations. This information was rolled out during the RSPO awareness.

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

Ecologists have carried out an assessment of the presence of HCVs (5.2.1) within and adjacent to the GPPOL plantations. This was completed prior to certification in 2010. The ecologists used the SI National Interpretation of the HCV Toolkit and prepared a report on their findings. All of the land within the Estates has previously been used for other agricultural purposes and had previously been extensively logged.

Identification of high conservation value habitats and protected areas, such as rare and threatened ecosystems that could be significantly affected by the grower or miller has taken place. The ecologist has confirmed that there are no HCV within GPPOL operations or in the near vicinity.

HCV assessor has mapped potential areas of High Conservation Value that have been thoroughly assessed prior to entering into any agreements with landowners for expansion of oil palm plantings. There are extensive areas to the east of the current estate and smallholder Estates which will require HCVF assessment prior to GPPOL entering into any agreements with the customary owners.

At the initial stage of the FPIC process, An Environmental Awareness Programme was carried out by the relevant provincial and national departmental officers, jointly

with or assisted by GPPOL covering aspects of the need to protect existing areas of high conservation value, including any remaining intact forests and the potential to enhance biodiversity values by planting native tree species in refuge.

GPPOL have established the conservation status (e.g. IUCN status), legal protection, and population status and habitat requirements of rare, threatened or endangered species that could be significantly affected by the grower or miller (5.2.2 & 3). There are no identified rare, threatened or endangered species in the GPPOL operational area and bordering on GPPOL operations.

Buffer zones have been established along all watercourses and signs erected. Although it does not appear that any illegal hunting or fishing is taking place however if any arise protection is in place (5.2.5). GPPOL is discouraging people to encroach into the buffers.

5.2.5 Minor NC: In the area near the Metapone River there is evidence of illegal gardens being planted in the established buffer zone. There are signs however these are not clear and do not identify GPPOL as the authority.

Staff is aware of the requirements with regards buffer zones and all observed were found to be within the required limits depending on the width of the waterway in all other areas.

The HCV Assessment report contained many recommendations for basically continuing the good work that has been carried out by GPPOL since taking commencing to re-establish the original CDC estates.

As far as possible GPPOL is attempting to avoid damaged to habitats (5.2.4) by putting in place correct buffer zones and declaring habitats such as reserves and wet lands to be free from any activities which may deteriorate the habitat.

Company employees are prohibited from the hunting and taking of fauna from the Estates and adjacent land.

Sign boards have been posted adjacent to buffer zones and other conservation set aside advising of the protected area – however in one area this was not seen as effective as NC above GPPOL have provided gardening areas for use by workers adjacent to their housing to discourage worker encroachment into buffer zones and protected areas.

Smallholder oil palm is only planted in areas that were previously logged (secondary forest) and not virgin rainforest. On one recently planted block, there was a galip nut tree, *Canarium indicum*. This tree was left in the midst of the field. Comment: A smallholder block currently under planting had oil palm planted right beside the family graveyard. The palms beside the graveyard need to be removed to allow some buffer and this new grower needs more RSPO awareness.

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

The waste management plan (5.3.2) has been prepared and includes pesticide contaminated waste. The waste management plan is up to date and in place for all operations. There are plans in place to recycle where possible. Including batteries, aluminium, waste oil, chemical containers, half drum used for spill kits and rubbish bins. Old tyres are used as landfill and buffer zone markers. The plan was recently updated in November 2013 and re-issued and is therefore current.

Waste is recycled wherever possible. Examples of recycling strategies include identification of the types of wastes, prohibited wastes guidelines, re-use of waste containing nutrients, management of effluent ponds, increasing the efficiency mill extraction.

The company's aspects register formally identifies all sources of pollution and waste (5.3.1) and states their impacts and required mitigation measures. This register is updated at least annually or when new waste sources become apparent or there are changes to operations or techniques resulting in changes.

Waste control at present is now compliant with much household waste now being better controlled with all areas identified at the audit being addressed and all compounds now appears to be free of rubbish and litter. This is therefore much improved. All dwellings have access to a waste bin and recycle bin in front of their houses. At the moment domestic waste is being recycled.

5.3.2 Minor NC: There is a leaking Septic in Mbalisuna housing compound which appears to have been leaking for some time. This is in the housing areas and is quite widespread. It has spread across the road and as evidence of algae growing in it and action as not yet taken to clean this area where people live. It is understood there is a major plan to update septic system however this area requires immediate action.

GPPOL has in place treatment system for POME in the form of effluent ponds. Management of POME includes a SOP and this is being updated to include use of POME as a nutrient and for land application.

The following waste streams have been identified and are controlled through the Waste Management Plan in operation at GPPOL.

- Mill Effluent – through effluent ponds and land application no discharge at present.
- EFB other by products – Recycled to the field
- Fibre by-product – Fuel for furnace.
- Oils and Hydrocarbons (including containers) to Hydrocarbon pit or recycled
- Hydrocarbon spills treated with sawdust then Burnt in boiler.

- Used oil – recycled.
- Pesticides (including containers which are triple rinsed, punctured and to pesticide pit.
- Pesticide spills – cleaned with spill kits with used kits sent to pesticide pit.
- Office Waste – segregated, recycled where possible with rest to the landfill.
- Household waste – segregated, recycled where possible with the rest to the landfill.
- Human waste – Septic and soak a-ways.

The collection of household waste is well controlled. There are formal rubbish collections in all areas at least weekly. This is monitored regularly. The garbage collection system in each staffing compound includes separate bins for green waste and other household garbage. The green waste is recycled and utilised for agriculture. The remaining household garbage is buried in land fill sites which are adequately fenced and managed. There is no evidence of windblown waste or bad odour in these areas.

5.3.2 Observation: Better management of Landfills would improve their life cycle and efficiency – this includes making cells with straight sides and having in place a levee to direct water away from the cell. Better segregation of waste by removing green waste from the landfill would also extend the life of each cell.

Action: This area has improved greatly. All landfills have been centralised to one area which is larger and better positioned to cater for all areas which create waste. The purchase of the compactor truck has also increased the efficiency of the land fill management. The area is large enough to last for some considerable time into the future

Also there is a hydrocarbon pit - waste oil is collected.

A trap which was required with regards to vehicle wash bay at the MVW has been constructed and appears to be effective.

There is an inspection of all areas in which is carried out monthly. Each compound now has a compound clerk who is in charge of all compounds to ensure they remain clean and tidy.

GPPOL ensures that the quantity of pesticide waste recycled or sent to land fill is recorded.

Medical waste records include disposal of sharps and contaminated medical waste, giving amounts destroyed and where transported from with dates. All clinics send their waste to the main clinic at Head Office where incineration occurs. The clinics also record the return of expired ointments and drugs. The medical waste is collected from each clinic and records of its destruction are kept – this includes needles, syringes and contaminated bandages.

Therefore the audit concluded that the waste management plan has been effectively implemented.

The growers under the Loka Mata Association do not reside on their blocks and these blocks are meticulously maintained. Other growers have rubbish pits for domestic waste. The smallholder grower blocks had good pit latrines.

In general there was very little evidence of burning of refuse. GPPOL emphatically discourages the use of fire on smallholder blocks and provides training in the safe disposal of waste materials and containers. Wildfires occasionally damage blocks and the use of green cover crop and firebreaks should be further encouraged.

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

GPPOL uses fibre to power the boiler which produces steam which drives the turbine which electrify - the use of renewable energy (5.4.1) in this case would be almost 100% under normal operating conditions, GPPOL provides records of both monitoring of kilowatt hours per tonne of palm product and Kilogram of steam per tonne FFB.

There has been a new improved steam turbine installed recently which will allow the use of more renewable fuel sources and therefore reduce the use of diesel.

In recent time whilst the new turbine was being installed the use of non-renewable resources was increased to around 55:45. This will be redressed once the turbine is working to full capacity.

A number of sheds including pesticide and fertilisers stores are relying on natural light (translucent roof panels) and therefore use of electricity for lighting is reduced.

GPPOL provides records of both monitoring of kilowatt hours per tonne of palm product and Kilogram of steam per tonne FFB.

GPPOL monitors the use of non-renewable energy (diesel) (5.4.2) and this is monitored in the form of data which records use of diesel per tonne of FFB. GPPOL only started keeping records when mill was brought back into production approx. 2007.

The fuel used for all operations is measured and monitored with a view to reducing use of non-renewable energy.

GPPOL have now included all fuel used by contractors, transport and other operations with regards to use of non-renewable energy sources.

Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in

specific situation, as identified in the ASEAN guidelines or other regional best practice.

There have been great strides in the reduction in the use of fire at GPPOL and this practise has now been eradicated. There was no evidence of fires being lit in land preparation for replants which were undertaken recently in a number of estates (5.5.1).

There has not been any sanitary burning at GPPOL (5.5.2) in recent times but GPPOL will record any areas of sanitary burning for example the most effective way of destroying rotten FFB. Burning of domestic waste is against company policy and has been mostly eradicated (5.5.3). It is very rare to sight evidence of the burning of domestic waste by workers and families of GPPOL. There was no evidence of domestic burning in the compounds visited. GPPOL have now taken the initiative with regards to fires being lit by the local population. Now each estate has in place a register of any fires including an investigation as to the cause of the fire, who started it and the extent of the fire. This has continued and appears to have a positive outcome as on this occasion very few fires started by outsiders were noted.

The incineration of all medical wastes such as sharps, used bandages and gloves is well controlled (5.5.4). Records are maintained of the amounts destroyed. This is carried out using a specially designed and constructed incinerator. See 5.3.1

The smallholders are disposing of their waste in a responsible manner by mixing the organic waste with the pruned fronds and using a pit disposal method for other household waste. GPPOL has a strong "No Fire" Policy throughout its operations and those of Small holders. Therefore GPPOL continues to encourage minimal use of fires on smallholders' blocks through its awareness program. All growers understood the RSPO rules for use of fire sparingly.

All the growers admitted to using fire for clearing new gardens and one grower used fire to clear new land where recent (2013) planting were made. More RSPO awareness must be made to discourage use of fire in smallholder oil palm blocks.

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

Assessments have been carried out on all recognised polluting activities (5.6.1) and include gas and smoke emissions, particulate and soot emissions, effluent control, treatment and discharge. Any significant pollutants and emissions have been identified (5.6.2). There is a plan in place to reduce pollution – this is included in the aspects/impacts register and in the Continual Improvement Plan.

Stack emissions are being measured by either the Randleman method or with readers that show emissions levels. The reader/meter is now functioning correctly.

Evidence of Randleman measurement/observation is now in place. GPPOL record smoke emissions with meaningful data which accurately rates emission levels and does not give false readings which indicate pollution when this does not appear to be the case. Smoke level records indicate that level emitted are below allowable limits on all records reviewed. There are records in place for the previous 4 years.

GPPOL are maintaining adequate records of mill emissions and effluent including critical data such as Smoke emissions, BOD levels, Total Suspended Solids and Oil & grease as required by the relevant environmental permits. This is now a much improved practice over what was seen during the previous pre audit. Records are now in place for over twelve months of these readings.

Significant pollutants and emissions have been identified within the Environmental Impacts register and plans are in place to reduce impacts via the Environmental Improvement Plan

Plans indicate allowable waste levels and systems such as segregation and recycling have been introduced.

The treatment methodology of POME (5.6.3) is recorded in effluent pond management plans however GPPOL is not discharging POME at this stage. The construction of the tertiary treatment plant as also indicated that levels of BOD in when discharging are in the vicinity of 20 which is well inside the allowable limit.

All drains within the mill and other areas are monitored and interceptors are in place to prevent storm water pollution. Records are in place to recorded inspection, cleaning and effectiveness of these PCD's. Recently a number of these traps have had their capacity increased and are now more effective.

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

A Social Impact Assessment was conducted in July/August 2009. This was used as the basis for preparing the initial Social Impact Improvement Plan. Various mechanisms have been used to update the Social Impact Improvement Plan, including input from a Community Liaison Committee and Gender and Social Committee, and more recently, a competition in two local schools, initiated by GPPOL, which identified a range of common perceptions of oil palm among school children. However, it is GPPOL's improving relationships with both internal and external stakeholders that allow GPPOL to identify and focus on the key social issues. The latest Social Impact Improvement Plan, dated November 2013, has a clear focus on the main social issues.

Security concerns have been among the highest risks facing GPPOL since its establishment and have been identified among the main social issues both within the company compounds and in the general community. In February 2013 Guadalcanal Plains Security Services (GPSS) was contracted to provide all security services for GPPOL. GPSS is a company owned by five directors from the immediate area impacted by GPPOL. GPSS has more than 80 employees, many of whom were previously young, unemployed males that contributed to local law and order problems. Their recruitment and training has not only provided local employment, but elevated them into positions in which they are playing a leadership role in their families and in their villages, and contributing positively to a more peaceful environment within their villages. GPSS is working closely with and has a good relationship with the local Police. The Police have provided training to GPSS officers, and they are undertaking joint exercises over the Christmas period.

The use of local security officers is having a positive impact throughout the area in which oil palm is grown. In line with their motto 'Serving the Community', GPSS is improving the law and order situation; providing local employment; and providing a range of contributions to support local people and organisations.

As discussed further under Criterion 6.5, considerable progress has been made on many of the other key social issues in the compounds, including:

- Overcrowding;
- Pay levels and the cost of living; and
- Compound drainage.

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

GPPOL has a list of stakeholders and has identified who in GPPOL is responsible for communicating with each stakeholder or stakeholder group. The Sustainability Manager is the nominated representative for dealing with any environmental issues.

GPPOL also maintains a Correspondence Register for the General Manager, Sustainability Manager, Financial Controller, Plantation Manager and Vehicle Workshop Manager.

As noted in the 2012 surveillance assessment, the establishment of the Sustainability Office, and a more direct and personal method of communication is improving relationships and establishing a base for stronger, more robust relationships with local communities. This includes, but is not limited to:

- The Guadalcanal Plains Resource Landowner's Association (GPRLA) and its members;
- Local chiefs and leaders;
- GPRLA's business arm the Guadalcanal Plains Resource Development Company Limited (GPRDC);

- Local contractors; and
- Smallholders.

Within the workforce, improved communication is, and will continue to occur, as a result of:

- The strengthening of the role played by chiefs and compound leaders to help resolve a range of social issues (as discussed further under Criterion 6.3): and
- The strengthening of the Guadalcanal Plains Palm Oil Workers Association (as discussed under Criterion 6.6).

Communication and consultation mechanisms have been designed in collaboration with local communities and other affected or interested parties. These consider the use of existing local mechanisms and languages.

Consideration is given with regards to the use of third parties including community groups, NGO's and Government agencies. Records of all communications and actions taken in response to input from stakeholders need to be recorded.

A list of stakeholders has been maintained and is kept by the GM GPPOL.

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

GPPOL has a grievance mechanism with grievance registers maintained in each operating centre (mill, estates, head office and sustainability office). Grievances and GPPOL's response are recorded. The number and type of grievances recorded during 2013 indicate that there is more awareness of the grievance mechanism, particularly among employees and their dependents, and more understanding of how the mechanism is to be managed. While noting this improvement, the grievance mechanism is something in which continuous improvement is required to ensure it is widely known and understood and is an effective method for addressing any grievances.

GPPOL has a Whistle Blower mechanism, allowing grievances to be dealt with on a confidential basis by the General Manager and/or Sustainability Manager. In addition, and as discussed under Criterion 6.9, grievances concerning domestic violence or sexual harassment are recorded and managed separately.

GPPOL is also strengthening the role of chiefs (who are identified to represent and lead people from their province who reside in the compounds), with the support of compound leaders (a paid GPPOL position), to play a key role in addressing a range of social issues in the compounds. As noted under Criterion 6.2, this will strengthen communication links between management and the compound residents. More importantly, it will help address social issues in a culturally sensitive mechanism. While this should reduce the number of issues raised as grievances with management, it should also contribute to more peaceful and harmonious

compounds. The Sustainability Counsellor is providing training and support for the chiefs and compound leaders. For the initiative to be successful in the long term, it will be important that management continues to provide support and continues to be involved in this process.

GPSS security officers play a support role in addressing many of the grievances raised by employees and dependents. The role and responsibilities of security officers, compound leaders, chiefs and management has been articulated. GPSS has an Incident Report Form that includes adequate detail on law and order issues they are involved in. The form includes details if the incident is referred to the Police, and recommendations to help avoid or minimise the incident in the future. **6.3.1**

Observation: Further awareness of the grievance mechanism is warranted, both internally and externally, to ensure all stakeholders are aware that they can raise any issue that concerns GPPOL or its employees and they will receive a response from the Company in a timely manner. Providing a simplified summary of the grievance mechanism, possibly in Solomon Islands Pain, may help raise awareness and the level of understanding of the grievance mechanism.

Action: The number and type of grievances recorded during 2013 indicate that there is more awareness of the grievance mechanism, particularly among employees and their dependents, and more understanding of how the mechanism is to be managed. While noting this improvement, the grievance mechanism is something in which continuous improvement is required to ensure it is widely known and understood and is an effective method for addressing any grievances.

6.3.2 Observation: The grievance book is not always updated as the grievance progresses and when a solution is found and the grievance resolved. The grievance does not at times indicate when a matter has been referred to the local police.

There is a grievance mechanism in place and is working well at the moment with most grievances handled by the smallholder affairs departmental head, James Samu. There is a demand for new plantings and the system needs to be put into an electronic data base. During this assessment there were no grievances made with regards to GPPOL or the out growers department.

6.3.1 Observation: There is not an effective grievance mechanism in place to capture all nature of concerns by smallholder growers. It was explained that almost all complaints by smallholders were in relation to improper payments for which, there is an IT request form that is filled by the SHA manager authorizing IT to make necessary changes (evidence sighted). However, that system belongs to IT and now the SHA and does not allow for other forms of grievances to be captured when reported to SHA. A grievance from similar to the one operating for GPPOL workers need to be implemented and smallholder growers

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

GPPOL entered MOUs with the local landowners and the provincial government for the re-commencement of oil palm production in the Solomon Islands. A review of the MOUs was undertaken in 2012/13 and agreement reached for the continuation of oil palm production.

6.4.1 Opportunity for Improvement: GPPOL is considering an expansion to the east of existing estates. Although discussions between GPPOL and local residents have only recently commenced, there is considerable interest from local communities in both smallholder and estate production. GPPOL has a documented procedure for developing oil palm on new areas of customary owned land. The Land Acquisition Note and Acquisition Procedures are relatively brief and could be improved to ensure the procedures have adequate detail in relation to the identification of the customary owners; consultation with customary owners over the potential impacts, both positive and negative; environmental assessment; land suitability assessment; and other aspects to ensure Free, Prior and Informed Consent. Additional details in regard to new plantings are discussed under Criterion 7.1.

Guadalcanal is a matrilineal society and land is owned by women. However, the decision for land use is determined by the local clan chief who is a male. The company does not involve nor interfere. The PAF contains proof of discussion between the block owner and the clan.

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

The minimum wage paid by GPPOL is SI \$4.31/hour, which is considerably higher than the minimum rural wage rate in the Solomon Islands of SI \$3.20/hour. Pay slips provided to employees outline the work completed in the previous fortnight; any deductions; and the resulting pay; and are reasonably clear and easy to understand.

GPPOL provides a range of benefits to employees including housing, electricity, water, medical assistance, holiday loading, leave fares and superannuation (7.5%). Despite this, high living costs are frequently identified as one of the main social problems facing workers and compound residents. A study to assess the cost of living for families in the compounds was undertaken in 2013. Preliminary results indicate that many families spend more than the income received from employment in GPPOL. Further analysis is required before the results

will be finalised. It is likely that the study will identify a number of areas that warrant further study in an attempt to ensure that employees receive a wage that provides for a decent standard of living.

Contractors

Contractors are required to meet legal minimum terms and conditions and agree to this in writing before contracts commence. Wage rates paid by GPSS exceed minimum standards and employees are being enrolled in superannuation.

Working conditions

All GPPOL employees have an Employment Contract, which specifies the terms and conditions of employment, and is explained to employees in a language they understand.

Over-crowding

Over-crowding remains a major problem in the compounds, particularly at Ngalimbiu. GPPOL has several strategies to address the overcrowding problem, including:

- Reducing the workforce (as productivity increases);
- When recruiting, targeting residents of local villages or dependents from company compounds; and
- Constructing additional housing.

Over the past year retention and out-turn rates have improved, along with the quality of work. This has enabled a reduction of approximately 150 workers to 1,380 permanent employees. GPPOL has a Housing Plan that continues to be updated. Additional houses have been constructed at Tetera in 2013 and additional houses are under construction. However, the major constraint is an ongoing land dispute, which is preventing around 100 families from occupying newly constructed houses at Okea. If this dispute can be resolved the overcrowding problem will be substantially reduced, particularly at Ngalimbiu.

Other housing issues

Sewerage and drainage has been improved at Tetera and work is underway in Ngalimbiu. Sewerage and drainage works will subsequently be undertaken in Mbalisuna. It is worth noting that all GPPOL houses have power points.

Health

GPPOL has three clinics and a total of 11 health professionals. GPPOL is providing a relatively high standard of health services to employees, dependents and the local community. GPPOL continues to record a

low prevalence of malaria among the employees and dependents, relative both to the surrounding community and in previous years. As discussed under Criterion 4.7, there has also been a substantial reduction in both the number of injuries, and their duration, over the past two years.

6.5.1 Observation: A study to assess the cost of living for families in the compounds was initially scheduled for late 2010 and subsequently in 2012. Unfortunately the main person in the NGO engaged to undertake the study left, and the NGO was unable to complete the study or provide any material or information. GPPOL has subsequently decided to undertake the study. As cost of living pressures are often regarded as one of the main social issues within the workforce, it is important to undertake the study, and preferably complete it no later than in 2013.

Action: A survey has been undertaken and preliminary analyses and reporting completed, to assess the cost of living for company employees and their families. The preliminary results are discussed further under Criterion 6.5.

Most smallholders hire workers to do harvesting and upkeep. All hired workers are paid on piece rate. Harvesters are usually paid between 50c to \$1 per bunch. Weeders are usually paid \$100 per row of oil palm block cleaned. Work is usually for a day or two at the most making the amount paid more than the minimum wage rate per day.

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

GPPOL has a policy in support of freedom of association and collective bargaining. Approximately 600 employees or 45% of the workforce are members of the Guadalcanal Plains Palm Oil Workers Association (GPPOWA). This union was established in May 2007 but had trouble in the past. Membership fell dramatically and is only now recovering. Union members meet regularly, generally each month, and Minutes are recorded. Meetings with GPPOL management have been suspended by the Union until its membership exceeds 50% of the workforce.

The union runs a trade store that allows members to buy goods on credit and have the cost deducted from subsequent wage payments. The union also operates a credit union to provide members loans for school fees and other needs. Around 50% of members have savings accounts.

During the audit, smallholder grower advised that an association of smallholder growers was being formed.

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

The minimum age for employment at GPPOL is 18 years of age. There appears to be very good recognition of this requirement among managers responsible for hiring staff, and age is recorded for each employee. When age documents are not provided clinic staff are required to estimate the age during pre-work medical checks. This has often led to the refusal of potential employees because they are under age.

There is no evidence that children have been employed, exploited or endangered by the Company. Smallholders do not use children to work on the blocks on school days, although some may assist on weekends in tasks such as loose fruit collection

All Small holders were very clear that school-aged children belonging to the blocks family were always sent to school and carried out light work only during school holidays and weekends. Out growers in the older blocks do not live on their blocks and do not use children for working on the blocks except for school holidays.

Almost all the growers interviewed were aware of not using children for oil palm work when it might interfere with their educational programmes. The growers did admit to children being used for light work, such as loose fruit picking, under adult supervision during weekends and school holidays.

During the audit, two growers admitted to making older children of school age remain at home at school time so they can help with the harvesting. Growers therefore showed a clear understanding of these requirements and only use school aged children during the longer school holidays, and not weekends.

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

GPPOL has an Equal Opportunities Policy and displays this at its offices. GPPOL practices a form of positive discrimination by giving local preference for employment and contracting opportunities. This is contributing to a more secure and stable environment in which to operate.

There have been no breaches of the Equal Opportunities Policy.

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

GPPOL has policies against sexual harassment and domestic violence and these are displayed at its offices and the clinics.

Domestic violence remains a serious issue in company compounds. GPPOL has several approaches for dealing with domestic violence, depending on how it is identified and its seriousness. Counselling is the preferred option, but some cases are reported to the Police and/or lead to dismissal. The Sustainability Counsellor, health staff, security staff, chiefs, compound leaders and managers all have roles to play. As approaches to domestic violence change, it may be necessary to revise the domestic violence policy and/or provide additional resources to help ensure domestic violence is minimised and dealt with adequately.

The Company provides breaks for breastfeeding, maternity leave, and transfers female sprayers/mixers that become pregnant to other duties.

Criterion 6.10: Growers and mills deal fairly and transparently with Small holders and other local businesses.

GPPOL has been one of the main economic drivers in the Solomon Islands since recommencing production. In the local area income levels have increased substantially from payments to smallholders, contractors and local businesses. GPPOL is not only dealing with local contractors and businesses in a fair and transparent manner but is actively supporting their development. GPSS is an excellent example.

GPPOL is providing information to smallholders on FFB and fertiliser prices and has provided explanation on the FFB pricing formula. Although displayed at certain points, most smallholders phone GPPOL's Smallholders Affairs staff to find out the price of FFB at any point in time. GPPOL is to be commended for this. Some other businessmen queried the support provided to them, however, citing inadequate housing and less than adequate work spaces.

Interview of contractors confirmed the Terms and Conditions of Contracts are explained to contractors before the Agreement is signed as well as during the induction process. Records are held of contractor inductions and include environment, health and safety performance requirements. The company uses a standard Contract prepared by its Legal Department.

6.10.3 Observation: A 5ha block visited had 8 damaged seedlings planted which were supplied by GPPOL. The supplied seedlings were stunted palms which should have been picked up during the many culling stages

(monthly and 6 monthly) during the 2 years in the nursery.

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

GPPOL is contributing substantially to the Solomon Island's economy, with an estimated SI \$147 million in payments in 2012 for wages, royalties/lease payments, taxes and duties, and payments to smallholders, local contractors and suppliers. Much of these payments are directed to the local area. In addition, GPPOL is providing a range of community support (e.g. grading farm access roads and cutting grass at local schools), extending its training programs to the community, and is providing medical services to the local community free of charge. In 2012, 42% of GPPOL clinic treatments were from the community. This is a substantial contribution to the community, and one that is no doubt contributing to a favourable attitude towards GPPOL within the local area.

As discussed under Criterion 6.1, GPSS is also providing financial support to the local community, even though GPSS was only established in February 2013.

In addition to the support provided by GPPOL and GPSS, GPRLA has implemented a number of water supply projects in local communities in the past and provides support to members for school fees and other needs. GPRDC, the Association's business arm, is progressing plans to establish a shopping centre at Tetere (including supermarket, pharmacy, food court, bank and other commercial facilities). This would contribute substantially to the local economy and encourage more people to create bank accounts and reduce the need to outlay \$30 to travel to/from Honiara to buy basic supplies.

GPPOL pays SI \$500,000 per annum to the Guadalcanal Provincial Government. As a result of the review of the MOU between GPPOL and the Provincial Government, the provincial development contribution will be increased to SI \$750,000 per annum from 2014. However, there is limited evidence of how these funds have been expended in the past.

6.11.1 OFI: GPPOL continue to provide a number of goods and services to surrounding communities and organisations. By accurately measuring these and allocating a value to the provision of these goods and services, it would better illustrate MBE's commitment to community development.

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

GPPOL is considering an expansion to the east of existing estates. Although discussions between GPPOL and local residents have only recently commenced, there is considerable interest from local communities in both smallholder and estate production. It is assumed that

estate production would be managed under a similar arrangement to existing areas of oil palm managed by GPPOL. If the development proceeds, it will be important, when undertaking the Social Impact Assessment (SIA), to consider all aspects of the proposed development, and address the likely consequences of the development. The development may include areas of estate and smallholder oil palm, a mill, the establishment of one or more compounds and potentially road improvements. The consequences of the development, which also need to be considered as part of the SIA, are likely to include (but not be limited to) in-migration, improved road access and increased income levels.

It will also be important, when undertaking the SIA, to ensure that lessons from current operations are given due consideration. This may include recommendations, for example, in response to the problems caused by compounds being located in close proximity to the main road, or the difficulty of managing compounds that have workers from different departments. Similarly, recommendations should reflect strategies that have been successful in the past. This may include, for example, the use of local security services.

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

Detail soil surveys and soil analysis will be carried out for all new land intended for development with the view of improving management of these soils. Soils survey reports for areas already developed are available.

All existing smallholder blocks are located in areas of highly disturbed vegetation (logged over many times and gardened) and where there is any vacant land it tends to be covered by the feral mulberry tree.

It is recommended however that the Out growers selection form be updated to include a statement on the exclusion of any HCV areas from new plantings.

Criterion 7.3 New plantings since November 2005 have not replaced primary forest or any area containing one or more high Conservation Values.

The Rapid Conservation Assessment Report by Dekker has established a baseline upon which local consultants will be able to carry out a more detailed assessment for new areas, particularly to the east of the current estates.

Criterion 7.4 Extensive plantings on steep terrain, and/or on marginal and fragile soils, are avoided.

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

Criterion 7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

GPPOL will ensure that local people are compensated for any land acquisitions and are fully informed – see above 7.1.

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

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

The company has prepared a Continuous Improvement Plan.

Objectives and Targets have been developed and an improvement plan prepared. The focus of continual improvement includes:

- Reduction in the use of certain pesticides (criterion 4.6).
- Environmental impacts (criterion 5.1).
- Waste reduction
- Pollution and emissions (criterion 5.6).
- Social impacts (6.1).

8.2.1 Continuous improvement Plan: Additional details are required for external readers to understand both the mitigation strategies and the actual achievements in the Social Impact Improvement Plan (which is the basis for demonstrating continuous social improvement). In addition, targets could include quantities (when applicable) as well as the timeframe. An assessment of progress should be undertaken annually and results included in the Social Impact Improvement Plan. This plan should be retained to demonstrate the plans and achievements for that particular year.

Action: The Social Impact Improvement Plan has been updated with several new initiatives included in the plan for 2013. There has been an adequate response, but it is also a tool (for identifying priority social issues, outlining mitigation strategies, and reporting on progress in addressing those issues) that requires continuous improvement.

A Continuous Improvement Plan is attached as Appendix C.

Indicator 8.1.2 calls for a timely response to all RSPO audit findings. In addition to responding to the main issues discussed above, a number of issues were raised

during the audit that may require a response or some follow-up by GPPOL management. This includes queries or complaints raised during stakeholder meetings. While not the responsibility of the audit team, what is considered to be the main queries or complaints are documented below so that GPPOL management can respond as appropriate (refer Section 3.4).

3.2 Detailed Identified Nonconformities, Corrective Actions and Auditor Conclusions(Also included as Appendix D)

MAJOR NONCONFORMITIES

There were no major non-conformities raised as a result of this assessment

MINOR NONCONFORMITIES

Two (2) Nonconformities were assigned against Minor Compliance Indicators. Details of these Nonconformities are provided below:

5.2.5 Minor NC: In the area near the Metapone River there is evidence of illegal gardens being planted in the established buffer zone. There are signs however these are not clear and do not identify GPPOL as the authority.

5.3.2 Minor NC: There is a leaking Septic in Mbalisuna housing compound which appears to have been leaking for some time. This is in the housing areas and is quite widespread. It has spread across the road and as evidence of algae growing in it and action as not yet taken to clean this area where people live. It is understood there is a major plan to update septic system however this area requires immediate action.

GPPOL has prepared a Corrective Action Plan (Appendix D) that has been reviewed and accepted by BSc. Progress on Corrective Action will be checked during the Surveillance Audit.

OBSERVATIONS / OPPORTUNITIES FOR IMPROVEMENT

The assessment identified ten (10) Observations/Opportunities for Improvement. The progress with the Observations/Opportunities for Improvement will be checked during the next Surveillance Assessment visit scheduled for twelve months after certification date.

1.1.1 Observation: There was a verbal request from DEC for a publication in October 2013 and although this was approved immediately the verbal request was not documented as required by the process.

4.3.5 Observation: If the road maintenance plan is not up to date and is behind for reasons such as broken down road graders the reason for the delay is not being recorded. The road maintenance plan at some estates does not indicate progress against planned road maintenance arrangements. This would help indicate the status of road grading when plant is not available through breakdown and managers can be aware of the status of grading.

4.5.3 Opportunity for Improvement: The materials used in the Ganoderma field training showed the use of an OPRActive Technical Note by Dr. Carmel Pilotti in 2004. This technical note is too technical for smallholder farmers. A more simplified version of this, especially the information on Ganoderma sanitation practice, would be more appropriate. The use of a lot of enlarged poster-sized photographs of this work would be valuable.

4.5.3 Opportunity for Improvement: There has not been any practical demonstration of Ganoderma sanitation (removal) to smallholder farmers. In-field practical demonstration of Ganoderma removal is now common in all NBPOL SHA and OPIC field days in Papua New Guinea, which has greatly enhanced the growers' understanding of what to do to remove Ganoderma infected palms. The PNGOPRA Ganoderma staff advised of the lack of manpower to assist in a field demonstration of Ganoderma removal. The plantation has a Ganoderma sanitation team that could assist in a few Ganoderma removal demonstrations to smallholder growers so the growers know how to do this themselves.

4.7.2 Observation: A number of minor OHS issues requiring attention were observed during this audit including: 1 gas bottle gauge broken, Tertiary treatment plant to be included in the risk register, petrol stored below electrical boards,

6.3.1 Observation: There is not an effective grievance mechanism in place to capture all nature of concerns by smallholder growers. It was explained that almost all complaints by smallholders were in relation to improper payments for which, there is an IT request form that is filled by the SHA manager authorizing IT to make necessary changes (evidence sighted). However, that system belongs to IT and now the SHA and does not allow for other forms of grievances to be captured when reported to SHA. A grievance from similar to the one operating for GPPOL workers need to be implemented and smallholder growers

6.3.2 Observation: The grievance book is not always updated as the grievance progresses and when a

solution is found and the grievance resolved. The grievance does not at times indicate when a matter has been referred to the local police.

6.4.1 Opportunity for Improvement: GPPOL is considering an expansion to the east of existing estates. Although discussions between GPPOL and local residents have only recently commenced, there is considerable interest from local communities in both smallholder and estate production. GPPOL has a documented procedure for developing oil palm on new areas of customary owned land. The Land Acquisition Note and Acquisition Procedures are relatively brief and could be improved to ensure the procedures have adequate detail in relation to the identification of the customary owners; consultation with customary owners over the potential impacts, both positive and negative; environmental assessment; land suitability assessment; and other aspects to ensure Free, Prior and Informed Consent. Additional details in regard to new plantings are discussed under Criterion 7.1.

6.10.3 Observation: A 5ha block visited had 8 damaged seedlings planted which were supplied by GPPOL. The supplied seedlings were stunted palms which should have been picked up during the many culling stages (monthly and 6 monthly) during the 2 years in the nursery.

6.11.1 OFI: GPPOL continue to provide a number of goods and services to surrounding communities and organisations. By accurately measuring these and allocating a value to the provision of these goods and services, it would better illustrate MBE's commitment to community development.

3.3 Noteworthy Positive Components

- There has been notable improvement in a number of areas since the previous surveillance assessment in December 2012:
- MOUs between GPPOL and the landowners and provincial government were reviewed and agreement reached for the continuation of oil palm production;
- GPPOL paid its first dividend (noting the landowners hold a 20% share in GPPOL);
- The appointment of a local security company has contributed substantially to improved security and stability in the area;
- Lost Time Injuries have continued to fall, due in part to the provision of safety boots and gloves to various workers, and in part due to

improved awareness of safe work practices among the workforce;

- Following a period of relative inactivity and falling membership, the Guadalcanal Plains Palm Oil Workers Association (GPPOWA) is gaining membership and momentum;
- There has been continued progress in addressing the overcrowding problem and improving the general living conditions in company compounds.
- Although GPPOL continues to operate in a challenging environment, there appears to be strong support for GPPOL and for the expansion of oil palm in the area.
- However, GPPOL faces several challenges:
- It operates in an area in which the capacity of government agencies is relatively low, which limits the availability and quality of health, education, police and road maintenance services;
- An ongoing land dispute is preventing around 100 families occupy newly constructed houses at Okea, which would greatly reduce the overcrowding problem, particularly in Ngalmibiu;

3.4 Issues Raised By Stakeholders and Findings with Respect To Each Issue

1. Other pest problems include weeds and rats. At present, control of the weed is by manual control although one grower did confess to using herbicides. However, 57% of the people interviewed express desire to use the readily available chemicals (sold in hardware shops in Honiara).
2. A rat IPM for smallholders is not yet developed. A group of farmers expressed desire for the company to supply them rat bait for the control of this pest. This might prove to be more dangerous to the untrained population (including infants) and livestock. There are a few rat management options being looked into by the plantation, especially during their replanting phase. Whatever works could prove useful to smallholder farmers.

3.5 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Please sign below to acknowledge receipt of the assessment visit described in this report and confirm the

acceptance of the assessment report contents including assessment findings.

Signed for on behalf of
GPPOL

.....Roger Benzie.....
Roger Benzie
General Manager
Date: 6.3.14

Signed for on behalf of
BSi Group Singapore Pte Ltd



.....
Mr Allan Thomas
Lead Auditor
Date: 6.3.14

Appendix “A”

RSPO Certificate Details

GUADALCANAL PLAINS PALM OIL LTD
PO Box 2001,
HONIARA SOLOMON ISLANDS

Contact Person: Mr. Roger Benzie
General Manager
Phone/Fax: 677 21003

RSPO No. 555359

Website: see NBPOL

RSPO Principles & Criteria: 2007 and PNG NIWG Indicators and Guidance March 2008 including Annex 4: Procedures for Annual Surveillance; and Supply Chain Certification Standard: November 2011, Module – CPO Mill - Palm Kernel crusher in the same vicinity, Segregation.

Name	Tetere Mill & Supply Base
Location	Guadalcanal Plains Palm Oil Limited
Address	P.O. Box 2001, Honiara, Solomon Islands
GPS	09° 26.588' S 160° 13.107' E
CPO Tonnage	38020
PKO Tonnage	3701
PK Tonnage	8871
Plantations FFB Tonnage	130979
Small holders FFB Tonnage	10759

Appendix “B”

ASA 3 Audit Programme

GPPOL RSPO Program

Programme ASA 3 & 1st Surveillance ISO 14001

Monday 2nd December 2013

- Allan & Mike arrive at 1400 – meet and pick up at airport
- Dean arrive from Port Moresby 3rd December
- Travel direct to Hotel for check in and initial discussions.

Tuesday 3rd December 2013

Time	Activity	Allan	Mike	Dean
8:00am – 10:30noon	Opening Meeting Head Office	X	X	X
	Small Holders			X
10:30am – 12:00 am	Inspect Mbalisuna	X		
9:00 am – 12.00	ISO 14001 – Management Review/Aspects			X
10:30am – 12:00 am	Inspect Housing Mbalisuna, Clinic		X	
10:30am – 11:15am	Inspect Vehicle Workshop (David Taylor)	X		
11:15am – 12:00noon	Inspect Central Store & Chemical store (Simon)	X		
9:00am – 12:00noon	Review SIA		X	
12:00noon – 1:00pm	Lunch	X	X	
1:00pm – 3:15pm	Inspect Mill and Bulking Station	X		
3:15pm – 4:30pm	ISO 14001 – Internal Audit/Objectives and Targets/NCR's-Corrective Action			X
1:00pm – 2:45pm	Inspect Tetere Environment – river, beach, streams (Baddley & Roger)	X		X
3:30pm –4:30pm	Meet with NGO Representative in Honiara		X	

Wednesday 4th December 2013

Time	Activity	Allan	Mike	Dean
All day	Small Holders – as visited			X

8:00am – 10:30noon	Inspect Ngalimbiu/Okea	X		X
8:00am – 10:30noon	Inspect area Ngalimbiu/Okea incl. villages & environment		X	
8:00am – 12:00noon	Inspect Operational Control			X
8:00am – 10:30noon	Housing and clinics Ngalimbiu		X	
11:00am – 12:00noon	Meet with Growers Association representatives (Regina)		X	
10:30am – 12:00noon	Continue review of RSPO/ISO documentation	X		X
12:00noon – 1:00pm	Lunch	X		
1:00pm – 3:00pm	Continue review of documentation	X		X
1:00pm – 3:00pm	Monitoring and Measurement			X
1:00pm – 3:00pm	Inspect area around Tetere incl. VOP/smallholders (Greenta and James)		X	
3:00 – 4:00 pm	Discussions with GPPOWA			X
3:00pm – 4:30pm	Continue review of RSPO/ISO documentation	X		X

Thursday 5th December 2013

Time	Activity	Allan	Mike	Dean
8:00am – 10:00noon	Tetere Estate	X		
	Small Holders		X	X
8:00am – 10:00noon	Inspect area around Tetere (Baddley)		X	
11:00am – 12:00noon	Inspect Tetere Estates incl. office, landfill, housing and clinic	X		
11:00am – 12:00noon	Inspect Clinic meet with locum		X	
10:00am – 12:00noon	Emergency Preparedness	X		X
12:00noon – 1:00pm	Lunch	X	X	X
1:00pm – 2:00pm	Meet with representative women's group (Greenta)		X	
1:00pm – 3:00pm	SCCS Tetere Mill	X		
1:00pm – 2:30pm	Legal and other requirements/evaluation of compliance			X
3:00pm – 4:30pm	Review records of land title, leases, etc. (Baddley)	x		
2:30 – 3:30 pm	Meet with community reps re reconciliation programs		X	
4:30pm on	Complete review of RSPO/ISO documentation	X		X

4:30pm	Commence report preparation	X	X	X
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Friday 6th December 2013

Time	Activity	Allan	Mike	Dean
8:00am – 11:00am	Finalise report, check any outstanding details	X	X	X
11:00am – 12:00noon	Final exit meeting with senior staff	X	X	X
12:30pm	Depart for airport to catch flight at 2:45pm Approximately	X	X	X

Appendix "C"

CONTINUOUS IMPROVEMENT PLAN

GUADALCANAL PLAINS PALM OIL LTD

CONTINUOUS

IMPROVEMENT PLAN

2013-2014

Action Plan for Continual Improvement in Sustainable Performance

Introduction

This Action Plan for Continual Improvement identifies the planned actions that GPPOL will take in order to further improve its performance in the key areas of:

- Minimising the use of Certain Pesticides;
- Reducing negative and enhancing positive Environmental Impacts;
- Waste reduction;
- Pollution and emissions, and;
- Social Impacts.

GPPOL commits to maintaining and reporting on progress implementing this improvement plan commencing November, 2009 and reviewing it annually. By following this plan, GPPOL will continually improve its performance.

This plan provides guidance on how the sustainability principles to which GPPOL subscribes are implemented in a practical manner to provide operational, social and environmental benefits for all stakeholders.

These sustainability principles are defined in the following locations:

- RSPO Principles and Criteria (Solomon Islands National Interpretation)
- ISO 14001 Environmental Management Systems – Requirements with Guidance for Use

Aim

The aim of this plan is to provide a blueprint for continually improving the sustainable performance of GPPOL whilst ensuring that it prospers and, by doing so, improves the lives of all stakeholders.

Objectives

The objectives for this plan are measurable annual improvements in the sustainable performance of the Company, particularly against measures of the main social and environmental impacts and improvement opportunities for both plantation and milling operations.

The timeframe for realising Objectives can be split into short term (1 to 2 years), medium term (3 to 8 years) and long term (greater than 8 years). Generally, the short term objectives are readily achievable, provide limited returns but have low risk of failure.

The medium term objectives bring greater returns but are harder to achieve and are likely to require revision and modification along the way. The long term objectives are those that will really shape the Company's sustainable future. They require vision and strategic thinking and a long term commitment to bring them into reality.

Scope

This plan for continual improvement in the sustainable performance of GPPOL applies to all aspects of the Company's operations including plantation and milling activities. It considers all sustainability criteria including performance in the fields of social, environmental and commercial performance.

Overview

Initiatives in various areas of activity are identified according to the nature of the improvement to be achieved and the timeframe in which it is intended to develop and implement it.

Importantly, the expected indicators of success are identified to provide the basis for performance measurement in the future.

The plan is presented in tabular form with commentary provided to assist understanding of the rationale for the planned activity.

Each activity will be monitored on an ongoing basis by the person responsible for its implementation and reported, where significant events have occurred, at regular management meetings. Periodically the Company will prepare and publish a Sustainability Report that will report on progress in the implementation of this plan for improvement.

Implementation

The start date of this plan is November 2009. It endeavours to cover a time span of 25 years as that is approximately the re-plant cycle of Oil Palm Plantations and some environmental improvements will only be implemented at the time of re-planting.

Having said that though, it must be recognised that this plan will not identify all sustainability initiatives to be actioned over the 25 year period to 2034 and it is expected that many additional sustainability improvements will be identified and actioned within that period. For that reason, the plan is reviewed annually.

The review will not just review progress on previously identified activities but will identify and incorporate additional improvement activities that have arisen because of need, technological, social or environmental change or for other reasons. Within the life of the plan, it is expected that environmental, social, political and commercial requirements and expectations will evolve and the plan will respond in dynamic fashion to ensure continued relevance.

Planned activities are identified on the following pages. They are grouped according to area of endeavour and time-frame. The tables provide information on the expected benefits to be achieved.

1. Pesticides

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
1.1	Improve sprayer training to reduce spraying of non-target areas	4.7.3	Reduced Herbicide use, reduced ground cover damage	12/2014 Ongoing due to turnover	Training records,	Plantation Mgrs
1.2	Establish Chemical store and mixing area at Okea	4.6.10	Reduced crowding at Ngalimbiu, reduced risk of spillage whilst travelling from Ngalimbiu to Okea	03/2014	Completed awaiting movement in before commissioning. Legal Outcome required	General Manager
1.3	Review pesticide and herbicide registration requirements in the Solomon Islands and confirm compliance. If necessary, work with Government and suppliers to clarify this issue.	4.6.11	Increased compliance level with Solomon Islands registration requirements	04/2014 Complete	Two outstanding under application to be completed 03/14	Sustainability Manager
1.4	Commence Training with chemical usage for selected smallholders	4.6.6	Increased production and efficiency with larger smallholders	12/2014	Increased yield and better fields for smallholders	Smallholder manager
1.5	Extend training on the information contained in MSDS to increase understanding and awareness of their importance	4.6.8	More responsible usage of chemicals and improved ability to respond effectively to accidents.	12/2014 Ongoing due to turnover	Improved application practices, improved emergency readiness.	Plantation Mgrs /Sustainability Manager
1.6	Review Smallholder chemical use and training to ensure RSPO requirements are complied with.	4.6.6	No smallholders to use chemicals except as in 1.4	Ongoing	No smallholder issued chemicals by company	Sustainability Manager/Lands Officer

2. Environment

Environmental impacts of GPPOL operations are both positive and negative. The continual improvement plan is built into the environmental aspects list. This list is reviewed every twelve (12) months or more often if significant changes in the Company's operations or in the operating environment (including the regulatory environment) occur.

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
2.1	Progressive replacement of bridges and culverts in the field by fords where required and topography permits to reduce erosion and choke points.	4.3.5	Reduced erosion of roads and reduced siltation of water courses.	December 2014 and ongoing	Absence of evidence of erosion. Road Maintenance Plans held at each Plantation	Plantation Mgrs
2.2	Progressive removal of un-harvestable palms overhanging watercourses to reduce the quantity of fruit and fronds that cause pollution.	5.6.2, 4.7.2	Fewer harvester accidents, reduced pollution of waterways. Buffer zone Management complied with. All replant areas are reinstated.	Dec 2013 and Ongoing	Buffer zones re-established along major waterways.	Plantation Mgrs
2.3	Completion of the construction and commissioning of the Tertiary Treatment Plant for POME to reduce the load on the treatment ponds as mill throughput increases so that when pond discharge commences, effluent will be low in BOD and other controlled parameters.	4.4.1	Reduced load on POME treatment ponds, improved effluent quality	Completed.	Plant completed and operational. Testing regime started to determine effectiveness of treatment	Mill Manager
2.5	Review all septic systems in all compounds		Health and potential water quality issues with leaking sewage	Tetere Jun 2013 Ngalimbiu Jan 2014 Mbalisuna Jun 2014	Complete 90% Complete Planned and Capitalised	Sustainability Manager

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
2.6	Reduction in the quantity of water used in compounds through prompt repair of leaks and reduction of wastage.	4.4.1, 5.3.1	Reduced water consumption, reduced mosquito population with resultant malaria reduction.	Ongoing maintenance and checks	Absence of leaks and water logging in compounds. Meters fitted to record usage water recording done for 2013	Sustainability Manager
2.7	Develop and implement an ISO14001 compliant Environmental Management System and maintain certification	MOU RSPO Principle 5	Improved control over environmental aspects by establishing a formalised framework subject to external audit	Ongoing December Yearly	Maintenance of Certification	General Manager/Sustainability Manager
2.8	Reinstate buffer zones along waterways in accordance with the Logging Code of Practice. Former plantings by GPPOL predecessor Company frequently failed to maintain the required buffer zones. GPPOL will progressively re-establish buffer zones when estate blocks are replanted or earlier if resources permit.	4.4.2	Less riverine erosion, creation of wildlife corridors, trapping and filtering of plantation run-off.	Progressive to 2020	Established buffer zones along all waterways within and alongside plantation areas.	Sustainability Manager/Plantation Mgrs
2.9	Main Creek behind compound/office./mill reinstate buffer zone prior to re-plant.	4.4.2	Cleaner water for local people downstream, re-establishing native vegetation	June 2013	Established buffer zones	Sustainability Manager
2.10	Conduct monthly water sampling of freshwater streams as per Development Consent.		Meeting legislative requirements for operations.	Ongoing	Underway. Results available. Annual Report submitted	Sustainability Manager
2.11	Identify potential areas of expansion and map streams to commence baseline water surveys		Understanding of current water quality to include in development consent	February 2014	Water results and sample location map	Sustainability Manager

3. Waste Reduction

Waste reduction is being achieved in accordance with the Waste Management Plan. Waste reduction provides for reduced generation of waste as well as increased use of re-use and recycling processes to reduce the amount of actual waste that is generated.

Refer to the Waste Management plan for further details.

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
3.1	Refer to waste management plan					
3.2						
3.3						
3.4						
3.5						
3.6						

4. Pollution and Emissions

Pollution and emissions are identified in the Environmental Aspects listing. Plans to reduce these are provided in the list.

Control of rubbish and litter is seen as the biggest single issue in pollution control. It will be controlled through a mixture of education, increased collection, greater emphasis on recycling and greater supervisory intervention. (December 2012)

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
4.1	Conduct study into the effectiveness of solar energy using Mbalisuna as a trial site		Study to identify opportunity and financial costs to retrofit solar energy with battery storage for consideration in budget	Jun 2014	Completed study with costs	Sustainability
4.2	Centralization of Tetere and Mbalisuna waste disposal areas	See	Single waste facility with better management	Nov 2013	Completed	Estate Manager
4.3						
4.4						
4.5						
4.6						

5. Social Impacts

Continued improvement in the social impacts of GPPOL's activities include: construction of additional housing, establishment of stakeholder consultative committee, improvements to clinic facilities, improved communication and consultation with external stakeholders. Planning for increased housing is progressive as plantation rehabilitation activities reduce, staff turnover reduces and attendance improves. A Stakeholder consultative committee has been established (Oct 2010) and is commencing to work with the Company to establish objectives for improvement.

There is evidence that as labour turnover decreases, improved stability within the workforce will reduce some of the issues that result from a high level of transient workers.

A dedicated Social improvement plan has been developed and is being refined with input from the Liaison Committee (GCLC). It provides greater than the items listed below and should be read in conjunction with this list.

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
	Refer to Social Impact Improvement Plan. Due to complexity and multiple issues this is a live document that will be updated on a more frequent basis.					

6. Health and Safety

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
6.1	Review of all accidents to clearly identify trends and highest risk activities and review of safety management plans		Clear Indication of major injury causes and subsequent plans inc monitoring to demonstrate effectiveness of controls	Ongoing reviews	Gloves in PPE in. Mill concentrating on high risk and doing RA.	Sustainability Manager
6.2	Develop and deliver permit system and associated training for specific issues including Confined spaces, Harvesting near power lines, Lifting (FFB), Working at heights, Dangers of electricity and Use of PPE		Permit system to be introduced particularly in Mill	June 2014	Successful permit system working	Sustainability Manager
6.3	Work more closely with Government medical staff to improve the level of care to Company employees, their dependants and members of neighbouring communities		Recorded reduction in prevalent diseases and more community awareness of risks and methods of combat	Ongoing	Malaria reduced, medical training, donated medications. Closer working relationship	Sustainability Manager
6.4	Appointment of Safety Officer in Mill		Increased awareness and ability to implement systems such as permits	Nov 2013	Completed	
6.5	Training of Microscopist in basic serology and other blood tests		Ability to determine type of infections to reduce use of broad spectrum antibiotics	Marc 2014	Blood tests being conducted and training completed	Sustainability Manager
6.6	Development of a mechanism for interchange of safety information with NBPOL in New Britain.		Sharing of knowledge to reduce common issues	Underway	Sharing of safety meetings with other sites Sustainability Manager	Sustainability Manager
6.8	Plan medical improvements for the future		Strengthened medical personnel for future operations Upgrade of Clinic for Doctors Office Use of Doctor in surrounding clinics and hospital	Ongoing	Scholarship of SI doctor at ROC university employed in Jul 2014 Clinic upgraded Use of Company Doctor as locum Doctor	Sustainability Manager

7. Legal Compliance and Transparency

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
7.1	Update the review of compliance with the requirements of the Memorandums of Understanding and applicable legislation.	2.1.1	Documented compliance evidence and possible update to MOU.	2015	No areas of legal noncompliance. MOU relevant to current operations.	General Manager
7.2	MOU Review		As required renewed MOU's	2012	Both MOUs complete	General Manager
7.3	MOU Review		As required five years after initial review	2016	MOU parties to commence negotiations	General Manager
7.4						
7.5						
7.6						

8. General (Forward Planning and other issues)

No.	Improvement Action	Reference	Expected Outcome	Timeframe	Indicators	Responsibility
8.1	Long term solution to traffic and potential environmental issues related to transport of oil to the bulking terminal at Point Cruz.	3.1.1	Relocated and expanded bulking terminal to remove constraints imposed on present location and to eliminate the need to operate 30 tonne road tankers through the central business district of Honiara. Land now purchased and Joint Venture Planning underway	2020 Jul 2014	Relocated bulking terminal. Design complete and JV with SPO Signed	General Manager
8.2						
8.3						
8.4						
8.5						
8.6						

Appendix “D”

Nonconformities, Corrective Actions and Observations Summary

2013 Assessment

Minor NC 2

Observations/OFI 10

DESCRIPTION	NCR Ref.	Minor Non-Conformance Details	Corrective Actions	Responsibility	Date Due
5.2.5 Minor NC:	CR03	5.2.5 Minor NC: In the area near the Metapone River there is evidence of illegal gardens being planted in the established buffer zone. There are signs however these are not clear and do not identify GPPOL as the authority.			
5.3.2 Minor NC:	CR04	There is a leaking Septic in Mbalisuna housing compound which appears to have been leaking for some time. This is in the housing areas and is quite widespread. It has spread across the road and as evidence of algae growing in it and action as not yet taken to clean this area where people live. It is			

		understood there is a major plan to update septic system however this area requires immediate action.			

1.1.1 Observation: There was a verbal request from DEC for a publication in October 2013 and although this was approved immediately the verbal request was not documented as required by the process.

4.3.5 Observation: If the road maintenance plan is not up to date and is behind for reasons such as broken down road graders the reason for the delay is not being recorded. The road maintenance plan at some estates does not indicate progress against planned road maintenance arrangements. This would help indicate the status of road grading when plant is not available through breakdown and managers can be aware of the status of grading.

4.5.3 Opportunity for Improvement: The materials used in the Ganoderma field training showed the use of an Operative Technical Note by Dr. Carmel Pilotti in 2004. This technical note is too technical for smallholder farmers. A more simplified version of this, especially the information on Ganoderma sanitation practice, would be more appropriate. The use of a lot of enlarged poster-sized photographs of this work would be valuable.

4.5.3 Opportunity for Improvement: There has not been any practical demonstration of Ganoderma sanitation (removal) to smallholder farmers. In-field practical demonstration of Ganoderma removal is now common in all NBPOL SHA and OPIC field days in Papua New Guinea, which has greatly enhanced the growers' understanding of what to do to remove Ganoderma infected palms. The PNGOPRA Ganoderma staff advised of the lack of manpower to assist in a field demonstration of Ganoderma removal. The plantation has a Ganoderma sanitation team that could assist in a few Ganoderma removal demonstrations to smallholder growers so the growers know how to do this themselves.

4.7.2 Observation: A number of minor OHS issues requiring attention were observed during this audit including: 1 gas bottle gauge broken, Tertiary treatment plant to be included in the risk register, petrol stored below electrical boards.

6.3.1 Observation: There is not an effective grievance mechanism in place to capture all nature of concerns by smallholder growers. It was explained that almost all complaints by smallholders were in relation to improper payments for which, there is an IT request form that is filled by the SHA manager authorizing IT to make necessary changes (evidence sighted). However, that system belongs to IT and now the SHA and does not allow for other forms of grievances to be captured when reported to SHA. A grievance from similar to the one operating for GPPOL workers need to be implemented and smallholder growers.

6.3.2 Observation: The grievance book is not always updated as the grievance progresses and when a solution is found and the grievance resolved. The grievance does not at times indicate when a matter has been referred to the local police.

6.4.1 Opportunity for Improvement: GPPOL is considering an expansion to the east of existing estates. Although discussions between GPPOL and local residents have only recently commenced, there is considerable interest from local communities in both smallholder and estate production. GPPOL has a documented procedure for developing oil palm on new areas of customary owned land. The Land Acquisition Note and Acquisition Procedures are relatively brief and could be improved to ensure the procedures have adequate detail in relation to the identification of the customary owners; consultation with customary owners over the potential impacts, both positive and negative; environmental assessment; land suitability assessment; and other aspects to ensure Free, Prior and Informed Consent. Additional details in regard to new plantings are discussed under Criterion 7.1.

6.10.3 Observation: A 5ha block visited had 8 damaged seedlings planted which were supplied by GPPOL. The supplied seedlings were stunted palms which should have been picked up during the many culling stages (monthly and 6 monthly) during the 2 years in the nursery.

6.11.1 OFI: GPPOL continue to provide a number of goods and services to surrounding communities and organisations. By accurately measuring these and allocating a value to the provision of these goods and services, it would better illustrate MBE's commitment to community development.

2012 Assessment

2 Non-conformance against Minor Compliance Indicators

8 Observations/Opportunities for Improvement

DESCRIPTION	NCR Ref.	Minor Non-Conformance Details	Corrective Actions	Responsibility	Date Due
4.4.3 Minor NC:	CR01	The small conservation area in Tetera estate which is considered a buffer zone had some work completed on the bank of a small stream however this activity damaged the area and restoration work has not yet taken place to better protect	NCR raised and work to rehabilitate and delineate to be completed.	Estate Manager	31/01/13

		and maintain this water course.			
4.7.5 Minor Conformity:	CR02	However GPPOL are required to show evidence of testing of emergency drills such as evacuations, spill control, vehicle accidents in all operational areas and this has not taken place as required. There was no evidence of drill in a number of areas including Workshop, Okea and Teterere. Records of drills are not at times inclusive of the results of these activities.	Drill schedule released, compliance with schedule checked with quarterly audits. Training on report structure	Sustainability Manager Sustainability Manager	Ongoing Feb 2013

4.3.5 Observation: If the road maintenance plan is not up to date and is behind for reasons such as broken down road graders the reason for the delay is not being recorded.

Noted and all PMs advised

4.4.2 Observation. There is a need to better stabilise the bank of the Metapone River which has changed course due to floods and other weather events which has left the bank steep and unstable

Noted and designs to be reviewed in early 2013

4.5.2 Observation: Although the occurrence of Ganoderma is very wide spread Tetere Estate has not completed a survey to determine the amount of infestation. This has been completed for the other estates however.

Completed at Tetere Estate and will be updated regularly

5.1.2 Observation: Although the Environmental Plan is now up to date some of the older achievements going back to 2009 could be removed and GPPOL needs to concentrate on current plans and monitor these.

Older programmes removed

5.3.2 Observation: Better management of Landfills would improve their life cycle and efficiency – this includes making cells with straight sides and having in place a levee to direct water away from the cell. Better segregation of waste by removing green waste from the landfill would also extend the life of each cell.

Landfills re-excavated and now centralised to one should prove easier to maintain standards. Green waste is still an issue as it has to be separated at landfill area as employees won't do. This is dangerous and unhealthy for person separating. Will be reviewed in 2013 and retried.

6.3.1 Observation: Further awareness of the grievance mechanism is warranted, both internally and externally, to ensure all stakeholders are aware that they can raise any issue that concerns GPPOL or its employees and they will receive a response from the Company in a timely manner. Providing a simplified summary of the grievance mechanism, possibly in Solomon Islands Pijin, may help raise awareness and the level of understanding of the grievance mechanism.

Simplified version in Pijin already exists. Will be further simplified.

6.5.1 Observation: A study to assess the cost of living for families in the compounds was initially scheduled for late 2010 and subsequently in 2012. Unfortunately the main person in the NGO engaged to undertake the study left, and the NGO was unable to complete the study or provide any material or information. GPPOL has subsequently decided to undertake the study. As cost of living pressures are often regarded as one of the main social issues within the workforce, it is important to undertake the study, and preferably complete it no later than in 2013.

Oxfam study has failed three times to deliver. Will be conducted internally in 2013

8.2.1 Continuous improvement Plan: Additional details are required for external readers to understand both the mitigation strategies and the actual achievements in the Social Impact Improvement Plan (which is the basis for demonstrating continuous social improvement). In addition, targets could include quantities (when applicable) as well as the timeframe. An assessment of progress should be undertaken annually and results included in the Social Impact Improvement Plan. This plan should be retained to demonstrate the plans and achievements for that particular year.

OBSERVATIONS / OPPORTUNITIES FOR IMPROVEMENT

1.1.1 Observation, the guidance notes state that “independent smallholders (and large Out growers) can make documents available demonstrating their rights in land such as land title, user rights and maps (if available)”; and under Principle 2, quote “independent smallholders can demonstrate their rights to their land holdings and there is no evidence of major land disputes”:

Corrective Action: GPPOL will check to see what is available in regards to customary land ‘titles’ and whether a system exists in Solomon Islands. If not alternatives to demonstrate the rights to land ‘ownership’ will be investigated. Generally the Chief holds the land and gives to individuals. There are a number of different land systems and investigative work will be conducted.

1.2.6 Observation: The malaria policy is in the present time being reviewed and re-issued for the NPPOL GROUP.

Corrective Action: Will follow up to ensure is available by February 2012

2.1.3 Observation: The procedure for managing changes in laws and getting the information to staff does give enough details of the process and how it is implemented from a practical viewpoint.

Corrective Action: Procedure updated and formalised pending legal review and awaiting comeback on Government re Government Gazette.

4.1.1. Observation: The SOP was not in place for the new steriliser in the vicinity of the operations (rectified during this assessment).

Corrective Action: Completed as stated

4.2.3 Observation: It was noted that a number of fronds are a not properly stacked and are in drains and streams with the potential to cause damaged to culverts and bridges in wet conditions.

4.7.2 Observation: Since the last audit there has been a reduction in the amount of workplace inspections taking place and a routine is not being following. Previously inspection where completed each quarter now it is more random and therefore it is unsure if all hazards and risks are controlled. Furthermore when some inspections are taking place the reports indicate no matters when this is not always the case.

Corrective Action: Schedule to be released end of January and inspection sheets will be scrutinised by the Sustainability and Area Manager to ensure being completed correctly and actions are taken. HAZOB books to be implemented in February which will provide day to day inspections.

4.7.3 Observation Correct footwear should be issued to all harvesters in January 2012. In addition, this should be documented in both the health and safety plan and continuous improvement plan

Corrective Action: Appropriate footwear to harvesters is commencing in January and is now listed in continuous improvement plan.

4.7.3 Observation: Contractors constructing the new storage tank at the mill do not appear to have a safety plan in place and a number of hazards and risk were not adequately controlled. For example use of damaged electrical leads, not hanging up leads and other issues.

Corrective Action: Re-induction of Contractors at mill to be conducted when recommence work in February. Safety Management Plan to be submitted by all contractors as per the new form contract. One new contractor already complies and mill contractors requested to submit one for approval prior to recommencing in February.

4.8.1 Observation: Training (4.8.1) GPPOL has not compiled an overall training program, initially for 2012, that includes:

- A summary of training needs assessments for all staff, out growers and contractors; and
- Details on the training to be provided over the next year, including a brief description of each training activity, the number of staff/out growers (and potentially contractors) to be trained, the training provider, and the timing and duration.

Consideration may also be given to the inclusion of training and awareness activities in the training program for each of the compounds

Corrective Action: Training plan to be reviewed by end of February to include where possible suggested actions.

5.1.1. Observation: The register was due for a further review by 1st July 2011. This review was not carried out as scheduled and was only recently undertaken – this is due at least every 12 months. Further the revised aspects register did not indicate any changes to the aspects.

Corrective Action: all major plans are now due for review around November to ensure consistency. They will be conducted 12 monthly or as required in the document. As stated full review of aspects register is scheduled for February.

5.4.2 Observation: GPPOL have not included all fuel used by contractors, transport and other operations with regards to use of non-renewable energy sources.

Corrective Action: All fuel usage as described is now being collected and reported on a monthly basis. All fuel for 2011 was collected retrospectively in January and has been reported to Corporate as part of annual KPI measurement.

6.3.1 Observation: It appears that some stakeholders are not aware of the grievance mechanism and/or have some reluctance to use the mechanism for fear of recrimination. A simply description of the grievance mechanism is not yet prepared by GPPOL and translated in simple Solomon Islands *Pijin* and displayed at appropriate locations including, notice boards in each compound and at the clinics, and notices displayed at the Union Store, at Tetere, and at the GPRDA office, also at Tetere.

Corrective Action: Will be completed by end of February 2012

6.5.1 Observation: There is a need to clarify whether wage payments allow a decent standard of living for employees. A study to assess the cost of living for families in the compounds was initially scheduled for late 2010 and is now scheduled for 2012. The study should be undertaken as a priority, but will need to be well thought out and adequately resourced. External expertise may be required, and the independence may be beneficial in terms of gaining acceptance by workers and their representatives.

Corrective Action: Review of study completed by Oxfam in 2011 will be conducted once final report issued (February scheduled). From there further works and the potential requirement for external assistance will be reviewed.

6.6.2 Observation Although GPPOL has a policy supporting freedom of association and collective bargaining, it is recommended that the policy is stated simply, translated in simple Solomon Islands *Pijin*, and both notices are displayed at appropriate locations.

Corrective Action: Will be completed by end of February 2012

6.9.1 Observation As noted above, All sexual harassment and domestic violence policies and translate them in simple Solomon Islands *Pijin* and display all notices at appropriate locations, including notice boards in each compound, at the Union Store at Tetere, and at the GPRDA office, also at Tetere. The same could be done to further promote maternity leave and breastfeeding entitlements.

Corrective Action: Will be completed by end of February 2012

6.10.1 Observation, "growers and mills deal fairly with smallholders and other local businesses; 6.10.2, states that "pricing mechanisms for FFB inputs/services shall be documented (where these are under control of the mill or plantation". The current pricing formula for FFB is not clearly understood by Out growers.

Corrective Action: Information to be circulated during Smallholder Field Days in February and March. Poster has been sourced from NBPOL and is being edited to suit GPPOL situation.

Appendix “E”

Supply Chain Report

Annex 6: GPPOL Supply Chain 4.12.13

Requirements	SG
1. Documented procedures	
<p>1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements. This will include as a minimum</p> <p>a. up to date procedures covering all elements of supply chain requirements</p> <p>b. The name of the person having overall responsibility for and implementation of these requirements and shall demonstrate awareness of facilities for implementation of the standard</p> <p>1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFB.</p>	<p>At this stage there are written/documented procedures for the chain of custody for Milne Bay Oil Mill</p> <p>Supply Chain Management Guideline Supply Chain # BMT-RSPO-000019 Issue 2 06 December 2011</p> <p>Approved by Roger Benzie Responsibility: Andrew Kerr - Sustainability Manager</p> <p>The documented procedures for receiving and processing certified and non-certified FFB are included in the Supply Chain Manager Guideline</p>
2. Purchasing and goods in	
<p>2.1 The facility shall verify and document the volumes of certified and non-certified FFB received.</p>	<p>Around 90% of material comes from NBPOL Estates therefore there is no PO. 10 % comes from Small Holders. With Small Holder NBPOL use a Docket system which indicate weight (quality of product is checked in the field and rejected if rotten) and source of materials. This indicates which small holder block this came from. Purchase orders are not used.</p> <p>Yes this is done by weighbridge docket indicate weight and source of RSPO material. In this case PO is not used because internal supplier. All Small Holder RSPO Material is identified by docket system as to source including small holder block location</p> <p>The volumes of certified and non-certified FFB is</p>

<p>2.2 The facility shall inform the CB immediately if there is projected over production</p>	<p>documented by the weighbridge – all FFB is certified</p> <p>There is no projected over production for each mill.</p>
<p>3 Record keeping</p>	
<p>3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</p>	<p>There are records in place which are complete, up to date and accurate for all requirements. These are available from the weighbridge and within the system. All were readily retrievable</p>
<p>3.2 Retention times for all records and reports shall be at least five (5) years.</p>	<p>The previously certified ISO 14001 system requires that all records and reports are retained for a minimum of 5 years</p>
<p>3.3 The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p>	<p>The mill records and balance of all materials on a 3 monthly basis – all material is RSPO certified FFB</p>
<p>3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.</p>	<p>The supply chain model is clearly indicated on all sales contracts</p>
<p>4. 4 Sales and goods out</p>	
<p>4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p> <ul style="list-style-type: none"> a) The name and address of the buyer; b) The date on which the invoice was issued; c) A description of the product, including the applicable supply chain model (Segregated) d) The quantity of the products delivered; 	<p>The company is able to issue an invoice which will allow them under the segregation scheme to include amount of RSPO materials.</p> <p>This is included</p> <p>Date of issue of invoice is recorded</p> <p>Description of product is included – including supply chain model</p> <p>This is via an arrival alert that client has received</p>

e) Reference to related transport documentation.	product
5. Processing	
5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non-certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed.	There are clear and precise procedures in place that record that RSPO product is segregated – however product is 100% segregated
5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material	All material is RSPO certified
5.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that: <ul style="list-style-type: none"> • The crush operator conforms to these requirements for segregation • The crush is covered through a signed and enforceable agreement 	Not applicable to NBPOL or its mills
6. Training	
6.1. The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	Staff in the weighbridge is already competent in separating the source of the material and this can be related to company & small holder material – all RSPO. There are records of competency of staff in weighbridge
7. Claims	
7.1 The facility only makes claims regarding the use of or support of RSPO certified sustainable palm oil that are in compliance with the RSPO approved claims	All RSPO material

UTZ Palm 2013 -2014 33, 383 tonnes traded